



**NOTICE OF
SPECIAL MEETING OF MEMBERS
AND
REGULAR MEETING OF DIRECTORS
OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
AUGUST 8, 2023**

A special meeting of the Members of New York City Economic Development Corporation (“NYCEDC”), called at the direction of the President of NYCEDC, and a regular meeting of the Board of Directors of NYCEDC will be held on Tuesday, August 8, 2023, in Conference Center A/B, on the 14th Floor at the offices of NYCEDC at One Liberty Plaza, New York, New York. The Members meeting will begin at 8:30 a.m. and will be followed by the Directors meeting at approximately 8:35 a.m.

The agendas for the meetings are as follows:

Meeting of Members

- I. Approval of Minutes of the April 27, 2023 Special Meeting of the Members
- II. Election of Director
- III. Such other business as may properly come before the meeting

Meeting of Directors

- I. Approval of Minutes of the June 13, 2023 Regular Meeting of the Board of Directors
- II. Report of NYCEDC’s President
- III. Election of Member of Executive Committee
- IV. Election of Officers
- V. NYC Ferry Service Operator
- VI. Presentation on *Willets Point: Investing in the World’s Borough – Housing is the Goal*
- VII. Long Term Ground Lease to Queens Development Group, LLC
- VIII. Such other business as may properly come before the meeting

Mark Silversmith
Assistant Secretary

New York, New York
Dated: July 28, 2023

Zoom information will be sent to you prior to the meetings to use in the event you are not attending in person.



**SPECIAL MEETING OF MEMBERS
AND
REGULAR MEETING OF DIRECTORS
OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
AUGUST 8, 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
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HDC	New York City Housing Development Corporation
HPD	New York City Department of Housing Preservation and Development
Hunter Roberts	Hunter Roberts Construction Group, L.L.C.
IDA	New York City Industrial Development Agency
IDA Agreement	Agreement with IDA pursuant to which IDA retains NYCEDC to accomplish all or part of the Project and reimburses NYCEDC for the costs of the work
LiRo	LiRo Program and Construction Management, PE P.C.
LMDC	Lower Manhattan Development Corporation
McKissack	The McKissack Group, Inc. d/b/a McKissack & McKissack
MOU	A memorandum of understanding

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



MINUTES OF A SPECIAL MEETING
OF THE MEMBERS
OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
April 27, 2023

A special meeting of the Members of New York City Economic Development Corporation (“NYCEDC”), called at the direction of the President of NYCEDC, was held, pursuant to notice by an Assistant Secretary, on 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 Members of NYCEDC were present:

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
Maria Torres-Springer (by proxy to Nathan Bliss)
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 9:04 a.m. Meredith Jones, Executive Vice President, General Counsel and Secretary of NYCEDC, served as secretary of the duly constituted meeting, at which a quorum was present.

1. Minutes of the January 31, 2023 Special Meeting of the Members

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

2. Election of Director

Under NYCEDC's Bylaws, NYCEDC's Members elect its Directors. Directors must be Members at the time of their election. Paula Roy Carethers had recently been appointed as a Member of NYCEDC. Mr. Kimball proposed that the Members elect her as a Director at this time.

A motion was then made to elect Paula Roy Carethers as a Director of NYCEDC. Such motion was seconded and unanimously approved.

3. Adjournment

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

Assistant Secretary

Dated: _____
New York, New York

**ELECTION OF DIRECTOR
Members Meeting
August 8, 2023**

Subject: Election of a new Director of NYCEDC

Proposed Resolution: To elect Paul Fernandes as a Director of NYCEDC

Background: Under NYCEDC's Bylaws its Members elect its Directors. Directors must be Members at the time of their election. Paul Fernandes has recently been appointed as a Member of NYCEDC following his nomination by the City Council Speaker and it is proposed to elect him as a Director.



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 14th 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 McSpiritt
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 59th 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: _____
New York, New York

DRAFT

ATTACHMENT 1

DEFINITIONS

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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**

	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

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

Project Code: 10306



August 8, 2023

To the Members of the Board:

Since we last met in June, it's been an exciting and productive summer 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 our most recent NYC Economic Snapshot, released in late July, we reported that the private sector added 16,000 jobs in June, bringing NYC to just 600 jobs away from a full recovery of pre-COVID employment. Along with our usual suite of monthly data and trends, we also highlighted new research from our ERP team showing positive business growth over the course of 2022. Nearly 29,000 new businesses were formed in NYC in 2022, meaning 1 in 7 of all NYC businesses started in the past year. Further, by the end of 2022, the total number of businesses in NYC was at 98.5% of the pre-pandemic level.
- Speaking of businesses in NYC, we joined MetTel, an NYC-founded global communications solutions provider, to cut the ribbon on its renovated headquarters in the Financial District in June. Through a collaborative relationship with EDC's Biz Dev team and Empire State Development, MetTel committed to creating at least 100 new full-time jobs in software development and professional services.

