NOTICE OF
ANNUAL MEETING OF MEMBERS
AND
REGULAR MEETING OF DIRECTORS
OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
November 9, 2021

The annual meeting of the Members of New York City Economic Development Corporation ("NYCEDC") and a regular meeting of the Board of Directors of NYCEDC will be held on Tuesday, November 9, 2021, in Conference Center A/B, on the 14th Floor at the offices of NYCEDC at One Liberty Plaza, New York, New York. If you have not been fully vaccinated against COVID-19, you will be required to wear a mask and social distance at the meetings. The Members meeting will begin at 8:30 a.m. and will be followed by the Directors meeting at approximately 8:35 a.m.

The agendas for the meetings are as follows:

Meeting of Members

I. Approval of Minutes of the September 28, 2021 Special Meeting of the Members
II. Election of Directors and Alternate
III. Annual Report of the Board of Directors of New York City Economic Development Corporation for the 12-Month Fiscal Period Ended June 30, 2021
IV. Such other business as may properly come before the meeting

Meeting of Directors

I. Approval of Minutes of the September 28, 2021 Regular Meeting of the Board of Directors
II. Ratification of the Annual Report of the Board of Directors of NYCEDC
III. Report of NYCEDC's President
IV. Presentation on NYCEDC Accomplishments During the de Blasio Administration
V. Governance Committee Report and Board Self-Evaluation Results
VI. Mission Statement and Measurements
VII. Election of Officers
VIII. Election of Committees
IX. Property Disposition, Investment and Procurement Policies, Guidelines and Procedures
X. Quarterly Report on Investments
XI. Such other business as may properly come before the meeting

Mark Silversmith
Assistant Secretary

New York, New York
Dated: October 29, 2021

LDCMT-26-12348

ANNUAL MEETING OF MEMBERS
AND
REGULAR MEETING OF DIRECTORS
OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
NOVEMBER 9, 2021

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 A SPECIAL MEETING
OF THE MEMBERS
OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
September 28, 2021

A special meeting of the Members of New York City Economic Development Corporation ("NYCEDC"), called at the direction of the President of NYCEDC, was held, pursuant to notice by an Assistant Secretary, on Tuesday, September 28, 2021, in Conference Center A/B, at the offices of NYCEDC at One Liberty Plaza, New York, New York.

The following Members of NYCEDC were present:

Vicki Been (by proxy to Pedram Mahdavi)
William Candelaria (by conference telephone)
Wilton Cedeno (by conference telephone)
Costa Constantinides (by conference telephone)
Robert Englert (by conference telephone)
William Floyd (by conference telephone)
Matthew Hiltzik (by conference telephone)
James Katz (by conference telephone)
Rachel Loeb
James McSpiritt
Danny Meyer
Patrick J. O'Sullivan, Jr. (by conference telephone)
Anthony Perez (by conference telephone)
Mark Russo (by conference telephone)
Betty Woo
Kathryn Wylde (by conference telephone)

Members of NYCEDC staff also were present.

The meeting was chaired by Danny Meyer, Chairperson 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. Minutes of the June 22, 2021 Special Meeting of the Members

There being no questions or comments with respect to the minutes of the June 22, 2021 special meeting of the Members, as submitted, a motion was made to approve such minutes, as submitted. Such motion was seconded and unanimously approved.

2. Election of Directors

Under NYCEDC's Bylaws, NYCEDC's Members elect its Directors. Directors must be Members at the time of their election. Each of Costa Constantinides and James Katz had recently been appointed by Mayor de Blasio as a Member of NYCEDC. At this time, Rachel Loeb, President of NYCEDC, proposed that the Members elect Mr. Constantinides and Mr. Katz as Directors of NYCEDC.

A motion was then made to elect each of Costa Constantinides and James Katz as a Director of NYCEDC. Such motion was seconded and unanimously approved.

3. Adjournment

There being no further business to come before the meeting, pursuant to a motion made, seconded and unanimously approved the meeting of the Members was adjourned.

____
Assistant Secretary

Dated: ____________________
New York, New York

ELECTION OF DIRECTORS AND ALTERNATE
Members Meeting
November 9, 2021

Subject: Election of Members to be Directors of NYCEDC and an alternate for Deputy Mayor Vicki Been

Proposed Resolution: To elect (i) the persons listed in Attachment A to be Directors of NYCEDC, and (ii) Pedram Mahdavi to be an alternate for Deputy Mayor Vicki Been in her capacity as a Director of NYCEDC.

Background: Under NYCEDC's Bylaws its 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 has requested that Pedram Mahdavi be re-elected to serve as her alternate.

ATTACHMENT A

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

Shirley Aldebol
Vicki Been
William Candelaria
Wilton Cedeno
Marlene Cintron
Hector Cordero–Guzman
Costa Constantinides
Mitch Draizin
Robert Englert
William Floyd
Matthew Hiltzik
James Katz
Tanya Levy-Odom
Rachel Loeb
Kapil Longani
James McSpiritt
Danny Meyer
Patrick J. O'Sullivan, Jr.
Anthony Perez
Mark E. Russo
Charles Tebele
Betty Woo
Kathryn Wylde

Annual Report of the Board of Directors of New York City Economic Development Corporation ("NYCEDC") for the 12-Month Fiscal Period Ended June 30, 2021

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, 2021.

1. Attached hereto as Attachment A are the Financial Statements, Required Supplementary Information, and Supplementary Information of NYCEDC for the year ended June 30, 2021, 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 27, 2021, the number of Members of NYCEDC is 23, due to there being four vacancies.

3. The number of Members of NYCEDC was 26 on July 1, 2020, at which time there was one vacancy, and 24 on June 30, 2021, at which time there were three vacancies (with a fourth vacancy as of the close of business on June 30, 2021).

4. The names and addresses of the Members of NYCEDC as of October 27, 2021 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 27, 2021
New York, New York

President

Treasurer

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

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

Rachel Loeb

Sworn to before me this 2nd
day of ~~October~~ November, 2021

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 2/11/2025

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 1ST
day of ~~October~~ November, 2021

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 2/11/2025

LDCMT-26-12056

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

Year Ended June 30, 2021
With Reports of Independent Auditors

NYC/EDC

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

Financial Statements, Required Supplementary Information, and Supplementary Information

Year Ended June 30, 2021

Contents

I. Financial Section

Ernst & Young LLP
One Manhattan West
New York, NY 10001-8604

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ey.com

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 the business-type activities and fiduciary activities of the New York City Economic Development Corporation (NYCEDC), a component unit of The City of New York, as of and for the year ended June 30, 2021, 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 opinions on these financial statements based on our audit. We conducted our audit 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.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of NYCEDC as of June 30, 2021, and the respective changes in its financial position and, where applicable, cash flows thereof for the year then ended, in conformity with U.S. generally accepted accounting principles.

Adoption of New Accounting Pronouncement

As discussed in Note 2 to the financial statements, as of July 1, 2020, the Corporation adopted Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that management's discussion and analysis, the schedule of changes in net OPEB liability, the schedule of investment returns 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 opinions 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 audit 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, 2021, 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, 2021

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

Management's Discussion and Analysis

June 30, 2021

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 year ended June 30, 2021. Please read it in conjunction with the financial statements and accompanying notes.

Fiscal Year 2021 Financial Highlights

Net position was $546 million at June 30, 2021:

- Cash, cash equivalents and investments increased $47 million (or 13%)
- Due from the City, net, decreased $65 million (or 42%)
- Capital assets, net, decreased $9 million (or 3%)
- Tenant receivables, net of allowance for uncollectible amounts, increased $14 million (or 23%)
- Accounts payable and accrued expenses decreased $19 million (or 8%)
- Unearned revenue increased $9 million (or 6%)
- Retainage payable increased $18 million (or 34%)

Change in net position is $(18) million for the fiscal year ended June 30, 2021:

- Grant revenues decreased $5 million (or 1%)
- Other income increased $23 million (or 73%)
- Project costs and program costs decreased $17 million (or 3%)
- Property rentals and related operating expenses decreased $16 million (or 15%)
- Other general expenses increased $15 million (or 36%)
- Capital contributions decreased $77 million (or 91%)
- Net operating loss is $26 million, offset by capital contributions of $8 million

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 following table summarizes NYCEDC's financial position at June 30, 2021 and 2020 (dollars in thousands) and the percentage changes between June 30, 2021 and 2020:

	2021	2020	% Change 2021–2020
Current assets	$ 526,794	$ 616,134	(15)%
Non-current assets	698,502	619,366	13%
Total assets	1,225,296	1,235,500	(1)%
Deferred outflows of resources	2,961	8,231	(64)%
Current liabilities	279,131	302,760	(8)%
Non-current liabilities	394,098	372,027	6%
Total liabilities	673,229	674,787	–%
Deferred inflows of resources	8,564	4,697	82%
Net position:			
Restricted	87,647	90,517	(3)%
Unrestricted	146,405	152,480	(4)%
Net investment in capital assets	312,412	321,250	(3)%
Total net position	$ 546,464	$ 564,247	(3)%

Financial Analysis of the Corporation (continued)

The Corporation's total assets decreased $10.2 million or 1% during fiscal year 2021. The net decrease in Due from/to the City of $65.2 million is primarily a result of $58.6 million of receivables related to prior year vessel acquisitions and $43.2 million of receivables related to the prior year purchase of goods and services in response to COVID-19 being paid in the current year. These decreases were offset by an increase in receivables of $12.3 million as well as receivable of retainage payable of $17.6 million related to infrastructure and resiliency improvements at New York City Health and Hospital Corporation's Coney Island Hospital. The Corporation realized a net decrease of $8.8 million in capital assets, primarily due to depreciation and amortization of $17.6 million, offset by $8.8 million of additions, primarily made up of $6.1 million vessel acquisition costs for the operation of NYC Ferry. Tenant receivables, net of the allowance for uncollectible amounts, increased $13.7 million primarily due to the outstanding amounts on $5.8 million of prior year COVID-19 deferrals rebilled in the current year and $3.8 million of additional receivables for reimbursable remediation work performed at Hunts Point Site D. The decrease in assets was offset by an increase in cash, cash equivalents, and investments of $47.2 million largely due to the aforementioned payments on receivables Due from the City.

The Corporation's total liabilities remained consistent with prior year and decreased $1.6 million. Accounts payable and accrued expenses decreased by $19.4 million due to the wind-down of certain projects and decreased activity related to the procurement of goods and services in response to COVID-19 as compared to prior year. Other current liabilities decreased by $7.4 million primarily due to the unrealized gain recognized on the Corporation's commodity futures contracts related to fuel hedging activity. These decreases were offset by the increase in retainage payable of $17.6 million largely due to projects for Coney Island Hospital and NYC Green Infrastructure. Furthermore, the increase in unearned revenues of $9.1 million is primarily due to $12 million of funds received from the City from its sale of property at West 125th Street to be used for future maintenance costs.

The Corporation's overall net position during fiscal year 2021 decreased $17.8 million, or 3%, as a result of the fiscal year operating activities. This decrease consisted of a $8.8 million decrease in net investment in capital assets, $2.9 million decrease in restricted net position and $6.1 million decrease in unrestricted net position.

Financial Analysis of the Corporation (continued)

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, 2021 and 2020 (dollars in thousands) and the percentage changes between fiscal year 2021 and 2020:

	2021	2020	% Change 2021–2020
Operating revenues:			
Grants	$ 652,456	$ 657,863	(1)%
Real estate sales, net and property rentals	202,292	204,986	(1)%
Fees and other income	67,550	40,546	67%
Total operating revenues	922,298	903,395	2%
Operating expenses:			
Project and program costs	662,592	679,955	(3)%
Property rentals and related operating expenses	86,397	102,057	(15)%
Ferry related expenses, net	32,518	52,588	(38)%
Personnel services	70,195	73,085	(4)%
Contract and other expenses to the City	28,767	28,265	2%
Office rent and other general expenses	67,750	54,364	25%
Total operating expenses	948,219	990,314	(4)%
Operating loss	(25,921)	(86,919)	(70)%
Total non-operating income	77	4,124	(98)%
Change in net position before capital contributions	(25,844)	(82,795)	(69)%
Capital contributions	8,061	85,290	(91)%
Change in net position	(17,783)	2,495	(813)%
Total net position, beginning of fiscal year	564,247	561,752	–%
Total net position, end of fiscal year	$ 546,464	$ 564,247	(3)%

Financial Analysis of the Corporation (continued)

During fiscal year 2021, operating revenues increased $18.9 million, or 2%. The increase in operating revenues is largely due to the increase in other income of $22.8 million related to remediation work performed at Hunts Point Site D, offset by a decrease in reimbursable grants of $5.4 million.

Operating expenses during fiscal year 2021 decreased $42.1 million, or 4%. The decrease in project costs of $90.6 million is primarily due to the decrease in reimbursable COVID-19 response expenses of $96.7 million, offset by an increase of $14.6 million incurred for the Queens Small Business Grant Program, which provided grant funding to small businesses impacted by COVID-19 in the area. Program costs increased $73.3 million primarily due to an increase in reimbursable expenses for Coney Island Hospital, NYC Green Infrastructure, the American Museum of Natural History, Manhattan Waterfront Greenway, and Hudson Park and Boulevard.

The decrease of $35.7 million in ferry related expenses and property rentals and related operating expenses is primarily due to pandemic-driven continued reduction in ferry services and suspension of cruise operations. Additionally, spending related to maintenance of rental properties decreased. Other general expenses increased $14.8 million largely due to an increase in tenant bad debt expense of $17.6 million, offset by a pandemic-driven decrease of other general and administration expenses of $6.2 million. Accordingly, the operating loss decreased by $61.0 million as compared to fiscal year 2020 with the Corporation recognizing a net operating loss of $25.9 million during fiscal year 2021.

Non-operating Activities

Total non-operating revenues for fiscal year 2021 were $0.1 million. Primarily as a result of market conditions, the fiscal year 2021 total was a $4.0 million reduction from fiscal year 2020.

Capital Contributions

Primarily driven by NYCEDC's ownership of ferry vessels acquired with City funding, NYCEDC recognizes 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 2021, NYCEDC recognized $8.1 million of capital contributions, primarily made up of $6.1 million for vessel acquisitions for the NYC Ferry system. As of June 30, 2021, the Corporation has completed its vessel acquisition plan, and there are no plans or commitments for additional vessel purchases.

Financial Analysis of the Corporation (continued)

Net Position

The Corporation's net operating loss for the fiscal year of $25.9 million has been offset by capital contributions of $8.1 million. As a result, the Corporation recognized a decrease in net position of $17.8 million during fiscal year 2021. This constitutes a decrease of $20.3 million, or 813%, as compared with the change in fiscal year 2020.

Capital Assets

The following table summarizes NYCEDC's capital assets for the fiscal years ended June 30, 2021 and 2020, (dollars in thousands) and the percentage change between June 30, 2021 and 2020:

	2021	2020	% Change 2021–2020
Leasehold improvements	$ 84,253	$ 84,253	–%
Equipment and computer software	20,180	19,894	1%
Vessels	239,045	227,424	5%
Work-in progress – vessels	–	5,567	(100)%
Work-in progress – other	13,912	11,534	21%
	357,390	348,672	3%
Less accumulated depreciation and amortization	(44,978)	(27,422)	64%
Net capital assets	$ 312,412	$ 321,250	(3)%

Financial Analysis of the Corporation (continued)

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 NYCEDC's customers, clients and the public with a general overview of the Corporation'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: http://edc.nyc/contact-us.

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

Statement of Net Position
(In Thousands)

June 30, 2021

Assets		
Current assets:		
Cash and cash equivalents – current	$	36,618
Restricted cash and cash equivalents – current		117,643
Unrestricted investments		30,670
Restricted investments		7,279
Current portion of loans and mortgage notes receivable		7,138
Due from the City, including $203,760 under contracts with the City		232,454
Tenant receivables, net of allowance for uncollectible amounts of $54,083		73,350
Prepaid expenses and other current assets		4,461
Other receivables		17,181
Total current assets		526,794
Non-current assets:		
Restricted cash and cash equivalents		138,153
Unrestricted investments		40,807
Restricted investments		47,840
Loans and mortgage notes receivable, less current portion (less allowance for loan losses of $10,912)		16,008
Capital assets, net		312,412
Land held for development, at cost		132,387
Other assets		10,895
Total non-current assets		698,502
Total assets		1,225,296
Deferred outflows of resources		
Deferred outflows of resources related to OPEB		2,961
Total deferred outflows of resources		2,961
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses, including $140,529 under contracts with the City		219,346
Deposits received on pending sales of real estate		8,751
Due to the City: real estate obligations and other		15,690
Unearned revenue		32,686
Other liabilities		2,658
Total current liabilities		279,131
Non-current liabilities:		
Tenant security and escrow deposits payable		42,495
Obligation for OPEB		681
Due to the City: real estate obligations		125,021
Unearned revenue, including unearned grant revenue of $26,240 under contracts with the City		138,967
Retainage payable		69,582
Other liabilities		17,352
Total non-current liabilities		394,098
Total liabilities		673,229
Deferred inflows of resources:		
Deferred inflows of resources related to OPEB		3,780
Accumulated increase in fair value of hedging derivatives		4,784
Total deferred inflows of resources		8,564
Net position:		
Restricted by law or under various agreements		87,647
Unrestricted		146,405
Net investment in capital assets		312,412
Total net position	$	546,464

See accompanying notes.

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

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

Year Ended June 30, 2021

Operating revenues:	
Grants	$ 652,456
Property rentals	197,292
Real estate sales, net	5,000
Fee income	13,253
Other income	54,297
Total operating revenues	922,298
Operating expenses:	
Project costs	113,033
Program costs	549,559
Property rentals and related operating expenses	86,397
Ferry related expenses, net	32,518
Personnel services	70,195
Contract and other expenses to the City	28,767
Office rent	11,756
Other general expenses	55,994
Total operating expenses	948,219
Operating loss	(25,921)
Non-operating revenues:	
Income from investments	77
Other non-operating income	–
Total non-operating revenues, net	77
Change in net position before capital contributions	(25,844)
Capital contributions	8,061
Change in net position	(17,783)
Net position, beginning of fiscal year	564,247
Net position, end of fiscal year	$ 546,464

See accompanying notes.

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

Statement of Cash Flow

(In Thousands)

Year Ended June 30, 2021

Cash flows from operating activities	
Real estate sales	$ 5,000
Property rentals	196,701
Grants from the City	636,890
Fee income	13,244
Other income	60,513
Project costs	(150,789)
Program costs	(497,113)
Property rentals and related operating expenses	(98,731)
Ferry expenses	(31,067)
Personnel services	(72,583)
Office rent	(11,756)
Contract and other expenses to the City	(28,767)
Other general and administrative expenses	(39,385)
Repayments of loans and mortgage receivable	465
Tenant security and escrow deposits	(1,555)
Other	7,488
Net cash used in operating activities	(11,445)
Cash flows from capital and related financing activities	
Purchase of capital assets	(20,022)
Capital contributions	78,585
Net cash provided by capital and related financing activities	58,563
Cash flows from investing activities	
Sale of investments	115,240
Purchase of investments	(194,063)
Interest income	77
Net cash used in investing activities	(78,746)
Net decrease in cash and cash equivalents	(31,628)
Cash and cash equivalents, beginning of fiscal year	324,042
Cash and cash equivalents, end of fiscal year	$ 292,414

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

Statement of Cash Flow (continued)
(In Thousands)

Reconciliation of operating loss to net cash used in operating activities		
Operating loss	$	(25,921)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization		17,556
Straight-line revenue		(3,897)
Provision for COVID-19		(5,761)
Provision for bad debts		30,615
Amortization of unearned revenues and prepaid expenses		(7,290)
Changes in operating assets, liabilities and deferred inflow/outflow of resources:		
Due to/from the City		(5,292)
Other non-current assets		(3,788)
Tenant receivables		(31,574)
Prepaid expenses and other receivables		3,117
Loans and mortgage notes receivable		(1,836)
Tenant security and escrow deposits payable		(1,555)
Accounts payable and accrued expenses		(8,126)
Deposits received on pending sales of real estate		(400)
Net OPEB liability		2,388
Unearned grant revenue		15,981
Deferred inflows of resources		(2,674)
Retainage payable		17,579
Other current liabilities		(517)
Other non-current liabilities		(50)
Net cash used in operating activities	$	(11,445)
Supplemental disclosures of noncash activities		
Unrealized gain on investments	$	(108)

See accompanying notes.

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

Statement of Fiduciary Net Position
(In Thousands)

OPEB Trust

Year Ended June 30, 2021

Assets		
Cash and cash equivalents	$	324
Investments:		
Mutual funds		23,803
Total investments		23,803
Total assets		24,127
Liabilities		
Accrued expenses		44
Due to NYCEDC		148
Total liabilities		192
Net position – restricted for OPEB	$	23,935

See accompanying notes.

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

Statement of Changes in Fiduciary Net Position
(In Thousands)

OPEB Trust

Year Ended June 30, 2021

Additions	
Investment income:	
Interest and dividends	$ 673
Net increase in fair value of investments	621
Net investment income	1,294
Total additions	1,294
Deductions	
Benefit payments	330
Administrative expenses	98
Total deductions	428
Net increase in fiduciary net position	866
Net position – restricted for OPEB	
Beginning of fiscal year	23,069
End of fiscal year	$ 23,935

See accompanying notes.

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) and its blended component units (Note 17).

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 base rent payments 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.

42nd Street Development Project Portfolio: This portfolio was established as a joint effort between the City and New York State (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).

Upcoming Accounting Pronouncements

In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* (GASB 95). The primary objective of GASB 95 is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The requirements of this Statement are effective immediately. The Corporation has adopted this standard and will delay implementation of relevant GASB statements covered by GASB 95 until their new respective effective dates.

2. Summary of Significant Accounting Policies (continued)

In June 2017, GASB issued Statement No. 87, *Leases* (GASB 87). 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. GASB 87 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. With the adoption of GASB 95, provisions of this Statement are effective for fiscal years beginning after June 15, 2021. The Corporation is evaluating the impact this standard will have on its financial statements.

In January 2020, GASB issued Statement No. 92, *Omnibus 2020* (GASB 92). The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Paragraphs 4, 5, 11 and 13 were effective immediately upon issuance of GASB 92 and did not have a significant impact to NYCEDC's financial statements. With the adoption of GASB 95, provisions of this Statement, other than those stated in paragraphs 4, 5, 11 and 13, are effective for fiscal years beginning after June 15, 2021. The Corporation is evaluating the impact this standard will have on its financial statements.

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94). The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). Provisions of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The Corporation is evaluating the impact this standard will have on its financial statements.

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and Supersession of GASB Statement No. 32* (GASB 97). The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the

2. Summary of Significant Accounting Policies (continued)

reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for IRC Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of GASB 97 that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. The Corporation has evaluated the impact of this standard in conjunction with the adoption of GASB Statement No. 84. This standard is not anticipated to have a significant impact on the Corporation's financial statements.

Impact of New Accounting Standard Adopted

GASB Statement No. 84, *Fiduciary Activities* (GASB 84), was issued in January 2017. The primary objective of GASB 84 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.

With the adoption of GASB 95, provisions of this Statement are effective for fiscal years beginning after December 15, 2019. The adoption of this standard as of July 1, 2020, resulted in the reporting

2. Summary of Significant Accounting Policies (continued)

of the Corporation's other post-employment benefits trust fund as a fiduciary activity. The cumulative effect of adopting GASB 84 was the establishment of beginning net position of \$21.2 million restricted for other post-employment benefits other than pension. Prior to the adoption of GASB 84, the OPEB trust fund was not required to be reported in the Corporation's financial statements.

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests* (GASB 90). 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. With the adoption of GASB 95, provisions of this Statement are effective for fiscal years beginning after December 15, 2019. The adoption of this standard did not have an impact on the Corporation's financial statements as NYCEDC does not own majority equity interest in a legally separate organization that meets the definition of an investment.

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 ongoing 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.

2. Summary of Significant Accounting Policies (continued)

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.

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.

2. Summary of Significant Accounting Policies (continued)

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.

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

Assets purchased for internal use by NYCEDC in excess of $10,000 are capitalized and consist primarily of vessels operating under the NYC Ferry system, leasehold improvements and equipment. 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. Accordingly, leasehold improvements have useful lives from 7 to 20 years.

2. Summary of Significant Accounting Policies (continued)

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-out reimbursements, 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.

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 2021, NYCEDC recognized $8.1 million of capital contributions, primarily made up of $6.1 million for vessel acquisitions for the NYC Ferry system.

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.

3. Contracts With the City of New York

Fiduciary Fund Statements

The statement of fiduciary net position and the statement of changes in fiduciary net position provide information on the Corporation's fiduciary activities in its Other Post-Employment Benefits Trust Fund, which reports resources that are required to be held in trust for members and beneficiaries of the Corporation's OPEB plan.

NYCEDC Master Contract

The City and NYCEDC have entered into the Master Contract, under which the Corporation 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, the Corporation may retain (1) net revenues 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 on all cash accounts related to unrestricted operations and certain fees for services, may be retained by NYCEDC under the Master Contract without regard to the contract cap.

Pursuant to section 11.05 of the Master Contract, at any time upon written request of the Mayor of the City or the Mayor's designee, NYCEDC must remit to the City assets having a fair market value up to the amount, if any, by which the Corporation's unrestricted net position exceeds $7 million. At the direction of the City, NYCEDC remitted $3.4 million from its unrestricted net position in fiscal year 2021, which is accounted for under contract and other expenses to the City in the statement of revenues, expenses, and changes in net position.

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

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 the Corporation 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 the Corporation 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 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.

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

Pursuant to section 9.06 of the Maritime Contract, at any time upon written request of the Mayor of the City or the Mayor's 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 amounts collected from the 42nd Street Development Project. The amount remitted from this source for fiscal year 2021 was $25.4 million (Note 14).

