



**NOTICE OF
REGULAR MEETING OF DIRECTORS
OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
June 13, 2023**

A regular meeting of the Board of Directors of New York City Economic Development Corporation ("NYCEDC") will be held at 8:30 a.m. on Tuesday, June 13, 2023, in Conference Center A/B, on the 14th Floor at the offices of NYCEDC at One Liberty Plaza, New York, New York.

The agenda for the meeting is as follows:

- I. Approval of Minutes of the April 27, 2023 Regular Meeting of the Board of Directors
- II. Report of NYCEDC's President
- III. Presentation on *Manhattan Commercial Revitalization (M-CORE) Program*
- IV. NYCEDC Budget Information
- V. NYCEDC Impact Investing Program
- VI. Such other business as may properly come before the meeting

Mark Silversmith
Assistant Secretary

New York, New York
Dated: June 2, 2023

Dial-in information will be sent to you prior to the meeting in case you do not plan to attend in person.



**REGULAR MEETING OF DIRECTORS
OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
JUNE 13, 2023**

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DEFINITIONS

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

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



MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
April 27, 2023

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 Thursday, April 27, 2023, in Conference Center A/B, on the 14th Floor at the offices of NYCEDC at One Liberty Plaza, New York, New York.

The following Directors of NYCEDC were present:

Margaret Anadu (by Zoom)
Nathan Bliss (as alternate for Maria Torres-Springer)
Paula Roy Carethers
Eric Clement
Costa Constantinides (by Zoom)
Mitchell Draizin (by Zoom)
Adam Friedman (by Zoom)
Matthew Hiltzik (by Zoom)
Andrew Kimball
DeWayne Louis (by Zoom)
James McSpiritt
Morris Missry (by Zoom)
Ngozi Okaro (by Zoom)
Patrick J. O'Sullivan, Jr.
Anthony Perez (by Zoom)
Charles Tebele (by Zoom)
Jeff Thamkittikasem
Elizabeth Velez
Betty Woo

Members of NYCEDC staff and a member of the public also were present.

The meeting was chaired by Andrew Kimball, President of NYCEDC, and called to order at 9:06 a.m. Meredith Jones, an 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 January 31, 2023 Regular Meeting of the Board of Directors

There being no questions or comments with respect to the minutes of the January 31, 2023 regular meeting of the Board of Directors, as submitted, a motion was made to approve such minutes, as submitted. Such motion was seconded and unanimously approved.

2. Report of NYCEDC's President

At this time, Mr. Kimball noted that his report as President of NYCEDC, summarizing recent events and milestones with respect to key NYCEDC projects and initiatives, had been provided to the Directors with the materials for the meeting.

3. Election of Chair and Members of Committees

Mr. Kimball noted that William Candelaria had recently departed from the Board of Directors of NYCEDC and its Audit Committee, Executive Committee and Real Estate and Finance Committee.

As a result, a motion was then made (i) to reduce the size of NYCEDC's Audit Committee to three members and to elect Eric Clement to be the Chair of the Audit Committee in place of Mr. Candelaria and to continue to serve on such committee with its other current members, James McSpiritt and Betty Woo, (ii) to elect Paula Roy Carethers to replace Mr. Candelaria on NYCEDC's Real Estate and Finance Committee, and (iii) to elect Eric Clement and Elizabeth Velez to serve on NYCEDC's Executive Committee, which shall then have nine members. Such motion was seconded and unanimously approved.

4. Election of Officers

Under NYCEDC's Bylaws, the Board shall elect such Executive Vice Presidents as it may from time to time determine. At this time, Mr. Kimball proposed that each of Jeanny Pak and Francisco Pineda be elected as an Executive Vice President of NYCEDC.

A description of certain responsibilities of Executive Vice Presidents may be found in Article IV of NYCEDC's Bylaws. Fred D'Ascoli, who currently acted as NYCEDC's Chief Financial Officer, had announced his retirement and would be leaving NYCEDC's employ in the near future. Ms. Pak would act as Chief Financial Officer of NYCEDC as of May 1, 2023, when her employment at NYCEDC was expected to begin. Mr. Pineda would oversee NYCEDC's Asset Management Division as of May 1, 2023, when his employment at NYCEDC was expected to begin. Ms. Pak and Mr. Pineda shall perform such duties as are assigned to them by NYCEDC's President. At this time, Mr. Kimball thanked Mr. D'Ascoli for his service to NYCEDC and The City of New York (the "City") and then summarized the backgrounds of Ms. Pak and Mr. Pineda.

A motion was made to elect each of Jeanny Pak and Francisco Pineda as an Executive Vice President of NYCEDC as of May 1, 2023. Such motion was seconded and unanimously approved. The position of each of Jeanny Pak and Francisco Pineda as an officer shall be conditioned upon the continuance of her or his employment by NYCEDC on and after May 1, 2023.

Ms. Anadu joined the meeting at this time.

5. Deed Modification for Flushing Commons – Phase 2

Christina Rausch, a Senior Vice President of NYCEDC, presented a proposal for NYCEDC (i) to enter into an amendment (the “Third Deed Modification”) to the deed (the “Deed”) for NYCEDC’s sale of Block 4978, Lot 25 on the Tax Map of the Borough of Queens for a two-phase development (the “Project”) of an approximately 211,000 square foot parcel in the heart of Flushing, Queens (the “Site”), which Deed was amended previously by two separate deed modifications, primarily to (a) modify the owner/developer for the portion of the Site on which Phase 2 of the Project will be developed, and (b) modify the deadline for commencement of construction for Phase 2A, which modification will automatically change the commencement date for Phase 2B and completion of construction dates for Phases 2A and 2B, and (ii) in connection with the developer’s obligation to convey a community facility condominium unit to the YMCA of Greater New York (“YMCA”) as part of the Project on the Site, to enter into a memorandum of understanding (“MOU”) or agreement pursuant to which YMCA may receive from NYCEDC \$500,000 of a \$1,000,000 Phase 2A one year construction commencement extension fee (the “Fee”) if paid to NYCEDC, all on substantially the terms set forth in Exhibit A hereto.

In answer to a question from Mr. Missry, Ms. Rausch stated that the rationale behind NYCEDC paying \$500,000 of the Fee to YMCA was that it would help offset the cost to YMCA of continuing to use its existing sub-optimal facility for longer than was anticipated due to the delayed construction commencement for the new unit. In answer to a question from Mr. Bliss, Ms. Rausch explained that the purpose of giving the developer 24 months to commence construction was to provide for additional time with the hope that capital markets would stabilize during that time, and that the additional one-year extension option was provided on the condition that such option could be exercised only if the developer was able to demonstrate its readiness to commence construction. She added that the developer was amenable to this arrangement, and that this Third Deed Modification would position the developer to be able to deliver the Phase 2 project.

