



MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
OF  
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION  
February 6, 2024

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, February 6, 2024, 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 (by Zoom)  
Ramakrishna Cherukuri  
Eric Clement  
Costa Constantinides (by Zoom)  
Paul Fernandes (by Zoom)  
Adam Friedman (by Zoom)  
Matthew Hiltzik (by Zoom)  
Andrew Kimball  
James McSpiritt  
Morris Missry (by Zoom)  
Ngozi Okaro (by Zoom)  
Patrick J. O'Sullivan, Jr.  
Joseph Shamie  
Charles Tebele (by Zoom)  
Elizabeth Velez  
Betty Woo  
Kathryn Wylde (by Zoom)

Members of NYCEDC staff also were present.

The meeting was chaired by Margaret Anadu, Chairperson of NYCEDC, and called to order at 8:43 a.m. Meredith Jones, Executive Vice President, General Counsel and Secretary of NYCEDC, served as secretary of the duly constituted meeting, at which a quorum was present. (Attached hereto as Attachment 1 is a definition sheet that contains the definitions of certain frequently used terms contained in the Exhibits attached hereto.)

1. Approval of the Minutes of the November 14, 2023 Regular Meeting of the Board of Directors

There being no questions or comments with respect to the minutes of the November 14, 2023 regular meeting of the Board of Directors, as submitted, a motion was made to approve such minutes, as submitted. Such motion was seconded and unanimously approved.

2. Report of NYCEDC's President

At this time, Andrew Kimball, President of NYCEDC, noted that a report of his on NYCEDC activities had been provided to the Directors prior to this meeting of the Board. He then gave a multimedia presentation highlighting the many NYCEDC projects and initiatives that were prominently featured in Mayor Adams's recent State of the City address. Mr. Kimball summarized the NYCEDC related projects that were mentioned as part of the Mayor's broader "Harbor of the Future" initiative, which included Hunts Point in the Bronx, the Science Park and Research Campus (SPARC) in Kips Bay, the Climate Exchange on Governor's Island, the Staten Island North Shore Action Plan, and the Climate Innovation Hub at the Brooklyn Army Terminal in Sunset Park.

Lastly, Mr. Kimball discussed a few additional NYCEDC projects and initiatives that were featured in the Mayor's address, such as the Green Economy Action Plan, the Battery Coastal Resiliency plan, the development of Willets Point, Kimlau Square in Chinatown, and the Women Forward NYC initiative.

3. Presentation: Update on M-CORE

Emily Marcus, a Vice President of NYCEDC, gave an update presentation regarding the Manhattan Commercial Revitalization Program ("M-CORE"), one of many strategies informed by, and implemented in parallel with, the *New New York* Action Plan. Ms. Marcus began by providing a brief summary of the program, explaining that M-CORE targeted buildings that were positioned to upgrade to higher quality office space and supported their ability to do so through the provision of tax incentives by the New York City Industrial Development Agency ("IDA"). Next, she discussed the program's competitive selection criteria, summarized some of the First Round submission statistics, and noted that the second submission round was currently open and would close in mid-April. Lastly, Ms. Marcus summarized two First Round selection projects, which included the buildings located at 850 Third Avenue and 175 Water Street in Manhattan.

In answer to a question from Ms. Anadu, Ms. Marcus stated that WSA Waterfront LLC was currently the owner of 175 Water Street and gave some background on such entity. In answer to a second question from Ms. Anadu, Ms. Marcus stated that NYCEDC learned from the first round that the minimum building size for eligibility needed to be decreased to allow for more applicants, but that NYCEDC felt that the

current proposed subsidy was deep enough to encourage investment. She further explained that one challenging aspect of the program was trying to understand how far along the buildings were in their plans and whether the program was truly inducing work, but that NYCEDC felt confident that these two first-round projects in particular could not have proceeded without the support provided through M-CORE. In answer to a question from Mr. Hiltzik, Ms. Marcus stated that the three incentives that IDA could offer were (1) a property tax stabilization, (2) a mortgage recording tax exemption, and (3) an exemption from sales tax associated with purchasing construction materials. In answer to a question from Mr. Clement, Ms. Marcus stated that both projects had indicated that without M-CORE they would have considered extremely reduced investment packages, but that with M-CORE they were able to multiply the amount of investment they were making in the buildings. In answer to another question from Ms. Anadu, Ms. Marcus stated that she did not recall any applicant which felt that even with the incentives it would not have been able to save its building.