4. Grants

NYCEDC receives grants for specifically defined projects. For the year ended June 30, 2021, grant revenue was $652.5 million, of which $585.2 million comprised of reimbursement grants from and through the City, and the remaining $67.3 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 the Corporation's redevelopment goals. In fiscal year 2021, the land held for development totaled $132.4 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, 2021, real estate obligations due to the City was $125.0 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 year ended June 30, 2021 (dollars in thousands):

225 125th Street, B1790, L12	$ 1,972
2309–2313 3rd Avenue, B1790, L3, 49	858
236 East 126th Street, B1790 L31	183
246 E. 127th Street, B1791, L25	4,300
Springfield Gardens, Queens, B13432, L57	53
Land held for development	7,366
Boardwalk, Coney Island	105,345
1047 Home Street, Bronx, B3006, L21	800
1051 Home Street, Bronx, B3006, L19	1,200
1057 Home Street, Bronx, B3006, L17	500
1174 Longfellow Avenue, Bronx, B2758, L14	4,000
3050 W. 21st Street, Brooklyn, B7071, L123	13,176
Due to the City: real estate obligations	125,021
Total land held for development	$ 132,387

6. Other Income

The following table summarizes other income for the fiscal year ended June 30, 2021 (dollars in thousands):

Tenant reimbursements	$ 10,483
Developer contributions	2,331
Service agreements	759
Interest income from loans	585
Loan/bad debt recovery income	1,438
Other third-party reimbursements	28,718
Tenant-liquidated damages	1,955
138 Willoughby LLC	2,138
Other miscellaneous income	5,890
Total	$ 54,297

7. Loans and Mortgage Notes Receivable

NYCEDC has received installment notes from purchasers of certain real property sold by the Corporation 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, 2021, these mortgage notes totaled $7.6 million exclusive of any interest receivable.

NYCEDC has also provided loans to City businesses to advance certain economic development objectives consistent with its 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, 2021, the loan and mortgage notes portfolio consisted of 15 loans that bear interest at rates ranging from 0% to 8% 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		
2022	$ 7,138	$ 403
2023	629	345
2024	522	338
2025	440	463
2026	392	325
2027–31	12,071	1,514
2032–36	5,976	1,287
2037–41	4,753	703
2042–46	1,992	158
2047–48	145	–
	34,058	$ 5,536
Allowance for uncollectible amounts	(10,912)	
Loans and mortgage notes receivable, net	$ 23,146	

7. Loans and Mortgage Notes Receivable (continued)

The seven largest loans in fiscal year 2021 represent approximately 97% of the loan portfolio balance. The composition of the entire portfolio, by industry type, at June 30, 2021, was as follows: real estate development 22% and other services 78%.

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, 2021, amounted to $15.7 million.

Pursuant to the Master Contract with the City, NYCEDC recorded total grants from and through the City in the amount of $585.2 million during fiscal year 2021, of which $203.8 million in capital funds were unpaid by the City. These unpaid amounts are included in the accompanying statement of net position as due from the City.

9. Capital Assets

Changes in capital assets for the year ending June 30, 2021, consisted of the following (dollars in thousands):

	June 30, 2020	Additions/ Depreciation	Disposals	June 30, 2021
Equipment	$ 17,384	$ 286	$ –	$ 17,670
Leasehold improvements	84,253	–	–	84,253
Vessels	227,424	11,621	–	239,045
Computer software	2,510	–	–	2,510
Work-in-progress – vessels	5,567	(5,567)	–	–
Work-in-progress – other	11,534	2,378	–	13,912
Capital assets	348,672	8,718	–	357,390
Less: Accumulated depreciation/amortization	(27,422)	(17,556)	–	(44,978)
Capital assets, net	$ 321,250	$ (8,838)	$ –	$ 312,412

9. Capital Assets (continued)

Depreciation and amortization of capital assets and obligations for the fiscal year ended June 30, 2021, were $17.6 million.

10. Deposits and Investments

Deposits

At year-end, NYCEDC's cash and cash equivalents bank balance was $292.4 million, of which $13.5 million was FDIC insured. Of the remaining balance, $118.7 million was invested in money market funds. Emergency funds on hand amounted to $10,000 at June 30, 2021.

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.

10. Deposits and Investments (continued)

As of June 30, the Corporation had the following investments. Investments maturities are shown for June 30, 2021, only (dollars in thousands):

	Fair Value	Investment Maturities at June 30, 2021, in Years		
	2021	Less Than 1	1 to 2	Greater than 2
Money market mutual funds	$ 113,477	$ 113,477	$ –	$ –
Money market deposit account	5,250	5,250	–	–
FHLB notes	40,005	10,004	–	30,001
FHLMC notes	1,023	1,023	–	–
Commercial paper	19,490	19,490	–	–
FFCB notes	58,647	–	37,958	20,689
U.S. Treasuries	7,229	7,229	–	–
Certificates of deposit	201	201	–	–
	245,322	$ 156,674	$ 37,958	$ 50,690
Less amount classified as cash equivalents	(118,726)			
Total investments	$ 126,596			

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, and 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. U.S. Treasury and agency 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.

10. Deposits and Investments (continued)

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, 2021, the Corporation's investments in Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC), Federal Farm Credit Bank (FFCB), and U.S. Treasuries 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 NYCEDC. At June 30, 2021, the Corporation was not subject to custodial credit risk.

Concentration of Credit Risk – The Corporation places no limit on the amount NYCEDC may invest in any securities backed by the United States of America government. The following table shows investments that represent 5% or more of total investments as of June 30, 2021 (dollars in thousands):

	Dollar Amount and Percentage of Total Investments		
Issuer	**June 30, 2021**		
Federal Farm Credit Bank	$	58,647	23.9%
Federal Home Loan Bank		40,005	16.3

10. Deposits and Investments (continued)

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 $0.1 million for the fiscal year ended June 30, 2021.

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 and City-owned properties that are leased to private parties. In the case of properties leased to the Corporation, NYCEDC, in turn, leases the properties to commercial and industrial tenants. In the case of properties that are covered by ground leases, the ground leases 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 base rents 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.

The future minimum rental income as of June 30, 2021, payable by the tenants under the leases and subleases, all of which are accounted for as operating leases, is 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
2022	$ 21,359	$ 44,162	$ 36,795	$ 19,877	$ 809	$ 123,002
2023	18,276	43,423	35,952	19,877	723	118,251
2024	16,044	43,309	34,161	19,877	723	114,114
2025	14,094	42,858	33,223	19,878	722	110,775
2026	11,539	42,581	32,265	19,877	597	106,859
2027–31	40,555	210,554	121,345	99,388	1,779	473,621
2032–36	5,828	208,974	65,950	99,388	–	380,140
2037–41	4,148	206,089	45,076	99,388	–	354,701
2042–46	4,148	201,806	35,453	97,644	–	339,051
2047–51	4,148	199,469	35,453	94,405	–	333,475
Thereafter	2,143	1,398,084	48,025	720,095	–	2,168,347
Total	$ 142,282	$ 2,641,309	$ 523,698	$ 1,309,694	$ 5,353	$ 4,622,336

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

The thereafter category includes 38 leases with expiration dates between July 1, 2051 and December 31, 2100.

12. NYC Ferry System

In 2016, NYCEDC contracted with HNY Ferry, LLC (HNY) for the provision of ferry services under the new NYC Ferry system. The system is currently made up of five routes and a seasonal shuttle that were designed to meet the transportation needs of neighborhoods traditionally underserved by public transportation. HNY assumed operational responsibility for the then-existing East River Ferry route in December 2016 to incorporate that route into the NYC Ferry system. The initial NYC Ferry routes began operations between 2017 and 2018.

The net cost of these operations as of June 30, 2021, was $32.5 million. 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). Any remaining deficit is currently being funded by unrestricted resources.

13. Future Tenant Receivables

Pursuant to the ground leases with Brookfield Asset Management (formerly 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 $28.8 million, of which $16.3 million is for Jay Street (One Metrotech Center), $3.6 million is for Bridge Street (Two Metrotech Center), $5.1 million is for Tech Place (11 Metrotech Center) and $3.8 million is for Myrtle Avenue (Nine Metrotech Center). These amounts will be collected over a period ranging from 4 years to 16 years and are recognized as revenue over the life of the related leases.

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 make up the Project transferred from the State to the City.

14. 42nd Street Development Project (continued)

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), the Corporation has not been required to remit rental revenues from the Project to the City. NYCEDC, however, is required 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 that 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 nonmatching 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 year ended June 30, 2021, amounted to $6.0 million and is included in personnel services in the accompanying statement 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, 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

16. Postemployment Benefits Other Than Pensions (continued)

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 a committee consisting of NYCEDC employees and can be amended by the Corporation. 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 the retiree's 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 presented in the Corporation's statement of fiduciary net position and statement of changes in fiduciary net position.

Employees Covered by Benefit Terms – At June 30, 2021, the following employees were covered by the benefit terms:

	2021
Active employees	60
Inactive employees and/or beneficiaries currently receiving benefit payments	39
Future retirees and beneficiaries not currently receiving benefit payments	6
Total participants	105

16. Postemployment Benefits Other Than Pensions (continued)

For fiscal year 2021, benefit payments amounting to approximately $181,000 were paid by NYCEDC and will be reimbursed by the Trust in the following year from net position available for plan benefits.

Contributions – NYCEDC has the right to establish and amend the contribution requirements. For the fiscal year ended June 30, 2021, the average contribution rate was 0% of covered payroll.

Net OPEB Asset/Liability

The Corporation's net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2019. Update procedures were used to roll forward the total OPEB liability to the measurement date.

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

Inflation	3.0% per annum, compounded annually
Investment rate of return	2020 – 4.6% per annum, compounded annually
	2021 – 4.04% per annum, compounded annually
Salary increases	4.25%
Health care costs trend rates	7.4% grading down to an ultimate rate of 4.75% for <65,
	6.8% grading down to an ultimate rate of 4.75% for >65

Mortality rates were based on the Pub-2010 Above Median Headcount Weighted General Mortality table published by the Society of Actuaries in 2019. The mortality improvement scale was updated to the MP-2020 scale.

16. Postemployment Benefits Other Than Pensions (continued)

Long-Term Expected Rate of Return – 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.

Discount Rate – The discount rate used to measure the total OPEB liability was 3.34% at June 30, 2021. The projection of cash flows used to determine the discount rate does not assume any additional contributions. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees until 2058. After that time, benefit payments for current plan members will be funded on a pay-as-you-go basis.

Investments

Investment Policy – The Trust's investments are made in accordance with the provisions of the Trust's investment policy (the Investment Policy). The goals of the Investment Policy are to invest for the sole purpose of funding the OPEB plan's obligation of the Corporation in a prudent manner and to conserve and enhance the value of the Trust's assets through appreciation and income generation while maintaining a moderate investment risk.

The Trust has retained an investment consultant to ensure that strategic investment diversification is attained, to employ investment managers with expertise in their respective asset classes, and to closely monitor the implementation and performance of the respective investment strategies.

The Investment Policy was adopted in April 2019. The Trust is currently invested in the following securities within the current investment policy limitations:

16. Postemployment Benefits Other Than Pensions (continued)

Asset Class	Allocation
US large cap	8%
Non-US equity	4
Absolute return	8
Long-term bond	40
Aggregate bond	40
	100%

The Investment Policy limits the Trust from investing no more than 5% of the total portfolio in the common stock of any one corporation. The Trust may not hold more than 5% of the outstanding shares of any one company. Fixed-income securities of any one issuer shall not exceed 5% of the total fixed income portfolio at the time of purchase if held in a separate account. Holdings of any individual issue, other than issues of the United States government, may not exceed 5% of the value of the total issue. Commingled investment vehicles such as mutual funds or common trust or collective investment funds will be evaluated based on their diversification characteristics as presented in their investment strategy and discipline.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the financial statement measurement date. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

Level 1 – Value based on quoted prices in active markets for identical assets.

Level 2 – Value based on significant other observable inputs such as a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Level 3 – Value based on inputs that are unobservable and significant to the fair value measurement such as discounted cash flows.

16. Postemployment Benefits Other Than Pensions (continued)

The following summarizes the Trust's investments by type held at June 30, 2021 (dollars in thousands):

	June 30, 2021				
Investment type	Level	Fair Value	Investments Less Than 1 Year	Maturities 1–5 Years	Maturities 6–10 Years
Investments by fair value level					
Money market fund	1	$ 324	$ 324	$ –	$ –
Mutual funds	1	23,803	23,803	–	–
Total investments by fair value level		24,127	$ 24,127	$ –	$ –
Less amounts reported as cash equivalents per the financial statements		(324)			
Total investments per the financial statements		$ 23,803			

The following discusses the Trust's exposure to common deposit and investment risks related to custodial credit, credit, concentration of credit, interest rate and foreign currency risks as of June 30, 2021.

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a failure of a depository financial institution, the Trust's deposits may not be returned. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Trust, and are held by either the depository financial institution or the depository financial institution's trust department or agent but not in the Trust's name.

The Trust manages custodial credit risk by limiting its investments to highly rated institutions or requiring that high-quality collateral be held by the counterparty in the name of the Corporation.

16. Postemployment Benefits Other Than Pensions (continued)

Credit Risk – Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. The Trust has an investment policy regarding the management of Credit Risk, as outlined above. GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government.

At June 30, 2021, the Trust did not have any investment in debt securities.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss that may be attributed to the magnitude of the Trust's investment in a single issuer. Investments of Trust assets are diversified in accordance with the Corporation's investment policy, which defines guidelines for the investment holdings. The asset allocation in the investment portfolio should be flexible depending upon the outlook for the economy and the securities markets. At June 30, 2020, no more than 5% of the Trust's investments were in a single issuer.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Within cash portions of the portfolio, interest rate risk is managed using the effective duration methodology. This methodology is widely used in the management of cash and fixed income portfolios in that it quantifies with greater precision the amount of risk due to interest rate changes. Interest rate risk is managed by investing in mutual funds that limit risk by diversifying holdings and purchasing companies of lower risk.

Rate of Return – As required by GASB Statement 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, the annual money-weighted rate of return on trust investments, net of investment expenses was 5.6% for the fiscal year ended June 30, 2021. The calculation is based on monthly income and average monthly investment balances.

16. Postemployment Benefits Other Than Pensions (continued)

Changes in Net OPEB (Asset) Liability

For the fiscal year ended June 30, 2021 (dollars in thousands):

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balances at beginning of the year	$ 21,362	$ 23,069	$ (1,707)
Changes for the year:			
Service cost	407	–	407
Interest	897	–	897
Changes of benefit terms	–	–	–
Difference between expected and actual experience	(99)	–	(99)
Changes of assumptions	2,379	–	2,379
Contributions – employer	–	–	–
Net investment income	–	1,294	(1,294)
Benefit payments	(330)	(330)	–
Plan expense	–	(98)	98
Net changes	3,254	866	2,388
Net OPEB liability at end of year	$ 24,616	$ 23,935	$ 681

16. Postemployment Benefits Other Than Pensions (continued)

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 NYCEDC's net OPEB (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.34%) or 1 percentage point higher (4.34%) than the current discount rate (dollars in thousands):

	1% Decrease	Discount Rate (3.34%)	1% Increase
Net OPEB (asset) liability, June 30, 2021	$ 4,556	$ 681	$ (2,530)

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates – The following presents the net OPEB (asset) liability of the Corporation, as well as what NYCEDC's net OPEB (asset) liability would be if it were calculating using health care cost trend rates that are 1 percentage point lower or 1 percent point higher (dollars in thousands):

	1% Decrease	Health Care Cost Trend Rates	1% Increase
Net OPEB (asset) liability, June 30, 2021	$ (3,316)	$ 681	$ 5,731

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

For the fiscal year ended June 30, 2021, NYCEDC recognized OPEB income of $0.3 million. OPEB income and expense are reported in the Corporation's financial statements as part of personnel services expense. At June 30, 2021, NYCEDC reported deferred inflows of resources related to OPEB from the following sources (dollars in thousands):

	Deferred Inflows	Deferred Outflows
Difference between expected and actual experience	$ 212	$ 970
Changes in assumptions	2,350	1,991
Difference between projected and actual investment earnings	1,218	–
	$ 3,780	$ 2,961

16. Postemployment Benefits Other Than Pensions (continued)

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

Fiscal year ended June 30:		
2022	$	632
2023		620
2024		360
2025		(367)
2026 and thereafter		(426)
	$	819

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, 2021, CLIC had no investments and maintained a cash balance of approximately $3.4 million with JP Morgan Chase.

CLIC continues to provide coverage for two lines of insurance: cyber insurance and additional terrorism insurance. CLIC provides excess cyber coverage to NYCEDC and each company that is more than 50% owned and controlled by NYCEDC, with limits of $9 million per claim and in the aggregate, in excess of $5 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 one certified act of terrorism.

17. Blended Component Units (continued)

All policies provided by CLIC cover 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 85% (beginning on January 1, 2016 and decreasing by 1% per calendar year until equal to 80%) if the total loss affecting all involved insurers exceeds $100 million.

Effective December 10, 2018, CLIC began directly providing flood deductible and self-insured retention reimbursement coverage for locations not covered by a National Flood Insurance Program or located in Special Flood Hazard Areas as defined by the Federal Emergency Management Agency to NYCEDC and its affiliates, with limits ranging from $500,000 to $1,000,000 in excess of a $25,000 deductible per occurrence, with no aggregate limits.

Statement of Net Position

The following table summarizes CLIC's financial position at June 30, 2021 (dollars in thousands):

Total assets	$ 3,375
Total liabilities	20
Total net position	$ 3,355

Statement of Revenues, Expenses, and Changes in Net Position

The following table summarizes CLIC's change in net position for the fiscal year ended June 30, 2021 (dollars in thousands):

Operating revenues	$ 532
Operating expenses	87
Operating income	445
Change in net position	445
Total net position, beginning of fiscal year	2,910
Total net position, end of fiscal year	$ 3,355

17. Blended Component Units (continued)

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 the 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.

Statement of Net Position

The following table summarizes ESLSF's financial position at June 30, 2021 (dollars in thousands):

Total assets	$ 3,494
Total liabilities	–
Total net position	$ 3,494

Statement of Revenues, Expenses, and Changes in Net Position

The following table summarizes ESLSF's change in net position for the fiscal year ended June 30, 2021 (dollars in thousands):

Operating revenues	$ –
Operating expenses	–
Operating income (loss)	–
Non-operating income	1
Change in net position	1
Total net position, beginning of fiscal year	3,493
Total net position, end of fiscal year	$ 3,494

17. Blended Component Units (continued)

New York City Entrepreneurial Fund LLC

The New York City Entrepreneurial Fund LLC (NYCEF) 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.

Statement of Net Position

The following table summarizes NYCEF's financial position at June 30, 2021 (dollars in thousands):

Total assets	$	1,309
Total liabilities		–
Total net position	$	1,309

Statement of Revenues, Expenses, and Changes in Net Position

The following table summarizes NYCEF's change in net position for the fiscal year ended June 30, 2021 (dollars in thousands):

Operating revenues	$	–
Operating expenses		–
Operating income (loss)		–
Non-operating income		–
Interfund transfers		–
Change in net position		–
Total net position, beginning of fiscal year		1,309
Total net position, end of fiscal year	$	1,309

17. Blended Component Units (continued)

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 is reflected as operating costs of NYCFF.

Statement of Net Position

The following table summarizes NYCFF's financial position at June 30, 2021 (dollars in thousands):

Total assets	$ 216,433
Total liabilities	–
Total net position	$ 216,433

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, 2021 (dollars in thousands):

Operating revenues	$ –
Operating expenses	9,225
Operating loss	(9,225)
Capital contributions	11,620
Change in net position	2,395
Total net position, beginning of year	214,038
Total net position, end of year	$ 216,433

17. Blended Component Units (continued)

NYC COVID-19 Emergency Services, LLC

The NYC COVID-19 Emergency Services LLC (NYCCES) was formed in April of 2020 to take all appropriate and necessary steps to render all required and available assistance to protect the security, well-being and health of the residents of the City and property in which the City or NYCEDC has an interest. Such services may include, but are not limited to, making emergency procurements of goods and services for such purposes.

Statement of Net Position

The following table summarizes NYCCES's financial position at June 30, 2021 (dollars in thousands):

Total assets	$	2,260
Total liabilities		2,251
Total net position	$	9

Statement of Revenues, Expenses, and Changes in Net Position

The following table summarizes NYCCES's change in net position for the fiscal year ended June 30, 2021 (dollars in thousands):

Operating revenues	$	26,868
Operating expenses		26,868
Operating income		–
Non-operating income		9
Change in net position		9
Total net position, beginning of fiscal year		–
Total net position, end of fiscal year	$	9

17. Blended Component Units (continued)

NYC COVID-19 Response, LLC

The NYC COVID-19 Response LLC (NYCCR) was formed in March of 2021 to establish a program that will facilitate funding to address the needs of hospitals in the City caused by the COVID-19 pandemic and the emerging new variants of the COVID-19 virus.

Statement of Net Position

The following table summarizes NYCCR's financial position at June 30, 2021 (dollars in thousands):

Total assets	$	788
Total liabilities		788
Total net position	$	–

Statement of Revenues, Expenses, and Changes in Net Position

The following table summarizes NYCCR's change in net position for the fiscal year ended June 30, 2021 (dollars in thousands):

Operating revenues	$	4
Operating expenses		4
Operating income (loss)		–
Non-operating income (loss)		–
Change in net position		–
Total net position, beginning of fiscal year		–
Total net position, end of fiscal year	$	–

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, the Corporation provides LDC with operating grant funding for LDC's general and administrative expenses. For the fiscal year ended June 30, 2021, $1,822 was provided to LDC for such expenses.

New York City Industrial Development Agency (IDA)

NYCEDC is responsible for administering the economic development programs of IDA. For fiscal year ended June 30, 2021, the Corporation earned management fee income from IDA of $4.4 million. At June 30, 2021, the amount due from IDA totaled $0.6 million.

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, the Corporation provides management services to Build NYC and administers its financial books and records. For fiscal year ended June 30, 2021, NYCEDC earned management fee income from Build NYC of $2.2 million. At June 30, 2021, the amount due from Build NYC totaled $0.4 million.

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

Pursuant to an annual agreement between NYCEDC and TCR, the Corporation provides TCR with management services. For the fiscal year ended June 30, 2021, NYCEDC earned management fees of $0.3 million from TCR. At June 30, 2021, there were no amounts due from TCR.

New York City Neighborhood Capital Corporation (NCC)

NCC is a 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

18. Other Related-Party Transactions (continued)

fees were charged for these services for the fiscal year ended June 30, 2021. At June 30, 2021, the amounts due from NCC for the reimbursement of costs paid by the Corporation on behalf of NCC totaled $7,522.

Public Realm Improvement Fund Governing Group Inc. (PRIF)

PRIF, which was incorporated under NPCL and commenced operation in 2017, was created to administer the Public Realm Improvement Fund (the Fund) for the exclusive charitable and public purpose of lessening the burdens of government for the City and acting in the public's interest. Specifically, this is done by allocating funds from the Fund to implement public realm improvement projects in East Midtown. The Corporation provided full management services to PRIF, and no fees were charged for these services for fiscal year ended June 30, 2021. At June 30, 2021, the amounts due from PRIF for the reimbursement of costs paid by NYCEDC on behalf of PRIF, totaled $13,215.

19. Accounting for Derivatives and Fuel Hedging Activity

As described in Note 12, NYCEDC, on behalf of the City, contracted in June 2016 with HNY for the provision of 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 that occurred immediately after the launch of the program, the Corporation contracted to increase the number of vessels in service and the related annual fuel cap for future years. The cap will increase gradually to reach 8.3 million gallons by fiscal year 2023. COVID-19 has significantly reduced ridership, prompting reductions to ferry service and related fuel usage. It is not known if, or for how long, these conditions will persist. Although the contract caps the number of gallons that NYCEDC is responsible for, the price per gallon is subject to market conditions. Consequently, the Corporation 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).

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

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.

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. NYCEDC did not purchase any call options during fiscal year 2021.

Additionally, NYCEDC continued to use futures contracts as a hedging vehicle. On June 30, 2021, NYCEDC maintained a position of 274 futures contracts for ultra-low sulfur diesel and crude oil. These contracts cover a percentage of the fuel commitment for the next two years of the HNY operating contract period.

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

As of June 30, 2021, 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.

Diesel Fuel	Notional Amount – Gallon	Number of Contracts	Maturity Date	Fair Value June 30, 2021	Average Futures Price $/Gallon
	546,000	13	Aug 2021	$ 135,979	$ 1.88
	504,000	12	Sep 2021	113,959	1.90
	462,000	11	Oct 2021	132,413	1.84
	462,000	11	Nov 2021	155,379	1.79
	462,000	11	Dec 2021	181,705	1.74
	462,000	11	Jan 2022	175,455	1.75
	420,000	10	Feb 2022	209,231	1.62
	462,000	11	Mar 2022	239,580	1.59
	504,000	12	Apr 2022	254,776	1.59
	546,000	13	May 2022	261,475	1.60
	588,000	14	Jun 2022	273,983	1.60
	630,000	15	Jul 2022	287,398	1.61
	588,000	14	Aug 2022	271,618	1.60
	546,000	13	Sep 2022	238,728	1.63
	546,000	13	Oct 2022	251,584	1.60
	462,000	11	Nov 2022	199,223	1.63
	462,000	11	Dec 2022	207,043	1.61
	462,000	11	Jan 2023	199,534	1.62
	420,000	10	Feb 2023	184,531	1.61
	462,000	11	Mar 2023	217,535	1.56
	504,000	12	Apr 2023	215,804	1.59
	462,000	11	May 2023	191,243	1.59
	378,000	9	Jun 2023	137,706	1.63
	168,000	4	Jul 2023	48,577	1.70
Total fair value				$ 4,784,459	

20. Commitments and Contingencies

NYCEDC has an aggregate contractual commitment of $43.2 million at June 30, 2021, 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.