At this time, Mr. Kimball explained that this was a complicated project and one that was challenging to get back on track, that the project involved a nearly 20-year commitment to get a new facility built for the YMCA, and that sharing the \$1 million Fee was a recognition of that history and of YMCA having to endure the delays and suffer the deferred maintenance for having to use its current facility for longer than anticipated.

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

6. Coney Island Amusements: City Thunderbolt Lease and Amendment to City Lease, Central Amusement International, Inc 7th Amendment to Lease, and Vodou Food Corp. (Denos) 2nd Amendment to Lease

Malia Teske, an Assistant Vice President of NYCEDC, presented a proposal for (i) New York City Land Development Corporation ("NYCLDC"), as tenant, to enter into a new Coney Island lease (the "New Thunderbolt Lease") with the City for certain property located at Block 7074, Lot 190 on the Tax Map of the Borough of Brooklyn (the "Thunderbolt Property"), which property is primarily used as the site of the Thunderbolt rollercoaster, (ii) NYCEDC to assume the interest of NYCLDC as tenant under the New Thunderbolt Lease, (iii) NYCEDC to enter into an amendment to (a) the lease with the City (the "City Lease") for certain property in Coney Island located at Block 7074, Lots 2, 370 and 450, and Block 8695, Lot 500 on the Tax Map of the Borough of Brooklyn (together, the "2019 Additional Premises"), (b) the lease with Central Amusement International, Inc. ("CAI") (the "CAI Lease") for certain property located at Block 8695, Lot 85; Block 8696, part of Lot 211; Block 8696, Lot 212; Block 7074, Lots 190 and 382 on the Tax Map of the Borough of Brooklyn, and the 2019 Additional Premises (together, the "CAI Leased Premises"), which CAI Leased Premises are primarily used as the site of Luna Park and for other amusement and entertainment operations, and (c) the lease with Vodou Food Corp. for certain property located at Block 8696, Lot 75, part of Lot 145, Lot 166 and part of Lot 210 on the Tax Map of the Borough of Brooklyn (the "Denos Lease"), which is for NYCEDC owned property and primarily used as a portion of the site of the Wonder Wheel and other amusement and entertainment operations, to extend the term of each of the City Lease, the CAI Lease and the Denos Lease, (iv) an agreement or MOU (the "Parks Agreement") with the New York City Department of Parks and Recreation ("City Parks") to provide for payments to City Parks in connection with the Denos Lease and (v) NYCEDC to enter into documents ancillary thereto, including documents related to the expenditure of funds that are in a fund (the "Coney Island Fund") that is maintained by NYCEDC and used at the direction of the City for the acquisition of additional parkland by the City and/or capital improvements to park and recreational facilities within the Coney Island area, all on substantially the terms set forth in Exhibit B hereto.

In answer to a question from Ms. Velez, Ms. Teske stated that the expectation was that NYCEDC would release a new request for proposals ("RFP") in 2037 for the Coney Island amusement area. She added that the 10-year term that was negotiated was more unique to this situation, rather than a term that NYCEDC would typically seek. In answer to a question from Mr. Clement, Ms. Teske stated that she would follow up to provide him with a figure for the net present value that NYCEDC expected to receive over the CAI lease term as a result of its revenue sharing. Ms. Teske then noted that

NYCEDC was excited to see the performance of the Coney Island amusements rebound in 2022.

At this time, Mr. Bliss commented that it would be interesting to hear NYCEDC's thoughts on marketing and driving traffic to Coney Island since NYCEDC shared in any increased revenue, and that it was great to see investments in Coney Island taking shape. Mr. Kimball then discussed the transformative effect that NYCEDC has had on Coney Island over the last 20 years and was continuing to have.

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

7. Report on Investments for the Three-Month Period Ended March 31, 2023

A report on NYCEDC's investments for the three-month period ended March 31, 2023 (Exhibit C hereto) was provided to the Board of Directors for informational purposes. There were no questions with regard to this report.

8. 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.

9. 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 9:38 a.m.

Assistant Secretary

Dated: _____
New York, New York

ATTACHMENT 1

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EXHIBIT A

DEED MODIFICATION FOR FLUSHING COMMONS-PHASE 2
Board of Directors Meeting
April 27, 2023

OVERVIEW: On February 6, 2013, NYCEDC's Board of Directors (the "Board") 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. On December 19, 2013, the Board approved a revised phasing plan. Terms for a further revised phasing plan and development timeline were approved by the Board on August 13, 2019. Thereafter, NYCEDC and the Developer entered into an amended and restated deed (the "First Deed Modification"). On September 28, 2021, the Board approved a further modification to project deadlines as a result of interruptions caused by the COVID-19 pandemic (the "Second Deed Modification," together with the First Deed Modification, the "Deed Modifications").

As part of the project on the Site (the "Project") 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 which requires the Developer to contribute \$25,000,000 to the construction cost of the unit. This requirement is to be further amended in connection with the proposed Third Deed Modification to require the Developer to spend approximately \$29,000,000 on construction of the unit. Due to market conditions impacting interest rates and construction costs, and due to restructuring of the Developer ownership, certain deadlines in the Deed Modifications must be revised, substantially as described below.

OWNER/

DEVELOPER: Flushing Commons Property Owner LLC, a partnership managed by a joint venture among affiliates of Rockefeller Group International, Inc., F&T Group, and AECOM Technology Corporation, developed Phase 1 of the Project. It is anticipated that the portion of the Site on which Phase 2 of the Project will be developed, will be sold to TDC FC2 LLC ("TDC"), which is controlled by an affiliate of F&T Group, with an affiliate of AECOM Technology Corporation retaining an interest in Phase 2B of the Project. TDC will become the Developer and will develop Phase 2 of the Project and for Phase 2 is successor to Flushing Commons Sponsor Phase II JV LLC, which is an affiliate of Flushing Commons Property Owner LLC. On execution of the currently proposed deed modification, it is anticipated that TDC will be the Project sponsor, and F&T Group will be the entity managing Developer.

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. Phase 1 has been delivered in accordance with the requirements of the original deed. Phase 2 is currently undeveloped pending approval of the revised delivery milestones to be specified in the Third Deed Modification. The proposed program for Phase 2 is unchanged from that previously approved, as outlined in the table below.

Phase 2A	Phase 2B
Two buildings that include: <ul style="list-style-type: none">• 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;• Not less than 27 parking spaces; and, Approximately one acre of open space	One building that includes: <ul style="list-style-type: none">• Not less than approximately 300,000 gsf of residential;• Not less than approximately 35,000 gsf of mixed-use commercial;• 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)

PROJECT

STATUS: The Developer completed Phase 1 in August 2017. At this time, the Developer's next obligation is to commence construction on Phase 2A.

