



New York City Economic Development Corporation

MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
OF  
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION  
May 8, 2019

A regular meeting of the Directors of New York City Economic Development Corporation ("NYCEDC") was held, pursuant to notice by an Assistant Secretary, on Wednesday, May 8, 2019, at NYCEDC's offices at 110 William Street, in Conference Rooms 4A and 4B, New York, New York.

The following Directors of NYCEDC were present:

Cheryl Adolph  
Shirley Aldebol (by conference telephone)  
William Candelaria (by conference telephone)  
Wilton Cedenio  
Marlene Cintron (by conference telephone)  
Hector Cordero-Guzman (by conference telephone)  
Mitchell Draizin (by conference telephone)  
Robert Englert (by conference telephone)  
Matthew Hiltzik (by conference telephone)  
Joshua Levin  
Tanya Levy-Odom (by conference telephone)  
James McSpirtt  
Melva Miller (by conference telephone)  
Patrick J. O'Sullivan, Jr.  
James Patchett  
Carl Rodrigues (by conference telephone)  
Mark Russo (by conference telephone)  
Matthew Washington (by conference telephone)  
Timothy Wilkins  
Betty Woo  
Kathryn S. Wylde (by conference telephone)

Members of NYCEDC staff also were present.

The meeting was chaired by James Patchett, President of NYCEDC, and called to order at 8:35 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 February 6, 2019 Regular Meeting of the Board of Directors

There being no questions or comments with respect to the minutes of the February 6, 2019 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. Approval of the Minutes of the March 20, 2019 Special Meeting of the Board of Directors

There being no questions or comments with respect to the minutes of the March 20, 2019 special 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.

3. Report of NYCEDC's President

At this time, Mr. Patchett presented to the Directors his report as President of NYCEDC. Mr. Patchett briefly highlighted some of the recent activity involving key NYCEDC projects and initiatives, including plans for the Lower Manhattan Coastal Resiliency project, the expansion of the Jamaica FEASTS program and the completion of the new Essex Market and it opening the following week. Mr. Patchett also provided an update regarding NYCEDC's plans for an upcoming Board retreat at Brooklyn Army Terminal.

At this time, Wilson Lin, a Vice President of NYCEDC, presented an informational briefing and update on NYCEDC's Cyber NYC initiative. He stated that NYCEDC would be working to identify and target audiences and communities that might not traditionally consider cybersecurity as a pathway, and that NYCEDC would also work to get people who were already involved in cybersecurity and the Cyber Boot Camp to participate in the initiative. In answer to a question from Mr. Cedenó, Mr. Lin stated that there were a number of ways to evaluate the non-traditional student field and assess which students had the potential to succeed in the program. In answer to a question from Mr. Wilkins, Mr. Lin stated that while getting people into jobs was NYCEDC's top priority with this initiative, some key growth-indicator metrics for the initiative included whether companies obtained additional funding, job creation numbers, higher growth rate of venture capital funding for the City's cybersecurity market, and the number of cybersecurity companies choosing to relocate to the City. Ana Ariño, an Executive Vice President of NYCEDC, added that two other high-level numeric targets for NYCEDC were to catalyze 10,000 cyber-related jobs in the next 10 years, and to train 8,000 people over the next 3 years. In answer to another question from Mr. Cedenó, Mr. Lin explained that New York City was not the first to undertake a cybersecurity initiative, but that the City's approach stood out in terms of its comprehensiveness and its aim to take advantage of New York City's strengths, which Mr. Lin stated was key for the City to retain and grow its competitive edge in the cyber field. In answer to a question from Ms. Adolph, Mr. Lin stated that in its research for Cyber NYC, NYCEDC spoke with over 200

stakeholders around the City, including academic institutions, start-ups and various tech hubs, among others, and that Cyber NYC also had a broad advisory board that provided another avenue for connecting with area tech leaders.