Additionally, NYCEDC entered into a new lease agreement for its new headquarters effective March 2018 with an expiration date of May 31, 2039. The future minimum rental commitments, as of June 30, 2021, required under the operating lease are as follows (dollars in thousands):

Fiscal year:	
2022	$ 11,840
2023	11,846
2024	11,951
2025	12,808
2026	12,980
2027 to 2031	67,152
2032 to 2036	72,900
2037 and thereafter	44,590
	$ 246,067

Accordingly, rent expense for office space amounted to $11.8 million for fiscal year ended June 30, 2021.

The Corporation's loan and loan guarantee finance programs are designed to provide financial assistance to certain eligible businesses with the expectation of spurring economic development benefits for the City. As of June 30, 2021, NYCEDC's aggregate commitment for these programs is $104.0 million, of which $41.9 million has been put on hold to reallocate resources due to COVID-19.

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 3.0% and 3.5%. NYCEDC's portion of the loan, $12.8 million, was reimbursed to the Corporation 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 between 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 was scheduled to repay the $18 million to NYCEDC no later than April 5, 2020. As of June 30, 2021, the amount due remains unpaid, and the parties are negotiating a payment agreement. The Corporation'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 and 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, 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 of 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 third 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. The Corporation uses several methods to mitigate these risks, including but not limited to loss prevention/risk engineering, contractual risk transfer, and the use of financial and commercial insurance products.

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)

	2021	2020	2019	2018
Total OPEB liability:				
Service cost	$ 407	$ 380	$ 531	$ 561
Interest	897	816	704	666
Changes of benefit terms	–	900	–	–
Difference between expected and actual experience	(99)	1,440	(206)	(103)
Changes in assumptions	2,379	(1,177)	(3,180)	(147)
Benefit payments	(330)	(208)	(201)	(225)
Net change in total OPEB liability	3,254	2,151	(2,352)	752
Total OPEB liability – beginning	21,362	19,211	21,563	20,811
Total OPEB liability – ending (a)	$ 24,616	$ 21,362	$ 19,211	$ 21,563
Total fiduciary net position:				
Contributions – employer	$ –	$ –	$ –	$ 20,000
Net investment income	1,294	2,434	1,195	–
Administrative expenses paid by the Trust	(98)	(36)	–	–
Benefit payments	(330)	–	–	–
Benefits and expenses payable	–	(524)	–	–
Net change in fiduciary net position	866	1,874	1,195	20,000
Trust fiduciary net position – beginning	23,069	21,195	20,000	–
Trust fiduciary net position – ending (b)	$ 23,935	$ 23,069	$ 21,195	$ 20,000
Corporation's net OPEB (asset) liability – end of fiscal year (a-b)	$ 681	$ (1,707)	$ (1,984)	$ 1,563
Trust fiduciary net position as a percentage of the total OPEB liability	97%	108%	110%	93%

Notes to schedule

Changes of assumptions:

Discount rate was changed from 4.15% at June 30, 2020, to 3.34% at June 30, 2021.

Rate of return was changed from 4.60% at June 30, 2020, to 4.04% at June 30, 2021.

The mortality improvement scale was updated to use MP-2020 at June 30, 2021, from the MP-2019 at June 30, 2020.

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)

	2021	2020	2019	2018
Actuarially determined contribution	$ –	$ –	$ –	$ –
Contributions in relation to the actuarially determined contribution	–	–	–	20,000
Contribution deficiency (excess)	$ –	$ –	$ –	$ (20,000)
Covered-employee payroll	$ 8,031	$ 8,405	$ 8,018	$ 8,231
Contributions as a percentage of covered-employee payroll	–%	–%	–%	243%

Valuation dates:	June 30, 2020; results were rolled forward to June 30, 2021.
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:	Market values
Inflation:	3.0% per annum
Salary increases:	4.25% per annum
Investment rate of return:	4.04% for 2021
Health care trend rates:	7.4% grading down to an ultimate rate of 4.75% for <65, 6.8% grading down to an ultimate rate of 4.75% for >65
Mortality:	Based on the Pub-2010 Above Median Headcount Weighted General Mortality table published by the Society of Actuaries in 2019. The mortality improvement scale was updated to the MP-2020 scale.
Benefit changes:	Plan change adopted since the last full valuation which provides survivor coverage for a period of up to five years following the death of the retiree.

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 Investment Returns

	2021	2020	2019	2018
Annual money-weighted rate of return, net of investment expense	5.6%	11.5%	6.0%	–%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available

Supplementary Information

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

Combined Statement of Revenues, Expenses, and Changes in Fund Net Position
(In Thousands)

	Total Unrestricted	Maritime Fund	NYC Ferry	Adjustment	Total Maritime and NYC Ferry	NYC Ferry Fleet, LLC	Brooklyn Army	Other Properties	Finance Programs	Capital Programs	Public Purpose and Other Fund	Apple 42nd Street	June 30, 2021
Operating revenues													
Grants	$ 87,214	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ 549,222	$ 16,020	$ –	$ 652,456
Property rentals	41,574	53,606	–	–	53,606	–	31,479	4,066	–	–	–	66,567	197,292
Real estate sales, net	5,000	–	–	–	–	–	–	–	–	–	–	–	5,000
Ferry related revenues	–	–	9,358	(9,358)	–	–	–	–	–	–	–	–	–
Fee income	13,127	3	–	–	3	–	29	–	–	–	12	82	13,253
Other income	10,899	35,300	3,479	(3,479)	35,300	–	4,206	772	351	–	2,376	393	54,297
Other Income – 42nd Street	35,269	–	–	–	–	–	–	–	–	–	–	(35,269)	–
Total Operating revenues	193,083	88,909	12,837	(12,837)	88,909	–	35,714	4,838	351	549,222	18,408	31,773	922,298
Operating expenses													
Project costs	92,046	–	–	–	–	–	–	–	–	–	20,987	–	113,033
Program costs	–	–	–	–	–	–	–	–	337	549,222	–	–	549,559
Property rentals and related operating expenses	8,902	53,402	–	–	53,402	–	18,346	3,999	–	–	–	1,748	86,397
Ferry related expenses	–	–	45,350	(12,832)	32,518	–	–	–	–	–	–	–	32,518
Personnel services	59,113	7,479	5	(5)	7,479	–	2,003	460	198	–	82	860	70,195
Contract and other expenses to the City	3,405	–	–	–	–	–	–	–	–	–	–	25,362	28,767
Office rent	11,756	–	–	–	–	–	–	–	–	–	–	–	11,756
Other general expenses	24,774	9,649	–	–	9,649	9,225	7,470	229	145	679	20	3,803	55,994
Total operating expenses	199,996	70,530	45,355	(12,837)	103,048	9,225	27,819	4,688	680	549,901	21,089	31,773	948,219
Operating (loss) income	(6,913)	18,379	(32,518)	–	(14,139)	(9,225)	7,895	150	(329)	(679)	(2,681)	–	(25,921)
Non-operating revenues (expenses):													
Income (Loss) from Investments	83	3	–	–	3	–	–	6	(14)	–	(1)	–	77
Total non-operating revenues (expenses)	83	3	–	–	3	–	–	6	(14)	–	(1)	–	77
Income before transfers	(6,830)	18,382	(32,518)	–	(14,136)	(9,225)	7,895	156	(343)	(679)	(2,682)	–	(25,844)
Interfund transfers	8,479	(18,382)	18,382	–	–	–	(8,479)	–	–	–	–	–	–
Change in net position before capital contributions	1,649	–	(14,136)	–	(14,136)	(9,225)	(584)	156	(343)	(679)	(2,682)	–	(25,844)
Capital contributions	2,007	–	–	–	–	11,621	–	–	–	(5,567)	–	–	8,061
Change in net position	3,656	–	(14,136)	–	(14,136)	2,396	(584)	156	(343)	(6,246)	(2,682)	–	(17,783)
Total net position, beginning of fiscal year	302,876	7,000	(76,215)	–	(69,215)	214,038	19,165	1,601	54,270	10,378	31,134	–	564,247
Total unrestricted net position, end of fiscal year	234,262	4,073	(91,931)	–	(87,858)	–	–	–	–	–	–	–	146,404
Total restricted net position, end of fiscal year	–	–	–	–	–	–	500	1,757	53,927	3,012	28,452	–	87,648
Total net investment in capital assets, end of fiscal year	72,270	2,927	1,580	–	4,507	216,434	18,081	–	–	1,120	–	–	312,412
Total net position, end of fiscal year	$ 306,532	$ 7,000	$ (90,351)	$ –	$ (83,351)	$ 216,434	$ 18,581	$ 1,757	$ 53,927	$ 4,132	$ 28,452	$ –	$ 546,464

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 the business-type activities and the fiduciary activities of New York City Economic Development Corporation (NYCEDC), a component unit of The City of New York, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise NYCEDC's basic financial statements, and have issued our report thereon dated September 30, 2021.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 financial statements. 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, 2021

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
September 28, 2021

A regular meeting of the Board of Directors (the "Board") of New York City Economic Development Corporation ("NYCEDC") was held, pursuant to notice by an Assistant Secretary, on Tuesday, September 28, 2021, in Conference Center A/B, at the offices of NYCEDC at One Liberty Plaza, New York, New York.

The following Directors of NYCEDC were present:

William Candelaria (by conference telephone)
Wilton Cedeno (by conference telephone)
Marlene Cintron (by conference telephone)
Costa Constantinides (by conference telephone)
Robert Englert (by conference telephone)
William Floyd (by conference telephone)
Matthew Hiltzik (by conference telephone)
James Katz (by conference telephone)
Rachel Loeb
Pedram Mahdavi (as alternate for Vicki Been)
James McSpiritt
Danny Meyer
Patrick J. O'Sullivan, Jr. (by conference telephone)
Anthony Perez (by conference telephone)
Mark Russo (by conference telephone)
Charles Tebele
Betty Woo
Kathryn Wylde (by conference telephone)

Members of NYCEDC staff also were present.

The meeting was chaired by Danny Meyer, Chairperson of NYCEDC, and called to order at 8:40 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 June 22, 2021 Regular Meeting of the Board of Directors

There being no questions or comments with respect to the minutes of the June 22, 2021 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, Rachel Loeb, President of NYCEDC, presented a report to the Directors. She discussed some key activities that occurred since the Board's previous meeting and highlighted several of NYCEDC's accomplishments.

3. Election of Officers

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, Ms. Loeb proposed that each of Faye Penn and Vaughn Ratchford be elected as an Executive Vice President of NYCEDC and that each of Sabrina Lippman and Jennifer Montalvo be elected as a Senior Vice President of NYCEDC. On their election as an Executive Vice President, Ms. Penn and Mr. Ratchford would no longer serve as a Senior Vice President of NYCEDC.

A description of certain responsibilities of Executive Vice Presidents and Senior Vice Presidents may be found in Article IV of NYCEDC's Bylaws. It was anticipated that Ms. Penn would oversee NYCEDC's Initiatives Division, Mr. Ratchford would oversee NYCEDC's Asset Management Division, Ms. Lippman would oversee the Portfolio Management Department of NYCEDC's Asset Management Division, and Ms. Montalvo would oversee NYCEDC's Government and Community Relations Department. Each shall perform such duties as are assigned to him or her by NYCEDC's President. Ms. Loeb then summarized the backgrounds of Ms. Penn, Mr. Ratchford, Ms. Lippman and Ms. Montalvo.

A motion was made to elect each of Faye Penn and Vaughn Ratchford as an Executive Vice President of NYCEDC (in place of each of them serving as a Senior Vice President) and to elect each of Sabrina Lippman and Jennifer Montalvo as a Senior Vice President of NYCEDC. Such motion was seconded and unanimously approved. The position of each of Faye Penn, Vaughn Ratchford, Sabrina Lippman and Jennifer Montalvo as an officer shall be conditioned upon the continuance of her or his employment by NYCEDC.

Ms. Cintron joined the meeting at this time.

4. Performance Measurement Report

The Public Authorities Law 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, on November 11, 2020, NYCEDC's Board approved a mission statement and performance measures for Fiscal Year 2021 ("FY2021").

The New York State Authorities Budget Office ("ABO") requires that NYCEDC annually report on performance results with regard to the approved measures. NYCEDC's report with regard to the performance measures for FY2021 and a chart that includes definitions/explanations of how the information in the measurement report was determined are included in Exhibit A attached hereto. For comparison purposes, the measurements for FY2020 and FY2019 are also included in Exhibit A. Peter Ryan, an Assistant Vice President of NYCEDC, then summarized the results.

Mr. Ryan noted that despite the unique and challenging nature of the past year NYCEDC's overall performance was strong, and that NYCEDC either sustained its results or exhibited growth across most measures. In response to a question from Mr. Katz, Mr. Ryan identified the primary drivers of the approximately $30 million increase in revenue generated by NYCEDC's asset portfolio.

Mr. Hiltzik left the meeting at this time.

5. Financial Report Pursuant to Section 2800 of the Public Authorities Law

Amy Chan, a Senior Vice President, Assistant Treasurer and Controller of NYCEDC, presented the proposed audited financial statements of NYCEDC for FY2021, which, pursuant to Section 2800 of the Public Authorities Law, are to be submitted to various City officials and ABO. ABO has also designated a form in which a financial report containing information from the financials is to be submitted. The Board of Directors of NYCEDC is to approve the audited financials and the financial report that are submitted. The financial report and audited financials are attached in Exhibit B hereto. Ms. Chan explained new GASB requirements that had to be met this year and stated that it was anticipated that NYCEDC would receive a clean unmodified opinion from Ernst & Young LLP ("EY") and that no material weaknesses were found.

At this time, Leslie Escobar, an Assistant Treasurer and Deputy Controller of NYCEDC, summarized the financials. There are certain blank dates in the attached reports of the auditors, which dates will be filled in after the Board approves the financial statements.

Mr. Candelaria, Chairman of NYCEDC's Audit Committee, then stated that the Audit Committee had met with the external auditors, EY, and that it had reviewed the financial statements and financial report as well as NYCEDC's annual investment report for FY2021. Mr. Candelaria expressed the Audit Committee's appreciation for the great work of NYCEDC's finance staff, and the collaboration of NYCEDC's internal audit team and its external auditors at EY, in completing the audit on schedule and meeting all audit plan milestones, especially considering that NYCEDC was coming out of a difficult year due to the COVID-19 pandemic. In conclusion, Mr. Candelaria stated that the Audit Committee recommended to the Board that it approve the statements and report in Exhibit B.

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

6. Annual Investment Report

At this time, Ms. Escobar indicated that the Board of Directors of NYCEDC had adopted investment policies, procedures and guidelines (the "Investment Guidelines"). The adopted Investment Guidelines require the Board of Directors of NYCEDC to approve an annual investment report containing specified information and to submit the report to the City's Mayor and Comptroller and the New York State Department of Audit and Control. The annual investment report for FY2021 (the "Annual Investment Report") is attached in Exhibit C hereto. There are certain blank dates in the reports of the auditors included in Exhibit C, which dates will be filled in after the Board approves the Annual Investment Report.

Mr. Candelaria then noted that the Audit Committee had approved the Annual Investment Report.

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

7. Amended and Restated Sublease and Non-Disturbance and Consent Agreement for South Brooklyn Marine Terminal

Romulo Garza, a Vice President of NYCEDC, presented a proposal (i) to amend and restate the sublease (the "Original Sublease") that NYCEDC entered into with SSBMT, L.P. ("Subtenant") for the South Brooklyn Marine Terminal ("SBMT") in Sunset Park, Brooklyn, to modify the terms of the Original Sublease with Subtenant, including, among others, a modification to increase the subleased premises to an approximately 72-acre property and some adjacent land under water (together, the "Site"), (ii) for NYCEDC to enter into a Non-Disturbance and Consent Agreement with an entity ("Equinor") that is 50% owned by Equinor US Holdings Inc. and 50% owned by bp Wind Energy North America Inc. or 100% owned by Equinor US Holdings Inc., a potential sub-sublessee of Subtenant, and for NYCEDC to enter into any related funding agreement, and (iii) for NYCEDC to enter into any other needed agreements related thereto, all to better reflect and facilitate the proposed use of the Site for the offshore wind power industry, on substantially the terms set forth in Exhibit D hereto.

In answer to a question from Mr. Tebele, Mr. Garza stated that Equinor was anticipated to be the wind tenant. In answer to a second question, Mr. Garza stated that the project needed to undergo permitting, and that this was expected to take about

2 years. In answer to a question from Ms. Wylde, Mr. Garza explained the default terms with Subtenant. He stated that if the wind subtenant was not using the Site for maritime dependent uses it would be terms for default, and that the intention was to maintain maritime dependent activity on the Site. Ms. Wylde stated that NYCEDC needed strong default provisions if the property was not used for the intended purpose. In answer to another question from Ms. Wylde, Mr. Garza further stated that Equinor was entering into a contract with New York State (the “State”) to produce wind power, and that, if Equinor was unable to provide such production, NYCEDC had provisions that would allow wind related use by others. At this time, Ms. Loeb explained that the sublease to Subtenant was a multi-layered agreement with a lot of investment coming from both the City and the State, and that the State would have significant performance requirements as a condition of the New York State Energy Research and Development Authority application. Ms. Loeb added that NYCEDC also had negotiated for flexibility so that it could bring in other wind users in the event that Equinor or other parties were not utilizing the full Site.

A motion was made to approve the matters set forth for approval in the Proposed Resolutions section of Exhibit D hereto. Such motion was seconded and unanimously approved.

8. Deed Modification for Flushing Commons Property Owner LLC

Jamie Horton, a Vice President of NYCEDC, presented a proposal for NYCEDC to enter into an amendment to the deed for NYCEDC’s sale of Block 4978, Lot 25 on the Tax Map of the Borough of Queens (the “Flushing Site”) primarily to modify the time for construction of Phases 2A and 2B and related matters, to try to ensure that a new YMCA of Greater New York (the “YMCA”) community facility condominium unit would be delivered as part of Phase 2A of the project, on substantially the terms set forth in Exhibit E hereto.

In answer to a question from Mr. Katz, Mr. Horton stated that 618 proposed temporary parking spaces were not available at this time because of safety concerns, and that those spaces had been closed off for the last few months. In answer to a second question from Mr. Katz, Mr. Horton explained that the existing property contained 982 parking spaces, which spaces were delivered as part of Phase 1 of the project, and that the developer had told NYCEDC that such lot was often at about 50% occupancy.

A motion was then made to approve the matter set forth for approval in the Proposed Resolution section of Exhibit E hereto. Such motion was seconded and approved. Mr. O’Sullivan recused himself from voting on this matter.

9. 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 on substantially the terms described above.

10. Adjournment

There being no further business to come before the meeting, pursuant to a motion made, seconded and unanimously approved the meeting of the Board of Directors was adjourned at 9:33 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

Authority Performance Measurement Report for Fiscal Years 2021, 2020 and 2019

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

Performance Measures	*FY20 to FY21 Changes (Up/Down/Neutral)*	*FY21 Actuals 7/1/20-6/30/21*	*FY20 Actuals 7/1/19-6/30/20*	*FY19 Actuals 7/1/18-6/30/19*
Management of core assets				
Occupancy rate of NYCEDC-managed property	↔	98.7%	98.4%	95.1%
Square footage of assets actively managed by NYCEDC	↔	64,493,808	64,424,109	65,849,738
Revenue generated by NYCEDC asset portfolio	↑	$252,788,313	$223,003,392	$257,877,325
Strengthening the city's competitive position; inclusive innovation and economic growth				
Number of businesses served by industry-focused programmatic initiatives	↑	6,200	1,585	1,775
Percentage of private sector jobs in innovation industries (calendar year)*	↑	15.5%	14.3%	14.3%
MWBE participation rate (Local Law 1)*	↑	31.9%	26.9%	24.7%
MWBE commitment rate (Local Law 1)*	↓	26.3%	28.9%	31.9%
MWBE award rate (Local Law 1)*	↑	40.9%	33.9%	31.2%
Facilitate investments that grow quality jobs				
Projected new private investment leveraged on the sale/long-term lease of City-owned property	↑	$589,065,993	$100,324,266	$1,200,620,973
Percentage of project employees that were reported to be earning a Living Wage or more in the previous fiscal year**	↑	99.9% (FY20)	99.0% (FY19)	98.0% (FY18)
Capital expenditures related to asset management*	↔	$37,095,756	$36,096,315	$60,043,197
Total jobs at Project Locations (New York City Administrative Code §22-823)**	↓	200,421 (FY20)	205,520 (FY19)	202,407 (FY18)
Cultivate dynamic, resilient, livable communities throughout the five boroughs				
Average monthly NYC Ferry ridership	↓	312,082	413,921	472,571
Total capital expenditures (excluding asset management and funding agreements)*	↑	$411,968,723	$342,470,616	$205,105,961
Square feet of graffiti removed	↓	207,500	5,360,000	7,086,500
Percentage of active projects in boroughs outside of Manhattan**	↔	75% (FY20)	76% (FY19)	77% (FY18)
Distribution of active projects by borough:				
% of projects in the Bronx	-	16%	17%	17%
% of projects in Brooklyn	-	27%	27%	28%
% of projects in Manhattan	-	25%	24%	23%
% of projects in Queens	-	26%	26%	27%
% of projects in Staten Island	-	5%	5%	5%

* FY20 and/or FY19 data have been revised to reflect NYCEDC's audited financial statements or updates to available data.

** This metric represents the prior fiscal year data, which is the most recent data available.

Definitions/Explanations - Authority Performance Measuremen t Report for Fiscal Years 2021, 2020 and 2019

Performance Measures	Definitions
Management of core assets	
Occupancy rate of NYCEDC-managed property	For NYCEDC-managed properties, the number of square feet leased as a percent of the total available space.
Square footage of assets actively managed by NYCEDC	The square footage of assets in which NYCEDC, on behalf of the City, is responsible for the day to day management and leasing of the property.
Revenue generated by NYCEDC asset portfolio	Revenue generated from NYCEDC's portfolio of assets.
Strengthening the city's competitive position; inclusive innovation and economic growth	
Number of businesses served by industry-focused programmatic initiatives	The number of businesses engaged in NYCEDC's programmatic initiatives, including NYCEDC's incubator network and centers for excellence, technology competitions, partnership funds and programmatic ventures throughout the five boroughs.
Percentage of private sector jobs in innovation industries (calendar year)	The share of jobs within sectors designated as "advanced," "innovative" and "creative" by the Brookings Institution, HR&A Advisors and NYCEDC as a percent of all private sector jobs. This indicator is reported on a calendar year basis.
MWBE participation rate (Local Law 1)	The ratio of MWBE contract expenditures to total contract expenditures with MWBE goals. Participation/attainment is referring to payments.
MWBE commitment rate (Local Law 1)	Portion of the total contract value that contracted parties indicate they will dedicate to MWBE firms. Commitment is basically the goal on the contract, whether or not specific awards have been made. Commitment is known at contract execution.
MWBE award rate (Local Law 1)	Actual MWBE awards made to individual firms on NYCEDC contracts. Awards are specific awards to MWBE firms. May or may not be known at contract execution (won't be with CM and retainer contracts, for example).
Facilitate investments that grow quality jobs	
Projected new private investment leveraged on the sale/long-term lease of City-owned property	The net present value of the total investment of private entities in connection with the sale or long-term lease of City-owned property. Private investment includes land sale or lease, and hard (site work and building construction) and soft (architecture and engineering) development costs. The data is extrapolated in the year that the transaction closes (land sale closing or lease execution), and reflects the anticipated total private investment associated with these projects.
Percentage of project employees that were reported to be earning a Living Wage or more in the previous fiscal year	The number of employees on projects receiving financial assistance from New York City Industrial Development Agency, Build NYC Resource Corporation, or NYCEDC programs that earned a living wage or more than a living wage as defined by the Fair Wages for New Yorkers Act as a percent of the total number of project employees.
Capital expenditures related to asset management	Based on an accrual basis, the amounts paid to firms (architecture, landscape architecture, engineering, resident engineering, etc.), construction managers, construction contractors, etc. for capital project related services on NYCEDC-managed property.
Total jobs at Project Locations (New York City Administrative Code §22-823)	All Full-Time Equivalent jobs at Project Locations as reported during a given annual period pursuant to New York City Administrative Code §22-823 (the "Annual Investment Projects Report"). Every year, through the Annual Investment Projects Report, NYCEDC provides information on projects supporting investment, job creation, job retention, and growth in New York City. This FY20 Annual Investment Projects Report included information on 458 projects receiving Financial Assistance in the form of loans, grants, and tax or energy benefits. The report also includes information on 55 sales and 96 leases of City-owned land.
Cultivate dynamic, resilient, livable communities throughout the five boroughs	
Average monthly ferry ridership	The average monthly ridership of commuters traveling on the NYC Ferry system as reported to NYCEDC.
Total capital expenditures (excluding asset management and funding agreements)	Based on an accrual basis, the amounts paid to firms (architecture, landscape architecture, engineering, resident engineering, etc.), construction managers, construction contractors, etc. for capital project related services.
Square feet of graffiti removed	The square feet of graffiti removed by power-washing and painting through Graffiti-Free NYC, the City's graffiti removal program.
Percentage of active projects in boroughs outside of Manhattan	The percentage of all Projects as reported during a given annual period pursuant to the Annual Investment Projects Report, which are located in boroughs outside of Manhattan.