MODIFICATIONS: As described above, the Owner/Developer for Phase 2B will be modified to TDC and it is anticipated that an affiliate of AECOM Technology Corporation will have an interest in Phase 2B of the Project. This modification will simplify the ownership structure of the Owner/Developer of the Site. In addition, NYCEDC proposes modifying the deadline for commencement of construction for Phase 2A, which modification will automatically change the commencement date for Phase 2B and completion of construction dates for Phases 2A and B.

There are no modifications to the Project program. In addition, payment guarantees of liquidated damages would remain.

The Project sequencing and extension terms would be modified substantially as described in the table below:

	Current Phase 2A Requirements	Current Phase 2B Requirements	Proposed Phase 2A	Proposed Phase 2B
Construction Commencement Date	June 1, 2022	June 1, 2023, which shall be extended on a day-for-day basis such that Phase 2B commencement shall be twelve months following any revised Phase 2A commencement date	24-months from time of deed modification execution, with payment of \$1,000,000 fee and \$2,250,000 letter of credit posted at time of deed modification execution	Unchanged, subject to changed date resulting from changed construction commencement date for Phase 2A
Construction Commencement Extension Option	One year extension option to June 1, 2023 upon posting \$2,250,000 letter of credit	Four years of extensions as follows: First year for \$500,000 fee; second year for \$750,000 fee; third year for \$1,250,000 fee; fourth year for \$1,500,000 letter of credit	One year extension option for \$1,000,000 fee. \$500,000 of this fee shall be shared with YMCA if YMCA is expected to be the community facility user at the time the option extension is exercised. Additionally Owner is obligated to increase letter of credit by \$750,000 to \$3,000,000 total. Conditions evidencing readiness to	Unchanged

			commence are a prerequisite of this extension option	
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	Unchanged	Unchanged
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	Unchanged	Unchanged

Additionally, in the event that the YMCA is unable to proceed with the acquisition of the community facility condominium unit, NYCEDC shall have an option to either (i) agree that the community facility unit can be conveyed to another user (acceptable to NYCEDC and the Developer) for community facility use (and conveyed to NYCEDC at no acquisition cost if no third party user is selected and approved) or (2) receive a payment of \$27,000,000 (instead of \$25,000,000 as was anticipated at the time of the Second Deed Modification). As in the Second Deed Modification, either option (to either take ownership of the unit or receive a payment) would require additional approval from the Board.

The payment to the YMCA of 50% of the \$1,000,000 option fee for the extension of the commencement date for Phase 2A is to help offset the impacts to the YMCA from the delay in construction commencement of its unit, including potential monetary impacts from the YMCA having to continue to use its existing old suboptimal facility for longer than originally anticipated. This would help enable the YMCA to continue being involved with the Project. If the YMCA were to exit the project, it would risk delay in the delivery of the community facility unit and uncertainty as to the nature of the community facility.

PROPOSED

RESOLUTION: Approval for NYCEDC to enter into (i) a deed amendment reflecting the terms of the transaction modified substantially as described above and (ii) an MOU or agreement pursuant to which YMCA may receive from NYCEDC

\$500,000 of a \$1,000,000 Phase 2A construction commencement extension fee paid to NYCEDC substantially as described above

**NYCEDC
PROJECT
CODE:**

3017

STAFF:

Hester Muis, Executive Vice President, Real Estate Transaction Services
Christina Rausch, Senior Vice President, Real Estate Transaction Services
Gabriel Seidel, Assistant Vice President, Real Estate Transaction Services
Solveig Entwistle, Associate, Real Estate Transaction Services
Tiffany Lacker, Senior Counsel, Legal

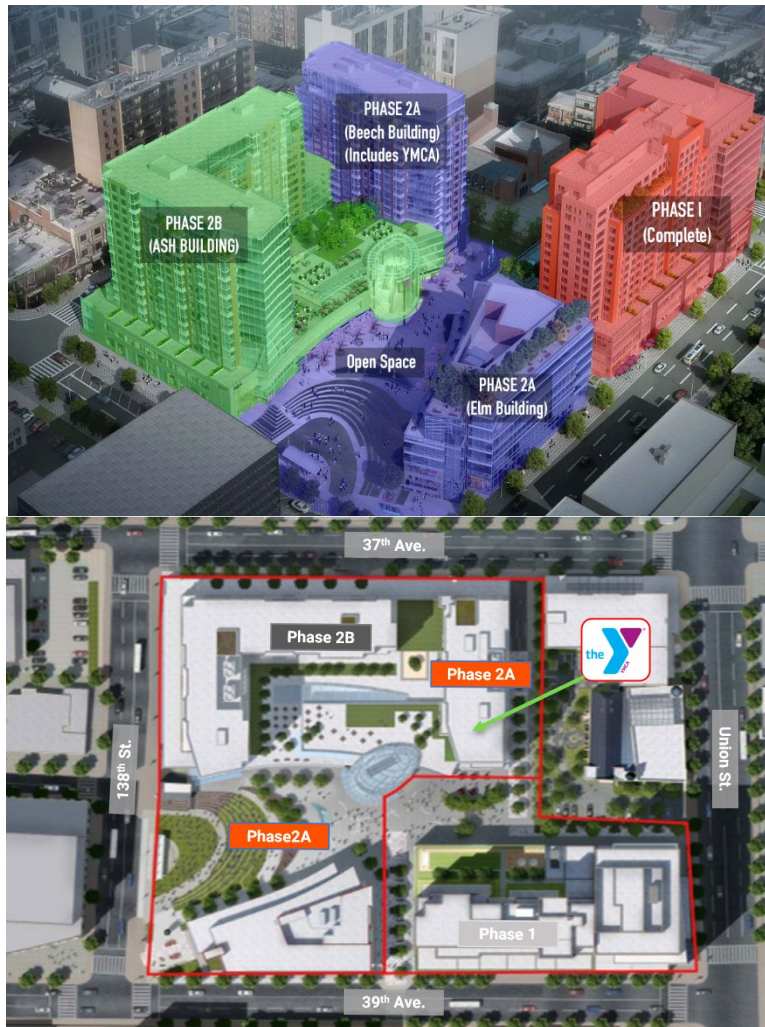


EXHIBIT B

**CONEY ISLAND AMUSEMENTS:
CITY THUNDERBOLT LEASE AND AMENDMENT TO CITY LEASE,
CENTRAL AMUSEMENT INTERNATIONAL, INC 7th AMENDMENT TO LEASE
and
VODOU FOOD CORP. (DENOS) 2nd AMENDMENT TO LEASE**

**Board of Directors Meeting
April 27, 2023**

**PROJECT
OVERVIEW:**

NYCEDC currently leases certain properties in Coney Island. They are:

- a lease (the “Current Thunderbolt Lease”) with the City for property in Coney Island that is primarily used as the site of the Thunderbolt rollercoaster, the term of which lease ends on December 31, 2027
- a lease (“*City Lease*”) with the City, dated as of April 30, 2021, for certain property in Coney Island
- a lease (the “*CAI Lease*”) with Central Amusement International, Inc. (“*CAI*”), which includes property covered by the City Lease and Current Thunderbolt Lease and NYCEDC owned property and is primarily used as the site of Luna Park and for other amusement and entertainment operations
- a lease (the “*Denos Lease*”) with Vodou Food Corp. (“*Denos*”), which is for NYCEDC owned property and is primarily used as a portion of the site of the Wonder Wheel and other amusement and entertainment operations

NYCEDC proposes to:

- enter into a new lease with the City for the Thunderbolt site (the “*NewThunderbolt Lease*”) for a ten year period from January 1, 2028 through December 31, 2037 (the “*Extension Term*”)
- extend the term of the City Lease for the Extension Term
- extend the term of the CAI Lease for the Extension Term
- extend the term of the Denos Lease for the Extension Term
- enter into an agreement or MOU with City Parks to provide for payments to City Parks in connection with the Denos Lease

Amusement parks experienced prolonged State and City mandated closures and faced disproportionate impacts from the COVID-19 pandemic. CAI and Denos chose to continue investing in the Coney Island amusement district with the construction of new amusement rides and other entertainment options during the shutdown. The entrance into the New Thunderbolt Lease and the extension of the term of the CAI and Denos Leases will allow CAI and Denos to recoup significant losses that occurred during the pandemic and continue to invest in their leaseholds.

The terms of the proposed lease, amendments, and agreement/MOU with City Parks will be substantially as indicated below.

NEW THUNDERBOLT LEASE

Lessor: The City

Lessee: NYCLDC

Assignee: NYCEDC

Property: Block 7074, Lot 190 on the Tax Map of the Borough of Brooklyn (the “*Thunderbolt Property*”) See Exhibit A

Lease Term: Ten years, from January 1, 2028 to December 31, 2037.

Rent: 50% of all revenues received by NYCEDC from the tenant’s operation of the Thunderbolt Property.

Uses: Amusement uses and other uses consistent with the Special Coney Island District in the Zoning Resolution of The City of New York

The City currently leases the Thunderbolt Property to NYCEDC through the Current Thunderbolt Lease for an annual rent of \$1. To permit CAI to operate the Thunderbolt for the Extension Term, the City proposes to enter into the New Thunderbolt Lease with NYCLDC. NYCLDC will assign its interest in the New Thunderbolt Lease to NYCEDC for nominal consideration and NYCEDC will assume the New Thunderbolt Lease, which shall be merged into the Current Thunderbolt Lease.

AMENDMENT TO CITY LEASE

Lessor: The City

Lessee: NYCEDC

Property: Block 7074, Lot 2; Block 7074, Lot 370; Block 7074, Lot 450; and Block 8695, Lot 500 on the Tax Map of the Borough of Brooklyn (together, the “*2019 Additional Premises*”)

Lease Term: The City Lease term shall be extended by ten years and shall expire on December 31, 2037.

Rent: Effective May 1, 2019, 50% of all revenues received by NYCEDC from the tenant’s operation of the CAI Leased Premises (defined below); except that revenues paid with respect to the Thunderbolt Property need only be paid either under the Current Thunderbolt Lease or the

City Lease. All of the rent payable to the City under this lease and the Current Thunderbolt Lease, shall be paid into a fund (the “Coney Island Fund”) maintained by NYCEDC and used at the direction of the City for the acquisition of additional parkland by the City and/or capital improvements to park and recreational facilities, within the Coney Island area.

The City entered into the City Lease on April 30, 2021 for a term expiring on December 31, 2027, for further sublease to CAI pursuant to the CAI Lease. NYCEDC proposes to enter into this amendment to the City Lease to extend the term for the Extension Term, in order to effectuate an extension of the term of the CAI Lease for the Extension Term.

AMENDMENT TO CAI LEASE

Lessor: NYCEDC

Lessee: CAI

Property: Block 8695, Lot 85; Block 8696 p/o 211; Block 8696, Lot 212; Block 7074, Lot 190; Block 7074, Lot 382 on the Tax Map of the Borough of Brooklyn, and the following properties referred to as the 2019 Additional Premises: Block 7074, Lot 2; Block 7074, Lot 370; Block 7074, Lot 450; and Block 8695, Lot 500 on the Tax Map of the Borough of Brooklyn (together, the “*CAI Leased Premises*”) See Exhibit A.

Use: Amusement uses and other uses consistent with the Special Coney Island District in the Zoning Resolution of The City of New York

Lease Term: The CAI Lease term shall be extended by ten years and will expire on December 31, 2037.

Base Rent: Base Rent commencing January 1, 2028 will be \$216,291 for the first year, a five percent (5%) increase from annual Base Rent for 2027, and will thereafter increase by two percent (2%) in each following year.

Percentage Rent: Effective January 1, 2023 Percentage Rent for the property leased under the CAI Lease excluding the 2019 Additional Premises for the period through December 2027 will be changed by the amendment. These new percentages and the Percentage Rent for such property for the Extension Period take into account CAI’s assumption of the obligation to pay all real estate taxes for a portion of the CAI Leased Premises owned by NYCEDC for which CAI formerly did not pay full real estate taxes.

Percentage Rent for the period from January 1, 2023 through December 2027, excluding the 2019 Additional Premises, will be:

- 5% of Gross Receipts from \$2,000,000 - \$5,000,000 annually (No Change);
- 7% of Gross Receipts from \$5,000,000 - \$7,000,000 annually (No Change);
- 8% of Gross Receipts over \$7,000,000 from January 1, 2023 to December 31, 2023 (Previously, 11.5% of Gross Receipts);
- 8.5% Gross Receipts over \$7,000,000 from January 1, 2024 to December 31, 2024 (Previously, 12% of Gross Receipts);
- 9% of Gross Receipts over \$7,000,000 from January 1, 2025 to December 31, 2025 (Previously, 12.5% of Gross Receipts);
- 9.5% of Gross Receipts over \$7,000,000 from January 1, 2026 to December 31, 2026 (Previously, 13% of Gross Receipts);
- 10% of Gross Receipts over \$7,000,000 from January 1, 2027 to December 31, 2027 (Previously, 13% of Gross Receipts);

With respect to the property leased under the CAI Lease excluding the 2019 Additional Premises, Percentage Rent for the Extension Term will be:

- 5% of Gross Receipts from \$2,000,000 - \$5,000,000 annually;
- 7% of Gross Receipts from \$5,000,000 - \$7,000,000 annually;
- 10% of Gross Receipts over \$7,000,000 annually from January 1, 2028 to December 31, 2032;
- 11% of Gross Receipts over \$7,000,000 annually from January 1, 2033 to December 31, 2037.

