NOTICE OF
SPECIAL MEETING OF MEMBERS
AND
REGULAR MEETING OF DIRECTORS
OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
February 5, 2020

A special meeting of the Members of New York City Economic Development Corporation ("NYCEDC"), called at the direction of the President of NYCEDC, and a regular meeting of the Board of Directors of NYCEDC will be held on Wednesday, February 5, 2020 in Conference Center A/B, on the 14th Floor at the offices of NYCEDC at One Liberty Plaza, New York, New York. The Members meeting will begin at 8:30 a.m. and will be followed by the Directors meeting at 8:35 a.m.

The agendas for the meetings are as follows:

Meeting of Members

I. Approval of Minutes of the November 7, 2019 Annual Meeting of the Members
II. Election of Alternate
III. Such other business as may properly come before the meeting

Meeting of Directors

I. Approval of Minutes of the November 7, 2019 Regular Meeting of the Board of Directors
II. Report of NYCEDC's President
III. Election of Officers
IV. Bush Terminal Industrial Complex: Amendments to NYCEDC's Three Leases for Bush Terminal
V. Surrender of 125th Street Lease to The City of New York
VI. Triangle Plaza Hub LLC Project: Deed Modification and Real Property Acquisition
VII. Acquisition of 1481 Blondell Avenue, Bronx
VIII. Quarterly Report on Investments (for information only)
IX. Such other business as may properly come before the meeting

Mark Silversmith
Assistant Secretary

New York, New York
Dated: January 24, 2020

LDCMT-26-11041

SPECIAL MEETING OF MEMBERS
AND
REGULAR MEETING OF DIRECTORS
OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
FEBRUARY 5, 2020

Table of Contents

DEFINITIONS

Apple ……………………..	Apple Industrial Development Corp.
Armand ……………….	Armand Corporation d/b/a Armand of New York
BAT …………………….	Brooklyn Army Terminal
Bovis …………………..	Bovis Lend Lease LMB, Inc.
CDBG ………………….	Federal Community Development Block Grant
CDBG-DR Funds ……..	Federal Community Development Block Grant-Disaster Recovery Program funds
CEQR …………………..	City Environmental Quality Review process
City DEP ……………….	New York City Department of Environmental Protection
City DOT ……………….	New York City Department of Transportation
City Parks ………………	New York City Department of Parks and Recreation
City Planning …………..	New York City Department of City Planning or City Planning Commission
CM ……………………..	A construction manager
CM Contract …………..	A construction management contract
DCAS ………………….	New York City Department of Citywide Administrative Services
EIS ……………………..	Environmental Impact Statement
ESDC ………………. …	New York State Urban Development Corporation d/b/a Empire State Development Corporation
FEMA …………………..	Federal Emergency Management Agency
FM ………………………	A facilities manager
FM/CM Contract ………	A facilities management/construction management contract
Funding Source Agreement ……………..	Any agreement necessary to obtain funds for the Project, including IDA Agreements
Gilbane…………………	Gilbane Building Company
HDC ……………………	New York City Housing Development Corporation
HPD ……………………	New York City Department of Housing Preservation and Development
Hunter Roberts ……….	Hunter Roberts Construction Group, L.L.C.
IDA ……………………..	New York City Industrial Development Agency
IDA Agreement ………..	Agreement with IDA pursuant to which IDA retains NYCEDC to accomplish all or part of the Project and reimburses NYCEDC for the costs of the work
LiRo …………………….	LiRo Program and Construction Management, PE P.C.
LMDC …………………..	Lower Manhattan Development Corporation
McKissack ……………..	The McKissack Group, Inc. d/b/a McKissack & McKissack
MOU ……………………	A memorandum of understanding

NYCEDC ……………….	New York City Economic Development Corporation, survivor of a November 1, 2012 merger of a local development corporation (the "LDC") named New York Economic Development Corporation with and into New York City Economic Growth Corporation. References to NYCEDC prior to such merger are references to the LDC.
NYCHA ……………….	New York City Housing Authority
NYCLDC ……………….	New York City Land Development Corporation
Noble Strategy ………..	Noble Strategy NY Inc.
OMB ……………………	New York City Office of Management and Budget
Port Authority …………	The Port Authority of New York and New Jersey
RFP ……………………	Request for Proposals
Sanitation ……………..	New York City Department of Sanitation
SBS …………………….	New York City Department of Small Business Services
SEMO ………………….	New York State Emergency Management Office
SEQR …………………..	State Environmental Quality Review process
Skanska ……………….	Skanska USA Building Inc.
State DEC ……………..	New York State Department of Environmental Conservation
State DOS …………….	New York State Department of State
State DOT ……………..	New York State Department of Transportation
State Parks ……………	New York State Office of Parks, Recreation and Historic Preservation
Tishman ……………….	Tishman Construction Corporation of New York
Turner ………………….	Turner Construction Company
ULURP …………………	Uniform Land Use Review Procedure

MINUTES OF THE ANNUAL MEETING
OF THE MEMBERS
OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
November 7, 2019

The annual meeting of the Members of New York City Economic Development Corporation ("NYCEDC") was held, pursuant to notice by an Assistant Secretary, on Thursday, November 7, 2019, in Conference Center A/B, on the 14th Floor at the offices of NYCEDC at One Liberty Plaza, New York, New York.

The following Members of NYCEDC were present:

Cheryl Adolph (by conference telephone)
Shirley Aldebol (by conference telephone)
Vicki Been
William Candelaria (by conference telephone)
Wilton Cedeno (by conference telephone)
Hector Cordero-Guzman (by conference telephone)
Mitchell Draizin (by conference telephone)
Robert Englert (by conference telephone)
William Floyd (by conference telephone)
Matthew Hiltzik (by conference telephone)
Tanya Levy-Odom (by conference telephone)
James McSpiritt
Melva Miller
Patrick J. O'Sullivan, Jr.
James Patchett
Mark Russo (by conference telephone)
Matthew Washington
Timothy Wilkins
Betty Woo

Members of NYCEDC staff also were present.

The meeting was chaired by James Patchett, President of NYCEDC, and called to order at 8:38 a.m. Meredith Jones, Executive Vice President, General Counsel and Secretary of NYCEDC, served as secretary of the duly constituted meeting, at which a quorum was present.

1. Remarks of Deputy Mayor Vicki Been

At this time, Vicki Been, New York City's Deputy Mayor of Housing and Economic Development, addressed the Members, and thanked and commended NYCEDC for its great work and for setting an example as to how to accomplish inclusive economic development. Deputy Mayor Been then highlighted and summarized some recent NYCEDC projects and achievements. In closing, she stated that there still was much to accomplish and touched on some of the key work and goals that lay ahead for NYCEDC and the City.

2. Minutes of the September 27, 2019 Special Meeting of the Members

There being no questions or comments with respect to the minutes of the September 27, 2019 special meeting of the Members, as submitted, a motion was made to approve such minutes, as submitted. Such motion was seconded and unanimously approved.

3. Annual Report of the Board of Directors of NYCEDC for the 12-Month Fiscal Period Ended June 30, 2019

The Annual Report of the Board of Directors of NYCEDC for the 12-Month Fiscal Period Ended June 30, 2019, attached hereto as Exhibit A, was submitted to the Members. Mark Silversmith, a Special Counsel and Assistant Secretary of NYCEDC, stated that the report contained the final audited financial statements of NYCEDC for Fiscal Year 2019, which were substantially the same as those submitted to the Board in September, with some blank dates filled in. Mr. Silversmith further noted that the report previously submitted to the Members stated that there were 25 Members as of October 24, 2019, but that due to the resignation of Gail Mellow there were only 24 Members on that date, and that a corrected report would be included with the minutes to reflect that corrected number.

Ms. Levy-Odom joined the meeting at this time.

4. Election of Directors and Alternates

Under NYCEDC's Bylaws NYCEDC's Members elect its Directors at the annual meeting of the Members. Directors must be Members at the time of their election. A Deputy Mayor of the City of New York may approve a person to be elected as his/her alternate as a Director. Deputy Mayor Been had requested that Pedram Mahdavi be re-elected to serve as her alternate and that Jon Cohen be re-elected to serve as her alternate at meetings that Pedram Mahdavi does not attend as her alternate.

A motion was made to elect (i) the persons listed in Exhibit B hereto to be Directors of NYCEDC, (ii) Pedram Mahdavi to be an alternate for Deputy Mayor Been in her capacity as a Director of NYCEDC and (iii) Jon Cohen to be an alternate for Deputy Mayor Been in her capacity as a Director of NYCEDC at meetings that Pedram Mahdavi does not attend as her alternate. Such motion was seconded and unanimously approved.

5. <u>Adjournment</u>

There being no further business to come before the meeting, the meeting of the Members was adjourned.

____
Assistant Secretary

Dated: ______________________
New York, New York

Exhibit A

Annual Report of the Board of Directors of New York City Economic Development Corporation ("NYCEDC") for the 12-Month Fiscal Period Ended June 30, 2019

TO: The Members of NYCEDC

The Board of Directors of NYCEDC respectfully submits for your information the following report relating to NYCEDC. The report is for the twelve-month fiscal period ended June 30, 2019.

1. Attached hereto as Attachment A are the Financial Statements, Required Supplementary Information, and Supplementary Information of NYCEDC for the years ended June 30, 2019 and June 30, 2018, which includes a Report of Independent Auditors Ernst & Young LLP and financial information required to be provided to the Members of NYCEDC pursuant to Section 519 of the New York State Not-for-Profit Corporation Law.

2. As of October 24, 2019, the number of Members of NYCEDC is 24, due to there being three vacancies.

3. The number of Members of NYCEDC was 27 on July 1, 2018, at which time there was no vacancy, and 26 on June 30, 2019, at which time there was one vacancy.

4. The names and addresses of the Members of NYCEDC as of October 24, 2019 may be found in the Members/Directors book of NYCEDC, which is kept at One Liberty Plaza, 13th Floor, New York, New York 10006.

Dated: October 24, 2019
New York, New York

President

Treasurer

State of New York)
) ss.:
County of New York)

James Patchett, being first duly sworn, deposes and says that he executed the foregoing report and is the President of New York City Economic Development Corporation, that he has read the foregoing report and knows the contents thereof, and that the information provided in Sections 2-4 of the report is true.

James Patchett

Sworn to before me this 6th
day of November, 2019

Arthur Hauser
Notary Public

Arthur Hauser
Notary Public, State of New York
NO. 01HA6276327
Qualified in Kings County
Certificate Filed in New York County
Commission Expires 2/11/2021

State of New York)
) ss.:
County of New York)

Spencer Hobson, being first duly sworn, deposes and says that he executed the foregoing report and is the Treasurer of New York City Economic Development Corporation, that he has read the foregoing report and knows the contents thereof, and that the information provided in Sections 2-4 of the report is true.

Spencer Hobson

Sworn to before me this 7th
day of November, 2019

Arthur Hauser
Notary Public

Arthur Hauser
Notary Public, State of New York
NO. 01HA6276327
Qualified in Kings County
Certificate Filed in New York County
Commission Expires 2/11/2021

Attachment A

New York City Economic Development Corporation

(a component unit of the City of New York)

Financial Statements,
Required Supplementary Information
and Supplementary Information

Years Ended June 30, 2019 and 2018
With Report of Independent Auditors

New York City Economic Development Corporation
(A Component Unit of the City of New York)

Financial Statements, Required Supplementary Information, and Supplementary Information

Years Ended June 30, 2019 and 2018

Contents

I. Financial Section

Ernst & Young LLP
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New York, NY 10036

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ey.com

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Report of Independent Auditors

The Management and the Board of Directors
New York City Economic Development Corporation

Report on the Financial Statements

We have audited the accompanying financial statements of New York City Economic Development Corporation (NYCEDC), a component unit of The City of New York, as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise NYCEDC's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NYCEDC as of June 30, 2019 and 2018, and the changes in its financial position and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Required Supplementary Information

U.S. generally accepted accounting principles require that management's discussion and analysis, the schedule of changes in net OPEB liability and related ratios, and the schedule of OPEB contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise NYCEDC's basic financial statements. The combining schedule of revenues, expenses and changes in net position is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining schedule of revenues, expenses and changes in net position is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the combining schedule of revenues, expenses, and changes in net position is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated September 30, 2019, on our consideration of NYCEDC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of NYCEDC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering NYCEDC's internal control over financial reporting and compliance.

Ernst + Young LLP

September 30, 2019

This section of New York City Economic Development Corporation's (NYCEDC or the Corporation) annual financial report presents our discussion and analysis of NYCEDC's financial performance during the fiscal years ended June 30, 2019 and 2018. Please read it in conjunction with the financial statements and accompanying notes.

Fiscal Year 2019 Financial Highlights

Net Position: $562 million

- Cash, cash equivalents and investments decreased $87 million (or 15%)
- Tenant receivables, net decreased $11 million (or 14%)
- Capital assets, net, increased $197 million (or >100%)
- Due from the City, net increased $31 million (or 47%)
- Accounts payable and accrued expenses increased $18 million (or 9%)
- Tenant security and deposits payables decreased $26 million (or 37%)
- Other liabilities increased $24 million (or >100%)

Change in Net Position: $114 million increase

- Property rentals increased $16 million (or 7%)
- Other income decreased $7 million (or 17%)
- Property rental expenses increased $21 million (or 24%)
- Ferry related expenses, net increased $9 million (or 21%)
- Contract and other expenses to the City increased $28 million (or 92%)
- Capital contribution increased $165 million (or 100%)

Overview of the Basic Financial Statements

This annual financial report consists of four parts: *management's discussion and analysis* (this section), *basic financial statements and footnote disclosures, required supplementary information* and *supplementary information*. NYCEDC is organized under the not-for-profit corporation law of the State of New York. NYCEDC is also a discretely presented component unit of the City of New York (the City). NYCEDC follows enterprise fund reporting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Enterprise fund statements offer short-term and long-term financial information about the activities and operations of the Corporation.

While detailed sub-fund information is not presented, separate accounts are maintained for each fund to control and manage transactions for specific purposes and to demonstrate that NYCEDC is properly performing its contractual obligations.

Financial Analysis of the Corporation

Condensed Statements of Net Position

The Corporation adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* as of July 1, 2016. As a result, the Corporation's Net Position as of July 1, 2016, and the Statement of Revenues, and Expenses and Changes in Net Position for June 30, 2017, have been restated to reflect the required adjustments.

The following table summarizes NYCEDC's financial position at June 30, 2019, 2018, and 2017 (dollars in thousands) and the percentage changes between June 30, 2019 and 2018:

	2019	2018	2017 (Restated)	% Change 2019–2018
Current assets	**$ 618,440**	$ 686,251	$ 599,028	(10)%
Non-current assets	**592,763**	414,384	474,433	43%
Total assets	**1,211,203**	1,100,635	1,073,461	10%
Deferred outflows of resources	**1,591**	–	167	100%
Current liabilities	**275,082**	261,803	248,257	5%
Non-current liabilities	**372,751**	389,057	391,522	(4)%
Total liabilities	**647,833**	650,860	639,779	(0)%
Deferred inflows of resources	**3,209**	1,526	–	110%
Net position:				
Restricted	**63,017**	102,543	107,506	(39)%
Unrestricted	**263,150**	307,576	292,021	(14)%
Net investment in capital assets	**235,585**	38,130	34,322	518%
Total net position	**$ 561,752**	$ 448,249	$ 433,849	25%

During fiscal year 2019 total assets increased $110.6 million or 10%, primarily due to a net increase of $197.5 million in capital assets, consisting of $147.1 million in vessel acquisition costs for the operation of NYC Ferry services and a $46.3 million increase in leasehold improvements for NYCEDC's new headquarters at One Liberty Plaza. In addition, a net receivable increase of $30.6 million in Due from the City primarily resulted from a $64.7 million receivable for vessel acquisitions, offset by an $11.3 million decrease in other payables to the City. These increases in assets were offset by a $87.0 million decrease in cash, cash equivalents, and investments largely used to fund the acquisition of the vessels and the construction of NYCEDC's new offices. Tenant receivables also decreased $10.5 million due to the collection of prior year recognized revenue.

Total liabilities decreased $3.0 million or less than 1%. Tenant security and escrow deposits payable decreased $26.4 million, mainly due to the close out of multiple projects and the refund of certain escrow deposits to developers. The refunds consist of $10.9 million for the Coney Island Amphitheater, $9.1 million for Seward Park and $6.0 million for the Battery Maritime Building. This decrease was offset by a $21.6 million increase in other liabilities primarily due to the lease incentive landlord contribution of $18.7 million provided to NYCEDC for leasehold improvements at the new headquarters. The lease incentive construction credit has been straight-lined and will be recognized over the life of the lease as an offset to rent expense through 2039.

The Corporation's overall net position during fiscal year 2019 increased $113.5 million or 25% as a result of the fiscal year operating activities. This increase consisted of a $197.5 million increase in net investment in capital assets which is offset by a $56.2 million decrease in restricted net position and a $27.8 million decrease in unrestricted net position.

Prior Year

During fiscal year 2018 total assets increased $27 million or 3%, primarily due to increases in certain amounts receivable. $13 million in tenant receivables was recognized from cruise operations at the Manhattan Cruise Terminal.

Other receivables increased $14 million, mainly due to the initiation of a $7 million loan program to support certified minority and women owned business enterprises and undercapitalized small businesses. In addition, NYCEDC realized $4.5 million in shared commissions from the brokerage firm that coordinated a new lease agreement for NYCEDC's office space (see Note 20).

Total liabilities increased $11 million or 2%. Unearned revenues increased $16 million and included a real estate transaction in which the purchaser agreed to pre-pay $7 million for future maintenance expenses of 420 Albee Square, in Brooklyn. Amounts due to the City increased $10 million mainly due to an increase in city funding provided for the above-noted loan program and accounts payable and accrued expenses increased $15 million. These increases were partially offset by a $19 million decrease in obligation for OPEB associated with the newly adopted GASB 75 and a $12 million reduction in deposits received on real estate sales which had been pending.

The Corporation's overall net position during fiscal year 2018 increased $14.4 million or 3% over the restated net position for fiscal year 2017. This increase consisted of a $19.4 million increase in unrestricted net position and net investment in capital assets, and was partially offset by a $5 million decrease in restricted net position.

Operating Activities

NYCEDC is the City's primary engine for economic development and is charged with leveraging the City's assets to drive growth, create jobs, and improve the overall quality of life within the City. Through its various divisions, NYCEDC provides a variety of services to eligible businesses that want to become more competitive, more productive and more profitable. In order to provide these services, NYCEDC primarily generates revenues from property rentals and real estate sales.

The following table summarizes NYCEDC's change in net position for the fiscal years ended June 30, 2019, 2018, and 2017 (dollars in thousands) and the percentage changes between fiscal years 2019 and 2018:

	2019	2018	2017 (Restated)	% Change 2019–2018
Operating revenues:				
Grants	**$ 468,806**	$ 488,174	$ 450,527	(4)%
Real estate sales, property rentals	**239,733**	223,080	186,329	7%
Fees and other income	**45,643**	49,867	41,601	(8)%
Total operating revenues	**754,182**	761,121	678,457	(1)%
Operating expenses:				
Project and program costs	**487,600**	490,021	461,096	0%
Property rental expenses	**108,355**	87,566	56,749	24%
Ferry related expenses, net	**52,950**	43,932	30,009	21%
Personnel services	**66,873**	64,242	59,039	4%
Contract expenses to the City	**57,657**	30,105	42,490	92%
Office rent and other expenses	**41,046**	35,256	22,875	16%
Total operating expenses	**814,481**	751,122	672,258	8%
Operating income	**(60,299)**	9,999	6,199	(703)%
Total non-operating income (expenses)	**9,151**	4,401	2,627	108%
Change in net position before capital contributions	**(51,148)**	14,400	8,826	(455)%
Capital contribution	**164,651**	–	–	100%
Change in net position	**113,503**	14,400	8,826	688%
Total net position, beginning of year	**448,249**	433,849	425,023	3%
Total net position, end of year	**$ 561,752**	$ 448,249	$ 433,849	25%

During fiscal year 2019, operating revenues decreased $6.9 million or 1%, primarily due to a $19.4 million decrease in reimbursable grants and a $6.7 million decrease in other income, all of which was partially offset by a $16.7 million increase in property rentals. The decrease in reimbursable grants is primarily due to an overall increase in NYCEDC self-funded projects including life science and other initiatives. Property rental revenue increased by $16.6 million mainly due to additional rent recognized for properties at Forest City Pierrepoint amounting $14 million, Atlantic Center amounting to $7 million and PILOT assessment increases of $3 million for properties in the 42nd Street Development Project portfolio. These amounts were offset by a decrease in revenue from Brooklyn Renaissance Plaza of $7 million as they refinanced facilities in fiscal year 2018 and $22 million from Carnival Cruise Corporation as prior year revenue recognized for operations at Manhattan Cruise Terminal included retroactive passenger revenues.

Operating expenses during fiscal year 2019 increased $63.4 million. Property rental and related operating expenses increased by $20.8 million due to additional maintenance and repair costs at various leased properties of approximately $6 million, a reacquired leased space payment of $4 million, additional incentive fees of $3 million paid to the operator of the Manhattan Cruise Terminal and increased PILOT assessments for properties in the 42nd Street Development Project portfolio. Ferry related expenses increased $9.0 million due to the operation of all initially planned routes in the ferry system for ten out of twelve months of the fiscal year. Contract expenses to the City increased $27.6 million due to an additional payment of $30 million made to the City at the City's request. Office rent expenses increased by $5.9 million or 45% due to the lease commencement for NYCEDC's new offices at One Liberty Plaza.

Accordingly, operating income decreased by $70.3 million as compared to fiscal year 2018 with the Corporation recognizing a net operating loss of $60.3 million during fiscal year 2019.

Non-Operating Activities

Total non-operating revenues for fiscal years 2019 and 2018 were $9.2 million and $4.4 million, respectively. The fiscal year 2019 total was primarily due to investment income which was a $4.6 million increase from fiscal year 2018.

Capital Contributions

Primarily driven by NYCEDC's ownership of ferry vessels acquired with City funding, NYCEDC will now recognize capital contributions in its changes in net position. Capital contributions are realized at the time NYCEDC incurs costs for the acquisition and/or construction of City-funded capital assets managed and used by NYCEDC in its operations. During fiscal year 2019, NYCEDC recognized $164.7 million of capital contributions, of which $153.1 million was for vessel acquisitions for the NYC Ferry system, and $9.1 million relates to leasehold improvements for the build out of space occupied by NYC Small Business Services within NYCEDC's newly leased office space.

Net Position

The Corporation's net operating loss for the fiscal year of $60.3 million has been offset by capital contributions of $164.7 million and non-operating revenue of $9.2 million. As a result, the Corporation recognized an increase in net position of $113.5 million during fiscal year 2019. This constitutes an increase of $99.1 million or 688% as compared with fiscal year 2018, mainly driven by the recognition of capital contributions.