EXHIBIT B

FINANCIAL REPORT PURSUANT TO SECTION 2800 OF THE PUBLIC AUTHORITIES LAW
Board of Directors Meeting
September 28, 2021

WHEREAS, the Public Authorities Accountability Act of 2005, as amended (the "PAAA"), includes NYCEDC in its definition of a local authority; and

WHEREAS, Section 2800 of the Public Authorities Law (a part of the PAAA) requires a local authority to submit to various City officials and the New York State Authorities Budget Office ("ABO") audited financials with regard to the previous fiscal year; and

WHEREAS, ABO has also designated a form in which a financial report containing information from the financials is to be submitted; and

WHEREAS, the Board of Directors of the local authority is to approve the audited financials and the financial report that are submitted; and

WHEREAS, attached hereto are the audited financials and financial report that NYCEDC proposes to submit with regard to the fiscal year ended June 30, 2021; and

WHEREAS, there are certain blank dates in the attached reports of the auditors, which dates will be filled in after the Board approves the financial statements.

NOW, THEREFORE, RESOLVED that the Board approves (i) the attached financial report and audited financial statements and related documents with regard to NYCEDC's fiscal year ended June 30, 2021, with the understanding that the blank dates in the reports of the auditors will be filled in after the Board approves the audited financial statements, and (ii) their submission, with the dates filled in, pursuant to Section 2800 of the Public Authorities Law.

STAFF: Spencer Hobson, Executive Vice President and Treasurer
Amy Chan, Senior Vice President and Assistant Treasurer

FINANCIAL STATEMENTS, REQUIRED SUPPLEMENTARY INFORMATION, AND SUPPLEMENTARY INFORMATION

New York City Economic Development Corporation
(A Component Unit of the City of New York)
Year Ended June 30, 2021
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

Year Ended June 30, 2021

Contents

I. Financial Section

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 the business-type activities and fiduciary activities of the New York City Economic Development Corporation (NYCEDC), a component unit of The City of New York, as of and for the year ended June 30, 2021, 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 opinions on these financial statements based on our audit. We conducted our audit 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.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of NYCEDC as of June 30, 2021, and the respective changes in its financial position and, where applicable, cash flows thereof for the year then ended, in conformity with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that management's discussion and analysis, the schedule of changes in net OPEB liability, the schedule of investment returns 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 opinions 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 audit 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 __, 2021, 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.

________, 2021

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

Management's Discussion and Analysis

June 30, 2021

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 year ended June 30, 2021. Please read it in conjunction with the financial statements and accompanying notes.

Fiscal Year 2021 Financial Highlights

Net Position was $546 million at June 30, 2021

- Cash, cash equivalents and investments increased $47 million (or 13%)
- Due from the City, net, decreased $65 million (or 42%)
- Capital assets, net, decreased $9 million (or 3%)
- Tenant receivables, net of allowance for uncollectible amounts increased $14 million (or 23%)
- Accounts payable and accrued expenses decreased $19 million (or 8%)
- Unearned revenue increased $9 million (or 6%)
- Retainage payable increased $18 million (or 34%)

Change in Net Position is $(18) million for the year ended June 30, 2021

- Grant revenues decreased $5 million (or 1%)
- Other income increased $23 million (or 73%)
- Project costs and program costs decreased $17 million (or 3%)
- Property rentals and related operating expenses decreased $16 million (or 15%)
- Other general expenses increased $15 million (or 36%)
- Capital contributions decreased $77 million (or 91%)
- Net operating loss is $26 million, offset by capital contributions of $8 million

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 following table summarizes NYCEDC's financial position at June 30, 2021 and 2020 (dollars in thousands) and the percentage changes between June 30, 2021 and 2020:

	2021	2020	% Change 2021–2020
Current assets	**$ 526,794**	$ 616,134	(15)%
Non-current assets	**698,502**	619,366	13%
Total assets	**1,225,296**	1,235,500	(1)%
Deferred outflows of resources	**2,961**	8,231	(64)%
Current liabilities	**279,131**	302,760	(8)%
Non-current liabilities	**394,098**	372,027	6%
Total liabilities	**673,229**	674,787	–%
Deferred inflows of resources	**8,564**	4,697	82%
Net position:			
Restricted	**87,647**	90,517	(101)%
Unrestricted	**146,405**	152,480	3%
Net investment in capital assets	**312,412**	321,250	(3)%
Total net position	**$ 546,464**	$ 564,247	(3)%

Financial Analysis of the Corporation (continued)

The Corporation's total assets decreased $10.2 million or 1% during fiscal year 2021. The net decrease in Due from/to the City of $65.2 million is primarily a result of: $58.6 million of receivables related to prior year vessel acquisitions and $43.2 million of receivables related to the prior year purchase of goods and services in response to COVID-19 being paid in the current year. These decreases were offset by an increase in receivables of $12.3 million as well as receivable of retainage payable of $17.6 million related to infrastructure and resiliency improvements at New York City Health and Hospital Corporation's Coney Island Hospital. The Corporation realized a net decrease of $8.8 million in capital assets, primarily due to depreciation and amortization of $17.6 million, offset by $8.8 million of additions, primarily made up of $6.1 million vessel acquisition costs for the operation of NYC Ferry. Tenant receivables, net of the allowance for uncollectible amounts, increased $13.7 million primarily due to the outstanding amounts on $5.8 million of prior year COVID deferrals rebilled in the current year and $3.8 million of additional receivables for reimbursable remediation work performed at Hunts Point Site D. The decrease in assets were offset by an increase in cash, cash equivalents, and investments of $47.2 million largely due to the aforementioned payments on receivables Due from the City.

The Corporation's total liabilities remained consistent with prior year and decreased $1.6 million. Accounts payable and accrued expenses decreased by $19.4 million due to the wind down of certain projects and decreased activity related to the procurement of goods and services in response to COVID-19 as compared to prior year. Other current liabilities decreased by $7.4 million primarily due to the unrealized gain recognized on the Corporation's commodity futures contracts related to fuel hedging activity. These decreases were offset by the increase in retainage payable of $17.6 million largely due to projects for Coney Island Hospital and NYC Green Infrastructure. Furthermore, the increase in unearned revenues of $9.1 million is primarily due to $12 million of funds received from the City from its sale of property at West 125th Street to be used for future maintenance costs.

The Corporation's overall net position during fiscal year 2021 decreased $17.8 million or 3% as a result of the fiscal year operating activities. This decrease consisted of a $8.9 million decrease in net investment in capital assets, $2.9 million decrease in restricted net position and $6.1 million decrease in unrestricted net position.

Financial Analysis of the Corporation (continued)

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, 2021 and 2020 (dollars in thousands) and the percentage changes between fiscal year 2021 and 2020:

	2021	2020	% Change 2021–2020
Operating revenues:			
Grants	**$ 652,456**	$ 657,863	(1)%
Real estate sales, property rentals	**202,292**	204,986	(1)%
Fees and other income	**67,550**	40,546	67%
Total operating revenues	**922,298**	903,395	2%
Operating expenses:			
Project and program costs	**662,592**	679,955	(3)%
Property rental expenses	**86,397**	102,057	(15)%
Ferry related expenses, net	**32,518**	52,588	(38)%
Personnel services	**70,195**	73,085	(4)%
Contract expenses to the City	**28,767**	28,265	2%
Office rent and other expenses	**67,750**	54,364	25%
Total operating expenses	**948,219**	990,314	(4)%
Operating loss	**(25,921)**	(86,919)	(70)%
Total non-operating income	**77**	4,124	(98)%
Change in net position before capital contributions	**(25,844)**	(82,795)	(69)%
Capital contribution	**8,061**	85,290	(91)%
Change in net position	**(17,783)**	2,495	(813)%
Total net position, beginning of year	**564,247**	561,752	0%
Total net position, end of year	**$ 546,464**	$ 564,247	(3)%

Financial Analysis of the Corporation (continued)

During fiscal year 2021, operating revenues increased $18.9 million or 2%. The increase in operating revenues is largely due to the increase in other income of $22.8 million related to remediation work performed at Hunts Point Site D, offset by a decrease in reimbursable grants of $5.4 million.

Operating expenses during fiscal year 2021 decreased $42.1 million or 4%. The decrease in project costs of $90.6 million is primarily due to the decrease in reimbursable COVID-19 response expenses of $96.7 million, offset by an increase of $14.6 million incurred for the Queens Small Business Grant Program, which provided grant funding to small businesses impacted by COVID-19 in the area. Program costs increased $73.3 million primarily due to an increase in reimbursable expenses for Coney Island Hospital, NYC Green Infrastructure, the American Museum of Natural History, Manhattan Waterfront Greenway, and Hudson Park and Boulevard.

The decrease of $35.7 million in ferry related expenses and property rentals and related operating expenses is primarily due to pandemic driven continued disruption in ferry services and suspension of cruise operations. Additionally, there was decreased spending related to maintenance of rental properties. Other general expenses increased $14.8 million largely due to an increase in tenant bad debt expense of $17.6 million, offset by a pandemic driven decrease of other general and administration expenses of $6.2 million. Accordingly, the operating loss decreased by $61.0 million as compared to fiscal year 2020 with the Corporation recognizing a net operating loss of $25.9 million during fiscal year 2021.

Non-Operating Activities

Total non-operating revenues for fiscal year 2021 was $0.1 million. Primarily as a result of market conditions, the fiscal year 2021 total was a $4.0 million reduction from fiscal year 2020.

Financial Analysis of the Corporation (continued)

Capital Contributions

Primarily driven by NYCEDC's ownership of ferry vessels acquired with City funding, NYCEDC recognizes 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 2021, NYCEDC recognized $8.1 million of capital contributions, primarily made up of $6.1 million for vessel acquisitions for the NYC Ferry system. As of June 30, 2021, the Corporation has completed its vessel acquisition plan and there are no plans or commitments for additional vessel purchases.

Net Position

The Corporation's net operating loss for the fiscal year of $25.9 million has been offset by capital contributions of $8.1 million. As a result, the Corporation recognized a decrease in net position of $17.8 million during fiscal year 2021. This constitutes a decrease of $20.3 million or 813% as compared with the change in fiscal year 2020.

Capital Assets

The following table summarizes NYCEDC's capital assets for the fiscal years ended June 30, 2021 and 2020 (dollars in thousands) and the percentage change between June 30, 2021 and 2020:

	2021	2020	% Change 2021–2020
Leasehold improvements	**$ 84,253**	$ 84,253	0%
Equipment and computer software	**20,180**	19,894	1%
Vessels	**239,045**	227,424	5%
Work-in progress – vessels	–	5,567	(100)%
Work-in progress – other	**13,912**	11,534	21%
	357,390	348,672	3%
Less accumulated depreciation and amortization	**(44,978)**	(27,422)	64%
Net capital assets	**$ 312,412**	$ 321,250	(3)%

Financial Analysis of the Corporation (continued)

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://edc.nyc/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, 2021

Assets	
Current assets:	
Cash and cash equivalents – current	$ 36,618
Restricted cash and cash equivalents – current	117,643
Unrestricted investments	30,670
Restricted investments	7,279
Current portion of loans and mortgage notes receivable	7,138
Due from the City, including $203,760 under contracts with the City	232,454
Tenant receivables, net of allowance for uncollectible amounts of $54,083	73,350
Prepaid expenses and other current assets	4,461
Other receivables	17,181
Total current assets	526,794
Non-current assets:	
Restricted cash and cash equivalents	138,153
Unrestricted investments	40,807
Restricted investments	47,840
Loans and mortgage notes receivable, less current portion (less allowance for loan losses of $10,912)	16,008
Capital assets, net	312,412
Land held for development, at cost	132,387
Other assets	10,895
Total non-current assets	698,502
Total assets	1,225,296
Deferred outflows of resources	
Deferred outflows of resources related to OPEB	2,961
Total deferred outflows of resources	2,961
Liabilities	
Current liabilities:	
Accounts payable and accrued expenses, including $140,529 under contracts with the City	219,346
Deposits received on pending sales of real estate	8,751
Due to the City: real estate obligations and other	15,690
Unearned revenue	32,686
Other liabilities	2,658
Total current liabilities	279,131
Non-current liabilities:	
Tenant security and escrow deposits payable	42,495
Obligation for OPEB	681
Due to the City: real estate obligations	125,021
Unearned revenue, including unearned grant revenue of $26,240 under contracts with the City	138,967
Retainage payable	69,582
Other liabilities	17,352
Total non-current liabilities	394,098
Total liabilities	673,229
Deferred inflows of resources	
Deferred inflows of resources related to OPEB	3,780
Accumulated increase in fair value of hedging derivatives	4,784
Total deferred inflows of resources	8,564
Net position:	
Restricted by law or under various agreements	87,647
Unrestricted	146,405
Net investment in capital assets	312,412
Total net position	$ 546,464

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, 2021

Operating revenues:	
Grants	$ 652,456
Property rentals	197,292
Real estate sales, net	5,000
Fee income	13,253
Other income	54,297
Total operating revenues	922,298
Operating expenses:	
Project costs	113,033
Program costs	549,559
Property rentals and related operating expenses	86,397
Ferry related expenses, net	32,518
Personnel services	70,195
Contract and other expenses to the City	28,767
Office rent	11,756
Other general expenses	55,994
Total operating expenses	948,219
Operating loss	(25,921)
Non-operating revenues:	
Income from investments	77
Other non-operating income	–
Total non-operating revenues, net	77
Change in net position before capital contribution	(25,844)
Capital contribution	8,061
Change in net position	(17,783)
Net position, beginning of year	564,247
Net position, end of year	$ 546,464

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, 2021

Cash flows from operating activities	
Real estate sales	$ 5,000
Property rentals	196,701
Grants from the City	636,890
Fee income	13,244
Other income	60,513
Project costs	(150,789)
Program costs	(497,113)
Property rentals and related operating expenses	(98,731)
Ferry expenses	(31,067)
Personnel services	(72,583)
Office rent	(11,756)
Contract and other expenses to the City	(28,767)
Other general and administrative expenses	(39,385)
Repayments of loans and mortgage receivable	465
Tenant security and escrow deposits	(1,555)
Other	7,488
Net cash used in operating activities	(11,445)
Cash flows from capital and related financing activities	
Purchase of capital assets	(20,022)
Capital contribution	78,585
Net cash provided by capital and related financing activities	58,563
Cash flows from investing activities	
Sale of investments	115,240
Purchase of investments	(194,063)
Interest income	77
Net cash used in investing activities	(78,746)
Net decrease in cash and cash equivalents	(31,628)
Cash and cash equivalents, beginning of year	324,042
Cash and cash equivalents, end of year	$ 292,414

Statements of Cash Flow (In Thousands) (continued)

Reconciliation of operating loss to net cash provided by operating activities	
Operating loss	$ (25,921)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	17,556
Straight-line revenue	(3,897)
Provision for COVID-19	(5,761)
Provision for bad debts	30,615
Amortization of unearned revenues and prepaid expenses	(7,290)
Changes in operating assets, liabilities and deferred inflow/outflow of resources:	
Due to/from the City	(5,292)
Other non-current assets	(3,788)
Tenant receivables	(31,574)
Prepaid expenses and other receivables	3,117
Loans and mortgage notes receivable	(1,836)
Tenant security and escrow deposits payable	(1,555)
Accounts payable and accrued expenses	(8,126)
Deposits received on pending sales of real estate	(400)
Net OPEB liability	2,388
Unearned grant revenue	15,981
Deferred inflows of resources	(2,674)
Retainage payable	17,579
Other current liabilities	(517)
Other non-current liabilities	(50)
Net cash used in operating activities	$ (11,445)
Supplemental disclosures of non-cash activities	
Unrealized gain on investments	$ (108)

See accompanying notes.

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

Statements of Fiduciary Net Position (In Thousands)

OPEB Trust Year Ended June 30, 2021

Assets	
Cash and cash equivalents	$ 324
Investments	
Mutual funds	23,803
Total investments	23,803
Total assets	24,127
Liabilities	
Accrued expenses	44
Due to NYCEDC	148
Total liabilities	192
Net position – restricted for OPEB	$ 23,935

See accompanying notes.

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

Statements of Changes in Fiduciary Net Position (In Thousands)

OPEB Trust Year Ended June 30, 2021

Additions	
Investment income:	
Interest and dividends	$ 673
Net increase in fair value of investments	621
Net investment income	1,294
Total additions	1,294
Deductions	
Benefit payments	330
Administrative expenses	98
Total deductions	428
Net increase in fiduciary net position	866
Net position – restricted for OPEB	
Beginning of year	23,069
End of year	$ 23,935

See accompanying notes.

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) and its blended component units (Note 17).

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 base rent payments 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.

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).

Upcoming Accounting Pronouncements

In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative* Guidance (GASB 95). The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The requirements of this Statement are effective immediately. The Corporation has adopted this standard and will delay implementation of relevant GASB statements covered by GASB 95 until their new respective effective dates.

2. Summary of Significant Accounting Policies (continued)

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. With the adoption of GASB 95, provisions of this Statement are effective for fiscal years beginning after June 15, 2021. The Corporation is evaluating the impact this standard will have on its financial statements.

In January 2020, GASB issued Statement No. 92, Omnibus 2020. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Paragraphs 4, 5, 11 and 13 were effective immediately upon issuance of this Statement and did not have a significant impact to the Agency's financial statements. With the adoption of GASB 95, provisions of this Statement, other than those stated in paragraphs 4, 5, 11 and 13, are effective for fiscal years beginning after June 15, 2021. The Corporation is evaluating the impact this standard will have on its financial statements.

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). Provisions of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The Corporation is evaluating the impact this standard will have on its financial statements.

In June 2020, GASB issued Statement No. 97 *Certain Component Unit Criteria, and Accounting and Financial Reporting For Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and Supersession of GASB Statement No. 32.* The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit

2. Summary of Significant Accounting Policies (continued)

(OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. The Corporation has evaluated the impact of this standard in conjunction with the adoption of GASB Statement No. 84. This statement is not anticipated to have a significant impact on the Corporation's financial statements.

Impact of New Accountings Standard Adopted

GASB Statement No. 84, *Fiduciary Activities* (GASB 84), 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.

With the adoption of GASB 95, provisions of this Statement are effective for fiscal years beginning after December 15, 2019. The adoption of this standard as of July 1, 2020 resulted in the reporting of the Corporation's other post-employment benefits trust fund as a fiduciary activity. The

2. Summary of Significant Accounting Policies (continued)

cumulative effect of adopting GASB 84 was the establishment of beginning net position of $21.2 million restricted for other-post employment benefits other than pension. Prior to the adoption of GASB 84, the OPEB trust fund was not required to be reported in the Corporation's 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. With the adoption of GASB 95, provisions of this Statement are effective for fiscal years beginning after December 15, 2019. The adoption of this standard did not have an impact on the Corporation's financial statements as the Corporation does not own majority equity interest in a legally separate organization that meets the definition of an investment.

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.

2. Summary of Significant Accounting Policies (continued)

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.

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.

2. Summary of Significant Accounting Policies (continued)

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.

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

Assets purchased for internal use by NYCEDC in excess of $10,000 are capitalized and consist primarily of vessels operating under the NYC Ferry system, leasehold improvements and equipment. 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. Accordingly, leasehold improvements have useful lives from 7 to 20 years.

2. Summary of Significant Accounting Policies (continued)

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 reimbursements, 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.

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 2021, NYCEDC recognized $8.1 million of capital contributions, primarily made up of $6.1 million for vessel acquisitions for the NYC Ferry system.

Fiduciary Fund Statements

The Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position provide information on the Corporation’s fiduciary activities in its Other Post-Employment Benefits (OPEB) Trust Fund. The OPEB Trust Fund reports resources that are required to be held in trust for members and beneficiaries of the Corporation’s OPEB plan.

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.

3. Contracts With the City of New York

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.

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, may be retained by NYCEDC under the Master Contract without regard to the contract cap.

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 $3.4 million from its unrestricted net position in fiscal year 2021, which is accounted for under contract and other expenses to the City in the statements of revenues, expenses and changes in net position.

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

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.

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

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 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 amounts collected from the 42nd Street Development Project. The amount remitted from this source for fiscal year 2021 was $25.4 million (Note 14).

4. Grants

NYCEDC receives grants for specifically defined projects. For the year ended June 30, 2021, grant revenue was $652.5 million, of which $585.2 million comprised of reimbursement grants from and through the City, and the remaining $67.2 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 fiscal year 2021, the land held for development totaled $132.4 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, 2021, real estate obligations due to the City was $125.0 million.

The following table summarizes land held for development and real estate obligations due to the City for the fiscal year ended June 30, 2021 (dollars in thousands):

225 125th Street, B1790, L12	$ 1,972
2309-2313 3rd Avenue, B1790, L3, 49	858
236 East 126th Street, B1790 L31	183
246 E. 127th Street, B1791, L25	4,300
Springfield Gardens, Queens, B13432, L57	54
Land held for development	7,367
Boardwalk, Coney Island	105,345
1047 Home Street, Bronx, B3006, L21	800
1051 Home Street, Bronx, B3006, L19	1,200
1057 Home Street, Bronx, B3006, L17	500
1174 Longfellow Avenue, Bronx, B2758, L14	4,000
3050 W. 21st Street, Brooklyn, B7071, L123	13,175
Due to the City: real estate obligations	125,020
Total land held for development	$ 132,387

6. Other Income

The following table summarizes other income for the fiscal year ended June 30, 2021 (dollars in thousands):

Tenant reimbursements	$ 10,483
Developer contributions	2,331
Service agreements	759
Interest income from loans	585
Loan/bad debt recovery income	1,438
Other third party reimbursements	28,718
Tenant liquidated damages	1,955
138 Willoughby LLC	2,138
Other miscellaneous income	5,890
Total	$ 54,297

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, 2021, these mortgage notes totaled $7.6 million exclusive of any interest receivable.

NYCEDC has also provided loans to City businesses to advance certain economic development objectives consistent with its 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, 2021, the loan and mortgage notes portfolio consisted of 15 loans that bear interest at rates ranging from 0% to 8% and mature at various dates through October 1, 2046.

7. Loans and Mortgage Notes Receivable (continued)

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:		
2022	$ 7,138	$ 403
2023	629	345
2024	522	338
2025	440	463
2026	392	325
2027–2031	12,071	1,514
2032–2036	5,976	1,287
2037–2041	4,753	703
2042–2046	1,992	158
2047–2048	145	–
	34,058	5,536
Allowance for uncollectible amounts	(10,912)	
Loans and mortgage notes receivable, net	$ 23,146	

The seven largest loans in fiscal year 2021 represent approximately 97% of the loan portfolio balance. The composition of the entire portfolio, by industry type, at June 30, 2021, was as follows: real estate development 22% and other services 78%.

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, 2021 amounted to $16 million.

Pursuant to the Master Contract with the City, NYCEDC recorded total grants from and through the City in the amount of $585.2 million during fiscal year 2021, of which $203.8 million in capital funds were unpaid by the City. 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 year ending June 30, 2021, consisted of the following (dollars in thousands):

	June 30, 2020	Additions/ Depreciation	Disposals	June 30, 2021
Equipment	$ 17,384	**$ 286**	**$ –**	**$ 17,670**
Leasehold improvements	84,253	**–**	**–**	**84,253**
Vessels	227,424	**11,621**	**–**	**239,045**
Computer software	2,510	**–**	**–**	**2,510**
Work-in-progress – vessels	5,567	**(5,567)**	**–**	**–**
Work-in-progress – other	11,534	**2,378**	**–**	**13,912**
Capital assets	348,672	**8,718**	**–**	**357,390**
Less: Accumulated depreciation/amortization	(27,422)	**(17,556)**	**–**	**(44,978)**
Capital assets, net	$ 321,250	**$ (8,838)**	**$ –**	**$ 312,412**

Depreciation and amortization of capital assets and obligations for the fiscal year ended June 30, 2021 was $17.6 million.

10. Deposits and Investments

Deposits

At year-end, NYCEDC's cash and cash equivalents bank balance was $292.4 million, of which $13.5 million was FDIC insured. Of the remaining balance, $118.7 million was invested in money market funds. Emergency funds on hand amounted to $10,000 at June 30, 2021.

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.

10. Deposits and Investments (continued)

As of June 30, the Corporation had the following investments. Investments maturities are shown for June 30, 2021, only (in thousands):

	Fair Value	Investment Maturities at June 30, 2021, in Years		
	2021	Less Than 1	1 to 2	Greater than 2
Money market mutual funds	$ 113,477	$ 113,477	$ –	$ –
Money market deposit account	5,250	5,250	–	–
FHLB notes	40,005	10,004	–	30,001
FHLMC notes	1,023	1,023	–	–
Commercial paper	19,490	19,490	–	–
FFCB notes	58,647	–	37,958	20,689
U.S. Treasuries	7,229	7,229	–	–
Certificates of deposit	201	201	–	–
	245,322	$ 156,674	$ 37,958	$ 50,690
Less amount classified as cash equivalents	(118,726)			
Total investments	$ 126,596			

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. U.S. Treasury and Agency 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.

10. Deposits and Investments (continued)

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, 2021, the Corporation's investments in Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC), Federal Farm Credit Bank (FFCB), and U.S. Treasuries 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, 2021, the Corporation was not subject to custodial credit risk.

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, 2021 (dollars in thousands):

Issuer	Dollar Amount and Percentage of Total Investments June 30, 2021	
Federal Farm Credit Bank	$58,647	23.9%
Federal Home Loan Bank	40,005	16.3

10. Deposits and Investments (continued)

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 $0.1 million for the fiscal year ended June 30, 2021.

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 and City-owned properties that are leased to private parties. In the case of properties leased to NYCEDC, NYCEDC in turn, leases the properties to commercial and industrial tenants. In the case of properties that are covered by ground leases, the ground leases 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 base rents 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.

