

MINUTES OF THE  
MEETING OF THE BOARD OF DIRECTORS  
OF  
NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY  
HELD AT THE 110 WILLIAM STREET OFFICES OF  
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION  
JULY 16, 2019

The following directors and alternates were present, constituting a quorum:

James Patchett  
HeeWon Brindle-Khym  
Marlene Cintron  
Brian Cook, alternate for Scott M. Stringer,  
Comptroller of The City of New York  
Albert De Leon  
Barry Dinerstein, alternate for Marisa Lago,  
Chair of the City Planning Commission of The City of New York  
Jacques-Philippe Piverger  
James Prendamano  
Betty Woo, alternate for Zachary W. Carter, Esq.,  
Corporation Counsel of The City of New York

The following directors were not present:

Khary Cuffe  
Andrea Feirstein  
Carl Rodrigues, alternate for Vicki Been,  
Deputy Mayor for Housing and Economic Development  
Robert Santos  
Shanel Thomas

Also present were (1) members of New York City Economic Development Corporation ("NYCEDC") staff and interns, (2) Scott Singer and Adam Gordon from Nixon Peabody LLP, (3) Arthur Cohen from Hawkins Delafield & Wood LLP, (4) Seth Bryant from Bryant Rabbino LLP, (5) Patricia Mollica from Katten Muchin Rosenman LLP and (6) other members of the public.

James Patchett, President of NYCEDC and Chairman of the New York City Industrial Development Agency ("NYCIDA" or the "Agency"), convened the meeting of the Board of Directors of the NYCIDA at 9:05 a.m., at which point a quorum was present.

1. Adoption of the Minutes of the June 11, 2019 Board of Directors Meeting

Mr. Patchett asked if there were any comments or questions relating to the minutes of the June 11, 2019 Board of Directors meeting. There were no comments or questions; a motion to approve such minutes was made, seconded and unanimously approved.

2. Financial Statements for May 31, 2019 (Unaudited)

Carol Ann Butler, Assistant Vice President of NYCEDC, presented the Agency's Financial Statements for the eleven-month period ending May 31, 2019 (Unaudited). Ms. Butler reported the following. For the month of May, the Agency recognized revenues in the amount of \$1,100,000, which came from project finance fees from nine transactions. The Agency recognized revenues derived from compliance, application, post-closing, recapture and termination fees in the amount of \$1,500,000 for the eleven-month period. The Agency recognized operating expenses, largely consisting of the monthly management fee, in the amount of \$4,000,000 for the eleven-month period ending in May 31, 2019. Ms. Butler stated that in the category of special projects the Agency incurred \$1,800,000 in special project expenses.

Mr. Patchett introduced Jennie Wallace as the new Executive Vice President of NYCEDC's Internal Audit department. Mr. De Leon stated that as chairman of the Audit Committee he is looking forward to working with Ms. Wallace in the future.

3. Officer Appointment – Assistant Treasurer

Krishna Omolade, a Vice President for NYCEDC and Deputy Executive Director of the Agency presented for review and adoption a resolution to appoint John McGlynn as Assistant Treasurer of the Agency. A motion was made to adopt the resolution. The motion was seconded and unanimously approved.

4. Officer Appointment – Executive Director

Eric Clement, a Senior Vice President for NYCEDC presented for review and adoption a resolution to appoint Mr. Omolade as Executive Director of the Agency. A motion was made to adopt the resolution. The motion was seconded and unanimously approved.

5. Post-Issuance Compliance Policy with Respect to the Federally Tax-Exempt and Tax-Advantaged Bonds and Notes

Mr. Omolade presented for review and approval a resolution for the Agency's Post-Issuance Compliance Policy with Respect to the Federally Tax-Exempt and Tax-Advantaged Bonds and Notes.

There being no comments or questions, a motion to approve the Agency's Post-Issuance

Compliance Policy with Respect to the Federally Tax-Exempt and Tax-Advantaged Bonds and Notes attached hereto as Exhibit A, as submitted, was made, seconded and unanimously approved.

6. 425 Westchester Fee Owner, LLC

Mac Thayer, an Assistant Vice President for NYCEDC, presented for review and adoption an inducement and authorization resolution for a Commercial Program transaction for the benefit of 425 Westchester Fee Owner, LLC, a deviation from the Agency's Uniform Tax Exemption Policy ("UTEP") and recommended the adoption of a SEQRA negative declaration that the project would not have a significant adverse effect on the environment. Mr. Thayer described the project and its benefits, as reflected in Exhibit B.

Ms. Cintron stated that the Board should consider the Agency's mission to generate jobs, which this project does not. The project involves moving a non-profit and a charter school to a new location, which will generate 40 jobs in the future. The developer does not have a relationship with the Bronx, which is concerning. The Bronx residents have had excellent relationships with other developers, which has been beneficial for everyone. Ms. Cintron stated that she strongly recommends that when projects are presented to the Board for approval Agency staff should look beyond how the project looks on paper but also take into account the effect it will have on the surrounding neighborhood take into account the effect it will have on the surrounding neighborhood. This project location is in the same district as 27 methadone clinics within a four block radius, as well as being near a 7,000 square foot mental health & methadone clinic currently being built. If the developer had more conversations with stakeholders in the Bronx a better project might have resulted or at least arrived at a better outcome--not just for the developer but also for the residents of the Bronx. Mr. Clement stated that Agency staff understand where Ms. Cintron is coming from. Mr. Clement agreed that there should be constant communication between developers, Agency staff and each of the City's boroughs. Agency staff took into consideration that these organizations are moving to the project location area and that there is a need for additional space for schools in the Bronx. Mr. Patchett stated that it's important that community institutions have access to high quality space and many schools have imperfect facilities and charter schools often have imperfect situations with respect to real estate, so a project that provides a not for profit institution that provides community services and also creates new space for a school is a positive thing. But since Ms. Cintron is from the community he and Agency staff take her comments very seriously. Mr. Thayer stated that this is a tricky project with lots of parts and components and going forward Agency staff will communicate more with the community. Mr. Thayer stated that this project offers a lot of benefits and the organizations will provide high quality community services in terms of providing space for this school, which is important, and Jewish Child Care Association offers great services across the board. Mr. Omolade stated that the charter school feels strongly about this location and has had ongoing discussions with the Bronx borough president's office in support of the project. Mr. Omolade stated that a lot of the school's students come from other parts of the Bronx and this location has a lot of access to public transportation. Mr. Omolade stated that in terms of safety they have been in constant

communication with the local NYPD precinct and, with respect to safety within the building, there will be separate entrances for the school from other parts of the building. So from Agency staff's perspective, we don't feel that safety is an issue.

There being no further comments or questions, a motion to approve the inducement and authorizing resolution, the associated deviation from UTEP and the SEQRA determination attached hereto as Exhibit C for the benefit of 425 Westchester Fee Owner, LLC was made, seconded and unanimously approved.

7. 500 Stagg Street LLC

Mr. Thayer presented for review and adoption an inducement and authorization resolution for an Industrial Incentive Program transaction for the benefit of 500 Stagg Street LLC, a UTEP deviation and recommended the adoption of a SEQRA negative declaration that the project would not have a significant adverse effect on the environment. Mr. Thayer described the project and its benefits, as reflected in Exhibit D.

Mr. Cook stated that the board materials list the rents as 20% below market rate and asked whether this is something that we need to include in the resolution or whether it will be enforced through some other instrument that is part of the project. Mr. Thayer stated that currently there are no such covenants in the resolution but there are covenants under the terms of the City capital agreement that will take the form of a funding agreement with the City's Office of Management and Budget, as well as in the declaration of restrictive covenant. Mr. Cook stated that the resolution has covenants that comply with every law and regulation with respect to restrictive covenants so there is a backdrop of protection. Mr. Clement stated that as part of the Industrial Developer Fund grant program, in order to qualify for those grant funds you must be able to rent to companies downstream at 20% below market value. In response to a question from Mr. Prendamano, Mr. Clement stated that he believes the discount is based on gross rent but Agency staff would look into the issue. . In response to a question from Mr. Dinerstein, Mr. Thayer stated that the estimated rent is based on data pooled from existing small businesses and their average wages in the Williamsburg area. Mr. Clement stated that Agency staff look at local businesses and the type of desirable tenants for a given area and estimate the number of jobs to be created as part of a project based on the average of the pooled businesses' metrics. In response to a question from Mr. Cook, Mr. Patchett stated that to the extent there will be combinations of these two programs in the future Agency staff will assess whether there should be a policy in place to account for the Agency waiving taxes that could potentially cover the reduction in rent. Mr. Patchett stated that there will most likely be future projects that participate in both of these programs.

There being no further comments or questions, a motion to approve the inducement and authorizing resolution, the associated deviation from UTEP and the SEQRA determination attached hereto as Exhibit E for the benefit of 500 Stagg Street LLC was made, seconded and unanimously approved.

8. Jughandle Realty, LLC and Bartlett Dairy, Inc.

Emily Marcus, a Senior Project Manager for NYCEDC, presented for review and adoption an Industrial Incentive Program inducement and authorizing resolution for the benefit of Jughandle Realty, LLC and Bartlett Dairy, Inc. and recommended the SEQRA determination that the project will not generate any additional significant adverse environmental impacts beyond those identified and analyzed in the NYCIDA Findings Statement which is included in the resolution. Ms. Marcus described the project and its benefits as set forth in Exhibit F.

In response to a question from Mr. Piverger, Ms. Marcus stated that the project will be retaining the company's 147 employees who were initially relocated away from their facility in Elmhurst, Queens to Newark, New Jersey and they are excited to come back to the City. Mr. Patchett stated that it has been a real challenge for these employees to commute from the City to Newark and this project has a lot of support from the New York City council. In response to a question from Ms. Cintron, Ms. Marcus stated that the company's dairy farms are primarily located in New York State and Pennsylvania.

There being no further comments or questions, a motion to approve the inducement and authorizing resolution and SEQRA determination attached hereto as Exhibit G for the benefit of Jughandle Realty, LLC and Bartlett Dairy, Inc. was made, seconded and unanimously approved.

9. Care Foods International Corp. and Maruwa Corp. d/b/a Royal Food

Jenny Osman, a Project Manager for NYCEDC, presented for review and adoption an Industrial Incentive Program inducement and authorizing resolution for the benefit of Care Foods International Corp. and Maruwa Corp. d/b/a Royal Food and recommended the Board adopt a SEQRA determination that the proposed project is an unlisted action and that a draft environmental impact statement will not be prepared. Ms. Osman described the project and its benefits as set forth in Exhibit H.

In response to a question from Mr. Cook, Ms. Osman stated that the project is projected to break even at year four. In response to a question from Mr. Dinerstein, Ms. Osman stated that the company has another location in Long Island City which received benefits from the Agency in 2007 where they do the majority of their packaging and distribution.

There being no further comments or questions, a motion to approve the inducement and authorizing resolution and the SEQRA determination attached hereto as Exhibit I for the benefit of Care Foods International Corp. and Maruwa Corp. was made, seconded and unanimously approved.