#### 4. Election of Officers

Under NYCEDC's Bylaws, the Board shall elect such Senior Vice Presidents and Executive Vice Presidents as it may from time to time determine. At this time, Mr. Patchett proposed that each of Karen Bhatia, Winthrop Hoyt, Lauren Wolf and James Wong be elected as a Senior Vice President and Hester Muis be elected as an Executive Vice President. A description of certain responsibilities of Senior Vice Presidents and Executive Vice Presidents may be found in Article IV of the Bylaws. It was anticipated that Ms. Bhatia, Mr. Hoyt, Ms. Wolf and Mr. Wong shall continue to work in the Initiatives, Asset Management – Revenue ("AMR"), Real Estate Transaction Services ("RETS") and AMR Departments, respectively. They shall perform such duties as are assigned to them by NYCEDC's President. It was anticipated that Ms. Muis shall head the RETS Department. She shall perform such duties as are assigned to her by NYCEDC's President. Mr. Patchett then summarized the backgrounds of Ms. Bhatia, Mr. Hoyt, Ms. Muis, Ms. Wolf and Mr. Wong.

A motion was then made to elect each of Karen Bhatia, Winthrop Hoyt, Lauren Wolf and James Wong as a Senior Vice President of NYCEDC and Hester Muis as an Executive Vice President of NYCEDC. Such motion was seconded and unanimously approved. The position of each of Karen Bhatia, Winthrop Hoyt, Hester Muis, Lauren Wolf and James Wong as an officer shall be conditioned upon the continuance of his or her employment by NYCEDC.

#### 5. Coney Island Leases and CAI Lease Amendment

Winthrop Hoyt, a Senior Vice President of NYCEDC, presented a proposal for NYCEDC (i) to amend its existing Coney Island lease (the "Lease") with Central Amusement International, Inc. ("CAI") to expand the leased premises, which currently cover approximately 6.4 acres of land owned by NYCEDC and an approximately one-acre parcel owned by the City of New York (the "City"), to include an additional City-owned approximately 3.5 acres on four sites (the "Additional Sites"), and to enter into a lease with the City for the Additional Sites (the "City Lease"), (ii) to amend the lease by the City to NYCEDC (the "Thunderbolt Lease") for certain premises located at Block 7074, Lots 170 and 190 on the Tax Map of the Borough of Brooklyn, which premises are subleased to CAI under the Lease, (iii) to make payments to CAI for the unamortized cost of improvements to an approximately 41,000 square foot parcel identified as Block 7074, Lot 1 on the Tax Map of the Borough of Brooklyn ("Site A"), to be licensed under a license (the "License") to CAI by the New York City Department of Parks and Recreation ("City Parks") and to enter into related agreements and (iv) to administer and make expenditures from a fund (the "Fund") that is to be used for expenses approved by City Parks for the acquisition of additional parkland in Coney Island and/or for capital improvements to park and recreational facilities within the Coney Island area (including potentially the unamortized cost of improvements to Site

A), all on substantially the terms set forth in Exhibit A hereto as amended at the Executive Committee meeting substantially as described below.

Mr. Candelaria joined the meeting at this time.

In connection with the License, Mr. Hoyt stated that in addition to the matters described in Exhibit A, if City Parks terminates the License prior to the end of the Lease term, NYCEDC shall pay CAI the unamortized cost of CAI's improvements on Site A up to \$350,000. NYCEDC was negotiating with City Parks for City Parks to provide funds for half of the amount, if any, to be paid to CAI for the unamortized cost. Such City Parks provided funds may be from the Fund.

In answer to a question from Mr. Patchett, Mr. Hoyt stated that NYCEDC felt that parking on Site A was critical to the project's overall success. In answer to a question from Mr. McSpiritt, Mr. Hoyt stated that the Site A parking was primarily for the employees of the amusement center, and that a negotiated amortization schedule was agreed upon to amortize the parking improvements over the remaining term of the Lease. In answer to a question from Ms. Woo, Mr. Hoyt stated that the parking was included in the request for proposals and a part of the proposal submitted by CAI. In answer to a question from Mr. Patchett, Mr. Hoyt stated that Site A was currently an unused street, that the improvements to Site A involved paving, and that Site A would be a more useful parcel in the future as a result of the improvements, even in the event that the License was terminated. In answer to a question from Mr. O'Sullivan, Mr. Hoyt stated that the improved Site A certainly would be very useful to CAI, as its staff currently mostly utilize street parking.

