NEW YORK CITY COMPTROLLER
BRAD LANDER

New York by the Numbers

Monthly Economic and Fiscal Outlook

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Contents

Highlights

- The U.S. job market was mixed but still fairly solid in May, despite a further decline in Federal Government employment. Unemployment held steady but labor force participation fell.
- New York City's April jobs report was mixed: a 6,300 private-sector job gain was largely offset by a downward revision to March; however, unemployment fell and the employment-population ratio reached a record high.
- Weekly jobless claims have remained subdued through the end of May.
- Inflation, both nationally and locally, slowed in May, largely but not entirely due to a temporary pullback in energy costs.
- Regional consumer and business confidence both rebounded moderately in May, after falling substantially in March and April.
- The housing rental market has tightened further. New residential development rebounded from 2023 levels in 2024 but has eased this year; incentives for office-to-residential conversions are expected to provide a boost.
- Subway and bus ridership continued to trend up in May across all days of the week. Workweek ridership is still down substantially from pre-Covid levels, though weekend subway ridership has almost fully rebounded.
- The number of asylum-seekers in City shelters continued to trend down in May; excluding asylum seekers the shelter population was little changed.
- NYC's cash balance stood at nearly $11 billion at the end of May—up 40% from the same time last year.

Spotlight

Student Loans and the High Cost of Higher Education

This month's spotlight focuses on the brewing crisis in student loan debt, the high and rising cost of higher education, and proposed changes in federal policy and their potential effects.

Read more at:
comptroller.nyc.gov/student-loans-spotlight

The U.S. Economy

- Real GDP (Gross Domestic Product) was virtually flat in the 1st quarter, declining at a slightly-revised 0.2% annual pace. As of early June, both the New York and Atlanta Feds were projecting 2nd quarter GDP to grow at an annual rate of roughly 2.5%.
- Payroll employment rose by 139K in May, slightly exceeding forecasts, but gains in March and April were revised down by a total of 95K. May's job gains were not all that broad-based, with the lower-paying Health & Social Assistance and Leisure & Hospitality sectors accounting for 90% of the net job gain. The unemployment rate was steady at 4.2%, while labor force participation edged up; federal government employment fell moderately. Initial weekly jobless claims have crept up but remain relatively low.
- Inflation slowed in May, with both the overall and core (excluding food and energy) Consumer Price Index rising just 0.1% for the month and rising 2.4% and 2.8%, respectively, over the past 12 months.
- Expanded tariffs, contractionary fiscal policy, and a crackdown on immigration continue to pose risks to the economic outlook, as highlighted in April's Spotlight. As of June 6th, US stocks as measured by the S&P 500 have rebounded from their early April lows but remain about 3% off their highs, while long-term interest rates have moved up modestly.

New York City Economy

Payroll Employment & Industry Trends

- Private sector employment numbers for April showed a gain of nearly 6,300 from last month, while employment gains in March were revised down from a gain of 2,500 to a decrease of 2,600.
- Following past trends, the Health & Social Assistance sector continued to be the main source of job creation in the city, adding 9,300 jobs in the last month, and nearly 13,000 in the last 3 months.
- Professional and Business Services was the only other sector to show noteworthy employment gains in the last 3 months, adding 3,800 jobs last month and 6,500 jobs in the last 3 months.

Table 1. Seasonally Adjusted NYC Employment, by Industry (‘000s)

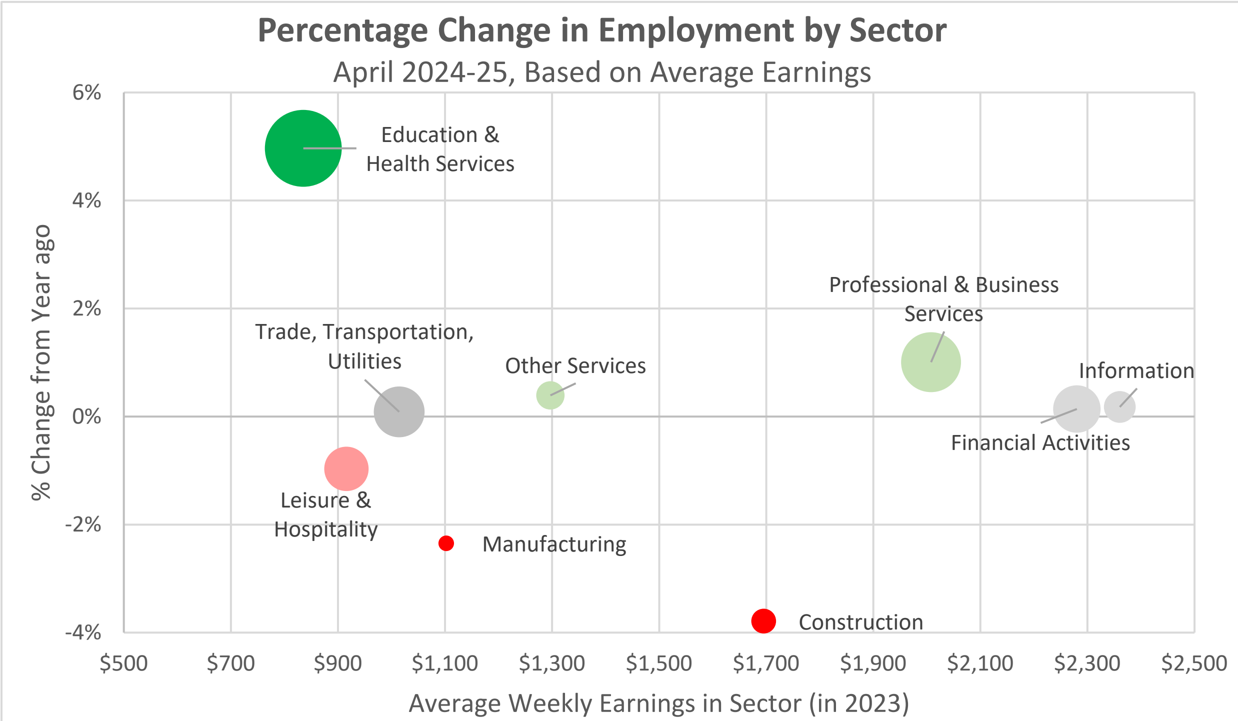
Note: This table has been reconfigured and no longer shows pre-pandemic comparisons.