The future minimum rental income as of June 30, 2021, 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
2022	$ 21,359	$ 44,162	$ 36,795	$ 19,877	$ 809	$ 123,002
2023	18,276	43,423	35,952	19,877	723	118,251
2024	16,044	43,309	34,161	19,877	723	114,114
2025	14,094	42,858	33,223	19,878	722	110,775
2026	11,539	42,581	32,265	19,877	597	106,859
2027–2031	40,555	210,554	121,345	99,388	1,779	473,621
2032–2036	5,828	208,974	65,950	99,388	–	380,140
2037–2041	4,148	206,089	45,076	99,388	–	354,701
2042–2046	4,148	201,806	35,453	97,644	–	339,051
2047–2051	4,148	199,469	35,453	94,405	–	333,475
Thereafter	2,143	1,398,084	48,025	720,095	–	2,168,347
Total	$ 142,282	$ 2,641,309	$ 523,698	$ 1,309,694	$ 5,353	$ 4,622,336

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

The thereafter category includes 38 leases with expiration dates between July 1, 2051 and December 31, 2100.

12. NYC Ferry System

In 2016, NYCEDC contracted with HNY Ferry, LLC (HNY) for the provision of ferry services under the new NYC Ferry system. The system is currently made up of five routes and a seasonal shuttle that were designed to meet the transportation needs of neighborhoods traditionally underserved by public transportation. HNY assumed operational responsibility for the then-existing East River Ferry route in December 2016 to incorporate that route into the NYC Ferry system. The initial NYC Ferry routes began operations between 2017 and 2018.

The net cost of these operations as of June 30, 2021 was \$32.5 million. 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 42^{nd} Street Development Project (Notes 3 and 14).

13. Future Tenant Receivables

Pursuant to the ground leases with Brookfield Asset Management (formerly, 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 \$28.8 million, of which \$16.3 million is for Jay Street (One Metrotech Center), \$3.6 million is for Bridge Street (Two Metrotech Center), \$5.1 million is for Tech Place (11 Metrotech Center) and \$3.8 million is for Myrtle Avenue (Nine Metrotech Center). These receivables will be collected over a period ranging from 4 years to 16 years and will be recognized as revenue over the life of the agreements.

14. 42^{nd} Street Development Project

The 42^{nd} 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 42^{nd} Street area between 7^{th} and 8^{th} 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.

14. 42nd Street Development Project (continued)

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 is required to 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 year ended June 30, 2021 amounted to $6.0 million 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

16. Postemployment Benefits Other Than Pensions (continued)

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 a committee consisting of NYCEDC employees 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 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 presented in the Corporation's Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position.

Employees Covered by Benefit Terms. At June 30, 2021, the following employees were covered by the benefit terms:

	2021
Active employees	60
Inactive employees and/or beneficiaries currently receiving benefit payments	39
Future retirees and beneficiaries not currently receiving benefit payments	6
Total participants	105

For fiscal year 2021, benefit payments amounting to approximately $181,000 was paid by NYCEDC and will be reimbursed by the Trust in the following year from net position available for plan benefits.

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, 2021, the average contribution rate was 0% of covered payroll.

Net OPEB Asset/Liability

The Corporation's net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2019. Update procedures were used to roll forward the total OPEB liability to the measurement date.

Actuarial Assumptions. The total OPEB liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0% per annum, compounded annually
Investment rate of return	2020 – 4.6% per annum, compounded annually
	2021 – 4.04% per annum, compounded annually
Salary increases	4.25%
Healthcare costs trend rates	7.4% grading down to an ultimate rate of 4.75% for <65,
	6.8% grading down to an ultimate rate of 4.75% for >65

Mortality rates were based on the Pub-2010 Above Median Headcount Weighted General Mortality table published by the Society of Actuaries in 2019. The mortality improvement scale was updated to the MP-2020 scale.

Long-Term Expected Rate of Return: 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.

16. Postemployment Benefits Other Than Pensions (continued)

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.

Discount Rate. The discount rate used to measure the total OPEB liability was 3.34% at June 30, 2021. The projection of cash flows used to determine the discount rate does not assume any additional contributions. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees until 2058. After that time, benefit payments for current plan members will be funded on a pay-as-you-go basis.

Investments

Investment Policy: The Trust's investments are made in accordance with the provisions of the Trust's Investment Policy (the Investment Policy). The goals of the Investment Policy are to invest for the sole purpose of funding the OPEB Plan obligation of the Corporation 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.

The Trust has retained an investment consultant to ensure that strategic investment diversification is attained, to employ investment managers with expertise in their respective asset classes, and to closely monitor the implementation and performance of the respective investment strategies.

The investment policy was adopted in April 2019. The Trust is currently invested in the following securities within the current investment policy limitations.

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

16. Postemployment Benefits Other Than Pensions (continued)

The investment policy limits the Trust from investing no more than five percent of the total portfolio in the common stock of any one corporation. The Trust may not hold more than five percent of the outstanding shares of any one company. Fixed-income securities of any one issuer shall not exceed five percent of the total fixed income portfolio at the time of purchase if held in a separate account. Holdings of any individual issue, other than issues of the United States government, may not exceed five percent of the value of the total issue. Commingled investment vehicles such as mutual funds or common trust or collective investment funds will be evaluated based on their diversification characteristics as presented in their investment strategy and discipline.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the financial statement measurement date. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

Level 1 – value based on quoted prices in active markets for identical assets.

Level 2 – value based on significant other observable inputs such as a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Level 3 – value based on inputs that are unobservable and significant to the fair value measurement such as discounted cash flows.

The following summarizes the Trust's investments by type held at June 30, 2021 (in thousands):

		June 30, 2021			
Investment Type	**Level**	**Fair Value**	**Investments Less than 1 Year**	**Maturities 1-5 Years**	**Maturities 6-10 Years**
Investments by fair value level					
Money market fund	1	$ 324	$ 324	$ –	$ –
Mutual funds	1	23,803	23,803	–	–
Total investments by fair value level		24,127	$ 24,127	$ –	$ –
Less amounts reported as cash equivalents per the financial statements		(324)			
Total investments per the financial statements		$ 23,803			

16. Postemployment Benefits Other Than Pensions (continued)

The following discusses the Trust's exposure to common deposit and investment risks related to custodial credit, credit, concentration of credit, interest rate and foreign currency risks as of June 30, 2021.

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of a failure of a depository financial institution, the Trust's deposits may not be returned. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Trust and are held by either the depository financial institution or the depository financial institution's trust department or agent but not in the Trust's name.

The Trust manages custodial credit risk by limiting its investments to highly rated institutions and/or require that high-quality collateral be held by the counterparty in the name of the Corporation.

Credit Risk: Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. The Trust has an investment policy regarding the management of Credit Risk, as outlined above. GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government.

At June 30, 2021, the Trust did not have any investment in debt securities.

Concentration of credit risk: Concentration of credit risk is the risk of loss that may be attributed to the magnitude of the Trust's investment in a single issuer. Investments of Trust assets are diversified in accordance with the Corporation's investment policy that defines guidelines for the investment holdings. The asset allocation in the investment portfolio should be flexible depending upon the outlook for the economy and the securities markets. At June 30, 2020, no more than 5% of the Trust's investments were in a single issuer.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Within cash portions of the portfolio it is managed using the effective duration methodology. This methodology is widely used in the management of cash and fixed income portfolios in that it quantifies with greater precision the amount of risk due to interest rate changes. Interest rate risk is managed by investing in mutual funds that limit risk by diversifying holdings and purchasing companies of lower risk.

16. Postemployment Benefits Other Than Pensions (continued)

Rate of return: As required by GASB Statement 74, the annual money weighted rate of return on trust investments, net of investment expenses was 5.6% for the year ended June 30, 2021. The calculation is based on monthly income and average monthly investment balances.

Changes in Net OPEB Asset/Liability

For the year ended June 30, 2021, in (dollars in thousands):

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/ (Asset)
Balances at beginning of the year	$ 21,362	$ 23,069	$ (1,707)
Changes for the year:			
Service cost	407	–	407
Interest	897	–	897
Changes of benefit terms	–	–	–
Difference between expected and actual experience	(99)	–	(99)
Changes of assumptions	2,379	–	2,379
Contributions – Employer	–	–	–
Net investment income	–	1,294	1,294
Benefit payments	(330)	(330)	–
Plan expense	–	(98)	98
Net changes	3,254	866	2,388
Net OPEB liability/(asset) at end of year	$ 24,616	$ 23,935	$ 681

16. Postemployment Benefits Other Than Pensions (continued)

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 (2.34 percent) or 1-percentage-point higher (4.34 percent) than the current discount rate:

	1% Decrease	Discount Rate (3.34%)	1% Increase
Net OPEB (asset)/liability, June 30, 2021	$ 4,556	$ 681	$ (2,530)

Sensitivity of the net OPEB Liability to Changes in the Healthcare Cost Trend rates. 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 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	1% Increase
Net OPEB (asset)/liability, June 30, 2021	$ (3,316)	$ 681	$ 5,731

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

For the year ended June 30, 2021, NYCEDC recognized OPEB income of $0.3 million. OPEB income and expense is reported in the NYCEDC's financial statements as part of Personnel Services expense. At June 30, 2021, NYCEDC reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows	Deferred Outflows
Difference between expected and actual experience	$ 212	$ 970
Changes in assumptions	2,350	1,991
Difference between projected and actual investment earnings	1,218	–
	$ 3,780	$ 2,961

16. Postemployment Benefits Other Than Pensions (continued)

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

Year ended June 30:		
2022	$	632
2023		620
2024		360
2025		(367)
2026 and thereafter		(426)
	$	819

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, 2021, CLIC had no investments and maintained a cash balance of approximately $3.4 million with JP Morgan Chase.

CLIC continues to provide coverage for two lines of insurance, cyber insurance and additional terrorism insurance. CLIC provides excess cyber coverage to NYCEDC and each company that is more than 50% owned and controlled by NYCEDC, with limits of $9 million per claim and in the aggregate, in excess of $5 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 one certified act of terrorism.

All policies provided by CLIC cover 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 85% (beginning on January 1, 2016 and decreasing by 1% per calendar year until equal to 80%) if the total loss affecting all involved insurers exceeds $100 million.

17. Blended Component Units (continued)

Effective December 10, 2018, CLIC began directly providing flood deductible and self-insured retention reimbursement coverage for locations not covered by a National Flood Insurance Program or located in Special Flood Hazard Areas as defined by the Federal Emergency Management Agency to NYCEDC and its affiliates, with limits ranging from $500,000 to $1,000,000 in excess of a $25,000 deductible per occurrence, with no aggregate limits.

Statements of Net Position

The following table summarizes CLIC's financial position at June 30, 2021 (dollars in thousands):

	2021
Total assets	$ 3,375
Total liabilities	20
Total net position	$ 3,355

Statement of Revenues, Expenses and Changes in Net Position

The following table summarizes CLIC's change in net position for the fiscal year ended June 30, 2021 (dollars in thousands):

	2021
Operating revenues	$ 532
Operating expenses	87
Operating income	445
Change in net position	445
Total net position, beginning of year	2,910
Total net position, end of year	$ 3,355

17. Blended Component Units (continued)

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, 2021 (dollars in thousands):

	2021
Total assets	$ 3,494
Total liabilities	–
Total net position	$ 3,494

Statement of Revenues, Expenses and Changes in Net Position

The following table summarizes ESLSF's change in net position for the fiscal year ended June 30, 2021 (dollars in thousands):

	2021
Operating revenues	$ –
Operating expenses	–
Operating loss	–
Non-operating income	1
Change in net position	1
Total net position, beginning of year	3,493
Total net position, end of year	$ 3,494

17. Blended Component Units (continued)

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, 2021 (dollars in thousands):

	2021
Total assets	$ 1,309
Total liabilities	–
Total net position	$ 1,309

Statement of Revenues, Expenses and Changes in Net Position

The following table summarizes NYCEF's change in net position for the fiscal year ended June 30, 2021 (dollars in thousands):

	2021
Operating revenues	$ –
Operating expenses	–
Operating income	–
Non-operating income	–
Interfund transfers	–
Change in net position	–
Total net position, beginning of year	1,309
Total net position, end of year	**$ 1,309**

17. Blended Component Units (continued)

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, 2021 (dollars in thousands):

	2021
Total assets	$ 216,433
Total liabilities	–
Total net position	$ 216,433

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, 2021 (dollars in thousands):

	2021
Operating revenues	$ –
Operating expenses	9,225
Operating loss	(9,225)
Capital contribution	11,620
Change in net position	2,395
Total net position, beginning of year	214,038
Total net position, end of year	$ 216,433

17. Blended Component Units (continued)

NYC COVID-19 Emergency Services, LLC

The NYC COVID-19 Emergency Services LLC (NYCCES) was formed in April of 2020 to take all appropriate and necessary steps to render all required and available assistance to protect the security, wellbeing and health of the residents of the City and property in which the City or NYCEDC has an interest. Such services may include, but are not limited to, making emergency procurements of goods and services for such purposes.

The following table summarizes NYCCES's financial position at June 30, 2021 (dollars in thousands):

	2021
Total assets	$ 2,260
Total liabilities	2,251
Total net position	$ 9

Statement of Revenues, Expenses and Changes in Net Position

The following table summarizes NYCCES's change in net position for the fiscal year ended June 30, 2021 (dollars in thousands):

	2021
Operating revenues	$ 26,868
Operating expenses	26,868
Operating income (loss)	–
Non-operating income (loss)	9
Change in net position	9
Total net position, beginning of year	–
Total net position, end of year	$ 9

17. Blended Component Units (continued)

NYC COVID-19 Response, LLC

The NYC COVID-19 Response LLC (NYCCR) was formed in May of 2021 to establish a program that will facilitate funding to address the needs of hospitals in the City caused by the COVID-19 pandemic and the emerging new variants of the COVID-19 virus.

The following table summarizes NYCCR's financial position at June 30, 2021 (dollars in thousands):

	2021
Total assets	$ 788
Total liabilities	788
Total net position	$ –

Statement of Revenues, Expenses and Changes in Net Position

The following table summarizes NYCCR's change in net position for the fiscal year ended June 30, 2021 (dollars in thousands):

	2021
Operating revenues	$ 4
Operating expenses	4
Operating income (loss)	–
Non-operating income (loss)	–
Change in net position	–
Total net position, beginning of year	–
Total net position, end of year	$ –

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 year ended June 30, 2021 the amount of $1,822 was provided to LDC for such expenses.

New York City Industrial Development Agency (IDA)

NYCEDC is responsible for administering the economic development programs of IDA. For fiscal year ended June 30, 2021, NYCEDC earned management fee income from IDA of $4.4 million. At June 30, 2021 the amount due from IDA totaled $0.6 million.

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 year ended June 30, 2021, NYCEDC earned management fee income from Build NYC of $2.2 million. At June 30, 2021, the amount due from Build NYC totaled $0.4 million.

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, 2021, NYCEDC earned management fees of $0.3 million from TCR. At June 30, 2021, there were no amounts due from TCR.

New York City Neighborhood Capital Corporation (NCC)

NCC is a 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

18. Other Related-Party Transactions (continued)

fees were charged for these services for the year ended June 30, 2021. At June 30, 2021, the amounts due from NCC for the reimbursement of costs paid by NYCEDC on behalf of NCC, totaled $7,522.

Public Realm Improvement Fund Governing Group Inc. (PRIF)

PRIF was incorporated under NPCL and commenced operation in 2017. PRIF was created to administer the Public Realm Improvement Fund (the Fund) for the exclusive charitable and public purpose of lessening the burdens of government for the City and acting in the public's interest. Specifically, this is done by allocating funds from the Fund to implement public realm improvement projects in East Midtown. NYCEDC provided full management services to PRIF, and no fees were charged for these services for the year ended June 30, 2021. At June 30, 2021, the amounts due from PRIF for the reimbursement of costs paid by NYCEDC on behalf of PRIF, totaled $13,215.

19. Accounting for Derivatives and Fuel Hedging Activity

As described in Note 12, NYCEDC, on behalf of the City, contracted in June 2016 with HNY for the provision of 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 that occurred immediately after the launch of the program, NYCEDC contracted to increase the number of vessels in service, and the related annual fuel cap for future years. The cap will increase gradually to reach 8.3 million gallons by fiscal year 2023. COVID-19 has significantly reduced ridership, prompting reductions to ferry service and related fuel usage. It is not known if, or for how long these conditions will persist. 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).

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

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.

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. NYCEDC did not purchase any call options during fiscal year 2021.

Additionally, NYCEDC continued to use futures contracts as a hedging vehicle. On June 30, 2021, NYCEDC maintained a position of 274 futures contracts for ultra-low sulfur diesel and crude oil. These contracts cover a percentage of the fuel commitment for the next two years of the HNY operating contract period.

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

As of June 30, 2021, 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.

Diesel Fuel	Notional Amount-Gallon	Number of Contracts	Maturity Date	Fair Value June 30, 2021	Average Futures Price $/Gallon
	546,000	13	Aug–21	$ 135,979	$ 1.88
	504,000	12	Sep–21	113,959	1.90
	462,000	11	Oct–21	132,413	1.84
	462,000	11	Nov–21	155,379	1.79
	462,000	11	Dec–21	181,705	1.74
	462,000	11	Jan–22	175,455	1.75
	420,000	10	Feb–22	209,231	1.62
	462,000	11	Mar–22	239,580	1.59
	504,000	12	Apr–22	254,776	1.59
	546,000	13	May–22	261,475	1.60
	588,000	14	Jun–22	273,983	1.60
	630,000	15	Jul–22	287,398	1.61
	588,000	14	Aug–22	271,618	1.60
	546,000	13	Sep–22	238,728	1.63
	546,000	13	Oct–22	251,584	1.60
	462,000	11	Nov–22	199,223	1.63
	462,000	11	Dec–22	207,043	1.61
	462,000	11	Jan–23	199,534	1.62
	420,000	10	Feb–23	184,531	1.61
	462,000	11	Mar–23	217,535	1.56
	504,000	12	Apr–23	215,804	1.59
	462,000	11	May–23	191,243	1.59
	378,000	9	Jun–23	137,706	1.63
	168,000	4	Jul–23	48,577	1.70
Total Fair Value				$ 4,784,459	

20. Commitments and Contingencies

NYCEDC has an aggregate contractual commitment of $43.2 million at June 30, 2021 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 entered into a new lease agreement for its new headquarters effective March 2018 with an expiration date of May 31, 2039. The future minimum rental commitments, as of June 30, 2021, required under the operating lease are as follows (dollars in thousands):

Fiscal year:	
2022	$ 11,840
2023	11,846
2024	11,951
2025	12,808
2026	12,980
2027 to 2031	67,152
2032 to 2036	72,900
2037 and thereafter	44,590
	$ 246,067

Accordingly, rent expense for office space amounted to $11.8 million for fiscal year ended June 30, 2021.

The Corporation's loan and loan guarantee finance programs are designed to provide financial assistance to certain eligible businesses with the expectation of spurring economic development benefits for the City. As of June 30, 2021, the Corporation's aggregate commitment for these programs is $104.0 million, of which $41.9 million has been put on hold to reallocate resources due to COVID-19.

20. Commitments and Contingencies (continued)

NYCEDC was the co-trustee along with 42^{nd} 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 42^{nd} 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 was scheduled to repay the $18 million to NYCEDC no later than April 5, 2020. As of June 30, 2021, the amount due remains unpaid and the parties are negotiating a payment agreement. 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 and 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, 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 of 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 third 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.

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)

	2021	2020	2019	2018
Total OPEB liability:				
Service cost	**$ 407**	$ 380	$ 531	$ 561
Interest	**897**	816	704	666
Changes of benefit terms	**–**	900	–	–
Difference between expected and actual experience	**(99)**	1,440	(206)	(103)
Changes in assumptions	**2,379**	(1,177)	(3,180)	(147)
Benefit payments	**(329)**	(208)	(201)	(225)
Net change in total OPEB liability	**3,254**	2,151	(2,352)	752
Total OPEB liability – beginning	**21,362**	19,211	21,563	20,811
Total OPEB liability – ending (a)	**$ 24,616**	$ 21,362	$ 19,211	$ 21,563
Total fiduciary net position:				
Contributions – employer	**$ –**	$ –	$ –	$ 20,000
Net investment income	**1,294**	2,434	1,195	–
Administrative expenses paid by the Trust	**(98)**	(36)	–	–
Benefit payments	**(329)**	–	–	–
Benefits and expenses payable	**–**	(524)	–	–
Net change in fiduciary net position	**866**	1,874	1,195	20,000
Trust fiduciary net position – beginning	**23,069**	21,195	20,000	–
Trust fiduciary net position – ending (b)	**$ 23,935**	$ 23,069	$ 21,195	$ 20,000
Corporation's net OPEB (asset)/liability – end of year (a-b)	**$ 681**	$ (1,707)	$ (1,984)	$ 1,563
Trust fiduciary net position as a percentage of the total OPEB liability	**97%**	108%	110%	93%

Notes to Schedule:
Changes of assumptions:
Discount rate was changed from 4.15% at June 30, 2020 to 3.34% at June 30, 2021.
Rate of return was changed from 4.60% at June 30, 2020 to 4.04% at June 30, 2021.
The mortality improvement scale was updated to use MP-2020 at June 30, 2021, from the MP-2019 at June 30, 2020.

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)

	2021	2020	2019	2018
Actuarially determined contribution	**$ –**	$ –	$ –	$ –
Contributions in relation to the actuarially determined contribution	**–**	–	–	20,000
Contribution deficiency (excess)	**$ –**	$ –	$ –	$ (20,000)
Covered-employee payroll	**$ 8,031**	$ 8,405	$ 8,018	$ 8,231
Contributions as a percentage of covered-employee payroll	**–%**	–%	–%	243%

Valuation dates:	June 30, 2020. Results were rolled forward to June 30, 2021.
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:	Market values
Inflation:	3.0% per annum
Salary increases:	4.25% per annum
Investment rate of return:	4.04% for 2021
Health care trend rates:	7.4% grading down to an ultimate rate of 4.75% for <65, 6.8% grading down to an ultimate rate of 4.75% for >65
Mortality:	Based on the Pub-2010 Above Median Headcount Weighted General Mortality table published by the Society of Actuaries in 2019. The mortality improvement scale was updated to the MP-2020 scale.
Benefit changes:	Plan change adopted since the last full valuation which provides survivor coverage for a period of up to 5 years following the death of the retiree.

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 Investment Returns

	2021	**2020**	**2019**	**2018**
Annual money-weighted rate of return, net of investment expense	**5.6%**	11.5%	6.0%	–%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available

Supplementary Information

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

Combined Statement of Revenues, Expenses and Changes in Fund Net Position

	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	June 30, 2021
Operating revenues:													
Grants	$ 87,213,998	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ 549,222,002	$ 16,020,175	$ –	**$ 652,456,175**
Property rentals	41,573,680	53,605,990	–	–	53,605,990	–	31,479,194	4,066,120	–	–	–	66,567,241	**197,292,225**
Real estate sales, net	4,999,999	–	–	–	–	–	–	–	–	–	–	–	**4,999,999**
Ferry related revenues	–	–	9,358,069	(9,358,069)	–	–	–	–	–	–	–	–	**–**
Fee income	13,126,787	2,792	–	–	2,792	–	28,998	–	–	–	12,000	82,497	**13,253,074**
Other income	10,898,969	35,300,603	3,478,742	(3,478,742)	35,300,603	–	4,205,994	771,548	350,879	–	2,375,959	392,396	**54,296,348**
Other Income – 42nd Street	35,268,601	–	–	–	–	–	–	–	–	–	–	(35,268,601)	**–**
Total Operating revenues	193,082,034	88,909,385	12,836,811	(12,836,811)	88,909,385	–	35,714,186	4,837,668	350,879	549,222,002	18,408,134	31,773,533	**922,297,821**
Operating expenses:													
Project costs	92,046,247	–	–	–	–	–	–	–	–	–	20,986,564	–	**113,032,811**
Program costs	–	–	–	–	–	–	–	–	336,976	549,222,002	–	–	**549,558,978**
Property rentals and related operating expenses	8,901,444	53,402,049	–	–	53,402,049	–	18,345,922	3,998,734	–	–	–	1,748,037	**86,396,186**
Ferry related expenses	–	–	45,349,876	(12,831,561)	32,518,315	–	–	–	–	–	–	–	**32,518,315**
Personnel Services	59,112,516	7,479,591	5,250	(5,250)	7,479,591	–	2,003,231	460,095	198,320	–	81,836	859,935	**70,195,524**
Contract and other expenses to the City	3,405,281	–	–	–	–	–	–	–	–	–	–	25,361,729	**28,767,010**
Office rent	11,755,919	–	–	–	–	–	–	–	–	–	–	–	**11,755,919**
Other general expenses	24,773,280	9,648,624	–	–	9,648,624	9,224,958	7,469,761	228,708	145,065	679,291	20,366	3,803,852	**55,993,905**
Total operating expenses	199,994,687	70,530,264	45,355,126	(12,836,811)	103,048,579	9,224,958	27,818,914	4,687,537	680,361	549,901,293	21,088,766	31,773,553	**948,218,648**
Operating income	(6,912,653)	18,379,121	(32,518,315)	–	(14,139,194)	(9,224,958)	7,895,272	150,131	(329,482)	(679,291)	(2,680,632)	(20)	**(25,920,827)**
Nonoperating revenues (expenses):													
Income (Loss) from Investments	82,529	3,324	–	–	3,324	–	–	5,869	(13,577)	–	(1,028)	20	**77,137**
Non-operating income/(expense)	–	–	–	–	–	–	–	–	–	–	–	–	**–**
Total nonoperating revenues (expenses):	82,529	3,324	–	–	3,324	–	–	5,869	(13,577)	–	(1,028)	20	**77,137**
Income before transfers	(6,830,124)	18,382,445	(32,518,315)	–	(14,135,870)	(9,224,958)	7,895,272	156,000	(343,059)	(679,291)	(2,681,660)	–	**(25,843,690)**
Interfund transfers	8,479,567	(18,382,445)	18,382,445	–	–	–	(8,479,473)	–	–	–	(94)	–	**–**
Change in net position before capital contributions	1,649,443	–	(14,135,870)	–	(14,135,870)	(9,224,958)	(584,201)	156,000	(343,059)	(679,291)	(2,681,754)	–	**(25,843,690)**
Capital contribution	2,007,192	–	–		–	11,620,482	–	–	–	(5,567,079)	–	–	**8,060,595**
Change in net position	3,656,635	–	(14,135,870)	–	(14,135,870)	2,395,524	(584,201)	156,000	(343,059)	(6,246,370)	(2,681,754)	–	**(17,783,095)**
Total net position, beginning of year	302,876,550	7,000,000	(76,215,364)	–	(69,215,364)	214,038,400	19,165,144	1,600,848	54,269,755	10,378,092	31,133,846	–	**564,247,271**
Total unrestricted net position, end of year	234,262,480	4,073,598	(91,931,206)	–	(87,857,608)	–	–	–	–	–	–	–	**146,404,872**
Total restricted net position, end of year	–	–	–	–	–	–	500,000	1,756,848	53,926,696	3,012,072	28,452,092	–	**87,647,708**
Total net investment in capital assets, end of year	72,270,705	2,926,402	1,579,972	–	4,506,374	216,433,924	18,080,943	–	–	1,119,650	–	–	**312,411,596**
Total net position, end of year	$ 306,533,185	$ 7,000,000	$ (90,351,234)	$ –	$ (83,351,234)	$ 216,433,924	$ 18,580,943	$ 1,756,848	$ 53,926,696	$ 4,131,722	$ 28,452,092	$ –	**$ 546,464,176**

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

I. Government Auditing Standards Section

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 Schedule of Investments of the New York City Economic Development Corporation (NYCEDC), a component unit of The City of New York, as of June 30, 2021, and the related notes to the Schedule of Investments, and have issued our report thereon dated September __, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the Schedule of Investments, we considered NYCEDC's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Schedule of Investments, 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 Schedule of Investments 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether NYCEDC's Schedule of Investments is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and investment policies established by NYCEDC and the New York State Comptroller investment guideline requirements as presented in Section 201.3(c) of the *Accounting, Reporting and Supervision Requirements for Public Authorities*, noncompliance with which could have a direct and material effect on the Schedule of Investments. 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.

