



MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
OF  
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION  
June 13, 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 Tuesday, June 13, 2023, in Conference Center A/B, on the 14<sup>th</sup> Floor at the offices of NYCEDC at One Liberty Plaza, New York, New York.

The following Directors of NYCEDC were present:

Shirley Aldebol (by Zoom)  
Margaret Anadu  
Nathan Bliss (as alternate for Maria Torres-Springer)  
Paula Roy Carethers  
Eric Clement  
Costa Constantinides (by Zoom)  
Hector Cordero-Guzmán (by Zoom)  
Mitchell Draizin (by Zoom)  
William Floyd (by Zoom)  
Adam Friedman (by Zoom)  
Matthew Hiltzik (by Zoom)  
Andrew Kimball  
DeWayne Louis  
James McSpirtt  
Ngozi Okaro (by Zoom)  
Patrick J. O'Sullivan, Jr.  
Janet Peguero (by Zoom)  
Anthony Perez (by Zoom)  
Mark E. Russo (by Zoom)  
Joseph Shamie (by Zoom)  
Jeff Thamkittikasem (by Zoom)  
Elizabeth Velez  
Betty Woo  
Kathryn Wylde

Members of NYCEDC staff also were present.

The meeting was chaired by Margaret Anadu, Chairperson of NYCEDC, and called to order at 8:38 a.m. Mark Silversmith, a Special Counsel and Assistant

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 April 27, 2023 Regular Meeting of the Board of Directors

There being no questions or comments with respect to the minutes of the April 27, 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.

Mr. Constantinides and Mr. Thamkittikasem joined the meeting at this time.

2. Report of NYCEDC's President

At this time, Andrew Kimball, President of NYCEDC, addressed the Directors. He highlighted recent activities and some notable NYCEDC projects and initiatives. Mr. Kimball also mentioned Deputy Mayor Torres-Springer's newly expanded role, under which she is taking on the additional responsibility of leading the Adams administration's housing agenda.

Mr. Floyd and Mr. Cordero-Guzmán joined the meeting at this time.

3. Presentation: Manhattan Commercial Revitalization (M-CORE) Program

Emily Marcus Falda, a Vice President of NYCEDC, then made a presentation regarding the Manhattan Commercial Revitalization (M-CORE) Program (the "M-CORE Program"), a program launched by NYCEDC and the New York City Industrial Development Agency ("IDA") to provide financial assistance to support transformative renovations of aging commercial office buildings located south of 59<sup>th</sup> Street in Manhattan. It was anticipated that the first cohort of M-Core transactions could be presented to the IDA Board in November.

Ms. Marcus Falda provided some background about the 'New' New York Panel's action plan, as well as additional background and data with respect to the post-pandemic Manhattan office vacancy rate. Next, she explained that recent data showed a demand by tenants for high quality buildings, and that the M-CORE Program was intended to help a subset of lower-quality private building owners have access to a tool that could help them make the best choices on how to position their buildings. Ms. Marcus Falda then discussed how the M-CORE Program would benefit multiple stakeholders, summarized how it offered significant advantages over the Industrial and Commercial Abatement Program ("ICAP") in Manhattan, and summarized the M-CORE Program's core eligibility requirements and its square foot-limited, tiered benefit

schedule, the competitive selection criteria, the timeline for the application process, and the next steps for the program.

In answer to a question from Ms. Anadu, Ms. Marcus Falda stated that the response to the program had been positive. The public understood that this program is trying to incentivize more significant work than ICAP requires. She added that there had been a lot of interest and that NYCEDC had heard about many potential projects that could be brought to life with M-CORE. In answer to a question from Ms. Wylde, Melissa Román Burch, an Executive Vice President of NYCEDC, explained that M-CORE was focused exclusively on the modernization of office space into future office space, not converting office space to residential space. In answer to a question from Mr. Louis, Ms. Marcus Falda stated that compliance with Local Law 97 ("LL97") was a major emphasis and component of the M-CORE Program, particularly through the pre-application process requirements.

In answer to a question from Ms. Carethers, Ms. Roman Burch explained that 10 million square feet was an initial overall cap for the M-CORE Program, and that the program was expected to serve approximately 15-25 buildings. In answer to a second question from Ms. Carethers, Ms. Roman Burch stated that the program would allow buildings that currently could not be converted to residential to be improved to Class A commercial buildings. In answer to a question from Mr. Friedman, Ms. Roman Burch explained that NYCEDC had considered the question regarding clusters when it put together the program design, and that NYCEDC decided through a lot of engagement that the intervention should be on a building by building basis, rather than for an entire corridor of buildings. In answer to a question from Mr. Shamie, Mr. Kimball explained that the New York City Department of City Planning would be studying the Garment District and that NYCEDC believed that there were opportunities for some conversion there, but that such opportunities were much more likely to happen through a broader rezoning.

