

**HUDSON YARDS INFRASTRUCTURE CORPORATION**

**Meeting of the Members  
May 12, 2025**

Agenda

1. Approval of Minutes of Meeting of September 30, 2024
2. Election of Alternate Director(s)

**HUDSON YARDS INFRASTRUCTURE CORPORATION**

Meeting of the Members

May 12, 2025

Approval of Minutes

**WHEREAS**, the Members of Hudson Yards Infrastructure Corporation have reviewed the minutes of the previous meeting of the Members held on September 30, 2024; it is therefore

**RESOLVED**, that the minutes of the meeting of Members of September 30, 2024 are hereby approved.

**MINUTES OF THE MEETING OF THE MEMBERS OF THE HUDSON  
YARDS INFRASTRUCTURE CORPORATION**

September 30, 2024

A meeting of the Members (the “Members”) of the Hudson Yards Infrastructure Corporation (the “Corporation”) was held on September 30, 2024 at approximately 4:20 p.m., conducted at 255 Greenwich Street, Room 6M4, New York, New York.

The following Members attended, represented by their designees:

Jacques Jiha, Director of the Mayor’s Office of Management and Budget for The City of New York (the “City”), represented by David Womack;

Brad Lander, Comptroller of the City, represented by Jay Olson;

Adrienne Adams, Speaker of the City Council, represented by Emre Edev;

Maria Torres-Springer, Deputy Mayor of Economic and Workforce Development, represented by Nate Bliss; and

Meera Joshi, Deputy Mayor for Operations, represented by Ya-Ting Liu;  
constituting a quorum of the Members.

Claudia Martinez served as secretary of the meeting.

Also in attendance were members of the public, officers of the Corporation and employees of various agencies of the City and the State of New York, who joined in-person and remotely.

The meeting was called to order by Mr. Womack.

Approval of Minutes

The first item on the agenda was the approval of the minutes of the meeting of the Members which occurred on May 7, 2024. There being no further discussion, and upon unanimous vote, the following resolution to adopt such minutes was duly approved:

**WHEREAS**, the Members of Hudson Yards Infrastructure Corporation have reviewed the minutes of the previous meeting of the Members held on May 7, 2024 it is therefore

**RESOLVED**, that the minutes of the meeting of Members of May 7, 2024 are hereby approved.

Resolution: Receipt and Acceptance of Annual Report to Members

The second and final item was a resolution which would accept the annual report to the members. Mr. Womack explained that this report has been verified by the Board of Directors, as required by Section 519 of the NY Not-for-Profit Corporation Law. He asked if there were any questions or comments. There being no further discussion and upon unanimous vote, the following resolution was adopted:

**WHEREAS**, Section 519 of the New York Not-For-Profit Corporation Law (the “NPCL”) requires that the Board of Directors of not-for-profit corporations present an annual report relating to the financial conditions of such corporations to the members of such corporations at their annual meeting;

**WHEREAS**, the Corporation prepared an annual report in compliance with Section 519 of the NPCL (the “Annual Report”); and

**WHEREAS**, the Board of Directors of the Corporation has verified the accuracy of the information contained in the Annual Report and has authorized the submittal of such Annual Report to the members of the Corporation; it is therefore

**RESOLVED**, that the members of the Corporation do hereby receive and review the Annual Report; and it is

**FURTHER RESOLVED**, that the Annual Report be entered in the minutes of this Annual Meeting of the Members.

Adjournment

There being no further business to come before the members, upon unanimous vote, the meeting was duly adjourned.

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SECRETARY

# HUDSON YARDS INFRASTRUCTURE CORPORATION

Meeting of the Members

May 12, 2025

## Election of Alternate Directors

**WHEREAS**, the Hudson Yards Infrastructure Corporation (the “Corporation”) is a not-for-profit local development corporation incorporated under the New York Not-For-Profit Corporation Law (the “N-PCL”);

**WHEREAS**, Section 703(d) of the N-PCL provides that where directors of not-for-profit corporations are elected by membership sections, such sections may also elect alternate directors;

**WHEREAS**, pursuant to the Certificate of Incorporation and By-Laws of the Corporation, each Member comprises a Membership Class and each Membership Class constitutes a separate section entitled to elect or appoint one director and an alternate director;

**WHEREAS**, the Membership Class consisting of the City of New York’s (the “City”) Deputy Mayor for Housing, Economic Development, and Workforce wishes to elect an Alternate Director to represent him at Board of Directors and Committee meetings of the Corporation; and

**WHEREAS**, the Membership Class consisting of the City’s Deputy Mayor for Operations wishes to elect an Alternate Director to represent him at Board of Directors and Committee meetings of the Corporation; it is hereby

**RESOLVED**, that the Membership Class consisting of the City’s Deputy Mayor for Housing, Economic Development, and Workforce hereby elects Nate Bliss to act as his alternate director at Board of Director and Committee meetings of the Corporation.

**RESOLVED FURHTER**, that the Membership Class consisting of the City’s Deputy Mayor for Operations hereby elects Ya-Ting Liu to act as his alternate director at Board of Director and Committee meetings of the Corporation.

# **HUDSON YARDS INFRASTRUCTURE CORPORATION**

## **Audit Committee Meeting**

**May 12, 2025**

### Agenda

1. Resolution: Approval of Minutes of Meeting of September 30, 2024
2. Resolution: Self-Evaluation and Review of Report of the Audit Committee
3. Review of Internal Controls
4. Resolution: Recommendation to the Board of Directors – Approval of Independent Auditor Agreement
5. Presentation of Audit Plan by Independent Auditors and Discussion of New Accounting and Auditing Standards.

**HUDSON YARDS INFRASTRUCTURE CORPORATION**

Audit Committee Meeting

May 12, 2025

Approval of Minutes

**WHEREAS**, the Audit Committee of the Hudson Yards Infrastructure Corporation has reviewed the minutes of the Audit Committee meeting held on September 30, 2024; it is therefore

**RESOLVED**, that the minutes of the Audit Committee meeting of September 30, 2024 be, and they hereby are, approved.

**MINUTES OF THE MEETING OF  
THE AUDIT COMMITTEE OF  
HUDSON YARDS INFRASTRUCTURE CORPORATION**

September 30, 2024

A meeting of the Audit Committee (the “Committee”) of the Hudson Yards Infrastructure Corporation (the “Corporation”) was held on September 30, 2024 at approximately 4:00 p.m., conducted at 255 Greenwich Street, Room 6M4, New York, New York.

The following members of the Committee or their alternates were present:

Jacques Jiha, Director of Management and Budget of The City of New York (the “City”), represented by David Womack;

Brad Lander, Comptroller of the City, represented by Jay Olson;

Adrienne Adams, Speaker of the City Council, represented by Emre Edev;

Maria Torres-Springer, Deputy Mayor of Economic and Workforce Development, represented by Nate Bliss; and

Meera Joshi, Deputy Mayor for Operations, represented by Ya-Ting Liu;  
constituting a quorum of the Committee.

Claudia Martinez served as secretary of the meeting.

Also in attendance were members of the public, officers of the Corporation, and employees of various agencies of The City of New York, who joined in-person and remotely.

The meeting was called to order by Mr. Womack, Chairperson of the Committee.

Approval of Minutes of Meeting of May 7, 2024

The first item on the agenda was the approval of the minutes of the meeting of the



Committee which occurred on May 7, 2024. There being no further discussion, and upon unanimous vote, the following resolution to adopt such minutes was duly approved:

**WHEREAS**, the Audit Committee of the Hudson Yards Infrastructure Corporation has reviewed the minutes of the Audit Committee meeting held on May 7, 2024 it is therefore

**RESOLVED**, that the minutes of the Audit Committee meeting of May 7, 2024 be, and they hereby are, approved.

Presentation by management and independent auditors regarding the audited annual financial statements of the Corporation

The second item on the agenda was a presentation by the Corporation's independent auditors, CBIZ CPAs ("CBIZ"), regarding the Corporation's audited financial statements for the fiscal years ended June 30, 2024 and June 30, 2023. The Corporation's Comptroller, Raymond Lee, summarized the Corporation's fiscal year 2024 financial activities and then introduced John D'Amico from CBIZ. Mr. D'Amico referred to the firm's plan for the audit of the financial statements for the fiscal year 2024 which had been distributed to the Committee members in advance of the meeting. There was no further discussion.

Recommend to the Board of Directors the acceptance of the independent auditors' report on the audited financial statements of the Corporation for the fiscal years ended June 30, 2024 and June 30, 2023 and the issuance of such financial statements

The third item on the agenda was a resolution recommending to the Board of Directors to accept the independent auditors' report on the audited financial statements of the Corporation for the fiscal years ended June 30, 2024 and June 30, 2023 and the issuance of such financial statements. There was no further discussion and, upon unanimous vote, the following resolution was approved.

**WHEREAS**, the Audit Committee of the Hudson Yards Infrastructure Corporation (the "Corporation") has met with the independent auditors of the Corporation and has reviewed the independent auditors' report on the audited financial statements of the Corporation for the fiscal years ended June 30, 2024 and June 30, 2023 and such financial statements, as submitted to the Committee; and

**WHEREAS**, the Audit Committee believes the independent auditors' report and the financial statements are reasonable and appropriate; it is therefore

**RESOLVED**, that the Audit Committee recommends to the Board the acceptance of the independent auditors' report and the authorization of the release of the audited financial statements of the Corporation for the fiscal years ended June 30, 2024 and June 30, 2023; provided that both the independent auditors' report and the audited financial statements may be amended to reflect non-material changes acceptable to the Comptroller or Deputy Comptroller of the Corporation.

#### Review and Approval of the Audit Committee Charter

The fourth item on the agenda was the approval of the Committee's Charter. Mr. Womack explained that pursuant to the Audit Committee Charter, sections III(s) and (u), the Committee is required to annually review and approve its charter. A copy of the Charter was in the materials provided to the Committee members.<sup>1</sup> Mr. Womack noted that no changes were proposed. There was no further discussion and, upon unanimous vote, the following resolution was approved.

**WHEREAS**, the Board of Directors (the "Board") of the Hudson Yards Infrastructure Corporation (the "Corporation") originally adopted an Audit Committee Charter on October 4, 2007 and has subsequently amended it;

**WHEREAS**, pursuant to the Audit Committee Charter, section III(s), the Audit Committee of the Corporation is required annually to review the Audit Committee Charter, reassess its adequacy, and recommend any proposed changes to the Governance Committee of the Corporation; and

**WHEREAS**, the Audit Committee has reviewed the Audit Committee Charter, as attached hereto, and finds it to be reasonable and appropriate; it is hereby

**RESOLVED**, that the Audit Committee hereby approves the Audit Committee Charter as attached.

#### Review of Audit Committee Schedule of Dates

The fifth item on the agenda was a review of the Audit Committee's Schedule of Dates.<sup>2</sup>

Mr. Womack stated that the Audit Committee Schedule of Dates provides a guideline for the

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<sup>1</sup> Filed with the meeting minutes.

<sup>2</sup> Filed with the meeting minutes.

items to be addressed at annual meetings of the Audit Committee. He stated that a copy of the Schedule was in the materials provided to the Committee members. Mr. Womack noted that no changes were proposed. Mr. Womack noted that this was a review item only, and no vote was taken.

Review of Internal Controls Manual

The sixth and final item on the agenda was a review of the Corporation's Internal Controls Manual. Mr. Womack stated that a blackline copy of the manual was in the materials provided to the Committee members and that no changes were proposed. He also explained that this was a review item only, and no vote was taken.

Adjournment

There being no further business to come before the Committee, upon unanimous vote, the meeting was duly adjourned.

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SECRETARY

# **HUDSON YARDS INFRASTRUCTURE CORPORATION**

## **Audit Committee Meeting**

**May 12, 2025**

### **Annual Report of the Audit Committee**

**WHEREAS**, Section III(k) of the Audit Committee Charter and Section 5.3 of Directive 22 of the City of New York Office of the Comptroller require the Audit Committee to issue an annual report to be prepared no later than October 30 of each year, which details the activities and decisions of the Committee for the prior calendar year;

**WHEREAS**, the Audit Committee has reviewed the Annual Report of the Audit Committee, as attached hereto and finds it to be reasonable;

**WHEREAS**, Section III(j) of the Audit Committee Charter requires the Audit Committee to conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the Audit Committee Charter; and

**WHEREAS**, the Audit Committee finds its performance to be satisfactory, effective, and in compliance with the Audit Committee Charter; it is therefore

**RESOLVED**, that the Annual Report of the Audit Committee is hereby approved and shall be presented to the Board of Directors of the Hudson Yards Infrastructure Corporation.