Prior Year

During fiscal year 2018, operating revenues increased $82.6 million or 12%, primarily due to a $38 million increase in reimbursable grants, a $35 million increase in property rental revenue and a $10 million increase in other income. The increase in reimbursable grants is primarily the result of increased activities at the Coney Island West project and for the NYC Ferry program, as well as priority flood mitigation projects on behalf of the City's H+H Corporation (previously Health and Hospitals Corp). Property rental revenue increased by $35 million due to passenger volume revenue recognized from Carnival Cruise Corporation's operations at the Manhattan Cruise Terminal, and from a tenant's refinancing of the facilities at the Brooklyn Renaissance Plaza. Other income increased $10 million, mainly due to the transfer of development rights at 420 Albee Square in Brooklyn.

Operating expenses during fiscal year 2018 increased $78.9 million. Program and project costs increased by $29 million primarily due to the grant funded projects noted above. Property rental and related operating expenses increased by $31 million which included $4.6 million for a restructured long term agreement with the Hunts Point Meat Market, $4.2 million in pass-through rental revenues for NYC Parks Department, and $16.7 million in general operating increases for various repairs, maintenance and professional service expenses for the property portfolios. Ferry related expenses increased $14 million due to several factors including sustaining the first full year of ferry services, the launch of the Astoria route and preparation for the Soundview and Lower East Side routes, and the overall increase in services to meet unexpected demand.

Accordingly, operating income increased by $3.8 million from fiscal year 2017 with the Corporation recognizing total operating income of $10.0 million during fiscal year 2018.

Non-Operating Activities

Total non-operating revenues for fiscal years 2018 and 2017 were $4.4 million and $2.6 million, respectively. The fiscal year 2018 total was all due to investment income which was a $2.9 million increase from fiscal year 2017.

Net Position

The Corporation recognized an increase in net position of $14.4 million during fiscal year 2018. This constitutes an increase of $5.6 million or 3% as compared with fiscal year 2017.

Capital Assets

The following table summarizes NYCEDC's capital assets for the fiscal years ended June 30, 2019, 2018 and 2017 (dollars in thousands) and the percentage change between June 30, 2019 and 2018:

	2019	2018	2017	% Change 2019–2018
Leasehold improvements	$ **28,947**	$ 26,539	$ 16,906	9%
Equipment and computer software	**15,974**	10,750	10,235	49%
Vessels	**132,308**	6,000	6,000	2105%
Work-in progress - vessels	**20,754**	–	–	100%
Work-in progress – other	**58,640**	9,821	12,701	497%
	256,623	53,110	45,842	383%
Less accumulated depreciation and amortization	**(21,038)**	(14,980)	(11,520)	40%
Net capital assets	$ **235,585**	$ 38,130	$ 34,322	518%

Additional information about NYCEDC's capital assets is presented in Note 9 to the financial statements.

Contacting NYCEDC's Financial Management

This financial report is designed to provide our customers, clients and the public with a general overview of NYCEDC's finances and to demonstrate NYCEDC's accountability for the resources at its disposal. If you have any questions about this report or need additional financial information, contact the Chief Financial Officer of New York City Economic Development Corporation, One Liberty Plaza, New York, NY 10006, or visit NYCEDC's website at: https://www.nycedc.com/about-nycedc/contact-us.

New York City Economic Development Corporation
(A Component Unit of the City of New York)

Statements of Net Position (In Thousands)

	June 30 2019	June 30 2018
Assets		
Current assets:		
Cash and cash equivalents – current	$ 60,620	$ 92,080
Restricted cash and cash equivalents – current	142,191	124,844
Unrestricted investments	55,387	111,515
Restricted investments	40,826	41,482
Current portion of loans and mortgage notes receivable	6,300	5,518
Due from the City, including $191,577 and $163,411, respectively, under contracts with the City	235,363	215,672
Tenant receivables, net of allowance for uncollectible amounts of $30,136 and $28,817, respectively	62,790	73,241
Prepaid expenses and other current assets	3,158	3,607
Other receivables	11,805	18,292
Total current assets	618,440	686,251
Non-current assets:		
Restricted cash and cash equivalents	145,724	154,844
Unrestricted investments	39,897	54,721
Restricted investments	17,301	9,544
Loans and mortgage notes receivable, less current portion (less allowance for loan losses of $930 and $866 respectively)	14,832	21,623
Capital assets, net	235,585	38,130
OPEB asset	1,984	–
Land held for development, at cost	132,387	132,387
Other assets	5,053	3,135
Total non-current assets	592,763	414,384
Total assets	1,211,203	1,100,635
Deferred outflows of resources		
Derivative instrument – fuel futures	1,591	–
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses, including $92,713 and $105,744, respectively, under contracts with the City	209,434	191,314
Deposits received on pending sales of real estate	12,538	13,116
Due to the City: real estate obligations and other	12,811	18,968
Unearned revenue	34,786	34,885
Other liabilities	5,513	3,520
Total current liabilities	275,082	261,803
Non-current liabilities:		
Tenant security and escrow deposits payable	45,019	71,426
Net OPEB liability	–	1,563
Due to the City: real estate obligations	125,020	130,154
Unearned revenue, including unearned grant revenue of $26,196 and $28,154, respectively, under contracts with the City	135,645	136,582
Retainage payable	43,338	47,158
Other liabilities	23,729	2,174
Total non-current liabilities	372,751	389,057
Total liabilities	647,833	650,860
Deferred inflows of resources		
Deferred inflows of resources related to OPEB	3,209	250
Deferred inflows of resources related to fuel futures	–	1,276
Total deferred inflows of resources	3,209	1,526
Net position:		
Restricted by law or under various agreements	63,017	102,543
Unrestricted	263,150	307,576
Net investment in capital assets	235,585	38,130
Total net position	$ 561,752	$ 448,249

See accompanying notes.

New York City Economic Development Corporation
(A Component Unit of the City of New York)

Statements of Revenues, Expenses, and Changes in Net Position (In Thousands)

	Year Ended June 30 2019	2018
Operating revenues:		
Grants	**$ 468,806**	$ 488,174
Property rentals	**230,481**	214,523
Real estate sales, net	**9,252**	8,557
Fee income	**12,333**	9,835
Other income	**33,310**	40,032
Total operating revenues	**754,182**	761,121
Operating expenses:		
Project costs	**114,880**	98,086
Program costs	**372,720**	391,935
Property rentals and related operating expenses	**108,355**	87,566
Ferry related expenses, net	**52,950**	43,932
Personnel services	**66,873**	64,242
Contract and other expenses to the City	**57,657**	30,105
Office rent	**18,912**	12,999
Other general expenses	**22,134**	22,257
Total operating expenses	**814,481**	751,122
Operating (loss) income	**(60,299)**	9,999
Non-operating revenues (expenses):		
Income from investments	**9,057**	4,446
Other non-operating (expense)/income	**94**	(45)
Total non-operating revenues, net	**9,151**	4,401
Change in net position before capital contribution	**(51,148)**	14,400
Capital contribution	**164,651**	–
Change in net position	**113,503**	14,400
Net position, beginning of year	**448,249**	433,849
Net position, end of year	**$ 561,752**	$ 448,249

See accompanying notes.

New York City Economic Development Corporation
(A Component Unit of the City of New York)

Statements of Cash Flow (In Thousands)

	Year Ended June 30 2019	2018
Cash flows from operating activities		
Real estate sales	$ **8,674**	$ 9,556
Property rentals	**240,833**	192,235
Grants from the City	**472,195**	502,743
Fee income	**11,333**	10,833
Other income	**34,960**	33,455
Project costs	**(112,112)**	(124,690)
Program costs	**(385,727)**	(373,968)
Property rentals and related operating expenses	**(104,471)**	(76,379)
Ferry expenses	**(57,825)**	(43,747)
Personnel services	**(65,136)**	(62,995)
Contribution to OPEB trust	**–**	(20,000)
Office rent	**(8,693)**	(9,234)
Contract and other expenses to the City	**(40,871)**	(26,728)
Other general and administrative expenses	**(2,206)**	(12,720)
Repayments of loans and mortgage receivable	**2,760**	(4,704)
Tenant security and escrow deposits	**(26,407)**	7,387
Other	**4,965**	(5,476)
Net cash used in operating activities	**(27,728)**	(4,432)
Cash flows from capital and related financing activities		
Purchase of capital assets	**(156,291)**	(6,869)
Capital contribution	**87,878**	–
Net cash used in capital and related financing activities	**(68,413)**	(6,869)
Cash flows from investing activities		
Sale of investments	**384,485**	156,523
Purchase of investments	**(320,634)**	(137,563)
Deposits on land	**–**	238
Interest income	**9,057**	4,445
Net cash provided by investing activities	**72,908**	23,643
Net (decrease) increase in cash and cash equivalents	**(23,233)**	12,342
Cash and cash equivalents, beginning of year	**371,768**	359,426
Cash and cash equivalents, end of year	$ **348,535**	$ 371,768

New York City Economic Development Corporation
(A Component Unit of the City of New York)

Statements of Cash Flow (In Thousands) (continued)

	Year Ended June 30 2019	2018
Reconciliation of operating (loss) income to net cash provided by operating activities		
Operating income	$ **(60,299)**	$ 9,999
Adjustments to reconcile operating (loss) income to net cash provided by (used in) operating activities:		
Depreciation and amortization	**6,058**	3,060
Changes in operating assets, liabilities and deferred inflow/outflow of resources:		
Due to/from the City	**42,394**	11,955
Other non-current assets	**(1,918)**	(1,260)
Tenant receivables	**10,451**	(12,884)
Prepaid expenses and other receivables	**7,030**	(13,396)
Loans and mortgage notes receivable	**6,009**	(4,704)
Tenant security and escrow deposits payable	**(26,407)**	7,387
Accounts payable and accrued expenses	**(25,705)**	14,505
Deposits received on pending sales of real estate	**(578)**	(11,647)
Net OPEB liability	**(3,547)**	(19,248)
Unearned grant revenue	**(1,036)**	15,625
Deferred inflows of resources	**92**	1,526
Retainage payable	**(3,820)**	(7,414)
Other current liabilities	**1,993**	1,646
Other non-current liabilities	**21,555**	418
Net cash used in operating activities	$ **(27,728)**	$ (4,432)
Supplemental disclosures of non-cash activities		
Unrealized gain on investments	$ **2,574**	$ 218

See accompanying notes.

New York City Economic Development Corporation
(A Component Unit of the City of New York)

Notes to Financial Statements

June 30, 2019

1. Background and Organization

The accompanying financial statements include the assets, liabilities, net position and the financial activities of the New York City Economic Development Corporation (NYCEDC or the Corporation).

NYCEDC is a not-for-profit corporation organized under the New York State Not-for-Profit Corporation Law (the NPCL) that generates income that is exempt from federal taxation under section 115 of the Internal Revenue Code (IRC). NYCEDC's primary activities consist of rendering a variety of services to administer certain economic development programs on behalf of the City of New York (the City) relating to the attraction, retention and expansion of commerce and industry in the City. These services and programs include encouragement of construction, acquisition, rehabilitation and improvement of commercial and industrial enterprises within the City, and the provision of financial assistance to qualifying business enterprises as a means of helping to create and retain employment therein. These services are generally provided under two annual contracts with the City: the amended and restated contract (Master Contract) and the Maritime Contract. The services provided under these contracts and other related agreements with the City are herein referred to as the Contract Services.

In order to provide these services, NYCEDC primarily generates revenues from property rentals and real estate sales. To present the financial position and the changes in financial position of NYCEDC's rental portfolio in a manner consistent with the limitations and restrictions placed upon the use of resources and NYCEDC's contractual agreements with the City and other third parties, NYCEDC classifies its asset management operations into the following five portfolios:

Commercial Leases Portfolio: NYCEDC manages property leases between the City and various commercial and industrial tenants. For ground leases, these agreements include restrictions on the use of the land to the construction or development of commercial, manufacturing, industrial or residential facilities. The leases also generally provide for minimum rentals plus provisions for additional rent.

Brooklyn Army Terminal Portfolio: The Brooklyn Army Terminal (BAT) is an industrial property owned by the City that is leased to NYCEDC. Under the terms of the BAT lease, a reserve account of $500,000 was established from net BAT revenues for property operating and capital expenses.

1. Background and Organization (continued)

Maritime Portfolio: This portfolio was established to account for NYCEDC's management and maintenance of wharf, waterfront, public market, public aviation, and intermodal transportation properties and the NYC Ferry system on the City's behalf pursuant to the Maritime Contract.

Other Properties Portfolio: This portfolio was established to account for the activities of certain City-owned properties and other assets for which NYCEDC assumed management responsibilities. Pursuant to various agreements between NYCEDC and the City, the net revenue from three of the properties is retained for property operating and capital expenses or for expenses of projects in the area. The retained amounts as of June 30, 2019 and 2018, were $2.2 million and $3.3 million, respectively.

42nd Street Development Project Portfolio: This portfolio was established as a joint effort between the City and the State to redevelop the 42nd Street district into a vibrant office and cultural center. Ownership of all the properties was transferred from the State to the City by October 31, 2012. NYCEDC then assumed management and administrative responsibilities for all leases in connection with the 42nd Street Development Project (Note 14).

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

NYCEDC follows enterprise fund reporting; accordingly, the accompanying financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. In its accounting and financial reporting, the Corporation follows the pronouncements of the Governmental Accounting Standards Board (GASB).

2. Summary of Significant Accounting Policies (continued)

Recently Issued GASB Pronouncements

GASB Statement No. 84, *Fiduciary Activities,* was issued in January 2017. The primary objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

This statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

The statement is effective for fiscal years beginning after December 15, 2018. The Corporation is evaluating the impact this standard will have on its financial statements.

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Provisions of this statement are effective for fiscal years beginning after December 15, 2019. The Corporation is evaluating the impact this standard will have on the Corporation's financial statements.

In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The provisions of this statement are effective for fiscal years beginning after June 15, 2018. The adoption of this standard did not impact the financial statements.

2. Summary of Significant Accounting Policies (continued)

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. Provisions of this statement are effective for fiscal years beginning after December 15, 2019. The Corporation does not anticipate any related impact on its financial statements.

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests*. The primary objectives of this statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. Provisions of this statement are effective for fiscal years beginning after December 15, 2018. The Corporation is evaluating the impact this standard will have on its financial statements.

GASB Statement No. 91, *Conduit Debt Obligations*, was issued in May 2019. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Provisions of this statement are effective for fiscal years beginning after December 15, 2020. The Corporation does not anticipate the adoption of this standard to have an impact on the financial statements.

2. Summary of Significant Accounting Policies (continued)

Revenue and Expense Classification

NYCEDC distinguishes operating revenues and expenses from non-operating items in the preparation of its financial statements. Operating revenues and expenses generally result from providing the Contract Services to the City in connection with NYCEDC's principal on-going operations. The principal operating revenues are grants from and through the City, rentals of City-owned property, and sales of property (see Real Estate Sales under this Note). NYCEDC's operating expenses include project and program costs, property maintenance charges, and general administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is NYCEDC's policy to use restricted resources first, and then unrestricted resources as needed.

Grants

NYCEDC administers certain reimbursement and other grant funds from and through the City under its contracts with the City.

A reimbursement grant is a grant awarded for a specifically defined project and is generally administered such that NYCEDC is reimbursed for any qualified expenditures associated with such projects.

NYCEDC records reimbursement grants from and through the City as revenue when the related program costs are incurred. Differences between the program costs incurred on specific projects and the related receipts are reflected as due from the City or as a part of unearned revenue in the accompanying statements of net position.

Other grants are recorded as revenue when earned.

Property Rental Revenue

Property rental revenue is recognized on a straight-line basis over the term of the leases.

2. Summary of Significant Accounting Policies (continued)

Real Estate Sales

Proceeds from sales of City-owned properties, other than proceeds in the form of a promissory note from the purchaser in favor of NYCEDC, are recognized as income at the time of closing of the sale. For property sales in which NYCEDC accepts a long-term promissory note from a purchaser in lieu of cash, in addition to the note receivable, the corresponding unearned revenue is recorded at the time of closing. Due to collectability risks associated with these promissory notes, such unearned revenue is amortized into income ratably as payments are made.

Deposits received from prospective purchasers prior to closing are included in the accompanying statements of net position as deposits received on pending sales of real estate.

Retainage Payable

Retainage payable is treated as non-current due to the long-term nature of the related contracts.

Loans and Mortgage Notes Receivable

Loans to finance the acquisition of land and buildings are generally repayable over a 15 to 25 year period. Generally, all such loans for acquisition are secured by second mortgages or other security interests and carry below market interest rates. NYCEDC has also provided loans to City businesses to advance certain economic development objectives.

NYCEDC provides an allowance for loan losses based on an analysis of a number of factors, including the value of the related collateral. Based on established procedures, NYCEDC writes off the balances of those loans determined by management to be uncollectible.

Cash and Cash Equivalents

Cash and cash equivalents include cash in banks and on hand, money market funds, money market deposit accounts, applicable certificates of deposit and highly liquid debt instruments with original maturities of three months or less. Cash equivalents are stated at fair value, other than certificates of deposit, which are valued at cost.

2. Summary of Significant Accounting Policies (continued)

Investments

Investments held by NYCEDC are recorded at fair value.

Restricted Cash and Investments

Restricted cash and investments include amounts related to operations or programs administered on behalf of the City and, accordingly, such amounts are not available for use by NYCEDC for general corporate purposes.

Capital Assets

Capital asset purchases for internal use by NYCEDC in excess of $10,000 and consisting primarily of vessels operating under the NYC Ferry system, leasehold improvements and equipment are capitalized. Vessels are depreciated over a useful life of 25 years. Leasehold improvements are depreciated using the straight-line method over the shorter of the life of the lease or the estimated useful life assigned. Leasehold improvements have useful lives from 7 to 20 years. The Corporation also uses the straight-line method for depreciating or amortizing furniture and equipment over the estimated useful life assigned. The useful life of furniture and equipment varies from three to five years.

Disbursements made by NYCEDC on behalf of the City for, among other things, capital projects, tenant build-outs, and leasing commissions in connection with rental operations are reflected as expenses in the year they are incurred.

Tax Status

The currently reported income of NYCEDC qualifies for exclusion from gross income for federal income tax purposes under IRC Section 115.

2. Summary of Significant Accounting Policies (continued)

Capital Contributions

Capital contributions are realized at the time NYCEDC incurs costs for the acquisition and/or construction of City-funded capital assets managed and used by NYCEDC in its operations. During fiscal year 2019, NYCEDC recognized $164.7 million of capital contributions, of which $153.1 million was for vessel acquisitions for the NYC Ferry system, and $9.1 million relates to leasehold improvements for the build out of space occupied by NYC Department of Small business Services within NYCEDC's newly leased office space at One Liberty Plaza.

Reclassifications

Certain reclassifications have been adjusted in the prior year financial statements to conform to the current year's presentation.

3. Contracts With the City of New York

NYCEDC Master Contract

The City and NYCEDC have entered into the Master Contract under which NYCEDC has been retained to perform various services primarily related to the retention and expansion of industrial and commercial development within the City, including among other activities (1) facilitating commercial and industrial development projects, (2) stabilizing and improving industrial areas (3) administering public loan, grant, and subsidy programs, (4) encouraging development of intrastate, interstate and international commerce, and (5) managing and maintaining certain City-owned properties.

In partial consideration of the services rendered by NYCEDC pursuant to the Master Contract, NYCEDC may retain (1) net revenues resulting from the sale or lease of City-owned properties, and (2) certain interest and other related income received by NYCEDC for financing programs administered on behalf of the City, up to a cap. Income self-generated by NYCEDC, including interest earned on all cash accounts related to unrestricted operations and certain fees earned for services rendered that are not payable by the City, may be retained by NYCEDC under the Master Contract without regard to the contract cap.

3. Contracts With the City of New York (continued)

Pursuant to section 11.05 of the Master Contract, at any time upon written request of the Mayor of the City or his designee, NYCEDC must remit to the City assets having a fair market value up to the amount, if any, by which NYCEDC's unrestricted net position exceeds $7 million. At the direction of the City, NYCEDC remitted $33.6 and $8.9 million from its unrestricted net position in fiscal years 2019 and 2018, respectively, which are accounted for under contract and other expenses to the City in the statements of revenues, expenses and changes in net position.

The term of the Master Contract is one year commencing on July 1 and may be extended by the City for up to one year. The City may terminate this contract at its sole discretion upon 90 days written notice. Upon termination of this contract, NYCEDC must remit to the City all program funds or other assets subject to certain prescribed limitations.

Maritime Contract

The City and NYCEDC have entered into the Maritime Contract under which NYCEDC has been retained to perform various services primarily related to the retention and expansion of waterfront, intermodal transportation, market, freight and aviation development and commerce.

The services provided under this contract include (1) retaining maritime business and attracting maritime business to the City, (2) managing, developing, maintaining, and promoting the City's waterfront, markets, aviation, freight and intermodal transportation, including the NYC Ferry system, and (3) administering leases, permits, licenses, and other occupancy agreements pertaining to such related properties.

In the performance of its services under the Maritime Contract, NYCEDC collects monies, including but not limited to, rents and other revenues from tenants of certain City-owned properties managed by NYCEDC in connection with its maritime program. In consideration of the services rendered by NYCEDC pursuant to the Maritime Contract, the City has agreed to pay NYCEDC for all costs incurred in the furtherance of the City's objectives under this contract, to the extent such costs have been provided for in the City-approved budget (the Budget) as called for by the Maritime Contract. Any Reimbursable Expenses, as defined in the Maritime Contract, may be retained by NYCEDC out of the net revenues generated on the City's behalf, to the extent such expenses are not provided for in the Budget (the Reimbursed Amount). Net revenues generated on the City's behalf for services under the Maritime Contract in excess of the Reimbursed Amount

3. Contracts With the City of New York (continued)

must be remitted to the City on a periodic basis. Historically, at the direction of the City, NYCEDC was required to remit $16.7 million for each fiscal year pursuant to the Maritime Contract, and such amounts were included in contract and other expenses to the City. Beginning in fiscal year 2017, to partially offset the cost of establishing and operating the NYC Ferry service (Note 12), this amount was not required to be remitted to the City.

Pursuant to section 9.06 of the Maritime Contract, at any time upon written request of the Mayor of the City or his designee, NYCEDC must remit to the City assets having a fair market value up to the amount, if any, by which NYCEDC's maritime net position exceeds $7 million.

The term of the Maritime Contract is one year commencing on July 1, and may be extended by the City for up to one year. The City may terminate this contract at its sole discretion upon 90 days written notice. Upon termination of this contract, NYCEDC must remit to the City all program funds or other assets subject to certain prescribed limits.

Other Agreements

In addition, NYCEDC remits to the City certain rental amounts collected from the 42nd Street Development Project. The amounts remitted from this source for fiscal year 2019 and 2018 were $24 million and $21 million, respectively (Note 14).

4. Grants

NYCEDC receives grants for specifically defined projects. For the year ended June 30, 2019, grant revenue was $471 million, of which $433 million comprised reimbursement grants from and through the City, and the remaining $38 million was provided by other sources. For the year ended June 30, 2018, grant revenue was $488 million, of which $449 million comprised reimbursement grants from and through the City, and the remaining $39 million was provided by other sources.