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

- June saw the conclusion of the Kingsbridge Armory engagement process—a crucial step in the community-led redevelopment of the Kingsbridge Armory as we look toward the release of a vision plan this summer. The process saw great engagement, including 70+ outreach events, four public workshops, two town halls, 3,370 total attendees, and ~950 community surveys collected.
- In Coney Island, we had two big pieces of news. In June, EDC joined the community to celebrate the opening of new attractions and amenities at Luna Park, including a log flume ride, ropes course, food court and games, and a public plaza. These latest additions showcase our commitment to the growth and success of the neighborhood, with over \$300 million in EDC investment in Coney Island over the past 10 years.

Then in July, we closed on a disposition to extend a ground lease for our Coney Island amusement operators Central Amusement International, their respective boardwalk subtenants, and Vodou Food Corp by 10 years, to 2037. The extension will allow amusement park operators and small businesses to recoup significant losses due to the pandemic and provide support for their continued endeavors to reinvest in the amusement area. This transaction continues to deliver on the 2009 Coney Island rezoning efforts.

- In a win for the South Bronx, Phase 2 of The Peninsula project closed on its financing. The \$300M project will deliver 359 units of deeply affordable housing, a new and expanded Head Start daycare facility, additional community facility and artist space, 155 underground parking spaces, and over an acre of public open space. The Peninsula is a reimagining of the former

Spofford Juvenile Detention Center, transforming it into a mixed-use campus that will help revitalize the Hunts Point neighborhood.

- Exciting news in Sunnyside, Queens, as the NYCIDA team closed on a \$300 million transaction with East End Studios for the ground-up construction of a new, 270,000-square-foot film studio to be known as Sunnyside Studios. This project will create 400+ jobs and workforce development initiatives with two local nonprofits, which operate across Queens, Brooklyn, and the Bronx. East End Studios will provide financial support, internships, and access to studio space and equipment to the nonprofits, while the nonprofits will provide access to a diverse talent pool for local hiring.

Growing Innovation Sectors, Focusing on Equity

- In July we released an RFP for a fund administrator and other lenders to launch the Cannabis NYC Loan Fund. The fund will promote the development of an equitable cannabis industry in NYC by providing flexible and affordable capital to cannabis businesses owned and operated by social and economic equity applicants. This is an important tool to make the cannabis industry more accessible and equitable through low-cost financing—cementing NYC as a trailblazer in equitable cannabis industry investments, boosting an emerging industry, and uplifting New Yorkers who’ve been unfairly impacted by antiquated cannabis policy.
- To continue growing a more diverse and equitable real estate development industry, we released an RFEI seeking support for a disparity study focused on NYC commercial real estate developers. As part of these efforts, EDC is seeking to target its programmatic and contracting activities toward historically underrepresented groups, taking our M/WBE efforts to a new level.
- As part of the City’s investment in an equitable green economy, EDC announced an \$800,000 investment in Aanika Biosciences Inc—a biotech company based in Sunset Park—through the LifeSci NYC Expansion Fund. The funding will allow Aanika to expand to a new 27,000-square-foot facility in Industry City, establishing The Aanika Center for Food Safety and Innovation. This investment will help establish the city’s first ag-tech seed-stage incubator.
- The NYC Offshore Wind Waterfront Pathways program graduated its first cohort of 18 M/WBE firms in June. These firms completed a 16-week training program focused on organizational and business development, OSW design and planning, marine construction, waterfront development, safety, contracting mechanisms, and more. Ten of the firms were BIPOC-owned business with the other eight being non-minority women-owned. All Waterfront Pathways graduates are now pre-qualified to work on EDC contracts. We look forward to connecting future Waterfront Pathways cohorts and alumni with quality opportunities in waterfront construction and offshore wind.

Delivering Sustainable Infrastructure

- In July, we launched NYC Ferry’s Rockaway Reserve as an update to last year’s successful Rockaway Rocket pilot program. The Rockaway Reserve offers reservable seats on every peak departure on the Rockaway route from both Wall Street/Pier 11 and Brooklyn Army Terminal/Sunset Park on weekend and holiday departures from July 1–September 4.
- Marking a nice addition to the Bed-Stuy and Brownsville communities in Brooklyn, we joined DEP and NYC Parks to announce the completion of newly renovated tennis courts at Jackie Robinson Park Playground in Bed-Stuy. The project included the installation of green infrastructure to absorb stormwater and a new playing surface.