# **HUDSON YARDS INFRASTRUCTURE CORPORATION**

## **Annual Report of the Audit Committee**

May 12, 2025

During calendar year 2024, the Audit Committee of the Hudson Yards Infrastructure Corporation (the “Corporation”) met twice. The Audit Committee’s actions at these meetings were as follows:

On May 7, 2024:

- Conducted a self-evaluation and approved an annual report of the Committee’s activities;
- Met with Mayer Hoffman McCann P.C., the Corporation’s independent auditors, to review the auditors’ audit plan for the fiscal year 2024 audit and several new accounting and auditing standards.

On September 30, 2024:

- Met with the independent auditors and management of the Corporation to discuss the annual audited financial statements and independent auditors’ report for the fiscal years ended June 30, 2024 and June 30, 2023, and recommended to the Board of Directors of the Corporation the acceptance and release of such report and financial statements;
- Reviewed the Corporation’s internal control manual; and
- Reviewed and Approved the Audit Committee’s Charter and Schedule of Dates.

# HUDSON YARDS INFRASTRUCTURE CORPORATION POLICIES AND PROCEDURES MANUAL

INTERNAL CONTROLS  
(revised ~~September~~ May 2025~~4~~)

## OVERVIEW

Hudson Yards Infrastructure Corporation's ("HYIC" or the "Corporation") internal control objectives include, but are not limited to, the safeguarding of assets (including preventing the intentional or unintentional misapplication of funds), ensuring the accuracy and reliability of accounting data and financial reporting (including ensuring proper documentation of all transactions), promoting the effectiveness and efficiency of operations and ensuring compliance with applicable laws and regulations. Terms used but not defined herein have the meaning given to them in HYIC's Second Trust Indenture ("Second Indenture") by and between HYIC and U.S. Bank, National Association as trustee (the "Trustee") dated May 1, 2017, as supplemented and amended ~~by~~ the Corporation's Second Supplemental Trust Indenture to the Second Indenture (the "Second Supplemental Indenture"), the Third Supplemental Trust Indenture to the Second Indenture, dated February 1, 2019 (the "Third Supplemental Indenture", and the Fourth Supplemental Trust Indenture to the Second Indenture, dated October 1, 2021 (the "Fourth Supplemental Indenture" and, together with the Second Supplemental Indenture and Third Supplemental Indenture, the "Supplemental Indentures"). HYIC's original Indenture, dated as of December 1, 2006 ("First Indenture") was discharged on October 27, 2021, after the defeasance of all remaining First Indenture bonds.

Internal controls exist in each area of HYIC where financial activities take place and may be categorized as (A) controls related to funds received, held, invested and disbursed by HYIC's Trustee and (B) other control measures including record keeping activities. These types of controls are discussed in this internal controls manual (the "Manual").

The control measures used by HYIC are periodically reviewed by HYIC managers and changed as deemed necessary, and this Manual will be reviewed at least annually and updated as appropriate. While not part of HYIC's system of internal control, HYIC is subject to an annual audit by independent auditors. Any comments or recommendations pertaining to HYIC's internal controls made by the independent auditors are reviewed by management and, if the value of the expected risk reduction is estimated to be greater than the additional cost, incorporated into HYIC's internal controls.

In accordance with the New York City Comptroller's Directive 1, once every four years, HYIC prepares ~~an annual~~ Financial Integrity Statement based upon a current Directive 1 Checklist with respect to management's assessment of HYIC's internal control environment.

## Organization

Overseen by its Board of Directors (the “Board”) and directed by its President, HYIC’s internal operations are carried out by three functional areas within the organization. While all activities of HYIC require close coordination and cooperation among all units and with the New York City Office of Management and Budget (“OMB”), the following are the primary responsibilities of each:

1. Secretary’s Office – Directed by the HYIC Secretary, Assistant Secretary and staff, the Secretary’s Office is responsible for all legal affairs of HYIC, including providing staff support for the operations of the Board and committees of the Board, drafting and interpretation of all contracts, agreements, and legal documents and dissemination of new or revised Board-approved policies to staff.
2. Treasurer’s Office – Directed by the HYIC Treasurer and his or her staff, the Treasurer’s Office is responsible for the finance function, including working with all parties on structuring and executing bond issuances, modeling debt service requirements, and directing the investment of HYIC funds.
3. Accounting Unit – Directed by the HYIC Comptroller, Deputy Comptroller, and the Accounting Manager (collectively, the “Accounting Managers”), the Accounting Unit is responsible for maintaining accounting books and records and preparing financial statements and other financial reports, on-going monitoring of HYIC resources, and coordination with and oversight of the Trustee.

The Unit’s Accounting Staff are responsible for various accounting tasks, including preparing payments, preparing journal entries, monitoring account activity, entering payment and journal entries into HYIC’s electronic ~~a~~Accounting ~~S~~system, and maintaining schedules and analyses necessary for the preparation of year-end financial statements and other recurring and ad-hoc financial and non-financial reports.

**Note:** Throughout this Manual, when one Accounting Manager is unavailable to perform a noted function on a timely basis, another Accounting Manager can perform that function. When one Accounting Staff is unavailable to perform a noted function on a timely basis, another Accounting Staff or an Accounting Manager can perform that function or delegate it to another Accounting Staff who has performed no conflicting duties pertaining to that matter. Where an Accounting Manager performs a staff function, review and approval will be by another Accounting Manager. In summary, regardless of the availability of staff members usually tasked with performing or reviewing specific functions, all functions that require review will be performed by one person and reviewed by another.

HYIC and OMB are prepared to provide uninterrupted delivery of its operations in the face of business disruptions. Its emergency preparedness plan is designed to provide personnel, equipment and technology to operate remotely with minimal interruption.

~~The Corporation~~HYIC issued \$2 billion of Hudson Yards Senior Revenue Bonds Fiscal 2007 Series A on December 21, 2006 (the “2007A Bonds”) and \$1 billion of Hudson Yards Senior Revenue Bonds Fiscal 2012 Series A on October 26, 2011 (“Series 2012A Bonds”) to finance extension of the No. 7 subway and the creation of a public park (the “Project”). Subsequently, ~~the Corporation~~HYIC issued approximately \$2.1 billion of its Second Indenture Revenue Bonds, Fiscal 2017 Series A and Fiscal 2017 Series B (the “2017A Bonds” and “2017B Bonds” respectively) to fully refund the 2007A Bonds and partially refund the 2012A Bonds under a second indenture. This refunding allowed the release of accumulated revenues to benefit the City and reduce interest cost. Thereafter, ~~the Corporation~~HYIC issued approximately \$450 million of Fiscal 2022 Series A Bonds (the “2022A Bonds”) under the Second Indenture. This refunding generated annual debt service savings and consolidated all of the Corporation’s outstanding bonds under a single indenture (the Second Indenture).

In February 2019, ~~the Corporation~~HYIC entered into a Term Loan (“Term Loan”), which was extended in June 2022, whereby ~~the Corporation~~HYIC can currently draw up to \$380 million of proceeds to finance the Additional Borrowing Project, as such term is defined in the Additional Borrowing Hudson Yards Support Agreement by and between HYIC and the City, dated as of February 1, 2019 (the “Additional Borrowing Agreement”) and which shall be referred to herein as “Phase II”. Any amounts drawn under the Term Loan are due on June 30, 2027.

Management of Phase II is performed by the Hudson Yards Development Corporation (“HYDC”), who have entered into agreements with outside vendors to oversee the construction and property management. The internal controls over activities of these entities are outside the scope of responsibility of HYIC and are not included in this Manual.

## **RECEIPTS**

### **District Improvement Bonuses (“DIBs”)**

~~DIBs~~ are paid by private developers in exchange for the right to create additional density in the Project Area, as defined in the Support and Development Agreement between the City of New York (the “City”), HYDC and HYIC, dated as of December 1, 2006, as amended and ~~restated~~(~~restated~~ (the “Agreement”). HYIC receives a Restrictive Declaration from the City Planning Commission of the City of New York, informing HYIC of the amount and date of receipt of DIBs.



### **Tax Equivalency Payments (“TEP”)**

**TEP** are made by the City under the terms of the Agreement which obligates the City to pay to HYIC on August 1<sup>st</sup> and February 1<sup>st</sup> of each Fiscal Year (subject to annual appropriation) the amount equivalent to the City real property taxes expected to be received on new development (including substantial rehabilitation of existing buildings) in the Project Area. HYIC is notified by OMB of the amount and date of TEP payment expected to be paid by the City.

### **Interest Support Payments (“ISP”)**

**ISP** are made by the City under the terms of the Agreement, and the Additional Borrowing Agreement in the amount certified by HYIC’s Treasurer as being the difference between the amount of funds available to HYIC to pay interest on its bonds and the amount of interest due on those bonds. HYIC’s Treasurer informs an Accounting Manager of the amount to be paid by the City.

### **Payments in Lieu of Mortgage Recording Tax (“PILOMRT”)**

**PILOMRTs** are paid by developers seeking to secure financing for commercial development projects under New York City Industrial Development Agency (“IDA”) mortgage recording tax exemption rules. Recipients of such exemptions are required to pay HYIC 100% of the mortgage recording tax that would otherwise be due in the absence of such exemption plus a portion of the IDA application fees. PILOMRT payments are required in each PILOT agreement entered into by the IDA.

### **Payments in Lieu of Real Estate Tax (“PILOT”)**

**PILOTs** are paid by property owners under agreements entered between developers, IDA, and the City. PILOTs are billed, collected and monitored by the New York City Department of Finance (“DOF”) PILOT unit. Bills are calculated semi-annually by DOF prior to the due date and a “Notice of Calculation” is sent to the Developer/property owner, HYIC, and OMB task force. Invoices are remitted to the Developer/property owner and payments are confirmed by DOF and HYIC’s Trustee.

DIB, TEP, ISP, PILOMRT, and PILOT payments are received via wire transfers made to HYIC. HYIC Accounting Staff notifies HYIC’s Trustee Bank of the expected wires. Once the wires are received, the Accounting Staff verifies that the amount wired to the Trustee corresponds with the source documents received from the New York City Department of City Planning, DOF and OMB, and verifies that the funds were deposited into the correct bank account.

The Accounting Staff then does the following: (a) prepares a letter instructing the Trustee to transfer the funds received to the appropriate account in accordance with the terms of the Second Indenture, as amended and supplemented; and (b) sends investing instructions

approved by the HYIC Treasurer or his designee to the Trustee, as discussed in the *Investments* section of this Manual.

## **Investment Income**

Investment Income derives from HYIC's holdings in various accounts. All investments are made within the constraints imposed by the Second Indenture, as amended and supplemented, and HYIC's Investment Guidelines. Investments, as defined in the Second Indenture are done in coordination with the Treasurer. The executions of investments are monitored by Accounting Staff. The Accounting Unit reviews monthly any maturities coming due and notifies the Treasurer and/or Treasurer's staff to ensure that funds are fully invested.

See the *Investments* section of this Manual for discussion of internal control procedures over the making of investments.

## **Miscellaneous Cash Receipts**

HYIC may receive cash from sources other than the ones listed previously. These receipts may come as check receipts or wire/ACH receipts.

### **1. Check Receipts**

~~If~~When a check is received, receipt is recorded in the Check Control Log by the Accounting Staff responsible for the log, detailing the date, amount, payer, and other relevant information. The Accounting Staff gives the check to an Accounting Manager, who in turn gives the check to the appropriate Accounting Staff to research the reason for the receipt and thus to determine the proper accounting for the receipt. and to deposit into the appropriate bank account. Any checks received by OMB, HYDC, or another department of HYIC are delivered to the Accounting Staff responsible for the Check Control Log. The Accounting Staff follows the same procedures detailed above for recording the check.

Checks are endorsed immediately and secured in a locked area until deposit.

~~-As the Trustee does not have any proximate retail banking units, checks are mailed an Accounting Staff prepares a letter to the Trustee along with a letter prepared by the Accounting Staff and signed by an Accounting Manager. The letter detailing the amount, payer of the check, and bank account to which the check should be for deposited. This letter is signed by an Accounting Manager and mailed along with the check to the Trustee representative for deposit into the appropriate HYIC bank account. In the rare case of an unusually large dollar value check that is known in advance of receipt, such check may be directed to the Trustee's lockbox for direct deposit.~~

~~A copy of t~~The letter and ~~any~~ supporting documentation ~~are~~is filed ~~and in the bank file and an~~ journal entry recording the cash receipt is made in the general ledger upon deposit with the Trustee Accounting System. At month end, an Accounting Staff ~~and/or an Accounting Manager~~ confirms that the deposit is reflected in the bank statement and in the general ledger Accounting System. ~~In the rare case of an unusually large dollar value check that is known in advance of receipt, such check may be directed to the Trustee's lockbox for direct deposit.~~

## 2. Wire/ACH Receipts

When a miscellaneous wire/ACH is received, the Accounting Staff researches the reason for the receipt to determine the proper accounting for the receipt. Once a determination is made, a journal entry recording the cash receipt is made in the Accounting System.