With respect to the 2019 Additional Premises, Percentage Rent for the period through December 2027 is unchanged and will remain in effect throughout the Extension Term:

- Site B (Block 7074, Lot 2): 6% of Gross Receipts over \$1,000,000 annually;
- Site C (Block 7074, Lot 370): 6% of Gross Receipts over \$200,000 annually;
- Site D (Block 7074, Lot 450): 6% of Gross Receipts over \$300,000 annually;
- Site E (Block 8695, Lot 500): 5% of Gross Receipts over \$120,000 annually;

**Appraised
Value:**

An independent appraisal of the property leased under the CAI Lease performed in June 2022 indicates that fair market rental value for the property for highest and best use given legally required use restrictions would be \$1,400,000 in the initial year of the Extension Term with 3% increases annually. Although the Base Rent in the Extension Term will

be less than the appraisal, it is anticipated that CAI will pay at least the appraised value in aggregate annual Base Rent and Percentage Rent for the property.

Real Estate

Taxes: Commencing on the execution of the amendment to the CAI Lease, CAI will pay an increased amount in respect of real estate taxes. CAI will make payments of real estate taxes payable with respect to the NYCEDC – owned property in an amount equal to the real estate taxes payable by NYCEDC and will make payments in lieu of real estate taxes with respect to the City-owned property in the amount of real estate taxes that would be payable with regard to such property but for City ownership.

AMENDMENT TO DENOS LEASE

Lessor: NYCEDC

Lessee: Denos

Premises: Block 8696, Lot 75; Block 8696, p/o Lot 145; Block 8696, Lot 166; Block 8696, p/o Lot 210 on the Tax Map of the Borough of Brooklyn. See Exhibit A.

Uses: Permitted uses will be amusement uses consistent with the Special Coney Island District in the Zoning Resolution of The City of New York instead of just amusement uses.

Lease Term: The Denos Lease term shall be extended by ten years and shall expire on December 31, 2037.

Base Rent: Base Rent commencing January 1, 2028 will then be equal to the fair market rental value of the property, as determined by an independent appraisal for the first year. Thereafter Base Rent will increase by 2% annually.

Appraised Value: An independent appraisal of the property leased under the Denos Lease will be performed in 2027 to determine the fair market rental value for highest and best use given legally required use restrictions.

Real Estate

Taxes: Denos shall continue to make payments to the City of real estate taxes with respect to the property leased under the Denos Lease. Once title to the property is transferred from NYCEDC to the City, Denos will make payments in lieu of real estate taxes equal to the amount of real estate taxes that would be payable with regard to the property but for City ownership.

CITY PARKS AGREEMENT/MOU

NYCEDC shall enter into an agreement or MOU with City Parks with regard to the share of revenues received by NYCEDC under the CAI Lease and the Denos Lease. The agreement with regard to revenues under the CAI Lease will be set forth in the City Lease. However, since the property leased under the Denos lease is an asset of NYCEDC, there is no lease between the City and NYCEDC relating to this property. Accordingly, this City Parks-NYCEDC agreement or MOU will provide that effective May 1, 2019, 50% of all revenues received by NYCEDC from the tenant's operation of the property leased under the Denos Lease will be paid to the City. All of the revenues payable to the City in connection with both the CAI Lease and the Denos Lease shall be paid into the Coney Island Fund maintained by NYCEDC and used at the direction of the City for the acquisition of additional parkland by the City and/or capital improvements to park and recreational facilities within the Coney Island area.

BOARDWALK SUBLEASES

EXTENSIONS: At the same time as NYCEDC extends the term of the CAI Lease for the Extension Term, CAI will extend its subleases with certain of its subtenants on the Riegelmann Boardwalk. This extension will allow these small business subtenants operating on the Riegelmann Boardwalk to recoup severe financial losses experienced during the pandemic. This extension will also facilitate a favorable rent restructure for the subtenants with their landlord CAI and allow for additional financing for long-term and continued investment.

PUBLIC

APPROVALS: The December 27, 2021 Third Amendment to Agreement for Special Process for New York City Council Review and Approval of Coney Island Amusement Park Project Plan, approved by the City Council and Mayor de Blasio, encouraged NYCEDC to use its reasonable efforts to cause the expiration date of the CAI Lease and the Denos Lease to be extended to not later than December 31, 2037. The City will only enter into the New Thunderbolt Lease and amendment of City Lease to enable the amendment to CAI Lease and amendment to Denos Lease.

On October 6, 2022, the Brooklyn Borough Board voted to approve the disposition by lease of the Thunderbolt Property to NYCLDC pursuant to Section 384(b)(4) of the New York City Charter.

PROPOSED

RESOLUTION: The approval of (i) NYCLDC, as tenant, entering into the New Thunderbolt Lease, (ii) NYCEDC assuming the interest of NYCLDC as tenant under the New Thunderbolt Lease, (iii) NYCEDC entering into

an amendment of (a) the City Lease, (b) the CAI Lease and (c) the Denos Lease, (iv) an agreement or MOU with City Parks and (v) NYCEDC entering into documents ancillary thereto, including documents related to the expenditure of funds in the Coney Island Fund, on substantially the above described terms.

**NYCEDC
PROJECT
CODE:**

6698

STAFF:

Malia Teske, Assistant Vice President, Asset Management
Sean Freas, Vice President, Asset Management
Sabrina Lippman, Senior Vice President, Asset Management
Karen Lapidus, Senior Counsel, Legal

Exhibit A



EXHIBIT C

REPORT ON INVESTMENTS

New York City Economic Development Corporation

Three Month Period Ended March 31, 2023

New York City Economic Development Corporation Schedule of Investments

1st Quarter

Investment Type	Total Value 6/30/22	Purchases	Maturities	1st Quarter Interest Received	Net Transfers Out	Unrealized Gain/Loss	Total Value 9/30/22	Weighted Avg. Yield
US Gov't Agencies	123,325,626	31,990,832	(17,980,000)	(239,006)	-	(1,332,604)	135,785,942	1.31%
Certificates of Deposit	201,297	-	-	-	-	-	201,297	0.05%
Commercial Paper	32,426,761	4,899,167	-	-	-	188,649	37,514,577	1.22%
Cash Equivalents/MMF	594,731	15,533,276	-	-	-	-	16,128,008	
Grand Total	156,548,416	52,423,275	(17,980,000)	(239,006)	-	(1,143,954)	189,629,824	1.18%