10. BAMMS Two Realty, LLC and Manhattan Beer Distributors LLC

Ms. Marcus presented for review and adoption an Industrial Incentive Program

inducement and authorizing resolution for the benefit of BAMMS Two Realty, LLC and Manhattan Beer Distributors LLC and recommended the adoption of a SEQRA negative declaration that the project would not have a significant adverse effect on the environment. Ms. Marcus described the project and its benefits as set forth in Exhibit J.

Mr. Patchett stated that the freight component of this project is very important since reducing the number of goods delivered by trucks on the City's streets is beneficial from an environmental justice perspective because it eases congestion. Ms. Cintron stated that the company is well known in the Bronx and financed through NYCEDC their conversion to CNG diesel. Ms. Cintron stated that the Bronx has the highest rate of asthma and Bronx residents greatly appreciate the company's commitment to the environment. Ms. Cintron stated that the company is known for being an amazing employer who is mindful of its carbon footprint. Ms. Cintron stated that the company is embracing smaller breweries and helps distribute their products to the market which is great for these smaller businesses. Ms. Brindle-Khym stated that from a labor perspective the company is considered a fair employer and respects its employees' union rights and through its collective bargaining it is clear that they provide good wages and benefits for its workers. Ms. Brindle-Khym gave her support for the project.

There being no further comments or questions, a motion to approve the inducement and authorizing resolution and the SEQRA determination attached hereto as Exhibit K for the benefit of BAMMS Two Realty, LLC and Manhattan Beer Distributors LLC was made, seconded and unanimously approved.

11. Baco Enterprises, Inc.

Carly Creed, a Senior Project Manager for NYCEDC, presented for review and adoption a post-closing resolution to approve amendments to the project documents necessary to extend the project completion date to January 15, 2020 for the benefit of Baco Enterprises, Inc. Ms. Creed described the project and its benefits as set forth in Exhibit L.

There being no comments or questions, a motion to approve the post-closing resolution attached hereto as Exhibit M for the benefit of Baco Enterprises, Inc. was made, seconded and unanimously approved.

12. Picture Car Services, Ltd.

Michael Waller, an Assistant Vice President for NYCEDC, presented for review and adoption a post-closing resolution to extend the completion deadline and sales tax exemption to December 31, 2020 for the benefit of Picture Car Services, Ltd. Mr. Waller described the project and its benefits as set forth in Exhibit N.

There being no comments or questions, a motion to approve the post-closing resolution attached hereto as Exhibit O for the benefit of Picture Car Services, Ltd. was made, seconded and unanimously approved.

13. Steinway, Inc.

Desiree Valdes, an Assistant Vice President for NYCEDC, presented for review and adoption a post-closing resolution to allow for the subdivision of Steinway, Inc.'s project location and for the sale of a portion of its property for the benefit of Steinway, Inc. Ms. Valdes described the project and its benefits as set forth in Exhibit P.

In response to a question from Mr. Cook, Ms. Valdes stated that the company will not lose any jobs as a result of the project.

There being no further comments or questions, a motion to approve the post-closing resolution attached hereto as Exhibit Q for the benefit of Steinway, Inc. was made, seconded and unanimously approved.

14. Adjournment

There being no further business to come before the Board of Directors at the meeting, pursuant to a motion made, seconded and unanimously approved, the meeting of the Board of Directors was adjourned at 10:00 a.m.

Arthur Hauer  
Assistant Secretary

Dated: 9/24/19  
New York, New York



**Exhibit A**

**RESOLUTION OF THE NEW YORK CITY INDUSTRIAL  
DEVELOPMENT AGENCY AUTHORIZING A POST-  
ISSUANCE COMPLIANCE POLICY WITH RESPECT TO  
ITS FEDERALLY TAX-EXEMPT AND TAX-  
ADVANTAGED BONDS AND NOTES**

**WHEREAS**, the New York City Industrial Development Agency (the “Agency”) has issued and may in the future issue bonds and notes from time to time to finance projects (each a “Project”) the interest on which bonds or notes is excluded from gross income for federal income tax purposes or is otherwise tax-advantaged (collectively, “Obligations”) for the benefit of eligible beneficiaries (each, a “Project Company”) in furtherance of the Agency’s statutory and corporate purposes; and

**WHEREAS**, the Internal Revenue Code of 1986, as amended (the “Code”) imposes certain investment and rebate requirements, use of proceeds requirements and other requirements relating to the use of each issue of Obligations and each Project that must be met in order for interest on the Obligations to be treated as excluded from gross income for federal income tax purposes or otherwise maintain its tax-advantaged status; and

**WHEREAS**, the Agency seeks to ensure that the requirements of the Code are met on the date of issuance of Obligations and continuously throughout the term of a such issue, as required by the Code; and

**WHEREAS**, disclosure of whether or not written post-issuance compliance have been adopted is required for (a) issuers on the Internal Revenue Service (the “IRS”) information returns for issuers (8038 Series) and (b) Project Companies which are not-for-profit 501(c)(3) organizations (“501(c)(3) Organizations”), on information returns for 501(c)(3) Organizations (IRS Form 990, Schedule K), in respect of tax-exempt bonds/notes and tax-advantaged bonds/notes; and

**WHEREAS**, it is recognized in conduit financings, such as the Obligations, that the Agency, as issuer, may delegate certain post-compliance responsibilities to a Project Company;

**NOW, THEREFORE THE NEW YORK CITY INDUSTRIAL  
DEVELOPMENT AGENCY HEREBY RESOLVES AS FOLLOWS:**

Section 1. The proposed “Post-Issuance Compliance Policy With Respect to Its Federally Tax-Exempt and Tax-Advantaged Bonds and Notes”, in substantially the form attached hereto, with such changes as shall be approved by the Chairman, Executive Director or General Counsel, is hereby adopted and approved.

Section 2. This resolution shall take effect immediately.

**ADOPTED:** July 16, 2019

**NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY**  
**POST-ISSUANCE COMPLIANCE POLICY WITH RESPECT TO ITS FEDERALLY**  
**TAX-EXEMPT AND TAX-ADVANTAGED BONDS AND NOTES**

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The purpose of this policy is to ensure that the New York City Industrial Development Agency (the “Agency”), and all beneficiaries of its federally tax-exempt and tax-advantaged issues (referred to as “Project Companies”), comply with federal tax laws governing the issuance of such tax-exempt and tax-advantaged bonds and notes (collectively referred to as “obligations”), including the use of any property financed with the proceeds of such obligations.

As a governmental authority, the Agency has historically issued, and in the future expects to issue, obligations for the benefit of various nonprofit organizations (“501(c)(3) Organizations”) described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (“Code”), as well as for other types of entities for purposes permitted by the Code. Under federal tax rules, a number of different requirements and restrictions must be met in order for interest on the obligations to be treated as tax-exempt, or for the tax-advantaged status of the obligations to be safeguarded, including restrictions on the use of property financed with the obligations and the investment of proceeds of the obligations. It is the policy of the Agency to assure that these requirements are met (1) on the date of issuance of an issue of obligations and (2) continuously throughout the term of an issue of obligations, including any refunding obligations, as required by the federal tax rules.

The Agency hereby adopts the following policy in order to support compliance with specific requirements with respect to each issue of obligations. It is the intent of the Agency to comply with these requirements by ensuring that each Project Company agrees to comply with

the applicable requirements (including, if necessary, the retention of a qualified rebate analyst and a post-issuance compliance expert), all in a manner consistent with the Code, as detailed in each applicable tax regulatory agreement or comparable tax compliance document (either, a “Tax Regulatory Agreement”).

*For 501(c)(3) Organizations:*

(a) Ownership of Property Financed by Obligations. All property financed by proceeds of an issue of obligations must be owned (for federal tax purposes) by a 501(c)(3) Organization or a qualified state or local governmental entity, throughout the term of the issue. The Agency’s financing documents (financing lease or installment sale agreement or other equivalent) generally restrict transfers of ownership of project property; any request to transfer is subject to the review and written approval of the Agency.

(b) Use of Property Financed by Obligations. At least 95% of the net proceeds of each issue of obligations and of the property so financed shall be used in furtherance of the exempt purposes of the Project Company, and not more than 5% of the net proceeds of each issue of obligations (which 5% limitation includes the allowable 2% for costs of issuance) and of the property financed by each issue of obligations shall be used for private business use, including unrelated trade or business use, as set forth in the federal tax rules. Pursuant to a Tax Regulatory Agreement, the Project Company is required to covenant that the use of the property financed by an issue of obligations is in compliance with the foregoing percentage limitations on the use of net proceeds of the issue of obligations.

(c) Monitoring and Measuring Private Business Use. Private business use, including unrelated trade or business use, of property financed by an issue of obligations shall be monitored by site visits and/or periodic reporting by Project Companies, including reporting of

subtenants. In addition, pursuant to financing documents and the Tax Regulatory Agreement, Project Companies shall be obligated to disclose to the Corporation any private business use, including use by the Project Companies that is unrelated trade or business use by the Project Companies or others. These requirements shall assist in monitoring ongoing compliance with the private business use test, which test includes (as described above) limitations on unrelated trade or business activities.

(d) Maintaining the Project Company's 501(c)(3) Status. As required in its Tax Regulatory Agreement, (i) each Project Company shall maintain at all times its status as a Section 501(c)(3) Organization and (ii) in the case of a Project Company that is a single member limited liability company, whose sole member is a 501(c)(3) Organization, the sole member shall at all times maintain its status as a 501(c)(3) Organization. Certain actions could jeopardize such status, including but not limited to unreported changes to the Project Company's or sole member's mission, lobbying, failure to pay taxes on unrelated business income and private inurement, such as excessive executive compensation.

*For Small Issue Manufacturing Project Companies:*

(a) Capital Expenditure and Test Period Beneficiaries. Each Project Company shall be responsible, in accordance with its Tax Regulatory Agreement, for monitoring compliance with relevant capital expenditure limitations of the Project Company, its related persons and any principal users of the project financed by obligations within the capital expenditure jurisdiction (which is defined as the five boroughs of New York City), test period beneficiary limitations on the aggregate amount of outstanding qualified small issue obligations and other conditions necessary to maintain the federal tax-exempt status of the interest on the obligations.

*For Exempt Facility Project Companies:*

(a) Ownership of Certain Exempt Facilities by Governmental Unit. All exempt facility property, consisting of airport facilities, dock and wharf facilities and mass commuting facilities financed by the proceeds of a tax-exempt issue of obligations must be owned (for federal tax purposes) by a governmental unit throughout the term of the issue of obligations. This ownership may be established in accordance with a safe harbor set forth in the Code with respect to a written lease or operating agreement (not to exceed 80% of the economic life of the asset) between a governmental unit as lessor and/or owner and a Project Company, as lessee or operator, pursuant to which the Project Company agrees not to take depreciation deductions and has no option to purchase the assets financed by the issue of obligations other than an option to purchase at fair market value determined at the time of exercise of the option.