A motion was made to approve the matters set forth for approval in the Proposed Resolutions section of Exhibit A hereto and to approve NYCEDC making payments to CAI for the unamortized cost of improvements to Site A substantially as described above and to enter into any related agreements. Such motion was seconded and unanimously approved.

6. Report on Investments for the Three-Month Period Ended March 31, 2019


A report on NYCEDC's investments for the three-month period ended March 31, 2019 (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 substantially on 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 9:16 a.m.

  
Assistant Secretary

Dated: June 26, 2019  
New York, New York

Attachment 1

**DEFINITIONS**

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

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

Exhibit A

**CONEY ISLAND LEASES AND  
CAI LEASE AMENDMENT  
Board of Directors Meeting  
May 8, 2019**

**PROJECT  
OVERVIEW:**

NYCEDC proposes to amend its existing Coney Island lease (the "Lease") with Central Amusement International, Inc. ("CAI") to expand the leased premises, which currently cover approximately 6.4 acres of land owned by NYCEDC (the "NYCEDC Owned Sites") and an approximately one-acre City-owned parcel, to include an additional City-owned approximately 3.5 acres on four sites (the "Additional Sites"). The property currently leased under the Lease is primarily used by CAI as the site of Luna Park.

The Additional Sites will be leased by the City directly to NYCEDC (the "City Lease"). State legislation and the Second Amendment to the Agreement for Special Process for New York City Council Review and Approval of Coney Island Amusement Park Project Plan authorized the City to enter into the City Lease for the Additional Sites directly with NYCEDC for purposes of the project.

CAI was selected through an RFP for amusement purposes for the Additional Sites, which was released by NYCEDC in February 2017. The terms of the Lease will be modified pursuant to a Lease amendment substantially as indicated below, such modified terms being applicable to the Additional Sites.

In addition, it is anticipated that the jurisdiction of certain premises in Brooklyn (Block 7074, Lots 170 and 190) leased to NYCEDC by the City (the "Thunderbolt Lease") and subleased to CAI under the Lease, on which the Thunderbolt roller coaster is located, will be transferred from DCAS to City Parks, at which time the rent payable by NYCEDC will be increased as set forth below.

In connection primarily with providing access to and employee parking for Luna Park, City Parks may license (the "License") to CAI an approximately 41,000 square foot parcel approximately depicted as Site A on the site plan attached hereto as Attachment A, identified as Block 7074, Lot 1 on the Tax Map of Brooklyn, which License may be administered by NYCEDC .



**CITY LEASE**

**Lessor:** The City, acting through City Parks

**Lessee:** NYCEDC

**Consideration:** 50% of all revenues received by NYCEDC with respect to the Additional Sites will be placed by NYCEDC in a fund (the "Fund") that is anticipated to be administered by NYCEDC for use for expenses approved by City Parks for the acquisition of additional parkland in Coney Island and/or for capital improvements to park and recreational facilities within the Coney Island area. Additionally, NYCEDC shall covenant that (1) in the future, it will transfer to the City title to the portion of the NYCEDC Owned Sites that will be mapped parkland (the City will simultaneously lease the property back to NYCEDC permitting the Lease to CAI to remain in place, for consideration calculated in a manner similar to the Additional Sites consideration), and (2) it shall require CAI to make payments in lieu of real estate taxes with respect to the Additional Sites as set forth in the Amendment to Lease below. As part of this overall project, it is anticipated that City Parks will also permit certain City-owned parcels west of MCU Park to be used for housing and/or mixed use development through developers chosen by NYCEDC.

**Additional Sites:** The Additional Sites are approximately 3.5 acres in the aggregate. They consist of Block 7074, Lots 2, 370 and 450 and Block 8695, Lot 500 on the Tax Map of the Borough of Brooklyn. Community Board No.3

The Additional Sites are approximately depicted as Sites B, C, D and E on the site plan attached hereto as Attachment A.