~~that are not defined by the Second Indenture are on occasion received by HYIC via wire or check. Wire receipts are handled similarly to~~ If a check is received, receipt is recorded in the Check Control Log by the Accounting Staff responsible for the log, detailing the date, amount, payer, and other relevant information. The Accounting Staff gives the check to an Accounting Manager who in turn gives the check to the appropriate Accounting Staff to research the reason for the receipt and thus the proper accounting, and to deposit into the appropriate bank account. Any checks received by OMB, HYDC or another department of HYIC are delivered to the Accounting Staff responsible for the Check Control Log. The Accounting Staff follows the same procedures detailed above for recording the check.

~~Checks are secured in a locked area until deposit. As the Trustee does not have any proximate retail banking units, an Accounting Staff prepares a letter to the Trustee detailing the amount, payer of the check and bank account to which the check should be deposited. This letter is signed by an Accounting Manager and mailed along with the check to the Trustee representative for deposit into the appropriate HYIC bank account. A copy of the letter and supporting documentation is filed in the bank file and an entry recording the cash receipt is made in the general ledger upon deposit with the Trustee. At month end, an Accounting Staff and/or an Accounting Manager confirms that the deposit is reflected in the bank statement and in the general ledger. In the rare case of an unusually large dollar value check that is known in advance of receipt, such check may be directed to the Trustee's lockbox for direct deposit.~~

Journal entries to record all the cash receipts are prepared by Accounting Staff as part of the monthly journal entry preparation process, as discussed in the *Journal Entry* section of this Manual.

## DISBURSEMENTS

### Debt Service Payments

Interest on the 2017A Bonds, 2017B Bonds and 2022A Bonds (collectively, the “Fixed Rate Bonds”) are payable semiannually on February 15 and August 15 from funds held in the Second Indenture Debt Service Funds by the Trustee as specified in their respective Supplemental Indentures. Principal is due as bonds are scheduled to mature or upon due dates of Sinking Fund Installments. Interest is due on the Term Loan on the first of ~~each the month on a monthly basis~~ from funds held in a subaccount of the Surplus Fund held pursuant to the Third Supplemental Indenture (discussed under “Surplus Fund”). The principal drawn under the Term Loan is due to be repaid, refinanced, or renegotiated by June 30, 2027.

~~An~~ ~~The~~ Accounting Staff compares the debt service invoice from the Trustee bank for Fixed Rate Bonds to the debt service interest schedule prepared by HYIC’s Treasurer’s Office to verify that the correct interest and principal amounts are paid. Payments are made on the due dates from funds held in the appropriate Debt Service Funds by the Trustee. For interest due under the Term Loan, the Treasurer’s Office and the Accounting Staff ~~will~~ compare the invoice from the lender to debt service models maintained by the Treasurer’s Office. Any discrepancies ~~among the computations will be~~ ~~are~~ resolved prior to payment. The Trustee has a standing letter of instruction to make payment of the interest once the amount is reconciled among ~~the Corporation~~ ~~HYIC~~ and the lender extending the Term Loan.

All payments by the Trustee bank are confirmed the following day ~~an~~ ~~the~~ Accounting Staff by reviewing the account information online. The Accounting Staff also verifies the accuracy of the transactions when reviewing the monthly Trustee bank account statements preparing journal entries. Journal entries to record debt service payments are prepared by AUS ~~the Accounting Staff~~ as part of the monthly journal entry preparation process (as discussed in the *Journal Entries* section of this Manual).

## **Payment for Phase II Costs**

HYDC periodically sends payment requisitions (“Requisitions”), which are signed by HYDC General Counsel approving the payment amounts and the payees, to HYIC for Phase II costs. These costs include:

### **A. Design and Construction Costs**

**B. Property Condemnation/Acquisition Costs.** Property condemnation/acquisition transactions are negotiated by HYDC and the Law Department. HYDC submits memos to the OMB Deputy Director for approval of the economic terms. Once the OMB Deputy Director’s approval is obtained, outside counsel or the City Law Department drafts the agreements. The agreements are reviewed by the City Law Department and their forms approved by the Corporation Counsel before being executed by the Deputy Mayor for Economic Development on behalf of the Mayor.

### **C. HYDC Expenses**

Requisitions are first reviewed and approved by the OMB Economic Development Unit. Upon receipt of the Economic Development Unit's approval, an Accounting Staff checks the requisition received from HYDC against the agreements (where applicable) to verify that the payee and amount are correct, performs a check of mathematical accuracy, verifies that all applicable approvals are documented, and in accordance with the project budget.

After the review and after any discrepancies are resolved, an Accounting Staff prepares a Project Cost Requisition, as defined in the Agreement, that ~~is in compliance~~complies with the Second Indenture Exhibit A. The Project Cost Requisition identifies the name of each payee, the stated purpose for the payment, the dollar amount and the account from which payment is to be made. The Project Cost Requisition is signed by two HYIC authorized officers. The signed Project Cost Requisition is then emailed to the Trustee along with payee payment instruction authorizing the Trustee to make payment.

A schedule is kept by Accounting Staff for all disbursements along with the Federal Funds wire number and date of payment. All wire transfers made by the Trustee bank are confirmed by Accounting Staff the following day by reviewing the account information online. ~~Accounting Staff also verifies the accuracy of the transactions when reviewing the monthly Trustee bank account statements and preparing journal entries.~~

Project payments are recorded in the Accounting System as Purchase

### **Non-~~P~~project Vendor Payments**

All invoices are routed for review and approval to the HYIC officer/manager (or his or her designee) with the most direct knowledge of and/or responsibility for the goods or services for which payment is to be made. In addition to checking for mathematical accuracy of all invoices, when applicable, ~~the Accounting Staff reviewer~~ compares the invoices to the orders, reviews the receiving reports, or contracts for the correct pricing of goods and services, and verifies that no sales tax is included in the invoices.

After the invoices are reviewed and posted, it is entered by the Accounting Staff into the HYIC's Accounting System. A digital copy of the invoice is also attached in the Accounting System. To release and post invoices in the Accounting System, the system requires the Accounting Staff request approval from an Accounting Manager. After approving and releasing the invoices, the Accounting Staff posts the invoices.~~All invoices are then approved by the HYIC officer/manager (or his or her designee) with the most direct knowledge of and/or responsibility for goods or services for which the payment is to be made.~~

After the invoices are reviewed and posted, the Accounting Staff either prepares a wire payment instruction letter directing the Trustee to wire money from the HYIC's bank accounts to the vendors or pays the invoices using the company purchasing card administered by the New York City Municipal Water Finance Authority.

## 1. Wire Payments

~~Once approved, all disbursements are made via wire transfer by the Trustee (as HYIC does not maintain a checking account). Wire pPayment instruction letters are for wire payments and must contain the amount of the wire payment, the payment date, and the account numbers from and to which the money will be wired. The letter prepared by Accounting Staff, must be signed by two HYIC authorized signers. The payment instruction letters and approved invoices are and emailed to the Trustee for payment. Payments are made by the Trustee as specified in the payment instructions. A schedule is kept by Accounting Staff of all disbursements.~~

~~The Accounting Staff All wire payments are confirmed the following business day by Accounting Staff by reviewing the account information online. The AUS also verifies the accuracy of the transactions when reviewing the monthly Trustee bank account statements and reconciliation.~~

In the case of commitment fees due to the bank for the Term Loan, the Treasurer's Office and Accounting Staff will compare the invoice from the lender to debt service models maintained by the Treasurer's Office. Any discrepancies among the computations are resolved prior to payment. The Trustee has a standing letter of instruction to make payment of the commitment fees once the amount is reconciled among ~~the Corporation~~ HYIC and the bank extending the Term Loan.

## 2. Purchasing Card Payments

Vendor invoices may be paid using the New York City Municipal Water Finance Authority ("NYW") purchasing card if other forms of electronic payment are not readily available. All uses of the NYW purchasing card require requestors to submit to the Accounting Managers a completed *Purchasing Card Expense Authorization Form* along with any required documentation. The form must be approved by the requestor's supervisor who must also be an officer of HYIC. If the requestor's supervisor is not an officer of HYIC, approval must be obtained from an officer who does not report to the requestor. Payments above \$1,000 require a secondary approval from the President, Treasurer, or Secretary. Receipts must be sent to the Accounting Unit immediately after purchase or as soon as receipts are available. HYIC will reimburse NYW for these purchases as part of the annual overhead allocation (see the *Overhead Allocation* section of this manual).

In parallel with or following all payments, the Accounting Staff enters payment journals in the Corporation's Accounting System to record the payments and close previously entered and approved invoices. Payment journals must be approved by an Accounting Manager before they can be posted to the Accounting System.

Supporting documentation must be electronically attached to the invoice records and payment journals in the Accounting System. For invoice records, at a minimum, the approved invoice should be attached. For payment journals, digital copies of wire confirmations from the Trustee and payment instruction letters should be attached to the payment journals.

## **1099 Preparation and Issuance**

All payees, for both project costs and other vendor payments, must complete and sign an IRS Form W-9 (or its equivalent) and send it to the ~~Corporation~~ Accounting Unit before payment can be made. This is used to determine if any Forms 1099 must be issued to the payee for payments from ~~the Corporation~~ HYIC made during each calendar year. Forms 1099 are required to be distributed annually for payments made during each calendar year.

Starting with calendar year 2023 reporting, ~~the Corporation~~ HYIC is required to submit Forms 1099 electronically to the IRS. Recipient (payee) copies of Forms 1099 may continue to be mailed to recipients or transmitted electronically with the recipients' permission.

There are four types of 1099 Forms commonly issued by HYIC:

- (1) Form 1099-MISC is used to report gross proceeds paid to attorneys, payments to landlords for rent, and payments to tenants for surrendering of premises;
- (2) Form 1099-NEC is used to report payments for services performed by non-employees;
- (3) Form 1099-INT is used to report all interest paid; and
- (4) Form 1099-S is used to report proceeds from real estate transactions (including acquisition/condemnation via eminent domain).

To prepare the Forms 1099, ~~an the~~ Accounting Staff compiles a schedule showing all payments from January 1<sup>st</sup> to December 31<sup>st</sup> of the year, by category, from the Amenities payment schedule for all disbursements along with supplementary information received from HYDC.

The Accounting Staff then enters the disbursement information for each vendor and form type into the IRS Information Return Intake System ("IRIS"). PDFs of each Form 1099 are then generated by the IRIS system for each vendor and form type. Prior to mailing to recipients, the Forms 1099 are checked by the Accounting Staff for accuracy before being submitted to an Accounting Manager for ~~his or her~~ review.

While deadlines to distribute Forms 1099 to recipients and e-filing with the IRS depends on the form type, most of ~~the Corporation~~ HYIC's Forms 1099 (specifically, Forms 1099-



NEC) are due to recipients by January 31<sup>st</sup>. Similarly, e-filing with the IRS is also generally due by January 31<sup>st</sup>.

### **~~Debt Service Payment~~**

~~Interest on the 2017A Bonds, 2017B Bonds and 2022A Bonds (collectively, the “Fixed Rate Bonds”) are payable semiannually on February 15 and August 15 from funds held in the Second Indenture Debt Service Funds by the Trustee as specified in their respective Supplemental Indentures. Principal is due as bonds are scheduled to mature or upon due dates of Sinking Fund Installments. Interest is due on the Term Loan on the first of the month on a monthly basis from funds held in a subaccount of the Surplus Fund held pursuant to the Third Supplemental Indenture (discussed under “Surplus Fund”). The principal drawn under the Term Loan is due to be repaid, refinanced, or renegotiated by June 30, 2027.~~

~~An Accounting Staff compares the debt service invoice from the Trustee bank for Fixed Rate Bonds to the debt service interest schedule prepared by HYIC’s Treasurer’s Office to verify that the correct interest and principal amounts are paid. Payments are made on the due dates from funds held in the appropriate Debt Service Funds by the Trustee. For interest due under the Term Loan, the Treasurer’s Office and the Accounting Staff will compare the invoice from the lender to debt service models maintained by the Treasurer’s Office. Any discrepancies among the computations will be resolved prior to payment. The Trustee has a standing letter of instruction to make payment of the interest once the amount is reconciled among the Corporation and the lender extending the Term Loan.~~

~~All payments by the Trustee bank are confirmed the following day an Accounting Staff by reviewing the account information online. The Accounting Staff also verifies the accuracy of the transactions when reviewing the monthly Trustee bank account statements preparing journal entries. Journal entries to record debt service payments are prepared by AUS as part of the monthly journal entry preparation process (as discussed in the *Journal Entries* section of this Manual).~~

### **~~Internal Funds Transfers~~**

~~Instruction letters for wire transfers among HYIC’s bank accounts are signed by one authorized signer. The signed letters are emailed to the Trustee and copies are kept with the monthly bank statements for review by Accounting Staff and an Accounting Manager during the monthly journal entry process (as discussed in the *Journal Entries* section of this manual).~~

### **Surplus Fund**

The Second Indenture established a Surplus Fund. All monies available after corporate expenses and debt service on Fixed Rate Bonds have been funded in a given fiscal year are transferred to the Surplus Fund. Within the Surplus Fund, there are established the Facility Debt Service Subaccount and the Facility Other Obligations Subaccount to



provide for the funding of interest and commitment fees on the Term Loan. Application of such monies in the Surplus Fund ~~will be~~ directed by Officer's Certificate for a permitted use under the Supplemental Indentures. Wire payment instruction letters are prepared by ~~an~~ the Accounting Staff, signed by two HYIC authorized signers, and emailed to the Trustee.