(b) Use of Property Financed by the Obligations. At least 95% of the net proceeds of each issue of tax-exempt obligations and of the property financed by such proceeds shall be used for the exempt facility and/or property that is functionally related and subordinate to the exempt facility and not more than 5% of the net proceeds of each issue of obligations and of the property financed by such proceeds shall be used for any other purpose (this 5% allowance includes an amount up to 2% that may be applied to finance costs of issuance of the obligations).

(c) Monitoring Compliance with the Use of Exempt Facility Property. Each Project Company shall be responsible, in accordance with its Tax Regulatory Agreement, for monitoring compliance with the qualified use of the property financed by an issue of obligations as an exempt facility, including compliance with the percentage limitations set forth in (b) above on the net proceeds of the issue of obligations and other conditions necessary to maintain the federal tax-exempt status of the interest on the obligations.

*For all Project Companies:*

(a) Changes in Use of Proceeds of an Issue of Obligations. If a Project Company shall determine to change the use of proceeds of the obligations from that set forth in the Tax Regulatory Agreement, the Project Company must first contact the Agency and bond counsel to the Agency to enable bond counsel to ascertain whether such change may adversely affect the tax-exempt or tax-advantaged status of the issue of obligations. No change in use of the facility financed by an issue of obligations may be effected without the prior written consent of the Agency and, in certain instances, an opinion of bond counsel to the Agency, except as set forth in the Agency financing documents.

(b) Changes in Use of Facilities Financed by an Issue of Obligations - Remedial Action. Projects financed with proceeds of an issue of obligations may not be sold or changed from a qualifying use to a use that does not qualify for tax-exempt financing before the obligations are completely discharged, except with the prior written consent of the Agency. Examples of circumstances that might adversely affect (depending upon the particular type of obligation) the tax-exempt or tax-advantaged status of the issue of obligations include selling all or a portion of the project, using all or a portion of the project for a purpose different than that intended at closing, involving third parties in the management or operation of the project, or leasing or renting all or parts of the project to, or allowing the use of the project by, third parties. If the project is sold or the use of the project changes through any of these means prior to the discharge of all of the obligations of the issue, then remedial action may be required under the Code in order to maintain the tax-exempt or tax-advantaged status of the issue of obligations. If any such situation is expected to occur, a Project Company must, in accordance with its financing documents, contact the Agency and bond counsel to the Agency to determine whether

an appropriate remedial action is required with respect to any issue of obligations. If a permissible remedial action is not possible, the Agency may require the Project Company to utilize the IRS's Voluntary Closing Agreement Program to address the matter, if applicable.

(c) Changes in Financing Terms. Each Project Company shall contact the Agency and its bond counsel if the Project Company is considering any proposal to change the terms of the obligations or any credit support for the financing, as such changes may adversely affect the tax-exempt or tax-advantaged status of the issue of obligations. Extending the maturity of the obligations, changing the interest rate or payment dates, or otherwise restructuring the financing can cause a "reissuance" of the obligations for federal tax purposes (with the consequence that the holder of the obligations will experience a sale or exchange of its investment), necessitating tax compliance actions such as an additional tax filing with the Internal Revenue Service and acceleration of any rebate liability, in order to maintain the tax-exempt or tax-advantaged status of the obligations for federal tax purposes. The Project Company shall cooperate with the Agency and its bond counsel to take the required steps to ensure that any changes in the financing terms comply with federal tax law requirements and are dealt with appropriately and in a timely manner.

(d) Investment of Proceeds of Obligations. All amounts that are considered "gross proceeds" (as defined in the Code and applicable Treasury Regulations) of any issue of obligations must be invested, in accordance with the applicable bond indenture/loan agreement and Tax Regulatory Agreement, by the Project Company in investments acquired or valued, in the case of existing investments, at fair market value and, if applicable, must meet all the requirements of the safe harbor applicable to the acquisition of "guaranteed investment



contracts” or “yield-restricted investments” provided under federal tax rules, all as described in its Tax Regulatory Agreement.

(e) Rebate Computations. Unless a spending exception to rebate is met, each Project Company must, in accordance with its Tax Regulatory Agreement, compute (or cause the computation of) the arbitrage rebate and/or yield restriction liability, and must make (or cause the making of) any and all payments of rebate amounts or yield reduction payments for the tax-exempt issue of obligations on a timely basis in order to comply with the arbitrage rebate and yield restriction requirements relating to the investment of proceeds of the issue of obligations, all as described in its Tax Regulatory Agreement. Moreover, if proceeds of obligations remain unspent at the end of a “temporary investment period”, then those proceeds must be yield-restricted, or yield reduction payments, if applicable, must be made by the Project Company. The Agency strongly encourages each Project Company to hire a qualified rebate analyst to perform rebate and/or yield restriction computations.

(f) Recordkeeping. Each Project Company benefitting from an issue of obligations must, in accordance with its Tax Regulatory Agreement, maintain adequate records (in any reasonable form) for each such issue of obligations until six years following the final maturity of the issue of obligations (including any refunding thereof), unless a shorter period is set forth in the Tax Regulatory Agreement, sufficient to establish that the issue of obligations complies with the applicable federal tax rules, including transcripts of each issue of obligations and written documentation of the expenditure and investment of all proceeds of an issue of obligations, any documents relating to the use and operation of the assets financed by the issue of obligations, including any amendments thereto, as required by the Tax Regulatory Agreement for the issue of obligations.

(g) Post-Issuance Compliance Undertaking By Project Companies. Each Project Company shall covenant in the applicable financing documents, Tax Regulatory Agreement and other documents relating to the issue of obligations on the Project Company's behalf, to comply with all applicable requirements of the Code and Treasury Regulations, including any post-issuance filing requirements (the "Post-Issuance Requirements"). The Project Company shall acknowledge that the Internal Revenue Service mandates certain filing requirements with respect to post-issuance tax compliance, private business use and/or unrelated trade or business use (as applicable), including the proper method for computing whether any such use has occurred. In the case of a Project Company that is a 501(c)(3) Organization, the Project Company shall determine (or cause the determination of) the information required to be reported on the IRS Form 990 (Schedule K), Supplemental Information on Tax-Exempt Bonds on an annual basis and will undertake to comply with the aforementioned filing requirements and any related requirements that may be applicable to the issue of obligations.

Each Project Company shall undertake to comply with all Post-Issuance Requirements that may be applicable to its issue of obligations. In addition, with respect to issue of obligations issued after the effective date of this policy, each Project Company shall be advised that the Internal Revenue Service recommends that borrowers establish written post issuance compliance procedures that address and provide for ongoing compliance reviews. These compliance procedures should provide for regular due diligence reviews, designation of employees responsible for post-issuance compliance, post-issuance compliance training, record retention, and procedures to timely identify and correct non-compliance. The Agency hereby determines that it is appropriate for Project Companies to establish compliance procedures and it is the policy of the Agency to strongly recommend that Project Companies establish and implement

them to ensure compliance with the Post-Issuance Requirements. In furtherance of the foregoing, the Agency directs bond counsel at the closing of an issue of obligations to provide to the Project Company with respect to that issue of obligations a copy of this policy and to obtain from the Project Company an executed form of the certificate attached hereto.

**PROJECT COMPANY POST-ISSUANCE COMPLIANCE CERTIFICATE  
RELATING TO YIELD RESTRICTION AND ARBITRAGE REBATE  
REQUIREMENTS AND OTHER POST ISSUANCE COMPLIANCE REQUIREMENTS**

This certificate is being executed by an authorized officer of \_\_\_\_\_ (the “Project Company”) with regard to certain post-issuance compliance obligations necessary to maintain the tax-exempt status of the *[Name of Bond/Note Issue]* (the “Bonds” or “Notes” as applicable).

**General**

1. The Project Company acknowledges that it has reviewed (a) *[Name of Tax Regulatory Agreement]* and other *[Bond or Note, as applicable]* financing documents with particular regard to the arbitrage yield restriction requirement, arbitrage rebate requirement and the other ongoing tax compliance requirements (including but not limited to certain use restrictions with respect to the tax-exempt bond- or note-financed property) (collectively the “Requirements”) and (b) the New York City Industrial Development Agency (“Agency”) Post-Issuance Tax Compliance Policy With Respect to its Federally Tax-Exempt and Tax-Advantaged Bonds and Notes attached to this certificate.

2. The Project Company acknowledges that: (a) it is responsible for compliance with the Requirements and (b) to the extent that any amounts (including interest and penalties) are payable to the Internal Revenue Service and any costs are incurred by the Agency in order to ensure the Project Company’s compliance with the Requirements or as a result of any non-compliance by the Project Company with the Requirements, such payments and costs will be the responsibility of the Project Company.

3. The Project Company agrees that: (a) the following person has been designated to be the person with overall responsibility with respect to compliance with the Requirements, (b) the Project Company will advise the Agency if there is a change in the person responsible for such compliance and will provide the Agency with the information below for the new person, (c) it will periodically (not less than annually) review the written procedures referenced in paragraph 5 below (and in 4 below if option “c” in paragraph 4 is selected) with appropriate officers and other personnel having responsibility for matters pertinent to such procedures and (d) it will cause the person responsible for compliance to undertake training, which may include educational opportunities at third party conferences and seminars, for new officers and personnel to ensure continuing institutional knowledge at the Project Company through the term of the Bonds or Notes (as applicable) of such procedures:

**Responsible Person:**

Name:

Address:

Phone number:

Email address:

## **Yield Restriction and Arbitrage Rebate Requirements**

4. The Project Company hereby selects one of the following options as a compliance procedure applicable to the Requirements with respect to the Bonds or Notes, as indicated by checking one of such options:

### **Compliance Procedures option:**

- ☐ Option a: \_\_\_\_\_ The Project Company shall appoint or engage a qualified party to perform the necessary yield restriction and arbitrage rebate computations for the Bonds or Notes in the time and manner required by Internal Revenue Code of 1986, as amended (“Code”);
- ☐ Option b: \_\_\_\_\_ Bond Counsel shall have advised the Project Company that no gross proceeds of the tax-exempt Bonds or Notes will be subject to the yield restriction or arbitrage rebate requirements (or in the case a yield restricted refunding escrow, that such escrow is invested at a yield below the tax-exempt Bond or Note yield); or
- ☐ Option c: \_\_\_\_\_ The Project Company shall have implemented written procedures within 90 days of the closing of the issuance of the tax-exempt Bonds or Notes that are designed to ensure that the yield restriction and arbitrage rebate requirements will be satisfied on a timely basis with respect to the Bonds or Notes, which may include, but not be limited to, establishing an appropriate reminder system and selection of a qualified firm acceptable to the Agency to perform the computations. If the Project Company provides computations that have not been prepared by a firm acceptable to the Agency, then the Agency may select an approved firm to review the computations at the expense of the Project Company.

If Option “a” is selected, attached as Attachment A is the contact information for such firm. The Project Company agrees to advise the Agency if the firm changes and to provide updated contact information for the new firm.

If Option “b” is selected, attached as Attachment A is a copy of the advice from Bond Counsel to the Agency indicating that the Bonds or Notes, as applicable, satisfy such option and identifying the basis of that conclusion.