**AMENDMENT TO LEASE**

**Lessor:** NYCEDC

**Lessee:** CAI

**Premises and**

**Use:** The Lease will be expanded to include the Additional Sites in addition to the currently demised premises. CAI will be responsible for all improvements to the Additional Sites.

Based on its assessment of the condition of the Additional Sites and its plans for their reactivation, CAI and/or its subtenants, permittees or licensees will develop and operate amusement and entertainment

facilities that are anticipated to include, without limitation, a water ride, a roller coaster, a ropes course, a games facility and dining areas at the Additional Sites.

**Lease Term:** The Lease term currently expires on December 31, 2027 and will continue to expire on that date.

**Rent:** Base rent for the Additional Sites will be \$60,000 a year for Site B, \$12,000 a year for Site C, \$18,000 a year for Site D, and \$6,000 a year for Site E, each subject to two percent (2%) annual increases, compounded.

The structure of participation rent payments for the Additional Sites based on annual gross receipts, excluding certain taxes and rent from fixed rent subtenants ("Gross Receipts"), is as follows:

Site B: 6% of Gross Receipts over \$1,000,000

Site C: 6% of Gross Receipts over \$200,000

Site D: 6% of Gross Receipts over \$300,000

Site E: 5% of Gross Receipts over \$120,000

In addition, CAI shall pay participation rent equal to 15% of rent from fixed rent subtenants, if any, of the Additional Sites.

**Appraised Value:**

An independent appraisal of the Additional Sites performed in January 2019 indicates that fair market rental value for the Additional Sites for their highest and best use is \$530,000 in the initial year the Additional Sites would be leased, with 3% increases annually. The same appraisal valued the Additional Sites fair market rent under the restricted use at \$327,500 in the initial year, with 3% increases annually. It is anticipated that CAI will pay aggregate rent for the Additional Sites at least equal to fair market rent for highest and best use.

**Utilities/  
Repairs:**

All utilities, including water and sewer, gas and electric charges, for the Additional Sites will be paid by CAI.

**Real Estate Taxes:**

CAI shall make payments in lieu of real estate taxes with respect to the Additional Sites in the amount of the real estate taxes that would be payable with regard to the Additional Sites but for City ownership of the Additional Sites.

**TRANSFER  
OF LEASE:**

The Board's authorization for NYCEDC to assign the Lease, and all of its rights and responsibilities therein, to the City for nominal consideration, will remain in effect after the Lease amendment.

**PURPOSE OF  
TRANSFER/  
BENEFIT TO  
PUBLIC:**

The project will have public benefits and a positive economic impact on the City and the Coney Island community. In addition to the rents provided under the proposed Lease amendment and the increased tax revenues, the investment made by CAI will further the development of the amusement attractions in Coney Island and provide additional employment, including construction and permanent jobs, activate a currently dormant property on the iconic Reigelmann Boardwalk, and continue to strengthen the revitalized Coney Island Amusement Area.

**THUNDERBOLT  
LEASE:**

The Thunderbolt Lease will be amended to provide that rent payable by NYCEDC under the Thunderbolt Lease will be increased at the time jurisdiction of such property is transferred to City Parks, from nominal consideration. NYCEDC will place in the Fund 50% of all revenue received by NYCEDC from premises leased thereunder to be used and administered as set forth above with regard to the Fund and the Additional Sites.

**PROPOSED  
RESOLUTIONS:**

The approval of NYCEDC (i) to enter into a lease with the City for the Additional Sites and amend its existing lease with CAI to include the Additional Sites, substantially as described above, (ii) to amend the Thunderbolt Lease, substantially as described above, and (iii) to administer and make expenditures from the Fund substantially as described above.