As always, I've been proud of the work EDCers have done this summer 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,

A handwritten signature in black ink, appearing to be the name 'Andrew Kimball'.

Andrew Kimball
President & CEO
New York City Economic Development Corporation

ELECTION OF MEMBER OF EXECUTIVE COMMITTEE
Board of Directors Meeting
August 8, 2023

Subject: Election of a Director to serve as a member of the Executive Committee

Proposed Resolution: To elect Paula Roy Carethers to serve on the Executive Committee of NYCEDC's Board of Directors

ELECTION OF OFFICERS
Board of Directors
August 8, 2023

Subject: Election of additional officers of NYCEDC

Proposed Resolution: To elect each of Nse Esema and David Lowin as a Senior Vice President of NYCEDC, provided that the position of each of Nse Esema and David Lowin as an officer shall be conditioned upon the continuance of her/his employment by NYCEDC

Background: Under NYCEDC's bylaws, the Board shall elect such Senior Vice Presidents as it may from time to time determine. At this time, it is proposed that each of Nse Esema and David Lowin be elected as a Senior Vice President of NYCEDC.

A description of certain responsibilities of Senior Vice Presidents may be found in Article IV of the bylaws. It is anticipated that Ms. Esema will oversee the Green Economy Department in NYCEDC's Initiatives Division and David Lowin will oversee the Development Department in NYCEDC's Asset Management Division. Ms. Esema and Mr. Lowin shall perform such duties as are assigned to them by NYCEDC's President.

**NYC FERRY SERVICE OPERATOR
Board of Directors Meeting
August 8, 2023**

Project Description:	NYC Ferry (“NYCF”) services
Borough:	Citywide
Type of Contracts:	Operating agreement and related agreements
Amounts to be Approved:	Up to \$405,000,000 over a five-year term to be paid under the operating agreement. May be offset by NYCF projected revenues to NYCEDC of approximately \$160,000,000. See detailed breakdown below. If NYCEDC exercises one or more of its renewal options for the operating agreement, it will obtain the approval of the Board or Executive Committee of the amount to be paid for the renewal period.
Type of Funds:	NYCEDC programmatic budget funds, City Capital Budget funds, City Tax Levy funds
Procurement Method:	An RFP, using the competitive sealed proposals method of procurement

Agreements to be Approved:

- The agreement between NYCEDC and the selected operator (the “Operator”) to operate NYC Ferry (the “Operating Agreement”)
- Any ancillary agreements (the “NYCF Ancillary Agreements”) as necessary to effectuate the Operating Agreement, including:
 - Agreements between NYC Ferry Fleet LLC, a subsidiary of NYCEDC, and the Operator for the Operator to operate NYCF vessels pursuant to a bareboat charter (“Bareboat Charters”).
 - Two non-exclusive occupancy homeport permits: One at each of (1) Pier C at the Brooklyn Navy Yard (“Pier C” and generally, a “Homeport”) and (2) Pier 11 in Atlantic Basin/Red Hook (a Homeport, also known specifically as “Homeport II”) for the storage and maintenance of the NYCF vessels (“Vessels”).

Background: The current NYCF operating agreement expires on September 30, 2023. On September 7, 2022, NYCEDC released an RFP for a new NYCF operating agreement. In early May of 2023, NYCEDC contingently selected the Operator.

NYCEDC operates or maintains certain NYCF landing sites pursuant to MOUs or permits with City Parks, City DOT, SBS, the Roosevelt Island Operating Corporation, Brooklyn Bridge Park Corporation and State Parks. These agreements are expected to continue and do not require amendment as a result of the proposed Operating Agreement. The Operator enters into agreements with the owners of landing sites for the use of each landing site.

Scope of Work:

NYCEDC proposes to enter into the Operating Agreement with the Operator, with a term beginning on October 1, 2023 (the “Commencement Date”) for an initial term of five (5) years (the “Term”), with the option of two (2) three-year renewal periods at NYCEDC’s sole discretion. The Operator’s parent company will provide a guaranty in connection with certain obligations under the Operating Agreement.