In answer to a question from Ms. Wylde, Melissa Román Burch, an Executive Vice President of NYCEDC, stated that NYCEDC had conducted analysis of how much new office space had come online in the last several years, that quite a bit of new supply was introduced into the market just before the COVID-19 pandemic, that the new supply had significantly elevated occupancy rates, and that NYCEDC was noticing a flight-to-quality trend for office space. Discussion then ensued among Ms. Wylde, Ms. Román Burch, Ms. Anadu, Mr. Bliss and Mr. Kimball concerning M-CORE, the City's commercial office space supply and demand, the amount of new inventory, the amount of aging office space, the commercial occupancy and vacancy rates, and the demand for office space. Mr. Kimball then noted that New York City was doing better than other U.S. cities in terms of commercial vacancy rates, that return to work was high for high quality buildings, and that many other positive trends could be seen in NYCEDC's monthly Economic Snapshot reports.

In answer to a question from Mr. Shamie, Ms. Marcus stated that 2 of 11 applicants that applied for M-CORE in the first round were approved, but that this did not preclude the other applicants from applying again. In answer to a second question from Mr. Shamie, Ms. Marcus stated that some of the obstacles included the long process and the fact that companies had to take on many obligations. She also explained that for the first two M-CORE projects both of the project sponsors were funding them entirely up front with equity because of high current rates and current market terms, but that these sponsors were hoping to be able to refinance in the future and then take out the equity they put into the M-CORE projects. In answer to another question from Mr. Clement, Ms. Marcus stated that the owner of 175 Water Street had an active history of participating in New York Fashion Week and hosting events, that this added value and increased the demand for the other tenants they are seeking to attract in this Lower Manhattan building. At this time, Mr. Friedman noted that attracting fashion, design, creativity and innovation tenants in this area was a positive, and that the roles of NYCEDC and IDA were as drivers to help close the financial gap. In answer to a question from Ms. Velez, Ms. Marcus explained that the M-CORE program

was specifically for upgrading of office space, and that IDA was legally prohibited from supporting residential.

#### 4. Election of Officers

Under NYCEDC's Bylaws, the Board shall elect such Executive Vice Presidents and Senior Vice Presidents as it may from time to time determine. At this time, Mr. Kimball proposed that Christina Rausch be promoted and be elected as an Executive Vice President of NYCEDC in place of her being a Senior Vice President of NYCEDC, Jonathan Schulhof be elected as an Executive Vice President of NYCEDC, and each of Raven Anderson and John Corcoran be elected as a Senior Vice President of NYCEDC.

A description of certain responsibilities of Executive Vice Presidents and Senior Vice Presidents may be found in Article IV of NYCEDC's Bylaws. It was anticipated that Ms. Rausch would be co-leader of the Real Estate Transactions Division ("RETS") with PJ Berg, Mr. Schulhof would oversee NYCEDC's Initiatives Division proposed to be renamed the Innovation Industries Division, and each of Mr. Anderson and Mr. Corcoran would oversee a portion of RETS activities. Ms. Rausch, Mr. Schulhof, Mr. Anderson and Mr. Corcoran shall perform such duties as are assigned to them by NYCEDC's President.

A motion was made to elect Christina Rausch as an Executive Vice President of NYCEDC in place of her being a Senior Vice President of NYCEDC, Jonathan Schulhof as an Executive Vice President of NYCEDC, and each of Raven Anderson and John Corcoran as a Senior Vice President of NYCEDC, provided that the position of each of Christina Rausch, Jonathan Schulhof, Raven Anderson and John Corcoran as an officer shall be conditioned upon the continuance of her/his employment by NYCEDC. Such motion was seconded and unanimously approved.

Ms. Aldebol, Ms. Carethers, Mr. Friedman and Mr. Hiltzik left the meeting shortly after the above presentation.