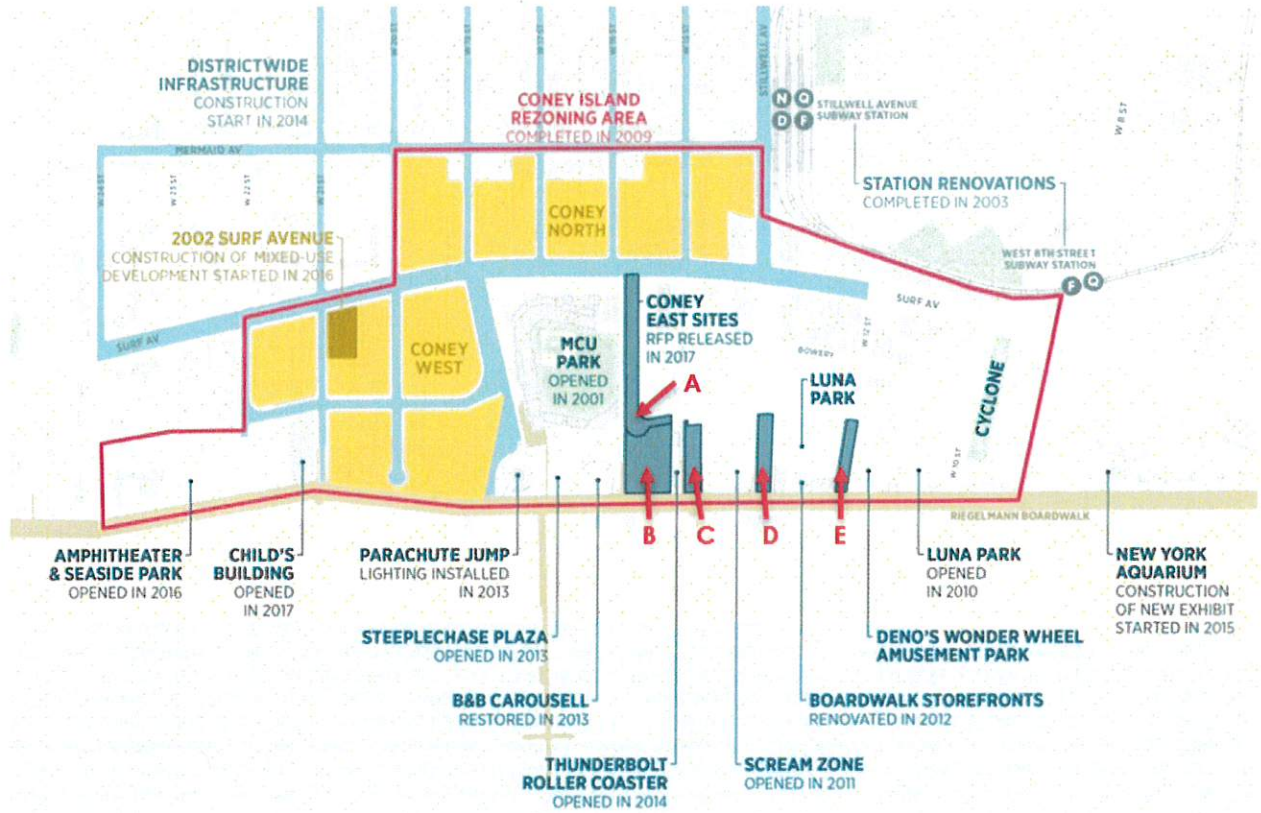
**NYCEDC  
PROJECT  
CODE:**

6698

**STAFF:**

Sean Freas, Senior Associate, Asset Management  
Winthrop Hoyt, Senior Vice President, Asset Management  
Matthew Kwatinetz, Executive Vice President, Asset Management  
Karen Lapidus, Senior Counsel, Legal

# ATTACHMENT A



**Exhibit B**

**REPORT ON INVESTMENTS**  
**New York City Economic Development Corporation**  
**Three Month Period Ended March 31, 2019**