The following is a summary of key terms of the Operating Agreement:

Start-up Services

The Operator is required to perform start-up services in the period between the Operating Agreement’s execution date (the “Effective Date”) and the commencement of services on the Commencement Date, to prepare for the delivery of services under the Operating Agreement (the “Services”). NYCEDC will pay the Operator to complete these actions, including a one-time fee for the inspections of Pier C and the NYCF fleet and the costs associated with the development of reporting and submittals procedures.

Service Plan

The Operator is required to operate NYCF in accordance with a service plan, which shall be updated at NYCEDC’s reasonable discretion. The ferry and shuttle service routes currently operated in connection with NYCF and that the Operator will operate upon the Commencement Date, are shown in Appendix A (“Routes” or each a “Route”). NYCEDC retains the right to set and change the service plan, including by adding or removing Routes or landing sites (“Landings”).

Vessels, Landings, and Homeports

The Operator is responsible for operating and maintaining the NYCEDC-owned NYCF fleet. NYCEDC is responsible for maintenance of Landings unless they are maintained by another entity. The Operator must obtain all relevant permissions to access the Landings prior to performing the services. NYCEDC will provide the Operator access to Homeports through the non-exclusive Homeport permits referenced above. The Operator is responsible for routine maintenance and repair of certain facility systems and equipment at each Homeport (the “Homeport Services”) and will be compensated through an annual overhead fee for Homeport Services, as described below.

Staffing

The Operator is responsible for hiring, training, and management of all necessary staff necessary to perform the Services.

The Operator will strive to meet 15% participation by M/WBE subcontractors in connection with the Services and will submit quarterly progress update to NYCEDC. The Operator will also develop a robust workforce development program by participating in the HireNYC Program, implementing a diversity, equity, and inclusion and career development and promotion plan, engaging with the City's Department of Education, CUNY and SUNY schools, and providing a minimum of ten (10) NYCF internships/apprenticeships per calendar year.

Fares and Ticketing

NYCEDC sets all fares for the Services. The Operator is required to collect all fares and implement any fare changes at NYCEDC's direction. The Operator will reconcile and remit all fare revenues that it receives to NYCEDC.

As of and from the Commencement Date, the Operator is responsible for maintaining a pre-paid ticketing collection system, which allows passengers to purchase a ticket from a ticket vending machine ("TVM"), the NYCF mobile application ("App"), or an upland agent using a mobile point of sale unit that is validated by the Operator's crew at the point of boarding.

NYCEDC is exploring opportunities to collaborate with the Metropolitan Transportation Authority ("MTA") to expand the MTA's contactless open-loop transit fare payment system to NYCF. Under the Operating Agreement, if such system is implemented: 1) the Operator's ticketing scope will be reduced, and NYCEDC will direct the Operator to remove all relevant ticketing equipment, as appropriate, and 2) the Operator's compensation will be reduced to reflect the change in ticketing scope. The overall amount authorized for the Operating Agreement will not be reduced as a result of this.

In the event the MTA's system is not implemented on NYCF, NYCEDC may direct the Operator, at any time in the first four years of the Term, to upgrade all TVMs and implement an open loop ticketing system itself as a "Special Project" (see below).

New-Build Vessels

NYCEDC may request, no more than once per calendar year, that the Operator either directly or indirectly build new vessels for NYCEDC to be used in connection with the Services. NYCEDC also reserves the right to acquire additional vessels outside this Agreement that are not engaged in passenger service, like a crew service vessel, which it may direct the Operator to operate and maintain to support the Services. If vessels of a different make or configuration than are currently used are put into use, it is

understood that fees related to such vessels will be negotiated.

Special Projects

NYCEDC may direct the Operator to manage, oversee, or participate in special projects (“Special Projects”) that fall outside the service plan and within the Operator’s area of expertise or experience. They may include, for example, new-feature deployments at Landings and modifications to Vessels outside of the maintenance obligations. If additional funds are needed for these Special Projects, approval of the Board or the Executive Committee will be sought.

Marketing and Community Engagement

The Operator is responsible for promoting the NYCF brand through comprehensive marketing and public relation campaigns. The Operator must obtain NYCEDC’s approval of all marketing materials before they are published.

Any artwork or content developed for the website for NYCF, including trademarks, tradenames, service marks, etc., shall be considered “work-made-for-hire” and, hence, property of NYCEDC.

The Operator must also develop a robust community engagement plan, including a minimum number of in-person events and partnerships, community canvassing, and workforce development events, and submit to NYCEDC detailed monthly reporting on past and future outreach efforts.