________, 2021

Summary Financial Information

SUMMARY STATEMENT OF NET ASSETS

			Amount
Assets			
Current Assets			
	Cash and cash equivalents		$154,260,679.00
	Investments		$37,948,457.00
	Receivables, net		$330,123,224.00
	Other assets		$4,461,182.00
	Total Current Assets		$526,793,542.00
Noncurrent Assets			
	Restricted cash and investments		$226,800,681.00
	Long-term receivables, net		$16,008,352.00
	Other assets		$13,855,967.00
	Capital Assets		
		Land and other nondepreciable property	$132,387,246.00
		Buildings and equipment	$357,389,672.00
		Infrastructure	$0.00
		Accumulated depreciation	$44,978,076.00
		Net Capital Assets	$444,798,842.00
	Total Noncurrent Assets		$701,463,842.00
Total Assets			$1,228,257,384.00
Liabilities			
Current Liabilities			
	Accounts payable		$73,199,391.00
	Pension contribution payable		$0.00
	Other post-employment benefits		$0.00
	Accrued liabilities		$170,586,836.00
	Deferred revenues		$32,686,139.00
	Bonds and notes payable		$0.00
	Other long-term obligations due within one year		$2,658,158.00
	Total Current Liabilities		$279,130,524.00
Noncurrent Liabilities			

	Pension contribution payable		$0.00
	Other post-employment benefits		$681,050.00
	Bonds and notes payable		$0.00
	Long Term Leases		$0.00
	Other long-term obligations		$401,981,634.00
	Total Noncurrent Liabilities		$402,662,684.00
Total Liabilities			$681,793,208.00
Net Asset (Deficit)			
Net Assets			
	Invested in capital assets, net of related debt		$312,411,596.00
	Restricted		$146,404,872.00
	Unrestricted		$87,647,708.00
	Total Net Assets		$546,464,176.00

SUMMARY STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS

			Amount
Operating Revenues			
	Charges for services		$695,684,483.00
	Rental & financing income		$208,360,265.00
	Other operating revenues		$18,253,073.00
	Total Operating Revenue		$922,297,821.00
Operating Expenses			
	Salaries and wages		$56,662,123.00
	Other employee benefits		$13,533,401.00
	Professional services contracts		$810,269,830.00
	Supplies and materials		$310,142.00
	Depreciation & amortization		$17,556,228.00
	Other operating expenses		$49,886,924.00
	Total Operating Expenses		$948,218,648.00
Operating Income (Loss)			($25,920,827.00)
Nonoperating Revenues			
	Investment earnings		$77,137.00
	State subsidies/grants		$0.00
	Federal subsidies/grants		$0.00
	Municipal subsidies/grants		$0.00
	Public authority subsidies		$0.00

	Other nonoperating revenues		$0.00
	Total Nonoperating Revenue		$77,137.00
Nonoperating Expenses			
	Interest and other financing charges		$0.00
	Subsidies to other public authorities		$0.00
	Grants and donations		$0.00
	Other nonoperating expenses		$0.00
	Total Nonoperating Expenses		$0.00
	Income (Loss) Before Contributions		($25,843,690.00)
Capital Contributions			$8,060,595.00
Change in net assets			($17,783,095.00)
Net assets (deficit) beginning of year			$564,247,271.00
Other net assets changes			$0.00
Net assets (deficit) at end of year			$546,464,176.00

EXHIBIT C

ANNUAL INVESTMENT REPORT
Board of Directors Meeting
September 28, 2021

WHEREAS, pursuant to the requirements of the Public Authorities Accountability Act of 2005, as amended, the Board of Directors of NYCEDC adopted investment policies, procedures and guidelines (the “investment guidelines”); and

WHEREAS, the adopted investment guidelines require the Board to approve an Annual Investment Report containing specified information and to submit the report to the City’s Mayor and Comptroller and the New York State Department of Audit and Control; and

WHEREAS, attached hereto is the Annual Investment Report for NYCEDC for the fiscal year ended June 30, 2021; and

WHEREAS, there are certain blank dates in the reports of the auditors included in the attached Schedule of Investments, which dates will be filled in after the Board approves the Annual Investment Report;

NOW, THEREFORE, RESOLVED that the Board approves the Annual Investment Report attached hereto, with the understanding that the blank dates in the reports of the auditors will be filled in after the Board approves the Annual Investment Report and that the Annual Investment Report will be submitted to the required officials with the dates filled in.

Staff: Spencer Hobson, Executive Vice President and Treasurer
Amy Chan, Senior Vice President and Assistant Treasurer

NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
ANNUAL INVESTMENT REPORT
FOR THE YEAR ENDED JUNE 30, 2021

Investment Guidelines and Amendments

Attached hereto as Schedule 1 is the current investment policies, procedures and guidelines (the "Investment Guidelines") of New York City Economic Development Corporation ("NYCEDC"). In the fiscal year ended June 30, 2021, the Board did not approve any changes to the Investment Guidelines previously adopted.

Summary of Investment Guidelines

The portfolio is managed to accomplish the following objectives:

A. Preservation of Principal – The single most important objective of NYCEDC'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 NYCEDC.
C. Maximize Return – The portfolio shall be managed in such a fashion as to maximize income through the purchase of authorized investments, taking into account the other investment objectives.

The portfolio is structured to diversify investments to reduce risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer or a specific type of security. The types of investments permitted are based on those permitted for the investment of City funds.

Independent Audit Report

Attached hereto as Schedule 2 is the annual audit report on investments for the fiscal year ended June 30, 2021 by Ernst & Young LLP.

Investment Income Record

Investment income from interest earned on bank accounts, certificates of deposit and securities was approximately $0.2 million for the fiscal year ended June 30, 2021.

Fees, Commissions and Other Charges

NYCEDC did not pay any fees, commissions or other charges to an investment banker, broker, agent, dealer or advisor during the fiscal year.

SCHEDULE 1

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.

Schedule 2

Schedule of Investments

New York City Economic Development Corporation
(A Component Unit of the City of New York)
Year Ended June 30, 2021
With Report of Independent Auditors

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

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

Schedule of Investments

Year Ended June 30, 2021

Contents

Report of Independent Auditors

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

Report on the Schedule of Investments

We have audited the accompanying Schedule of Investments for the New York City Economic Development Corporation (NYCEDC), a component unit of The City of New York, as of June 30, 2021, and the related notes.

Management's Responsibility for the Financial Schedule

Management is responsible for the preparation and fair presentation of the Schedule of Investments 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 the Schedule of Investments that is free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Schedule of Investments based on our audit. We conducted our audit 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 Schedule of Investments is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule of Investments. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Schedule of Investments, 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 Schedule of Investments 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 Schedule of Investments.

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 Schedule of Investments referred to above presents fairly, in all material respects, the investments of NYCEDC as of June 30, 2021, in conformity with U.S. generally accepted accounting principles.

Report on the Financial Statements as of June 30, 2021

We have audited, in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards,* the financial statements of NYCEDC as of and for the year ended June 30, 2021, and our report thereon, dated September __, 2021, expressed an unmodified opinion on those financial statements.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated September __, 2021, 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 with respect to the Schedule of Investments. 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 with respect to the Schedule of Investments.

________, 2021

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

Schedule of Investments
(In Thousands of Dollars)

	June 30, 2021
Operating	$ 86,902
Restricted	158,420
Total investments	$ 245,322

The accompanying notes are an integral part of this schedule.

1. Background and Organization

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 restricted assets 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 base rent payments 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.

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.

1. Background and Organization (continued)

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.

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.

2. Summary of Significant Accounting Policies

Investments

Investments held by NYCEDC are recorded at fair value.

3. 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.

3. Investments (continued)

As of June 30, 2021, the Corporation had the following investments.

	Fair Value	Investment Maturities at June 30, 2021 (In Years)		
	2021	**Less Than 1**	**1 to 2**	**Greater than 2**
Money market mutual funds	$ 113,477	$ 113,477	$ –	$ –
Money market deposit account	5,250	5,250	–	–
FHLB notes	40,005	10,004	–	30,001
FHLMC notes	1,023	1,023	–	–
Commercial paper	19,490	19,490	–	–
FFCB notes	58,647	–	37,958	20,689
U.S. Treasuries	7,229	7,229	–	–
Certificates of deposit	201	201	–	–
	$ 245,322	$ 156,674	$ 37,958	$ 50,690

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. U.S. Treasury and Agency 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.

3. Investments (continued)

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, 2021, the Corporation's investments in Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC), Federal Farm Credit Bank (FFCB), and U.S. Treasuries 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, 2021, the Corporation was not subject to custodial credit risk.

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, 2021 (dollars in thousands).

	Dollar Amount and Percentage of Total Investments		
Issuer	**June 30, 2021**		
Federal Farm Credit Bank	**$**	**58,647**	**23.9%**
Federal Home Loan Bank		**40,005**	**16.3**

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Schedule of Investments 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 Schedule of Investments of the New York City Economic Development Corporation (NYCEDC), a component unit of The City of New York, as of June 30, 2021, and the related notes to the Schedule of Investments, and have issued our report thereon dated September __, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the Schedule of Investments, we considered NYCEDC's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Schedule of Investments, 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 Schedule of Investments 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether NYCEDC's Schedule of Investments is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and investment policies established by NYCEDC and the New York State Comptroller investment guideline requirements as presented in Section 201.3(c) of the *Accounting, Reporting and Supervision Requirements for Public Authorities*, noncompliance with which could have a direct and material effect on the Schedule of Investments. 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.

________, 2021

EXHIBIT D

AMENDED AND RESTATED SUBLEASE AND NON-DISTURBANCE AND CONSENT AGREEMENT FOR SOUTH BROOKLYN MARINE TERMINAL
Board of Directors Meeting
September 28, 2021

OVERVIEW: On August 13, 2019 NYCEDC's Board of Directors approved NYCEDC to enter into a sublease for the South Brooklyn Marine Terminal ("SBMT"), a marine terminal located between 29th and 39th Streets, west of 2nd Avenue, in Sunset Park, Brooklyn, on terms which modified the Board approval of this sublease on May 9, 2018. The sublease was executed as of September 12, 2019 (the "Original Sublease") with SSBMT, L.P. ("Subtenant") on substantially the terms approved on August 13, 2019.

NYCEDC is seeking the Board's approval to amend and restate the Original Sublease to reflect the terms of the transaction modified substantially as described below. The premises contains the 35th Street Pier, the 39th Street Pier and an open upland area (together, with the Additional Premises as described below, containing approximately 72 acres) and some adjacent land under water (together, the "Site"). Additionally, NYCEDC is seeking the Board's approval to enter into a Non-Disturbance and Consent Agreement ("NDA") with an entity ("Equinor") that is fifty percent (50%) owned by Equinor US Holdings Inc. and fifty percent (50%) owned by bp Wind Energy North America Inc. or one hundred percent (100%) owned by Equinor US Holdings Inc., a potential sub-sublessee of Subtenant.

The Site is primarily identified as Block 662, Lot 136 and portions of Block 662, Lots 1, 130 and 155 on the Tax Map of the Borough of Brooklyn. The Site is approximately depicted in Attachment A.

SBMT has been identified by the New York State Energy Research and Development Authority ("NYSERDA") as a potential port facility for offshore wind activities. NYCEDC and Subtenant have been working on reactivating SBMT for offshore wind activities. Equinor has committed to using SBMT as a port facility in New York City to service recently awarded procurements to supply New York State with renewable energy.

NYCEDC is proposing to modify the Original Sublease with Subtenant ("Amended Sublease") to better reflect the proposed use of the terminal for the offshore wind power industry. In the event that neither the sub-sublease being entered into with Equinor or any participant in the offshore wind power industry ("Wind Subtenant") is entered into or all such sub-sublease(s) are terminated prior to the rent commencement date the modified sublease will be null and void and the Original Sublease will be reinstated in full force and effect.

MODIFIED SUBLEASE TERMS

PREMISES: The Site will be modified to include an additional approximately 7.5 acres (the "Additional Premises") identified as Brooklyn Block 662, part of Lot 1 conditioned on Subtenant leasing the Site to a Wind Subtenant. The total Site, including the Additional Premises, other than adjacent land under water, will be approximately 72 acres.

LANDLORD CAPITAL WORK: Under the approval for the Original Sublease NYCEDC was to make certain infrastructure improvements to the Site for an amount not to exceed $57,325,000, which now may include improvements to the Additional Premises. Under the Amended Sublease such NYCEDC capital contribution shall either be (i) work done by NYCEDC, including through contractors and/or (ii) made pursuant to a funding agreement that contains a mechanism for disbursement of the capital contribution to Subtenant or Equinor or an affiliate of either for it to undertake the work.

RENT: **T**he commencement of the base rent under the Amended Sublease for the Site will be the date on which rent is payable to Subtenant by a Wind Subtenant. Until such time, an interim base rent will be payable in an amount equal to the greater of (x) fifteen percent (15%) of Subtenant's gross revenue or (y) fifty percent (50%) of Subtenant's net income. The amount of base rent for the Additional Premises shall be calculated in the same manner as the premises under the Original Sublease. If a portion of the Site is unavailable due to NYCEDC's short-term users, rent will be correspondingly abated for such portion of the Site which is unavailable. Under the Amended Sublease the participation rent for the Original Sublease premises (other than the Additional Premises) will begin from the date on which rent is payable to Subtenant by a Wind Subtenant and will be calculated as a percentage of annual gross revenue received by the Subtenant (in an amount as previously approved by the Board). However, participation rent for the Additional Premises will be (i) annually four dollars ($4.00) per rentable square feet of the Additional Premises (reduced to the extent that Subtenant's gross revenue for the Additional Premises for that year is less than four dollars ($4.00) per rentable square foot of the Additional Premises) plus (ii) fifty percent (50%) of Subtenant's gross revenue, which fifty percent (50%) shall be reduced by the payment made pursuant to (i) above and base rent received by NYCEDC for the Additional Premises. Participation Rent for the Additional Premises will begin the earlier of (i) the date of commencement of any sub-sublease on the Additional Premises and (ii) the first day of the fourth lease year. There will be no additional abatements to base rent for capital rehabilitation work, as there are in the Original Sublease.

CARGO VOLUME: The project commitments for minimum annual cargo volume of maritime business activity will not be in effect throughout the term of any sublease of all or substantially all of the Site with any Wind Subtenant.

NDA: NYCEDC approves and consents to the sub-sublease for SBMT to Equinor.

FREIGHT INTRODUCTION/ RIGHT OF FIRST REFUSAL: Under the Sublease between NYCEDC and SSBMT, L.P., in the event of City-mandated use of the Site for containerized freight by Subtenant or others, Subtenant and NYCEDC will work together to facilitate the "Freight Introduction". NYCEDC may agree that it will not exercise such freight introduction while the Site is leased to Equinor or any other Wind Tenant by Subtenant if such facilitation is expected to interfere with the use of the Site by Equinor or any other Wind Subtenant.

PROPOSED RESOLUTIONS: Approval for NYCEDC to amend and restate the Original Sublease and enter into the NDA and any related funding agreement, substantially as described herein, and to enter into any other needed agreements related thereto

NYCEDC PROJECT CODE: 7238

STAFF: Vaughn Ratchford, Executive Vice President, Asset Management
Andrew Genn, Senior Vice President, Ports & Transportation
Julie Stein, Senior Vice President, Asset Management
Romulo Garza, Vice President, Asset Management
Tiffany Lacker, Senior Counsel, Legal

ATTACHMENT A

EXHIBIT E

DEED MODIFICATION FOR FLUSHING COMMONS PROPERTY OWNER LLC
Board of Directors Meeting
September 28, 2021

OVERVIEW: At its February 6, 2013 meeting, NYCEDC's Board of Directors approved NYCEDC's sale of Block 4978, Lot 25, Queens ("the Site") to Flushing Commons LLC or an affiliated entity for $20,000,000 (all cash) and a two-phase development plan. In a subsequent meeting on December 19, 2013 the NYCEDC Board of Directors approved a revised phasing plan. Terms for a further revised phasing plan and development timeline were approved at the August 13, 2019 NYCEDC Board of Directors meeting. Following such meeting NYCEDC and the Developer entered into an amended and restated deed (the "Deed Modification"). Per the original deed and the Deed Modification, the Developer is obligated to convey a community facility condominium unit to the YMCA of Greater New York (the "YMCA") in accordance with the terms of a contract between Developer and YMCA. The Developer at its cost is obligated to convey a unit with an estimated value of approximately $25 million. During and subsequent to the negotiations for the Deed Modification, the COVID-19 pandemic severely impacted the business operations of the YMCA, hindering its ability to close on the community facility condominium unit on the timeline contemplated in the Deed Modification. To try to ensure that the YMCA remains in the project, certain deadlines in the Deed Modification must be revised, substantially as described below. There are no modifications to the project program.

OWNER/ DEVELOPER: Flushing Commons Property Owner LLC is a partnership managed by a joint venture among affiliates of Rockefeller Group International, Inc., F&T Group, and AECOM Technology Corporation, and developed Phase 1 of the Project. Flushing Commons Sponsor Phase II JV LLC, an affiliate of Flushing Commons Property Owner LLC, will develop Phase 2 of the Project.

SITE DESCRIPTION: The Site is an approximately 211,000 square foot parcel in the heart of Downtown Flushing, Queens that had been used as an approximately 1,100 space municipal parking lot since the 1940s. In line with the Phase 1 requirements, the Developer has improved part of the Site with two buildings totaling approximately 690,000 gross square feet of residential, office, retail and parking space.

PROJECT STATUS: The Developer completed Phase 1 in August 2017. The Deed Modification, memorializing the terms of the August 2019 Board item, was recorded against the property on August 26, 2020. The approved program for Phases 2A and 2B of the project as approved by the Board in August 2019 are as follows:

Phase 2A	Phase 2B
Two buildings that include: - not less than approximately 100,000 gsf of mixed use commercial; - not less than approximately 160,000 gsf of residential; - YMCA space currently anticipated to be approximately 62,000 gsf but still subject to negotiation; and - not less than 27 parking spaces; and Approximately one acre open space	A building that includes: - not less than approximately: 300,000 gsf of residential; - not less than approximately 35,000 gsf of mixed use commercial; and - not less than a number of parking spaces (so that the total number of parking spaces in Phases 1, 2A and 2B will be 1,600 parking spaces); and Open space (so that the total open space in Phases 1,2A and 2B will be approximately 1.5 acres)

In addition to the above revised Phases 2A and 2B and terms detailed in the first two columns on the table on the following page which were approved at the August Board meeting, several provisions were added to the Deed Modification to provide further timeline certainty. An added provision was that should the YMCA be unable to proceed with the acquisition and fit out of the community facility condominium unit, NYCEDC has an option to either (1) assume ownership of the community facility unit at no acquisition cost or (2) receive a $25,000,000 payment in exchange for waiving the community facility requirement. Either option would require additional approval from NYCEDC's Board of Directors.

PROPOSED MODIFICATIONS: NYCEDC proposes to modify the time for construction of Phases 2A and 2B to try to ensure the new YMCA community facility condominium unit is delivered as part of the project's Phase 2A. As a result of the proposed changes, the project will be constructed over a longer time period. Phase 2A will commence two years later than was previously approved, will still include the public benefits of open space, and is expected to still include the YMCA community facility condominium unit. As a result, Phase 2B construction commencement will also be delayed by up to two additional years. Payments for delays in the program approved at the August 2019 Board meeting would be unchanged except that the due dates for such payments would be modified to reflect the new construction dates. Payment guarantees of liquidated damages would be unchanged.

The project sequencing would be substantially as detailed below:

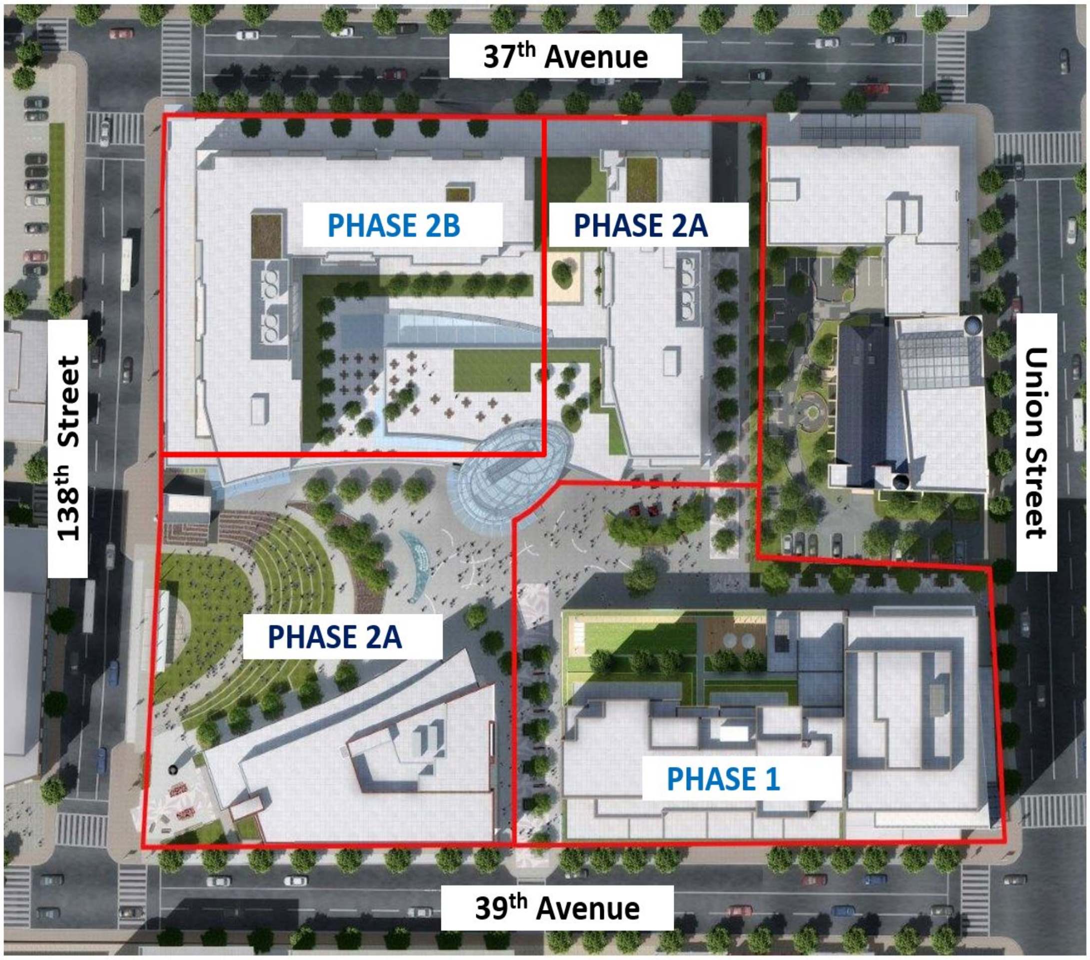
	Phase 2A per 2019 Board Approval	Phase 2B per 2019 Board Approval	Proposed Phase 2A	Proposed Phase 2B
Construction Commencement	July 1, 2021	July 1, 2025 (if all extensions exercised)	June 1, 2023 (if all extensions are exercised)	June 1, 2027 (if all extensions exercised)
Construction Completion	42 months from commencement, with one, one-year extension as per below. If extension exercised, maximum 54 months from commencement.	36 months from commencement, with one, one-year extension as per below. If extension exercised, maximum 48 months from commencement.	42 months from commencement, with one, one-year extension as per below. If extension exercised, maximum 54 months from commencement.	36 months from commencement, with one, one-year extension as per below. If extension exercised, maximum 48 months from commencement.
Construction Completion Extension	$500,000 per annum. Pro-rated if extension is shorter than one year.	$500,000 per annum. Pro-rated if extension is shorter than one year.	$500,000 per annum. Pro-rated if extension is shorter than one year.	$500,000 per annum. Pro-rated if extension is shorter than one year.