## New York City Economic Development Corporation Schedule of Investments

### 1st Quarter

Investment Type	Total Value	Purchases	Maturities	1st Quarter	Net Transfers	Unrealized	Total Value	Weighted Avg.	Current %
	6/30/18			Interest			Out		
	(A)	(B)	(C)	(D)	(E)	(F)	(A+B+C+D+E+F)		
US Gov't Agencies	144,849,829	-	(39,070,000)	(638,724)	-	533,872	105,674,975	1.08%	42%
US Treasury Note	24,481,182	62,281,320	-	-	-	260,532	87,003,036	2.06%	34%
Certificates of Deposit	199,591	-	-	-	-	-	199,592	0.05%	0%
Commercial Paper	47,731,710	41,838,522	(28,950,000)	-	-	302,988	60,723,200	1.98%	24%
Cash Equivalents/MMF	26,979,022	609,122	(26,694,734)	-	-	-	793,410	-	0%
<b>Grand Total</b>	<b>243,241,334</b>	<b>104,408,966</b>	<b>(93,714,734)</b>	<b>(638,724)</b>		<b>1,097,372</b>	<b>264,384,212</b>	<b>1.63%</b>	<b>100%</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	Purchases	Maturities	2nd Quarter	Net Transfers	Unrealized	Total Value	Weighted Avg.	Current %
	9/30/18			Interest			Out		
	(A)	(B)	(C)	(D)	(E)	(F)	(A+B+C+D+E+F)		
US Gov't Agencies	105,674,975	30,790,193	(26,045,000)	(473,461)	-	896,727	111,843,435	1.47%	54%
US Treasury Note	87,003,036	44,068,812	(61,126,000)	(571,953)	-	468,060	79,832,954	2.17%	39%
Certificates of Deposit	199,592	-	-	(124)	124	-	199,592	0.05%	0%
Commercial Paper	60,723,200	-	(47,600,000)	-	-	233,406	13,466,606	2.08%	7%
Cash Equivalents/MMF	793,410	461,493	(456,866)	-	-	-	786,037	-	0%
<b>Grand Total</b>	<b>264,384,212</b>	<b>75,310,498</b>	<b>(124,128,866)</b>	<b>(1,045,538)</b>	<b>124</b>	<b>1,588,192</b>	<b>206,118,622</b>	<b>1.78%</b>	<b>100%</b>

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

### 3rd Quarter

Investment Type	Total Value	Purchases	Maturities	3rd Quarter	Net Transfers	Unrealized	Total Value	Weighted Avg.	Current %
	12/31/18			Interest			Out		
	(A)	(B)	(C)	(D)	(E)	(F)	(A+B+C+D+E+F)		
US Gov't Agencies	111,843,435	-	(28,000,000)	(626,741)	-	809,161	83,025,865	1.55%	40%
US Treasury Note	79,832,954	-	(37,000,000)	(27,000)	-	285,723	43,091,677	2.26%	21%
Certificates of Deposit	199,592	-	-	-	-	-	199,592	0.05%	0%
Commercial Paper	13,456,605	36,293,853	(13,500,000)	-	-	260,412	36,510,870	2.53%	17%
Cash Equivalents/MMF	786,037	43,904,069	-	-	-	-	44,690,106	-	22%
<b>Grand Total</b>	<b>206,118,622</b>	<b>80,197,922</b>	<b>(79,600,000)</b>	<b>(663,741)</b>		<b>1,366,296</b>	<b>207,818,089</b>	<b>1.62%</b>	<b>100%</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 March 31, 2019 are recorded at fair value and the portfolio consists of the following securities with maturities of seven (7) years or less (\$ in thousands):

INVESTMENT TYPE	TOTAL VALUE	%	MAXIMUM ALLOCATION PER POLICY
FFCB	10,039	5%	
FHLB	39,824	19%	
FHLMC	27,749	13%	
FNMA	5,414	3%	
US Gov Agencies Sub-Total	83,026	40%	100%
US Treasury Note	43,092	21%	100%
Commercial Paper	36,511	17%	25%
Certificates of Deposit	199	0%	20%
Cash Equivalent/MMF	44,690	22%	
<b>Grand Investments Total</b>	<b>207,518</b>	<b>100%</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 March 31, 2019, the Corporation's investments in Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB) and the Federal Home Loan Mortgage Corporation (FHLMC) were rated AA+ by Standard & Poor's, Aaa by Moody's and AAA by Fitch Ratings. Commercial papers held were rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Investor's Service, Inc.

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

The NYCEDC manages custodial credit risk by limiting possession of its investments to highly rated institutions and/or requiring that high-quality collateral be held by the counterparty in the name of the NYCEDC. At March 31, 2019, NYCEDC was not subject to custodial credit risk.