Reporting

The Operator is required to deliver to NYCEDC over 60 reports across key areas of the Services at various intervals. The Operator must also maintain a proprietary, web-based portal (the “Dashboard”) and provide NYCEDC with access to real-time service performance data and visualizations, such as real-time read-only access to its dispatching system, ridership tracking, and Vessel maintenance software. The Dashboard and its associated data are considered work product and the property of NYCEDC. All component datasets used to create the Dashboard information will separately be sent to NYCEDC.

Key Performance Indicators

The Operator’s performance will be evaluated monthly through substantially the following Key Performance Indicators (“KPIs”):

- 1) **On-time performance**, measured by a Vessel’s arrival at its designated stop no earlier than 1 minute before and departure no later than 5 minutes after the scheduled arrival and departure times.
- 2) **Completed trip percentage**, measured by the percentage of trips that are completed in accordance with the service plan.

- 3) **Preventative Maintenance**, measured by the Operator's adherence to the Preventative Maintenance schedule provided in the Vessel Maintenance Plan.
- 4) **Passenger Satisfaction**, measured by a Net Promoter Score.
- 5) **Tech Up-time**, measured by the number of stops for which NYCEDC has received complete data through the GPS/AIS tracking system that logs and displays arrival and departure times.

The Operator is required to meet a minimum target ("Minimum Target") and an incentive target ("Incentive Target") for each KPI. If the Operator fails to meet the Minimum Target, it must deliver to NYCEDC a plan to remedy its performance within a specified timeline. If the Operator satisfies the Incentive Target for each KPI, it will be eligible for an Incentive Payment, described below.

Termination

NYCEDC may terminate the Operating Agreement due to 1) the Operator's failure to perform the Services and remedy such failure during a specified period, 2) the termination or suspension of funding by the City, and 3) NYCEDC or the City's determination that it is in NYCEDC's best interest to terminate the Operating Agreement. The Operator may terminate if NYCEDC fails to pay the Operator and such failure continues for 30 days or more with no reasonable attempt to remedy.

Key Financial Elements:

The following comprise the key financial terms of the Operating Agreement:

Vessel Operations Fee

NYCEDC will pay the Operator a Vessel Operations Fee, which is a fixed hourly fee most closely related to the costs of the onboard labor required to run a Vessel (including fringe, OT, training, etc.). It is calculated monthly based on the number of hours a Vessel is in service ("Vessel Service Hours" or "VSH") and the vessel class ("Vessel Class") and staffing level assigned to each Vessel.

NYCEDC estimates a total of approximately \$95,000,000 in Vessel Operations Fees throughout the Term.

Maintenance Fees

The Operator will be compensated for all planned and unplanned maintenance of Vessels through 1) a fixed, annual maintenance fee calculated on a per Vessel basis and 2) a fixed, hourly maintenance fee determined per Vessel Class and VSH operated. At the start of each 12-month period from July 1 to June 30 ("Service Year"), beginning on July 1, 2024, the maintenance multipliers will be subject to a 2% increase ("Annual Maintenance Cost Escalator"), in addition to the Annual Inflation Adjustment described

below, to account for increased costs related to an aging fleet.

NYCEDC estimates a total of approximately \$120,000,000 in Maintenance Fees throughout the Term.

All major Vessel overhauls or projects outside of these maintenance obligations will be paid separately through the Special Projects mechanism, described above.

Fuel

NYCEDC will compensate the Operator directly, with no additional markup, for fuel. It is anticipated that NYCEDC will continue to use a fuel hedging program independent of the Operating Agreement to reduce NYCEDC's exposure to volatile and potentially rising fuel costs. NYCEDC estimates that total fuel costs throughout the Term will total approximately \$55,000,000

Overhead Fees

Overhead Fee

The Overhead Fee is a fixed, negotiated fee paid each month based on an anticipated annual service level of 83,000 VSH per year. If NYCEDC chooses to scale service 10% below or 10% above the baseline VSH, the Overhead Fee will be adjusted on a per hour difference beyond that threshold. The Overhead Fee will never be reduced by more than half.

The Overhead Fee covers costs for central staff (dispatchers, port engineers and port captains, finance, marketing, etc.), other-than-personnel expenses like supplies, technology, and subcontractors, and insurance.

Homeport Overhead Fee

NYCEDC will compensate the Operator a fixed amount annually for the daily maintenance and operations of certain Homeport systems it regularly operates to service the Vessels, for example the fuel systems, travel lift, and the Vessel waste management system.

NYCEDC estimates a total of approximately \$90,000,000 in Overhead-related Fees throughout the Term.