5. Land Held for Development and Real Estate Obligations Due to the City

NYCEDC may purchase land to help achieve the City's and NYCEDC's redevelopment goals. In both fiscal years 2019 and 2018, the land held for development totaled $132 million. Several acquisitions were obtained using capital funds from the City and these amounts are reflected as real estate obligations due to the City on the statement of net position. As of June 30, 2019 and 2018, real estate obligations due to the City were $125 million.

5. Land Held for Development and Real Estate Obligations Due to the City (continued)

The following table summarizes land held for development and real estate obligations due to the City for the fiscal years ended June 30, 2019 and 2018 (dollars in thousands):

	2019	2018
225 125th Street, B1790, L12	$ 1,972	$ 1,972
2309-2313 3rd Avenue, B1790, L3, 49	858	858
236 East 126th Street, B1790 L31	183	183
246 E. 127th Street, B1791, L25	4,300	4,300
Springfield Gardens, Queens, B13432, L57	53	53
Land held for development	$ 7,366	$ 7,366
Boardwalk, Coney Island	$ 105,346	$ 105,346
1047 Home Street, Bronx, B3006, L21	800	800
1051 Home Street, Bronx, B3006, L19	1,200	1,200
1057 Home Street, Bronx, B3006, L17	500	500
1174 Longfellow Avenue, Bronx, B2758, L14	4,000	4,000
3050 W. 21st Street, Brooklyn, B7071, L123	13,175	13,175
Due to the City: real estate obligations	125,021	125,021
Total land held for development	$ 132,387	$ 132,387

6. Other Income

The following table summarizes other income for the fiscal years ended June 30, 2019 and 2018 (dollars in thousands):

	2019	2018
Tenant reimbursements	$ 8,482	$ 7,908
Developer contributions	2,742	3,115
Interest income from loans	861	662
Loan/bad debt recovery income	2,464	1,645
Development rights	4,264	11,294
Tenant liquidated damages	7,141	900
Other miscellaneous income	7,356	14,508
Total	$ 33,310	$ 40,032

7. Loans and Mortgage Notes Receivable

NYCEDC has received installment notes from purchasers of certain real property sold by NYCEDC following NYCEDC's purchase of such property from the City. The installment notes are secured by separate purchase money mortgages on the properties sold. At June 30, 2019 and 2018, these mortgage notes totaled $8.0 million and $8.2 million, respectively, exclusive of any interest receivable.

NYCEDC has also provided loans to City businesses to advance certain economic development objectives consistent with their corporate mission and contractual obligations with the City. These loans were made to borrowers whose business operations are likely to generate employment, increase tax revenue, improve the physical environment of areas, stabilize neighborhoods, or provide other benefits to the City. Collectively, the installment notes and loans form the Finance Programs.

At June 30, 2019, the loan and mortgage notes portfolio consisted of 14 loans that bear interest at rates ranging from 0% to 9.50% and mature at various dates through October 1, 2046.

Scheduled maturities of principal for these loans for the next five years and thereafter are as follows (dollars in thousands):

	Principal Maturity	Interest
Fiscal Year:		
2020	$ 4,801	$ 409
2021	2,583	274
2022	423	262
2023	872	254
2024	522	248
2025–2029	2,219	1,266
2030–2034	2,194	941
2035–2039	5,679	584
2040–2044	1,881	269
2045–2046	888	25
	22,062	$ 4,532
Allowance for uncollectible amounts	(930)	
Loans and mortgage notes receivable, net	$ 21,132	

7. Loans and Mortgage Notes Receivable (continued)

The five largest loans in fiscal year 2019 represent approximately 91% of the loan portfolio balance. The composition of the entire portfolio, by industry type, at June 30, 2019, was as follows: real estate development 36%, other services 60% and life science 4%.

8. Due to/From the City of New York

NYCEDC is required to remit certain amounts to the City under the Master Contract (Note 3). The unremitted portion of such amounts at June 30, 2019 and 2018, amounted to $13 and $19 million, respectively.

Pursuant to the Master Contract with the City, NYCEDC recorded total grants from and through the City in the amount of $433 and $449 million during fiscal years 2019 and 2018, respectively, of which $192 and $163 million in capital funds were unpaid by the City as of June 30, 2019 and 2018, respectively. These unpaid amounts are included in the accompanying statements of net position as due from the City.

9. Capital Assets

Changes in capital assets for the years June 30, 2017 to June 30, 2019, consisted of the following (dollars in thousands):

	June 30, 2017	Additions	Disposals	June 30, 2018	Additions/ Depreciation	Disposals	June 30, 2019
Equipment	$ 9,447	$ 515	$ –	$ 9,962	$ 5,224	$ –	$ 15,186
Leasehold improvements	16,906	9,633	–	26,539	2,408	–	28,947
Vessels	6,000	–	–	6,000	126,308		132,308
Computer software	788	–	–	788	–	–	788
Work-in-progress - vessels	–	–	–	–	20,754	–	20,754
Work-in-progress - other	12,701	(2,880)	–	9,821	48,819		58,640
Capital assets	45,842	7,268	–	53,110	203,513	–	256,623
Less: Accumulated Depreciation/amortization	(11,520)	(3,460)	–	(14,980)	(6,058)	–	(21,038)
Capital assets, net	$ 34,322	$ 3,808	$ –	$ 38,130	$ 197,455	$ –	$ 235,585

Depreciation and amortization of capital assets and obligations for the fiscal years ended June 30, 2019 and 2018, were $6.1 and $3.5 million, respectively.

10. Deposits and Investments

Deposits

At year-end, NYCEDC's cash and cash equivalents bank balance was $350.3 million, of which $13.0 million was FDIC insured. Of the remaining balance, $136.1 million was invested in money market funds. Emergency funds on hand amounted to $10,000 at June 30, 2019.

Investments

NYCEDC's investment policy permits the Corporation to invest in obligations of the United States of America, where the payment of principal and interest is guaranteed, or in obligations issued by an agency or instrumentality of the United States of America. Other permitted investments include short-term commercial paper, certificates of deposit and bankers' acceptances.

As of June 30, 2019 and 2018, the Corporation had the following investments. Investments maturities are shown for June 30, 2019, only (in thousands):

	Fair Value		Investment Maturities at June 30, 2019, in Years	
	2019	**2018**	**Less Than 1**	**1 to 7**
Money market mutual funds	**$ 130,854**	$ 169,728	$ 130,854	$ –
Money market deposit account	**5,256**	5,251	5,256	–
FHLB notes	**31,256**	35,257	9,663	21,593
FHLMC notes	**11,737**	70,499	2,202	9,535
Commercial paper	**33,507**	47,732	33,507	–
FFCB notes	**20,454**	14,515	–	20,454
FNMA notes	**5,516**	24,578	–	5,516
US Treasury	**50,741**	24,481	50,741	–
Certificates of deposit	**200**	200	200	–
	289,521	392,241	$ 232,423	$ 57,098
Less amount classified as cash equivalents	**(136,110)**	(174,979)		
Total investments	**$ 153,411**	$ 217,262		

10. Deposits and Investments (continued)

Fair Value Measurements – Fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into these levels: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Money market funds, categorized as Level 1, are valued at the unadjusted prices quoted in active principal markets for identical assets. US Agencies securities and commercial paper, categorized as Level 2, are valued based on models using observable inputs. Certificates of deposit are valued at cost.

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from increasing interest rates, the Corporation limits 80% of its investments to instruments maturing within two years of the date of purchase. The remaining 20% of the portfolio may be invested in instruments with maturities up to a maximum of seven years.

Credit Risk – It is the Corporation's policy to limit its investments in debt securities to those rated in the highest rating category by at least two nationally recognized bond rating agencies or other securities guaranteed by the U.S. government or issued by its agencies. As of June 30, 2019, the Corporation's investments in Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB) and the Federal Home Loan Mortgage Corporation (FHLMC) were rated AA+ by Standard & Poor's, Aaa by Moody's and AAA by Fitch Ratings. Commercial papers held were rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Investor's Service, Inc.

Custodial Credit Risk – For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Corporation will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. Investment securities are exposed to custodial credit risk if the securities are not registered in the name of the Corporation and are held by the counterparty, the counterparty's trust department or agent.

The Corporation manages custodial credit risk by limiting possession of its investments to highly rated institutions and/or requiring that high-quality collateral be held by the counterparty in the name of the Corporation. At June 30, 2019, the Corporation was not subject to custodial credit risk.

10. Deposits and Investments (continued)

Concentration of Credit Risk – The Corporation places no limit on the amount the Corporation may invest in any United States of America government backed securities. The following table shows investments that represent 5% or more of total investments as of June 30, 2019 and 2018 (dollars in thousands):

	Dollar Amount and Percentage of Total Investments					
Issuer	**June 30, 2019**			**June 30, 2018**		
Federal Home Loan Mortgage Corp.	$	–	– %	$	70,499	32.45%
Federal Home Loan Bank		**31,256**	**10.80**		35,257	16.23
Federal Farm Credit Bank		**20,454**	**7.06**		14,515	6.68
Federal National Mort. Assoc.		–	–		24,578	11.31
US Treasury		**50,741**	**17.53**		24,481	11.27

Investment Income

Investment income includes unrealized gains and losses on investments as well as interest earned on bank accounts, certificates of deposit and securities. Investment income amounted to $9.1 million and $4.4 million for the fiscal years ended June 30, 2019 and 2018, respectively.

11. Ground Leases and Properties Managed by NYCEDC on Behalf of the City

NYCEDC is contracted by the City to manage and maintain properties on behalf of the City, including certain City-owned properties that are leased to NYCEDC. NYCEDC in turn, leases or subleases the properties to commercial and industrial tenants. For ground leases, these agreements generally include restrictions on the use of the land to the construction or development of commercial, manufacturing, industrial or residential facilities. All managed leases generally provide for minimum rentals plus provisions for additional rent. Certain agreements also provide for renewals at the end of the initial lease term for periods ranging from 10 to 50 years.

11. Ground Leases and Properties Managed by NYCEDC on Behalf of the City (continued)

The future minimum rental income as of June 30, 2019, payable by the tenants under the leases and subleases, all of which are accounted for as operating leases, are as follows (dollars in thousands):

Fiscal Year	Minimum Rental Income From BAT Tenants	Minimum Rental Income From Commercial Tenants	Minimum Rental Income From Maritime Tenants	Minimum Rental Income From 42nd St Development Proj. Tenants	Minimum Rental Income From Other Tenants	Total
2020	$ 19,420	$ 24,988	$ 34,996	$ 15,414	$ 251	$ 95,069
2021	17,629	24,090	32,971	15,413	191	90,294
2022	16,680	23,175	31,650	15,413	191	87,109
2023	13,436	22,436	30,737	15,413	190	82,212
2024	10,653	22,323	29,246	15,413	190	77,825
2025–2029	38,164	87,890	119,957	77,069	953	324,033
2030–2034	12,548	83,523	75,248	77,069	953	249,341
2035–2039	4,148	82,672	55,229	77,069	254	219,372
2040–2044	4,148	76,568	35,463	77,069	–	193,248
2045–2049	4,148	75,170	35,463	77,069	–	191,850
Thereafter	3,803	431,164	62,185	622,435	–	1,119,587
Total	$ 144,777	$ 953,999	$ 543,145	$ 1,084,846	$ 3,173	$ 2,729,940

The thereafter category includes 45 leases with expiration dates between July 1, 2049 and December 31, 2100.

12. NYC Ferry System

In 2016, NYCEDC contracted with HNY Ferry, LLC (HNY) for the provision of citywide ferry services under the new NYC Ferry system. The system is made up of six routes that were designed to meet the transportation needs of neighborhoods traditionally underserved by public transportation. The NYC Ferry routes were being launched over a two year period. As part of the six routes, HNY assumed operational responsibility for the existing East River ferry route in December 2016 to incorporate that route into the NYC Ferry system. NYCEDC launched the first of the new NYC Ferry system routes, the Rockaway route, on May 1, 2017. Routes for South Brooklyn and Astoria, Queens were launched in June and August 2017, respectively. In August 2018, the final two planned routes began for Soundview in the Bronx and the Lower East Side of Manhattan.

12. NYC Ferry System (continued)

The net cost of these operations as of June 30, 2019 and 2018, were \$53 million and \$44 million, respectively. To partially offset the costs to NYCEDC for establishing and operating the ferry system, NYCEDC was not required to remit to the City \$16.7 million under the Maritime Contract or commercial rents received from the 42nd Street Development Project (Notes 3 and 14).

13. Future Tenant Receivables

Pursuant to the ground leases with certain Forest City companies, costs incurred to acquire the properties prior to execution of these leases are to be reimbursed by the developer. The total to be repaid for these properties is \$36.5 million, of which \$21.7 million is for Jay Street (One Metrotech Center), \$5.1 million is for Bridge Street (Two Metrotech Center), \$6.3 million is for Tech Place (11 Metrotech Center) and \$3.4 million is for Myrtle Avenue (Nine Metrotech Center). These receivables will be collected over a period ranging from 8 years to 21 years and will be recognized as revenue over the life of the agreements.

14. 42nd Street Development Project

The 42nd Street Development Project (the Project) was conceived in the 1980s as a joint initiative of the City and the State to transform the properties in the 42nd Street area between 7th and 8th Avenues. For a number of years, NYCEDC has overseen the ground leases for the Project on behalf of the City. By October 2012, all title to the properties that comprise the Project transferred from the State to the City.

Beginning in January 1, 2011, and in accordance with section 11.05 of the Master Contract, NYCEDC transferred to the City all payments in lieu of taxes, real estate taxes and substantially all rental revenues it collected on the Project. Beginning in fiscal year 2017, to partially offset the costs to NYCEDC for establishing and operating the NYC Ferry service (Note 12), NYCEDC has not been required to remit rental revenues from the Project to the City. NYCEDC will continue to pass through to the City all payments in lieu of taxes and real estate taxes collected from the Project.

15. Pension Plan

NYCEDC maintains a 401(a) defined contribution pension plan, which covers substantially all full time employees. The pension plan provides for variable contribution rates by NYCEDC ranging from 6% to 18% of the employees' eligible wages, as defined in the IRC. NYCEDC employees receive a non-matching contribution in the amount of 6% of wages at the beginning of the 2nd year of employment. This amount increases to 10% at the beginning of the 4th year of employment; 12% at the beginning of the 5th year of employment; 14% at the beginning of the 6th year of employment; 16% at the beginning of the 11th year of employment; and 18% at the beginning of the 16th year of employment. Employees are 100% vested at the time of contribution. Contributions are made quarterly and are current. The plan is administered at the direction of the NYCEDC Retirement Plan Investment Committee. Pension expense for the fiscal years ended June 30, 2019 and 2018, amounted to $5.5 million and $5.1 million, respectively, and is included in personnel services in the accompanying statements of revenues, expenses, and changes in net position.

16. Postemployment Benefits Other Than Pensions

NYCEDC sponsors a single employer defined benefit health care plan that provides postemployment medical benefits for eligible retirees and their spouses. Commonly referred to as a plan for Other Post-Employment Benefits (OPEB), this plan was amended during February 2011 with an effective date of July 1, 2011, and again in July 2016 with an effective date of June 30, 2016. The amendments include revisions to the definition of what constitutes an eligible participant and the closure of the plan to new participants. As a result of these amendments, the plan maintains the current benefit structure, but plan participation will continue for only certain groups of members, who are (i) all retired members, (ii) all active employees hired prior to April 1, 1986, who are ineligible for Medicare coverage when they depart EDC, and (iii) all active employees who started working prior to January 1, 2011, with (a) at least 10 years of service as of that date, or (b) who will be age 60 or older by June 30, 2023 and will have at least 10 years of service by the time they retire.

Benefit provisions and contribution requirements for the plan are administered and managed by NYCEDC and can be amended by NYCEDC. There is no statutory requirement for NYCEDC to continue this plan. The plan is a contributory plan with retirees subject to contributions established for either the Low or High version of the plan. Retirees receiving the post-employment health benefits pay a premium amount equal to what a current NYCEDC active employee pays, based on

16. Postemployment Benefits Other Than Pensions (continued)

his or her family status. Under the Low option, retirees make contributions in the amount of $50 a month for single coverage and $100 a month for family coverage. Under the High option, retiree contributions are $100 a month for single coverage and $200 a month for family coverage. Additional costs may be incurred by the retiree under either the Low or High plan version.

On June 27, 2018, NYCEDC established and funded the New York City Economic Development Corporation OPEB Trust (the Trust), an irrevocable trust for the payments to fund this obligation. All of the plan assets are maintained within the Trust and detailed information about the OPEB plan's fiduciary net position is available in the separately issued financial statements of the Trust, which can be obtained by writing to the New York City Economic Development Corporation, One Liberty Plaza, New York, NY 10006.

As of July 1, 2016, NYCEDC adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). This Statement established guidelines for reporting costs associated with "other postemployment benefits" (OPEB). This Statement replaces GASB Statement No. 45. The Corporation's annual OPEB cost for the plan is calculated based on the Entry Age Normal level percentage cost method, an amount actuarially determined in accordance with the parameters of GASB Statements 75.

Employees Covered by Benefit Terms. At June 30, 2019 and 2018, the following employees were covered by the benefit terms:

	2019	**2018**
Active Employees	**66**	68
Inactive Employees and/or beneficiaries currently receiving benefit payments	**39**	38
Total participants	**105**	106

Beginning fiscal year 2020, benefit premiums will be paid by NYCEDC and reimbursed by the Trust from net position available for plan benefits. For fiscal year 2019 and prior, benefits premiums were paid directly by NYCEDC.

16. Postemployment Benefits Other Than Pensions (continued)

Contributions. NYCEDC has the right to establish and amend the contribution requirements. For the year ended June 30, 2019 and 2018, the average contribution rate was 0% and 243% respectively, of covered payroll.

Net OPEB Asset/Liability

The Corporation's net OPEB asset/liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB asset/liability was determined by an actuarial valuation as of June 30, 2018. The actuarial assumptions used in the June 30, 2018 valuation were based on information provided by the NYCEDC for the period of July 1, 2017, through June 30, 2018. Update procedures were used to roll forward the total OPEB liability to June 30, 2019.

Actuarial Assumptions. The total OPEB liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement, unless otherwise specified:

Inflation	3.0% per annum, compounded annually
Investment rate of return	2018 - 3.4% per annum, compounded annually
	2019 - 4.4% per annum, compounded annually
Salary increases	4.25%
Healthcare costs trend rates	8.4% grading down to an ultimate rate of 4.7% for <65,
	7.5% grading down to an ultimate rate of 4.7% for <65

Mortality rates were based on "Health care costs – from birth to death" sponsored by the society of actuaries and prepared by Dale H. Yamamoto (May 2013). The mortality improvement scale was updated to the MP-2018 scale.

Rate of return: As required by GASB Statement 74, the annual money weighted rate of return on trust investments, net of investment expenses was 6% and 0% for the years ended June 30, 2019 and 2018 respectively. The calculation is based on monthly income and average monthly investment balances. The money-weighted rate of return on investments net of investment expense, was 0% in 2018 because the contribution was made, in cash, on June 27, 2018.

16. Postemployment Benefits Other Than Pensions (continued)

The long-term expected rate of return on OPEB plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. The goals of the OPEB plan's investment policy are to invest for the sole purpose of funding the OPEB plan obligation in a prudent manner and to conserve and enhance the value of the trust assets through appreciation and income generation, while maintaining a moderate investment risk.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation for each major asset class is summarized in the following table for 2019 and 2018:

Asset Class	Allocation
US Large Cap	8%
Non-US Equity	4%
Absolute Return	8%
Long Term Bond	40%
Aggregate Bond	40%
	100%

Discount Rate. The discount rate used to measure the total OPEB liability was 4.19% and 3.20% at June 30, 2019 and June 30, 2018, respectively and based on the S&P Municipal Bond 20 Year High Grade Rate Index of 2.79%. The projection of cash flows used to determine the discount rate assumed that Corporation's contributions will be made at rates equal to the actuarially determined contribution rates. The plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees until 2049.

16. Postemployment Benefits Other Than Pensions (continued)

Changes in Net OPEB Asset/Liability

For the year ended June 30, 2019, in (dollars in thousands):

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balances at beginning of the year	$ 21,563	$ 20,000	$ 1,563
Changes for the year:			
Service cost	531	–	531
Interest	704	–	704
Difference between expected and actual experience	(206)	–	(206)
Changes of assumptions	(3,180)	–	(3,180)
Employer Contributions	–	–	–
Net investment income	–	1,195	(1,195)
Benefit payments	(201)	–	(201)
Administrative expense	–	–	–
Net changes	(2,352)	1,195	(3,547)
Balances at end of the year	$ 19,211	$ 21,195	$ (1,984)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents the net OPEB asset/(liability) of the Corporation, as well as what the Corporation's net OPEB asset/(liability) would be if it were calculated using a discount rate that is 1-percentage-point lower (3.19 percent) or 1-percentage-point higher (5.19 percent) than the current discount rate:

	1% Decrease	Discount Rate (4.19%)	1% Increase
Net OPEB (asset)/liability, June 30, 2019	$ 1,120	$ (1,984)	$ (4,538)

16. Postemployment Benefits Other Than Pensions (continued)

Sensitivity of the net OPEB Liability to Changes in the Healthcare Cost Trend rates. The following presents the net OPEB liability of the Corporation, as well as what the Corporation's net OPEB liability would be if it were calculating using healthcare cost trend rates that are 1 percentage point lower or 1 percent point higher (dollars in thousands):

	1% Decrease	Healthcare Cost Trend Rates (8.4% decreasing to 4.5%)	1% Increase
Net OPEB (asset)/liability, June 30, 2019	$ (5,319)	$ (1,984)	$ 2,676

OPEB Expense and Deferred Outflows of Recourses and Deferred Inflows of Resources Related to OPEB

For the year's ended June 30, 2019 and 2018, NYCEDC recognized an OPEB gain of $0.3 million and OPEB expense of $1.2 million, respectively. OPEB income/expense is reported in the NYCEDC's financial statements as part of personnel services expense. At June 30, 2019, NYCEDC reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows	Deferred Outflows
Net difference between projected and actual earnings on OPEB plan Investments	$ 3,209	$ –

Amounts reported will be recognized in OPEB expense as follows (dollars in thousands):

Year ended June 30:	
2020	$ 699
2021	699
2022	699
2023	686
2024	426
	$ 3,209

17. Blended Component Units

CLIC Captive Insurance

In 2016, NYCEDC established the City Lights Insurance Company (CLIC) as a single parent captive insurance company wholly-owned by NYCEDC. CLIC was incorporated on May 26, 2016, and is domiciled in the State of New York. It commenced business operations on July 1, 2016.

At June 30, 2019, CLIC had no investments and maintained a cash balance of approximately $2.4 million with JP Morgan Chase.

CLIC continues to provide coverage for two lines of insurance, cyber insurance and additional terrorism insurance. Effective July 1, 2016, CLIC began directly providing excess cyber coverage to NYCEDC and its affiliates, with limits of $9 million per loss and in the aggregate, in excess of $1 million of underlying insurance and self-insured retentions.

CLIC also began directly providing terrorism insurance for acts of Nuclear, Biological, Chemical or Radiological terrorism, with limits of $6 million per occurrence and in the aggregate for any certified act of terrorism.