In addition to preparing an Officer's Certificate and payment instruction letters, prior to transferring surplus funds to the City, the Accounting Unit confirms with OMB and DOF the City's bank account information and the revenue structure the funds should be applied to in the City's Financial Management System.

### **Internal Funds Transfers**

Instruction letters for wire transfers among HYIC's bank accounts are signed by one authorized signer. The signed letters are emailed to the Trustee and copies are kept with the monthly bank statements for review by Accounting Staff and an Accounting Manager during the monthly journal entry process (as discussed in the *Journal Entries* section of this manual).

## **INVESTMENTS**

The universe of allowable investments for HYIC is defined in the Second Indenture, as amended and supplemented. Additionally, HYIC has Investment Guidelines adopted by the Board of Directors. All investments are made within the constraints imposed by the Second Indenture, as supplemented by the Supplemental Indentures, and Investment Guidelines. Based upon instructions received from the Treasurer, investment letters are prepared instructing the Trustee to invest funds on behalf of HYIC. The instruction letter for the purchase, sale or roll over of investments instructs the Trustee on how the funds are to be invested including the investment vehicle and the required maturity date of the investments. All instructions are signed by one HYIC authorized signer. ~~HYIC~~ The Accounting Staff AUS then checks online the following day to confirm the accuracy of the transactions and again re-examines them when reviewing the monthly Trustee Bank account statements and preparing journal entries, as discussed in the *Journal Entries* section of this Manual.

## **FINANCIAL ACCOUNTING AND REPORTING**

The recording of HYIC's financial transactions into ~~the~~ HYIC's ~~a~~ Accounting ~~s~~ System is through purchase invoices and payment journals for project and non-project vendor payments and through journal entries for all other transactions.

### **Recording of Bond Issuance Costs**

Bond Issuance Costs may either be paid directly from the bond proceeds at the time of the closing of the bond issuance or paid at a later date through the invoice process. For

payments made at the closing, closing documents are forwarded to the ~~accounting department~~ Accounting Unit for recording in the General Ledger Accounting System as part of the recording of the bond issuance. Payments requested by invoice are processed as discussed in the *Vendor Payments* section of this Manual.

## **Journal Entries**

Journal entries ~~to record all transactions~~ are prepared by the Accounting Staff to record all transactions, other than project and non-project vendor payments, as part of the monthly journal entry preparation process.

Each month, ~~an the~~ Accounting Staff reconciles the Trustee bank account statements and verifies that all transactions reported were made in accordance with HYIC instruction letters for transfers between accounts, investment of funds, and disbursements. ~~Discrepancies, if any;~~ Any discrepancies are immediately investigated and resolved with the Trustee. Activity in each account is summarized by the Accounting Staff and the summaries are used to prepare journal entries for the month.

The entries are reviewed by an Accounting Manager who approves and signs the journal entries. The Accounting Staff then enters the journal entries into the ~~a~~ Accounting ~~s~~ System. ~~In order to~~ To post the journal entries in the ~~a~~ Accounting ~~s~~ System, the system requires Accounting Staff request approval from an Accounting Manager. After approving the entries, the Accounting Staff posts the journal entries and verifies that they were posted accurately in the general ledger and subledgers, as applicable. If adjusting journal entries are required, they are reviewed and approved by an Accounting Manager.

After posting, the new trial balance is reviewed by the Accounting Staff to verify that the amounts agree with the transaction summaries and bank statements used to prepare the journal entries.

## **Fiscal Year--End Closing and Financial Reporting**

Shortly after fiscal year-end, the Comptroller requests that the Secretary's Office and the Treasurer's Office contact all vendors and service providers and obtain invoices for goods and services provided through June 30<sup>th</sup> so that expenditures are accrued and reported in the proper fiscal year. ~~An~~ The Accounting Staff also requests estimates and supporting information about amounts payable ~~at as of~~ June 30<sup>th</sup> for Project Costs from HYDC. Additionally, all project and vendor payments made between July 1<sup>st</sup> and the conclusion of the annual audit are analyzed by the Accounting Staff for proper treatment as an expenditure of the current or prior fiscal year.

At year--end, the Accounting Staff prepares all closing schedules and analyses needed for adjusting entries, for disclosures, and for auditors, including but not limited to: amortization schedules for bond premiums and discounts, bond interest payable accruals, investment income accruals, Project Costs payable and other accrued liabilities, and

deposit and investment categorization. Where required due to technical complexity, selected schedules and analyses may be prepared by an Accounting Manager.

Schedules and analyses prepared by Accounting Staff are provided to an Accounting Manager along with supporting documentation for review. Schedules and analyses pertaining to deposits, investments, outstanding bonds, and debt service are provided to HYIC's Treasurer or his or her designee in draft form for review.

Adjusting journal entries are prepared, reviewed, approved, and posted under the same process as monthly journal entries (see the *Journal Entries* section of this Manual).

The adjusted trial balance is reviewed by the Accounting Staff to verify balances and then exported into an Excel file for preparation of financial statements. Draft financial statements, notes and, management's discussion and analysis ("MD&A") are prepared jointly by Accounting Staff and an Accounting Manager for review by other members of HYIC's management and independent auditors.

After the conclusion of the independent audit, adjusting journal entries needed ~~as a result of the audit, if any,~~ are prepared by the Accounting Staff and reviewed by an Accounting Manager, who approves and signs prior to entry into the aAccounting sSystem. Before running the general ledger close process in the aAccounting sSystem, a final trial balance is run, and the Accounting Staff ~~reviews it to ensure~~ verifies that all balances agree to the audited financial statements. This final trial balance is ~~signed-approved~~ by an Accounting Manager and retained in the fiscal year-end files.

An Accounting Manager instructs the Accounting Staff to close the fiscal year, which is automatically done by the aAccounting sSystem when the close process is run. The system will automatically produce "closing entries" which must be retained in the year-end files. After the closing entries have been generated, reviewed, approved, and posted, the Accounting Staff reviews the trial balance after the close to ~~make sure and verifies~~ that the assets, liabilities, and fund balances (net assets) have been properly updated.

All trial balances, work-papers, journal entries, and supporting documentation are centrally filed for access by the external auditors. See the *Records Retention* section of this Manual.

## **OTHER CONTROL MEASURES**

### **Bank Accounts**

The opening of HYIC bank accounts is approved by an officer of HYIC in accordance with the Second Indenture, as amended and supplemented. -When a new bank account is needed, the Treasurer, Comptroller, or their respective designee will send an e-mail request to the Trustee, along with supporting documentation requested by the Trustee. After opening the new account, the Trustee will confirm the number and name of the account via e-mail to the Treasurer and the Accounting Staff. Subsequently, the

Accounting Staff will add the new account to the bank account schedule.~~For bank accounts opened at a new institution, the bank account application form must contain, at a minimum, the names, titles, and signatures of three authorized officers of HYIC. The application states the number of signatures required for all financial transactions. The new bank account number is added to the bank account schedule maintained by the Accounting Staff.~~

All unneeded bank accounts are closed immediately by a letter to the bank, signed by one HYIC officer.

### **Incumbency Certificates**

Every time there is a change of an officer for HYIC, a new Incumbency Certificate is prepared showing the current officers. The Incumbency Certificate is signed by the Secretary of HYIC and the original is sent to the Trustee. Similarly, new authorized signatory documents are prepared, signed, approved, and forwarded to the Trustee bank.

### **Computer Equipment and System Usage**

HYIC personnel follow the current policies and guidelines of OMB. Staff ~~members~~ are required to familiarize themselves with these policies and guidelines.

### **Overhead Allocation**

HYIC has entered into an Administrative Services Agreement with OMB and other financing entities, at the direction of the Board, which specifies how shared personal service and other than personal service costs are allocated among the entities. The overhead allocation is calculated by the Accounting Unit, with assistance and information provided by OMB as needed. Staff ~~members~~ are required to familiarize themselves with this agreement.

### **Inventory**

HYIC does not own any capital assets or equipment. All equipment is owned, maintained, and monitored by OMB. HYIC personnel follow the current policies and guidelines of OMB. Staff ~~members~~ are required to familiarize themselves with these policies and guidelines.

### **Procurement**

The Board of Directors has adopted a Policy on the Procurement of Goods and Service (the "Procurement Policy"). Staff ~~members~~ are required to familiarize themselves with this policy. Any changes in the Procurement Policy, as adopted by the Board ~~of Directors~~, are disseminated to staff by the Secretary's Office.

## Travel and Business Expense Reimbursement

The Board of Directors has adopted a Policy on Travel Allowance (“Travel Policy”) and a Policy on Salary, Compensation, Reimbursements, Time and Attendance (“Reimbursement Policy”). Staff ~~members~~ are required to familiarize themselves with these policies. All internal controls detailed above under ~~Disbursements—~~Non-Project Vendor Payments ~~section~~ will be followed in the issuance of a reimbursements ~~check to~~ an employees. Any changes in the Travel Policy or Reimbursement Policy, as adopted by the Board ~~of Directors~~, are disseminated to staff by the Secretary’s Office.

## ~~Disposition of~~ Personal and Real Property

The Board of Directors has adopted a Policy on the Disposition of Personal Property (“Personal Property Policy”) and a Policy on the Acquisition and Disposition of Real Property (“Real Property Policy” and together with the Personal Property Policy, the “Property Policies”). Staff ~~members~~ are required to familiarize themselves with the Property Policies. Any changes in the Property Policies, as adopted by the Board ~~of Directors~~, are disseminated to staff by the Secretary’s Office.

## Records s Retention

Documents supporting ~~all~~ HYIC transactions recorded in the ~~a~~Accounting ~~s~~System and information on the opening and closing of all bank accounts are maintained and available for audit by various entities (e.g., independent auditors, State and City auditors, IRS). The support may be maintained in either paper or electronic form.

Procurement records pertaining to contracts and all procurements other than Small Purchases (as defined by the Procurement Policy) are maintained by HYIC’s contracting officer or the Secretary’s Office.

Calculations of allocated costs (management fees, rent, and overhead costs incurred by OMB and bond financing entities) are maintained by ~~HYIC’s Comptroller or Deputy Comptroller~~the Accounting Unit.

# HUDSON YARDS INFRASTRUCTURE CORPORATION

## Audit Committee Meeting

May 12, 2025

### Recommendation to the Board of Directors – Approval of Independent Auditor Agreement

**WHEREAS**, the Audit Committee of the Hudson Yards Infrastructure Corporation (the “Corporation”) is authorized, pursuant to Section III(a) of the Audit Committee Charter, to recommend to the Board of Directors of the Corporation the appointment and retention of the Corporation’s independent auditors; and

**WHEREAS**, following a request for proposals, the selection committee of the Corporation has selected the firm of EFPR Group CPAs PLLC (“EFPR”); it is hereby

**RESOLVED**, that the Audit Committee recommends that the Board authorize the President, Secretary, Treasurer or other authorized Officer of the Corporation to enter into an agreement with EFPR to serve as independent auditor for the Corporation’s financial statements for the fiscal years ending June 30, 2025, 2026, 2027 and 2028, with a one one-year extension at the discretion of the Corporation to conduct the audit of the Corporation’s financial statements for the fiscal year ending June 30, 2029, which agreement shall contain such other terms and conditions which are not inconsistent with this resolution as the President, Secretary, Treasurer or other authorized Officer of the Corporation shall deem necessary, and which agreement shall provide for compensation not to exceed the following rates:

Audit:

Fiscal Year	Fixed Fee
2025	\$19,000
2026	\$19,300
2027	\$19,600
2028	\$19,900
2029*	\$20,200

\* At the discretion of the Authority.

Hourly Rates for Special Projects:

Position	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Partner	\$270	\$273	\$276	\$279	\$282
Director	\$180	\$182	\$184	\$186	\$188
Senior Accountant	\$130	\$132	\$134	\$136	\$138
Staff Accountant	\$110	\$112	\$114	\$116	\$118

Hudson Yards Infrastructure Corporation

May 12, 2025



Audit Plan Presentation

EFPR Group, CPAs, PLLC

716.634.0700 | [EFPRgroup.com](http://EFPRgroup.com)

The following communication was prepared as part of our audit, has consequential limitations, and is intended solely for the information and use of those charged with governance (e.g., Board of Directors) and, if appropriate, management of the Corporation and is not intended and shall not be used by anyone other than these specified parties.