Per the Deed Modification the Developer was to provide 618 spaces on the Phase 2A and Phase 2B sites until the Phase 2A construction commencement. As a result of a planned emergency demolition of the existing parking structure on the Site, the Developer will provide a reduced number (being negotiated) of spaces on the Phase 2A and Phase 2B sites until the Phase 2A construction commencement.

PROPOSED RESOLUTION: Approval for NYCEDC to enter into a deed amendment reflecting the terms of the transaction modified substantially as described above

NYCEDC PROJECT CODE: 3017

STAFF: Jamie Horton, Vice President, Special Projects
Tiffany Lacker, Senior Counsel, Legal



LDCMT-26-12187

NYC/EDC

Rachel Loeb, President & CEO

November 9, 2021

To the Members of the Board:

With less than 60 days left of the current administration, I have been reflecting on all that we have accomplished with immense pride. Each milestone we meet makes this city more equitable, resilient, inclusive, and overall, a better place for all New Yorkers. I truly hope you join me in applauding the EDCers who do this work, and here's to continuing this recovery in the next administration.
Since our last meeting:

We are building a greener, healthier City:

- In October, as part of City Hall's in Your Borough Week in Manhattan, the mayor announced $110 million in funding allocated to a new capital project to help address sea-level rise and storm surge that together pose a serious threat to Lower Manhattan. The $110 million will begin coastal resiliency work in the historic Seaport District, which is especially vulnerable due to its low elevation. The capital project is part of the **Financial District and Seaport Climate Resilience Master Plan**, which will be announced before the end of the year.
- In September, we joined the mayor and Department of Health and Mental Hygiene (DOHMH) to announce the selection of Columbia University as operator of the **Pandemic Response Institute** (PRI), in key partnership with CUNY Graduate School of Public Health and Health Policy, along with a consortium of academic, community, government, and corporate partners. The PRI will be supported by up to $20 million in city capital funding for eligible costs and be dedicated to preparing NYC for future health emergencies in a more effective and equitable manner, while positioning the City as a global leader to serve as a model for public health response.
- We joined Newlab to announce several new tech-related initiatives, the *Founder Fellowship*, a program that aims to help diversify the City's tech ecosystem by supporting traditionally underrepresented founders working in urban tech, and the *Resilient Energy Studio*, the latest phase in this Urbantech NYC partnership to support the City's vision for a sustainable, equitable future.

We are investing in critical neighborhood infrastructure:

- We were honored to attend the groundbreaking of The Eliza, a 174-unit affordable housing development in Inwood that will feature a new state-of-the-art Inwood Library on the first two floors. The Inwood Library will be home to a community space, three universal pre-K classrooms, and after-school programming, which includes a STEM Learning Center and the ACTS Center, which will offer job training, classes, and cultural activities. The groundbreaking marks a significant step toward delivering on the City's investment and commitments of the Inwood Neighborhood Plan.
- The Build NYC team closed a $36.8 million tax-exempt bond financing transaction with Integration Charter Schools (ICS). ICS operates a network of four charter schools on Staten Island that provide innovative pathways to college for all students, including assistance for students with emotional challenges and special needs. The bonds will primarily go toward financing the acquisition, renovation, furnishing, and equipping of a 28,500-square-foot building at 2245 Richmond Avenue, ICS's newest school: Richmond Preparatory Charter School.

- Last month, our project at 495 Eleventh Avenue, known as Slaughterhouse, in Midtown Manhattan received ULURP approval. This is the culmination of six years of intense work by EDC dating back to the first RFP release in 2015. The project will greatly benefit the community, delivering a 100 percent affordable housing complex with 350 units, including 75 units of supportive housing for formerly homeless individuals and families. The project also includes a 4,800-square-foot supermarket, a 680-room hotel, and 9,000 square feet office space.

We are supporting the recovery in every part of the City:

- I was thrilled to join former Congressman Major Owens' family, the Crown Heights community, Mayor de Blasio, and stakeholders to celebrate the grand opening of The Major R. Owens Health & Wellness Community Center in Brooklyn. We officially cut the ribbon to open its doors in October, kicking off the next incarnation of the historic Bedford Union Armory and bringing a "one-stop shop" for recreation and wellness to the community. Named after long-time Congressman Major Robert Odell Owens, who worked tirelessly for the Crown Heights community, the state-of-the-art, 60,000-square-foot center features a six-lane competitive swimming pool, basketball courts, and a multi-purpose court for other sports and programming.
- Last month, I was in Coney Island for the groundbreaking of three new rides and a pedestrian plaza at the world-famous Luna Park. The expansion project, previously halted by the COVID-19 pandemic, includes a new roller coaster with a flume ride, a ropes course, and a landscaped pedestrian plaza. The expansion creates an additional 100 jobs and is part of the City's continued investment in Coney Island and the amusement district to ensure this cherished destination continues to provide fun for all New Yorkers and tourists alike.
- For everyone who enjoys the occasional escape to Governors Island (and who doesn't?), not only did the mayor announce that the island will be open to the public year-round starting this fall, but soon, it will be easier than ever to get there. Starting later this year, with the expansion of the South Brooklyn Route, NYC Ferry will serve Governors Island daily and year-round.
- Last month, I spoke at Cybertech NYC, giving the keynote address. I pointed out that the city is open for business and the outlook for the cybertech sector has never been better. New York City is the place for tech companies to find the best and brightest talent, and NYCEDC is making efforts to create equity in tech and ensure NYC's workforce is diverse and ready to take on the jobs of the 21st century. We are excited for the opening of the Union Square Tech Training Center, which will ensure workforce training and development programs are accessible to all New Yorkers.

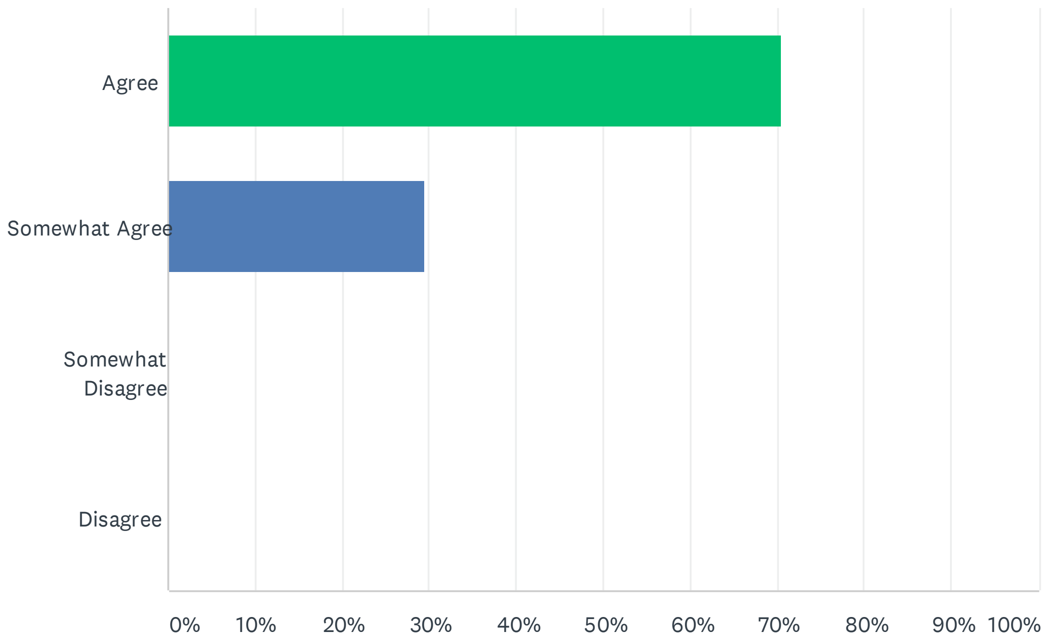
I am so proud of the work we are doing to deliver a fairer City for all New Yorkers, and I am looking forward to sharing even more on all we have done over the last eight years during our final meeting in this administration. As always, should you have any questions about EDC's projects, programs, or efforts, please do not hesitate to contact me or the staff.

Sincerely,

Rachel Loeb

Q1 Board members have a shared understanding of the mission and purpose of NYCEDC.

Answered: 17 Skipped: 0



ANSWER CHOICES	RESPONSES	
Agree	70.59%	12
Somewhat Agree	29.41%	5
Somewhat Disagree	0.00%	0
Disagree	0.00%	0
Total Respondents: 17		

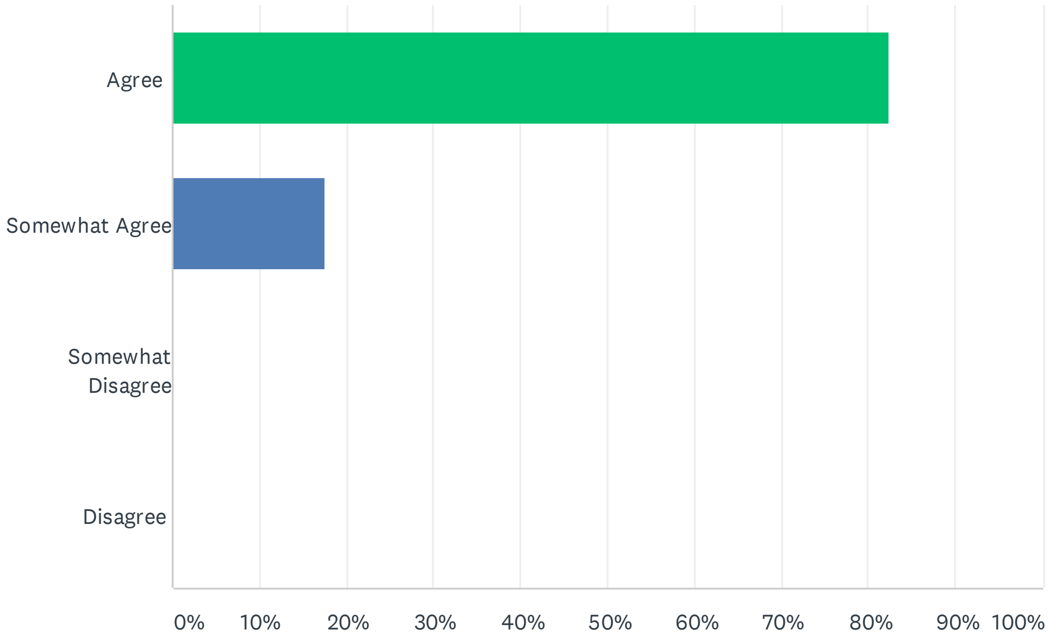
Q2 Comment Section

Answered: 1 Skipped: 16

#	RESPONSES	DATE
1	WOULD BE HELPFUL TO KNOW MORE ABOUT THE DIRECTION, TOO	8/25/2021 12:47 AM

Q3 The policies, practices and decisions of the Board are always consistent with this mission.

Answered: 17 Skipped: 0



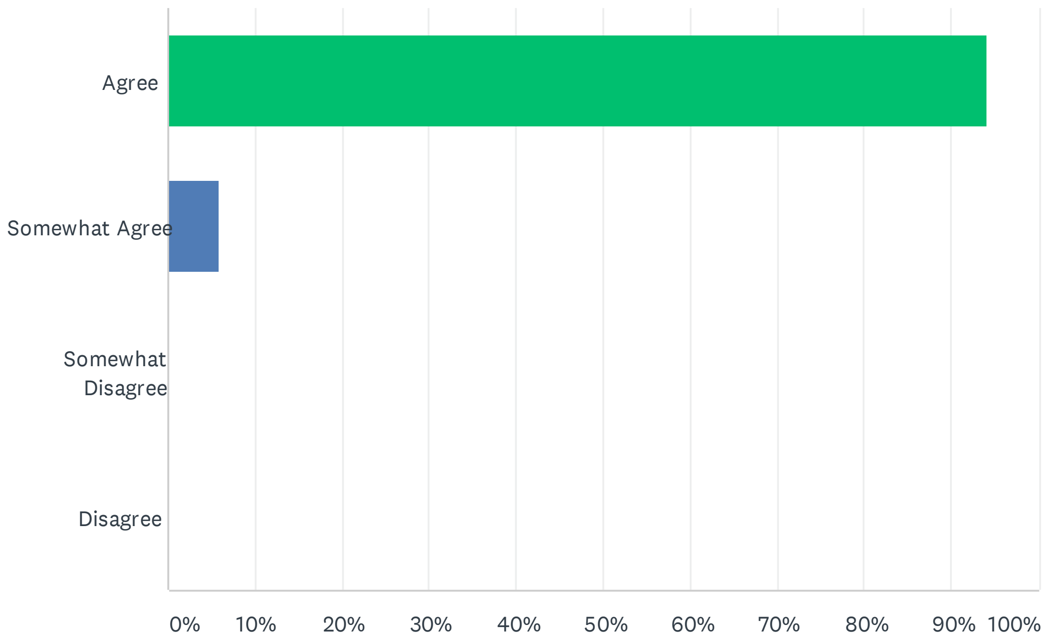
ANSWER CHOICES	RESPONSES	
Agree	82.35%	14
Somewhat Agree	17.65%	3
Somewhat Disagree	0.00%	0
Disagree	0.00%	0
Total Respondents: 17		

Q4 Comment Section

Answered: 0 Skipped: 17

Q5 Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.

Answered: 17 Skipped: 0



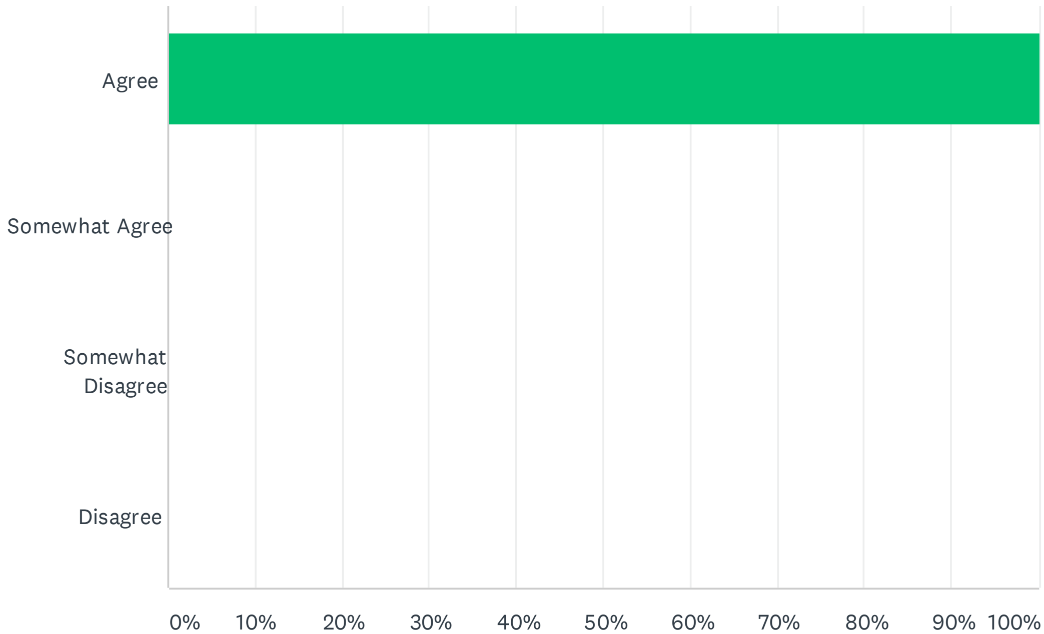
ANSWER CHOICES	RESPONSES	
Agree	94.12%	16
Somewhat Agree	5.88%	1
Somewhat Disagree	0.00%	0
Disagree	0.00%	0
TOTAL		17

Q6 Comment Section

Answered: 0 Skipped: 17

Q7 The Board has adopted policies and practices for the effective governance, management and operations of NYCEDC and reviews these annually.

Answered: 16 Skipped: 1



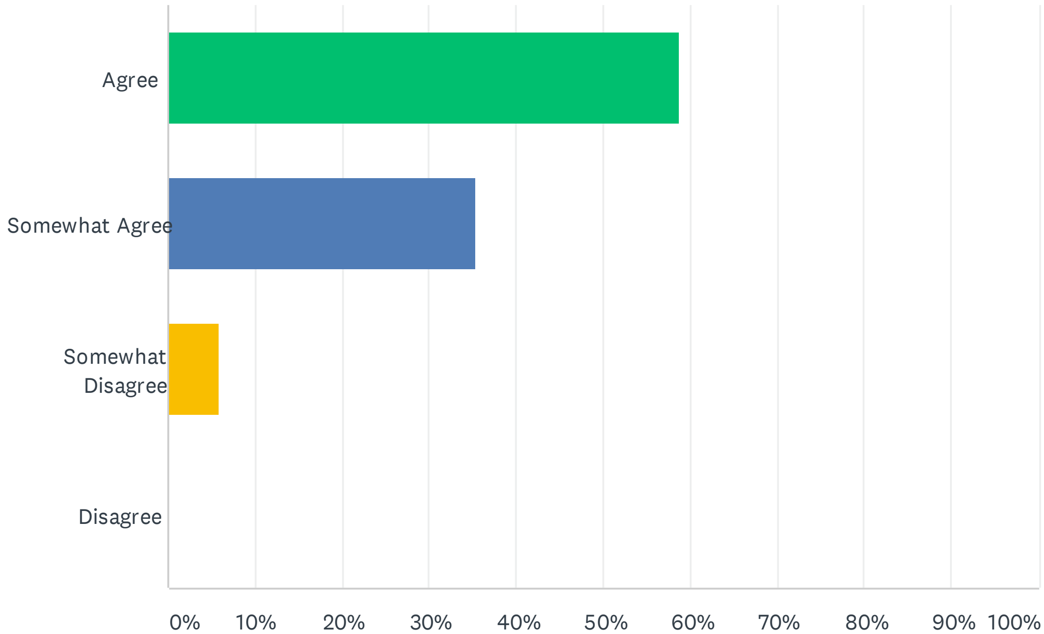
ANSWER CHOICES	RESPONSES	
Agree	100.00%	16
Somewhat Agree	0.00%	0
Somewhat Disagree	0.00%	0
Disagree	0.00%	0
TOTAL		16

Q8 Comment Section

Answered: 0 Skipped: 17

Q9 Board is informed on NYCEDC's clear and measurable performance goals that contribute to accomplishing its mission.

Answered: 17 Skipped: 0



ANSWER CHOICES	RESPONSES	
Agree	58.82%	10
Somewhat Agree	35.29%	6
Somewhat Disagree	5.88%	1
Disagree	0.00%	0
TOTAL		17

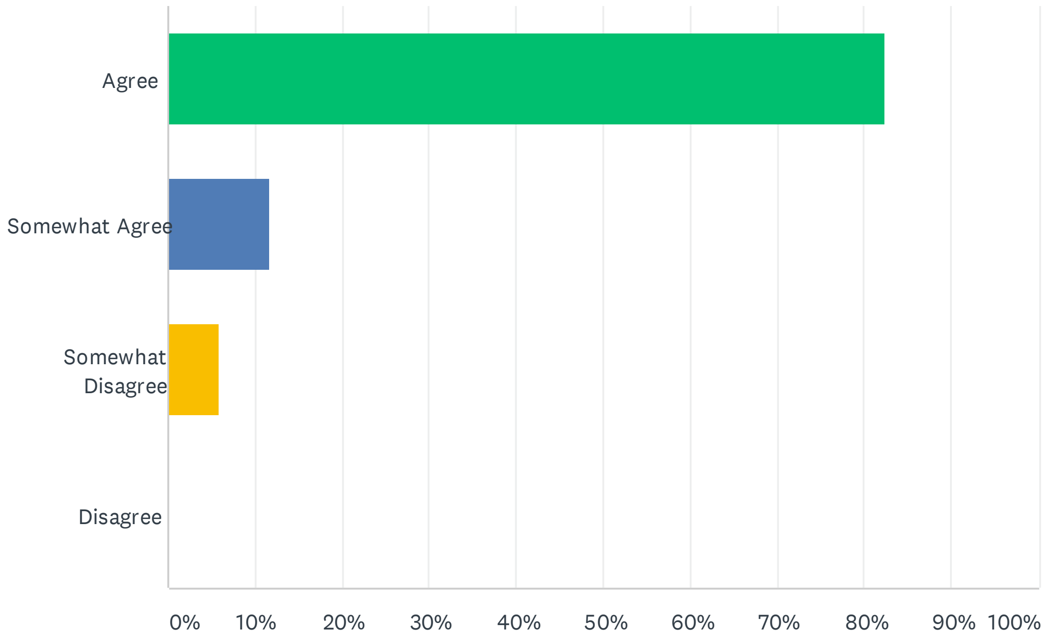
Q10 Comment Section

Answered: 2 Skipped: 15

#	RESPONSES	DATE
1	We receive a lot information, but not necessarily benchmarks for measurement	8/25/2021 12:47 AM
2	I think there could be more transparency around the performance KPIs for the agency	7/30/2021 7:41 PM

Q11 The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence, pressure or self-interest.

Answered: 17 Skipped: 0



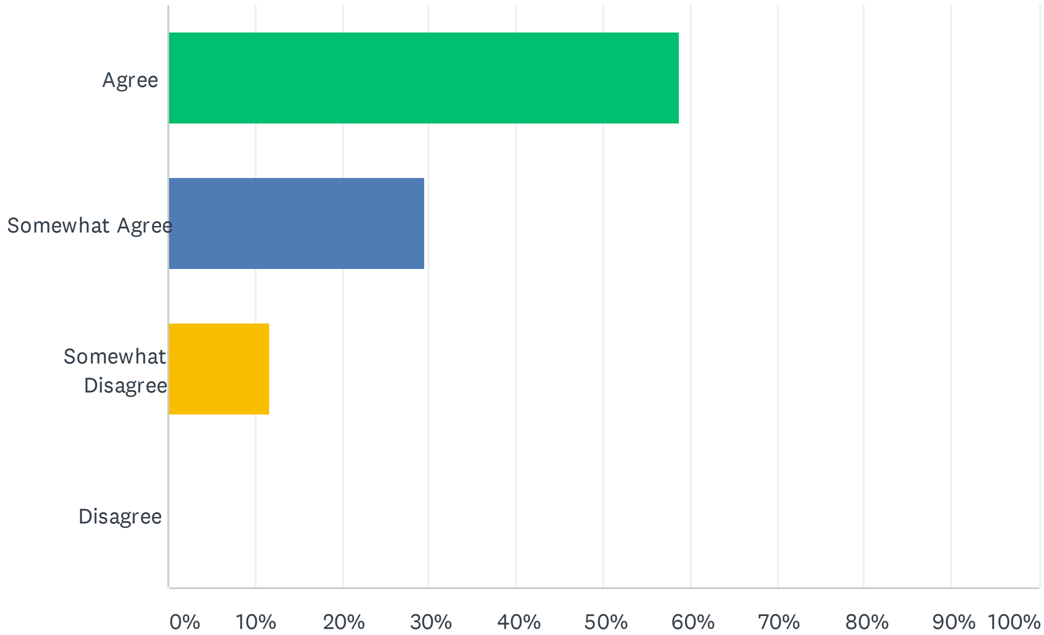
ANSWER CHOICES	RESPONSES	
Agree	82.35%	14
Somewhat Agree	11.76%	2
Somewhat Disagree	5.88%	1
Disagree	0.00%	0
TOTAL		17

Q12 Comment Section

Answered: 0 Skipped: 17

Q13 Individual Board members communicate effectively with executive staff so as to be well informed on the status of all important issues.

Answered: 17 Skipped: 0



ANSWER CHOICES	RESPONSES	
Agree	58.82%	10
Somewhat Agree	29.41%	5
Somewhat Disagree	11.76%	2
Disagree	0.00%	0
TOTAL		17

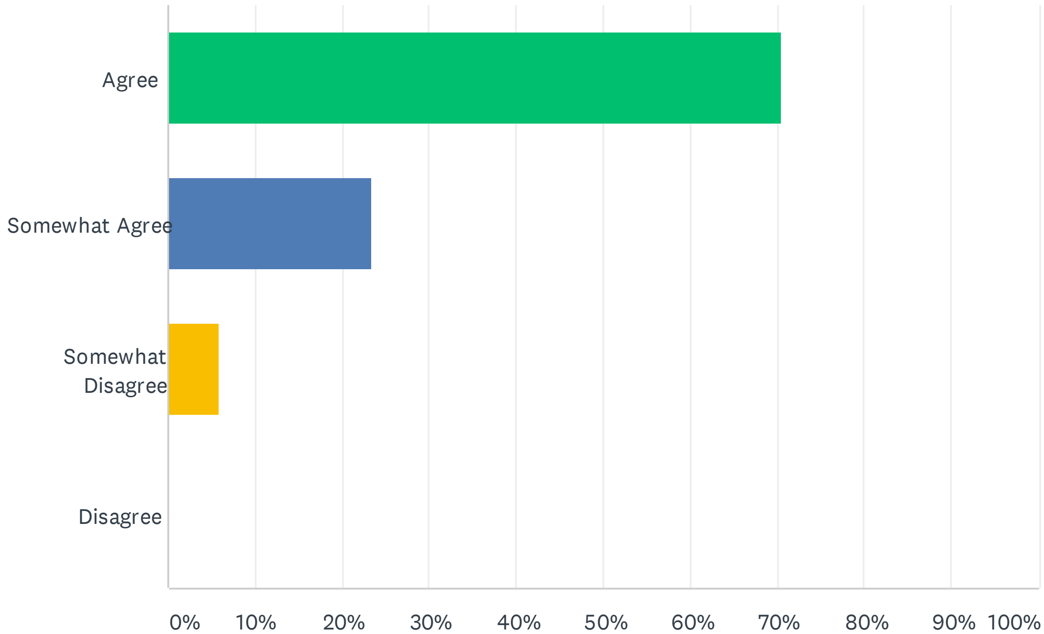
Q14 Comment Section

Answered: 2 Skipped: 15

#	RESPONSES	DATE
1	There can be better use of board members thru specific individual communications	8/25/2021 12:47 AM
2	We could be much better informed about issues or announcements involving the boroughs we represent.	8/2/2021 10:35 AM

Q15 Board members are knowledgeable about NYCEDC's programs, financial statements, reporting requirements, and other transactions.