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

2nd Quarter

Investment Type	Total Value 9/30/22	Purchases	Maturities	2nd Quarter Interest Received	Net Transfers Out	Unrealized Gain/Loss	Total Value 12/31/22	Weighted Avg. Yield
US Gov't Agencies	135,785,942	27,740,076	(12,050,000)	(383,614)	-	1,087,726	152,180,130	1.90%
Certificates of Deposit	201,297	-	-	-	-	-	201,297	0.05%
Commercial Paper	37,514,577	22,015,491	(27,850,000)	-	-	353,207	32,033,275	2.63%
Cash Equivalents/MMF	16,128,008	-	(9,375,162)	-	-	-	6,752,846	
Grand Total	189,629,824	49,755,567	(49,275,162)	(383,614)	-	1,440,933	191,167,548	1.96%

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

3rd Quarter

Investment Type	Total Value 12/31/22	Purchases	Maturities	3rd Quarter Interest Received	Net Transfers Out	Unrealized Gain/Loss	Total Value 3/31/23	Weighted Avg. Yield
US Gov't Agencies	152,180,130	13,068,285	(9,000,000)	(823,241)	-	2,056,992	157,482,167	2.05%
Certificates of Deposit	201,297	-	-	-	-	1,906	203,203	0.05%
Commercial Paper	32,033,275	-	(5,000,000)	-	-	389,230	27,422,505	4.24%
Cash Equivalents/MMF	6,752,846	1,960,693	(177,861)	-	-	-	8,535,677	
Grand Total	191,167,548	15,028,978	(14,177,861)	(823,241)	-	2,448,128	193,643,552	2.27%

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 March 31, 2023 are recorded at fair value and the portfolio consists of the following securities with maturities of seven (7) years or less:

<u>INVESTMENT TYPE</u>	<u>TOTAL VALUE</u>	<u>%</u>	<u>MAXIMUM ALLOCATION PER POLICY</u>
FFCB	42,558,080	21.98%	
FHLB	107,698,836	55.59%	
FHLMC	7,225,251	3.73%	
US Gov Agencies Sub-Total	157,482,167	81.30%	100%
Commercial Paper	27,422,505	14.19%	25%
Certificates of Deposit	203,203	0.10%	20%
Cash Equivalent/MMF	8,535,677	4.41%	
Grand Investments Total	193,643,522	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 March 31, 2023, the Corporation's investments in Federal Farm Credit Bank (FFCB), Federal Home Loan Bank (FHLB) 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 March 31, 2023, NYCEDC was not subject to custodial credit risk.



June 13, 2023

To the Members of the Board:

It's only been a month and a half since we last met, but as always, it's been a busy, productive time for all of us at EDC. We've continued to advance the city's economic recovery across all five boroughs through exciting projects and initiatives. Here, I'm pleased to share some recent highlights.

Strengthening Business Confidence in NYC

- In a big step toward revitalizing the city's business districts, I joined Mayor Adams, Deputy Mayor Torres-Springer, and EDC's COO Melissa Román Burch to announce the launch of the Manhattan Commercial Revitalization program (M-CORE), an NYCIDA program to provide tax incentives for building owners to decrease vacancy and attract world-class tenants. The program is expected to transform up to 10 million square feet of Manhattan commercial office space, generate around \$2.3 billion in construction & employment activity, increase City tax revenues, and boost street activity. This program will help foster vibrant 24/7 commercial districts—a key recommendation from the “New” New York panel's *Making New York Work for Everyone* plan.
- In a move that will boost the city's tourism industry and create good jobs, MSC Cruises—the world's third largest and fastest-growing cruise line—arrived in New York City with the *MSC Meraviglia* docking at the Brooklyn Cruise Terminal. The ship will now be sailing from NYC to New England, Canada, Florida, The Bahamas, and Bermuda. Itineraries will be available year-round, delivering an economic boost to the metro area, including up to 10,000 full time-equivalent jobs, more than 200,000 domestic and international visitors to the city each year, and over \$100 million in tourism spending.

Building Neighborhoods Where People Live, Learn, Work, and Play

- Last month at Broadway Junction, I was thrilled to join Mayor Adams and Deputy Mayor Torres-Springer to announce a \$500 million investment around the Broadway Junction station complex that will make the station a true regional transit center, drive accessibility upgrades, deliver vibrant public space, improve quality of life, create family-sustaining jobs, and unlock inclusive economic growth. These investments are expected to drive over \$11.6 billion in economic impact over the next 30 years; generate over 2,300 construction jobs citywide; and add more than 2,000 new homes, as well as 500,000 square feet of new commercial space.
- In huge news for Hunts Point, EDC received official notice of a \$14 million FEMA grant to implement flood-proofing measures at the Hunts Point Food Distribution Center. This funding will go toward measures including floodgates, flood-resistant glass, and new electrical infrastructure, which will safeguard these facilities from future storms and help bolster the resilience of NYC's food supply. Additionally, the State's FY24 budget announced in May included \$130 million in funding toward a new environmentally sustainable Hunt's Point Food Distribution Center. The State's contribution matches that of the City and, when combined with the Federal grant of \$110 million, brings total public support for this new 1 million-square-foot building to \$470 million. The balance of the \$650 million project will be financed privately.

Growing Innovation Sectors, Focusing on Equity

- In the Bronx, I joined Deputy Mayor Torres-Springer and Council Member Farías to announce the expansion of BioBus into additional underrepresented Bronx communities. BioBus, a nonprofit organization known for its state-of-the-art mobile labs, provides students of all ages with free educational programming and training to prepare for STEM careers. Through LifeSci NYC, the mobile lab will develop new partnerships with schools in neighborhoods from Morris Park to Hunts Point—making careers in STEM more accessible to young people and providing students an opportunity to explore the world around them through the lens of science.
- Continuing EDC’s investments in the city’s equitable green economy, we announced the selection of BOC Capital as the training operator for ConstructNYC, our capacity-building program for M/WBE contractors. The program will encompass new training, certification, and project opportunities in the green economy and forge a partnership with the Department of Citywide Administrative Services to tap into their \$4 billion green retrofit capital project pipeline.

Delivering Sustainable Infrastructure

- Exciting news from Brooklyn, with itselectric, an electric vehicle curbside charging company based in the borough, unveiling three EV curbside-charging stations at Brooklyn Army Terminal. The chargers will be the first compact, durable, and user-friendly charging posts in North America featuring a fully detachable charging cord—making it suitable and ideal for urban city use. This pilot will see six charging posts deployed across Brooklyn Army Terminal and Steiner Studios starting in spring 2023.
- Earlier this month, the City celebrated the opening of the northern section of the new Stuyvesant Cove Park on Manhattan’s East Side, which will be operated by EDC. The ~1,400-foot-long park has been rebuilt with new planting and seating areas, paths and railings, as well as a floodwall and flood gates—helping the City respond to the threat of storms and rising seas.