Other

Direct Reimbursements (Non-Fuel)

NYCEDC will compensate the Operator directly, with no additional markup, for

some services and items including Landing fees, temporary office space, signage (print and delivery), and shuttle services, among others.

Upland Agent Fee

The Operator is required to staff certain Landings with upland agents to perform customer service and queue management functions, and NYCEDC may direct the Operator to increase or decrease that staffing level. NYCEDC will compensate the Operator for each hour an upland agent is staffed at a Landing using a negotiated rate.

Operator Incentive Payment

The Operator is eligible to receive an Incentive Payment of up to 10% of the gross Farebox Revenue each month based on its ability to achieve all the Incentive Targets of the KPIs, described above. If the Operator fails to achieve any single Incentive Target during a month, it will not receive any monthly Incentive Payment for that month.

NYCEDC estimates that these fees will cost approximately \$45,000,000 throughout the Term.

Annual Inflation Adjustment

The Vessel-related Operations Fees, the Overhead Fees, and Upland Agent Fees will increase each Service Year, with the first increase July 1, 2024, according to the amount listed on the U.S. Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U) for the New York-Newark-Jersey City metropolitan area, provided that the annual increase shall not exceed 3.2%.

Contract-Generated Revenue Opportunities

As stated above, NYCEDC will retain all Farebox Revenue. Based on ridership projections and the current fare policy, NYCEDC projects to receive approximately \$125,000,000 throughout the Term.

The Operating Agreement requires the Operator to carry out certain revenue-generating activities including, but not limited to, procuring a system-name sponsorship, selling onboard and digital advertising, social media promotions, concessions, and film/TV/photography shoots. The Operator is required to split gross revenues from all revenue-generating activities based on agreed upon rates between NYCEDC and the Operator. NYCEDC anticipates it will receive approximately \$35,000,000 in non-Farebox revenue over the course of the Term.

Estimated Amounts of Expenses and Revenues:

A total of up to \$405,000,000 is being approved for expenses throughout the Term. The estimated amounts for each component of the expenses and of revenue to NYCEDC from NYCF are summarized below (though the actual amount of each component may vary):

Estimated Expenses

Vessel Operations Fee	\$95,000,000
Maintenance Fees	\$120,000,000
Fuel	\$55,000,000
Overhead Fees	\$90,000,000
Other	\$45,000,000
Total Expenses	\$405,000,000

Estimated Revenue

Farebox Revenues	(\$125,000,000)
Other Revenues	(\$35,000,000)
Total Revenues	(\$160,000,000)

Net Operator Expenses **\$245,000,000**

Insurance and Indemnification

The Operator is required to obtain insurance for the Operating Agreement in accordance with the minimum requirements set by NYCEDC. NYCEDC will pay the Operator for its insurance costs through the Overhead Fee.

The Operator will additionally indemnify, defend, and hold harmless NYCEDC and the City and their respective officials and employees against any claims, damages, etc. arising out of or related to any of the Operator's operations under the Operating Agreement.

Proposed Resolution: To authorize the President and any empowered officer to enter into the Operating Agreement and the NYCF Ancillary Agreements, substantially as described herein and to take any actions and make payments necessary to effectuate the purposes of such agreements, substantially as described herein

Relevant Staff: James Wong, Executive Vice President, NYC Ferry
Franny Civitano, Vice President, NYC Ferry
Matt Petric, Vice President, NYC Ferry
Niko Martecchini, Vice President, NYC Ferry
Katie Hermann, Senior Counsel, Legal