Answered: 17 Skipped: 0



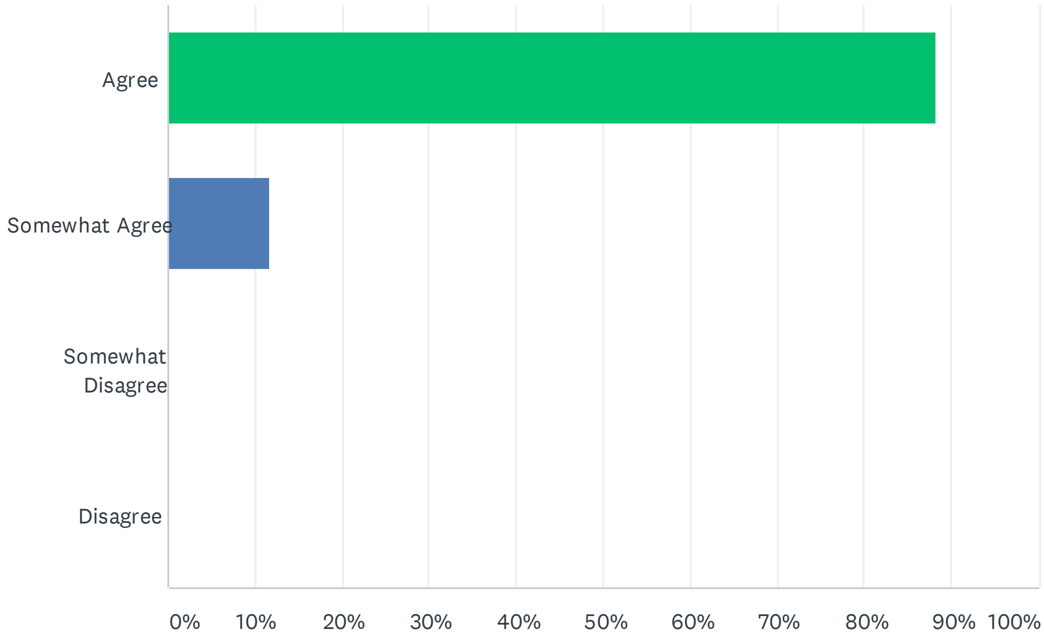
ANSWER CHOICES	RESPONSES	
Agree	70.59%	12
Somewhat Agree	23.53%	4
Somewhat Disagree	5.88%	1
Disagree	0.00%	0
TOTAL		17

Q16 Comment Section

Answered: 0 Skipped: 17

Q17 The Board knows the statutory obligations of NYCEDC and if NYCEDC is in compliance with state law.

Answered: 17 Skipped: 0



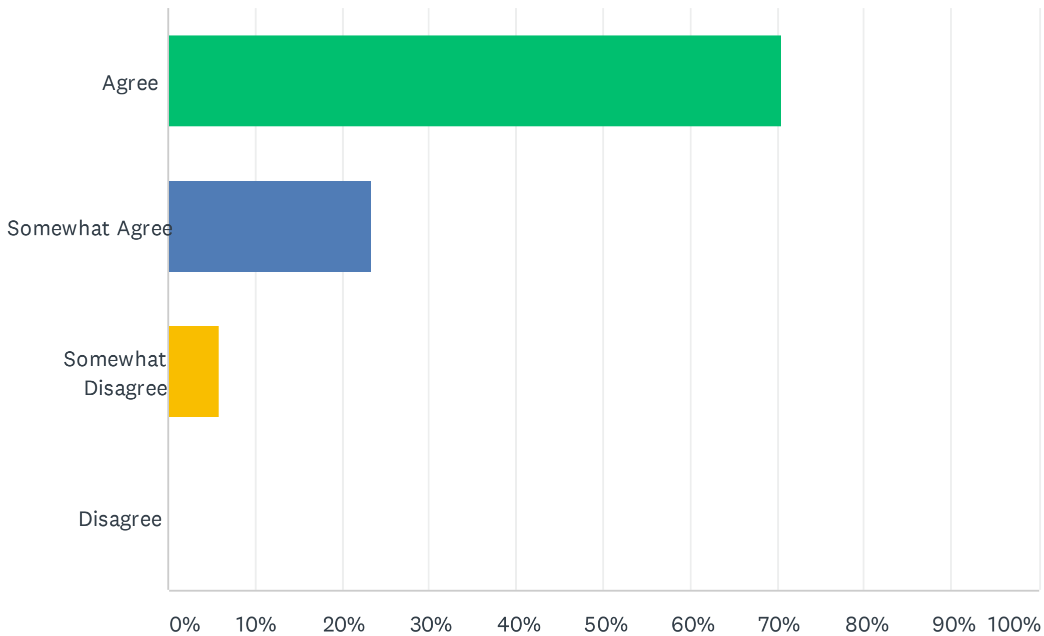
ANSWER CHOICES	RESPONSES	
Agree	88.24%	15
Somewhat Agree	11.76%	2
Somewhat Disagree	0.00%	0
Disagree	0.00%	0
TOTAL		17

Q18 Comment Section

Answered: 0 Skipped: 17

Q19 Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.

Answered: 17 Skipped: 0



ANSWER CHOICES	RESPONSES	
Agree	70.59%	12
Somewhat Agree	23.53%	4
Somewhat Disagree	5.88%	1
Disagree	0.00%	0
TOTAL		17

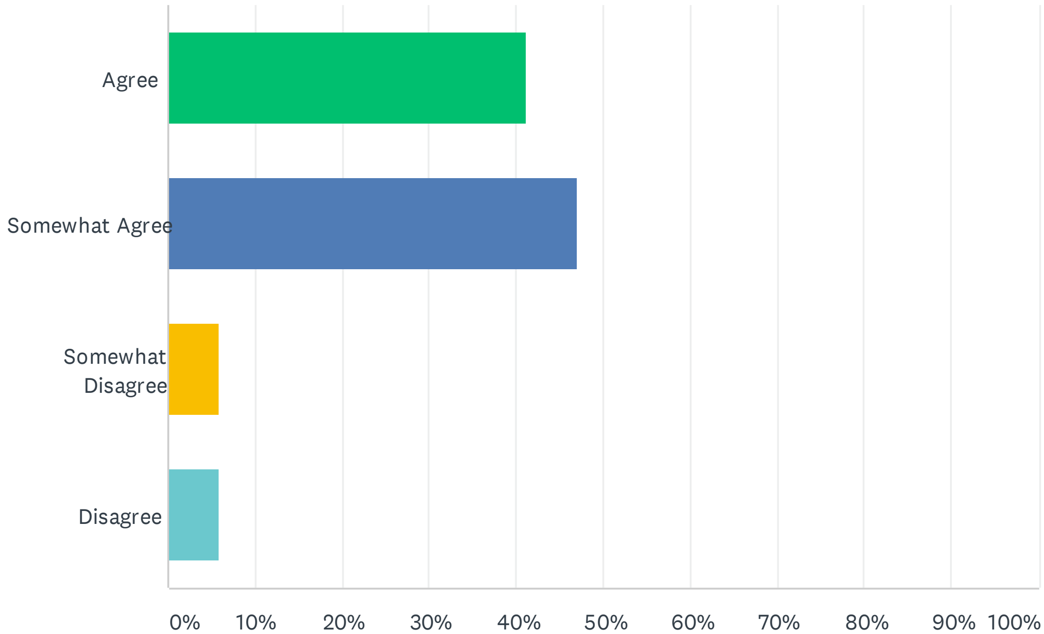
Q20 Comment Section

Answered: 1 Skipped: 16

#	RESPONSES	DATE
1	Yes, but most decisions have been reached before meetings.. even though they are generally explained well to the Board	8/25/2021 12:47 AM

Q21 Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.

Answered: 17 Skipped: 0



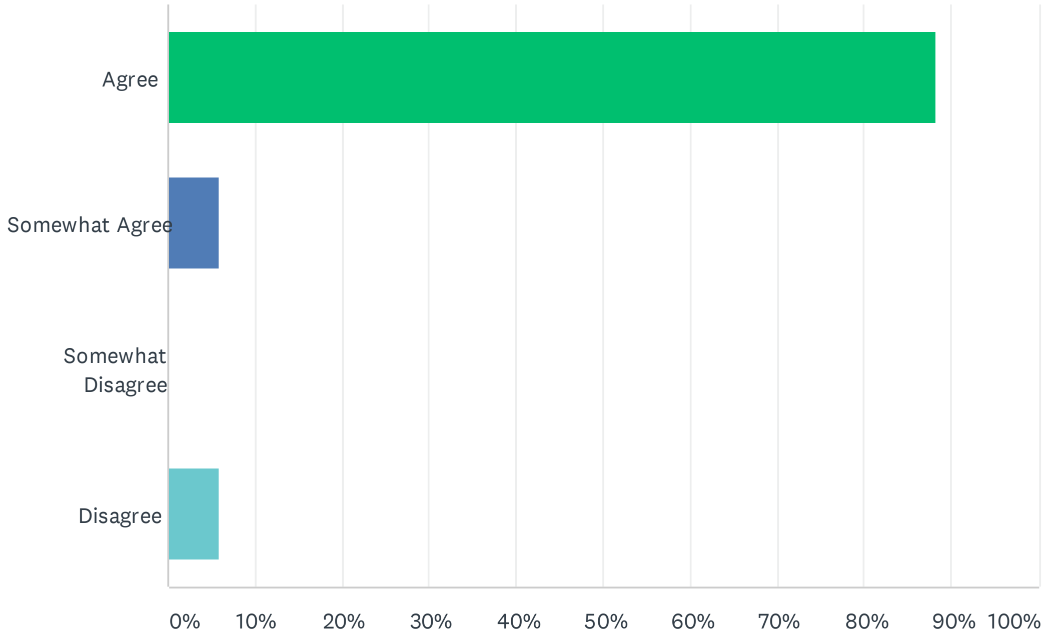
ANSWER CHOICES	RESPONSES	
Agree	41.18%	7
Somewhat Agree	47.06%	8
Somewhat Disagree	5.88%	1
Disagree	5.88%	1
TOTAL		17

Q22 Comment Section

Answered: 0 Skipped: 17

Q23 Individual Board members feel that they may raise questions with regard to votes and other agenda items if they feel additional information or discussion is required and NYCEDC staff members are responsive to these questions.

Answered: 17 Skipped: 0



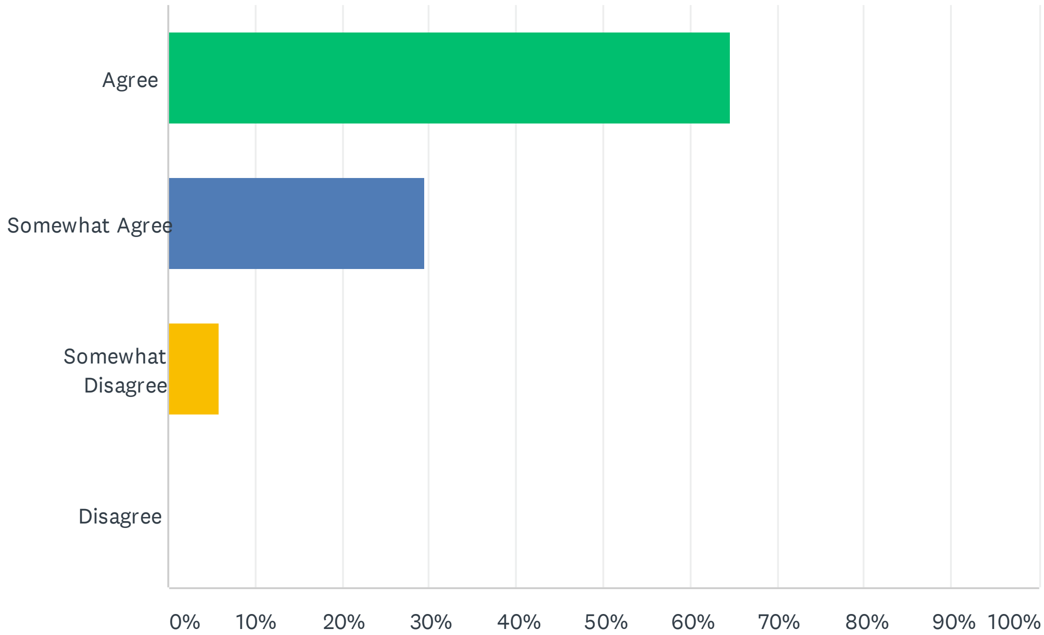
ANSWER CHOICES	RESPONSES	
Agree	88.24%	15
Somewhat Agree	5.88%	1
Somewhat Disagree	0.00%	0
Disagree	5.88%	1
TOTAL		17

Q24 Comment Section

Answered: 0 Skipped: 17

Q25 The Board exercises appropriate oversight of the CEO and other executive staff.

Answered: 17   Skipped: 0



ANSWER CHOICES	RESPONSES	
Agree	64.71%	11
Somewhat Agree	29.41%	5
Somewhat Disagree	5.88%	1
Disagree	0.00%	0
TOTAL		17

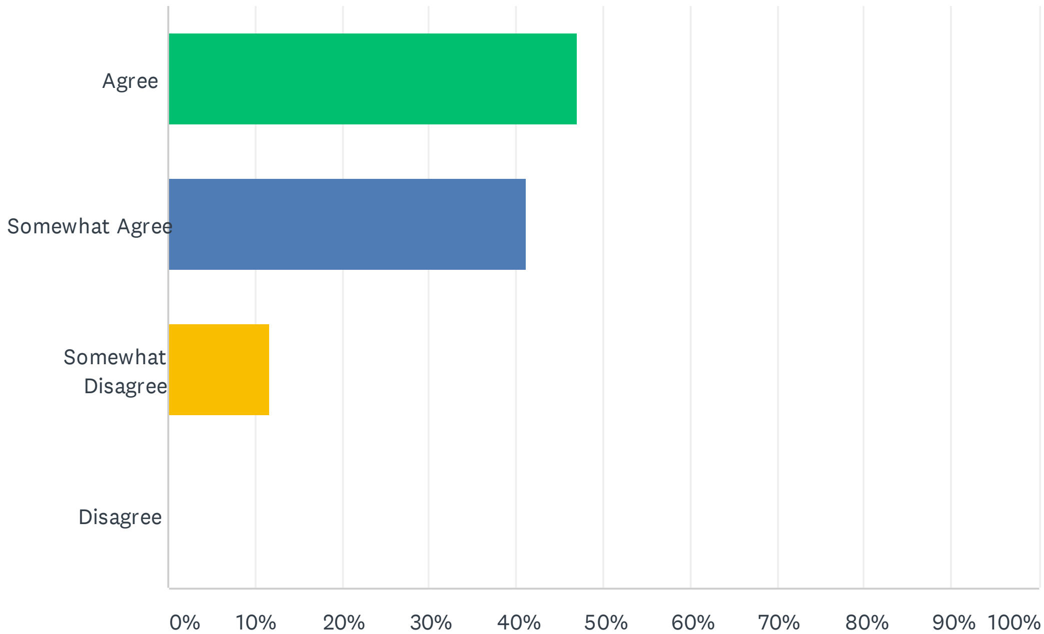
Q26 Comment Section

Answered: 2 Skipped: 15

#	RESPONSES	DATE
1	Not saying this hasn’t happened, but have not seen or heard much of it happening	8/25/2021 12:47 AM
2	This is mostly through the chair, not the board	7/30/2021 7:41 PM

Q27 The Board has identified the areas of most risk to NYCEDC and works with management to implement risk mitigation strategies before problems occur.

Answered: 17 Skipped: 0



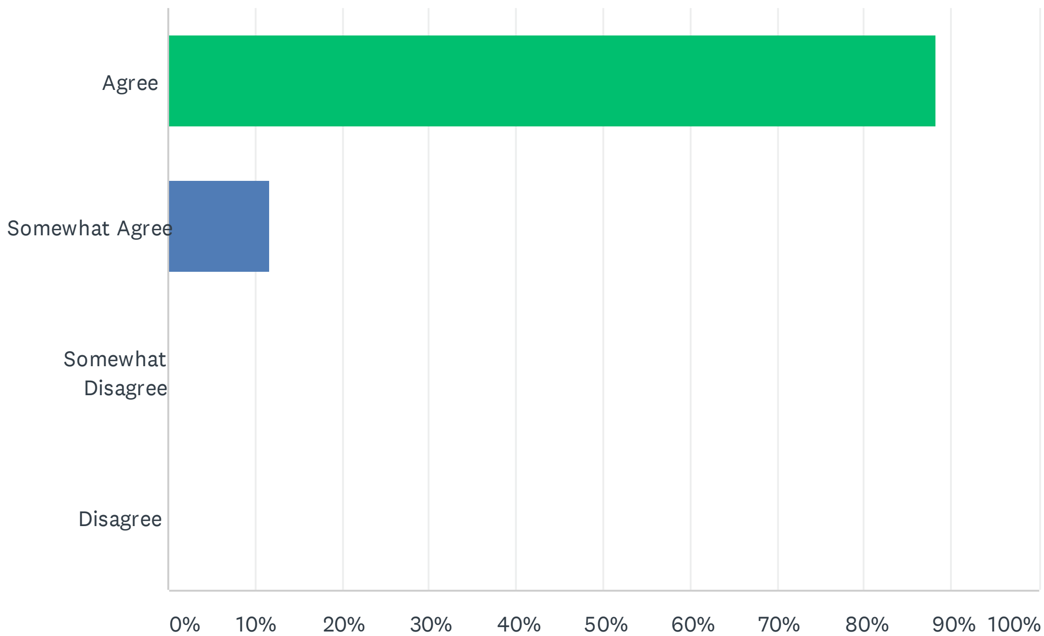
ANSWER CHOICES	RESPONSES	
Agree	47.06%	8
Somewhat Agree	41.18%	7
Somewhat Disagree	11.76%	2
Disagree	0.00%	0
TOTAL		17

Q28 Comment Section

Answered: 1 Skipped: 16

Q29 Board members demonstrate leadership and vision and work respectfully with each other.

Answered: 17 Skipped: 0



ANSWER CHOICES	RESPONSES	
Agree	88.24%	15
Somewhat Agree	11.76%	2
Somewhat Disagree	0.00%	0
Disagree	0.00%	0
TOTAL		17

Q30 Comment Section

Answered: 0 Skipped: 17

MISSION STATEMENT AND MEASUREMENTS
Board of Directors Meeting
November 9, 2021

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 2022 use substantially the same measurements approved by NYCEDC's Board for use for Fiscal Year 2021, with the following modification: the 'MWBE commitment rate' measure will be removed as NYCEDC will no longer be required to track this statistic for the Mayor's Office of Contract Services going forward. The 'MWBE award rate' measure, which has also been reported to the Board over the past several years but was not a formally required measure, will be adopted in its place;

NOW, THEREFORE, RESOLVED that the Board approves the mission statement and Fiscal Year 2022 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 9, 2021

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 award rate (Local Law 1)
MWBE participation 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 FY21, which will be the most recent data available.*

ELECTION OF OFFICERS
Board of Directors Meeting
November 9, 2021

Subject: Election of officers of NYCEDC

Proposed Resolution: To elect the individuals named in Attachment A hereto as the officers of NYCEDC indicated in Attachment A

Background: 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 will 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.

It is understood that with regard to each officer who is an employee of NYCEDC, such officer's position as an officer shall be conditioned upon the continuance of such employment.

Attachment A

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

President	Rachel Loeb
Executive Vice President	Elizabeth Arnaiz
Executive Vice President	Fred D'Ascoli
Executive Vice President	Lydia Downing
Executive Vice President	Lindsay Greene
Executive Vice President	Spencer Hobson
Executive Vice President	Meredith J. Jones
Executive Vice President	Joshua Kraus
Executive Vice President	Cecilia Kushner
Executive Vice President	Hester Muis
Executive Vice President	Faye Penn
Executive Vice President	Vaughn Ratchford
Executive Vice President	Elizabeth Verostek
Executive Vice President	Jennie Wallace
General Counsel	Meredith J. Jones
Chief Contracting Officer	Maryann Catalano
Senior Vice President	Savita Akula
Senior Vice President	Sunitha Amalraj
Senior Vice President	Joy Ardizzone
Senior Vice President	Chetan Badiani
Senior Vice President	Karen Bhatia
Senior Vice Predident	Daniel Broom
Senior Vice President	Jennifer Cass
Senior Vice President	Maryann Catalano
Senior Vice President	Amy Chan
Senior Vice President	Bernice Clark
Senior Vice President	Darryl Connelly
Senior Vice President	Gbenga Dawodu
Senior Vice President	Emily De Vito
Senior Vice President	Sander Dolder
Senior Vice President	Claudia Flores
Senior Vice President	Andrew Genn
Senior Vice President	Karina Gilbert
Senior Vice President	Leonard Greco
Senior Vice President	Robert Holbrook, Jr.
Senior Vice President	Jonathan Hurtado
Senior Vice President	Helen Jonsen
Senior Vice President	Liza Kent
Senior Vice President	Brett Klein
Senior Vice President	Justin Kreamer
Senior Vice President	Brian Larsen
Senior Vice President	Steve Lazarus

Senior Vice President	Sabrina Lippman
Senior Vice President	Melanie McMann
Senior Vice President	Adam Meagher
Senior Vice President	Shin Mitsugi
Senior Vice President	Jennifer Montalvo
Senior Vice President	Fred Olayele
Senior Vice President	Maxwell Padden
Senior Vice President	Cheng L. Pan
Senior Vice President	Susan Rosenthal
Senior Vice President	Harry Singh
Senior Vice President	Julie Stein
Senior Vice President	Rosa Vasquez
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	Leslie Escobar
Assistant Treasurer	Stella Maniago
Records Management Officer	Joy Ardizzone

ELECTION OF COMMITTEES
Board of Directors Meeting
November 9, 2021

Subject: Election of committees of the Board of Directors

Proposed Resolutions:

- 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 shall have the same duties as currently exist
- The members and chairpersons of such committees shall be the persons listed in Attachment A, who are hereby elected to such positions

Attachment A

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

AUDIT COMMITTEE

William Candelaria, Chair
James McSpiritt
Betty Woo

EXECUTIVE COMMITTEE

Danny Meyer, Chair
Vicki Been
William Candelaria
Wilton Cedeno
William Floyd
Rachel Loeb
James McSpiritt
Patrick J. O'Sullivan, Jr.
Betty Woo

GOVERNANCE COMMITTEE

James McSpiritt, Chair
William Floyd
Tanya Levy-Odom

LEGAL AFFAIRS COMMITTEE

Betty Woo, Chair
Wilton Cedeno
Matthew Hiltzik

REAL ESTATE AND FINANCE COMMITTEE

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

PROPERTY DISPOSITION, INVESTMENT AND PROCUREMENT POLICIES, GUIDELINES AND PROCEDURES
Board of Directors Meeting
November 9, 2021

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 current real property acquisition and disposition policies, guidelines and procedures, which are set forth in Attachment A hereto, be re**adopted** without modification; 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 current procurement policies and procedures as set forth in Attachment D hereto be **readopted**.

NOW, THEREFORE, RESOLVED that the Board:

- **Readopts** 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
- **Readopts** 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.

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.

- *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.

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

- 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

> 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.

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.

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.

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.

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.

REPORT ON INVESTMENTS

New York City Economic Development Corporation

Three Month Period Ended September 30, 2021

New York City Economic Development Corporation
Schedule of Investments

1st Quarter

Investment Type	Total Value 6/30/21 (A)	Purchases (B)	Maturities (C)	1st Quarter Interest Received (D)	Net Transfers Out (E)	Unrealized Gain/Loss (F)	Total Value 9/30/21	Current % Allocation
US Gov't Agencies	99,674,870	-	(52,949,681)	(59,675)		91,080	46,756,595	52%
US Treasury Note	7,229,494	-	(7,230,000)	-	-	507	-	0%
Certificates of Deposit	201,074	-	-	-	-	25	201,099	0%
Commercial Paper	19,490,385	-	(10,747,559)	-	-	4,907	8,747,732	10%
Cash Equivalents/MMF	790,040	33,896,506	-	-	-	-	34,686,546	38%
Grand Total	**127,385,862**	**33,896,506**	**(70,927,241)**	**(59,675)**	**-**	**96,519**	**90,391,971**	**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, 2021 are recorded at fair value and the portfolio consists of the following securities with maturities of seven (7) years or less:

INVESTMENT TYPE	TOTAL VALUE	%	MAXIMUM ALLOCATION PER POLICY
FFCB	45,744,965	50.61%	
FHLMC	1,011,630	1.12%	
US Gov Agencies Sub-Total	46,756,595	51.73%	100%
US Treasury Note	-	0.00%	100%
Commercial Paper	8,747,732	9.68%	25%
Certificates of Deposit	201,098	0.22%	20%
Cash Equivalent/MMF	34,686,546	38.37%	
Grand Investments Total	**90,391,971**	**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, 2021, the Corporation's investments in 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, 2021, NYCEDC was not subject to custodial credit risk.