This policy covers certified terrorism losses as defined under the Terrorism Risk Insurance Act of 2002 (TRIA) and subsequent extensions. Under the TRIA coverage, the United States Government provides a backstop on a quota share basis for 83% (decreasing by 1% per calendar year until equal to 80%) if the total loss affecting all involved insurers exceeds $100 million.

Statements of Net Position

The following table summarizes CLIC's financial position at June 30, 2019 and 2018 (dollars in thousands):

	2019	2018
Total assets	$ 2,393	$ 1,087
Total liabilities	19	6
Total net position	$ 2,374	$ 1,081

17. Blended Component Units (continued)

Statement of Revenues, Expenses and Changes in Net Position

The following table summarizes CLIC's change in net position for the fiscal years ended June 30, 2019 and 2018 (dollars in thousands):

	2019	2018
Operating revenues	$ 379	$ 128
Operating expenses	87	75
Operating income	292	53
Change in net position	292	53
Total net position, beginning of year	1,081	1,028
Total net position, end of year	$ 1,373	$ 1,081

City of New York Early Stage Life Sciences Fund LLC

The City of New York Early Stage Life Sciences Fund LLC (ESLSF) was formed in December of 2013, as a result of an initiative designed to champion New York City's early-stage life sciences ecosystem. It is designed to support the development of new technologies and products for patients and researchers, including therapeutics, medical devices, diagnostics, research and development instrumentation, and digital life sciences technologies.

Statements of Net Position

The following table summarizes ESLSF's financial position at June 30, 2019 and 2018 (dollars in thousands):

	2019	2018
Total assets	$ 3,574	$ 3,604
Total liabilities	56	–
Total net position	$ 3,518	$ 3,604

17. Blended Component Units (continued)

Statement of Revenues, Expenses and Changes in Net Position

The following table summarizes ESLSF's change in net position for the fiscal years ended June 30, 2019 and 2018 (dollars in thousands):

	2019	2018
Operating revenues	$ 126	$ 159
Operating expenses	225	333
Operating income (loss)	(99)	(174)
Non-operating income (loss)	13	2,403
Change in net position	(86)	2,229
Total net position, beginning of year	3,604	1,375
Total net position, end of year	$ 3,518	$ 3,604

New York City Entrepreneurial Fund LLC

The New York City Entrepreneurial Fund (NYCEF) LLC was formed in February of 2010 to facilitate the expansion of the City's entrepreneurial sector by incentivizing new private sector seed and early stage financing for companies based in the City.

Statements of Net Position

The following table summarizes NYCEF's financial position at June 30, 2019 and 2018 (dollars in thousands):

	2019	2018
Total assets	$ 808	$ 808
Total liabilities	–	–
Total net position	$ 808	$ 808

17. Blended Component Units (continued)

Statement of Revenues, Expenses and Changes in Net Position

The following table summarizes NYCEF's change in net position for the fiscal years ended June 30, 2019 and 2018 (dollars in thousands):

	2019	2018
Operating revenues	$ –	$ –
Operating expenses	–	–
Operating income	–	–
Change in net position	–	–
Total net position, beginning of year	808	808
Total net position, end of year	$ 808	$ 808

NYC Ferry Fleet, LLC

The NYC Ferry Fleet, LLC (NYCFF) was formed in October of 2018 to take title of purchased ferry vessels operating in the NYC Ferry system. Depreciation expense of titled vessels are reflected as operating costs of NYCFF.

Statements of Net Position

The following table summarizes NYCFF's financial position at June 30, 2019 (dollars in thousands):

	2019
Total assets	$ 125,437
Total liabilities	–
Total net position	$ 125,437

17. Blended Component Units (continued)

Statement of Revenues, Expenses and Changes in Net Position

The following table summarizes NYCFF's change in net position for the fiscal year ended June 30, 2019 (dollars in thousands):

	2019
Operating revenues	$ –
Operating expenses	871
Operating income	(871)
Capital contribution	126,308
Change in net position	125,437
Total net position, beginning of year	–
Total net position, end of year	$ 125,437

18. Other Related-Party Transactions

New York City Land Development Corporation (LDC)

On May 8, 2012, the City formed LDC as a local development corporation organized under section 1411 of the NPCL. LDC is engaged in economic development activities by means of assisting the City with the leasing and selling of certain properties. No fees were established between NYCEDC and LDC in the current fiscal year. Instead, NYCEDC provides LDC with operating grant funding for LDC's general and administrative expenses. For the periods ended June 30, 2019 and 2018, $1,593 and $1,517, respectively, was provided to LDC for such expenses.

18. Other Related-Party Transactions (continued)

New York City Industrial Development Agency (IDA)

NYCEDC is responsible for administering the economic development programs of IDA. For fiscal years ended June 30, 2019 and 2018, NYCEDC earned management fee income from IDA of $4.4 million and $3.3 million, respectively. In fiscal year 2019, a contingency fee of $41,184 was earned by NYCEDC from IDA's recapture of benefits from one project company. Such amounts are included in fee income in NYCEDC's accompanying statements of revenues, expenses and changes in net position. At June 30, 2019 and 2018, the amounts due from IDA totaled $499,725 and $1.3 million, respectively.

Build NYC Resource Corporation (Build NYC)

Build NYC was incorporated under section 1411 of the NPCL in 2013. Pursuant to an annual agreement between NYCEDC and Build NYC, NYCEDC provides management services to Build NYC and administers Build NYC's financial books and records. For fiscal years ended June 30, 2019 and 2019, NYCEDC earned management fee income from Build NYC of $2.2 million and $3.3 million, respectively.

The Trust for Cultural Resources of New York City (TCR)

Pursuant to an annual agreement between NYCEDC and TCR, NYCEDC collects fees from TCR for management services. For the fiscal year ended June 30, 2019 and 2018, NYCEDC earned management fees of $307,813 and $312,188, respectively from TCR.

New York City Neighborhood Capital Corporation (NCC)

NCC is not-for-profit corporation organized under the NPCL. NCC has all power and authority to make qualified low-income community investments in the City of New York, and to allocate federal tax credits for this purpose. NYCEDC provided full management services to NCC and no fees were charged for these services for the year ended June 30, 2019.

19. Accounting for Derivatives and Fuel Hedging Activity

As described in Note 12, NYCEDC, on behalf on the City, contracted in June 2016 with HNY for the provision of citywide ferry services for the new NYC Ferry system. NYCEDC was initially responsible for the cost of up to 3.3 million gallons of ultra-low sulfur diesel fuel per annum under the six year operating agreement with HNY. Due to the unexpected increase in demand for ferry services, NYCEDC is in the process of increasing the number of vessels in service, and the related annual fuel cap. Beginning in fiscal year 2020, the annual cap will increase to 6.0 million gallons. The cap will increase gradually to reach 8.0 million gallons by fiscal year 2023. Although the contract caps the number of gallons that NYCEDC is responsible for, the price per gallon is subject to market conditions. Consequently, NYCEDC was authorized by its Board of Directors to implement an energy price risk management program to manage NYCEDC's exposure to the cost of fuel for NYC Ferry.

NYCEDC enters into all fuel hedging arrangements for the sole purpose of hedging against cash flow fluctuations and increasing budgetary certainty. NYCEDC is represented in these transactions by an advisor and designated evaluation agent also known as a Qualified Independent Representative (QIR).

The following risks are generally associated with hedging instruments:

Basis risk: a systemic risk that arises from variations between hedge relative price and cash/spot price of the hedged commodity at any given point of time. However, NYCEDC uses the NY harbor low-sulfur diesel futures pricing index as the reference for both the hedging instruments and the delivery contracts so there is a high correlation between the prices paid for the commodity and the futures contracts pricing.

Cash flow risk: the risk of experiencing outflow of cash to meet margin calls for future contracts due to falling prices for future contracts. This risk is naturally mitigated by the opposite movement of the actual prices paid as compared to the futures contract prices.

Counterparty Risk: the risk that the counterparty will not fulfill its obligations under the option contracts. To minimize such exposure, NYCEDC diversifies and executes transactions with multiple counterparties.

Termination Risk: the risk that the underlying hedge transactions will not run to maturity due to a counterparty event. To minimize this risk, NYCEDC will not purchase contracts where the counterparty has an option to terminate while NYCEDC is performing.

19. Accounting for Derivatives and Fuel Hedging Activity (continued)

Beginning in September 2017, NYCEDC executed International Swaps and Derivatives Association ("ISDA") master agreements with Chase Bank, N.A. (JPMorgan) and Citibank, N.A. (Citibank) paving the way to use swap and call option contracts for fuel hedging purposes. Subsequently, NYCEDC purchased call option contracts from JPMorgan, with a notional volume of 2.8 million gallons to hedge against the fuel cap for calendar year 2018 and a call option contract from Citibank, with a notional volume of 1.6 million gallons, covering the first half of calendar year 2019. These call options expired as of June 30, 2019.

Additionally, NYCEDC continued to use futures contracts as a hedging vehicle. On June 30, 2019, NYCEDC maintained a position of 304 futures contracts for ultra-low sulfur diesel and crude oil. These contracts cover a percentage of the fuel commitment for the next three years of the HNY operating contract period.

19. Accounting for Derivatives and Fuel Hedging Activity (continued)

As of June 30, 2019, the fair values of NYCEDC's commodity futures contracts, based on average daily rates are listed below. These contracts fall within the Level 2 category investments of the fair value hierarchy.

Crude Oil	Notional Amount- Barrels Barrel=42 gallons	Number of Contracts 1,000 barrels/contract	Maturity Date	Fair Value 6/30/19	Average Price $/Barrel
	840,000	20	Jun-22	$ (19,800)	$ 54.55
	882,000	21	Dec-22	(12,500)	54.20
	882,000	21	Jun-23	(6,080)	53.91

Diesel Fuel	Notional Amount- Gallons	Number of Contracts	Maturity Date	Fair Value 6/30/19	Average Price $/Gallon
	84,000	2	Aug-19	$ 11,835	$ 1.80
	420,000	10	Sep-19	(53,739)	2.08
	378,000	9	Oct-19	(66,834)	2.13
	336,000	8	Nov-19	(47,506)	2.10
	294,000	7	Dec-19	(75,999)	2.22
	294,000	7	Jan-20	(78,750)	2.23
	294,000	7	Feb-20	(79,648)	2.23
	252,000	6	Mar-20	(71,736)	2.23
	294,000	7	Apr-20	(78,472)	2.20
	336,000	8	May-20	(78,750)	2.16
	420,000	10	Jun-20	(75,911)	2.10
	420,000	10	Jul-20	(76,184)	2.10
	420,000	10	Aug-20	(56,843)	2.05
	420,000	10	Sep-20	(65,264)	2.08
	420,000	10	Oct-20	(53,357)	2.05
	420,000	10	Nov-20	(61,454)	2.07
	378,000	9	Dec-20	(51,147)	2.06
	378,000	9	Jan-21	(57,263)	2.08
	378,000	9	Feb-21	(51,316)	2.06
	336,000	8	Mar-21	(48,741)	2.06
	378,000	9	Apr-21	(51,106)	2.03
	420,000	10	May-21	(63,143)	2.04
	420,000	10	Jun-21	(53,676)	2.01
	420,000	10	Jul-21	(64,126)	2.04
	462,000	11	Aug-21	(31,219)	1.95
	462,000	11	Sep-21	(22,970)	1.93
	252,000	6	Oct-21	(17,745)	1.96
	126,000	3	Nov-21	(15,128)	2.01
	126,000	3	Dec-21	(8,110)	1.95
	126,000	3	Jan-22	(8,782)	1.96
	Total Fair Value			**$ (1,591,464)**	

20. Commitments and Contingencies

NYCEDC has an aggregate contractual commitment of $109.7 million under different self-funded economic development initiatives and projects, including but not limited to the NYC Ferry system and the City of New York Early-Stage Life Sciences project.

Additionally, NYCEDC rents office space under a current lease agreement expiring in early fiscal year 2020. A new lease agreement was entered into effective March 2018 with an expiration date of May 31, 2039, for the new headquarters. The future minimum rental commitments as of June 30, 2019, required under the current and new operating leases are as follows (dollars in thousands):

Fiscal year:	
2020	$ 13,100
2021	11,837
2022	11,840
2023	11,846
2024	11,951
2025 to 2029	64,859
2030 to 2034	70,598
2035 and thereafter	74,973
	$ 271,004

Accordingly, rent expense for office space amounted to $19 million and $13 million for fiscal years ended June 30, 2019 and 2018, respectively.

The Corporation's loan and loan guarantee finance program is designed to provide financial assistance to certain eligible businesses with the expectation of spurring economic development benefits for the City. As of June 30, 2019, the Corporation's aggregate commitment for these programs is $24.6 million.

20. Commitments and Contingencies (continued)

NYCEDC was the co-trustee along with 42nd Street Development Corporation (a subsidiary of New York State Urban Development Corporation d/b/a Empire State Development Corporation (ESDC)) for the use of certain development funds under the 42nd Street Development Project. The trustees jointly extended a loan to the New Amsterdam Development Corporation (NADC) for renovation of the New Amsterdam Theatre. The principal loan amount of $25.6 million was equally disbursed by the trustees and matures on January 31, 2027. Interest on the loan has ranged between 3% and 3.5%. NYCEDC's portion of the loan, $12.8 million, was reimbursed to NYCEDC by the City. The conduit loan payment constitutes both a receivable from NADC and a payable to the City. This transaction is not reflected in the financial statements as it does not have any impact on NYCEDC's financial position.

NYCEDC is party to a funding agreement among ESDC, the City and the Trustees of Columbia University (Columbia). The agreement was signed on November 20, 1992, as part of the Audubon building lease assignment for the benefit of Columbia. At inception Columbia received $10 million from the City, through NYCEDC, and $8 million directly from ESDC to pay for eligible site development costs. Under the lease agreement, Columbia is required to repay the $18 million no later than April 5, 2020. NYCEDC's responsibilities in this transaction are limited to redistributing the repayment to the City and ESDC upon collection from Columbia. This is a conduit loan payment from Columbia to the City and ESDC. This transaction is not reflected in the financial statements as it does not have any impact on NYCEDC's financial position.

NYCEDC, and in certain situations as co-defendant with the City, IDA, Build NYC and/or LDC, is involved in personal injury, property damage, breach of contract, environmental and other miscellaneous claims and lawsuits in the ordinary course of business. NYCEDC believes it has meritorious defenses or positions with respect thereto. In management's opinion, such litigation is not expected to have a materially adverse effect on the financial position of NYCEDC.

21. Risk Management

Given the diverse nature of projects, initiatives and assets managed by NYCEDC and its concentrated operational geography, the corporation is exposed to a variety exposures and their potential risks. Based on NYCEDC's operations, the corporation's risk can largely be categorized as: theft of, damage to, and destruction of real assets; various types of injury or harm to employees and 3rd parties; tort law and; reputational. In response, NYCEDC diligently works to identify, understand and where possible, quantify these risks associated with current and potential operations, to ensure the appropriate action is implemented to properly address them. NYCEDC utilizes several methods to mitigate these risks, including but not limited to, loss prevention/risk engineering, contractual risk transfer and the utilization of financial and commercial insurance products.

22. Net Position

In order to present the financial condition and operating results of NYCEDC in a manner consistent with the limitations and restrictions placed upon the use of resources, NYCEDC classifies its net position into three categories: restricted net position, unrestricted net position and net investment in capital assets. The restricted net position includes net position that has been restricted in use in accordance with the terms of an award or agreement (other than the net position generally available for City program activities under the Master Contract and the Maritime Contract) or by law.

Net investment in capital assets includes capital assets net of accumulated depreciation used in NYCEDC's operations. The unrestricted net position includes all net position not included above.

The Master Contract and the Maritime Contract limit the use of all unrestricted net position to City program activities except for unrestricted net position resulting from income self-generated by NYCEDC.

22. Net Position (continued)

Changes in Net Position

The changes in net position during fiscal years 2019 and 2018 are as follows (in thousands):

	Restricted	Unrestricted	Net Investment in Capital Assets	Total
Net position, June 30, 2017	$ 107,506	$ 292,021	$ 34,322	$ 433,849
Increase (decrease) in net position	(4,963)	19,363	–	14,400
Capital assets additions	–	(7,268)	7,268	–
Retirements/depreciation	–	3,460	(3,460)	–
Net position, June 30, 2018	102,543	307,576	38,130	448,249
Increase in net position	**104,090**	**9,413**	–	**113,503**
Capital assets additions	**(146,058)**	**(57,455)**	**203,513**	–
Retirements/depreciation	**2,442**	**3,616**	**(6,058)**	–
Net position, June 30, 2019	**$ 63,017**	**$ 263,150**	**$ 235,585**	**$ 561,752**

Required Supplementary Information

New York City Economic Development Corporation
(A Component Unit of the City of New York)

Schedule of Changes in Net OPEB Liability (in thousands)

	2019	2018
Total OPEB liability:		
Service cost	$ 531	$ 561
Interest	704	666
Difference between expected and actual experience	(206)	(103)
Changes of assumptions	(3,180)	(147)
Benefit payments	(201)	(225)
Net change in total OPEB liability	(2,352)	752
Total OPEB liability – beginning	21,563	20,811
Total OPEB liability – ending (a)	$ 19,211	$ 21,563
Total fiduciary net position:		
Contributions – employer	$ –	$ 20,000
Net investment income	1,195	–
Benefits payments	–	–
Administrative expenses	–	–
Net change in fiduciary net position	1,195	20,000
Trust fiduciary net position – beginning	20,000	–
Trust fiduciary net position – ending (b)	$ 21,195	$ 20,000
Corporation's net OPEB (asset)/liability – end of year (a-b)	$ (1,984)	$ 1,563
Trust fiduciary net position as a percentage of the total OPEB liability	110.33%	92.75%

Notes to Schedule:

Changes of assumptions:
Discount rate was changed from 3.2% at June 30, 2018 to 4.19% at June 30, 2019.
Rate of return was changed from 3.4% at June 30, 2018 to 4.40% at June 30, 2019
The mortality improvement scale was updated to use MP-2018 at June 30, 2019 from the MP-2017 scale at June 30, 2018.

This schedule is intended to present information for 10 years. Additional years will be presented when available.

New York City Economic Development Corporation
(A Component Unit of the City of New York)

Schedule of OPEB Contributions (in thousands)

	2019	2018
Actuarially determined contribution	–	$ –
Contributions in relation to the actuarially determined contribution	–	20,000
Contribution deficiency (excess)	–	$ (20,000)
Covered-employee payroll	8,018	8,231
Contributions as a percentage of covered-employee payroll	0%	242.98%

Valuation dates:	June 30, 2018. Results were rolled forward to June 30, 2019.
Actuarial cost method:	Entry age normal, level percent of pay. Service costs are attributed through all assumed ages of exit from active service.
Amortization method:	N/A
Asset valuation method:	Fair value.
Inflation:	3.0% per annum, compounded annually
Salary increases:	4.25% per annum
Investment rate of return:	4.40% for 2019, 3.40% for 2018
Health care trend rates:	8.4% grading down to an ultimate rate of 4.7% for <65, 7.5% grading down to an ultimate rate of 4.7% for <65
Mortality:	Based on the RP-2014 White Collar Employee and Healthy Annuitant Mortality tables with application of the MP-2018 improvement scale on a fully generational basis.
Benefit changes:	None

This schedule is intended to present information for 10 years. Additional years will be presented when available.

Supplementary Information

New York City Economic Development Corporation
(A Component Unit of the City of New York)

Combining Schedule of Revenues, Expenses, and Changes in Net Position (In Thousands)

		Restricted													June 30	
	Total Unrestricted	Maritime Fund	NYC Ferry	Adjustment	Total Maritime & NYC Ferry	NYC Ferry Fleet, LLC	Brooklyn Army	Other Properties	Finance Programs	Capital Programs	Public Purpose & Other Fund	Apple 42nd Street	Total Restricted	Net investment in capital assets	2019	2018
Operating revenues																
Grants	$ 92,259	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 371,806	$ 4,741	$ -	$ 376,547	$ -	$ 468,806	$ 488,174
Property rentals	68,246	83,896	-	-	83,896	-	24,512	4,178	-	-	-	49,649	162,235	-	230,481	214,523
Real estate sales, net	9,252	-	-	-	-	-	-	-	-	-	-	-	-	-	9,252	8,557
Fee income	12,116	59	-	-	59	-	42	10	-	-	23	83	217	-	12,333	9,835
Other income	16,050	8,739	16,646	(16,646)	8,739	-	4,502	55	556	-	2,797	611	17,260	-	33,310	40,032
Other Income - 42nd Street	23,564	-	-	-	-	-	-	-	-	-	-	(23,564)	(23,564)	-	-	-
Total Operating revenues	221,487	92,694	16,646	(16,646)	92,694	-	29,056	4,243	556	371,806	7,561	26,779	532,695	-	754,182	761,121
Operating expenses																
Project costs	108,829	-	-	-	-	-	-	-	-	-	6,051	-	6,051	-	114,880	98,086
Program costs	-	-	-	-	-	-	-	-	914	371,806	-	-	372,720	-	372,720	391,935
Property rentals and related operating expenses	15,579	71,583	-	-	71,583	-	13,110	5,338	-	-	-	2,745	92,776	-	108,355	87,566
Ferry related expenses	-	-	69,596	(16,646)	52,950	-	-	-	-	-	-	-	52,950	-	52,950	43,932
Personnel Services	58,157	6,875	-	-	6,875	-	1,481	-	172	-	188	-	8,716	-	66,873	64,242
Contract and other expenses to the City	33,587	-	-	-	-	-	-	31	-	-	-	24,039	24,070	-	57,657	30,105
Office rent	18,912	-	-	-	-	-	-	-	-	-	-	-	-	-	18,912	12,999
Other general expenses	17,316	1,797	-	-	1,797	871	1,010	8	200	919	13	-	4,818	-	22,134	22,257
Total operating expenses	252,380	80,255	69,596	(16,646)	133,205	871	15,601	5,377	1,286	372,725	6,252	26,784	562,101	-	814,481	751,122
Operating income	(30,893)	12,439	(52,950)	-	(40,511)	(871)	13,455	(1,134)	(730)	(919)	1,309	(5)	(29,406)	-	(60,299)	9,999
Nonoperating revenues (expenses)																
Income (Loss) from Investments	7,058	286	-	-	286	-	-	24	901	-	783	5	1,999	-	9,057	4,446
Non-operating income/(expense)	94	-	-	-	-	-	-	-	-	-	-	-	-	-	94	(45)
Total nonoperating revenues (expenses)	7,152	286	-	-	286	-	-	24	901	-	783	5	1,999	-	9,151	4,401
Income before transfers	(23,741)	12,725	(52,950)	-	(40,225)	(871)	13,455	(1,110)	171	(919)	2,092	-	(27,407)	-	(51,148)	14,400
Interfund transfers	(9,211)	(12,725)	18,715	-	5,990	-	3,221	-	-	-	-	-	9,211	-	-	-
Change in net position before capital contributions	(32,952)	-	(34,235)	-	(34,235)	(871)	16,676	(1,110)	171	(919)	2,092	-	(18,196)	-	(51,148)	14,400
Capital contribution	14,192	-	-		-	126,308	-	-	-	24,151	-	-	150,459	-	164,651	-
Change in net position	(18,760)	-	(34,235)	-	(34,235)	125,437	16,676	(1,110)	171	23,232	2,092	-	132,263	-	113,503	14,400
Total net position, beginning of year	307,576	7,000	5,008		12,008	-	500	3,328	54,664	3,512	28,531	-	102,543	38,130	448,249	433,849
Subtotal net position, end of year	288,816	7,000	(29,227)	-	(22,227)	125,437	17,176	2,218	54,835	26,744	30,623	-	234,806	38,130	561,752	448,249
Net investment in capital assets	(25,666)	(3,018)	(3,426)		(6,444)	(125,437)	(16,676)	-	-	(23,232)	-	-	(171,789)	197,455	-	-
Total net position, end of year	$ 263,150	$ 3,982	$ (32,653)	$ -	$ (28,671)	$ -	$ 500	$ 2,218	$ 54,835	$ 3,512	$ 30,623	$ -	$ 63,017	$ 235,585	$ 561,752	$ 448,249

II. Government Auditing Standards Section

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Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*

The Management and the Board of Directors
New York City Economic Development Corporation

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of New York City Economic Development Corporation (NYCEDC), a component unit of The City of New York, which comprise the statement of net position as of June 30, 2019, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 30, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered NYCEDC's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of NYCEDC's internal control. Accordingly, we do not express an opinion on the effectiveness of NYCEDC's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether NYCEDC's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ernst + Young LLP

September 30, 2019

Exhibit B

It is proposed that the following persons be elected Directors of NYCEDC:

Cheryl Adolph
Shirley Aldebol
Vicki Been
William Candelaria
Wilton Cedeno
Marlene Cintron
Hector Cordero–Guzman
Lorraine Cortes-Vazquez
Mitch Draizin
Robert Englert
William Floyd
Matthew Hiltzik
Tanya Levy-Odom
David Lichtenstein
James McSpiritt
Melva Miller
Patrick J. O'Sullivan, Jr.
James Patchett
Mark E. Russo
Michael Schlein
Matthew Washington
Timothy Wilkins
Betty Woo
Kathryn Wylde

ELECTION OF ALTERNATE
Members Meeting
February 5, 2020

Subject: Election of an alternate for Deputy Mayor Vicki Been

Proposed Resolution: To elect Jodi Callender to be an alternate for Deputy Mayor Vicki Been in her capacity as a Director of NYCEDC at meetings that Pedram Mahdavi does not attend as her alternate

Background: Under NYCEDC's Bylaws, a Deputy Mayor of the City of New York may approve a person to be elected as his/her alternate as a Director. Pedram Mahdavi currently serves as an alternate for Deputy Mayor Been and shall continue to so serve. Deputy Mayor Been has requested that Jodi Callender be elected to serve as her alternate at meetings that Pedram Mahdavi does not attend as her alternate. Jon Cohen no longer serves as an alternate for the Deputy Mayor.