(1,000s)	Seasonally Adjusted NYC Employment					April 2025 Change over		
Industry:	**April '24**	**Jan. '25**	**Feb. '25**	**Mar. '25**	**April '25**	**12 Months**	**3 Months**	**1 Month**
Total Non-farm	4773.2	4837.8	4847.6	4843.4	4850.1	76.9	12.3	6.7
Total Private	4174.9	4234.1	4243.8	4241.1	4247.4	72.5	13.3	6.3
Government	598.3	603.7	603.8	602.3	602.7	4.3	(1.0)	0.4
Financial Activities	507.1	508.0	507.1	507.3	507.2	0.2	(0.8)	(0.0)
Securities	201.2	199.6	199.2	198.5	199.2	(2.0)	(0.4)	0.7
Information	226.6	225.7	228.2	227.5	225.6	(0.9)	(0.1)	(1.9)
Prof. and Bus. Serv.	798.1	801.6	802.3	804.4	808.2	10.1	6.5	3.8
Educational Services	257.3	254.2	254.2	255.5	254.8	(2.6)	0.5	(0.7)
Health & Soc. Assist.	981.9	1038.1	1044.5	1041.6	1051.0	69.1	13.0	9.4
Leisure and Hospitality	443.9	448.5	446.6	446.5	444.6	0.7	(3.9)	(1.9)
Arts, Ent., and Rec.	88.7	87.9	87.2	87.4	83.7	(5.0)	(4.3)	(3.8)
Accomm. & Food Svc.	355.3	360.6	359.5	359.1	360.9	5.7	0.4	1.9
Retail Trade	300.8	296.2	296.2	295.5	294.4	(6.4)	(1.7)	(1.1)
Wholesale Trade	131.5	131.6	132.7	131.7	130.9	(0.6)	(0.7)	(0.8)
Trans. & Warehousing	134.0	140.3	141.4	140.9	141.3	7.3	1.1	0.4
Construction	143.6	140.3	140.5	139.7	138.2	(5.4)	(2.1)	(1.6)
Manufacturing	55.6	54.9	55.0	54.9	54.7	(0.9)	(0.3)	(0.2)

Sources: NY Department of Labor; NYC Office of Management and Budget; Office of the New York City Comptroller.

- The lion’s share of job growth over the past year has accrued to the Health & Education sector, which tends to be lower-paying, as shown in Chart 1 below. Within that group, most of the job creation has been in the Home Health Care and Social Assistance sectors, which are particularly low-paying.
- Meanwhile, the only high-paying industry sector that has added jobs—mainly in the past 3 months as noted earlier—has been Professional & Business Services. The Financial Activities and Information sectors have seen generally flat employment since last spring.
- The two goods-producing sectors, Manufacturing and Construction, have seen the steepest job losses over the past year, but both of these account for a relatively small share of overall employment locally.

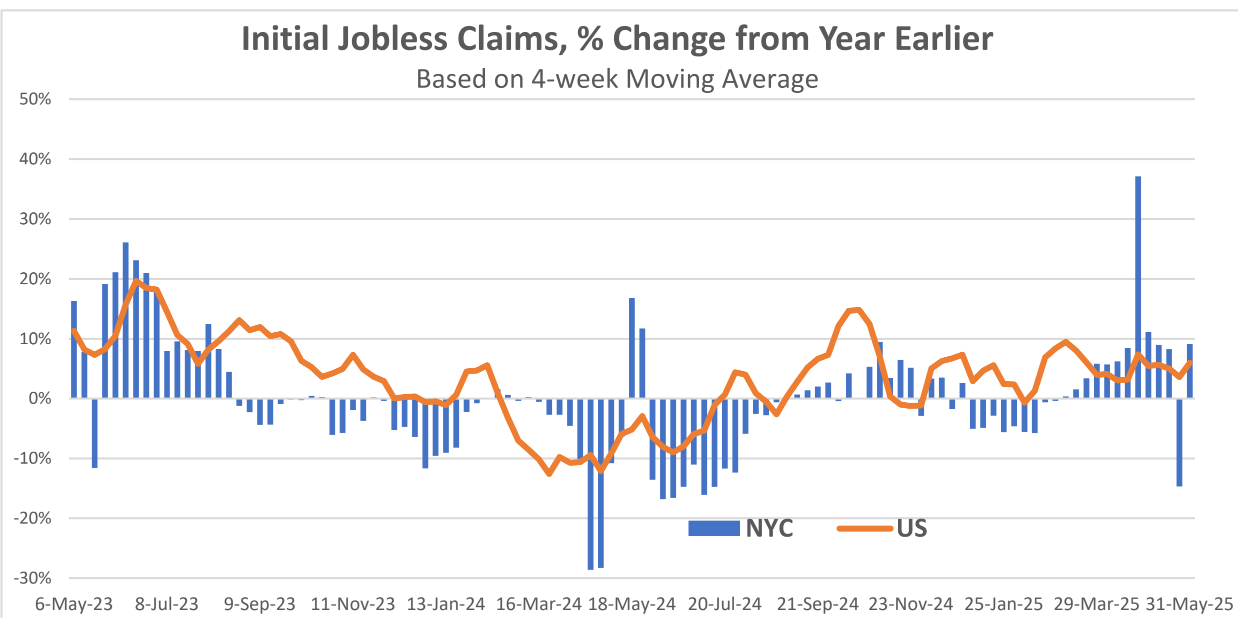
Chart 1



Sources: NY Department of Labor; Office of the New York City Comptroller.

- Initial weekly jobless claims, one of the timeliest employment indicators, have remained subdued—both locally and nationwide—aside from a brief idiosyncratic spike in late April, as shown in Chart 2. With that spike no longer in the 4-week average, local claims are, once again, running only moderately above year-earlier levels (which were quite low).

Chart 2

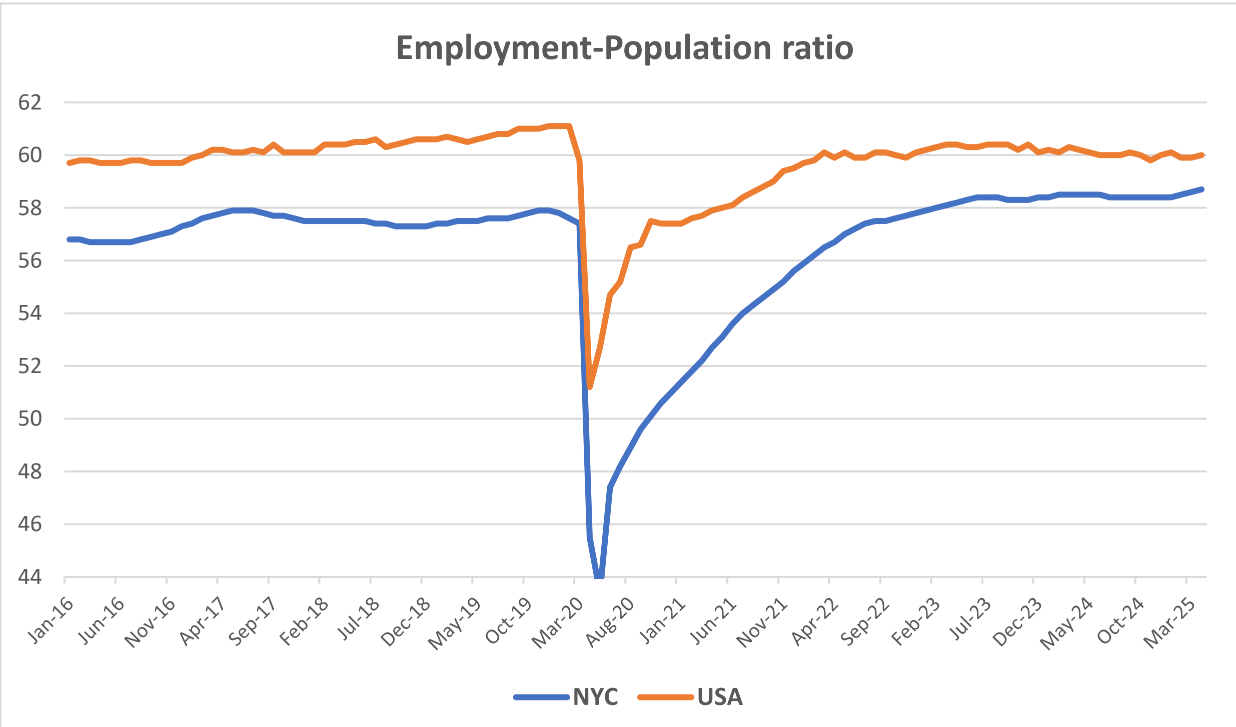


Sources: NY Department of Labor; U.S. Department of Labor; Office of the New York City Comptroller

Labor Market Indicators

- The unemployment rate for city residents has edged down in recent months. Although job growth has not been broad based, it has been sufficient to nudge the employment-to-population ratio among NYC residents to its highest level on record, as seen in Chart 3.