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## Scope of Services

EFPR Group will perform the services below for the year ended June 30, 2025:

### Attest Services

- Perform the annual audit of the financial statements in accordance with Generally Accepted Auditing Standards.
  - Issue Independent Auditors' Report.
  - Issue Independent Auditors' Report on Investment Compliance.
- Apply certain limited procedures to supplementary information required by the Governmental Accounting Standards Board to the following:
  - Management's Discussion and Analysis

### Management Letter

Preparation of management letter containing comments and recommendations with respect to accounting and administrative controls and efficiencies along with internal controls.

### Meetings

Meet with management and the Board of Directors to present reports, as requested.

## Engagement Team Management

Douglas Zimmerman, CPA, Partner  
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## Management's Responsibilities

Management is responsible, with the oversight of the Board of Directors for the financial statements and disclosures in conformity with accounting principles generally accepted in the United States of America (GAAP). Management's responsibilities also include the following:

- Establish and maintain effective internal control over financial reporting and proper accounting records.
- Identify and ensure compliance with relevant laws and regulations.
- Safeguard the Corporation's assets.
- Select appropriate accounting principles.
- Use reasonable judgments and accounting estimates.
- Make all financial records and related information available to EFPR Group.
- If applicable, record material audit adjustments and affirm to EFPR Group that the impact of any uncorrected misstatements is immaterial to the financial statements taken as a whole.
- Provide EFPR Group with a letter confirming representations made during the audit.

Relating to non-attest services, management needs to assume responsibility for:

- Evaluating the adequacy and results of the services performed.
- Accepting responsibility for the results of the services and providing an acknowledgement in writing in regard to their responsibilities. Acknowledgement to include the following:
  - Objectives of the engagement
  - Services to be performed
  - Client's acceptance of its responsibilities
  - Firm's responsibilities
  - Any limitations of the engagement

## Engagement Objectives

Our objectives with respect to the audit of the Corporation's financial statements are summarized below:

- Plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatements, whether caused by error or fraud. An audit does not provide absolute assurance relative to or any guarantee of the accuracy of the financial statements and is subject to the inherent risk that errors or fraud, if they exist, may not be detected.
- Provide an overview of the overall audit strategy, timing of the audit and significant risks identified.
- Inquire of the Board of Directors and management about risks of material misstatement, including fraud risks, and whether they are aware of other matters that may be relevant to the audit such as violations or possible violations of laws or regulations and complaints or concerns raised regarding accounting or auditing matters.
- Obtain a sufficient understanding of the Corporation's internal control over financial reporting to plan the audit of the financial statements. However, such understanding is required for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control over financial reporting.
- As part of obtaining reasonable assurance about whether the Corporation's financial statements are free of material misstatement, we will perform tests of its compliance with certain provisions of laws, regulation, contracts, and grants. However, providing an opinion on compliance with the provisions is not an objective of our audit.
- Communicate our responsibilities in relation to the audit and establish an understanding of the terms of the engagement, including providing you with engagement letters.
- Communicate with management and the Board of Directors regarding significant deficiencies and material weaknesses identified during our audit and other timely observations that are significant and relevant to the financial reporting process.
- Work with management toward timely issuance of the Financial Statements.
- Maintain our independence with respect to the Corporation.

## Audit Approach – Planned Scope

Overall, our audit strategy is to focus on higher risk areas of material misstatement (whether due to error or fraud) and other areas of concern for management and the Board of Directors

Our audit strategy includes consideration of:

- Prior year audit results along with planning results, including discussions with management regarding the Corporation's operations, business activities, and risks.
- Inherent risk within the Corporation (i.e., the susceptibility of the financial statements to material error or fraud) before recognizing the effectiveness of the control systems.
- A continual assessment of materiality thresholds based upon qualitative and quantitative factors affecting the Corporation.
- Changes in Corporation's staffing levels, particularly those involved in the financial activities of the Corporation.
- Recent developments within the industry, regulatory environment, and general economic conditions.
- Recently issued and effective accounting and financial reporting guidance.
- The Corporation's significant and critical accounting policies and procedures, including those requiring significant management judgments and estimates and those related to significant unusual transactions.
- The control environment, risk management and monitoring processes, and the possibility that the control systems and procedures may fail to prevent or detect a material error or fraud. We will place reliance on internal controls, where applicable, in determining the degree of detailed substantive testing required.
- Information about systems and the computer environment in which financial records and related systems operate.

## Audit Approach – Planned Scope

Based upon our initial assessment, our audit will entail a combination of testing controls for reliance and substantive testing. The preliminary primary areas of focus in our overall audit strategy include:

- Cash and Cash Equivalents
- Investments
- Accounts Receivables
- Revenue Recognition
  - Payments in lieu of taxes
  - Reimbursement of interest payments
  - Income from investments
- Accounts Payable and Accrued Expenses
- Debt & Debt Service Expenditures
  - Long-term debt, refinancing activities & commitments
- Net Position/Fund Balance, including reserves
- Fraud Risks (always considered)
- Internal Control over Financial Reporting (always considered)
- Internal Control over Compliance (always considered)

## Overall Audit Approach

Upon completion of our risk assessment a determination will be made by each significant audit area as to the best approach to mitigate the risks identified and to substantiate the balances of the accounts. The following represents the various procedures that we will consider in performing and completing the audit and rendering our opinion:

### Approach:

- Determining, where applicable, whether previous audit evidence can be used (including how it can be updated for the current audit).
- Understand and test effectiveness of the control environment.
- Setting the test objectives (what assertions are to be tested and why).
- Identifying whether the use of experts/specialists is required.
- Identifying when to address the risk (interim and year-end).
- Specifying the type of testing for areas with normal risk and those with significant risk – i.e. whether substantive testing alone or a combination of substantive and controls testing is required.
- In designing audit work program steps to respond to normal risk, it is important to remember that controls testing need only be performed when our substantive work depends on, or assumes, the operating effectiveness of that doesn't provide sufficient appropriate audit evidence.
- In areas of significant risks, we will include substantive procedures to specifically respond to those risks. These may include both test of details and substantive analytical procedures.
- Irrespective of the risk assessment, all material classes of transactions, account balances and disclosures require a level of substantive testing to be performed and will be performed.
- Types of substantive testing to be utilized:
  - Inquiry and analytical procedures
  - Tests of transactions & tests of balances - gather evidence of the validity of the accounting treatment of transactions and balances. They are designed to identify errors and irregularities. Statistical sampling will be used in determining the accuracy of financial statement numbers.
- Determining the extent of reliance on the test results.
- Specifying additional audit procedures to be followed if the testing identifies issues/problems.
- Review any significant unusual transactions.
- Exercise professional skepticism.

We will communicate to management and the Board of Directors, in a timely manner, any significant changes to the planned audit strategy or the significant risks initially identified that may occur during the audit to the results of audit procedures or in response to external factors.

## Overall Audit Timeline

The following represents our anticipated schedule with regard to our audit of the annual financial statements of the Corporation:

	May	June	Jul	Aug	Sep
Meet with Board of Directors – Pre-Audit	✓				
Develop Audit Strategy, and Determine Nature and Scope of Testing		✓	✓	✓	
Risk Assessment, Internal Control Discussions		✓	✓	✓	
Audit Testwork (Virtual)				✓	
Financial Statement Review & Wrap				✓	✓
Meeting with Audit Board of Directors – Post Audit					✓
Release Final Financial Statements & Internal Control Letter					✓
Periodic Meetings and Discussions With Management		✓	✓	✓	✓

## Updated or New Accounting and Reporting Standards

<p><b>GASB Statement No. 101</b> Compensated Absences</p>	<p>The requirements of this Statement will better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences.</p> <p>***Effective for the Corporation's year end June 30, 2025***</p>
<p><b>GASB Statement No. 102</b> Certain Risk Disclosures</p>	<p>The requirements of this Statement will require a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact.</p> <p>***Effective for the Corporation's year end June 30, 2025***</p>
<p><b>GASB Statement No. 103</b> Financial Reporting Model Improvements</p>	<p>The requirements of this Statement will improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability.</p> <p>***Effective for the Corporation's year end June 30, 2026***</p>
<p><b>GASB Statement No. 104</b> Disclosure of Certain Capital Assets</p>	<p>This Statement requires certain types of assets to be disclosed separately from other classes of capital assets within the capital assets note disclosures already required.</p> <p>***Effective for the Corporation's year end June 30, 2026***</p>



# **HUDSON YARDS INFRASTRUCTURE CORPORATION**

## **Governance Committee Meeting**

**May 12, 2025**

### Agenda

1. Resolution: Approval of Minutes of Meeting of September 30, 2024
2. Resolution: Review and Approval of the Corporation's Policy on the Procurement of Goods & Services

**HUDSON YARDS INFRASTRUCTURE CORPORATION**

Governance Committee Meeting

May 12, 2024

Approval of Minutes

**WHEREAS**, the Governance Committee has reviewed the minutes of the previous meeting of the Governance Committee held on September 30, 2024; it is therefore

**RESOLVED**, that the minutes of the Governance Committee meeting of September 30, 2024 are hereby approved.

**MINUTES OF THE MEETING OF  
THE GOVERNANCE COMMITTEE OF  
HUDSON YARDS INFRASTRUCTURE CORPORATION**

September 30, 2024

A meeting of the Governance Committee (the “Committee”) of the Hudson Yards Infrastructure Corporation (the “Corporation”) was held on September 30, 2024 at approximately 4:13 p.m., conducted at 255 Greenwich Street, Room 6M4, New York, New York.

The following members of the Committee or their alternates were present:

Jacques Jiha, Director of Management and Budget of The City of New York (the “City”), represented by David Womack;

Brad Lander, Comptroller of the City, represented by Jay Olson;

Adrienne Adams, Speaker of the City Council, represented by Emre Edev;

Maria Torres-Springer, Deputy Mayor of Economic and Workforce Development, represented by Nate Bliss; and

Meera Joshi, Deputy Mayor for Operations, represented by Ya-Ting Liu; constituting a quorum of the Committee.

Claudia Martinez served as secretary of the meeting.

Also in attendance were members of the public, officers of the Corporation, and employees of various agencies of The City of New York, who joined in-person and remotely.

The meeting was called to order by Mr. Olson, Chairperson of the Committee.

Approval of Minutes of Meeting of May 7, 2024

The first item on the agenda was the approval of the minutes of the meeting of the

Committee which occurred on May 7, 2024. There was no discussion, and upon unanimous vote, the following resolution to adopt such minutes was duly approved:

**WHEREAS**, the Governance Committee has reviewed the minutes of the previous meeting of the Governance Committee held on May 7, 2024; it is therefore

**RESOLVED**, that the minutes of the Governance Committee meeting of May 7, 2024 are hereby approved.

Resolution: Self-evaluation and discussion of presentation to Board of Directors

The second item on the agenda was the self-evaluation of the Committee and a resolution which would authorize the presentation of the self-evaluation to the Board of Directors. Section III(g) of the Governance Committee Charter requires the Governance Committee conduct a self-evaluation of its functions annually. Mr. Olson explained that a report of the Committee's actions taken in the past fiscal year was included in today's folders. He further noted that the proposed resolution expresses the Committee's opinion that it is functioning in a satisfactory manner consistent with its Charter and authorizes the Chair of the Committee to present the result of this self-evaluation to the Board. Mr. Olson asked if there were there any questions or comments and there was no further discussion. No further discussion was held and upon unanimous vote, the following resolution was adopted:

**WHEREAS**, Section III(g) of the Governance Committee Charter requires the Governance Committee to conduct an annual self-evaluation of its functions; and

**WHEREAS**, the Governance Committee finds its functioning and performance to be satisfactory, effective, and in compliance with the Governance Committee Charter; it is therefore

**RESOLVED**, that the Governance Committee finds its functioning to be satisfactory and the Chair of the Governance Committee shall present the Committee's findings to the Board of Directors of the Hudson Yards Infrastructure Corporation.

Review of compensation and benefits

The third and final item on the agenda was a review of the Corporation's compensation

and benefits expenses. Mr. Olson stated that Section III(i) of the Governance Committee Charter requires the Governance Committee to annually review this information. The information provided states that the Corporation has no employees and describes the total compensation that the Corporation reimburses to other entities for personal services provided to the Corporation. Mr. Olson noted that this was a review item only, and no vote was taken. There was no further discussion.

Adjournment

There being no further business to come before the Committee, upon unanimous vote, the meeting was duly adjourned.