In answer to questions from Mr. Clement and Ms. Anadu, Ms. Roman Burch explained that NYCEDC put this program together because of significant headwinds facing the office market, that it was meant to address a specific moment in time to which the City and NYCEDC were responding, and that NYCEDC should examine potential projects on a project-by-project basis. At this time, Mr. Kimball noted that NYCEDC was particularly excited about such elements of the program as the inclusion of environmental, social and governance ("ESG") strategy, the LL97 component, NYCEDC's broad discretion in terms of the leasing strategy, its fitting with NYCEDC's core sectors, the inclusion of incubators and accelerators, and the public realm opportunities. In answer to a question from Ms. Wylde, Ms. Marcus Falda stated that the 250,000 square foot minimum was a by-building requirement, as opposed to a by-project requirement. At this time, a discussion ensued among Ms. Wylde, Ms. Anadu and Ms. Marcus Falda regarding whether it was worth considering or feasible to apply the 250,000 square foot minimum to an aggregation of a block of smaller buildings, rather than only to a single building.

#### 4. NYCEDC Budget Information

At this time, Jeanny Pak, an Executive Vice President and Chief Financial Officer of NYCEDC, and Bryan Schwartz, a Vice President of NYCEDC, presented the proposed approval of budget information about NYCEDC in the form set forth in Attachment A to Exhibit A hereto, which budget information would be submitted to certain government officials and a government office. Also, attached to Exhibit A hereto as Attachment B is a copy of NYCEDC's budget information set forth in its standard format.

The Public Authorities Accountability Act of 2005 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 on 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.

Ms. Pak and Mr. Schwartz then summarized NYCEDC's operations and capital budgets. Ms. Pak presented an overview of NYCEDC's budget and discussed some key Fiscal Year 2024 ("FY24") budget highlights. Mr. Schwartz provided an update on the Fiscal Year 2023 ("FY23") year end budget projections, noted the key factors driving the increase in NYCEDC's FY23 projections, and discussed the FY24 budget assumptions. The budget was developed with the expectation that NYCEDC would be returning to pre-COVID conditions.

In answer to a question from Ms. Anadu, Spencer Hobson, an Executive Vice President of NYCEDC, stated that NYCEDC presented to the Board a quarterly report of its investments, and that the budget was presented to the Board annually.

A motion was made to approve the budget information about NYCEDC in the form set forth in Attachment A to Exhibit A hereto. Such motion was seconded and unanimously approved.

#### 5. NYCEDC Impact Investing Program

Brinda Ganguly, an Executive Vice President of NYCEDC, presented a proposal for NYCEDC (i) to undertake the NYCEDC Impact Investing Program (the "Impact Investing Program"), including the issuance of a Request for Applications ("RFA") through which the Impact Investing Program external fund managers and fund investments will be selected, as substantially described in the "Background and Program" section of Exhibit B hereto, including the selection criteria and evaluation and

approval processes, and (ii) to request approval of the Executive Committee of NYCEDC's Board of funding for each investment in a specific fund investment opportunity (each, an "Investment Fund") following an initial review by an internal investment committee, all on substantially the terms set forth in Exhibit B hereto.

The Impact Investing Program is designed to contribute to NYCEDC's bottom-line and overall impact as an organization through a portfolio of impact investments. The Impact Investing Program will invest in funds managed by external fund managers that align with the financial and impact goals of the Impact Investing Program described in Exhibit B hereto. Once operational, the Impact Investing Program is expected to generate distributions to NYCEDC, which will be used to fund future, core economic development programs.

In answer to a question from Ms. Velez, Ms. Ganguly explained that the Impact Investing Program's selection criteria required a clear connection to New York City by requiring that an applicant must either be headquartered in New York City with at least 25% of its employees in New York City or must commit at least three times NYCEDC's capital investment in New York City-based companies. In answer to a second question from Ms. Velez, Ms. Ganguly noted that the Impact Investing Program's impact scorecard would essentially provide extra credit to firms that have a deep connection to New York City. Ms. Velez said that NYCEDC should also be clear what it means when it says that it wants there to be investments in diverse entrepreneurs and communities. She also said that it would be good to ask fund managers about diversity on their boards and employment even though this would not be part of the scorecard.

At this time, a discussion ensued with respect to the proposed Impact Investing Program, during which discussion several Directors provided comments and expressed thoughts, concerns and/or suggestions that centered primarily around the following three topic areas: (1) the need to better define what "diverse" means, including whether LGBTQ was included in the definition, and having a more defined scorecard for the Impact Investing Program; which encourages the selection of "diverse" individuals and entities; (2) the extent to which the Impact Investing Program should require or incentivize a strong connection to New York City, and whether being too narrowly focused on New York City might hinder the ability to achieve other key objectives; and (3) the importance of diversifying the revenue stream, the need for more community perspective and to better understand the impact of a particular project on the community, and concern regarding revenue diversification coming at the expense of community needs.