#### 5. Assignment and Assumption of the Teleport Industrial Park Lease and Sublease at 5 Teleport Drive

At this time, Ms. Román Burch provided a brief presentation on the various NYCEDC projects and initiatives that were currently active in the Borough of Staten Island.

William Zheng, a Senior Associate of NYCEDC, then presented a proposal for (i) NYCEDC to assume the interest of The Port Authority of New York and New Jersey (the "Port Authority") under a lease, dated as of May 15, 1984, as amended, between The City of New York (the "City"), as landlord, and the Port Authority, as tenant (the "City Lease") for the portion of the Teleport Industrial Park owned by the City ("Teleport" or the "Site"), a data center and office campus located in the Bloomfield neighborhood on

Staten Island's West Shore, and to exercise the one-year renewal options under the City Lease, (ii) NYCEDC to enter into an amendment of the City Lease (the "Amendment") to reduce the annual base rent to \$1.00 and provide that NYCEDC shall not be responsible for paying any real estate taxes or payments in lieu of taxes, (iii) NYCEDC, as landlord, to enter into a sublease with the Port Authority (the "Port Authority Sublease"), as tenant, for certain space in the building at 5 Teleport Drive (Block 2165, Lot 85 on the Tax Map of the Borough of Staten Island), which space includes a 1<sup>st</sup> floor generator room (384 square feet) and space on the 2<sup>nd</sup> floor (24,000 square feet) of such building, and (iv) NYCEDC to enter into documents ancillary thereto, all to ensure that Teleport continues to operate efficiently and effectively after NYCEDC's assumption of the City Lease, on substantially the terms set forth in Exhibit A hereto.

In answer to a question from Mr. Fernandes, Mr. Zheng stated that the fair market value resets set forth in the item were not capped. In answer to a question from Ms. Anadu, Sean Freas, a Vice President of NYCEDC, explained that when the Port Authority first took over the Teleport campus it was programmed in parcels, that approximately half the campus currently remained undeveloped, and that NYCEDC saw this as an opportunity for NYCEDC to have some control over the master planning and activation of the campus to better align with City, NYCEDC and community goals as well as to drive future performance. Mr. Kimball added that the Port Authority was rationalizing its own portfolio and not seeing an interest in wanting to stay in a commercial office park in Staten Island, with the exception of the lease that it wanted to extend.

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

6. Report on Investments for the Three-Month Period Ended December 31, 2023

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

7. 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.

8. 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 9:30 a.m.

\_\_\_\_\_  
Assistant Secretary

Dated: \_\_\_\_\_  
New York, New York

DRAFT

## **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**

**ASSIGNMENT AND ASSUMPTION OF THE TELEPORT INDUSTRIAL PARK LEASE  
AND  
SUBLEASE AT 5 TELEPORT DRIVE  
Board of Directors Meeting  
February 6, 2024**

**PROJECT  
OVERVIEW:**

NYCEDC currently acts as lease administrator under a lease, dated as of May 15, 1984, as amended, between the City, as landlord, and the Port Authority, as tenant (the “City Lease”) for the portion of the Teleport Industrial Park owned by the City (“Teleport” or the “Site”), which portion is an approximately 90-acre data center and office campus located in the Bloomfield neighborhood on Staten Island’s West Shore. Teleport contains a total of approximately 700,000 square feet of rentable space in five buildings: 1, 2, 5, 7 and 10 Teleport Drive. In addition to these improvements, there is an electrical substation that provides electricity to the entire campus as well as approximately 31 acres of vacant land suitable for future development.

The Port Authority proposes to assign the City Lease to NYCEDC on March 31, 2024, at which time there will be one year remaining on the term of the City Lease and options to extend the term through March 31, 2034. NYCEDC is seeking approval to enter into the assignment and assume the Port Authority’s obligations as tenant under the City Lease (the “Assignment and Assumption of City Lease”). Pursuant to the terms of the City Lease, the Port Authority is required to return the campus in good condition.

At the closing and immediately following the assignment, the City and NYCEDC will enter into an amendment to the City Lease reducing the annual base rent to \$1.00 and providing that NYCEDC shall not be responsible for paying any real estate taxes. The City and NYCEDC plan to seek approvals to extend the term of the City Lease by up to an additional 99 years, which extension would be presented to NYCEDC’s Board for approval at a later date.