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
November 7, 2019

A regular meeting of the Directors of New York City Economic Development Corporation ("NYCEDC") was held, pursuant to notice by an Assistant Secretary, on Thursday, November 7, 2019, in Conference Center A/B, on the 14th Floor at the offices of NYCEDC at One Liberty Plaza, New York, New York.

The following Directors of NYCEDC were present:

Cheryl Adolph (by conference telephone)
Shirley Aldebol (by conference telephone)
Vicki Been
William Candelaria (by conference telephone)
Wilton Cedeno (by conference telephone)
Hector Cordero-Guzman (by conference telephone)
Mitchell Draizin (by conference telephone)
Robert Englert (by conference telephone)
William Floyd (by conference telephone)
Matthew Hiltzik (by conference telephone)
Tanya Levy-Odom (by conference telephone)
Pedram Mahdavi (as alternate for Vicki Been)
James McSpiritt
Melva Miller
Patrick J. O'Sullivan, Jr.
James Patchett
Mark Russo (by conference telephone)
Matthew Washington
Timothy Wilkins
Betty Woo

Members of NYCEDC staff also were present.

The meeting was chaired by James Patchett, President of NYCEDC, and called to order at 8:49 a.m. Meredith Jones, Executive Vice President, General Counsel and Secretary of NYCEDC, served as secretary of the duly constituted meeting, at which a quorum was present. (Attached hereto as Attachment 1 is a definition sheet that contains the definitions of certain frequently used terms contained in the Exhibits attached hereto.)

1. Approval of the Minutes of the September 27, 2019 Regular Meeting of the Board of Directors

There being no questions or comments with respect to the minutes of the September 27, 2019 regular meeting of the Board of Directors, as submitted, a motion was made to approve such minutes, as submitted. Such motion was seconded and unanimously approved.

2. Report of NYCEDC's President

At this time, Mr. Patchett presented to the Directors his report as President of NYCEDC and highlighted some recent activity involving key NYCEDC projects and initiatives. Mr. Patchett then highlighted a few internal matters, including NYCEDC exceeding its minority, women-owned and disadvantaged business enterprise ("M/W/DBE") goal for the second consecutive year, as well as the recent launch of NYCEDC's new and much-improved website.

Mr. Hiltzik left the meeting at this time.

In answer to a question from Mr. Wilkins, Mr. Patchett stated that the overall progress of M/W/DBEs, including those firms that were advancing to larger contracting levels, was a good topic for NYCEDC to provide a presentation on at the next Board meeting. In answer to a question from Mr. Washington, Ana Ariño, an Executive Vice President of NYCEDC, stated that there was not a finite number of employer-partners that NYCEDC was working with to achieve its job placement goal for the Fullstack Academy cybersecurity bootcamp program. She explained that career support and business development relationships with employers were critical to meeting that goal, that these were ongoing relationships, and that the employer-partners came with their own set of partners, in addition to the support that NYCEDC provided through its own industry relationships.

In answer to a question from Ms. Miller, Ms. Ariño stated that the existing City University of New York ("CUNY") schools in the CUNY 2x Tech program included Hunter College, Lehman College and The City College of New York, and that the five CUNY schools being added to the program were Brooklyn College, Queens College, Medgar Evers College, John Jay College of Criminal Justice, and College of Staten Island.

3. Ratification of Submission of the Annual Report of the Directors to the Members

A motion was made to ratify the submission to the Members of NYCEDC at the annual meeting of the Members on November 7, 2019 of the Annual Report of the Board of Directors of NYCEDC for the 12-Month Fiscal Period Ended June 30, 2019, with the change noted at the Members meeting in the number of Members as of

October 24, 2019, from 25 to 24, due to the resignation of Gail Mellow. Such motion was seconded and unanimously approved.

4. Election of Officers

The Board had been informed that a description of the major responsibilities of most officers may be found in Article IV of NYCEDC's Bylaws. The duties of the General Counsel would include overseeing the work of NYCEDC's Legal Department and legal matters related to NYCEDC, as well as such other duties as may be assigned to her by the President. The duties of the Records Management Officer shall include overseeing NYCEDC's record retention and maintenance system, as well as such other duties as may be assigned to her by the President. The duties of the Chief Contracting Officer shall include overseeing the procurement of NYCEDC contracts (other than those for real estate transactions), as well as such other duties as may be assigned to her by the President.

Mr. Patchett noted that the only persons listed in Exhibit A who were being elected as NYCEDC officers for the first time were Emily De Vito and Matthew Mo, and that each of Ms. De Vito and Mr. Mo was being elected as a Senior Vice President of NYCEDC. Mr. Patchett then summarized the backgrounds of Ms. De Vito and Mr. Mo.

A motion was made to elect the individuals named in Exhibit A hereto as the officers of NYCEDC indicated in Exhibit A. Such motion was seconded and unanimously approved. It was understood that with regard to each officer who is an employee of NYCEDC, such officer's position as an officer would be conditioned upon the continuance of such employment.

At this time, Deputy Mayor Been left the meeting and Mr. Mahdavi began serving as Deputy Mayor Been's alternate.

5. Election of Committees

Mr. Patchett noted that the proposed standing committees and their proposed members and chairpersons remained unchanged, with the only exceptions being that Gail Mellow was not being elected as a member of the Audit Committee due to her recent resignation, and that Mr. Draizin had withdrawn from the Legal Affairs Committee.

A motion was made (i) to continue the following currently existing standing committees of the Board of Directors – the Audit Committee, Executive Committee, Governance Committee, Legal Affairs Committee and Real Estate and Finance Committee, all of which would have the same duties as currently exist, and (ii) to elect the proposed members and chairpersons of such committees as listed in Exhibit B hereto. Such motion was seconded and unanimously approved.

6. PAAA Policies and Procedures

At this time, Mark Silversmith, a Special Counsel and Assistant Secretary of NYCEDC, summarized and presented for approval the Real Property Disposition and Acquisition, the Personal Property Disposition, the Investment and the Procurement Policies, Guidelines and Procedures, and the appointment of Contracting Officers, as set forth in Exhibit C hereto.

Mr. Silversmith stated that minor changes had been made to certain of the policies, procedures and guidelines. He noted that slight modifications to the Policy Regarding the Acquisition and Disposition of Real Property had been made, primarily to clarify that a sole source disposition could be done when no competition was feasible. He then noted an addition to the Policy Regarding the Procurement of Goods and Services, to add that all contracts for goods and services (other than those for operating expenses) in excess of $100,000 shall be presented to the Board of Directors or Executive Committee of NYCEDC for approval, and that this change was made because the New York State Authorities Budget Office had indicated that it felt that the Procurement Policy should include what contracts are to be presented to the Board and NYCEDC's Board had previously determined this outside of the Procurement Policy.

The proposed property policies, guidelines and procedures and resolutions included the appointment of Contracting Officers for property dispositions, as set forth in Exhibit C.

It was moved that the Proposed Resolutions set forth in Exhibit C be adopted. Such motion was seconded and approved. Ms. Aldebol abstained from voting on this item.

7. Governance Committee Report and Board Self-Evaluation Results

Mr. Wilkins, Chairperson of the Governance Committee (the "Committee"), gave a report of the Committee and summarized the results of the self-evaluation of the Board of Directors for Fiscal Year 2019.

Mr. Wilkins stated that there was good participation for the self-evaluation survey, and that the responses overall were very favorable.

Mr. Wilkins then summarized some of the main points from the Committee's discussion, as well as some suggestions that were made. He suggested that possibly rather than an annual look back at NYCEDC's success in meeting its metrics, more of a scorecard approach with a concise quarterly report would be more effective. Next, Mr. Wilkins stated that the Committee felt that it would be useful to make time for deeper discussions on some of the particularly important or complex NYCEDC issues and projects that come before the Board. Third, Mr. Wilkins stated that the Committee strongly encouraged having another Board retreat and that these events, in fact, provided an excellent forum for some of the deeper discussions that he had just discussed. He further suggested that Board retreats may also provide an opportunity to cover lessons learned from especially complex or challenging past projects, and that he and Mr. Patchett had agreed that it might be helpful if a few Directors could join NYCEDC's staff in planning the next retreat. Lastly, Mr. Wilkins encouraged the Board to continue reaching out to NYCEDC staff for clarification about projects, or to discuss any questions or concerns that they might have. He added that the Directors were also encouraged to reach out to the Committee if they had concerns or comments that they wished to share, or an issue that they wished to discuss.

At this time, Mr. Wilkins explained, with respect to a question that was raised in response to a specific portion of one of the survey questions, that NYCEDC's bylaws were not reviewed annually, but that they were only reviewed whenever modifications to the bylaws were necessitated by changes to the law or the organization, as was the case a couple of years ago by changes in the Not-for-Profit Corporation Law. He noted that this particular survey question possibly would be amended going forward to eliminate when the bylaws are reviewed. In answer to a question from Mr. Patchett, Mr. Wilkins explained that the Board survey results overall tended to be positive each year, but that this year's results were especially favorable. Mr. Patchett then noted that NYCEDC felt strongly that the Board retreats were beneficial and long overdue and suggested that the next retreat be planned for early 2020 so that NYCEDC may share with the Board its recent strategic planning. Mr. Washington then added that he was pleased to see the improved quantity of written feedback in the survey, as well as the constructive nature of that feedback.

8. Mission Statement and Measurements

The 2009 Public Authorities Reform Act requires NYCEDC to annually review its mission statement and measurements by which the performance of NYCEDC and the achievement of its goals may be evaluated. Mr. Silversmith stated that, at this time, NYCEDC proposed to readopt its mission statement, and for Fiscal Year 2020 to use substantially the same measurements approved by NYCEDC's Board for use for Fiscal Year 2019, as set forth in Attachment A to Exhibit D hereto.

In answer to a question from Mr. Wilkins, Mr. Patchett stated that potential risk was not an area that could easily be measured, but that perhaps it would be helpful if NYCEDC were to perform a review of its large projects from the past two years and then provide an overview to the Board covering the status of each of those projects and the risks that were involved.

A motion was made to adopt the resolution set forth in Exhibit D hereto. Such motion was seconded and unanimously approved.

9. Report on Investments for the Three-Month Period Ended September 30, 2019

A report on NYCEDC's investments for the three-month period ended September 30, 2019 (Exhibit E hereto) was provided to the Board of Directors for informational purposes. There were no questions with regard to this report.

10. Approval

With respect to the approved items set forth above, it was understood that authorization and approval of such matters included authorization for the President and other empowered officers to execute the necessary legal instruments, and for the President and other empowered officers to take such further actions as are or were necessary, desirable or required, to implement such matters substantially on the terms described above.

11. Adjournment

There being no further business to come before the meeting, the meeting of the Board of Directors was adjourned at 9:24 a.m.

____
Assistant Secretary

Dated:___________________________
New York, New York

Attachment 1

DEFINITIONS

Apple	Apple Industrial Development Corp.
Armand	Armand Corporation d/b/a Armand of New York
BAT	Brooklyn Army Terminal
Bovis	Bovis Lend Lease LMB, Inc.
CDBG	Federal Community Development Block Grant
CDBG-DR Funds	Federal Community Development Block Grant-Disaster Recovery Program funds
CEQR	City Environmental Quality Review process
City DEP	New York City Department of Environmental Protection
City DOT	New York City Department of Transportation
City Parks	New York City Department of Parks and Recreation
City Planning	New York City Department of City Planning or City Planning Commission
CM	A construction manager
CM Contract	A construction management contract
DCAS	New York City Department of Citywide Administrative Services
EIS	Environmental Impact Statement
ESDC	New York State Urban Development Corporation d/b/a Empire State Development Corporation
FEMA	Federal Emergency Management Agency
FM	A facilities manager
FM/CM Contract	A facilities management/construction management contract
Funding Source Agreement	Any agreement necessary to obtain funds for the Project, including IDA Agreements
Gilbane....................	Gilbane Building Company
HDC	New York City Housing Development Corporation
HPD	New York City Department of Housing Preservation and Development
Hunter Roberts	Hunter Roberts Construction Group, L.L.C.
IDA	New York City Industrial Development Agency
IDA Agreement	Agreement with IDA pursuant to which IDA retains NYCEDC to accomplish all or part of the Project and reimburses NYCEDC for the costs of the work
LiRo	LiRo Program and Construction Management, PE P.C.
LMDC	Lower Manhattan Development Corporation
McKissack	The McKissack Group, Inc. d/b/a McKissack & McKissack

MOU	A memorandum of understanding
NYCEDC	New York City Economic Development Corporation, survivor of a November 1, 2012 merger of a local development corporation (the "LDC") named New York Economic Development Corporation with and into New York City Economic Growth Corporation. References to NYCEDC prior to such merger are references to the LDC.
NYCHA	New York City Housing Authority
NYCLDC	New York City Land Development Corporation
Noble Strategy	Noble Strategy NY Inc.
OMB	New York City Office of Management and Budget
Port Authority	The Port Authority of New York and New Jersey
RFP	Request for Proposals
Sanitation	New York City Department of Sanitation
SBS	New York City Department of Small Business Services
SEMO	New York State Emergency Management Office
SEQR	State Environmental Quality Review process
Skanska	Skanska USA Building Inc.
State DEC	New York State Department of Environmental Conservation
State DOS	New York State Department of State
State DOT	New York State Department of Transportation
State Parks	New York State Office of Parks, Recreation and Historic Preservation
Tishman	Tishman Construction Corporation of New York
Turner	Turner Construction Company
ULURP	Uniform Land Use Review Procedure

Exhibit A

Following is the proposed slate of all of the officers of NYCEDC.

President	James Patchett
Executive Vice President	Ana Ariño
Executive Vice President	Patrick Askew
Executive Vice President	Lindsay Clinton
Executive Vice President	Spencer Hobson
Executive Vice President	Meredith J. Jones
Executive Vice President	James Katz
Executive Vice President	Cecilia Kushner
Executive Vice President	Rachel Loeb
Executive Vice President	Hester Muis
Executive Vice President	Seth Myers
Executive Vice President	Kim Vaccari
Executive Vice President	Jennie Wallace
General Counsel	Meredith J. Jones
Chief Contracting Officer	Maryann Catalano
Senior Vice President	Hardy Adasko
Senior Vice President	Savita Akula
Senior Vice President	Sunitha Amalraj
Senior Vice President	Joy Ardizzone
Senior Vice President	Elizabeth Arnaiz
Senior Vice President	Chetan Badiani
Senior Vice President	Karen Bhatia
Senior Vice President	Alexander Brady
Senior Vice President	Maryann Catalano
Senior Vice President	Bernice Clark
Senior Vice President	Eric Clement
Senior Vice President	Darryl Connelly
Senior Vice President	Alex Costas
Senior Vice President	Fred D'Ascoli
Senior Vice President	Gbenga Dawodu
Senior Vice President	Emily De Vito
Senior Vice President	Lydia Downing
Senior Vice President	Andrew Genn
Senior Vice President	Susan Goldfinger
Senior Vice President	Leonard Greco
Senior Vice President	Jhaelen Hernandez-Eli
Senior Vice President	Robert Holbrook, Jr.
Senior Vice President	Winthrop Hoyt
Senior Vice President	Jonathan Hurtado
Senior Vice President	Liza Kent
Senior Vice President	Bomi Kim
Senior Vice President	Justin Kreamer

Senior Vice President	Brian Larsen
Senior Vice President	Steve Lazarus
Senior Vice President	Patricia Lukas
Senior Vice President	Adam Meagher
Senior Vice President	Shin Mitsugi
Senior Vice President	Matthew Mo
Senior Vice President	Fred Olayele
Senior Vice President	Erica O'Neal
Senior Vice President	Maxwell Padden
Senior Vice President	Cheng L. Pan
Senior Vice President	Harry Singh
Senior Vice President	Julie Stein
Senior Vice President	Doug Thiede
Senior Vice President	Rosa Vasquez
Senior Vice President	Elizabeth Verostek
Senior Vice President	Jiin-Shiow Wen
Senior Vice President	Lauren Wolf
Senior Vice President	James Wong
Senior Vice President	Mikhail Yusim
Secretary	Meredith J. Jones
Assistant Secretary	Carlos Guerra
Assistant Secretary	Arthur Hauser
Assistant Secretary	Mark Silversmith
Treasurer	Spencer Hobson
Assistant Treasurer	Amy Chan
Assistant Treasurer	Fred D'Ascoli
Assistant Treasurer	John McGlynn
Records Management Officer	Joy Ardizzone

Exhibit B

The proposed members and chairpersons of the proposed committees are as follows:

AUDIT COMMITTEE

William Candelaria, Chair
James McSpiritt
Michael Schlein
Betty Woo

EXECUTIVE COMMITTEE

Michael Schlein, Chair
Vicki Been
William Candelaria
Wilton Cedeno
William Floyd
James McSpiritt
James Patchett
Timothy Wilkins
Betty Woo

GOVERNANCE COMMITTEE

Timothy Wilkins, Chair
William Floyd
Tanya Levy-Odom
Matthew Washington

LEGAL AFFAIRS COMMITTEE

Betty Woo, Chair
Matthew Hiltzik
Patrick J. O'Sullivan, Jr.

REAL ESTATE AND FINANCE COMMITTEE

Patrick J. O'Sullivan, Jr., Chair
William Candelaria
Mitch Draizin
James McSpiritt
Mark Russo
Betty Woo

Exhibit C

PROPERTY DISPOSITION, INVESTMENT AND PROCUREMENT POLICIES, GUIDELINES AND PROCEDURES
Board of Directors Meeting
November 7, 2019

WHEREAS, the Public Authorities Accountability Act of 2005 as amended by the Public Authorities Reform Act of 2009 (together, the "PAAA") includes New York City Economic Development Corporation in its definition of a local authority; and

WHEREAS, the PAAA requires the Board of Directors (the "Board") of a local authority (a) to adopt policies, guidelines and procedures related to the disposition of property and to appoint a Contracting Officer for real property dispositions and a Contracting Officer for personal property dispositions; (b) to adopt investment policies, procedures and guidelines (the "investment guidelines"); and (c) to adopt policies and procedures related to the procurement of goods and services; and

WHEREAS, the PAAA requires the Board to annually review and approve the property disposition guidelines, the appointment of the Contracting Officers and the investment guidelines; and

WHEREAS, it is proposed that the real property acquisition and disposition policies, guidelines and procedures, which are set forth in Attachment A hereto, be **adopted,** which polices, guidelines and procedures are the current version with minor changes to indicate more clearly that sole source negotiated dispositions may only be undertaken after such competition as is feasible (the changes being indicated in Attachment A); and

WHEREAS, it is proposed that the current policies, procedures and guidelines related to the disposition of personal property, which are set forth in Attachment B hereto, be **readopted** without modification; and

WHEREAS, NYCEDC's annual contracts with the City generally require that upon receipt of money for the contracts' programs, NYCEDC shall place such money (a) in an insured or collateralized account in a New York City financial institution designated by the New York City Banking Commission or such other financial institutions approved by the Deputy Mayor for Housing and Economic Development or (b) other investments of types approved by the City's Comptroller for the investment of City funds; and

WHEREAS, in conformance with the above the Board previously adopted the investment guidelines attached hereto as Attachment C; and

WHEREAS, NYCEDC wishes to **readopt** the investment guidelines without modification; and

WHEREAS, it is proposed that the Board continue to annually review and approve its policies and procedures related to the procurement of goods and services; and

WHEREAS, it is proposed that the procurement policies and procedures as set forth in Attachment D hereto be **adopted**, which policies and procedures include minor changes to the current policies and procedures to incorporate additional policies and procedures similar to guidelines previously separately adopted by NYCEDC's Board of Directors, which additional policies and procedures relate to which contracts should be presented to NYCEDC's Board of Directors or Executive Committee.

NOW, THEREFORE, RESOLVED that the Board:

- **Adopts** policies, guidelines and procedures related to the acquisition and disposition of real property, attached hereto as Attachment A, and appoints the Corporation's Contracting Officer for real property dispositions as indicated in Section VI therein; and
- **Readopts** policies, guidelines and procedures related to the disposition of personal property, attached hereto as Attachment B, and appoints the Corporation's Contracting Officer for personal property dispositions as indicated therein; and
- **Readopts** the investment guidelines, attached hereto as Attachment C; and
- **Adopts** the policies and procedures related to the procurement of goods and services, attached hereto as Attachment D.