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SECRETARY

# **HUDSON YARDS INFRASTRUCTURE CORPORATION**

## **Governance Committee Meeting**

May 12, 2025

### **Approval of Policy on the Procurement of Goods and Services**

**WHEREAS**, pursuant to Section 2824(e) of the Public Authorities Law of the State of New York, the Hudson Yards Infrastructure Corporation (the “Corporation”) is required to establish a policy on the procurement of goods and services;

**WHEREAS**, the Corporation adopted Policy on the Procurement of Goods and Services (the “Policy”) on October 12, 2006 and amended it on April 24, 2009, September 22, 2010, September 27, 2012 and April 27, 2018;

**WHEREAS**, the Governance Committee is required to periodically review the Policy; and

**WHEREAS**, the Governance Committee has reviewed the Policy and recommends no additional amendments; it is therefore

**RESOLVED**, that the Governance Committee hereby approves the Policy with no additional amendments.

# **HUDSON YARDS INFRASTRUCTURE CORPORATION POLICY ON THE PROCUREMENT OF GOODS AND SERVICES**

**Adopted October 12, 2006**

**Amended April 24, 2009, September 22, 2010, September 27, 2012 and April 27, 2018**

## **I. INTRODUCTION**

In accordance with the requirements of Section 2824(1)(e) of the Public Authorities Law, the following comprehensive guidelines ("Guidelines") set forth the Hudson Yards Infrastructure Corporation's (the "Corporation's") operative policy and instructions regarding the procurement of goods and services. It is the policy of the Corporation to encourage participation by minority and women-owned business enterprises in providing goods and services to the Corporation

## **II. SELECTION CRITERIA FOR CONTRACTS FOR GOODS AND SERVICES**

### **1. Goods and Services Costing Less Than \$20,000**

For procurements of goods and services the value of which is less than \$20,000 in any single fiscal year, no competition is required except that in making purchases below this limit, the Corporation staff shall ensure that the price is reasonable. Documentation of such purchases shall identify the contractor the item was purchased from, the item purchased, and the amount paid. Contracts for goods and services the value of which is less than \$20,000 in any single fiscal year shall not require approval of the Board of Directors of the Corporation.

### **2. All Other Goods and Services**

Contracts for goods and services the value of which is \$20,000 or more in any single fiscal year are to be awarded on a competitive basis to the maximum extent possible, in accordance with the general procedures set forth below.

### **3. Proposals or Bids may be solicited as follows:**

- i. Requests for Proposals:** Where practicable, written requests for proposals ("RFPs") shall be issued by the Corporation. RFPs shall set forth the nature of the goods or services the Corporation is seeking to procure, including specifications where applicable or available, and shall solicit proposed prices, fees, charges or billing rates, where appropriate. RFPs shall contain such other information and shall request from proposers such other information as the Corporation may deem

necessary or desirable. RFPs shall be advertised in at least one appropriate periodical.

- ii. **Telephone or letter solicitation:** Proposals may be solicited from contractors by letter or telephone, where the Contracting Officer determines that the issuance of an RFP is impracticable or unnecessary. Where practicable, proposals should be solicited from at least three contractors.

#### 4. Evaluation:

For personal services contracts, the technical merits of the proposals, the experience and capabilities of the proposing person or firm and any prior experience that Corporation staff may have had with the proposing person or firm will be significant factors in selecting the contractor, provided that the price, fees, charges, or billing rates for performing the services are reasonable and competitive in light of such experience and capabilities. The Corporation may determine not to select a person or firm where information is obtained which indicates that the person or firm is not qualified as responsive or responsible based upon such criteria as the Corporation may deem appropriate for the procurement.

#### 5. Waiver of Selection Criteria

Notwithstanding any requirement of these Guidelines, contracts may be awarded to persons or firms on a non-competitive basis, without regard to the procedures set forth above, when the Contracting Officer of the Corporation determines that circumstances such as any of the following exist:

- i. In the event an emergency or other extraordinary circumstances exist which make competition impracticable or inappropriate;
- ii. Only one source for the goods or services is reasonably available;
- iii. Legal services or other specialized services are required for which a certain person or firm's expertise is unique;
- iv. Continuation of existing services or purchasing goods from a previous supplier firm is desirable for purposes of continuity or compatibility;



- v. A person or firm has superior qualifications to perform the service or provide the goods at a cost that is determined to be fair and reasonable; or
- vi. Information is obtained which indicates that persons or firms which were invited to submit proposals are not qualified, responsive or responsible based upon the appropriate criteria for the project.
- vii. In the event that the City of New York (the “City”) or another governmental unit can provide or cause to be provided needed services pursuant to contracts entered into by the City or another governmental unit and the Corporation determines that it is in the best interest of the Corporation to avail itself of such opportunity.

If a contract is awarded pursuant to a waiver, the Board of Directors of the Corporation shall be notified.

# **HUDSON YARDS INFRASTRUCTURE CORPORATION**

## **Board of Directors Meeting**

**May 12, 2025**

### Agenda

1. Resolution: Approval of Minutes of Meeting of September 30, 2024
2. Information Item: Discussion of Phase II Memo with HYIC President and HYDC Vice President
3. Resolution: Approval of Budget
4. Resolution: Approval of Independent Auditor Agreement
5. Resolution: Approval of D&O Insurance Policies
6. Report of Audit Committee Chair Regarding Audit Committee's Annual Report and Self-Evaluation

**HUDSON YARDS INFRASTRUCTURE CORPORATION**

Board of Directors Meeting

May 12, 2025

Approval of Minutes

**WHEREAS**, the Board of Directors of the Hudson Yards Infrastructure Corporation (the “Corporation”) has reviewed the minutes of the previous meeting of the Board of Directors held on September 30, 2024; it is therefore

**RESOLVED**, that the minutes of the Board of Directors meeting September 30, 2024 are hereby approved.

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF  
THE HUDSON YARDS INFRASTRUCTURE CORPORATION**

September 30, 2024

A meeting of the Board of Directors (the “Board”) of the Hudson Yards Infrastructure Corporation (the “Corporation” or “HYIC”) was held on September 30, 2024 at approximately 4:15 p.m., conducted at 255 Greenwich Street, Room 6M4, New York, New York.

The following Board members attended, represented by their designees:

Jacques Jiha, Director of the Mayor’s Office of Management and Budget for The City of New York (the “City”), represented by David Womack;

Brad Lander, Comptroller of the City, represented by Jay Olson;

Adrienne Adams, Speaker of the City Council, represented by Emre Edev;

Maria Torres-Springer, Deputy Mayor of Economic and Workforce Development, represented by Nate Bliss; and

Meera Joshi, Deputy Mayor for Operations, represented by Ya-Ting Liu;  
constituting a quorum of the Board.

Claudia Martinez served as secretary of the meeting.

Also in attendance were members of the public, officers of the Authority and employees of various agencies of the City and the State of New York, who joined in-person and remotely.

The meeting was called to order by Mr. Womack.

Approval of Minutes

The first item on the agenda was the approval of the minutes of the meeting of the Board which occurred on May 7, 2024. There being no further discussion, and upon unanimous vote, the following resolution to adopt such minutes was adopted:

**WHEREAS**, the Board of Directors of the Hudson Yards Infrastructure Corporation (the “Corporation”) has reviewed the minutes of the previous meeting of the Board of Directors held on May 7, 2024; it is therefore

**RESOLVED**, that the minutes of the Board of Directors meeting of May 7, 2024, are hereby approved.

Resolution: Acceptance of the independent auditors’ report on the audited financial statements for the fiscal years ended June 30, 2024 and June 30, 2023 and authorization to release such financial statements

The second item on the agenda was the approval of the independent auditors’ report on the audited financial statements for the fiscal years ended June 30, 2024 and June 30, 2023 and authorization to release such financial statements. Mr. Womack noted that the action was recommended by the Audit Committee, after meeting with the Corporation’s independent auditors, CBIZ CPAs. No further discussion was held and upon unanimous vote, the following resolution was adopted:

**WHEREAS**, the Audit Committee has met with the independent auditors of the Hudson Yards Infrastructure Corporation (the “Corporation”) and has reviewed the independent auditors’ report on the audited financial statements of the Corporation for the fiscal years ended June 30, 2024 and June 30, 2023 and such financial statements; and

**WHEREAS**, the Audit Committee believes the independent auditors’ report and the financial statements are reasonable and appropriate and has recommended that the Board accept the independent auditors’ report and authorize the release of the financial statements; it is therefore

**RESOLVED**, that the Board hereby accepts the independent auditors’ report on the audited financial statements of the Corporation for the fiscal years ended June 30, 2024 and June 30, 2023 and authorizes the release of such audited financial statements; provided that both the independent auditors’ report and the audited financial statements may be amended to reflect non-material changes acceptable to the Comptroller or Deputy Comptroller of the Corporation.

Approval of Extension of Co-Bond Counsel Agreements

The third item on the agenda was the approval of the resolution that would authorize the Corporation to enter into a new agreement with its current Co-Bond Counsel. The Board previously authorized an agreement with Nixon Peabody LLP and Bryant Rabbino LLP to serve as co-bond counsel. Mr. Womack noted that the current agreements expired August 31, 2024.

Further, he explained that the Corporation plans to issue a competitive request for proposals, in conjunction with the City and other related bond-financing entities, for these services over the coming year. Mr. Womack noted that the proposed resolution would approve an agreement for the rates listed in the proposed resolution as it would ensure there is no lapse in service. The proposed agreements would expire August 31, 2025. There being no further discussion, upon unanimous vote, the below resolution was adopted:

**WHEREAS**, the Board of Directors (the “Board”) of the Hudson Yards Infrastructure Corporation (the “Corporation”) previously approved the Corporation entering into agreements with Nixon Peabody LLP (“Nixon”) and Bryant Rabbino LLP (“Bryant Rabbino”) to serve as co-bond counsel; and

**WHEREAS**, such agreements with Nixon and Bryant Rabbino expired on August 31, 2024; and

**WHEREAS**, the Corporation, in conjunction with the City of New York and other related credit issuers, plans to issue a competitive request for proposals for bond counsel services in the coming year; and

**WHEREAS**, to ensure there is no lapse in services, the Corporation now seeks to extend the Corporation’s agreements with Nixon and Bryant Rabbino for a period beginning September 1, 2024 through August 31, 2025, for the hourly rates listed in below Schedule I and Schedule II, respectively; and

**RESOLVED**, that the Board of Directors hereby approves the extension of the Corporation’s agreements with Nixon and Bryant Rabbino for the period from September 1, 2024 through August 31, 2025 for the fees listed in Schedule I and II below, respectively, provided such agreements shall contain such other terms and conditions not inconsistent with the foregoing which the President, Secretary, Assistant Secretary, or other Authorized Officer of the Corporation shall deem necessary, desirable or appropriate and hereby authorizes and directs the President, Secretary, Assistant Secretary, or other Authorized Officer of the Corporation to enter into such agreements.

### **Schedule I**

#### Nixon Peabody LLP Rates

Hourly rates for special projects approved by the Corporation:

Hourly Rate	Position
\$675	Senior Tax Partner
\$650	Other Senior Partners

\$550	Junior Partners
\$475	Senior Associates
\$350	Junior Associates

## Schedule II

### Bryant Rabbino LLP Rates

\$77,500 flat fee for work done in connection with each future refunding transaction.

\$62,500 flat fee for work done in connection with each future new money issuance.

### Approval & Verification of the Annual Report for Presentation to the Members

The fourth item on the agenda was the authorization and verification of annual report for presentation for the Members review. Mr. Womack explain that pursuant to §519 of the Not-for-Profit Corporation Law, the report provides certain information for the members taken from the audited financial statements. There being no further discussion, upon unanimous vote, the below resolution was adopted:

**WHEREAS**, Section 519 of the New York Not-For-Profit Corporation Law (the “NPCL”) requires that the Board of Directors of not-for-profit corporations present an annual report relating to the financial conditions of such corporations to the members of such corporations at their annual meeting;

**WHEREAS**, in compliance with Section 519 of the N-PCL the Board of Directors of the Corporation has caused an annual report relating to the Corporation’s most recent fiscal year (the “Annual Report”) to be prepared; and

**WHEREAS**, the Board of Directors has reviewed such Annual Report, attached heretofore as Schedule I, it is therefore

**RESOLVED**, that the Board of Directors hereby approves and verifies the Annual Report as presented heretofore as Schedule I, and authorizes presentation to the Members of the Corporation; and

**FURTHER RESOLVED**, that Board of Directors hereby directs that the Annual Report be entered in the minutes of this meeting of the Board of Directors.

## SCHEDULE I

### ANNUAL REPORT OF THE BOARD OF DIRECTORS OF

## HUDSON YARDS INFRASTRUCTURE CORPORATION

For the Fiscal Year Ended June 30, 2024 Under Section 519 of  
the New York State Not-For-Profit Corporation Law

**To:** The Members of Hudson Yards Infrastructure Corporation

**From:** The Board of Directors of Hudson Yards Infrastructure Corporation

The Board of Directors respectfully verifies and submits for your information the following report relating to

Hudson Yards Infrastructure Corporation for the fiscal year ending June 30, 2024:

1. The assets and liabilities, including trust funds (listed separately), of the Corporation as of the end of said fiscal period may be found on page 14 of the attached audited financial statements.
2. The principal changes in the assets and liabilities, including trust funds, of the Corporation during said fiscal period may be found on page 7 of the attached audited financial statements.
3. The receipts of the Corporation, both unrestricted and restricted to particular purposes, during said fiscal period may be found on page 15 of the attached audited financial statements.
4. The expenditures of the Corporation, for both general and restricted purposes, during said fiscal period may be found on page 15 of the attached audited financial statements.
5. Concerning the membership of the Corporation:
  - (a) The number of members as of June 30, 2024 is 5.
  - (b) The number of members remained the same during the Fiscal Year ended June 30, 2024.
  - (c) The names and places of residence of the current members may be obtained upon request from the Corporation, which are kept at 255 Greenwich Street, 6th Floor, New York, NY 10007.