As always, I’ve been proud of the work EDCers have done this spring to help deliver a vibrant, inclusive, and globally competitive economy for all New Yorkers. Should you have any questions about EDC’s projects, programs, or efforts, please do not hesitate to contact me or the team.

Sincerely,



Andrew Kimball

President & CEO

New York City Economic Development Corporation

BUDGET INFORMATION
Board of Directors Meeting
June 13, 2023

SUBJECT: The approval and submission of budget information about NYCEDC

PROPOSED RESOLUTION: To approve budget information about NYCEDC in the form attached hereto as Attachment A

BACKGROUND: The Public Authorities Accountability Act of 2005 (the "Act") as amended requires NYCEDC to submit to the Mayor, the City's Comptroller, the City Council Speaker and New York State's Authorities Budget Office ("ABO"), budget information on operations and capital construction setting forth the estimated receipts and expenditures for the next fiscal year and the current fiscal year, and the actual receipts and expenditures for the last completed fiscal year. ABO has designated the form in which the budget information is to be submitted and such form requires the inclusion of estimated information for additional years. The submission is for information purposes and the submission must be in the form submitted to NYCEDC's Directors.

Attached hereto is Attachment A, which sets forth the budget information in the form in which it will be submitted pursuant to the Act. Attached hereto as Attachment B is a copy of NYCEDC's budget information set forth in its standard format.

STAFF: Jeanny Pak, Chief Financial Officer
Spencer Hobson, Executive Vice President and Treasurer
Bryan Schwartz, Vice President

ATTACHMENT A

**NYC ECONOMIC DEVELOPMENT CORPORATION
BUDGETED REVENUES, EXPENDITURES, AND CHANGES IN CURRENT NET ASSETS**

	Last Year (Actual) 2022	Current Year (Estimated) 2023	Next Year (Adopted) 2024	Proposed 2025	Proposed 2026	Proposed 2027
<u>REVENUE & FINANCIAL SOURCES</u>						
Operating Revenues						
Charges for services	10,324,352	12,174,526	12,683,647	12,688,781	12,694,070	12,699,517
Rental & financing income	180,830,882	253,638,585	264,408,034	252,408,034	248,408,034	248,408,034
Other operating revenues	89,300,850	37,700,000	57,654,647	49,925,899	50,759,982	31,608,220
Nonoperating Revenues						
Investment earnings	(3,829,438)	8,500,000	7,158,948	7,230,538	7,302,843	7,375,871
Municipal subsidies/grants	886,927,485	664,700,000	682,660,000	710,246,600	735,658,598	758,152,956
Total Revenues & Financing Sources	1,163,554,131	976,713,111	1,024,565,275	1,032,499,852	1,054,823,526	1,058,244,598
<u>EXPENDITURES</u>						
Operating Expenditures						
Salaries and wages	67,907,589	73,400,567	82,048,889	84,510,356	87,045,666	89,657,036
Professional services contracts	969,310,447	790,409,551	867,501,449	873,632,240	897,170,192	921,816,466
Other operating expenditures	50,959,106	74,445,440	74,519,302	69,683,400	84,297,263	70,756,757
Total Expenditures	1,088,177,142	938,255,558	1,024,069,640	1,027,825,995	1,068,513,121	1,082,230,260
Change In Net Assets Before Capital Contributions	75,376,989	38,457,553	495,635	4,673,856	(13,689,594)	(23,985,662)
Capital Contributions	-	-	-	-	-	-
Excess (deficiency) of revenues and capital contributions over expenditures	75,376,989	38,457,553	495,635	4,673,856	(13,689,594)	(23,985,662)

ATTACHMENT B

**NYC ECONOMIC DEVELOPMENT CORPORATION
FISCAL YEAR 2024 BUDGET**

	Actual FY 2022	Adopted FY 2023 Budget	Est. Year-End FY 2023	Projected FY 2024 Budget	Projected FY 2025 Budget	Projected FY 2026 Budget	Projected FY 2027 Budget
Revenues:							
Real Estate Sales, net	\$ -	\$ 25,000,000	\$ -	\$ 22,950,000	\$ 20,000,000	\$ 20,000,000	\$ -
Property rentals and lease revenue	180,830,882	235,000,000	253,638,585	264,408,034	252,408,034	248,408,034	248,408,034
Grants from City, State, Federal, Private	886,927,485	674,700,000	664,700,000	682,660,000	710,246,600	735,658,598	758,152,956
Fee Income	10,324,352	6,936,000	12,174,526	12,683,647	12,688,781	12,694,070	12,699,517
Other Income	89,300,850	38,000,000	37,700,000	34,704,647	29,925,899	30,759,982	31,608,220
Total Operating Revenues	\$ 1,167,383,569	\$ 979,636,000	\$ 968,213,111	\$ 1,017,406,327	\$ 1,025,269,314	\$ 1,047,520,683	\$ 1,050,868,726
Expenses:							
Project Costs	\$ 164,825,127	\$ 106,400,000	\$ 106,400,000	\$ 109,613,841	\$ 104,006,938	\$ 106,888,215	\$ 109,845,063
Program Costs	670,530,661	535,700,000	535,700,000	560,470,000	577,275,100	594,584,353	612,412,884
Property Rentals & Related Operating Expenses	133,954,659	181,300,000	148,309,551	197,417,608	192,350,201	195,697,624	199,558,520
Personnel Services	67,907,589	78,710,000	73,400,567	82,048,889	84,510,356	87,045,666	89,657,036
Office Rent	-	11,707,773	11,845,975	11,950,621	12,808,176	12,979,959	12,984,111
Contract and other expenses to the City	26,922,623	28,000,000	28,000,000	28,554,508	23,405,331	37,405,331	23,405,331
Interest expense - leases	4,232,632	-	-	-	-	-	-
Depreciation and amortization	30,300,725	-	-	-	-	-	-
Other general expenses	24,036,483	34,326,000	34,599,465	34,014,173	33,469,893	33,911,973	34,367,315
Total Operating Expenses	\$ 1,122,710,499	\$ 976,143,773	\$ 938,255,558	\$ 1,024,069,640	\$ 1,027,825,995	\$ 1,068,513,121	\$ 1,082,230,260
Operating Income	\$ 44,673,070	\$ 3,492,227	\$ 29,957,553	\$ (6,663,313)	\$ (2,556,681)	\$ (20,992,437)	\$ (31,361,533)
Non-Operating Revenues (Expenses):							
Income from Investments	\$ (1,855,447)	\$ -	\$ 8,500,000	\$ 7,158,948	\$ 7,230,538	\$ 7,302,843	\$ 7,375,871
Non-Operating Income (Expense)	(1,973,991)	-	-	-	-	-	-
Interest revenue - leases	54,857,832	-	-	-	-	-	-
Total Non-Operating Revenues (Expenses)	\$ 51,028,394	\$ -	\$ 8,500,000	\$ 7,158,948	\$ 7,230,538	\$ 7,302,843	\$ 7,375,871
Change In Net Assets Before Capital Contributions	\$ 95,701,464	\$ 3,492,227	\$ 38,457,553	\$ 495,635	\$ 4,673,856	\$ (13,689,594)	\$ (23,985,662)
Total net position, beginning of year	\$ 546,464,176	\$ 587,402,497	\$ 642,165,640	\$ 680,623,193	\$ 681,118,828	\$ 685,792,684	\$ 672,103,090
Total net position, end of year	\$ 642,165,640	\$ 590,894,724	\$ 680,623,193	\$ 681,118,828	\$ 685,792,684	\$ 672,103,090	\$ 648,117,428