Project Code: 6154

Appendix A

Figure 1 – NYCF Route Map



SHUTTLE BUS ROUTE MAPS



Figure 2 – Rockaway East and West Shuttle Bus Routes

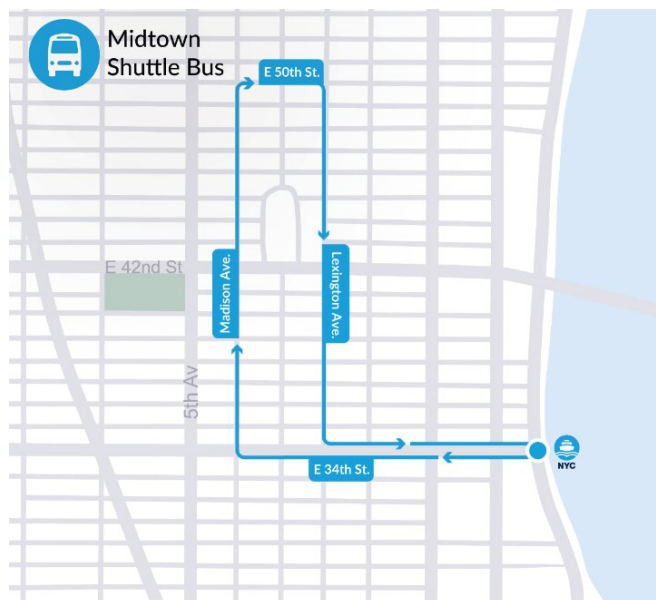


Figure 3 - Midtown Shuttle Bus Route



Figure 4 - Parking Lot Shuttle Route

LONG TERM GROUND LEASE TO QUEENS DEVELOPMENT GROUP, LLC
Board of Directors Meeting
August 8, 2023

LESSOR: The City of New York (the “City”)

**LESSEE/
LEASE ASSIGNOR** NYCLDC

LEASE ASSIGNEE: The Lease assignee will either be (i) Queens Development Group, LLC (“QDG”) or an affiliated entity (whichever, the “Developer”) and/or (ii) an affiliated housing development fund corporation (“HDFC”) or other entity whose purpose is to facilitate affordable housing and/or obtain financing for the proposed project (the “Financing Entity”). If the Financing Entity is the Lease assignee, the Developer will be the beneficial owner of the leasehold interest. The Developer is controlled directly or indirectly by the Related Companies and Sterling Equities and/or their affiliates.

**SITE
LOCATION:** Block 1833, Lots 120, 130, 135 and possibly 112 (the “Site”) Willets Point
Borough of Queens
Community Board #7

**SITE
DESCRIPTION:** The Site is approximately 139,479 square feet. If Lot 112 is removed from the Site, the Site will be approximately 135,609 square feet. The Site is owned by the City and is currently vacant. The Site is approximately depicted in Attachment A.

BACKGROUND: The City has envisioned the redevelopment of Willets Point over several mayoral administrations. The Willets Point and Flushing Meadows Corona Park area had been historically known as the ‘Valley of the Ashes’ due to their serving as a coal ash dump during the early 20th century. Though the coal ash was removed from the entire area and the larger Flushing Meadows Corona Park area was developed for the 1939 World’s Fair, the area known as Willets Point was never fully developed. In the mid-20th century, the Willets Point area evolved into primarily a neighborhood of automobile chop shops consisting of one-story metal structures and lacking basic infrastructure such as sanitary sewers.

In 2002, the Downtown Flushing Task Force convened to develop a planning strategy for the growth of Downtown Flushing, the Flushing River waterfront, and Willets Point. Building upon this strategy, in 2008, approximately 63-acres bounded by Seaver Way (126th Street), Northern Boulevard, Block 1833, Lot 1 to the west of Flushing Creek, and Roosevelt Avenue was rezoned, established as the Special Willets Point Zoning District (“SWPD”), and designated as an Urban Renewal Area. The City commenced purchasing properties from private landowners within Willets Point that would be part of future land assemblages.

NYCEDC released an RFP in 2011 for development proposals, and in 2012, the Developer was selected. QDG’s initial proposal included development of the SWPD and the parking lots of Citi Field (“Willets West”), which parking lots are mapped parkland. SWPD was to have been a mixed-use neighborhood featuring office, retail, hotel, a school, open space, and 2,500 units of housing, 35% of which was to have been affordable. Willets West was to have been developed as a retail mall. The Willets West component was challenged in court, and in 2017, was ruled to be a use inconsistent with the legislation that provided for the construction of Citi Field and its precursor Shea Stadium on parkland. Since Willets West was to have financially supported development of the entire plan, redevelopment was postponed.

On February 5, 2018 NYCEDC entered into a Pre-Development Agreement with the Developer, which as amended as of March 5, 2021 provided for a re-envisioned project consisting of the environmental remediation of the Site in accordance with State DEC standards pursuant to the Brownfield Cleanup Program; construction of on-site and off-site infrastructure, including the replacement of a 72” trunk water main in Willets Point Boulevard, construction of sanitary and storm sewers, distribution water mains, dry utilities, streets, open space and other associated work; construction of 100% affordable residential buildings totaling approximately 1,100 housing units; and delivery of a development-ready construction pad to the New York City School Construction Authority. The Developer is performing the infrastructure and remediation work pursuant to two funding agreements with NYCEDC.

In July 2021, infrastructure and remediation work commenced – with remediation expected to be completed in 2023 and infrastructure expected to be completed in 2025.