NYCEDC will assume the City Lease subject to two subleases at Teleport, which will remain in place. The subtenants are The Corporate Commons of Staten Island, LLC (“Nicotra”) at 1 and 2 Teleport Drive and Telehouse International Corporation of America (“Telehouse”) at 7 Teleport Drive. The subleases currently have options to extend their term to up to a total of sixty (60) years, through 2044 for Nicotra and 2048 for Telehouse. During those periods base rent for Nicotra will be approximately \$4 per occupied square foot and for Telehouse will be approximately \$6 per square foot through approximately March 30, 2030, increasing for Telehouse to fair market rent on or about March 30, 2030. It is anticipated that, immediately

prior to assigning the City Lease to NYCEDC, the Port Authority will amend the two subleases to provide the subtenants an option to extend the terms of their subleases beyond 60 years, provided that on or before March 2034 the City Lease is extended, in the case of Nicotra to the Nicotra Extension Date and in the case of Telehouse to the Telehouse Extension Date defined below. In the case of Nicotra, the term may be extended through approximately March 30, 2073 (the “Nicotra Extension Date”) with base rent equal to fair market rent at the beginning of the additional extension period in 2044, with reset(s) in the remainder of the term. In the case of Telehouse, the term may be extended through approximately March 30, 2068 (the “Telehouse Extension Date”) with base rent equal to fair market rent in 2024, with reset(s) in the remainder of the term. The fair market rental value will be determined by an independent appraisal, but base rent will not be less than the base rent in effect immediately prior to any rent reset date. All other rental will remain unchanged.

The Port Authority has requested a sublease for one floor and a generator room in the building at 5 Teleport Drive in order to maintain a data center at that location. Accordingly, NYCEDC is also seeking approval to enter into a sublease with the Port Authority for a 5-year term with an initial base rent of \$658,368 per annum (approximately \$27 per square foot) and 3% annual escalations thereafter.

NYCEDC’s plan to ensure that Teleport continues to operate efficiently and effectively after NYCEDC’s assumption of the City Lease includes subleasing vacant space at fair market rental rates, subject to obtaining all required approvals, extending the term of the City Lease for an additional 99 years, and exploring future development possibilities. As an NYCEDC-controlled asset, Teleport will offer an opportunity to align organizational initiatives with the built environment, utilizing the undeveloped land for economic growth, green energy, and community vitality in Staten Island.

NYCEDC proposes to:

- enter into an assignment and assumption of the City Lease for Teleport
- enter into an amendment of the City Lease
- enter into a sublease with the Port Authority for space at 5 Teleport Drive

## **ASSIGNMENT AND ASSUMPTION OF CITY LEASE**

**Lessor:** The City

**Lessee:** The Port Authority

**Assignee:** NYCEDC

**Property:** The Teleport  
Borough of Staten Island  
Community Board No. 2

**Lease Term:** At closing the Lease term will expire on March 31, 2025 with 9 1-year options to renew the City Lease through March 31, 2034.

**Rent:** See Amendment of City Lease below setting forth the new rent that will be in effect essentially simultaneously with the Assignment and Assumption of City Lease

**Site Description:** See Project Overview above  
The Site is approximately depicted in Attachment A.

#### **AMENDMENT OF CITY LEASE**

**Lessor:** The City

**Lessee:** NYCEDC

**Rent:** Amend rent to \$1.00 per annum. NYCEDC will not pay any real estate taxes or PILOT.

#### **PORT AUTHORITY SUBLEASE**

**Sublessor:** NYCEDC

**Sublessee:** The Port Authority

**Property:** Space in the building at 5 Teleport Drive (Block 2165, Lot 85); 1<sup>st</sup> floor generator room (384 square feet) and 2<sup>nd</sup> floor (24,000 square feet)

**Lease Term:** The sublease will be for a term of 5 years, commencing April 1, 2024 and expiring March 30, 2029.

**Base Rent:** Base rent commencing April 1, 2024 will be \$658,368 (\$27 per square foot) for the first year (i.e. \$10,368 for the first floor and \$648,000 for the second floor), and will thereafter increase by 3% annually

**Uses:** Office uses and other uses consistent with M1-1 zoning.

**Appraised  
Value:**

An independent appraisal of the second floor of the sublease premises at 5 Teleport in May 2023 valued the fair market annual rent for the second floor at \$624,000 (\$26 per square foot) on a Triple Net Lease (NNN) basis with 3% annual escalations.