NYCEDC IMPACT INVESTING PROGRAM
Board of Directors Meeting
June 13, 2023

Project Description: The New York City Economic Development Corporation Impact Investing Program (the “Program”) is designed to contribute to NYCEDC’s bottom-line and overall impact as an organization through a portfolio of impact investments. The Program will invest in funds managed by external fund managers that align with the financial and impact goals of the Program described herein. Once operational, the Program is expected to generate distributions to NYCEDC, which will be used to fund core economic development programs.

Procurement Method: The investment managers will be selected through a publicly advertised Request for Applications, using the competitive sealed proposals method of procurement in NYCEDC’s annual contracts with the City. Applications may be submitted through an online portal, which is anticipated to remain open for approximately 18 months post-launch. Applications submitted by investment fund managers (each, an “Applicant”), which will be for a specific fund investment opportunity (each, an “Investment Fund”), will be reviewed through an internal Investment Committee (the “IC”) and will then be brought to the Executive Committee of the NYCEDC Board of Directors for ultimate approval. The approval process is described in more detail in the “Background and Program” section below.

Amount to be Approved: Up to \$40,000,000 to be provided by NYCEDC to fund investments and related costs (the “Project Funds”), subject to Executive Committee approval of funding for each investment in an Investment Fund.

Source of Funds to NYCEDC: Funds derived from repaid Urban Development Action Grant (“UDAG”) program loans

Proposed Resolution: To authorize the President and any empowered officer, on behalf of NYCEDC, to:

- Undertake the Program, including the issuance of a Request for Applications, as substantially described in the “Background and Program” section of this memorandum, including the selection criteria and evaluation and approval processes.
- Request Executive Committee approval of funding for each investment in an Investment Fund.

Background and Program:

Impact investing, a growing and diversified field within the asset management industry, aims to make investments that generate positive, measurable social and environmental impact alongside a financial return.

Over the past year, NYCEDC has conducted an extensive analysis of the impact investing industry to assess whether an impact investing program could provide

additional, diversified, and regular revenue streams to the organization, while providing pathways for generating greater social and environmental impact.

Informed by this research, NYCEDC has developed a plan to launch an impact investing program (the Program) that will invest with external fund managers. To launch the Program, NYCEDC will release a Request for Applications to publicize the availability of monies and solicit responses from external fund managers. An internal investment team will assess applicants on a rolling basis and conduct all appropriate due diligence on each potential investment opportunity. The internal investment team may consider augmenting its capabilities with an external consultant. Each Application will be evaluated in accordance with the process described below. Final approval of an Application will require authorization from the Executive Committee of the NYCEDC Board of Directors.

The Program will follow the structure and selection criteria substantially as described below:

Program Targets

- Program financial target: Annual return target of 9%, net of fees
 - Targeting a mix of investments in debt and equity funds to balance risk, return and liquidity
- Program impact target: The selection criteria used to select potential investments will include impact criteria

Selection Criteria (Investment-level):

- Applicant and Investment Fund criteria:
 - New York City connection: at least one of the following must be true at the time of investment: a) the Applicant must be headquartered in the City, and at least 25% of the Applicant's employees must be based in the City or b) the Fund will commit to investing three times NYCEDC's invested capital in NYC-based companies
 - Track record: The Applicant should not be a first-time fund manager and must have a track record of past financial success and evidence of on-going financial viability. (NYCEDC can make exceptions for first-time fund manager Applicants that have demonstrated financial success outside of a traditional fund structure, e.g., one-off special purpose vehicle entities.)
 - Negative screen: The Investment Fund must not invest in any sectors and industries identified by NYCEDC staff and approved by the IC as not promoting socially responsible investment objectives (e.g., firearms, fossil fuels, private prisons)
 - Private investments: The Investment Fund must invest in only private debt and private equity deals.
- Financial criteria:
 - Returns (minimum): The Investment Fund must project greater than 10% annually (net of fees) for equity fund managers and greater than 4% annually (net of fees) for debt fund managers

- Scale: The Investment Fund must accept an NYCEDC investment of between \$1,000,000 and \$7,000,000. Additionally, NYCEDC's capital cannot constitute more than 20% of the capital in any given fund.
- Liquidity: Preference for closed-end funds with 5-10 year terms
- **Impact criteria (at least one):**
 - Diverse entrepreneurship: The Applicant must demonstrate an investment strategy for the Investment Fund that is focused on investing in underrepresented founders
 - Emerging sectors: The Applicant must demonstrate an investment strategy for the Investment Fund that is focused on NYCEDC's priority emerging sectors, including but not limited to life sciences, technology (with a focus on artificial intelligence, machine learning, blockchain, cybersecurity, and/or fin tech), and/or green economy
 - Community development: The Applicant must demonstrate an investment strategy for the Investment Fund that is focused on strengthening underserved communities and promoting economic mobility

Evaluation and Approval Process:

- All applications will be initially evaluated by an internal investment team made up of members from the Strategic Investments Group
- Investment team will present promising investment opportunities to the IC
 - IC will oversee the Program and approve bringing investments to the NYCEDC Executive Committee
 - IC will consist of the NYCEDC President, Chief Operating Officer, Chief Financial Officer, and General Counsel (or their designees)
- Applications approved by the IC will be presented by the investment team to the NYCEDC Executive Committee for final approval

Reporting:

- Investment team will generate bi-annual reports to track progress, which will be shared electronically with the Board of Directors

Relevant Staff: Brinda Ganguly, Executive Vice President, Strategic Investments Group
 Shawn Shafiei, Vice President, Strategic Investments Group
 Audrey Ellen, Assistant Vice President, Strategic Investments Group
 Matthew Smith, Senior Associate, Strategic Investments Group
 Eduardo Fernandez, Associate, Strategic Investments Group

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