This report has been prepared pursuant to Section 519 of the New York State Not-for-Profit Corporation Law.

Dated: September 30, 2024

New York, New York

Resolution: Approval of Investment Guidelines



The fifth item on the agenda was the approval of the Corporation's Investment Guidelines.<sup>1</sup>

The Corporation is required to annually review its Investment Guidelines. No changes were proposed. There being no further discussion, upon unanimous vote, the below resolution was adopted:

**WHEREAS**, the Hudson Yards Infrastructure Corporation (the "Corporation"), adopted Investment Guidelines on October 4, 2007 to establish policies for the investment of its funds and subsequently amended the Guidelines;

**WHEREAS**, the Corporation is required annually to review its Investment Guidelines; and

**WHEREAS**, the Board of Directors has reviewed the Investment Guidelines; it is therefore

**RESOLVED**, that the Investment Guidelines, a copy of which will be filed with the Minutes of the Meeting, are hereby approved with no changes.

Resolution: Approval of Investment Report

The sixth item on the agenda was the approval of the Corporation's Investment Report for Fiscal Year 2024. Mr. Womack explained that pursuant to Section 2925(6) of the Public Authorities Law, the Corporation is required to annually prepare and approve an Investment Report which contains the Investment Guidelines, the independent audit of the investments, an investment income record of the Corporation, and a list of fees, commissions, or other charges paid for investment services. There being no further discussion, upon unanimous vote, the below resolution was adopted:

**WHEREAS**, the Hudson Yards Infrastructure Corporation (the "Corporation"), pursuant to the Corporation's Investment Guidelines, is required to annually prepare and approve an Investment Report; and

**WHEREAS**, the Board has reviewed the attached Investment Report and has deemed it to be reasonable and appropriate, it is therefore

**RESOLVED**, that the Investment Report is hereby approved.

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<sup>1</sup> Filed with the meeting minutes.

**RESOLVED**, that the Investment Report is hereby approved.

Presentation by Governance Committee Chair

The seventh and final item on the agenda was presentation by the Governance Committee Chair, Jay Olson. This was a review item only, and no vote was taken. Mr. Olson, Chairperson of the Governance Committee, summarized the Committee's self-evaluation report for fiscal year 2024, which report lists the Committee's actions in the prior year and found that the Committee is functioning in satisfactory manner pursuant to its Charter.

Adjournment

There being no further business to come before the Board, upon unanimous vote, the meeting was duly adjourned.

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SECRETARY

**BELLA ABZUG PARK PHASE II PROJECT COSTS REVIEW  
BASED ON PRELIMINARY DESIGN  
HUDSON YARDS DEVELOPMENT CORPORATION  
MAY 9, 2025**

**MEMORANDUM**

TO: Members of the Board of Directors of the Hudson Yards Development Corporation and the Hudson Yards Infrastructure Corporation

FROM: Angela Cavaluzzi, President, Hudson Yards Development Corporation  
David Womack, President, Hudson Yards Infrastructure Corporation

DATE: May 2, 2025

RE: Bella Abzug Park Phase II Project Costs Review based on Preliminary Design

**Budget and Four-Year Plan Approval**

Pursuant to the Public Authorities Law, both the Hudson Yards Development Corporation (HYDC) and the Hudson Yards Infrastructure Corporation (HYIC) are required to annually approve a current and projected budget, including a four-year financial plan (the "PAAA Budget"). The basis for the project costs for Bella Abzug Park Phase II (the "Project Costs") reflected in the PAAA Budgets previously approved by the Boards of Directors are the original design and construction estimates (not including condemnation/acquisition costs for HYDC), which remain unchanged from 2017, and have been adjusted only for scheduling considerations and projections. Condemnation costs only appear in HYIC's budget. Additionally, because the PAAA Budget only requires a four-year financial plan, it does not fully capture the total estimated cost of the project, which extends beyond the four years the Public Authorities Law requires be presented. This year's PAAA Budgets, which adopt modified fiscal year 2025 budgets and present a four-year financial plan through fiscal year 2029, and which will be voted on at the Boards of Directors meetings in early May, continue to utilize the original 2017 cost estimates. As more information is available and updated project costs are solidified, future PAAA budgets will be based on such updated numbers.

Since we now expect changes to the original project cost estimates from 2017, we want to provide an overall picture of the potential revisions to the estimated cost of the project based on the new information now available to us. The estimated revisions are still being reviewed and will be rigorously value engineered later this year. Any updates following the value engineering results will be provided to the Board as soon as they are available. The current expectation is that construction bids will begin in early calendar year 2026.

**Changes to Estimated Total Project Cost**

HYDC has been working with WSP, AECOM, and LiRo-Hill as design/engineering consultants over the past few years to develop the design of Bella Abzug Park Phase II ("Phase II"). The current estimated total Project Costs for Phase II are \$399 million (including condemnation/acquisition costs), which remain unchanged from 2017, and which, as described above, are the basis for the PAAA Budgets the Boards have previously approved, and the PAAA Budgets which will be presented to the Boards for approval in early May 2025 (updated to reflect expected timing of construction, etc.). It is now expected, however, that changes in scope and other factors will likely result in increased Project Costs for Phase II. Sufficient information is not available to know what a revised project cost will ultimately be. Additional detail and context are provided below, but the initial estimate, prior to value engineering and subject to additional review, could increase the costs of Phase II to approximately \$570 million. The development costs estimated below were completed by

two independent cost estimators at the direction of WSP, Inc. and LiRo-Hill and then reconciled and reviewed by AECOM, with the condemnation costs estimated by New York City Law Department (“Law Department”) in consultation with outside condemnation counsel. The material impact of any increased Total Project Cost on the PAAA Budgets is expected to start in Fiscal Year 2027 when construction is expected to begin. The main factors for the estimated potential increase are:

- Evolution of Ventilation Code Requirements
- Inflation

In addition, there were scope changes and changes in agency requirements, which increased estimated project costs as reflected below, including the Deck Structure, M&O Building, Public Restroom, and Condemnation/Acquisition.

<b>BELLA ABZUG PARK PHASE II ESTIMATED TOTAL PROJECT COSTS (AS OF APRIL 2025)</b>			
	<b>CURRENT (UNCHANGED SINCE 2017)</b>	<b>POTENTIAL REVISIONS PENDING VALUE ENGINEERING</b>	<b>Delta</b>
<b>Phase I Costs</b>	\$ 6,700,000	\$ 6,700,000	\$ -
<b>Design Contract</b>	\$ 15,000,000	\$ 15,000,000	\$ -
<b>Deck Structure</b>	\$ 62,000,000	\$ 83,800,000	\$ 21,800,000
<b>Park</b>	\$ 37,700,000	\$ 33,400,000	\$ (4,300,000)
<b>DOT Right of Way</b>	\$ 3,300,000	\$ 9,900,000	\$ 6,600,000
<b>M&amp;O Building</b>	\$ 1,300,000	\$ 7,500,000	\$ 6,200,000
<b>Public Restroom</b>	\$ 1,300,000	\$ 5,000,000	\$ 3,700,000
<b>Demolition</b>	\$ 9,300,000	\$ 13,000,000	\$ 3,700,000
<b>Ventilation Building</b>	\$ 21,000,000	\$ 112,900,000	\$ 91,900,000
<b>Construction Management</b>	\$ 19,000,000	\$ 25,000,000	\$ 6,000,000
<b>Amtrak Force Account</b>	\$ 1,500,000	\$ 8,000,000	\$ 6,500,000
<b>HYDC Operating</b>	\$ 17,000,000	\$ 32,000,000	\$ 15,000,000
<b>Condemnation/Acquisition</b>	\$ 160,000,000	\$ 185,000,000	\$ 25,000,000
<b>Contingency</b>	\$ 43,600,000	\$ 33,000,000	\$ (10,600,000)
<b>Subtotal</b>	<b>\$ 398,700,000</b>	<b>\$ 570,200,000</b>	<b>\$ 171,500,000</b>

### **Evolution of Ventilation Code Requirements**

The largest driver of any potential increase in Project Costs is related to covering Amtrak’s train tracks. The original overbuild that was designed and constructed for Block 4 of Bella Abzug Park allowed the utilization of passive ventilation as well as an open system, which resulted in no additional required ventilation for that Block. Our current cost estimate continues to reflect costs associated with a passive ventilation shaft. In 2020 Amtrak issued “Overbuild Air Quality Standards for Diesel Exhaust for the Protection of Personnel” for normal and maintenance operations where diesel-powered equipment is operating. These new standards limit Nitrogen Dioxide (NO<sub>2</sub>) concentrations to 0.20 ppm as an 8-hour Time Weighted Average (TWA) at an elevation of 6 feet above the top-of-rail or on platforms which precluded the use of passive ventilation. The NO<sub>2</sub> limit established by Amtrak is 25 times more stringent than the current OSHA Personal Exposure Limit of 5 ppm. Since Amtrak maintenance crews may use various types of diesel-powered equipment to work on the tracks beneath Blocks 5 and 6, the design team studied multiple ways to ventilate

Amtrak's space below the overbuild and submitted alternatives to Amtrak to meet their new requirements.

Ultimately, following the 2020 issue of overbuild air quality standards by Amtrak, it was determined that a ventilation fan plant building was the only solution that fully satisfies Amtrak's requirements while preserving the right-of-way and park. Such a design provides the space needed for the mechanical, electrical and communications components that will operate the ventilation systems of both blocks. It also provides the additional emergency egress required by Amtrak from track level to street level.

As a result of the scope change, the design budget increased by \$3 million, the Construction Management budget by \$6 million, and contingency allocation of \$15 million. Therefore, the change from a ventilation shaft to a ventilation building increased the budget from \$21 million to \$137 million, a projected estimated cost increase of approximately \$116 million to the Ventilation Building portion of the Project Costs. The potential revisions to the Project Costs provided herein reflect the design team's recommendation that the passive ventilation shaft design be replaced with a physical fan plant building, the final cost of which is still being value engineered. Following such value engineering, we expect to update the first PAAA Budget adopted subsequent to the release of the results.

### **Inflation**

Since the original budget was developed, the US has experienced significant inflation. From 2017 to 2024, inflation increased by 25%. Based on inflation alone, the original 2017 project estimate would have been expected to experience a \$100 million increase.

To account for future inflation, the consultants have included a 5% escalation per year for three years, which is currently estimated to be the midway point of construction, and at which point all contracts are expected to be in place. It should be noted that the potential impact from tariffs continually change and may result in additional impact to the Project Costs due to changes in the cost of materials, whether domestic or international. Such potential impacts have not been factored into the potential revisions reflected herein.

## **RISKS TO ESTIMATED TOTAL PROJECT COSTS**

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### **Construction Cost Risks:**

As the design process progresses, the unknown cost exposure should be reduced as the time between design completion and construction is minimal. However, although the Phase II final design documents will be used to fully bid and contract construction, there are still several unknowns that will not be able to be fully determined.

- Allowance items like Force Accounts, Agency Allowances like the Resident Engineer, etc. that carry allowances. For example, a "Con Edison Allowance" may be used in case during construction Con Edison makes a change that results in added costs. The Con Edison cost can be paid as needed from the allowance. If the allowance is not used, it is not billed.
- The contracts will all contain Force Majeure clauses which are very standard in NYC construction contracts and the Project would be responsible for cost/delay of Force Majeure event.
- Inflation is not typically a risk as the contract duration is defined in the bid documents. The Contractor bids knowing there is some risk and this is accounted for in their escalation as we have done on the cost estimate.
- Tariffs are an unaccountable risk, specifically for manufactured items coming from Canada and/or Mexico to the United States. This also includes structural steel tariffs as well as European tariffs on the German-made play equipment.

- The potential for “Agency Delays” is an Owner risk on this project. Should AMTRAK; DOT; NYC Parks, etc. not do something that they have agreed to do will be a risk element. Additionally, many NYC projects are subject to Con Edison delays and cost impacts from Con Edison non-performance. This includes Amtrak’s failure to provide necessary manpower at the needed times during construction.
- Our Construction Manager identifies even now in their monthly report the risks associated with the project which gives us insight into the risk so proactive measures can be taken to reduce or eliminate these risks.