Chart 3



Sources: NY Department of Labor; Office of the NYC Comptroller

Inflation

- Local area inflation receded in May, paralleling the nationwide measure, with the CPI (Consumer Price Index) for the New York City metro region unchanged for the month and the core rate (excluding food and energy) declining 0.1%. This decline was largely driven by drops in prices for apparel and recreation.

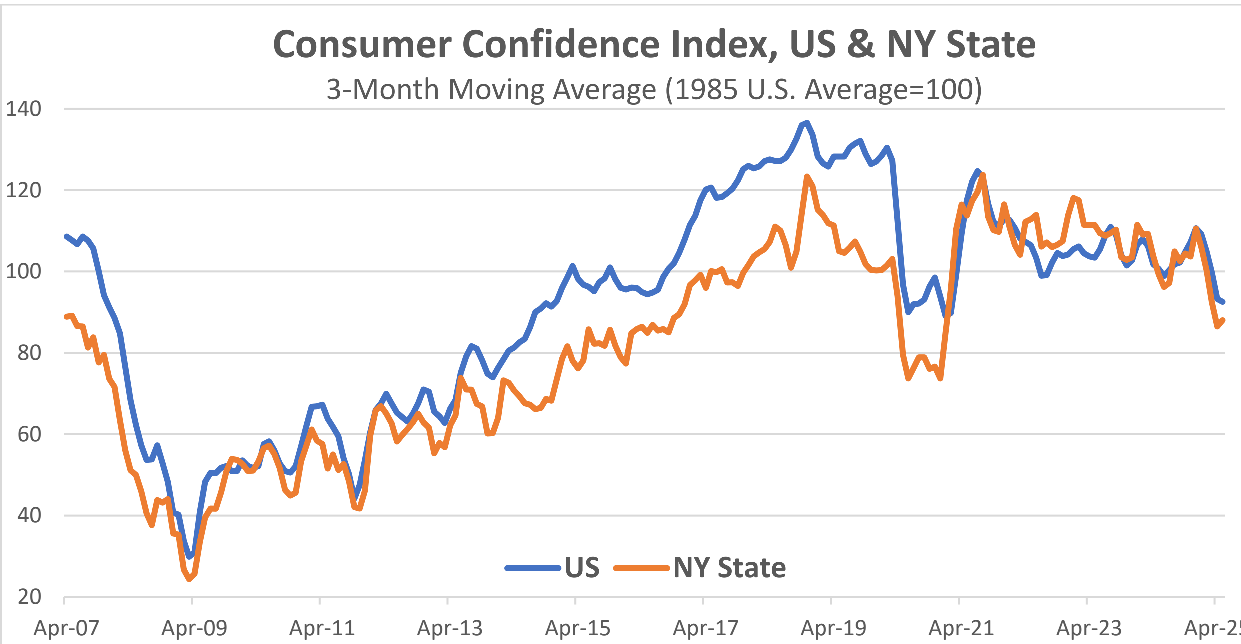
- Over the past 12 months, overall inflation has averaged 3.4%, while core inflation has averaged 3.6%—in both cases, the smallest annual increases in well over a year.

Consumer & Business Surveys

- Business sentiment across the region has remained fairly negative, as noted in our recent reports. The New York Fed's May business surveys show manufacturing firms to be mildly pessimistic and service firms to be widely pessimistic about the near-term outlook. In both sectors, more respondents plan to cut than increase overall capital spending.

- Moreover, well over two-thirds of both manufacturing and service sector respondents expect to be paying more for inputs six months from now; and almost half plan to raise their own prices.
- Consumer confidence rebounded in May—both nationwide and across New York State—but the 3-month moving averages (which smooth out volatility) remain near 4-year lows, as shown in Chart 4 below.

Chart 4

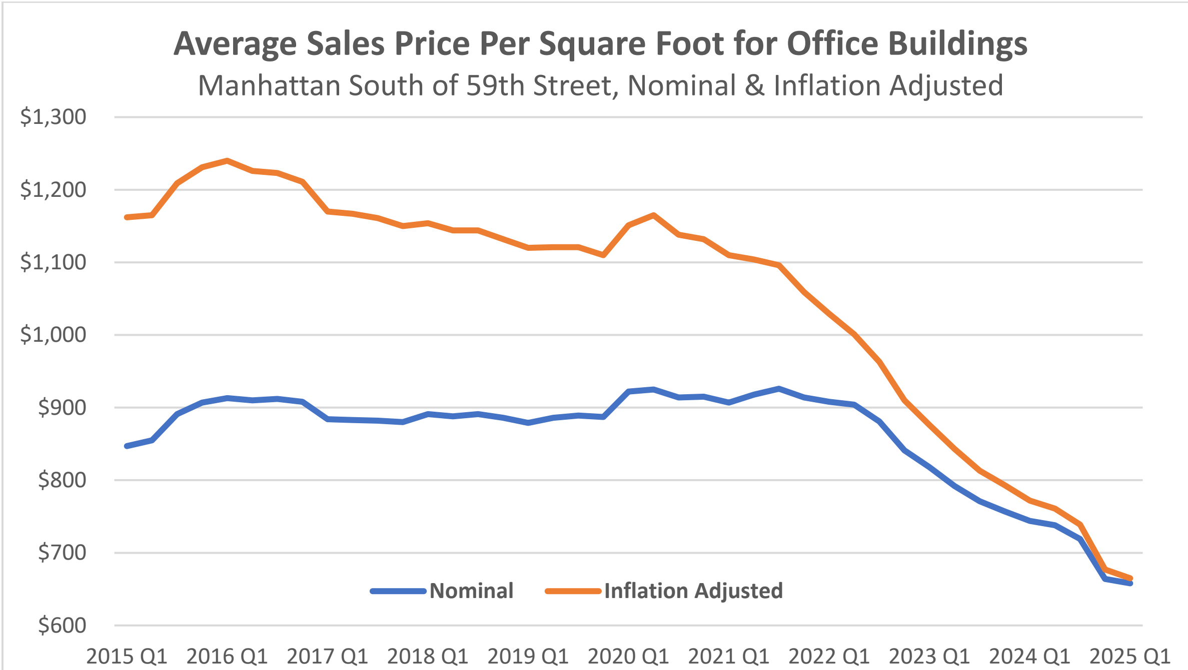


Sources: The Conference Board; Moody's economy.com

Office Market and Attendance

- Manhattan's office market has continued to recover at the high end, but for other properties, vacancy and availability rates remain near post-pandemic peaks, and market rents remain well below pre-pandemic levels.
- Market values for office buildings have trended down, even as occupancy rates and rents have gradually been recovering—a surprising divergence that may be partly explained by the rise in long-term interest rates over the past couple years.
- In the first half of 2025, the estimated average market value of Manhattan CBD (south of 59th Street) office buildings has fallen nearly 30% since the start of the pandemic, to levels not seen in more than a decade, as shown in Chart 5. Moreover, values adjusted for overall inflation are down more than 40% since early 2020 and down just over 45% from their peak level in 2016.