Attachment A

NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
POLICY REGARDING THE ACQUISITION AND DISPOSITION OF REAL PROPERTY

I. Introduction

In accordance with the requirements of Title 5-A of Article 9 and Section 2824(1)(e) of the Public Authorities Law, added to such law by the Public Authorities Accountability Act of 2005 ("PAAA"), as amended, the following comprehensive guidelines ("Guidelines") set forth the Corporation (i) operative policy and instructions regarding the use, awarding, monitoring and reporting of contracts for the disposal of property through means of real property sale, ground lease, space lease and roof top lease, (ii) guidelines relating to the acquisition of real property, and (iii) related policies and procedures.

II. Methods of disposing of real property

The Corporation shall dispose of real property in accordance with Title 5-A and other applicable laws in a manner so as to permit such full and free competition as is appropriate under the circumstances and shall award contracts to parties offering the most advantageous terms, financial and/or otherwise. All dispositions of real property shall further comply with the Deputy Mayor's Disposition Policy for City-Owned Commercial and Industrial Property, dated April 1994, as amended and to be amended, and such other requirements as may from this time be imposed by the City. The Contracting Officer for real property dispositions shall supervise and direct all dispositions of real property of the Corporation. The real property may be disposed of for not less than fair market value for cash, credit, or other property, with or without warranty, upon such terms and conditions as the Contracting Officer or his/her designee deems proper, except as otherwise permitted herein. No disposition of real property shall be made unless an appraisal has been made by an independent appraiser and included in the Corporation's file. To the extent reasonably feasible, the appraisal for sales and ground leases shall be dated within twelve months of the date on which the Corporation enters into a contract to dispose of the real property. The independent appraiser must be a New York State Certified General Real Estate Appraiser and may not be an entity owned or controlled by the City, the Corporation or the prospective purchaser or lessee or any of their affiliates. An appraisal meeting the foregoing requirements is a "Conforming Appraisal". To the extent feasible, before approving the disposal of any real property the Board shall be advised of the date of the Conforming Appraisal.

Under the Contracting Officer's or his/her designee's direction, the Corporation primarily uses two methods of disposition: Request for Proposals ("RFP") and negotiated disposition.

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RFPs

Real Property Sales and Ground Leases

The RFP process is a process whereby the development community and other entities and individuals are invited to submit proposals for one or more properties. In an effort to create full and free competition consistent with the value and nature of the property, RFPs will be advertised in the City Record and shall be advertised through the internet and in local newspapers, including community based newspapers, in multi-language publications and/or in trade publications, where appropriate given the nature of the property. In addition, RFPs shall be posted on the Corporation's web-site, and, on occasion, distributed to a direct mailing list. All advertisements shall list when and where proposals shall be disclosed, except that if the disposition falls within one of the criteria for a negotiated disposition described below, at the discretion of the Contracting Officer, the advertisement may omit such disclosure information and/or the disclosure may or may not be made. The Contracting Officer shall approve the location of all advertisements and postings and any omission of disclosure information.

RFPs for real property sales and ground leases may, but are not required to, include an introduction and sections on development strategy, objectives, disposition process, public review process, general conditions and, where appropriate, economic development benefits. All RFPs for real property sales and ground leases must include a site description, proposal requirements and selection criteria.

Although the selection criteria for each RFP varies, as appropriate, the Corporation will include, where appropriate, at least the following selection criteria in reviewing submissions and selecting a proposal:

- *Economic Impact on / Spending in New York City* - projected expenditures, including purchase price, construction costs and annual operating costs; projected temporary (construction) and permanent on-site employment and payroll; projected applicable New York City taxes such as real property, sales and personal income taxes; and the extent, if any, to which the proposed project will create additional sources of revenue to the City.
- *Development Team Qualifications* – experience and development skills to complete the proposed project on time and within budget, for which experience in completing projects of a similar nature and scope as is contemplated by the RFP shall be taken into account.
- *Financial Viability* – developer's financial means to complete the project, availability of funding sources to finance the project, and sufficient use to support operating expenses, capital costs and any debt service.
- *Integration into Surrounding Community* – environmental issues such as pedestrian access, vehicular access and circulation, building mass, parking availability, landscaping and overall integration into surrounding community.

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- *Design* – architectural design, urban design, environmental development techniques, and compliance with applicable zoning, environmental and other regulatory controls.
- *MWBE Participation* – participation by minority-owned and women-owned businesses.
- *Purpose* – whether the project involves an industry or activity which the City seeks to retain and foster and conforms to the Corporation's mission.

Depending on the nature of the real property, RFPs may include additional selection criteria deemed appropriate by the Contracting Officer or the Corporation's President.

With regard to an RFP for a real property sale or ground lease, the Corporation shall notify the City Council Member and Community Board whose districts include the property, that an RFP is being issued.

The contract will be awarded to the candidate presenting the most advantageous terms, price and other factors considered in connection with the criteria enumerated in the RFP. The Corporation may reject the proposals when the minimum terms and conditions have not been met, competition is insufficient and/or it is in the public interest to do so. The award/designation will be made by notice within a reasonable time of the original advertisement, all circumstances considered.

Space Leases and Rooftop Leases

As with real property sales and ground leases, in an effort to create full and free competition consistent with the value and nature of the property, available space may be offered for lease to the public through an RFP advertised in the City Record and may also be offered for lease to the public through an RFP advertised in appropriate local newspapers and/or appropriate trade publications, depending on the nature of the property. In addition, RFPs may be posted on the Corporation's web-site, and, on occasion, distributed to a direct mailing list. All advertisements shall list when and where proposals shall be disclosed, except that if the disposition falls within one of the criteria for a negotiated disposition described below, at the discretion of the Contracting Officer or his/her designee, the advertisement may omit such disclosure information and/or the disclosure may or may not be made.

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Although the selection criterion for each RFP varies, as appropriate, the Corporation may use selection criteria such as the following in reviewing submissions and selecting a proposal:

- conforming zoning use
- compliance with the Corporation's policy
- candidate's economic viability
- amount of space to be leased
- term of the lease
- number of jobs to be provided

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* projected investment in permanent improvements
* projected impact on economic development, public health, safety, welfare and benefit to the City
* financial return for the life of the lease.

Depending on the nature of the real property, RFPs may or may not include all of the above and may include additional selection criteria.

The contract will be awarded to the candidate presenting the most advantageous terms, price and other factors considered. The Corporation may reject the proposals when the minimum terms and conditions have not been met, competition is insufficient and/or it is in the public interest to do so. The award/designation will be made by notice within a reasonable time of the original advertisement, all circumstances considered.

Negotiated Disposition

Real Property Sales, Ground Leases, Space Leases and Rooftop Leases

RFP by advertisement is not always the most appropriate and effective means of disposal of real property. In certain instances, including when the disposition is for less than fair market value but the purpose of the disposition is within the Corporation's purpose, mission or governing statute or the disposition is otherwise authorized by law, Title 5-A permits a negotiated disposition subject to obtaining such competition as is feasible under the circumstances. In some circumstances, where competition is not feasible, the disposition will involve a sole source disposition. Title 5-A, Sections 2897 (6)(c)(ii)-(vi) and 2897(7) set forth that real property may be disposed of through a negotiated disposition when:

> (ii) the fair market value of the property does not exceed fifteen thousand dollars;
> (iii) bid prices after advertising therefor are not reasonable, either as to all or some part of the property, or have not been independently arrived at in open competition;
> (iv) the disposal will be to the state or any political subdivision, and the estimated fair market value of the property and other satisfactory terms of disposal are obtained by negotiation;
> (v) the disposal is for an amount less than the fair market value of the property, and (a) the transferee is a government or other public entity, and the terms and conditions of the transfer require that the ownership and use of the asset will remain with the government or any other public entity; (b) the purpose of the transfer is within the purpose, mission or governing statute of the Corporation; or (c) in the event the Corporation seeks to transfer an asset for less than its fair market value to other than a governmental entity, which disposal would not be consistent with the Corporation's mission, purpose or governing statutes, the

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Corporation shall provide written notification thereof to the governor, the speaker of the state assembly, and the temporary president of the state senate, and such proposed transfer shall be subject to denial by the governor, the state senate, or the state assembly in the manner specified in Section 2897(7)(iii); provided, however, that with respect to a below market transfer by the Corporation that is not within the purpose, mission or governing statute of the Corporation, if the governing statute provides for the approval of such transfer by the executive and legislative branches of the political subdivision in which the Corporation resides, and the transfer is of property obtained by the Corporation from that political subdivision, then such approval shall be sufficient to permit the transfer; or
(vi) such action is otherwise authorized by law.

Item (vi) includes, without limitation, sales and leases of real property where the property has been acquired for purposes of disposal under Section 384(b)(4) of the New York City Charter, Section 1411 of the New York State Not-for-Profit Corporation Law or Section 1301(2)(g) of the New York City Charter.

If an RFP involves a disposition that meets one of the criteria described above for a negotiated disposition, the Contracting Officer or his/her designee may direct that the disposition of the real property be considered a negotiated disposition. In such circumstance, a public disclosure of the proposals would not be necessary unless otherwise required but an explanatory statement and 90 days' notice (or such other period as the statute may be amended to require) would be required as detailed below.

Upon meeting Title 5-A's requirements for a negotiated disposition, the decision to proceed with a negotiated disposition in a situation where an RFP will not be used is based on an analysis of the facts and nature of the project. In such instance, a negotiated disposition may be undertaken without limitation under the following circumstances where appropriate:

- risk of business relocation or expansion outside the City, based upon a written assessment of such risks
- to permit expansion of business in the City
- due to number of jobs to be created or retained
- development of sites which lack private sector interest (as demonstrated by a failed RFP or other competitive means within the past two years)
- proximity of real property to a business' existing location
- to permit a person or entity contemplating the purchase or long term lease of City real property through the Corporation to lease the property for purposes of investigations and/or work to be undertaken prior to the purchase or long term lease, or
- other important public purpose.

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Regardless of the reason the negotiated disposition is deemed permissible, such competition as is "feasible" under the circumstances is still required. In some instances where advertisement is not used, the Corporation might notify neighboring businesses of an available parcel to give them the opportunity to submit a proposal, thereby effecting competition. However, in other instances, even such notification might not be feasible. Realistically, in certain situations a sole source disposition or little competition will be the only feasible alternative. In such instances, a negotiated disposition would be permissible pursuant to Title 5-A Section 2897(6)(c)(vi) in conjunction with Sections 1301(2)(g) and/or 384 (b)(4) of the New York City Charter or other statutory provisions and pursuant to Title 5-A Section 2897(6)(c)(v). In cases where a sole source disposition is presented to the Corporation's Board of Directors for approval, the Board should be informed of the justification for doing a sole source.

If a negotiated disposition is undertaken, in accordance with Section 2897(d) of the Public Authorities Law in most cases not less than 90 days (or such other period as the statute may later require) prior to the disposal of the property, an explanatory statement must be submitted to the state comptroller, state director of the budget, state commissioner of general services and state legislature, a copy of the same to be maintained in the Corporation's files.

Below Fair Market Value Dispositions

In the event a below fair market value asset transfer (pursuant to an RFP or Negotiated Disposition) is proposed to the Corporation's Board of Directors, the following information must be provided to the Corporation's Board of Directors and the public:

(i) a full description of the asset;
(ii) a Conforming Appraisal of fair market value and any other information establishing the fair market value sought by the Board;
(iii) a description of the purpose of the transfer, and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the kind, number, location, wages or salaries of jobs created or preserved as required by the transfer, the benefits, if any, to the communities in which the asset is situated as are required by the transfer;
(iv) a statement of the value to be received compared to the fair market value;
(v) the names of any private parties participating in the transfer, and if different than the statement required by subparagraph (iv) of this paragraph, a statement of the value to the private party; and
(vi) the names of other private parties who have made an offer for such asset, the value offered, and the purpose for which the asset was sought to be used.

Before approving the disposal of any property for less than fair market value, the Board of Directors of the Corporation shall consider the information described in the above paragraph and make a written determination that there is no reasonable alternative to the proposed below-market transfer that would achieve the same purpose of such transfer. The Contracting Officer shall provide such supplemental information as the Board may require.

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III. Acquisitions

Real property may be purchased by the Corporation for purposes of use, resale, leasing or otherwise permitting the use of the property or space therein, and may be leased by the Corporation for purposes of use, subleasing or assignment of lease or otherwise permitting the use of the leased property or space. The purpose of such acquisition shall be to further a purpose of the Corporation under the New York State Not-for-Profit Corporation Law. Except for acquisitions arising out of the enforcement of remedies (including rights of reacquisition), the following requirements shall apply to acquisitions by the Corporation. The Contracting Officer or his/her designee shall approve the terms of the acquisition and have the approval of the Corporation's Board of Directors for the same.

In the Corporation's consideration of the acquisitions of real property, for the reasons enumerated above, the following information must be provided to the Board:

1. a description of the real property;
2. any information establishing fair market value as may be sought by the Board;
3. a description of the purpose of the acquisition, and a reasonable statement of the kind and amount of the benefit to the public resulting from such acquisition, such as the kind, number, location, wages, or salaries of jobs created or preserved as required by the acquisition, the benefits, if any, to the communities in which the property is situated as are required by the acquisition;
4. a statement of the acquisition costs;
5. the names of any private parties participating in the acquisition; and
6. any known environmental issues.

IV. Approvals

All purchases, sales and leases of real property by the Corporation (except for those arising out of the enforcement of remedies, including exercises of rights of reacquisition) must be approved by its Board of Directors. Approvals may be obtained for specific purchases, sales or leases or the Board of Directors may grant approval to purchases, sales or leases so long as specified guidelines are met. Generally, purchases, sales and leases are first reviewed by the Real Estate and Finance Committee of the Corporation's Board.

When City property is being leased or purchased by the Corporation, all City required approvals must also be obtained, e.g., ULURP approvals (Section 197-c of the New York City Charter) and Borough Board and Mayoral approvals under Section 384(b)(4) of the New York City Charter.

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V. Monitoring and Reporting Contracts for Disposal

Prior to the disposal of the real property, the project manager involved in the disposition shall be the primary person responsible for the monitoring of compliance with the terms of the contract or other agreement or memorandum for the disposal and shall keep the Contracting Officer or his/her designee informed of all major issues that arise and of the status of the disposition.

The Contracting Officer shall cause a record to be maintained of all real property disposed of and shall cause to be prepared and transmitted all reports relating to the disposition of real property required by Title 5-A.

VI. Contracting Officer

The Executive Vice President who, from time to time, oversees those employees of the Corporation that are engaged in real estate activities that are the subject of this policy shall be the Corporation's Contracting Officer for real property dispositions. If there is more than one Executive Vice President who oversees those employees, each of those Executive Vice Presidents shall be considered a Contracting Officer for real property dispositions of the type they oversee and may take any action that may be taken by the Contracting Officer for such dispositions.

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Attachment B

NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
POLICY REGARDING THE DISPOSITION OF PERSONAL PROPERTY

Personal Property Valued at $5,000 or Less

Whenever the Corporation wishes to transfer title to or a beneficial interest in an item of personal property or an interest therein with an estimated value of $5,000 or less, it shall obtain offers from one or more persons or entities as the Corporation's contracting officer for personal property dispositions (the "Contracting Officer") or his or her designee deems appropriate. The Corporation shall maintain a record of the persons or entities approached and their responses. The Corporation may conduct discussions with some or all of the persons and entities. The property may be disposed of to whichever person or entity the Contracting Officer or his or her designee selects based on the proposed price and any other factors that the Contracting Officer or his or her designee deems appropriate.

All personal property that the Contracting Officer or his or her designee considers to be of no sale value and no use to the Corporation may be destroyed or otherwise disposed of in such manner as is determined by the Contracting Officer or his or her designee. Notwithstanding the foregoing, records may only be destroyed or disposed of at a time and in a manner not in conflict with applicable law, regulation or contract.

No approval of a disposition of a type described above is required from the Board of Directors or any committee thereof. All disposal documents must be approved and executed by an officer who is an authorized signatory of all agreements of the Corporation.

Personal Property Valued in Excess of $5,000

Whenever the Corporation wishes to transfer title to or a beneficial interest in an item of personal property or an interest therein with an estimated value in excess of $5,000 it shall first obtain an appraisal of the property if, because of the unique nature of the property or the unique circumstances of the proposed transaction, it is not readily valued by reference to an active market for similar property. However, an appraisal of the property will not be required if an appraisal of the property or similar property has been made within the past two years.

The person or entity to which the property shall be disposed of shall be determined through a procurement conducted in accordance with Title 5-A of Article 9 of the Public Authorities Law. The Corporation shall publicly advertise for proposals for the disposal of the property in accordance with Title 5-A, provided that it may dispose of the property without public advertising, obtaining such competition as is feasible under the circumstances, when permitted to do so under Title 5-A. All requirements of Title 5-A and other applicable laws, if any, related to the disposition shall be complied with.

Prior to the disposal of the property, the project manager involved in the disposition shall be the primary person responsible for the monitoring of compliance with the terms of the contract for the disposal, and shall keep the Contracting Officer or his or her designee informed of all major issues that arise and of the status of the disposition.

The disposal must be approved by the Board of Directors or Executive Committee of the Board if the disposal (1) is on a sole source basis for an amount in excess of $20,000, (2) is for an amount in excess of $100,000 and has been competitively procured, or (3) is for property valued in excess of $5,000 and will be disposed of for less than fair market value (in which case it must be approved by the Board of Directors not the Executive Committee). For disposals for less than those amounts, no approval is required of the Board of Directors or a committee thereof. In all cases, the disposal must be approved by the Contracting Officer or his or her designee and disposal documents must be approved and executed by an officer who is an authorized signatory of all agreements of the Corporation.

The Contracting Officer shall cause a record to be maintained of all personal property disposed of for an amount in excess of $5,000 and shall cause to be prepared and transmitted all reports relating to the disposition of personal property required by Title 5-A.

Contracting Officer

The person who, from time to time, oversees the Corporation's unit for procurement of contracts for goods and services shall be the Corporation's Contracting Officer for personal property dispositions.

Attachment C

NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
INVESTMENT GUIDELINES

I. Purpose

The purpose of this document is to establish policies, procedures and guidelines regarding the investing, monitoring and reporting of funds of the Corporation.

II. Scope of the Investment Policy

This policy applies to the funds of the Corporation, which for purposes of these guidelines consist of all moneys and other financial resources available for investment by the Corporation on its own behalf or on behalf of any other entity or individual.

III. Investment Objectives

The portfolio shall be managed to accomplish the following objectives:

A. Preservation of Principal – The single most important objective of the Corporation's investment program is the preservation of principal of funds within the portfolio.

B. Maintenance of Liquidity – The portfolio shall be managed in such a manner that assures that funds are available as needed to meet immediate and/or future operating requirements of the Corporation.

C. Maximize Return – The portfolio shall be managed in such a fashion as to maximize income through the purchase of authorized investments as stated below, taking into account the other investment objectives.

IV. Implementation of Guidelines

The Chief Financial Officer shall be responsible for the prudent investment of funds and for the implementation of the investment program and the establishment of investment procedures and a system of controls to regulate the activities of subordinate staff, consistent with these guidelines.

V. Authorized Investments

A. The Treasurer or an Assistant Treasurer of the Corporation is authorized to invest funds of the Corporation as summarized and restricted below:

1. U.S. Treasury Obligations. United States Treasury bills and notes, and any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States.

2. Federal Agency Obligations. Bonds, notes, debentures, or other obligations or securities issued by any agency or instrumentality of the United States.

3. Repurchase Agreements. The repurchase agreements must be collateralized by U.S. Government guaranteed securities, U.S. Government agency securities, or commercial paper (of a type defined below) in a range of 100% to 102% of the matured value of the repurchase agreements and have a term to maturity of no greater than ninety (90) days. They must be physically delivered for retention to the Corporation or its agent (which shall not be an agent of the party with whom the Corporation enters into such repurchase agreement), unless such obligations are issued in book-entry form, in which case the Corporation shall take such other action as may be necessary to obtain title to or a perfected security interest in such obligations.

4. Commercial Paper. Commercial paper rated A1 or P1 by Standard & Poor's Corporation or Moody's Investor's Service, Inc. or Fitch.

5. Bankers' Acceptances and Time Deposits of banks with worldwide assets in excess of $50 million that are rated with the highest categories of the leading bank rating services and regional banks also rated within the highest categories.

6. Certificates of Deposit with New York banks, including minority-owned banks. All such certificates of deposit in these banks must be Federal Deposit Insurance Corporation ("FDIC") insured, except when otherwise collateralized.

7. Other investments approved by the Comptroller of New York City for the investment of City funds.

B. In addition to the above investments, the Corporation may deposit funds in the following ("Deposit Accounts"), with respect to funds needed for operational expenses and funds awaiting investment or disbursement:

   1. High quality no-load money market mutual funds that restrict their investments to short term, highly rated money market instruments.

   2. Other interest bearing accounts, if permitted by applicable laws, rules and regulations, with New York City financial institutions designated by the New York City Banking Commission or such other financial institutions approved by the Deputy Mayor for Economic Development or his successor in function.

VI. Written Contracts

The Corporation shall enter into written contracts pursuant to which investments are made which conform with the requirements of these guidelines and Section 2925.3(c) of the Public Authorities Law unless the Board or Executive Committee determines by resolution that a written contract containing such provisions is not practical or that there is not a regular business practice of written contracts containing such provisions with respect to a specific investment or transaction, in which case the Board or Executive Committee shall adopt procedures covering such investment or transaction.

VII. Diversification

The portfolio shall be structured to diversify investments to reduce the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer or a specific type of security. The maximum percentage of the total portfolio permitted in the indicated type of eligible security is as follows:

A.	U.S. Treasury	100% maximum
B.	Federal Agency	100% maximum
C.	Repurchase Agreements	5% maximum
D.	Commercial Paper	25% maximum
E.	Bankers Acceptances and Time Deposits	25% maximum
F.	Certificates of Deposit	20% maximum
G.	Other Investments Approved by Comptroller for City Funds	A percentage deemed prudent by CFO

VIII. Maximum Maturity

Maintenance of adequate liquidity to meet the cash flow needs of the Corporation is essential. Accordingly, the portfolio will be structured in a manner that ensures sufficient cash is available to meet anticipated liquidity needs. Selection of investment maturities must be consistent with cash requirements in order to avoid the forced sale of securities prior to maturity.

For purposes of this investment policy, assets of the portfolio shall be segregated into two categories based on expected liquidity needs and purposes – Cash equivalents and Investments. Assets categorized as Cash equivalents will be invested in permitted investments maturing in ninety (90) days or less or deposited in Deposit Accounts. Generally, assets categorized as Investments will be invested in permitted investments with a stated maturity of no more than two (2) years from the date of purchase. However, up to twenty percent (20%) of assets categorized as Investments may be invested in permitted investments with a stated maturity of no more than seven (7) years from the date of purchase.

IX. Monitoring and Adjusting the Portfolio

Those responsible for the day-to-day management of the portfolio will routinely monitor the contents of the portfolio, the available markets and the relative values of competing instruments, and will adjust the portfolio as necessary to meet the investment objectives listed above. It is recognized and understood that the non-speculative active management of portfolio holdings may cause a loss on the sale of an owned investment.