## **Written Compliance Procedures (Including Qualified Use of Proceeds and Tax-Exempt Bond- or Note-Financed Property, Recordkeeping and Other Requirements)**

5. The Project Company represents that one of the following is applicable to the [Bonds or Notes, *as applicable*] as indicated by checking which of the following applies:

- ☐ \_\_\_\_\_ The Project Company has existing written compliance procedures applicable to the tax-exempt or tax-advantaged status of the Bonds or Notes.

☐

\_\_\_\_\_ The Project Company will prepare written compliance procedures within 90 days of the closing of the issuance of the tax-exempt or tax-advantaged status of the Bonds or Notes.

☐

\_\_\_\_\_ The Project Company acknowledges that the Agency has recommended that the Project Company establish written compliance procedures but the Project Company has opted not to establish such procedures and understands that:

- (1) the IRS has indicated that borrowers with written compliance procedures may receive more favorable treatment in resolving tax violations; and
- (2) the Agency will indicate that the Project Company does not have written procedures on applicable IRS filings.

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Exhibit B**

### Project Summary

425 Westchester Fee Owner, LLC, a Delaware limited liability company and its affiliates (the "Company"), a joint venture of AB Capstone, a developer, owner and manager of commercial real estate, and Starwood Opportunity Zone Partners, a commercial real estate investor, seek financial assistance in connection with the construction, furnishing and equipping of a 10-story, approximately 147,000 square foot commercial building on two contiguous parcels of land totaling approximately 19,155 square feet (the "Facility") located at 601 Bergen Avenue and 423-425 Westchester Avenue, Bronx, New York. The Facility will be owned by the Company and leased for use by commercial tenants and not-for-profit organizations (the "Project"). Based on a review of the Project, Agency staff has concluded that the Project is likely to be completed within two years of the closing date.

### Applicant Location

591 W Putnam Ave  
 Greenwich, CT 06830

### Project Locations

423-425 Westchester Avenue  
 Bronx, NY 10455

601 Bergen Avenue  
 Bronx, NY 10455

### Actions Requested

- Inducement and Authorizing Resolution for a Commercial Program transaction.
- Approval of a deviation from UTEP.
- Adopt a SEQRA Negative Declaration for this Project. The proposed Project will not have a significant adverse effect on the environment.

### Anticipated Closing

August 2019

### Impact Summary

<b>Employment</b>	
Jobs at Project Occupancy:	190
Jobs to be Created at Project Location (Year 3):	40
<b>Total Jobs (full-time equivalents)</b>	<b>230</b>
<b>Projected Average Hourly Wage (excluding principals)</b>	<b>\$28.00</b>
<b>Highest Wage/Lowest Wage</b>	<b>\$50.00/hr / \$16.00/hr</b>
<b>Estimated City Tax Revenues</b>	
Impact of Operations (NPV, 10 years)	\$13,331,777
One-Time Impact of Renovation	2,499,488
<b>Total impact of operations and renovation</b>	<b>\$15,831,266</b>
<b>Economic impact of displaced existing activity</b>	<b>\$170,185<sup>1</sup></b>

<sup>1</sup> The project site is currently a parking lot. The economic impact of displaced existing activity measures the economic impact associated with maintaining the site as a parking lot.



## **425 Westchester Fee Owner, LLC**

Estimated Cost of Benefits Requested: New York City	
MRT Benefit	\$825,173
Sales Tax Exemption	1,531,508
Agency Financing Fee	(700,658)
<b>Total Value of Benefits provided by Agency</b>	<b>\$1,656,023</b>
Available As-of-Right Benefits (ICAP)	\$30,177,034
Agency Benefits In Excess of As-of-Right Benefits	\$(28,521,011)

Costs of Net City Benefits Per Job	
Estimated Cost of NYCIDA Benefits per Jobs in Year 3	\$7,200
Estimated Net City Tax Revenue per Total Jobs in Year 3	\$68,831

Estimated Cost of Benefits Requested: New York State	
MRT Benefit	\$444,324
Sales Tax Exemption	\$1,488,966
<b>Total Cost to NYS</b>	<b>\$1,933,290</b>

## **Sources and Uses**

Sources	Total Amount	Percent of Total Financing
Commercial Loans	\$50,779,902	65%
Equity	\$27,307,968	35%
<b>Total</b>	<b>\$78,087,870</b>	<b>100%</b>

Uses	Total Amount	Percent of Total Costs
Land Costs	\$10,407,184	13%
Hard Costs	\$50,691,842	65%
Soft Costs	\$5,623,921	7%
Closing Costs	\$3,619,844	5%
Leasing Costs	\$2,669,529	3%
Capitalized Interest	\$5,075,550	7%
<b>Total</b>	<b>\$78,087,870</b>	<b>100%</b>

## **Fees**

	Paid At Closing	On-Going Fees (NPV, 10 Years)
Agency Fee	\$700,658	
Project Counsel	Hourly	
Annual Agency Fee	\$1,250	\$9,092
<b>Total</b>	<b>\$701,908</b>	
<b>Total Fees</b>	<b>\$711,000</b>	

## **Financing and Benefits Summary**

The Project will be financed with traditional debt and funds of the Applicant or its affiliates. Centennial Bank will provide an approximately \$50,779,902 36-month interest-only construction loan at a rate of 30-day LIBOR plus 3.00% with an indicative rate of 5.4%. AB Capstone LLC and Starwood Opportunity Zone Partners will provide

## **425 Westchester Fee Owner, LLC**

approximately \$27,307,968 in equity. Construction hard costs are estimated at \$50,691,842, or approximately \$345 per square foot. The Applicant will receive a partial exemption of Mortgage Recording Taxes and an exemption of Sales and Use Taxes; the incentives will not include PILOT benefits and as such, the IDA transaction will have a 10-year term rather than the standard 25-year term. Based on a review of the projected income statement the Project is anticipated to have a debt service coverage ratio of 1.4x upon stabilization in 2023.

### **Company Performance and Projections**

In September of 2017, the Company acquired 425 Westchester Avenue in the Hub/Third Avenue Business Improvement District in the Melrose section of the Bronx. The 19,155 square foot site was most recently used as a parking lot and is zoned C4-4, which allows for up to approximately 6.5 floor area ratio of development in a combination of commercial and community facility uses. The Company intends to develop a 10-story Class A mixed use building for office and community uses. There will also be a retail component to take advantage of the first-floor corner location, planned to be approximately 12,000 square feet.

The Project is located about two blocks (0.2 miles) from the Hub commercial intersection, the center of which is the 3rd Av-149 Street subway stop for the 2 and 5 trains. There are currently five large residential buildings under construction across the street from the Project site at the La Central development, which will feature 992 units of affordable housing and a YMCA.

The Project will allow for the creation of a new, modern Class A commercial building in a neighborhood that has experienced under-investment for many years and that has a 28% poverty rate, a 16% unemployment rate and a median family income level that is 50% of the area median family income. The majority of building stock in the area is comprised of older, Class B and Class C buildings. The Bronx trails other NYC boroughs in the creation of modern commercial building stock, and the Project represents an opportunity to support investment in an underserved outer-borough community through the creation of new commercial real estate.

The Agency's support of the Project does not pose tenant restrictions on the Company. The Company has indicated that the Facility will likely be occupied by two primary tenants: the Zeta Charter School and the JCCA (Jewish Child Care Association). In addition to these tenants, approximately 12,000 square feet will be leased to a to-be-determined retail tenant. Tenants at the Facility will control their own separate facilities within the Project building with dedicated entrances, lobbies and security systems, while the landlord remains responsible for maintaining the building's structure and envelope.

The proposed tenants will support approximately 151 direct and indirect construction jobs, and approximately 230 permanent jobs. The proposed school will provide state-of-the-art education space, close to public transit, in an area in which new, high-performing charter schools have seen very high demand by local parents. The Project site is also adjacent to the La Central affordable housing development, a major new city-backed project that will feature approximately 992 affordable units.

### **Inducement**

- I. The Project will help catalyze the development of commercial office and community space in the outer boroughs in support of quality jobs and economic development.
- II. But for the assistance provided by the Agency, the Project would not move forward as planned.

### **UTEP Considerations**

The Agency finds that the Project meets one or more considerations from Section I-B of the Agency's Uniform Tax Exemption Policy ("UTEP"), including the following:

- I. The Project will create or retain permanent private-sector jobs.
- II. Financial assistance is required to induce the Project.
- III. The Project is expected to generate approximately \$78,000,000 in private-sector investment.
- IV. The Project is likely to be completed in a timely manner.

## **425 Westchester Fee Owner, LLC**

### **Deviation from UTEP**

Under the Agency's UTEP, only Projects in which the Project Facility is intended for use by "high-growth" industry businesses qualify as "Commercial Projects" eligible for financial assistance. A deviation from UTEP is necessary because the Project Facility is planned to be leased to a charter school, a non-profit child welfare organization, and a small retail store, none of which are high-growth industry tenants.

### **Company Summary**

#### **AB Capstone Group**

AB Capstone Group ("AB Capstone"), an affiliate of the Company, is a vertically integrated real estate company with expertise in investment, development and construction of residential and commercial projects. AB Capstone was founded by Meir Babaev in 2007. Over the last decade, AB Capstone and its affiliates have been involved in over 1.5 million square feet of ground-up development and value-add real estate projects throughout the five boroughs of New York City. AB Capstone has developed multi-family, student housing, retail strip centers, medical facilities and office centers. Each AB Capstone property is transit-oriented, located minutes away from major public transportation. AB Capstone has developed properties in Central Harlem, Sunnyside Queens, the South Bronx, and Midwood Brooklyn, near major subway stops.

#### **Meir Babaev, CEO**

Meir Babaev has over 10 years of experience developing ground-up projects throughout the metro New York area. He is the managing member of AB Capstone LLC, a real estate investment and development company specializing in transit-oriented residential, commercial, and mixed-use development and value-added projects. Mr. Babaev is responsible for managing the operations of the company with an emphasis on deal sourcing, acquisitions, financing, leasing, property management, investor relations, as well as all pre-development aspects of the business. Mr. Babaev holds an M.S. in Real Estate Development from New York University, Schack Institute of Real Estate and a B.A. in Business Management from Queens College.

#### **Starwood Capital Group**

Starwood Capital Group ("Starwood"), an affiliate of the Company, is a private investment firm with a core focus on global real estate. The firm and its affiliates maintain 13 offices in five countries around the world, and currently have approximately 4,000 employees. Since its inception in 1991, Starwood Capital Group has raised \$45 billion of equity capital, and currently has in excess of \$60 billion of assets under management. Over the past 27 years, Starwood Capital Group and its affiliates have successfully executed an investment strategy that involves building enterprises in both the private and public markets.