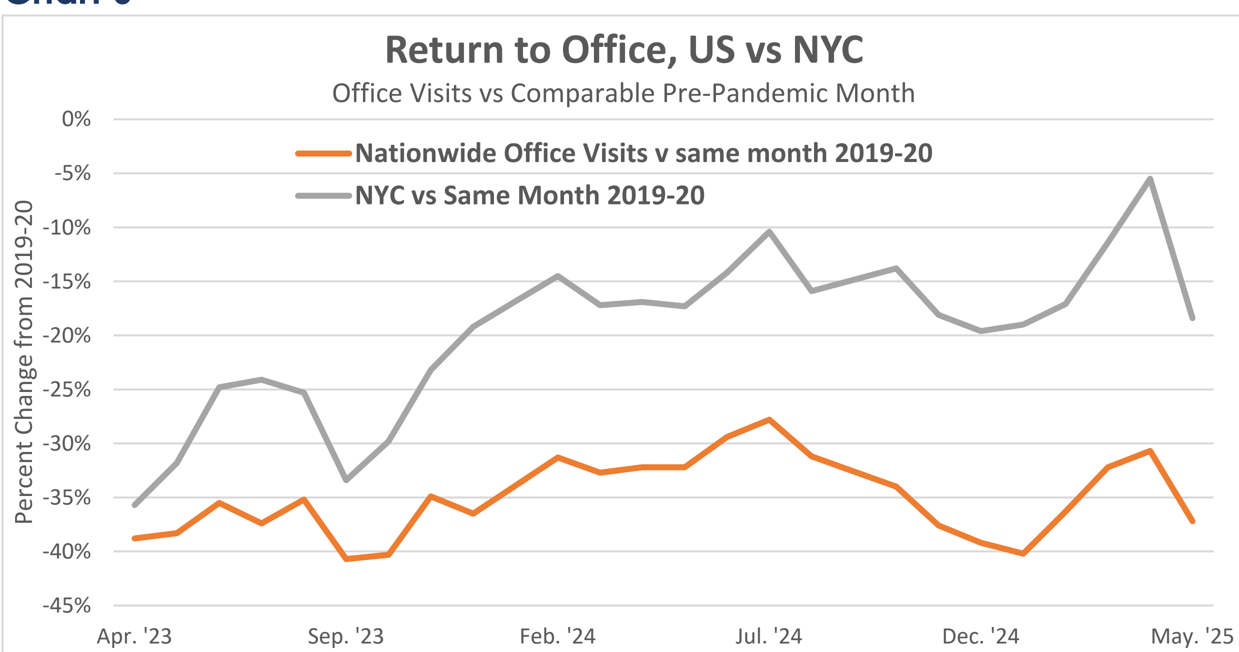
Chart 5



Sources: Costar, Office of the New York City Comptroller

- Placer.ai, which tracks office visits based on cell phone locations, estimates that office attendance stood at roughly 18% below pre-pandemic levels in May, versus a nationwide shortfall of roughly 37%. This represents a substantial retreat in NYC's "return to office" metric, following a jump in April, as shown in Chart 6. Still, New York continues to outpace the other major cities that they track, in terms of the office attendance rebound.

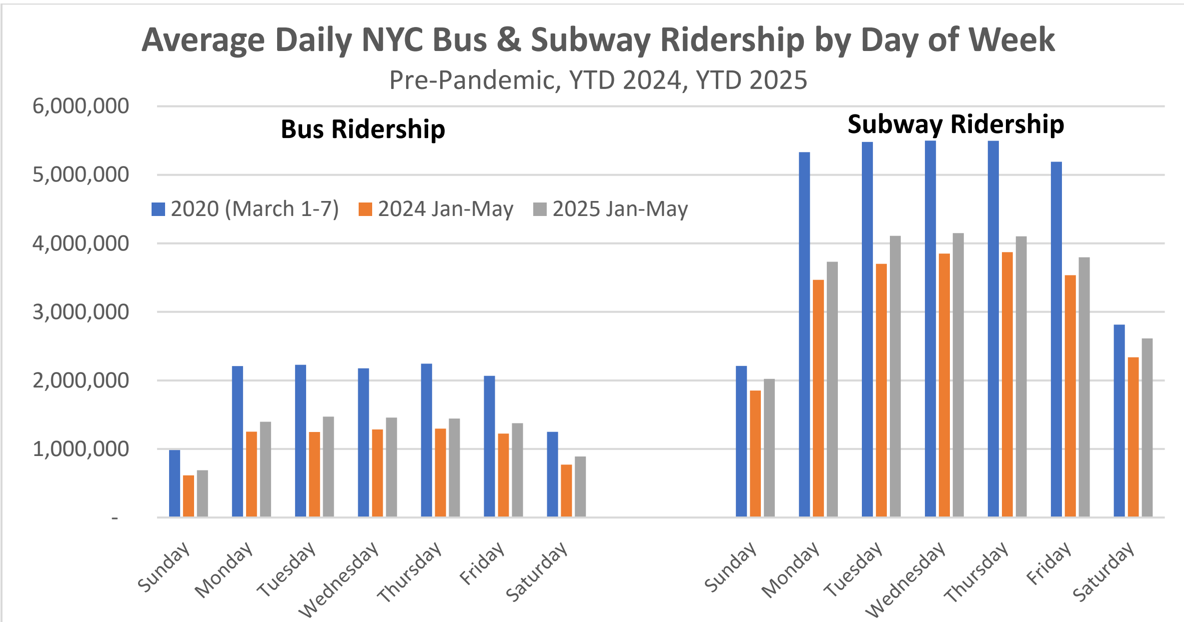
Chart 6



Sources: Placer.ai; Office of the New York City Comptroller

- Increased transit ridership noted in our recent Newsletters continued into May: subway ridership was up about 6% from a year earlier in May and bus ridership was up 10%.
- Thus far in 2025, bus and subway ridership is running ahead of 2024 levels, with similar gains by day of week. But versus pre-Covid levels, ridership is down more sharply on weekdays than weekends and down more on buses than subways, as shown in Chart 7.