X. Internal Controls

The Treasurer or an Assistant Treasurer, under the direction of the Chief Financial Officer, shall establish and be responsible for monitoring a system of internal controls governing the administration and management of the portfolio. Such controls shall be designed to prevent and control losses of the portfolio funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by any personnel.

XI. Eligible Brokers, Agents, Dealers, Investment Advisors, Investment Bankers and Custodians

The following are the standards for the qualifications of brokers, agents, dealers, investment advisors, investment bankers and custodians:

A. Brokers, Agents, Dealers

1. In Government Securities: any bank or trust company organized or licensed under the laws of any state of the United States of America or of the United States of America or any national banking association or any registered broker/dealer or government securities dealer.

2. In Municipal Securities: any broker, dealer or municipal securities dealer registered with the Securities and Exchange Commission (the "SEC").

B. Investment Advisors: any bank or trust company organized under the laws of any state of the United States of America or any national banking association, and any firm or person which is registered with the SEC under the Investment Advisors Act of 1940.

C. Investment Bankers: firms retained by the Corporation to serve as senior managing underwriters for negotiated sales must be registered with the SEC.

D. Custodians: any bank or trust company organized under the laws of any state of the United States of America or any national banking association with capital and surplus of not less than $50,000,000.

XII. Reporting

A. Quarterly

The Treasurer or an Assistant Treasurer, under the direction of the Chief Financial Officer, shall prepare and deliver to the Board of Directors once for each quarter of the Corporation's fiscal year a report setting forth a summary of new investments made during that quarter, the inventory of existing investments and the selection of investment bankers, brokers, agents, dealers, investment advisors and auditors.

B. Annually

1. Audit – the Corporation's independent accountants shall conduct an annual audit of the Corporation's investments for each fiscal year of the Corporation, the results of which shall be made available to the Board of Directors at the time of its annual review and approval of these Guidelines.

2. Investment Report – Annually, the Treasurer or an Assistant Treasurer, under the direction of the Chief Financial Officer, shall prepare and the Board of Directors shall review and approve an Investment Report, which shall include:

   a. The Investment Guidelines and amendments thereto since the last report;
   b. An explanation of the Guidelines and any amendments made since the last report;
   c. The independent audit report required by Subsection (1) above;
   d. The investment income record of the Corporation for the fiscal year; and
   e. A list of fees, commissions or other charges paid to each investment banker, broker, agent, dealer and advisor rendering investment associated services to the Corporation since the last report.

The Investment Report shall be submitted to the Mayor and the Comptroller of the City of New York and to the New York State Department of Audit and Control. Copies of the report shall also be made available to the public upon reasonable request.

XIII. Applicability

Nothing contained in these Guidelines shall be deemed to alter, affect the validity of, modify the terms of or impair any contract, agreement or investments of funds made or entered into in violation of, or without compliance with, the provisions of these Guidelines.

XIV. Conflict of Law

In the event that any portion of this policy is in conflict with any State, City or federal law, that law will prevail.

XV. No Conflict With Other Policies of the Corporation

These Investment Guidelines do not modify the powers given by the Corporation's Board of Directors which authorized and resolved that (i) officers of the Corporation are authorized and directed to obtain and maintain any bank, investment, securities and other financial accounts as may be necessary or useful to the Corporation in furtherance of the Corporation's operations (the "Accounts"); (ii) the Treasurer and Assistant Treasurer are authorized and directed to engage in trading or otherwise deal in securities and other investments on behalf of the Corporation and to the extent authorized pursuant to these Guidelines; (iii) the officers of the Corporation are authorized and directed to perform those tasks necessary or useful to ensure that the Corporation, acting through those authorized officers listed in the Bylaws of the Corporation, has access to and control over the Accounts; (iv) the Directors adopted the standard forms of banking resolutions and incumbency certificates ordinarily used by such financial institutions selected by the officers of the Corporation; and (v) any officer of the Corporation was authorized to certify, to the due adoption of such banking resolutions and incumbency certificates. Empowered officers may enter into agreements with banks and financial institutions for bank accounts and to purchase investments of the type indicated in these Investment Guidelines and other investments specifically approved by the Corporation's Board of Directors.

These Investment Guidelines do not modify any restriction, if any, otherwise imposed on various types of funds held by the Corporation, such as any restrictions set forth in any third party contracts with the City, or resulting from the source of funds (e.g. federal funds). Those other restrictions, to the extent inconsistent with these Investment Guidelines, shall govern. If possible, all sets of restrictions should be complied with. Furthermore, by adopting these Investment Guidelines, the Board is not amending or superseding any approval given or hereafter given for investments related to particular projects.

Attachment D

NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
POLICY REGARDING THE PROCUREMENT OF GOODS AND SERVICES

If the Corporation proposes to enter into a contract or agreement for goods or services and will receive funds for this contract or agreement under or through a contract between the Corporation and The City of New York (the "City") the contract or agreement shall be procured in accordance with the procurement provisions required by the City in the applicable contract between the Corporation and the City.

If the Corporation procures goods or services using funds that are not provided under or through a contract between the Corporation and the City, it shall use such procurement method as is required by the source of funds. If the source of funds does not specify a procurement method, the Corporation shall use a procurement method similar to a method required under its contracts with the City.

Any contracts and agreements for goods and services (other than those for operating expenses) in excess of $100,000 shall be presented to the Board of Directors or Executive Committee for approval.

Exhibit D

MISSION STATEMENT AND MEASUREMENTS
Board of Directors Meeting
November 7, 2019

WHEREAS, the 2009 Public Authorities Reform Act requires NYCEDC to annually review its mission statement and measurements by which the performance of NYCEDC and the achievement of its goals may be evaluated; and

WHEREAS, NYCEDC proposes that it readopt its mission statement, and for Fiscal Year 2020 use substantially the same measurements approved by NYCEDC's Board for use for Fiscal Year 2019;

NOW, THEREFORE, RESOLVED that the Board approves the mission statement and Fiscal Year 2020 performance measures, set forth in Attachment A

ATTACHMENT A

Authority Mission Statement and Performance Measurements

Name of Public Authority:
New York City Economic Development Corporation ("NYCEDC")

Public Authority's Mission Statement:
The mission of NYCEDC is to realize New York City as the global model for inclusive innovation and economic growth, fueled by the diversity of its people and businesses, by strengthening the City's competitive position and facilitating investments that grow quality jobs and cultivate dynamic, resilient, livable communities throughout the five boroughs.

Date Adopted: November 7, 2019

Performance Measures
Management of core assets
Occupancy rate of NYCEDC-managed property
Square footage of assets actively managed by NYCEDC
Revenue generated by NYCEDC asset portfolio
Strengthening the city's competitive position; inclusive innovation and economic growth
Number of businesses served by industry-focused programmatic initiatives
Percentage of private sector jobs in innovation industries (calendar year)
MWBE commitment rate (Local Law 1)
MWBE award rate (Local Law 1)
Facilitate investments that grow quality jobs
Projected new private investment leveraged on the sale/long-term lease of City-owned property
Percentage of project employees that were reported to be earning a Living Wage or more*
Capital expenditures related to asset management
Total jobs at Project Locations (New York City Administrative Code § 22-823)*
Cultivate dynamic, resilient, livable communities throughout the five boroughs
Average monthly ferry ridership
Total capital expenditures (excluding asset management and funding agreements)
Square feet of graffiti removed
Percentage of active projects in boroughs outside of Manhattan*

**This will represent FY19, which will be the most recent data available.*

Exhibit E

REPORT ON INVESTMENTS

New York City Economic Development Corporation

Three Month Period Ended September 30, 2019

New York City Economic Development Corporation
Schedule of Investments

1st Quarter

Investment Type	Total Value 6/30/19 (A)	Purchases (B)	Maturities (C)	1st Quarter Interest Received (D)	Net Transfers Out (E)	Unrealized Gain/Loss (F)	Total Value 9/30/2019 (A+B+C+D+E+F)	Weighted Avg. Yield	Current % Allocation
US Gov't Agencies	68,961,383	-	(39,079,563)	(407,523)	-	305,741	29,780,038	1.82%	30%
US Treasury Note	50,741,434	-	(26,507,189)	(27,000)	-	162,523	24,369,768	2.16%	24%
Certificates of Deposit	199,592	-	-	-	-	-	199,592	0.05%	0%
Commercial Paper	33,510,480	-	(9,950,008)	-	-	208,498	23,768,970	2.57%	24%
Cash Equivalents/MMF	1,781,375	20,516,244	(494,258)	-	-	-	21,803,362		22%
Grand Total	**155,194,264**	**20,516,244**	**(76,031,018)**	**(434,523)**	**-**	**676,762**	**99,921,730**	**1.68%**	**100%**

*These amounts do not include money market mutual funds held in sweep accounts tied to commercial checking accounts.

Notes to Schedule of Investments

The accompanying schedule of investments includes the investments of the New York City Economic Development Corporation ("NYCEDC"). All investments are of a type permitted by NYCEDC's investment policy which includes obligations of the U.S. Treasury, U.S. agencies and instrumentalities, highly rated commercial paper and certificates of deposit.

All investment balances as of September 30, 2019 are recorded at fair value and the portfolio consists of the following securities with maturities of seven (7) years or less ($ in thousands):

INVESTMENT TYPE	TOTAL VALUE	%	MAXIMUM ALLOCATION PER POLICY
FFCB	6,006	6.00%	
FHLB	13,027	13.04%	
FHLMC	5,231	5.24%	
FNMA	5,516	5.52%	
US Gov Agencies Sub-Total	29,780	29.80%	100%
US Treasury Note	24,370	24.39%	100%
Commercial Paper	23,769	23.79%	25%
Certificates of Deposit	200	0.20%	20%
Cash Equivalent/MMF	21,803	21.82%	
Grand Investments Total	**99,922**	**100.00%**	

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from increasing interest rates, the NYCEDC limits 80% of its investments to instruments maturing within two years of the date of purchase. The remaining 20% of the portfolio may be invested in instruments with maturities up to a maximum of seven years.

Credit Risk - It is the NYCEDC's policy to limit its investments in debt securities to those rated in the highest rating category by at least two nationally recognized bond rating agencies or other securities guaranteed by the U.S. government or issued by its agencies. As of September 30, 2019, the Corporation's investments in Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB) and the Federal Home Loan Mortgage Corporation (FHLMC) were rated AA+ by Standard & Poor's, Aaa by Moody's and AAA by Fitch Ratings. Commercial papers held were rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Investor's Service, Inc.

Custodial Credit Risk – For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the NYCEDC will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. Investment securities are exposed to custodial credit risk if the securities are not registered in the name of the NYCEDC and are held by the counterparty, the counterparty's trust department or agent.

The NYCEDC manages custodial credit risk by limiting possession of its investments to highly rated institutions and/or requiring that high-quality collateral be held by the counterparty in the name of the NYCEDC. At September 30, 2019, NYCEDC was not subject to custodial credit risk.

February 5, 2020

To the Members of the Board:

I hope that the new year has been treating you well. We have kicked off the decade with progress on our key projects and initiatives, and we are currently capping off another week of examining our strategic goals agency-wide. From breaking ground on the redevelopment of the Bedford Union Armory to continually expanding our support for NYC's cyber and life sciences industries, we're moving major EDC projects forward, and are excited to continue that momentum throughout 2020.

Before turning to those updates, however, I would like to note a few changes the staff is instituting in response to helpful feedback from the Governance Committee on behalf of the full Board.

- First, the Committee suggested that the Board receive more regular updates on the status of projects it has authorized. To that end, we will now provide periodic updates. This will start at February's meeting, with updates on the Bedford-Union Armory, Spofford Juvenile Detention Center, NYU Biolabs wet lab incubator, and Coney Island infrastructure projects.
- Second, we will also provide an update at February's meeting on our MWBE efforts, per the request of the Board.
- Third, members of the Board requested some background points on EDC and its projects to help inform day-to-day conversations. We were pleased to be able to share these recently and would be happy to provide additional information of this kind upon request.
- Finally, the Committee requested a reprisal of last year's successful Board retreat this Spring. Planning is already underway between the staff and four members of the Board who have generously volunteered their time to help lead the effort.

I would like to extend a special thanks to Tim Wilkins and the members of the Governance Committee for their leadership in suggesting these measures. Should any members of the Board have additional thoughts on process improvements, please let us know. The staff greatly appreciates its interaction with you and looks forward to continuing our positive collaboration.

I turn now to major updates since our last meeting, categorized by EDC's companywide Objectives for Fiscal Year 2019.

We are investing in strategic sectors with accessible jobs:

- We celebrated the opening of BioLabs @ NYULangone, a new home for 22 biotech and life science companies, and now the largest biotech incubator of its kind in New York City. Part of the LifeSci NYC initiative, the new facility is designed to attract the most innovative companies working in early-stage life sciences.

- Inventors to Founders, the early stage launchpad of the $100M CyberNYC initiative, opened the application process for its startup accelerator. The accelerator provides capital, mentorship, and a world-class network to early-stage cybersecurity startups.

We are strengthening New York City's neighborhoods by unlocking real estate and investing in transportation and infrastructure:

- In January, the City took ownership of three private sites that will be transformed into a beautiful waterfront park in the Lower Concourse neighborhood of the Bronx. It took four years to get to this point, and we could not be more excited.

- We joined Council Member Laurie Cumbo, community leaders, and BFC Partners in December to break ground on one of our most impactful neighborhood projects. Our efforts will turn the historic Bedford Union Armory into a recreation center, space for nonprofits, and hundreds of affordable apartments.

We are working to improve the financial and operational performance of EDC's assets through prioritized investments and interventions:

- We recently closed on a sublease of the Audubon Ballroom in Manhattan. The building was constructed in 1913 and master leased by the City to NYCEDC in 1994, with parts to be preserved as a memorial for Malcolm X. The revenues from any subleases are required to stay with the property and to be used to fund ongoing maintenance and repairs.

We are working to position EDC as a leader in inclusive economic development through new programs better messaging, and deeper engagement:

- Last year, EDCers again helped organize the Hindsight Conference, which focuses on diversity and inclusion in the urban planning profession. Our staff participated in important discussions surrounding the intersection of urban planning, policy, and community development with the erasure of history and the preservation of collective memory.

With this new decade, comes new opportunities, challenges, and the promise of continuing the great work we do. As always, please do not hesitate to contact me or any member of the staff with questions or thoughts.

Sincerely,

James Patchett

ELECTION OF OFFICERS
Board of Directors
February 5, 2020

Subject: Election of additional officers of NYCEDC

Proposed Resolution: To elect Elizabeth Arnaiz as an Executive Vice President (in place of her being a Senior Vice President) of NYCEDC and to elect each of Jennifer Cass, Matthew Di Taranto and Vaughn Ratchford as a Senior Vice President of NYCEDC

Background: Under NYCEDC's Bylaws, the Board shall elect such Executive Vice Presidents and Senior Vice Presidents as it may from time to time determine. At this time, it is proposed that Elizabeth Arnaiz be promoted from being a Senior Vice President and be elected as an Executive Vice President and that each of Jennifer Cass, Matthew Di Taranto and Vaughn Ratchford be elected as a Senior Vice President. A description of certain responsibilities of Executive Vice Presidents and Senior Vice Presidents may be found in Article IV of the Bylaws. It is anticipated that Ms. Arnaiz will head the Capital Program Department, Ms. Cass will help oversee the Capital Program Department, Mr. Di Taranto will head the Public Affairs Department, and Mr. Ratchford will oversee Business Systems Management in the Asset Management Division. They shall perform such duties as are assigned to them by NYCEDC's President.

The position of each of Elizabeth Arnaiz, Jennifer Cass, Matthew Di Taranto and Vaughn Ratchford as an officer shall be conditioned upon the continuance of her or his employment by NYCEDC.

BUSH TERMINAL INDUSTRIAL COMPLEX:
AMENDMENTS TO NYCEDC'S THREE LEASES FOR BUSH TERMINAL
Board of Directors Meeting
February 5, 2020

LESSOR: The City of New York (the "City")

LESSEE AND SUBLESSOR: NYCEDC

PREMISES: Unit A Premises.
By lease dated as of May 1, 2015 (the "Unit A Lease") and amended as of December 30, 2016, as authorized by the Board at meetings on April 30, 2014 and November 21, 2016, NYCEDC leased from the City the premises consisting of a five-story commercial and industrial building, known as Unit A, and attached annex, totaling approximately 211,000 square feet (the "Unit A Premises"). The Unit A Premises is also known as Building A and is located at the northwest corner of Bush Terminal.

Unit B Premises.
By restatement and amendment of lease dated as of December 1, 2002 (the "Unit B Lease"), as authorized by the Board at the meeting on February 4, 2003, NYCEDC leased from the City the premises consisting of a six-story industrial building, known as Unit B, totaling approximately 260,000 square feet, with a parking area (the "Unit B Premises"). Unit B is also known as Building B and is located between 41st and 42nd Street, west of 1st Avenue.

Multi-Unit Premises.
By lease dated as of December 1, 2002 (the "Multi-Unit Lease"), as authorized by the Board at the meeting on February 4, 2003, NYCEDC leased from the City the multi-unit premises principally consisting of nine buildings: Unit C, Unit D, Unit G, Building 39/40 (since demolished), Building 45 (since demolished), Building 57, Building 58, the Administration Building, and the Restaurant Building and certain other buildings containing common facilities and an unimproved area (collectively, the "Multi-Unit Premises"), all located between approximately 40th and 51st Street, west of 1st Avenue.

Collectively, the Unit A Lease, the Unit B Lease and the Multi-Unit Lease are referred to as the "Bush Terminal Leases".

PROJECT DESCRIPTION AND AMENDED LEASE TERMS:

Bush Terminal is a City-owned industrial facility located on the Brooklyn waterfront approximately between 40th and 51st Streets, west of First Avenue and leased to NYCEDC pursuant to the Bush Terminal Leases.

Each of the Bush Terminal Leases currently expires on November 30, 2052.

NYCEDC proposes to amend each of the Bush Terminal Leases to provide for renewals of the term of the Bush Terminal Leases through January 31, 2095, by adding five (5) renewal terms. The first four renewal terms will be each for ten (10) years from December 1, 2052 through November 30, 2092 and the fifth renewal term will be for two (2) years and two (2) months from December 1, 2092 through January 31, 2095.

The other existing terms for all three Bush Terminal Leases will remain substantially unchanged and shall apply to the renewal terms. Principal terms are substantially as follows:

Base Rent: Base rent will continue to equal NYCEDC's revenues from each of the Bush Terminal Leases in excess of all costs and expenses incurred by NYCEDC with regard to the particular Bush Terminal Lease other than costs and expenses paid for using other funds provided or made available by the City. (Under its Amended and Restated Maritime Contract with the City, NYCEDC may retain this base rent to pay for certain activities and expenses related to such City contract.)

Taxes: NYCEDC will not be responsible for the payment of real estate taxes or payments-in-lieu of real estate taxes.

Use Restrictions: Under the Bush Terminal Leases, the use will be subject only to the applicable zoning ordinances (M3-1) and uses incidental thereto.

Subleases: NYCEDC will sublease the Bush Terminal Leases premises to various subtenants in accordance with sublease terms authorized by the Board.

Maintenance of the Premises: NYCEDC will be responsible for the maintenance (including needed rehabilitation work) of the Bush Terminal Leases premises, in which event NYCEDC's monetary obligations with regard thereto are limited to the amount of revenue received by NYCEDC from the Bush Terminal Leases premises and other funds obtained or retained under the Amended and Restated Maritime Contract for the maintenance (including rehabilitation work) of the Bush Terminal Leases premises.

PURPOSE OF AMENDMENT/ BENEFIT TO PUBLIC: The Bush Terminal campus is in the process of bringing new developments online. On July 27, 2018, NYCEDC issued an RFP to lease and develop a portion of the Made in New York ("MiNY") Campus at Bush Terminal into film, TV, sound-recording, and/or other media production studios. On November 21, 2019, NYCEDC issued a request for expressions of interest to tenant another portion of the campus into a dedicated garment manufacturing hub. To attract the most competitive and quality responses for both projects, NYCEDC believes it is in the best interest of the site's future potential to have extended long-term leases in place.

PROPOSED RESOLUTION: Authorization for NYCEDC to enter into amendments to the above described three Bush Terminal Leases on substantially the above described terms and to exercise its right to the renewals therein and to enter into any related documents

NYCEDC STAFF: Julie Stein, Senior Vice President, Asset Management
Jeffrey Gambrell, Senior Associate, Asset Management
Eftihia Thomopoulos, Senior Associate, Asset Management
Scott Shostak, Counsel, Legal Department

SURRENDER OF 125th STREET LEASE TO THE CITY OF NEW YORK
Board of Directors Meeting
February 5, 2020

LESSOR:	The City of New York (the "City")
LESSEE:	NYCEDC
SITE LOCATION:	Block 1910, Lot 1 (the "Site") 121 West 125th Street Borough of Manhattan Community Board No. 10
SITE DESCRIPTION:	The Site, which is located on the north side of West 125th Street between Adam Clayton Powell Jr. Boulevard and Lenox Avenue, is improved with a three-story structure comprising an approximately 350-space parking garage and approximately 12,000 gross square feet of retail space.
BACKGROUND:	The City is the owner in fee of the portion of the Site existing at and below 80.20 feet (the "Horizontal Plane") (the "Lower Parcel"). The State of New York (the "State") is the fee owner of that portion of the Site existing above the Horizontal Plane (the "Upper Parcel"). The City's fee interest in the Lower Parcel will automatically revert to the State on December 21, 2053, pursuant to that certain Indenture of Letters Patent ("Letters Patent") dated December 20, 1977. The City, as landlord, leased the Lower Parcel to NYCEDC for the term of its ownership, pursuant to a lease agreement dated September 23, 1997 (the "Lease Agreement"). Pursuant to that certain amended and restated trust agreement between the City and the Harlem Urban Development Corporation dated August 11, 1994 (the "Trust Agreement"), all revenues net of operating and maintenance expenses (including a 1% management fee) derived from the Lower Parcel must be remitted to a trust for the betterment of the 125th Street corridor. This revenue restriction shall apply to the Lower Parcel until December 20, 2053. In May 2012, ESDC and NYCEDC (together, the "Public Parties") jointly issued the Central Harlem Mixed Use Request for Proposals, seeking proposals to redevelop the Site. The respondent team selected by the Public Parties has been modified over the years and now consists of the National Urban League, Inc. ("NUL") and its affiliate, the Urban League Empowerment Center ("ULEC"), BRP Development Corporation, L & M Development Partners Inc., and Taconic Investment Partners LLC (each, including each of NUL and ULEC, a "Developer", or

collectively, the “Developers”). The Developers are anticipated to undertake an approximately 415,000 gross square feet mixed-use development on the Site (the “Project”), in accordance with a Modified General Project Plan adopted by ESDC on July 18, 2019 (the “GPP”).

TERMS: NYCEDC will surrender its leasehold interest in the Lower Parcel to the City for nominal consideration in order to facilitate the ESDC-led Project.