#### **Anthony Balestrieri, Senior Vice President**

Anthony Balestrieri leads Starwood Capital's Opportunity Zone investment business. Mr. Balestrieri is responsible for identification of investment opportunities and structuring transactions to ensure the success of Starwood Capital's ongoing investments in Opportunity Zones, which were created by the 2017 Tax Cuts and Jobs Act to offer investors certain tax advantages for developing and operating assets in designated Opportunity Zones. Mr. Balestrieri has experience across all aspects of commercial real estate investing, including acquisitions, asset management, underwriting and financial and market analysis. Prior to Starwood, Mr. Balestrieri worked at MetLife Real Estate Investors, where he most recently served as Director and Head of Acquisitions in Washington, D.C.

### **Employee Benefits**

Tenant companies are expected to provide benefits including health insurance, retirement benefits and on-the-job training.

### **Recapture**

Pursuant to UTEP, all benefits are subject to recapture for a 10-year period.

## **425 Westchester Fee Owner, LLC**

### **SEQRA Determination**

The Project is an Unlisted Action. With no significant adverse environmental impacts, staff recommends the Board adopt a Negative Declaration for this Project. The completed Environmental Assessment Form for this Project has been reviewed and signed by Agency staff.

### **Due Diligence**

The Agency conducted a background investigation of the Company and its principals and found no derogatory information.

<b>Compliance Check:</b>	Not Applicable
<b>Living Wage:</b>	Compliant
<b>Paid Sick Leave:</b>	Compliant
<b>Affordable Care Act:</b>	ACA Coverage Offered
<b>Bank Account:</b>	Bank Leumi 579 Fifth Avenue New York, NY
<b>Bank Check:</b>	Relationships are reported to be satisfactory.
<b>Supplier Checks:</b>	Relationships are reported to be satisfactory.
<b>Customer Checks:</b>	Relationships are reported to be satisfactory.
<b>Unions:</b>	Not Applicable
<b>Vendex Check:</b>	No derogatory information was found.
<b>Attorney:</b>	Yuriy Mava, Esq. MAVA LAW PLC 87-10 Northern Blvd, Suite 212 Jackson Heights, NY 11372
<b>Accountant:</b>	George Matayev DGM CPA PC 363 7th Ave, Fl 18 New York, NY 10001
<b>Consultant/Advisor:</b>	Sunil Aggarwal ThinkForward Financial Group 27 Whitehall St, 4th Fl New York, NY 10004
<b>Community Board:</b>	Bronx, CB #1

**425 Westchester Fee Owner, LLC**

591 W Putnam Ave  
Greenwich, CT 06830

June 27, 2019

The Board Members  
NYC Industrial Development Agency  
110 William Street  
New York, NY 10038

RE: 425 Westchester Fee Owner LLC (an affiliate of AB Capstone, LLC and of Starwood Capital Group) Benefits Application

Dear Board Members:

AB Capstone Group ("AB Capstone" or the "company"), on behalf of 425 Westchester Fee Owner, LLC (the Applicant), is pleased to submit this application and letter to the New York City Industrial Development Agency, requesting financial assistance for the Company's new approximately 150,000 sf mixed use, commercial and community facility in the Bronx.

AB Capstone is a vertically integrated real estate company with expertise in investment, development and construction of commercial and residential projects. Over the last decade AB Capstone and its affiliates have been involved in over 1.5 million SF of ground-up development and value-add real estate projects, including multi-family, student housing, retail strip centers, medical facilities and office centers. While financial returns are important, AB Capstone puts equal emphasis on responsible development, enhancement of New York communities and energy-efficient design.

AB Capstone, in partnership with Starwood Capital Group, is converting a parking lot of about 19,000 sf into approximately 150,000 Sf office and community facility at total cost of about \$78 million. The current plan is specifically to tenant the building to a Charter School, which will occupy about 85,000-90,000 Sf, over 7 floors, a Children's non-profit, occupying three floors of about 35,000 SF, and approximately 12,000 SF of retail.

The project is located right in the center of The Hub / Third Avenue Business Improvement District -- a severely distressed area, with poverty rate of 28.8% and average income of 50% of AMI. The property is surrounded by a great deal of development activity, most prominent being the La Central project (a five-building, 992-unit mixed-use project at Westchester/Brook Avenues) which is directly across the street from this development property.

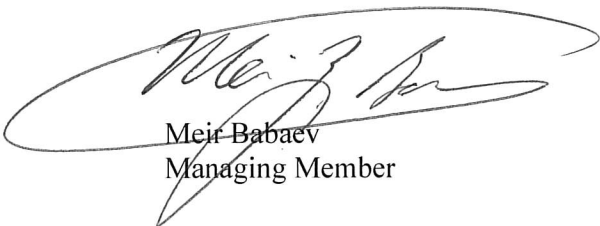
Due to the construction of predominantly residential buildings, as well as other facilities, this project would fill a tremendous demand for classroom space in the area. The project would result in many construction jobs, permanent jobs, generate economic activity, and provide a

critical educational space in the burgeoning area. An economic impact study indicates that the project would create over 150 new permanent jobs in the area.

The cost to build the facility is very high – over \$78 million – and requires a substantial amount of debt and equity. The company is seeking benefits in the form of waiver of mortgage recording taxes and exemption on sales taxes for construction materials. These benefits would reduce capital costs and the resulting debt load on the project, enabling the company to set its rental rates at levels more affordable to the not-for-profit institutions that the company has identified as tenants. Additionally, while the leases are long-term, the company is very concerned about the long-term viability of the project in an area of severe economic distress, should any of the tenants experience economic hardship and become unable to fulfill their lease obligations. A reduction in debt service requirements through lower capital costs would make rental rates more attractive to new prospective tenants.

We request that NYCIDA provide the financial assistance that we are seeking for this project in order to move forward. We look forward to working with NYCIDA on this project. If you have any questions or additional requests, please do not hesitate to ask.

Best Regards,



Meir Babaev  
Managing Member

## **Exhibit C**

Resolution inducing the financing of a commercial facility for 425 Westchester Fee Owner, L.L.C. and an affiliated real estate holding company, as a Straight-Lease Transaction and authorizing and approving the execution and delivery of agreements in connection therewith

WHEREAS, New York City Industrial Development Agency (the “Agency”) is authorized under the laws of the State of New York, and in particular the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended, and Chapter 1082 of the 1974 Laws of New York, as amended (collectively, the “Act”), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, civic, commercial and research facilities and thereby advance the job opportunities, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living; and

WHEREAS, 425 Westchester Fee Owner, L.L.C., a joint venture of AB Capstone LLC and Starwood Opportunity Zone Partners, an affiliate of Starwood Capital (the “Applicant”), has entered into negotiations with officials of the Agency for the construction, furnishing and equipping of an approximately 147,000 square foot mixed use condominium office building on two contiguous parcels of land totaling approximately 19,000 square feet located at 601 Bergen Avenue and 423-425 Westchester Avenue, Bronx, New York 10455 (the “Facility”), for lease to the Agency by the Applicant, and sublease by the Agency to the Applicant for subsequent sublease to a real estate holding company affiliated with the Applicant (the “Company”), all to be used by commercial tenants and not-for-profit organizations, and having an approximate total project cost of approximately \$78,000,000 (the “Project”); and

WHEREAS, the Applicant has submitted a Project Application (the “Application”) to the Agency to initiate the accomplishment of the above; and

WHEREAS, the Application sets forth certain information with respect to the Applicant and the Project, including the following: that AB Capstone LLC is a mixed use real estate development company located in The City of New York (the “City”); that the Project is located in a severely distressed area, with a poverty rate of 28.8% and average income of 50% of the area median income (AMI); that the Project would result in temporary construction jobs, retain approximately 190 permanent jobs and create approximately 40 permanent jobs; that the Project will generate economic activity and provide critical educational space in the area; that the Agency’s financial assistance will allow the Applicant to reduce costs of the Project, which would allow it to set affordable rental rates to tenants at the Facility while attracting new prospective tenants; that the Applicant must obtain Agency financial assistance in the form of a straight-lease transaction to enable the Applicant to proceed with the Project and thereby remain and expand its operations in the City; and that, based upon the financial assistance provided through the Agency, the Applicant desires to proceed with the Project and remain and expand its operations in the City; and



WHEREAS, based upon the Application, the Agency hereby determines that Agency financial assistance and related benefits in the form of a straight-lease transaction between the Agency and the Applicant are necessary to induce the Applicant to remain and expand its operations in the City; and

WHEREAS, in order to finance a portion of the costs of the Project, (i) Centennial Bank (such financial institution, or any other financial institution as may be approved by a certificate of determination of an Agency officer, the “Lender”) has agreed to enter into a loan arrangement with the Applicant pursuant to which the Lender will lend approximately \$51,000,000 to the Applicant, and the Agency and the Applicant will grant a mortgage on the Facility to the Lender (the “Lender Mortgage”), and (ii) the Applicant, the Company and/or its affiliates intend to apply approximately \$27,000,000 of their own equity; and

WHEREAS, for purposes of refinancing from time to time the indebtedness secured by the Lender Mortgage (the “Original Mortgage Indebtedness”) (whether such refinancing is in an amount equal to or greater than the outstanding principal balance of the Original Mortgage Indebtedness), the Applicant may from time to time desire to enter into new mortgage arrangements, including but not limited to consolidation with mortgages granted subsequent to the Lender Mortgage; and therefore the Applicant may request the Agency to enter into the mortgage instruments required for such new mortgage arrangements (“Refinancing Mortgage(s)”); and

WHEREAS, in order to provide financial assistance to the Applicant for the Project, the Agency intends to grant the Applicant financial assistance through a straight-lease transaction in the form of sales and use tax exemptions and mortgage recording tax deferrals all pursuant to the Act;

NOW, THEREFORE, NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY HEREBY RESOLVES AS FOLLOWS:

Section 1. The Agency hereby determines that the Project and the provision by the Agency of financial assistance to the Applicant pursuant to the Act in the form of a straight-lease transaction will promote and is authorized by and will be in furtherance of the policy of the State of New York as set forth in the Act and hereby authorizes the Applicant to proceed with the Project. The Agency further determines that

(a) the Project shall not result in the removal of any facility or plant of the Applicant or any other occupant or user of the Facility from outside of the City (but within the State of New York) to within the City or in the abandonment of one or more facilities or plants of the Applicant or any other occupant or user of the Facility located within the State of New York (but outside of the City);

(b) no funds of the Agency shall be used in connection with the Project for the purpose of preventing the establishment of an industrial or manufacturing plant or for the purpose of advertising or promotional materials which depict elected or appointed government officials in either print or electronic media, nor shall any funds of

the Agency be given in connection with the Project to any group or organization which is attempting to prevent the establishment of an industrial or manufacturing plant within the State of New York; and

(c) not more than one-third of the total Project cost is in respect of facilities or property primarily used in making retail sales of goods or services to customers who personally visit such facilities within the meaning of Section 862 of the New York General Municipal Law.

Section 2. To accomplish the purposes of the Act and to provide financial assistance to the Applicant for the Project, a deviation from the Agency's Uniform Tax Exemption Policy is hereby approved and a straight-lease transaction is hereby authorized subject to the provisions of this Resolution.