**PROPOSED**

**RESOLUTION:** The approval of (i) NYCEDC assuming the interest of the Port Authority under the City Lease and exercising the one-year renewal options thereunder, (ii) NYCEDC entering into an amendment of the City Lease, (iii) NYCEDC, as landlord, entering into a sublease with the Port Authority, as tenant, and (iv) NYCEDC entering into documents ancillary thereto, on substantially the above described terms.

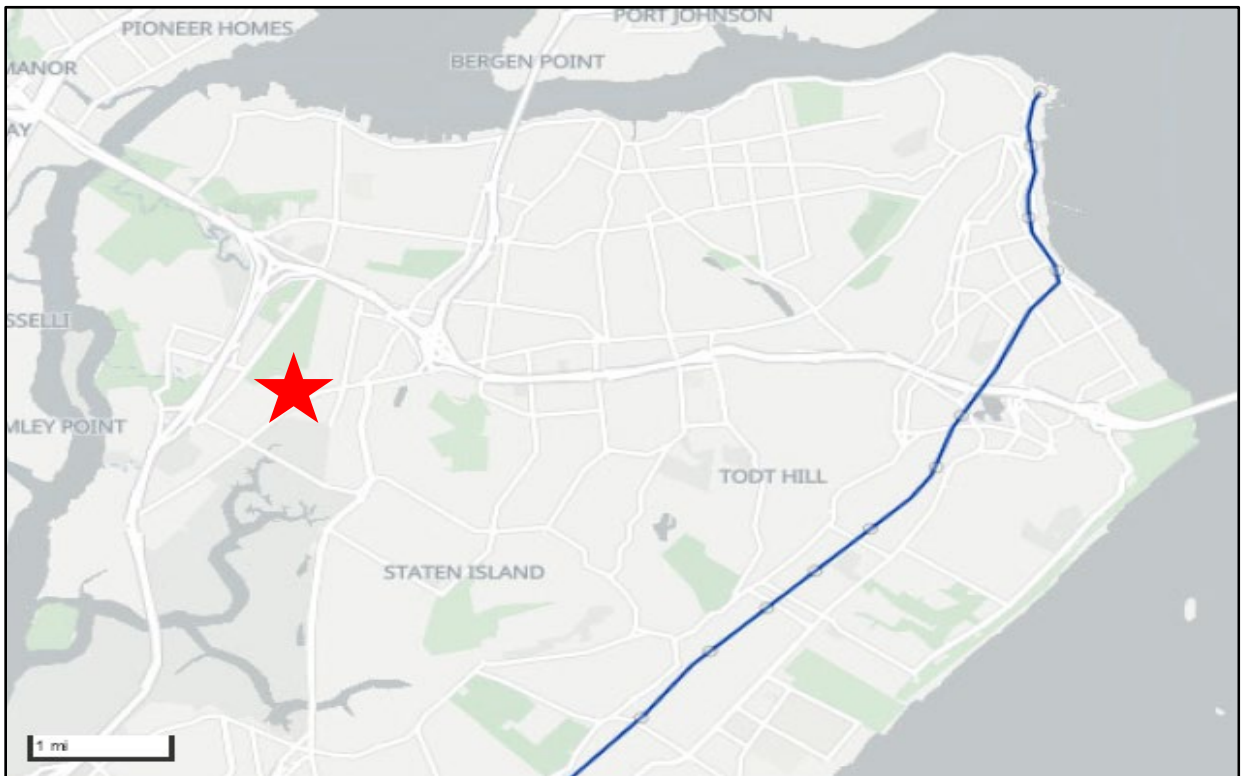
**NYCEDC  
PROJECT  
CODE:**

10588 - Teleport

**STAFF:**

Sabrina Lippman, Senior Vice President, Asset Management  
Sean Freas, Vice President, Asset Management  
Lia Tieu, Vice President, Asset Management  
William Zheng, Senior Associate, Asset Management  
Karen Lapidus, Senior Counsel, Legal