Contemporaneously with NYCEDC’s surrender of its leasehold interest, it is anticipated that: (i) the City will convey its ownership interest in the Lower Parcel to ESDC in accordance with Section 14 of the Urban Development Corporation Act (in advance of the automatic reversion); (ii) ESDC will obtain fee ownership of the Upper Parcel from the State pursuant to N.Y. Assembly Bill 6865 2019; (iii) ESDC will acquire the State’s reversionary interest in the Lower Parcel; and (iv) ESDC will ground lease the Site to the Developers or a related entity for construction and operation of the Project.

PROJECT DESCRIPTION: It is anticipated that the completed Project will contain approximately 171 residential units, approximately 70% of which will be affordable to households earning between 40% and 80% of Area Median Income and approximately 30% of which will be supportive housing units; approximately 42,000 gross square feet of non-profit office space for NUL’s national headquarters; approximately 21,000 gross square feet of cultural space dedicated to the Urban Civil Rights Experience Museum; approximately 19,000 gross square feet of conference center space, which is expected to be made available to the public at below market rates; approximately 4,000 gross square feet of community facility space; approximately 105,000 gross square feet of retail space; and in addition to NUL’s headquarters, approximately 70,000 gross square feet of commercial office space. The final Project is subject to obtaining various approvals and is subject to further refinement .

PURPOSE OF DISPOSITION/BENEFIT TO THE PUBLIC: The surrender of NYCEDC’s leasehold interest will enable the City to transfer its fee interest in the Lower Parcel to ESDC free of all tenancies and facilitate the transformation of a vacant and underutilized City asset into a vibrant mixed-use development that will provide substantial public benefits, including affordable housing and publicly accessible cultural spaces.

APPRAISED VALUE:	An independent appraisal was commissioned by NYCEDC in December 2019. The appraisal, accounting for the restrictions contained in the Trust Agreement, Letters Patent, and Lease Agreement, concluded that the fair market value of NYCEDC's leasehold interest in the Lower Parcel is $0.
EXISTING ZONING:	The Site is zoned C4-7.
PROPOSED RESOLUTIONS:	Approval for NYCEDC to (i) surrender its leasehold interest in the Site to the City, and (ii) enter into any related agreements, documents, and consents to effectuate the Project substantially as described herein.
NYCEDC PROJECT CODE:	3421
STAFF:	Hester Muis, Executive Vice President, Real Estate Transaction Services Maxwell Padden, Senior Vice President, Real Estate Transaction Services Matthew Furlong, Vice President, Real Estate Transaction Services Douglas Land, Senior Associate, Real Estate Transaction Services

ATTACHMENT A

PROJECT LOCATION

TRIANGLE PLAZA HUB LLC PROJECT: DEED MODIFICATION AND REAL PROPERTY ACQUISITION
Board of Directors Meeting
February 5, 2020

OVERVIEW: At its November 9, 2012 meeting, NYCEDC's Board of Directors approved the sale of certain real property known as 459 East 149th Street, located at Block 2294, Lot 60 (f/k/a Lots 28, 29, 59 and 60) ("Lot 60") and Lot 30 (f/k/a p/o Lot 32) ("Lot 30" or the "Site", and together with Lot 60, the "Triangle Development Site") on the Tax Map of the Borough of the Bronx, to Triangle Plaza Hub LLC ("Triangle") to facilitate the construction of a commercial development on the Triangle Development Site, which approval modified an earlier Board resolution dated November 7, 2011. As of November 30, 2012, NYCEDC and Triangle executed a deed (the "Deed") which obligated Triangle to construct (i) a public plaza together with approximately 83,729 square feet of commercial space on Lot 60, and (ii) approximately 3,000 square feet of retail space on Lot 30, each by no later than November 2015.

In 2015, Triangle delivered the public plaza and commercial development on Lot 60 in accordance with the Deed, but failed to construct the retail development on Lot 30. Following extensive negotiations between NYCEDC and Triangle, Lot 30 remains undeveloped and NYCEDC proposed that it would reacquire Lot 30 for nominal consideration in lieu of a "reversion" of the entire Triangle Development Site. Triangle accepted this proposal.

CURRENT OWNER: Triangle

SITE DESCRIPTION: Lot 30 is an approximately 3,000 square foot unimproved lot located on Bergen Avenue and East 149th Street in the South Bronx. The Site is adjacent to an approximately 211-unit affordable housing development, which is expected to be completed in 2020, as well as a public plaza which was developed by Triangle on Lot 60 in accordance with the Deed.

SCOPE OF DEED MODIFICATION AND ACQUISITION: NYCEDC and Triangle intend to execute a partial termination and release of the restrictive covenants contained in the Deed with respect to Lot 30 only related to the development and operation of

LDCMT-26-11015

Lot 30 that were imposed by NYCEDC when the Triangle Development Site was first transferred to Triangle (such termination, or similar instrument, the “Deed Modification”). As NYCEDC will contemporaneously reacquire Lot 30 to facilitate further development on the Site, the removal of these restrictive covenants will provide additional flexibility to reposition the Site in a manner that addresses both market considerations and community needs.

Following the Deed Modification and reacquisition, NYCEDC intends to procure a new developer to construct and operate a commercial and/or industrial enterprise on Lot 30. Notwithstanding the foregoing, any further disposition of the Site will be subject to approval from the NYCEDC Board of Directors.

PURCHASE PRICE: NYCEDC proposes to purchase the Site from Triangle for $50.

PURPOSE OF ACQUSITION/ BENEFITS TO THE PUBLIC: NYCEDC intends to cause the Site to be developed consistent with zoning, which may include commercial and/or industrial uses.

NYCEDC will seek to align future uses with the needs of the neighborhood, including the new residents of the adjacent affordable housing development.

EXISTING ZONING: Site zoning is split between C4-4 and C6-2, and development is expected to be as-of-right under the zoning.

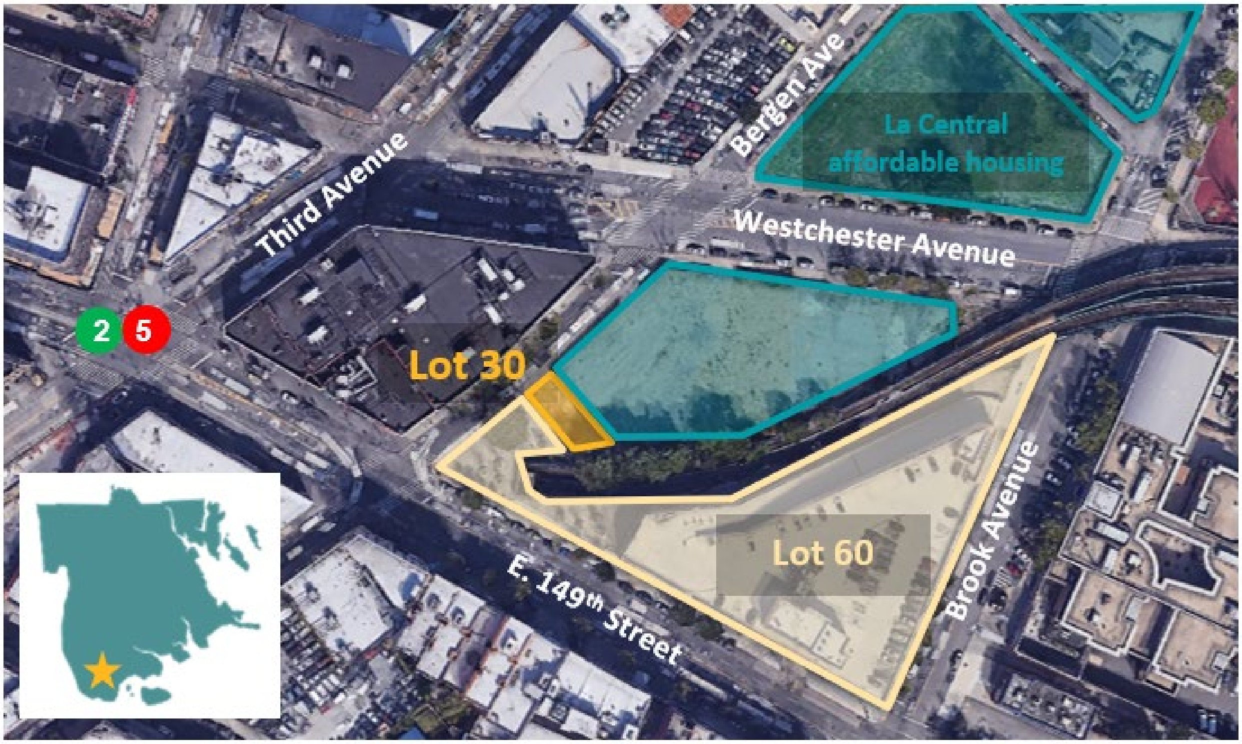
PROPOSED RESOLUTIONS: (1) Approval for NYCEDC to execute a partial termination and release of the restrictive covenants contained in the Deed, substantially as described above;

(2) Approval for NYCEDC to acquire the Site substantially in accordance with the terms described above;

(3) Approval for NYCEDC to enter into any agreements and/or execute any documents necessary or convenient to effectuate the transaction, substantially as described above.

NYCEDC PROJECT CODE:	1158
STAFF:	Hester Muis, Executive Vice President, Real Estate Transaction Services Maxwell Padden, Senior Vice President, Real Estate Transaction Services Kim Bernardin, Associate, Real Estate Transaction Services Tiffany Lacker, Senior Counsel, Legal

Attachment A



ACQUISITION OF 1481 BLONDELL AVENUE, BRONX
Board of Directors Meeting
February 5, 2020

SELLER: Constellation Blondell LLC

PURCHASER: NYCEDC

PROPERTY LOCATION: Block 4081, Lot 24 (the "Property")
1481 Blondell Avenue
Borough of the Bronx
Community District No. 10

PROPERTY DESCRIPTION: The Property is located at the corner of Blondell Avenue and Chesbrough Avenue in the Bronx. The Property is an approximately 12,500 square foot parcel of land, with an approximately 14,850 square foot building. In addition to office and storage space, the Property has electrical capacity and space for 10 electrical vehicle ("EV") charging stations. (The Property is approximately depicted in Attachment A).

PURCHASE PRICE: If it has not already done so, NYCEDC proposes to enter in a contract (the "Contract") to purchase the Property from the Seller for up to $3,875,000 (all cash), with a total down payment of 10% of the purchase price, to be paid in two payments: 5% at execution of the Contract and 5% upon completion of the due diligence period, if NYCEDC determines not to terminate the Contract based on the results of its due diligence.

The down payment will be at-risk. However, the terms of the Contract provide that NYCEDC shall have the right to terminate the Contract, with return of the down payment, either (i) by the end of the due diligence period based on any unsatisfactory diligence results (see also Environmental Matters, below); or (ii) in the event that the NYCEDC Board of Directors does not approve the transaction. If the closing takes place, NYCEDC anticipates that it will be reimbursed for the purchase price by the City.

The due diligence period commences upon execution of the Contract. The diligence period will last 45 days, but it may be extended by NYCEDC for an additional 30 days if NYCEDC is diligently pursuing the inspection and evaluation of the Property.

APPRAISED VALUE: On September 19, 2019, Rosin and Associates, Inc. performed an appraisal for NYCEDC. It determined that the fair market value of a fee simple interest in the Property, based on highest and best use under current zoning, is $4,160,000.

PURPOSE OF ACQUISITION/ BENEFITS TO THE PUBLIC OF THE ACQUISITION: NYCEDC anticipates that the City or NYCEDC will sell or lease the Property for redevelopment in order to facilitate the development and improvement of the neighborhood. It is expected that such redevelopment of the Property might capitalize on the neighborhood's growing cluster of medical office uses by creating medical office space and related jobs. Any future fee or leasehold disposition of the Property by NYCEDC will be subject to NYCEDC Board approval. If the City decides to develop the Property other than through NYCEDC, NYCEDC expects to transfer the Property to the City for $1.00.

Until a redevelopment takes place, NYCEDC intends to maintain the Property's current use for office and storage space and as an EV charging station, or may utilize the Property for other commercial or industrial uses consistent with zoning.

EXISTING ZONING: The Property is current zoned M1-1 (FAR 1.0).

ENVIRONMENTAL MATTERS: A Phase I environmental condition report will be prepared for the Property, and a Phase II may also be conducted if determined to be necessary. If, by the end of the due diligence period, the reports indicate that any environmental issues exist, NYCEDC has the right to terminate the Contract and the down payment will be returned.

PROPOSED RESOLUTIONS:

(1) Approval for NYCEDC entering into the Contract to acquire the Property, and to pay a total down payment of 10% of the Purchase Price, substantially as described herein;

(2) Approval of the proposed acquisition of the Property by NYCEDC, substantially as described herein; and

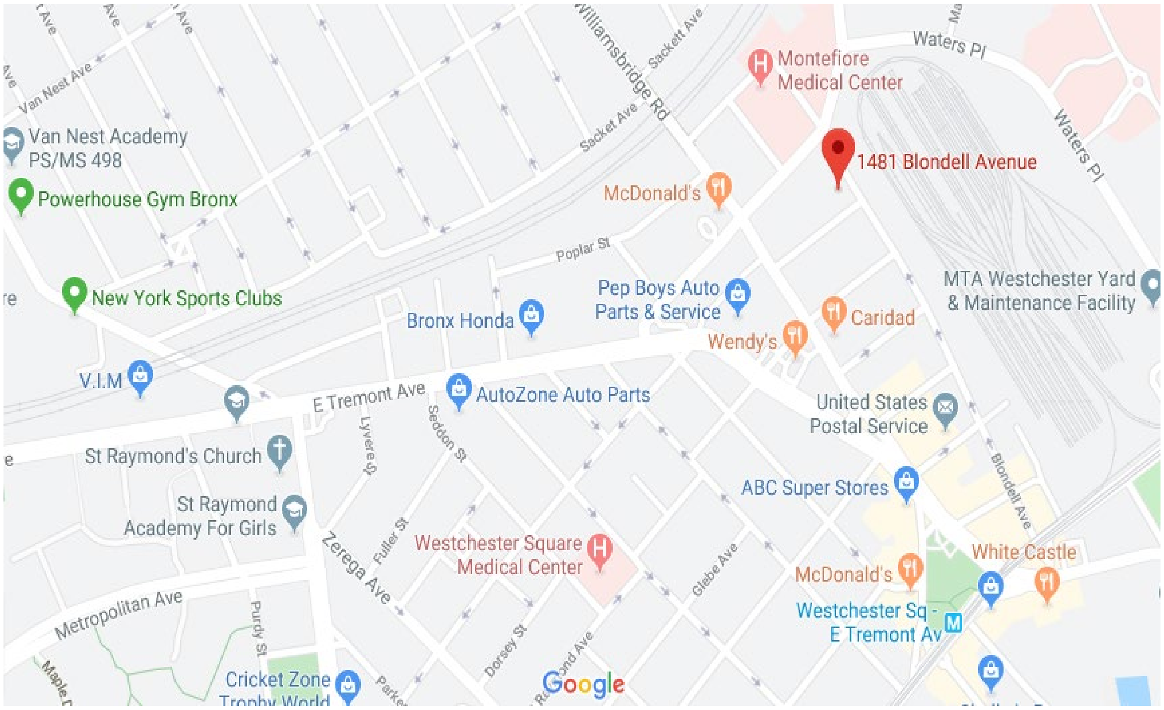
(3) Approval for NYCEDC to enter into any agreements and/or execute any documents necessary or convenient to effectuate the transaction, substantially as described herein

NYCEDC PROJECT CODE: 8141

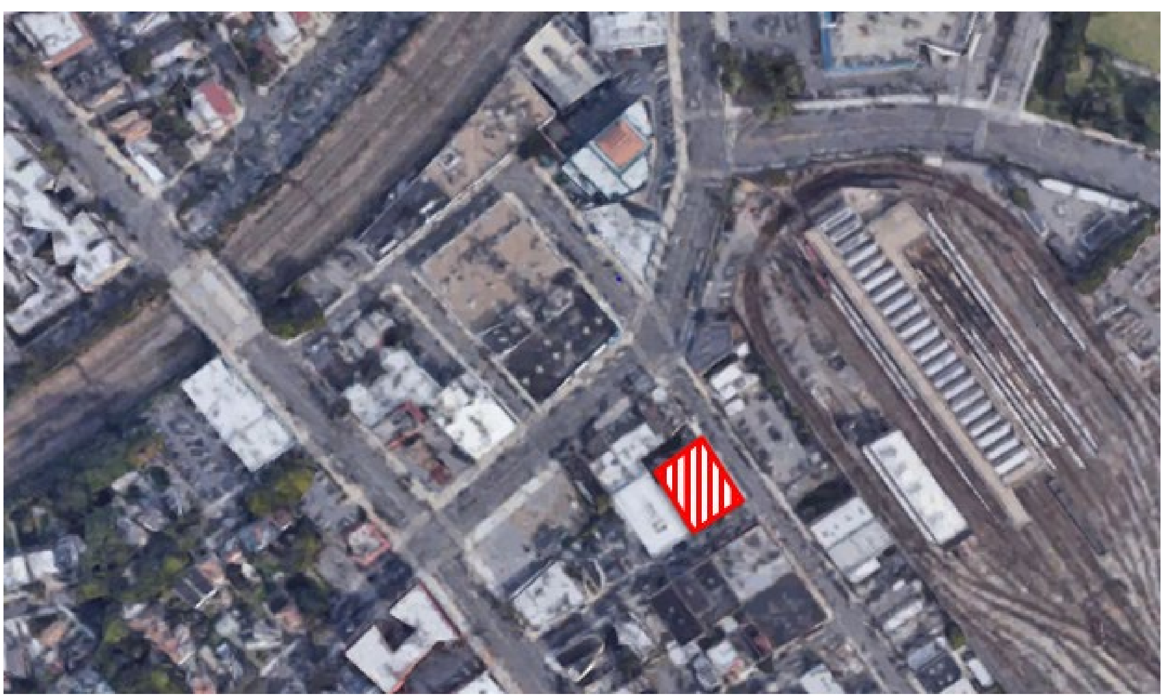
NYCEDC STAFF:

Hester Muis, Executive Vice President, Real Estate Transactions Sunitha Amalraj, Senior Vice President, Real Estate Transactions
Brian Ker, Assistant Vice President, Real Estate Transactions
Eric Rivera, Associate, Real Estate Transactions
Nicholas Stewart, Analyst, Real Estate Transactions
Anne Sherman, Senior Counsel, Legal

Attachment A



1481 Blondell



Property Location

Street view of the Property

Ground Floor EV Charging Area

Ground Floor Storage

Second Floor Office

REPORT ON INVESTMENTS

New York City Economic Development Corporation

Three Month Period Ended December 31, 2019

New York City Economic Development Corporation
Schedule of Investments

1st Quarter

Investment Type	Total Value 6/30/19 (A)	Purchases (B)	Maturities (C)	1st Quarter Interest Received (D)	Net Transfers Out (E)	Unrealized Gain/Loss (F)	Total Value 9/30/2019 (A+B+C+D+E+F)	Weighted Avg. Yield	Current % Allocation
US Gov't Agencies	68,961,383	-	(39,079,563)	(407,523)	-	305,741	29,780,038	1.82%	**30%**
US Treasury Note	50,741,434	-	(26,507,189)	(27,000)	-	162,523	24,369,768	2.16%	**24%**
Certificates of Deposit	199,592	-	-	-	-	-	199,592	0.05%	**0%**
Commercial Paper	33,510,480	-	(9,950,008)	-	-	208,498	23,768,970	2.57%	**24%**
Cash Equivalents/MMF	1,781,375	20,516,244	(494,258)	-	-	-	21,803,362		**22%**
Grand Total	**155,194,264**	**20,516,244**	**(76,031,018)**	**(434,523)**	**-**	**676,762**	**99,921,729**	**1.68%**	**100%**

***These amounts do not include money market mutual funds held in sweep accounts tied to commercial checking accounts.**

2nd Quarter

Investment Type	Total Value 9/30/19 (A)	Purchases (B)	Maturities (C)	2nd Quarter Interest Received (D)	Net Transfer s Out (E)	Unrealized Gain/Loss (F)	Total Value 12/31/2019 (A+B+C+D+E+F)	Weighted Avg. Yield	Current % Allocation
US Gov't Agencies	29,780,038	28,889,246	(16,550,000)	(159,340)	-	202,110	42,162,052	1.65%	**44%**
US Treasury Note	24,369,768	-	(2,475,000)	(184,969)	-	128,037	21,837,836	2.06%	**22%**
Certificates of Deposit	199,592	-	-	-	-	-	199,592	0.05%	**0%**
Commercial Paper	23,768,970	-	-	-	-	129,160	22,898,130	2.57%	**24%**
Cash Equivalents/MMF	21,803,362	-	(12,005,750)	-	-	-	9,797,611		**10%**
Grand Total	**99,921,729**	**28,889,246**	**(31,030,750)**	**(344,309)**	**-**	**459,307**	**96,895,221**	**1.78%**	**100%**

***These amounts do not include money market mutual funds held in sweep accounts tied to commercial checking accounts.**

Notes to Schedule of Investments

The accompanying schedule of investments includes the investments of the New York City Economic Development Corporation ("NYCEDC"). All investments are of a type permitted by NYCEDC's investment policy which includes obligations of the U.S. Treasury, U.S. agencies and instrumentalities, highly rated commercial paper and certificates of deposit.

All investment balances as of December 31, 2019 are recorded at fair value and the portfolio consists of the following securities with maturities of seven (7) years or less ($ in thousands):

INVESTMENT TYPE	TOTAL VALUE	%	MAXIMUM ALLOCATION PER POLICY
FFCB	16,037	16.55%	
FHLB	8,642	8.92%	
FHLMC	11,949	12.33%	
FNMA	5,533	5.71%	
US Gov Agencies Sub-Total	42,161	43.51%	100%
US Treasury Note	21,838	22.54%	100%
Commercial Paper	22,898	23.63%	25%
Certificates of Deposit	200	0.21%	20%
Cash Equivalent/MMF	9,798	10.11%	
Grand Investments Total	**96,895**	**100.00%**	

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from increasing interest rates, the NYCEDC limits 80% of its investments to instruments maturing within two years of the date of purchase. The remaining 20% of the portfolio may be invested in instruments with maturities up to a maximum of seven years.

Credit Risk - It is the NYCEDC's policy to limit its investments in debt securities to those rated in the highest rating category by at least two nationally recognized bond rating agencies or other securities guaranteed by the U.S. government or issued by its agencies. As of December 31, 2019, the Corporation's investments in Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB) and the Federal Home Loan Mortgage Corporation (FHLMC) were rated AA+ by Standard & Poor's, Aaa by Moody's and AAA by Fitch Ratings. Commercial papers held were rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Investor's Service, Inc.

Custodial Credit Risk – For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the NYCEDC will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. Investment securities are exposed to custodial credit risk if the securities are not registered in the name of the NYCEDC and are held by the counterparty, the counterparty's trust department or agent.

The NYCEDC manages custodial credit risk by limiting possession of its investments to highly rated institutions and/or requiring that high-quality collateral be held by the counterparty in the name of the NYCEDC. At December 31, 2019, NYCEDC was not subject to custodial credit risk.