Section 3. The Agency hereby authorizes the Applicant to proceed with the Project as herein authorized. The Applicant is authorized to proceed with the Project on behalf of the Agency as set forth in this Resolution; provided, however, that it is acknowledged and agreed by the Applicant that (i) nominal leasehold title to or other interest of the Agency in the Facility shall be in the Agency for purposes of granting financial assistance, and (ii) the Applicant is hereby constituted the agent for the Agency solely for the purpose of effecting the Project, and the Agency shall have no personal liability for any such action taken by any of the Applicant for such purpose.

Section 4. The execution and delivery of a Company Lease Agreement from Applicant leasing the Facility to the Agency, an Agency Lease Agreement from the Agency subleasing the Facility to the Applicant (the "Lease Agreement") (for sub-sublease to the Company), a Sales Tax Agent Authorization Letter from the Agency to the Applicant, the Lender Mortgage, the Refinancing Mortgages, a Project Agreement between the Agency and the Applicant and, if applicable, the acceptance of a Guaranty Agreement from the Company and/or the Applicant and/or the Applicant's and the Company's owners and/or principals in favor of the Agency (the "Guaranty Agreement") (each document referenced in this Section 4 being, collectively, the "Agency Documents"), each being substantively the same as approved by the Agency for prior transactions, is hereby authorized. The Chairman, Vice Chairman, Executive Director, Deputy Executive Director and General Counsel of the Agency are each hereby authorized to execute, acknowledge and deliver each such Agency Document. The execution and delivery of each such agreement by one of said officers shall be conclusive evidence of due authorization and approval.

Section 5. The officers of the Agency and other appropriate officials of the Agency and its agents and employees are hereby authorized and directed to take whatever steps may be necessary to cooperate with the Applicant and the Company to assist in the Project.

Section 6. All covenants, stipulations, obligations and agreements of the Agency contained in this Resolution and contained in the Agency Documents shall be deemed to be the covenants, stipulations, obligations and agreements of the Agency to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements

shall be binding upon the Agency and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Agency or the members thereof by the provisions of this Resolution or the Agency Documents shall be exercised or performed by the Agency or by such members, officers, board or body as may be required by law to exercise such powers and to perform such duties.

No covenant, stipulation, obligation or agreement herein contained or contained in the Agency Documents shall be deemed to be a covenant, stipulation, obligation or agreement of any member, director, officer, agent or employee of the Agency in his or her individual capacity and neither the members nor the directors of the Agency nor any officer executing any Agency Document shall be liable personally for any amounts payable thereunder or arising from claims thereon or be subject to any personal liability or accountability by reason of the execution and delivery or acceptance thereof.

Section 7. The officers of the Agency are hereby designated the authorized representatives of the Agency, and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution. The Agency recognizes that due to the unusual complexities of the transaction it may become necessary that certain of the terms approved hereby may require modifications which will not affect the intent and substance of the authorizations and approvals by the Agency herein. The Agency hereby authorizes the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or General Counsel to approve modifications to the terms approved hereby which do not affect the intent and substance of this Resolution. The approval of such modifications shall be evidenced by a certificate of determination of an Agency officer.

Section 8. Any expenses incurred by the Agency with respect to the Project shall be paid by the Applicant. By acceptance hereof, the Applicant agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Project.

Section 9. This Resolution is subject to approval based on an investigative report with respect to the Applicant. The provisions of this Resolution shall continue to be effective for one year from the date hereof, whereupon the Agency may, at its option, terminate the effectiveness of this Resolution (except with respect to the matters contained in Section 8 hereof).

Section 10. The Agency, as lead agency, is issuing this determination pursuant to the State Environmental Quality Review Act ("SEQRA") (Article 8 of the Environmental Conservation Law) and implementing regulations contained in 6 N.Y.C.R.R. Part 617. This determination is based upon the Agency's review of information provided by the Applicant and

such other information as the Agency has deemed necessary and appropriate to make this determination.

The Agency hereby determines that the Project, an unlisted action, pursuant to SEQRA and the implementing regulations, will not have a significant effect on the environment and that a Draft Environmental Impact Statement will not be prepared for the Project. The reasons supporting this determination with respect to the Project are as follows:

- (1) The Project would not result in a substantial adverse change in existing traffic, air quality, or noise levels. Tenants arriving at the site will utilize public transit and would not result in a substantial increase in traffic;
- (2) The Project would not result in significant adverse impacts on cultural, archaeological, architectural, or aesthetic resources or the existing neighborhood;
- (3) The Project would not result in significant adverse impacts to natural resources, critical habitats, or water quality;
- (4) The Project would not result in a change in existing zoning or land use. The proposed building would be as-of-right under zoning;
- (5) A Phase I Environmental Site Assessment disclosed that the property has been previously used as an auto repair and welding shop and that historical research and map review indicates the presence of heating oil tanks on the property. A Phase II investigation would be required to confirm the presence of soil and/or groundwater contamination and to inform appropriate remedial mechanisms, such as the installation of a vapor barrier. With the implementation of further testing in accordance with all relevant guidance and regulations and with the installation of appropriate remedial mechanisms, the construction of the Project would not result in any significant adverse impacts related to hazardous materials; and
- (6) No other significant effects upon the environment that would require the preparation of an Environmental Impact Statement are foreseeable.

Section 11. In connection with the Project, the Applicant covenants and agrees to comply, and to cause each of its contractors, subcontractors, agents, persons or entities to comply, with the requirements of General Municipal Law Sections 875(1) and (3), as such provisions may be amended from time to time.

(1) The Applicant acknowledges and agrees that pursuant to General Municipal Law Section 875(3) the Agency shall have the right to recover, recapture, receive, or otherwise obtain from the Applicant New York State sales or use tax savings taken or purported to be taken by the Applicant, and any agent or any other person or entity acting on behalf of the Applicant, to which the Applicant is not entitled or which are in excess of the maximum sales or use tax exemption amount authorized in Section 12 of this Resolution or which are for property

or services not authorized or taken in cases where the Applicant, or any agent or any other person or entity acting on behalf of the Applicant, failed to comply with a material term or condition to use property or services in the manner required by this Resolution or any agreements entered into among the Agency, the Applicant and/or any agent or any other person or entity acting on behalf of the Applicant. The Applicant shall, and shall require each agent and any other person or entity acting on behalf of the Applicant, to cooperate with the Agency in its efforts to recover, recapture, receive, or otherwise obtain such New York State sales or use tax savings and shall promptly pay over any such amounts to the Agency that it requests. The failure to pay over such amounts to the Agency shall be grounds for the Commissioner of the New York State Department of Taxation and Finance (the "Commissioner") to assess and determine New York State sales or use taxes due from the Applicant under Article Twenty-Eight of the New York State Tax Law, together with any relevant penalties and interest due on such amounts.

(2) The Applicant is hereby notified (provided that such notification is not a covenant or obligation and does not create a duty on the part of the Agency to the Applicant or any other party) that the Agency is subject to certain requirements under the General Municipal Law, including the following:

(i) In accordance with General Municipal Law Section 875(3)(c), if the Agency recovers, recaptures, receives, or otherwise obtains, any amount of New York State sales or use tax savings from the Applicant, any agent or other person or entity, the Agency shall, within thirty days of coming into possession of such amount, remit it to the Commissioner, together with such information and report that the Commissioner deems necessary to administer payment over of such amount. The Agency shall join the Commissioner as a party in any action or proceeding that the Agency commences to recover, recapture, obtain, or otherwise seek the return of, New York State sales or use tax savings from Applicant or any other agent, person or entity.

(ii) In accordance with General Municipal Law Section 875(3)(d), the Agency shall prepare an annual compliance report detailing its terms and conditions described in General Municipal Law Section 875(3)(a) and its activities and efforts to recover, recapture, receive, or otherwise obtain State sales or user tax savings described in General Municipal Law Section 875(3)(b), together with such other information as the Commissioner and the New York State Commissioner of Economic Development may require. Such report shall be filed with the Commissioner, the Director of the Division of the Budget of The State of New York, the New York State Commissioner of Economic Development, the New York State Comptroller, the Council of the City of New York, and may be included with the annual financial statement required by General Municipal Law Section 859(1)(b). Such report shall be filed regardless of whether the Agency is required to file such financial statement described by General Municipal Law Section 859(1)(b). The failure to file or substantially complete such report shall be deemed to be the failure to file or substantially complete the statement required by such General Municipal Law Section 859(1)(b), and the consequences shall be the same as provided in General Municipal Law Section 859(1)(e).

(3) The foregoing requirements of this Section 11 shall apply to any amounts of New York State sales or use tax savings that the Agency recovers, recaptures, receives, or otherwise obtains, regardless of whether the Agency, the Applicant or any agent or other person or entity acting on behalf of the Applicant characterizes such benefits recovered, recaptured, received, or otherwise obtained, as a penalty or liquidated or contract damages or otherwise. The foregoing requirements shall also apply to any interest or penalty that the Agency imposes on any such amounts or that are imposed on such amounts by operation of law or by judicial order or otherwise. Any such amounts or payments that the Agency recovers, recaptures, receives, or otherwise obtains, together with any interest or penalties thereon, shall be deemed to be New York State sales or use taxes and the Agency shall receive any such amounts or payments, whether as a result of court action or otherwise, as trustee for and on account of New York State.

Section 12. In connection with the Project, the Agency intends to grant the Applicant sales and use tax exemptions in an amount not to exceed \$3,020,474 and a partial exemption of City and State mortgage recording taxes.

Section 13. This Resolution shall take effect immediately

ADOPTED: July 16, 2019

Accepted: \_\_\_\_\_, 2019

425 WESTCHESTER FEE OWNER, L.L.C.

By: \_\_\_\_\_  
Name:  
Title:

**Exhibit D**

## **Project Summary**

500 Stagg Street LLC, a New York limited liability company (the “Company”) whose sole member is Evergreen Inc.: Your North Brooklyn Business Exchange (“Evergreen”), a New York not-for-profit corporation and real estate developer that provides affordable space to industrial companies, seeks financial assistance in connection with the acquisition and renovation of an existing approximately 10,000 square foot building on an approximately 10,000 square foot parcel of land located at 500 Stagg Street, Brooklyn, NY (the “Facility”). The Facility will be owned and developed by the Company to provide affordable space to industrial companies (the “Project”). The Project cost is expected to be approximately \$7.1 million. Based on a review of the Project, Agency staff has concluded that the Project is likely to be completed within two years of the closing date.

## **Project Location**

500 Stagg Street  
 Brooklyn, NY 11237

## **Actions Requested**

- Inducement and Authorizing Resolution for an Industrial Incentive Program transaction.
- Approval of deviation from UTEP.
- Adopt a SEQRA Negative Declaration for the Project. The Project will not have a significant adverse effect on the environment.