Chart 7

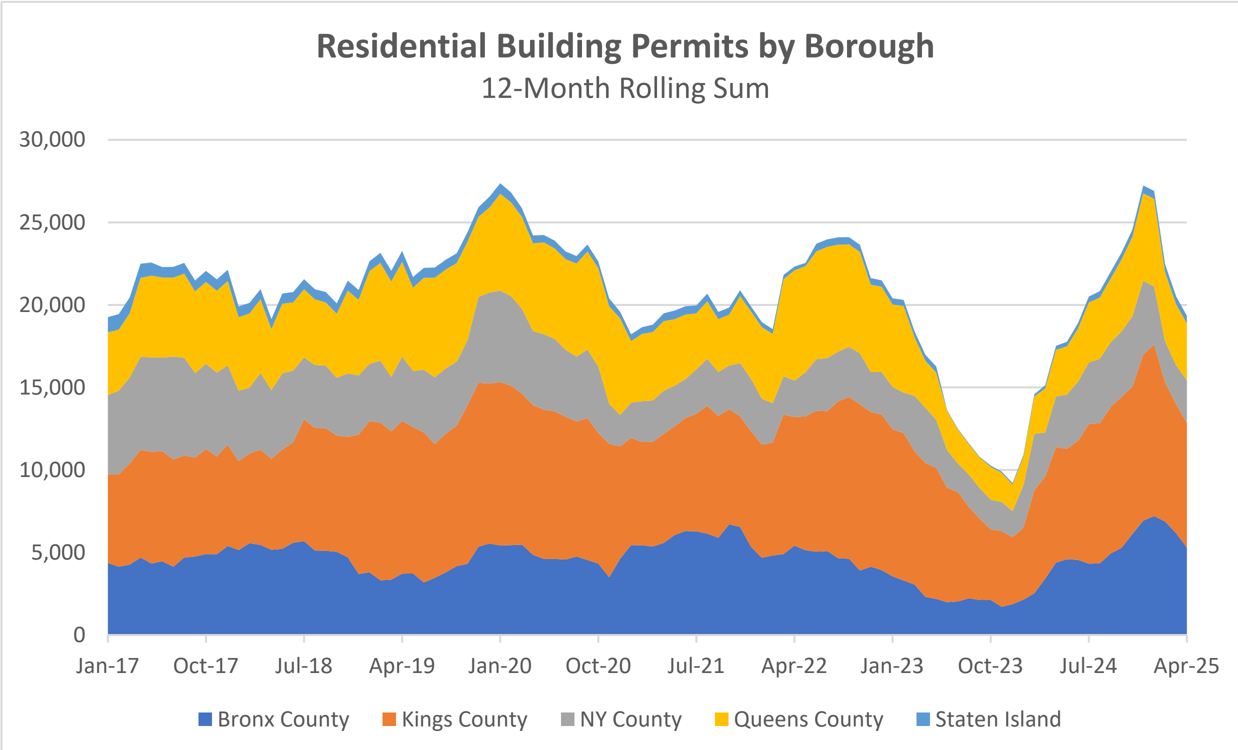


Source: MTA; Office of the NYC Comptroller

Residential Real Estate

- As noted in our last Newsletter, the residential rental market has been increasingly tight, whereas the home sales market has been fairly steady.
- New residential development picked up in 2024, following a lull in 2023, though it has tapered off somewhat this year, as shown in Chart 8. As we noted in our Housing Supply Spotlight last February, growth in the city's housing supply has consistently lagged growth in employment over the years (except during the COVID-driven swoon in jobs in 2020) .
- Not included in these numbers are office-to-residential conversions, which are being further incentivized by 467m tax abatements for residential rental development that comprises a certain degree of affordable housing. The outlook for these conversions will be explored in more detail in upcoming Fiscal Notes.

Chart 8

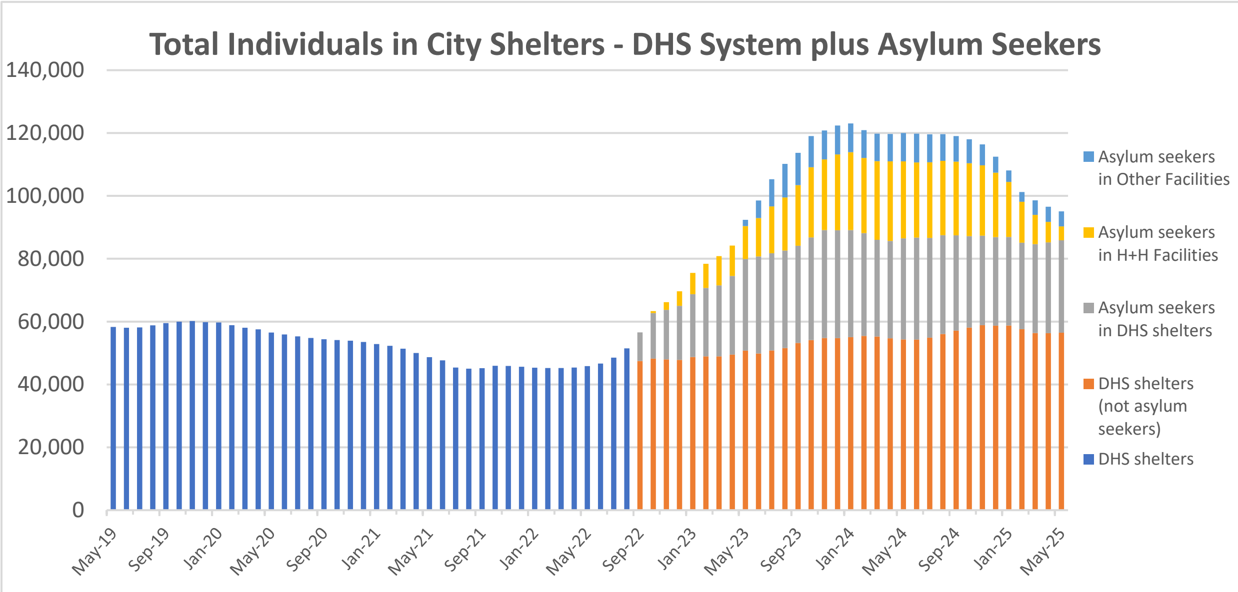


Homelessness & Asylum Seekers

- Chart 9 shows the monthly average number of individuals in City shelters through May 2025. In May, the average number of asylum seekers in City shelter was approximately 38,600, marking a decrease of 1,600 individuals from April 2025. Overall, this population represents approximately 41% of the total individuals in shelter, down from 55% in January 2024. From July through May, the average shelter census has decreased by nearly 27,000 individuals.

- As of May 25, a total of 14,559 families with children in emergency shelters have been given 60-day notices. These households include a total of 54,385 individuals (28,692 adults and 25,693 children). Of the 24,848 adults from families with children in households whose 60-day notices had expired as of May 25, 7% remain in the shelter where their 60-day notice was given, 22% have been transferred to other shelters, and 71% are not in shelter. *The Administration has informed the Comptroller's Office that it is revamping its emergency shelter notice system and will pause reporting until August, when tracking for the new system will be available.*

Chart 9



Sources: NYC DHS; NYC Mayor's Office; Office of the NYC Comptroller

Note: Figures shown are monthly averages. May 2025 represents May 1 – May 25. Data on the asylum seeker population within DHS shelters are not available prior to August 31, 2022. Other Facilities include spaces operated by NYCEM, HPD, and DYCD, and those outside of NYC.