The Site will include the first 881 of the planned housing units for Willets Point.

PROJECT DESCRIPTION:

The Site will be developed by the Developer into two, 12-story mixed-use buildings comprising approximately 859,409 gross square feet as well as open space. Each building will be sited on its own tax lot. The development is expected to include (i) approximately 717,571 gross square feet of affordable housing, (ii) approximately 24,311 gross square feet of commercial space, (iii) approximately 2,210 gross square feet of community facility space, (iv) approximately 91,901 gross square feet of parking space (approximately 323 spaces), and (v) approximately 38,881 square feet of open space (including Lot 112) (collectively, the "Project"). Subject to unavoidable delays, the Developer is to commence construction of the Project within 90 days of the Lease effective date and substantially complete construction of the Project by 36 months after the construction commencement date.

The Developer anticipates delivering approximately 881 affordable housing units, which will include a homeless set-aside and units at affordability levels ranging from very low income to moderate income.

If Lot 112 is included in the Lease, it is anticipated that at a later date the Lot 112 portion of the Site will be withdrawn from the Lease and will become part of a mapped street.

PURPOSE OF THE DISPOSITION/BENEFIT TO THE PUBLIC:

It is anticipated that the disposition of the Site will transform an underutilized City-owned asset that has historically been a contaminated area into a mixed-use development that provides for affordable housing, retail, and community facility uses.

LEASE TERMS:

It is anticipated that the City (as Lessor) and NYCLDC (as Lessee) will enter into a lease for the Site (the "Lease"). It is further anticipated that NYCLDC will then assign the Lease to the Developer or the Financing Entity and that NYCEDC will administer the Lease on behalf of the City.

The term of the Lease will be 99 years.

The annual base rent will be \$1 during the period that the rents of the housing units on the Site are regulated pursuant

to an agreement related to affordable housing with HPD. Upon termination or expiration of the regulatory period, and every 25 years thereafter, the annual base rent will be based on an appraisal of the fair market value of the Site for the uses permitted under the Lease, with periodic escalations.

The Lease assignee will make payments in lieu of taxes (“PILOT”) in amounts equal to the real property taxes that would be assessed and levied against the Site if the owner of the Site was not the City except that PILOT will reflect (i) any as-of-right exemptions, abatements, credits, or other reductions that the Developer or the Financing Entity would be entitled to if it was the owner of the Site, and (ii) to the extent that any portion of the Project is being used for a regulated affordable housing use, a discretionary abatement in line with abatements for projects encumbered by a regulatory agreement under then-applicable laws, regulations, policies and/or programs.

**APPRAISED
VALUE:**

An independent appraisal of the Site was commissioned in June 2023. The appraisal valued the fair market annual rent for the Site (including Lot 112) at \$0, accounting for the specific development requirements and restrictions pertaining to the use and transfer of the Site. The appraisal also valued the highest and best use fair market value of the Site (including Lot 112) at \$87,300,000.

Appraised values for the individual tax lots are shown in the table below for each value determination.

	Highest and Best Use	As Restricted
Block 1833, Lot 112	\$0	\$0
Block 1833, Lot 120	\$0	\$0
Block 1833, Lot 130	\$50,800,000	\$0
Block 1833, Lot 135	\$36,500,000	\$0
Total	\$87,300,000	\$0

**EXISTING
ZONING:**

The Site is zoned C4-4 within the Willets Point Special District (“SWPD”).

**PUBLIC
APPROVALS:**

On September 24, 2008 (Calendar No. 17) City Planning approved the disposition and rezoning of the Site, as part of the Willets Point Urban Renewal Area.

Pursuant to Section 384(b)(4) of the City Charter, the proposed disposition of the Site was approved by the

Queens Borough Board on May 10, 2021. The proposed disposition is anticipated to obtain Mayoral authorization in September 2023.

The Project design is subject to review and approval by the Public Design Commission (“PDC”). The Project received Final Approval from PDC on April 24, 2023.

**PROPOSED
RESOLUTIONS:**

Approval for NYCLDC to (i) enter into the Lease for the Site from the City substantially as described herein, (ii) assign such lease to the Developer and/or a Financing Entity, substantially as described herein, and (iii) enter into any related agreements and documents and consents and amendments to effectuate the Project substantially as described herein.

The Board of Directors further resolves that there is no reasonable alternative to the proposed transfer to the Developer and/or a Financing Entity that will achieve the same purpose as the transfer.

**NYCEDC
PROJECT CODE:**

1906

NYCEDC STAFF:

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