## **Anticipated Closing**

October 2019

## **Impact Summary**

<b>Employment</b>	
Jobs at Project Occupancy:	10
Jobs to be Created at Project Location (Year 3):	10
<b>Total Jobs (full-time equivalents)</b>	<b>20<sup>1</sup></b>
<b>Projected Average Hourly Wage (excluding principals)</b>	<b>\$ 27.74</b>
<b>Highest wage/Lowest Wage (hourly)</b>	<b>\$28.79/\$15.00</b>

<b>Estimated City Tax Revenues</b>	
Impact of Operations (NPV 25 years at 6.25%)	\$2,319,732
One-Time Impact of Renovation	192,549
<b>Total impact of operations and renovation</b>	<b>\$2,512,281</b>

<b>Estimated Cost of Benefits Requested: New York City</b>	
Building Tax Exemption (NPV 25 years at 6.25%)	\$473,520
Sales Tax Exemption	36,231
Mortgage Recording Tax Partial Exemption	97,084
Agency Financing Fee	(39,556)
<b>Total Value of Benefits provided by Agency</b>	<b>\$567,279</b>
Available As-of-Right Benefits (ICAP)	222,707
Agency Benefits in Excess of As-of-Right Benefits	344,572

<sup>1</sup> The Company expects that prospective tenants of the Facility will relocate an estimated 10 jobs to the Facility and will subsequently hire an additional 10 employees over the next 3 years. For purposes of the cost benefit analysis, the Agency made a more conservative estimate of 16 total jobs at the Facility over the next 3 years.



## **500 Stagg Street LLC**

Costs of Net City Benefits Per Job	
Estimated Net Cost of NYCIDA Benefits per Total Jobs in Year 3	\$35,454
Estimated Net City Tax Revenue per Total Jobs in Year 3	\$157,017
Estimated Cost of Benefits Requested: New York State	
Sales Tax Exemption	\$35,225
Mortgage Recording Tax Partial Exemption	52,276
<b>Total Cost to NYS</b>	<b>\$87,501</b>

## **Sources and Uses**

Sources	Total Amount	Percent of Total Financing
Grant (NYC Industrial Developer Fund)	\$4,500,000	64%
Grant (NYC City Council)	1,000,000	14%
Grant (NY State)	650,000	9%
Permanent Loan	630,616	9%
Equity	329,735	4%
<b>Total</b>	<b>\$7,110,351</b>	<b>100%</b>

Uses	Total Amount	Percent of Total Financing
Land & Building Acquisition	\$4,850,000	68%
Hard Costs	1,168,057	16%
Soft Costs	299,040	4%
Capitalized Interest	533,642	8%
Fees and Other Costs	259,613	4%
<b>Total</b>	<b>\$7,110,351</b>	<b>100%</b>

## **Fees**

	Paid At Closing	On-Going Fees (NPV, 25 Years)
Agency Fee	\$39,556	
Project Counsel	25,000	
Annual Agency Fee	1,000	\$12,485
Total	\$65,556	\$12,485
<b>Total Fees</b>	<b>\$78,041</b>	

## **Financing and Benefits Summary**

The Project will utilize a \$4.5 million grant from the New York City Economic Development Corporation ("NYCEDC") Industrial Developer Fund ("IDF") to acquire the land and the Facility. The Project will also utilize a \$1,000,000 grant from the New York City Council ("City Council"), a \$650,000 grant from the New York State Regional Economic Development Council ("NYSREDC"), and approximately \$330,000 in equity from Evergreen to renovate the Facility inclusive of hard costs, soft costs and fees.

The IDF grant is being provided by NYCEDC as part of a Mayoral initiative to promote the development of industrial real estate by New York City non-profit organizations. The IDF grant includes standard City capital covenants, including a 30-year use restriction for the Facility. Due to the disbursement of the IDF on a reimbursement basis,

## **500 Stagg Street LLC**

and timing delay on the disbursement of City Council and NYSREDC grant funding, the Project will utilize a bridge loan from Local Initiatives Support Corporation (“LISC”) in the amount of \$6,500,000 to close the transaction. The LISC loan will have a term of 15 years with a 20-year amortization period, an interest rate of 6-7%, and a mortgage lien on the Facility. The Company demonstrates an ability to service the debt, with a debt service coverage ratio of approximately 1.5x at stabilization in year two of project operations.

The financial assistance proposed to be conferred by the Agency will consist of a property tax abatement, exemption from City and State sales and use taxes, and partial exemptions from City and State mortgage recording taxes.

### **Company Performance and Projections**

The Company is a New York limited liability company that was formed in June 2019 for the purpose of developing the Project. Evergreen, the sole member, is an industrial advocacy and membership organization that champions manufacturing, creative production, and industrial service businesses in North Brooklyn and beyond. Evergreen currently owns and operates four industrial properties in the North Brooklyn area comprising 22,400 square feet, which it leases to four light-industrial businesses employing 38 employees.

As part of the Project, the Company will acquire, renovate and subdivide the Facility into units to be leased to local manufacturers and industrial companies. It is expected that the Facility will be leased to tenant businesses in the food and beverage and/or the design and fabrication industries. The Project will help small industrial businesses by offering affordable rents (20% below market-rate), long-term leases, and the opportunity to build business networks. The Project will help retain industrial businesses in the East Williamsburg neighborhood of Brooklyn, an area which has seen the erosion of quality industrial jobs due to increases in rents and displacement by other tenant uses. The Company plans to attract tenants to the Facility through a marketing campaign, which will include direct mailings and web-based commercial advertising. To date, ten businesses have expressed strong interest in space at the Facility, and Evergreen has placed seven of those businesses on the wait list for space at the Facility once it is completed and available for occupancy.

### **Inducement**

- I. The Company will provide affordable industrial real estate space at below market-rate rents to local light manufacturing companies.
- II. The Company will facilitate the retention of quality and accessible industrial jobs with an estimated average annual salary of \$50,000 in a distressed low-income census tract in Brooklyn which has a 38.8% poverty rate, a 13.9% unemployment rate, and a 50.89% median family income level.
- III. The Project has received support from Councilmember Antonio Reynoso (D-34), NYCEDC through the IDF program, City Council and NYSREDC.
- IV. Without assistance from the Agency, the Company has stated that it likely would not pursue the Project as contemplated.

### **UTEP Considerations**

The Agency finds that the Project meets one or more considerations from Section I-B of the Agency’s Uniform Tax Exemption Policy (“UTEP”), including the following:

- I. The Project will create or retain permanent private-sector jobs.
- II. Financial assistance is required to induce the Project.
- III. The Project will generate at least \$1,000,000 in private-sector investment.

### **Deviation from UTEP**

In accordance with the GML, the Agency has adopted the UTEP. The UTEP provides that the recipient of financial assistance for an Industrial Program Project will be required to pay PILOT during the term of financial assistance in

## **500 Stagg Street LLC**

an amount equal to the City real property taxes in respect of the existing improvements that would have been payable by the recipient in the absence of the Agency's involvement with the Project. In this transaction, in order to help address the Company's operating needs, the benefits schedule will be adjusted such that the Company will not be required to pay PILOT in respect of the existing improvements for 15 years; the abatement will be phased out over the subsequent 10 years. As the Project will provide below market rents to small industrial tenants, an exemption from PILOT for existing improvements will enable the Project to be financially viable. The total net present value of the benefits to be provided will not deviate from the benefits that would be available for the Project under a standard transaction.

The Agency believes that this deviation from its UTEP is justified because of the considerations outlined above.

### **Applicant Summary**

The Company is a newly formed for-profit limited liability company whose sole member is Evergreen. Evergreen is a membership organization that champions manufacturing, creative production, and industrial service businesses in North Brooklyn and beyond. Evergreen connects businesses with resources and opportunities to help create and maintain high quality jobs at all skill levels. Evergreen also owns and operates properties which are leased to small light-industrial businesses.

In 1982, a handful of local business owners worked with St. Nick's Alliance to create Evergreen (then known as The East Williamsburg Valley Industrial Development Corp. ("EWVIDCO")). The purpose of the organization was to revitalize East Williamsburg by attracting new businesses, providing business assistance to existing firms and grow overall job opportunities in the neighborhood. Initially, Evergreen worked to achieve its mission of economic development by addressing the high crime and poor sanitation affecting the area and serving as a liaison to government offices. Since that time, Evergreen has grown and diversified its services to help address a range of needs for the local business community, including by leasing space to local light-industrial businesses at its four properties in North Brooklyn.

Evergreen also manages the Greenpoint/Williamsburg and North Brooklyn Industrial Business Zones and the North Brooklyn Empire Zone under the New York City Industrial Business Zone (IBZ) program. Through this program, Evergreen is responsible for meeting the business service needs of thousands of industrial businesses in the Greenpoint/Williamsburg and North Brooklyn Industrial Business Zones and Ombudsman Zones. These businesses depend on Evergreen for free, quick and reliable assistance with tax credits, incentives, financing, real estate and relocation assistance, energy and green issues, workforce needs, and advocacy.

Evergreen works closely with public agencies, nonprofit organizations and community organizations, including the New York City Department of Small Business Services, New York State Empire State Development Corporation, New York Industrial Retention Network, the Industrial and Technical Assistance Corporation, St. Nick's Alliance, Opportunities for a Better Tomorrow, and Community Board 1 in Brooklyn.

### **Leah Archibald, Executive Director**

Leah Archibald is the Executive Director of Evergreen, a membership organization that promotes the development and retention of production, manufacturing, and industrial service jobs in North Brooklyn. She and her team help over 300 businesses a year to obtain financing, find real estate, locate qualified employees and advocate for effective industrial policy with the city, state and federal government. Prior to joining Evergreen, Ms. Archibald was the Marketing Manager at the Industrial and Technology Assistance Corporation and the Executive Director of the Southwest Brooklyn Industrial Development Corporation. Ms. Archibald also worked in community development with New York State Assemblyman Jim Brennan and West Hollywood Councilman Paul Koretz. Ms. Archibald has been deeply engaged in many civic activities, including Community Board 7, the Greenpoint Community Environmental Fund Steering Committee and the Newtown Creek Superfund Community Advisory Group.

## **500 Stagg Street LLC**

### **Tod Greenfield, Chairman, Board of Directors**

Tod Greenfield is Chairman of Evergreen's Board of Directors. Mr. Greenfield is a Principal of Martin Greenfield Clothiers ("MGC"), a family owned Brooklyn-based manufacturer of hand tailored men's clothing. In 2000 Mr. Greenfield joined the board of directors of EWVIDCO which later became Evergreen. He became Chairman of the Board in 2002. In 2000, Mr. Greenfield also joined the board of directors of the Clothing Manufactures of America and has contributed as a negotiator for the nationwide Contract with UNITE-HERE for the past seven years. Mr. Greenfield graduated from Poly Prep high school in Brooklyn, and Skidmore College in Saratoga Springs where he graduated with a B.S. in theatrical lighting design and anthropology in 1982. He also studied hand tailoring at the Fashion Institute of Technology before joining MGC.

### **Employee Benefits**

Because the Project is to be leased, and tenants have not yet been identified, the benefits that employees at the Project location will receive upon completion of the Project are not known at this time.

### **Recapture**

Pursuant to UTEP, all benefits are subject to recapture for a 10-year period.

### **SEQRA Determination**

The Project is an Unlisted Action. With no significant adverse environmental impacts, staff recommends the Board adopt a Negative Declaration for the Project. The completed Environmental Assessment Form for the Project has been reviewed and signed by Agency staff.