City Finances

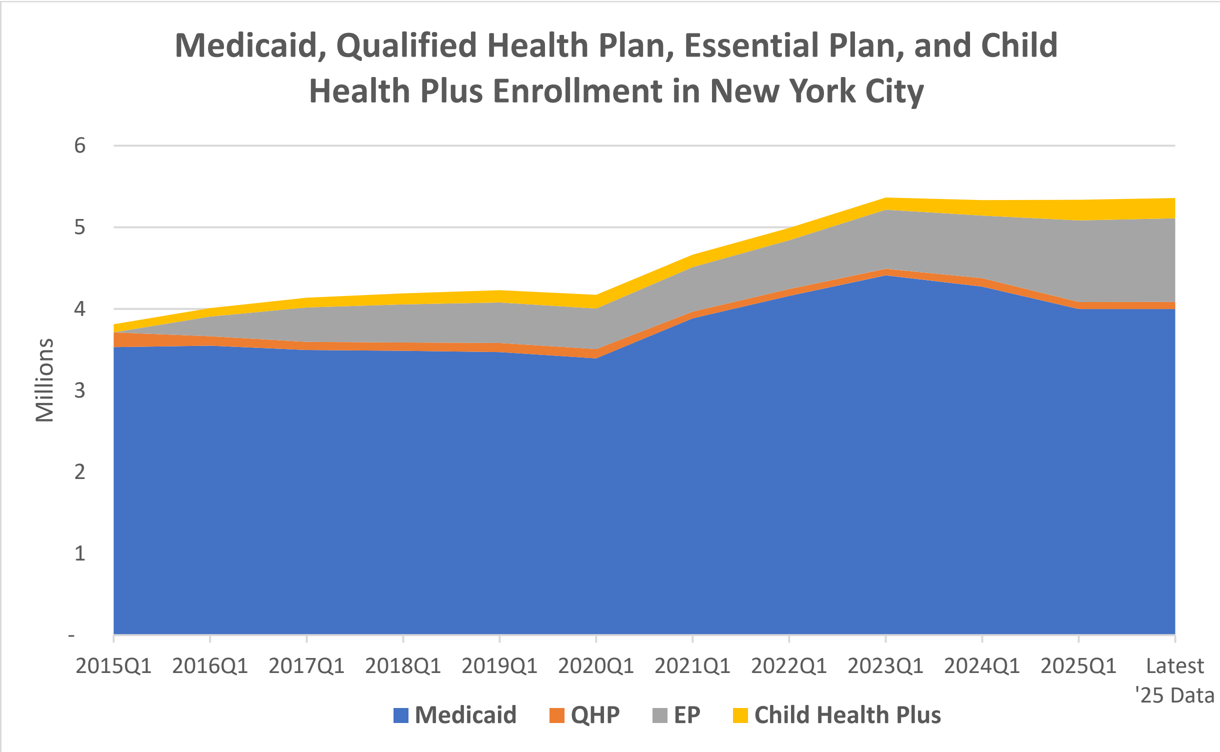
Congressional Budget Reconciliation Bill

On May 22nd, the House Republicans passed a budget reconciliation bill, the "One Big Beautiful Bill", which has now moved to the Senate for their approval. Unlike most other major legislation, Senate Republicans can pass this legislation with a simple majority. While more changes may be made before final passage, the House-approved version would have significant ramifications for New Yorkers:

Medicaid and Essential Plan

- The House Reconciliation Bill contains substantial cuts and eligibility changes to Medicaid and the Affordable Care Act.
    - In NYC, 5.3 million people are enrolled in these publicly supported insurance programs, as depicted in Chart 10.

Chart 10



Source: New York State Department of Health

Note: Medicaid and Child Health Plus enrollment data are from January of their respective year; QHP and EP enrollment are from January, February, or March of their respective year depending on availability of data. 2025Q1 data across all categories are as of January 2025 and "Latest 2025 data" are as of March 2025 for Medicaid and May 2025 for all other categories.

- As described in the January Fiscal Note: Risks for Medicaid and other NY State Healthcare Programs, over $66.8 billion in federal funds flows through the NY State budget to support these programs ($57.1 billion for Medicaid and $9.7 billion for the Essential Plan).
- The Big Beautiful Bill would reduce Medicaid funding to NY State by imposing work requirements and other eligibility changes, penalizing States that provide State-only funded insurance programs to undocumented immigrants, and reducing State options to impose provider taxes, like the recently enacted Managed Care Organization tax.
- In addition, the House Reconciliation Bill would make lawfully present immigrants ineligible for insurance subsidies under the Affordable Care Act. This would result in 730,276 people disenrolled from the Essential Plan (nearly half the State's overall enrollment), of whom 224,000 would lose insurance entirely and over 500,000 would be switched to state-only funded Medicaid. The EP is largely funded by federal dollars and pays providers at higher rates (roughly equivalent to the other ACA marketplace plans) resulting in a significant cost shift to NYS and net loss in reimbursement to hospitals and other providers.

    - The State Department of Health estimates that 303,123 current EP enrollees in NYC Congressional Districts would move to State-only funded Medicaid, and 134,114 individuals would lose coverage entirely due to this proposed eligibility change.

- In total, NY State estimates that it would face a combined $13.5 billion in reduced federal funding and increased costs for these changes to Medicaid and the ACA.

    - NYC's congressional districts share of that fiscal impact is $7.9 billion.

Other programmatic cuts and changes

- The House Reconciliation Bill also proposes to shift significant costs for the Supplemental Nutrition Assistance Program (SNAP) to states. The program is currently 100% federally funded. The proposed language would create a minimum State share of 5% growing to 25%, depending on a State's payment error rate. NYS's error rate for Federal FY23 was 12.68%, just over the Bill's threshold of 10% for the highest penalty.

    - Approximately 1.8 million NYC residents receive SNAP benefits. If NYS passed on the full 25% cost-share to NYC, the cost to the City's budget could be $1.25 billion.

- The Reconciliation bill repeals the clean energy tax credits, leading to an estimated loss of $25 billion in clean energy investments in NYS.
- As noted in this month's Spotlight, the House budget bill also proposes changes to student loans, including updating and limiting repayment options, adding new borrowing caps, and removing deferment and forbearance options, even when borrowers face economic hardship, and restricts Pell Grant awards to students enrolled in 15 or more credits, limiting access for part-time and working students.

- Lastly, the Reconciliation Bill would substantially increase the tax on college endowments. The current tax of 1.4% only applies to colleges with at least 500 students and at least $500,000 endowment assets per student. The House bill creates tiers starting at 1.4% (still starting at $500,000) and rising to 7%, 14%, and 21% depending on the endowment assets per student, and now excludes international and undocumented students from the per-student count.

    - NYC institutions likely to be affected by this provision include The Juilliard School, Cooper Union, the Icahn School of Medicine at Mount Sinai, and Columbia University.