Mr. Kimball then thanked the Directors and members of NYCEDC's staff for their thoughtful comments on this program. Mr. Kimball noted that NYCEDC had been focusing on a comprehensive, diverse entrepreneurship strategy with a number of different pillars, and that NYCEDC would provide the Board with a full briefing on the different pieces of that strategy, as well as on all the different disparity studies that NYCEDC was currently undertaking, at a future meeting of the Board of Directors.


A motion then 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.

6. 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.

7. 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 9:57 a.m.



Assistant Secretary

Dated: August 8, 2023  
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**

**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**

	<b>Last Year (Actual) 2022</b>	<b>Current Year (Estimated) 2023</b>	<b>Next Year (Adopted) 2024</b>	<b>Proposed 2025</b>	<b>Proposed 2026</b>	<b>Proposed 2027</b>
<b><u>REVENUE &amp; FINANCIAL SOURCES</u></b>						
<b>Operating Revenues</b>						
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
<b>Nonoperating Revenues</b>						
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
<b>Total Revenues &amp; Financing Sources</b>	<b>1,163,554,131</b>	<b>976,713,111</b>	<b>1,024,565,275</b>	<b>1,032,499,852</b>	<b>1,054,823,526</b>	<b>1,058,244,598</b>
<b><u>EXPENDITURES</u></b>						
<b>Operating Expenditures</b>						
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
<b>Total Expenditures</b>	<b>1,088,177,142</b>	<b>938,255,558</b>	<b>1,024,069,640</b>	<b>1,027,825,995</b>	<b>1,068,513,121</b>	<b>1,082,230,260</b>
<b>Change In Net Assets Before Capital Contributions</b>	<b>75,376,989</b>	<b>38,457,553</b>	<b>495,635</b>	<b>4,673,856</b>	<b>(13,689,594)</b>	<b>(23,985,662)</b>
Capital Contributions	-	-	-	-	-	-
<b>Excess (deficiency) of revenues and capital contributions over expenditures</b>	<b>75,376,989</b>	<b>38,457,553</b>	<b>495,635</b>	<b>4,673,856</b>	<b>(13,689,594)</b>	<b>(23,985,662)</b>

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
<b>Revenues:</b>							
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
<b>Total Operating Revenues</b>	<b>\$ 1,167,383,569</b>	<b>\$ 979,636,000</b>	<b>\$ 968,213,111</b>	<b>\$ 1,017,406,327</b>	<b>\$ 1,025,269,314</b>	<b>\$ 1,047,520,683</b>	<b>\$ 1,050,868,726</b>
<b>Expenses:</b>							
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
<b>Total Operating Expenses</b>	<b>\$ 1,122,710,499</b>	<b>\$ 976,143,773</b>	<b>\$ 938,255,558</b>	<b>\$ 1,024,069,640</b>	<b>\$ 1,027,825,995</b>	<b>\$ 1,068,513,121</b>	<b>\$ 1,082,230,260</b>
<b>Operating Income</b>	<b>\$ 44,673,070</b>	<b>\$ 3,492,227</b>	<b>\$ 29,957,553</b>	<b>\$ (6,663,313)</b>	<b>\$ (2,556,681)</b>	<b>\$ (20,992,437)</b>	<b>\$ (31,361,533)</b>
<b>Non-Operating Revenues (Expenses):</b>							
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	-	-	-	-	-	-
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$ 51,028,394</b>	<b>\$ -</b>	<b>\$ 8,500,000</b>	<b>\$ 7,158,948</b>	<b>\$ 7,230,538</b>	<b>\$ 7,302,843</b>	<b>\$ 7,375,871</b>
<b>Change In Net Assets Before Capital Contributions</b>	<b>\$ 95,701,464</b>	<b>\$ 3,492,227</b>	<b>\$ 38,457,553</b>	<b>\$ 495,635</b>	<b>\$ 4,673,856</b>	<b>\$ (13,689,594)</b>	<b>\$ (23,985,662)</b>
<b>Total net position, beginning of year</b>	<b>\$ 546,464,176</b>	<b>\$ 587,402,497</b>	<b>\$ 642,165,640</b>	<b>\$ 680,623,193</b>	<b>\$ 681,118,828</b>	<b>\$ 685,792,684</b>	<b>\$ 672,103,090</b>
<b>Total net position, end of year</b>	<b>\$ 642,165,640</b>	<b>\$ 590,894,724</b>	<b>\$ 680,623,193</b>	<b>\$ 681,118,828</b>	<b>\$ 685,792,684</b>	<b>\$ 672,103,090</b>	<b>\$ 648,117,428</b>

**EXHIBIT B**

**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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