#### **Acquisition Cost Risks:**

The condemnation budget for this project was developed based on preliminary appraisals. Due to rising interest rates as well as the condemnation timing aligning with the projections, the original 2017 budget included \$160 million for condemnation/acquisition costs compared to the potential revised project costs of \$185 million. Furthermore, the revised costs take into consideration the opposition’s appraisal, which the 2017 budget did not, which further allows HYDC to determine the potential exposure better than Law previously had been able to do.

Although Law predicts the fee value to be in line with the projections, they had no basis to determine the easement, relocation and fixture exposure. As a result, the cost overruns are being driven by those items.

The estimated condemnation, fixture and relocation budget is \$185 million. This \$185 million is inclusive of 5 years of interest on our estimated payments to account for any potential interest exposure we have along the way. In some cases, Claimants will settle with the City for a lower amount at an earlier date which will further reduce this exposure over time, while other cases could potentially take longer than 5 years to fully resolve.

# HUDSON YARDS INFRASTRUCTURE CORPORATION

## Board of Directors Meeting

May 12, 2025

### Approval of Budget

**WHEREAS**, the Hudson Yards Infrastructure Corporation (the “Corporation”), pursuant to Section 2801(2) of the Public Authorities Law (the “PAL”), is required to submit to the Mayor, Comptroller, Speaker of the City Council and the Authorities Budget Office, at least sixty days before the commencement of its fiscal year, 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;

**WHEREAS**, the Corporation is also required, pursuant to the PAL, Section 2800(2)(a)(14) to submit to the Mayor, Comptroller, Speaker of the City Council and the Authorities Budget Office, at a minimum a four-year financial plan, including (i) a current and projected capital budget, and (ii) an operating budget report, including an actual versus estimated budget, with an analysis and measurement of financial and operating performance; and

**WHEREAS**, the Board of Directors of the Corporation has reviewed the budget information and financial plan attached hereto and found it to be satisfactory; it is therefore

**RESOLVED**, that the Board of Directors of the Corporation approves the budget information and financial plan as attached hereto, provided that the Corporation’s Comptroller may make non-material changes to the budget and financial plan prior to its submission.

# Hudson Yards Infrastructure Corporation

## FY 2026 Budget and Five-Year Plan (Cash Basis)

July 01, 2024 - June 30, 2029

(\$ in thousands)		Actual			Proposed			
		Unaudited	Adopted	Modified <sup>1</sup>				
		FY 2024	FY 2025	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
<b>Receipts:</b>								
<b>Operating Receipts:</b>								
Tax Equivalency Payments (TEP)	<sup>2</sup>	\$ 189,270	\$ 186,328	\$ 187,038	\$ 203,339	\$ 217,782	\$ 242,782	\$ 267,782
District Improvement Bonuses (DIBs)	<sup>3</sup>	6,534		-	-	-	-	-
PILOMRT	<sup>3</sup>	5,000		44,884	-	-	-	-
PILOT		229,389	243,000	257,594	262,728	271,029	279,317	287,696
<b>Sub-total</b>		<b>430,193</b>	<b>429,328</b>	<b>489,516</b>	<b>466,067</b>	<b>488,811</b>	<b>522,099</b>	<b>555,478</b>
<b>Nonoperating Receipts:</b>								
Investment earnings		33,530	-	26,153	-	-	-	-
Interest Support Payments (ISP)	<sup>4</sup>	-	-	-	-	-	-	-
Other nonoperating receipts:								
Bond Proceeds		-	-	-	-	380,000	-	-
Loan Draws		79,500	41,548	19,300	48,300	36,800	-	-
<b>Sub-total</b>		<b>113,030</b>	<b>41,548</b>	<b>45,453</b>	<b>48,300</b>	<b>416,800</b>	<b>-</b>	<b>-</b>
<b>Total Receipts</b>		<b>543,223</b>	<b>470,876</b>	<b>534,969</b>	<b>514,367</b>	<b>905,611</b>	<b>522,099</b>	<b>555,478</b>
<b>Disbursements:</b>								
<b>Project Payments</b>	<sup>5</sup>	79,500	41,548	19,300	48,300	36,800	86,950	39,985
<b>Total Uses of Proceeds</b>		<b>79,500</b>	<b>41,548</b>	<b>19,300</b>	<b>48,300</b>	<b>36,800</b>	<b>86,950</b>	<b>39,985</b>
<b>HYDC Operating Expenses</b>	<sup>6</sup>	880	-	950	1,125	1,175	1,225	1,275
<b>Sub-total</b>		<b>880</b>	<b>-</b>	<b>950</b>	<b>1,125</b>	<b>1,175</b>	<b>1,225</b>	<b>1,275</b>
<b>Debt Service:</b>								
Loan Repayment		-	-	-	-	185,470	-	-
Cost of Issuance		-	-	-	-	3,000	-	-
Principal payments	<sup>7</sup>	46,825	49,090	49,090	58,555	61,495	68,845	74,255
Interest payments	<sup>7</sup>	116,670	118,066	116,473	117,884	116,861	126,209	128,513
<b>Sub-total</b>		<b>163,495</b>	<b>167,156</b>	<b>165,563</b>	<b>176,439</b>	<b>366,826</b>	<b>195,054</b>	<b>202,768</b>
<b>Operating Expenses:</b>								
Payments to NYC	<sup>8</sup>	325,000	350,000	394,000	375,000	400,000	425,000	450,000
Commitment Fee		864	699	729	586	139	-	-
Administrative		559	900	671	794	794	794	794
<b>Sub-total</b>		<b>326,423</b>	<b>351,599</b>	<b>395,400</b>	<b>376,380</b>	<b>400,933</b>	<b>425,794</b>	<b>450,794</b>
<b>Total Disbursements</b>		<b>570,298</b>	<b>560,303</b>	<b>581,213</b>	<b>602,244</b>	<b>805,734</b>	<b>709,023</b>	<b>694,822</b>
<b>Excess (Deficiency) of Receipts over Disbursement:</b>								
		<b>(27,075)</b>	<b>(89,427)</b>	<b>(46,243)</b>	<b>(87,877)</b>	<b>99,877</b>	<b>(186,924)</b>	<b>(139,344)</b>
<b>Cash Equivalent and Investment Holdings:</b>								
Beginning Balance	<sup>9</sup>	598,006	N/A	570,931	524,687	436,810	536,687	349,763
Ending Balance		\$ 570,931	N/A	524,687	\$ 436,810	\$ 536,687	\$ 349,763	\$ 210,420

<sup>1</sup> Modified FY 2025 budget includes actual amounts from July 1, 2024 through February 28, 2025, and projected March through June 2025.

<sup>2</sup> Fiscal year 2024 TEP receipts reflect a one-time retroactive tax benefit adjustment to past fiscal years' payments.

<sup>3</sup> Annual receipts of DIB & PILOMRT payments have been unpredictable and thus we have not projected such receipts for FY 2026 through FY 2029.

<sup>4</sup> Receipts are expected to be sufficient to fully fund debt service. As such, ISP is not expected to be required.

<sup>5</sup> Project Payments to finance Phase II of Hudson Park & Boulevard throughout the financial plan period are assumed to be funded by continued draws against the existing term loan through the term loan expiration of June 30, 2027 and with bond proceeds in fiscal year 2028 and fiscal year 2029.

<sup>6</sup> In prior years, actual HYDC Operating Expenses were reflected in HYIC Administrative Operating Expenses. Projected HYDC Operating Expenses were not included in prior budget projections.

<sup>7</sup> Principal and Interest amounts projected in fiscal year 2028 and fiscal year 2029 include payments on bonds expected to be issued in fiscal year 2027 at an assumed rate of 6 percent.

<sup>8</sup> Payments to NYC in fiscal year 2025 increased by \$44 million as a result of a one-time PILOMRT payment received during fiscal year 2025.

<sup>9</sup> Cash Equivalent and Investment are included at cost.



## Hudson Yards Infrastructure Corporation

### FY 2026 Administrative Budget (Cash Basis)

Description	Actual		Favorable vs (Unfavorable)	Actual		Projected	Proposed	Proposed
	Adopted	Disbursements		Adopted	Disbursements	Disbursements	Modified	
	FY 2024	FY 2024	%	FY 2025	7/1/24 - 2/28/25	3/1/25 - 6/30/25	FY 2025	
Management Fees ["Salaries & Benefits"]	\$ 350,000	244,624	30.1%	\$ 350,000	\$ -	\$ 255,000	\$ 255,000	\$ 270,000
Overhead ["Rent, Telephone etc"]	80,000	50,739	36.6%	80,000	-	62,000	62,000	65,000
Audit Fees	22,500	22,500	0.0%	30,000	21,000	-	21,000	19,000
Consulting Fees	50,000	1,875	96.3%	50,000	-	50,000	50,000	50,000
Legal Fees	26,187	6,186	76.4%	100,000	2,540	20,000	22,540	100,000
Arbitrage Rebate Calculation Fees	10,000	5,250	47.5%	10,000	5,550	4,450	10,000	10,000
Trustee Fees	10,000	6,000	40.0%	10,000	1,500	7,000	8,500	10,000
D&O Insurance	221,988	221,988	0.0%	250,000	207,960	14,000	221,960	250,000
Rating Fees	10,000	-	100.0%	10,000	-	10,000	10,000	10,000
Other Administrative	10,000	-	100.0%	10,000	-	10,000	10,000	10,000
<b>Total</b>	<b>\$ 790,675</b>	<b>\$ 559,162</b>	<b>29.3%</b>	<b>\$ 900,000</b>	<b>\$ 238,550</b>	<b>\$ 432,450</b>	<b>\$ 671,000</b>	<b>\$ 794,000</b>

# HUDSON YARDS INFRASTRUCTURE CORPORATION

## Board of Directors Meeting

May 12, 2025

### Approval of Independent Auditors Agreement

**WHEREAS**, following a request for proposals for independent auditors, the selection committee of the Hudson Yards Infrastructure Corporation (the “Corporation”) has selected the firm of EFPR Group CPAs PLLC (“EFPR”); and

**WHEREAS**, the Audit Committee of the Corporation has recommended the appointment and retention of EFPR as the Corporation’s independent auditors; it is hereby

**RESOLVED**, that the President, Secretary, Treasurer or other authorized Officer of the Corporation is authorized to enter into an agreement with EFPR to serve as independent auditor for the Corporation’s financial statements for the fiscal years ending June 30, 2025, 2026, 2027 and 2028, with a one one-year extension at the discretion of the Corporation to conduct the audit of the Corporation’s financial statements for the fiscal year ending June 30, 2029, which agreement shall contain such other terms and conditions which are not inconsistent with this resolution as the President, Secretary, Treasurer or other authorized Officer of the Corporation shall deem necessary, and which agreement shall provide for compensation not to exceed the following rates:

Audit:

<b>Fiscal Year</b>	<b>Fixed Fee</b>
2025	\$19,000
2026	\$19,300
2027	\$19,600
2028	\$19,900
2029*	\$20,200

\* At the discretion of the Authority.

Hourly Rates for Special Projects:

<b>Position</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>
Partner	\$270	\$273	\$276	\$279	\$282
Director	\$180	\$182	\$184	\$186	\$188
Senior Accountant	\$130	\$132	\$134	\$136	\$138
Staff Accountant	\$110	\$112	\$114	\$116	\$118

# HUDSON YARDS INFRASTRUCTURE CORPORATION

## Board of Directors Meeting

May 12, 2025

### Approval of Directors' and Officers' Insurance Contracts

**WHEREAS**, despite their diligence and good faith, directors and officers of the Hudson Yards Infrastructure Corporation (the "Corporation") may be subject to potentially large personal financial liability in connection with the Federal securities laws or otherwise arising from their service to the Corporation;

**WHEREAS**, Article VI of the Bylaws of the Corporation provides that the Corporation shall indemnify each member, director and officer, to the fullest extent permitted by law; and

**WHEREAS**, Directors' and Officers' Liability Insurance is a prudent supplement to such indemnification; it is therefore

**RESOLVED**, that the Board of Directors hereby approves the procurement of Directors' and Officers' Liability Insurance policies from American International Group ("AIG"), Zurich American Insurance Company ("Zurich"), Liberty Mutual Insurance Company ("Liberty Mutual"), Aspen Insurance ("Aspen" and together with AIG, Zurich, Liberty Mutual, the "Insurers") or similarly rated insurers, through USI Insurance Services LLC as broker, providing \$50,000,000 of coverage for the period from June 25, 2025 through June 24, 2026 provided that the annual premium payable by the Corporation to the Insurers, plus any brokers fee, will not exceed \$335,000, and said policies shall contain such other terms and conditions not inconsistent with the foregoing which the President, Treasurer, Deputy Treasurer, Assistant Secretary or such other Officer of the Corporation shall deem necessary, desirable or appropriate and that the President, Treasurer, Deputy Treasurer, Assistant Secretary or other Officer of the Corporation shall be authorized to procure such insurance coverage.