Changes to SALT deductions: on net, a tax increase in NYC

- As explained in a lot more detail in our latest fiscal note, the House Reconciliation Bill propose changes to the treatment of state and local taxes (SALT) that, on net, would increase the amount of federal taxes paid by NYC resident and business owners.
- Many NYC residents would see a reduction of double taxation from the increase of the cap on the SALT deduction from federal taxable income. The cap was imposed in 2017 by the Tax Cuts and Jobs Act (TCJA) and was set to expire this year.
    - The House bill increases the cap in 2025, indexes it by 1% annually until 2033, and makes the cap permanent.
    - In 2025, the cap would go from \$10,000 to \$40,000 for incomes up to \$500,000. The cap would remain unchanged for incomes above \$600,000.
- However, starting in 2026, partnerships and S-corporations across a wide swath of economic sectors would see their deduction of State and City income taxes limited or altogether precluded. The taxes include:
    - NY State and City Pass-Through Entity Taxes (PTETs) enacted in 2021 and 2022 to avoid the SALT cap for partnerships and S-corporations (see previous analyses in the June 2023 and November 2023 Newsletters and in the *Annual State of the City's Economy and Finances in 2024*). Based on preliminary data, State and City PTET payments by NYC residents totaled \$7.0 billion in 2023. Nearly all of the amount was paid by taxpayers with income above \$600,000.
    - The City's General Corporation Tax (GCT) on S-corporations and Unincorporated Business Tax (UBT) on partnerships. These taxes have been in effect since 1966.
    - The affected economic sectors include finance, legal services, professional services (except engineering and architecture), health care, performing arts, and others.
- The targeted sectors represent the bulk of income tax payments from partnerships and S-corporations. Furthermore, business income is concentrated among high-income NYC taxpayers. Not only was the SALT cap was not raised for these taxpayers but, in addition, they would see their businesses' income SALT deductions essentially eliminated.
- We estimate that the additional federal tax burden on high-income NYC taxpayers and businesses could be \$2.7 billion annually and would most likely outweigh the tax benefits for taxpayers with income up to \$600,000.

The Cost of Health Care Benefits Offered to City Employees and Retirees

- Earlier this month, we published two fiscal notes focused on the cost of health care benefits offered by the City to its employees and retirees.
- The **first** focuses on the hidden risks in the financial plan stemming from the depletion of the Health Insurance Stabilization Fund (HISF) and from higher insurance rates in FY 2026.

These unrecognized risks amount to more than $600 million annually starting already in Fiscal Year 2025, which is about to end, as also highlighted in the report on the FY 2026 Executive Budget. The report also provides a chronology of health benefits agreements and how they impacted the HISF balance.

- How the risks will be resolved depends in part on the fate of the proposed Medicare Advantage contract for Medicare-eligible retirees, and on the procurement of a replacement for the largest plan covering active employees and pre-Medicare retirees (GHI-CBP).
  - On June 2nd, the Mayor announced the selection of EmblemHealth/United Healthcare to replace the GHI-CBP plan with a fully self-funded plan (CBP is a minimum premium plan). The new plan is expected to start on 1/1/2026, will continue to be premium-free for its members, and is purported to save $1 billion annually. We will analyze the fiscal impact of the new contract when details become available.
  - On May 15th, the Court of Appeals heard arguments on the Bentkowski lawsuit that (if won by the City) would allow the Office of Labor Relations to only offer Medicare Advantage to Medicare-eligible retirees. The Court could issue a decision this month.
- The **second** fiscal note looks at how much it would cost to fully fund the City's Other Post-Employment Benefits (OPEB) liability. This is the value of health care benefits offered to the City's retirees. The City does not, in general, invest funds to match accrued and future benefits. Rather, the City pays for the benefits on a pay-as-you-go (PAYGO) basis. In FY 2024, employer contributions to the OPEB plan were $3.2 billion while benefit payments totaled $3.7 billion (see page 7 of the OPEB financial statement).
- With the help of the Office of the NYC Actuary, the report shows how much it would cost for the City to shift away from PAYGO toward full funding. Because the amount of liability *already accrued and unfunded* is approximately $100 billion, the cost of pursuing long-term funding is substantial.
  - In the scenarios used in the report, OPEB contributions would range between $6.6 billion and $8.1 billion in FY 2026. The lower bound is comparable to the payments made to amortize the unfunded pension liability, which are set to end in FY 2032 (the Mayor sought but failed to change the amortization of the unfunded pension liability as part of the NY State FY 2026 budget– see the analysis in the March 2025 Newsletter and the Report on the FY 2026 Preliminary Budget).

FY 2026 Property Tax Final Roll

- The NYC Department of Finance (DOF) released the FY 2026 property tax roll on May 27, 2025. The final roll reflects updates to the tentative roll from January 2025, primarily due to reassessments following property owners' petitions and the approval or recording of additional tax exemptions. It also includes final NY State valuations for some Class 3 utility properties, which had been estimated by the NYC Comptroller's Office in the tentative roll but not yet finalized.

- Table 2 highlights differences between tentative and final roll values. Overall, total market value was revised down by 0.3%, falling from $1.58 trillion to $1.57 trillion. Billable assessed value also declined by 0.9%, falling from $311.22 billion to $308.53 billion.
- Tax Class 3 was the sole bright spot: Utility properties were the only class to be revised up, with both market value and assessed value rising 3.5%. This growth likely reflects the incorporation of final state valuations that exceeded earlier estimates.
- Tax Class 1 (one-, two, and three-family homes) showed the most stability: market value remained nearly unchanged, but assessed value fell 1.1%.
- Tax Class 4 experienced the largest decline: commercial and industrial properties saw both market and assessed values drop by 1.4%.
- Tax Class 2 had a moderate decline: multi-family residential properties decreased by 0.4% in market value and 1.2% in assessed value.
- The Comptroller's Office had anticipated a smaller decline in overall valuations. This updated FY 2026 data results in a downward adjustment of about $30 million in projected property tax revenue compared to the May 2025 Report.

Table 2. Real Property Tax, FY 2026 Tentative & Final Roll ($ in Millions)

	DOF Tentative Roll		DOF Final Roll		% Change: Tentative to Final Roll	
Tax Class	DOF Market Value	Billable Assessed Value	DOF Market Value	Billable Assessed Value	DOF Market Value	Billable Assessed Value
1	781,657	27,248	781,308	26,947	0.0%	-1.1%
2	396,585	120,740	395,059	119,292	-0.4%	-1.2%
3	61,062	27,346	63,196	28,314	3.5%	3.5%
4	339,473	135,881	334,816	133,962	-1.4%	-1.4%
Total	**1,578,776**	**311,215**	**1,574,379**	**308,516**	**-0.3%**	**-0.9%**

Source: NYC Department of Finance Tentative and Final Roll.

- Year-over-Year Growth (FY 2025 to FY 2026): Overall market value increased by 5.4%, rising from $1.49 trillion to $1.57 trillion. Billable assessed value grew by 3.0%, increasing from $299.43 billion to $308.52 billion. While Class 1 properties generated 53.0% of the total market value increase, they contributed only 12.3% of the billable assessed value increase. Conversely, Class 2 properties accounted for 31.8% of the market value increase but contributed 45.3% of the billable assessed value increase, reflecting their higher effective tax burden.

Hudson Yards Infrastructure Corporation

- Development within the Hudson Yards area has been proceeding for over 20 years since the initial rezoning of the area and financing of the #7 subway extension and associated infrastructure improvements. Recently, several developments transpired reflecting the continued evolution of the area.

Western Rail Yard Development

- In May of this year, Wynn Resorts dropped its efforts to obtain a casino license in New York City. Similarly, the Council Member for District 3, which contains Hudson Yards also announced opposition for a casino on the Western Rail Yards. However, the Council Member did support plans which increased the number of residential units, including affordable units, as well as additional green space.