## Attachment A: Site Location Map



**EXHIBIT B**

## **REPORT ON INVESTMENTS**

New York City Economic Development Corporation

Three Month Period Ended December 31, 2023



## New York City Economic Development Corporation Schedule of Investments

### 1st Quarter

Investment Type	Total Value 6/30/23	Purchases	Maturities	Interest Received	Net Transfers Out	Unrealized Gain/Loss	Total Value 9/30/23	Weighted Avg. Yield
US Gov't Agencies	170,560,525	38,949,739	(29,800,000)	(1,169,896)	-	2,099,334	180,639,702	3.10%
United States Treasury Bill	-	1,409,829	-	-	-	8,126	1,417,955	5.73%
Certificates of Deposit	203,888	-	-	-	-	695	204,583	0.05%
Commercial Paper	23,858,590	-	-	-	-	346,720	24,205,310	4.53%
Cash Equivalents/MMF	1,451,809	914,885	(170,296)	-	-	-	2,196,398	
<b>Grand Total</b>	<b>196,074,811</b>	<b>41,274,453</b>	<b>(29,970,296)</b>	<b>(1,169,896)</b>	<b>-</b>	<b>2,454,875</b>	<b>208,663,948</b>	<b>3.25%</b>

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

### 2nd Quarter

Investment Type	Total Value 9/30/23	Purchases	Maturities	Interest Received	Net Transfers Out	Unrealized Gain/Loss	Total Value 12/31/23	Weighted Avg. Yield
US Gov't Agencies	180,639,702	20,199,269	(37,850,000)	(1,037,002)	-	3,549,917	165,501,886	3.57%
United States Treasury Bill	1,417,955	10,031,693	-	-	-	133,085	11,582,734	0.72%
Certificates of Deposit	204,583	-	-	-	-	-	204,583	0.05%
Commercial Paper	24,205,310	8,174,926	(19,500,000)	-	-	242,798	13,123,035	3.75%
Cash Equivalents/MMF	2,196,398	16,026,702	-	-	-	-	18,223,100	
<b>Grand Total</b>	<b>208,663,948</b>	<b>54,432,591</b>	<b>(57,350,000)</b>	<b>(1,037,002)</b>	<b>-</b>	<b>3,925,801</b>	<b>208,635,337</b>	<b>3.11%</b>

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

## Notes to Schedule of Investments

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

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

Investment Type	Total Value	%	Max. Allocation per policy
FFCB	44,371,286	21.3%	
FHLB	93,255,427	44.7%	
FHLMC	27,875,173	13.4%	
US Gov Agencies Sub-Total	165,501,886	79.3%	100%
Commercial Paper	13,123,035	6.3%	25%
Certificates of Deposit	204,583	0.1%	20%
Cash Equivalent/MMF	18,223,100	8.7%	-
US Treasury	11,582,734	5.6%	100%
<b>Grand Investments Total</b>	<b>208,635,337</b>	<b>100.0%</b>	

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

**Credit Risk** - It is the NYCEDC's policy to limit its investments in debt securities to those rated in the highest rating category by at least two nationally recognized bond rating agencies or other securities guaranteed by the U.S. government or issued by its agencies. As of December 31, 2023, the Corporation's investments in Federal Farm Credit Bank (FFCB), Federal Home Loan Bank (FHLB) and the Federal Home Loan Mortgage Corporation (FHLMC) were rated AA+ by Standard & Poor's, Aaa by Moody's and AAA by Fitch Ratings. Commercial papers held were rated A-1+ by Standard & Poor's Corporation or P-1 by Moody's Investor's Service, Inc.

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

NYCEDC manages custodial credit risk by limiting possession of its investments to highly rated institutions and/or requiring that high-quality collateral be held by the counterparty in the name of NYCEDC. At December 31, 2023, NYCEDC was not subject to custodial credit risk.