- Any development relies on building a platform over the Western Rail Yards (see the rezoning application), as was constructed over the eastern portion of the rail yards. As part of a Land Use Committee hearing in April, Related (the real estate company pursuing the development) submitted materials indicating that the cost of constructing the platform had risen from $1.1 billion in 2008 to $2.0 billion in 2025 and is seeking financing from the Hudson Yards Infrastructure Corporation ("HYIC"), in a mechanism similar to the one used years ago to finance the subway extension.

- On June 10th, the Mayor announced "Phase 2" of the Hudson Yards Project which would construct the deck over the Western Rail Yards in order to facilitate development of additional residential and commercial space, including affordable housing units. On June 11th, the City Council approved the land use measures to facilitate this development. However, at the time of this publication, details on the financing and other economic factors of this development were not available.

70 Hudson Yards

- Deloitte will move out of the Rockefeller Center and occupy the majority of 70 Hudson Yards, which is expected to be completed in late 2028. While this move will add to the revenues generated within Hudson Yards, it creates a significant vacancy in Rockefeller Center.

Bella Abzug Park Phase II

- As currently constructed, the Bella Abzug Park runs along Hudson Boulevard between W. 33rd Street to W. 37th Street. Since 2016, there have been efforts to expand the park an additional 3 blocks northward. The initial cost of the park was represented to be approximately $390 million, and a loan facility with Bank of America was obtained by HYIC to fund the park in an initial amount of $350 million. Since entering into the loan agreement in 2019, only $90 million had been drawn as of June 30, 2024 as reflected on HYIC financial statements, and only slightly more through the end of 2024. Although Board of Directors materials from the May 2025 meeting indicate an estimated cost which could reach over $570 million, the budget reflected the original cost estimate from 2017. As such, the City Comptroller voted against the budget given the significant disconnect between the figures.

City Appropriated Support versus Benefit of Hudson Yards:

- While the initial financing of the subway and park required the City to appropriate expense dollars to make Interest Support Payments ("ISP") in the initial years of development to fund debt service on HYIC bonds, the City budget is benefiting significantly from residual revenues generated by development in the Hudson Yards.

Table 3. Interest Support Payments and Residual Revenues by Year ($ in thousands)

Year	ISP	Residual	Year	ISP	Residual	Year	ISP	Residual
2006	0	0	**2014**	38,130	0	**2022**	0	0
2007	0	0	**2015**	28,047	0	**2023**	0	200,000
2008	0	0	**2016**	0	0	**2024**	0	325,000
2009	15,000	0	**2017**	0	112,793	**2025***	0	394,000
2010	0	0	**2018**	0	0	**2026***	0	375,000
2011	42,667	0	**2019**	0	100,000	**2027***	0	400,000
2012	234,942	0	**2020**	0	350,000	**2028***	0	425,000
2013	0	0	**2021**	0	100,000	**2029***	0	450,000

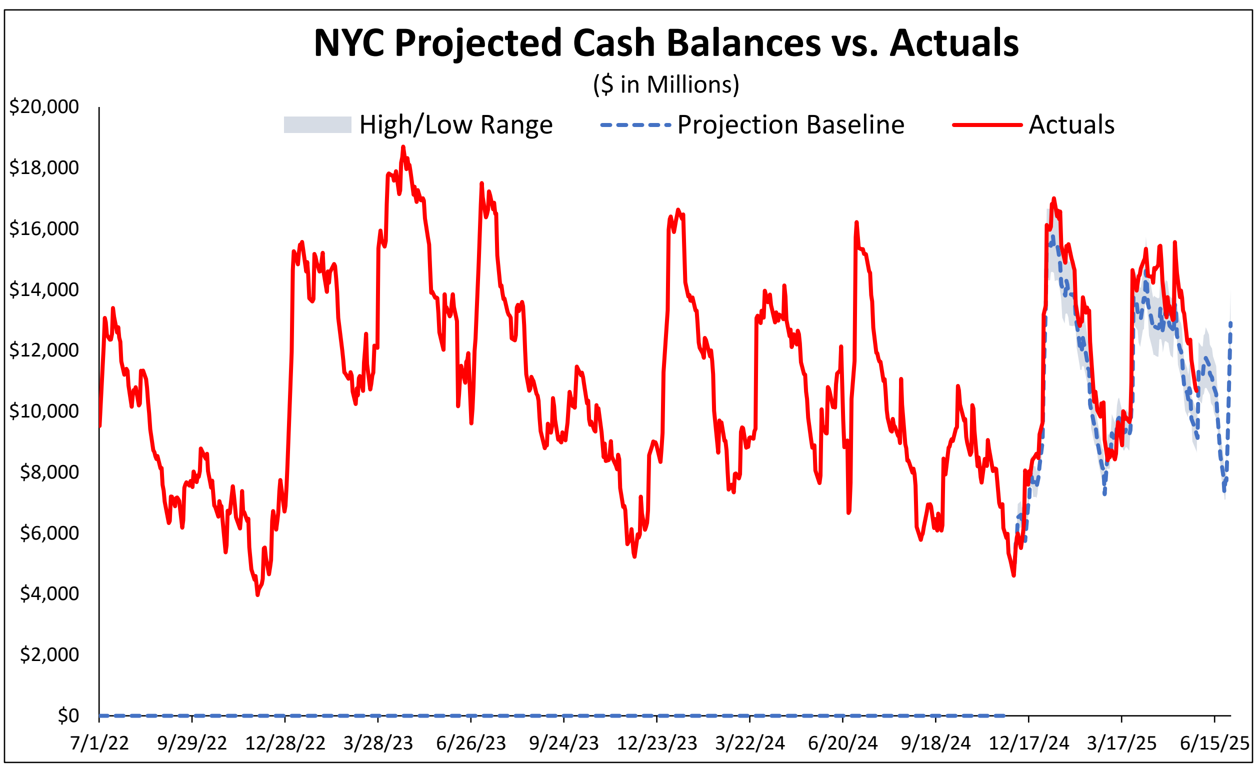
Source: [HYIC 2022A Official Statement, HYIC Financial Statements, HYIC 2026 Budget] *Budgeted. The Executive Budget for FY 2026 increased the FY 2025 residual by $44 million due to a Payment In Lieu of Mortgage Recording Tax (PILOMRT) tied to the refinancing of The Spiral tower.

- The table above does not show the Tax Equivalency Payments appropriated in the City budget which represent the growth in property tax in Hudson Yards pledged to secure the HYIC bonds (for a more in-depth look at the revenues, see the June 2023 Newsletter). Moreover, the table reflects neither the cost tax benefits granted to developers nor does it reflect the ancillary economic benefits of development. Nonetheless, the public sector investment in the area has fostered significant development which has created economic benefits for the City's General Fund.

New York City's Cash Balances

- As of May 28th, the cash balance stood at $10.68 billion, compared to $7.65 billion at the same time last year.
- Each quarter, the Comptroller's Office releases projections for the following four months. As depicted below, actuals for the last quarter came in mostly above projected values. Capital transfers totaled $5.36 billion from March to May 2025, substantially surpassing the forecast of $3.61 billion.
- The Comptroller's Office's review of the City's cash position during the third quarter of FY 2025 and projections for cash balances through September 31, 2025, are available here.

Chart 11



Source: Office of the NYC Comptroller

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