### **Due Diligence**

The Agency conducted a background investigation of the Company and Evergreen and their respective principals.

<b>Compliance Check:</b>	Not Applicable
<b>Living Wage:</b>	Compliant
<b>Paid Sick Leave:</b>	Compliant
<b>Affordable Care Act:</b>	To be compliant
<b>Bank Account:</b>	JP Morgan Chase
<b>Bank Check:</b>	Relationships are reported to be satisfactory
<b>Suppliers Checks:</b>	Relationships are reported to be satisfactory
<b>Customers Checks:</b>	Relationships are reported to be satisfactory
<b>Unions:</b>	Not Applicable
<b>Vendex Check:</b>	No derogatory information was found
<b>Attorney:</b>	Megan Vallerie, Esq. Seyfarth Shaw 620 Eighth Avenue New York, NY 10018

**500 Stagg Street LLC**

**Consultant:** Kei Hayashi  
BJH Advisors, LLC  
224 Centre Street, 6<sup>th</sup> Floor  
New York, NY 10013

**Community Board:** Brooklyn, CB 1

**Exhibit E**

Resolution inducing the financing of an industrial facility for 500 Stagg Street LLC as a Straight-Lease Transaction and authorizing and approving the execution and delivery of agreements in connection therewith

WHEREAS, New York City Industrial Development Agency (the "Agency") is authorized under the laws of the State of New York, and in particular the New York State Industrial Development Agency Act, constituting Title I of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended, and Chapter 1082 of the 1974 Laws of New York, as amended (collectively, the "Act"), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial and research facilities and thereby advance the job opportunities, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living; and

WHEREAS, 500 Stagg Street LLC, a New York for-profit limited liability company (the "Applicant"), has entered into negotiations with officials of the Agency for the acquisition and renovation of an industrial facility (the "Facility"), consisting of an existing approximately 10,000 square foot building on an approximately 10,000 square foot parcel of land located at 500 Stagg Street, Brooklyn, New York, to be developed by the Applicant to provide affordable space to industrial companies, for (i) lease to the Agency by the Applicant, (ii) sublease by the Agency to the Applicant and (iii) sub-sublease by the Applicant to industrial and/or manufacturing tenants (collectively, the "Tenants"), and having a total project cost of approximately \$7,100,000 (the "Project"); and

WHEREAS, the Applicant has submitted a Project Application (the "Application") to the Agency to initiate the accomplishment of the above; and

WHEREAS, the Application sets forth certain information with respect to the Applicant and the Project, including the following: that the Applicant is a newly formed for-profit limited liability company whose sole member is Evergreen Inc.: Your North Brooklyn Business Exchange (the "Company") (which is a not-for-profit corporation that is a membership organization that champions manufacturing, creative production and industrial service businesses in Brooklyn); that the Project will be used to accommodate tenant businesses in the food and beverage and/or the design and fabrication industries; that the Facility is anticipated to house 2 or 3 local manufacturers in these sectors as the Tenants; that the Applicant expects the Tenants to relocate approximately 10 full-time equivalent employees and to employ approximately 10 additional full-time equivalent employees within the three years following the completion of the Project; that the Applicant must obtain Agency financial assistance in the form of a straight-lease transaction to enable the Applicant to proceed with the Project to operate in the development of affordable industrial real estate and create new jobs in the manufacturing and industrial sectors, and thereby remain in the City; and that, based upon the financial assistance provided through the Agency, the Applicant desires to proceed with the Project and remain in the City; and

WHEREAS, based upon the Application, the Agency hereby determines that Agency financial assistance and related benefits in the form of a straight-lease transaction

between the Agency and the Applicant are necessary to induce the Applicant to remain in the City; and

WHEREAS, in order to finance a portion of the costs of the Project, (i) New York City Economic Development Corporation is anticipated to grant approximately \$4,500,000 through its Industrial Developer Fund program (the "EDC Grant"), New York City Council is anticipated to grant approximately \$1,000,000 (the "City Council Grant") and New York State Regional Economic Development Council is expected to grant approximately \$650,000 (the "NYS Grant"; collectively with the EDC Grant and the City Council Grant, the "Grants"), and (ii) Local Initiatives Support Corporation (such financial institution, or any other financial institution as may be approved by a certificate of determination of an Agency officer, the "Lender") has agreed to enter into a loan arrangement with the Applicant pursuant to which the Lender will lend approximately \$6,500,000 to the Applicant as a bridge to permanent loan in order to provide bridge financing with respect to the Grants, and the Agency and the Applicant will grant one or more mortgages on the Facility to the Lender (collectively, the "Lender Mortgage"); and

WHEREAS, for purposes of refinancing from time to time the indebtedness secured by the Lender Mortgage (the "Original Mortgage Indebtedness") (whether such refinancing is in an amount equal to or greater than the outstanding principal balance of the Original Mortgage Indebtedness), the Applicant may from time to time desire to enter into new mortgage arrangements, including but not limited to consolidation with mortgages granted subsequent to the Lender Mortgage; and therefore the Applicant may request the Agency to enter into the mortgage instruments required for such new mortgage arrangements ("Refinancing Mortgage(s)"); and

WHEREAS, in order to provide financial assistance to the Applicant for the Project, the Agency intends to grant the Applicant financial assistance through a straight-lease transaction in the form of real property tax abatements, sales tax exemptions and partial mortgage recording tax exemptions, all pursuant to the Act;

NOW, THEREFORE, NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY HEREBY RESOLVES AS FOLLOWS:

Section 1. The Agency hereby determines that the Project and the provision by the Agency of financial assistance to the Applicant pursuant to the Act in the form of a straight-lease transaction will promote and is authorized by and will be in furtherance of the policy of the State of New York as set forth in the Act and hereby authorizes the Applicant to proceed with the Project. The Agency further determines that

(a) the Project shall not result in the removal of any facility or plant of the Applicant or any other occupant or user of the Facility from outside of the City (but within the State of New York) to within the City or in the abandonment of one or more facilities or plants of the Applicant or any other occupant or user of the Facility located within the State of New York (but outside of the City);



(b) no funds of the Agency shall be used in connection with the Project for the purpose of preventing the establishment of an industrial or manufacturing plant or for the purpose of advertising or promotional materials which depict elected or appointed government officials in either print or electronic media, nor shall any funds of the Agency be given in connection with the Project to any group or organization which is attempting to prevent the establishment of an industrial or manufacturing plant within the State of New York; and

(c) not more than one-third of the total Project cost is in respect of facilities or property primarily used in making retail sales of goods or services to customers who personally visit such facilities within the meaning of Section 862 of the New York General Municipal Law.

Section 2. To accomplish the purposes of the Act and to provide financial assistance to the Applicant for the Project, deviations from the Agency's Uniform Tax Exemption Policy are hereby approved, and a straight-lease transaction is hereby authorized subject to the provisions of this Resolution.

Section 3. The Agency hereby authorizes the Applicant to proceed with the Project as herein authorized. The Applicant is authorized to proceed with the Project on behalf of the Agency as set forth in this Resolution; provided, however, that it is acknowledged and agreed by the Applicant that (i) nominal leasehold title to or other interest of the Agency in the Facility shall be in the Agency for purposes of granting financial assistance, and (ii) the Applicant is hereby constituted the agent for the Agency solely for the purpose of effecting the Project, and the Agency shall have no personal liability for any such action taken by the Applicant for such purpose.

Section 4. The execution and delivery of a Company Lease Agreement from the Applicant leasing the Facility to the Agency, an Agency Lease Agreement from the Agency subleasing the Facility to the Applicant (the "Lease Agreement") (for sub-sublease to the Tenants), a Sales Tax Letter from the Agency to the Applicant, the Lender Mortgage, the Refinancing Mortgages and the acceptance of a Guaranty Agreement from the Applicant and the Company and/or the Company's owners and/or principals in favor of the Agency (the "Guaranty Agreement") (each document referenced in this Section 4 being, collectively, the "Agency Documents"), each being substantively the same as approved by the Agency for prior transactions, is hereby authorized. The Chairman, Vice Chairman, Executive Director, Deputy Executive Director, General Counsel and Vice President for Legal Affairs of the Agency are each hereby authorized to execute, acknowledge and deliver each such Agency Document. The execution and delivery of each such agreement by one of said officers shall be conclusive evidence of due authorization and approval.

Section 5. The officers of the Agency and other appropriate officials of the Agency and its agents and employees are hereby authorized and directed to take whatever steps may be necessary to cooperate with the Applicant to assist in the Project.

Section 6. All covenants, stipulations, obligations and agreements of the Agency contained in this Resolution and contained in the Agency Documents shall be deemed to

be the covenants, stipulations, obligations and agreements of the Agency to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Agency and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Agency or the members thereof by the provisions of this Resolution or the Agency Documents shall be exercised or performed by the Agency or by such members, officers, board or body as may be required by law to exercise such powers and to perform such duties.

No covenant, stipulation, obligation or agreement herein contained or contained in the Agency Documents shall be deemed to be a covenant, stipulation, obligation or agreement of any member, director, officer, agent or employee of the Agency in his or her individual capacity and neither the members nor the directors of the Agency nor any officer executing any Agency Document shall be liable personally for any amounts payable thereunder or arising from claims thereon or be subject to any personal liability or accountability by reason of the execution and delivery or acceptance thereof.

Section 7. The officers of the Agency are hereby designated the authorized representatives of the Agency, and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution. The Agency recognizes that due to the unusual complexities of the transaction it may become necessary that certain of the terms approved hereby may require modifications which will not affect the intent and substance of the authorizations and approvals by the Agency herein. The Agency hereby authorizes the Chairman, Vice Chairman, Executive Director, Deputy Executive Director, General Counsel or Vice President for Legal Affairs to approve modifications to the terms approved hereby which do not affect the intent and substance of this Resolution. The approval of such modifications shall be evidenced by a certificate of determination of an Agency officer.

Section 8. Any expenses incurred by the Agency with respect to the Project shall be paid by the Applicant and the Company. By acceptance hereof, the Applicant and the Company agree to pay such expenses and further agree to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Project.

Section 9. This Resolution is subject to approval based on an investigative report with respect to the Applicant and the Company. The provisions of this Resolution shall continue to be effective for one year from the date hereof, whereupon the Agency may, at its option, terminate the effectiveness of this Resolution (except with respect to the matters contained in Section 8 hereof).

Section 10. The Agency, as lead agency, is issuing this determination pursuant to the State Environmental Quality Review Act ("SEQRA") (Article 8 of the Environmental Conservation Law) and implementing regulations contained in 6 N.Y.C.R.R. Part 617. This

determination is based upon the Agency's review of information provided by the Applicant and the Company and such other information as the Agency has deemed necessary and appropriate to make this determination.

The Agency hereby determines that the Project, an unlisted action, pursuant to SEQRA and the implementing regulations, will not have a significant effect on the environment and that a Draft Environmental Impact Statement will not be prepared for the Project. The reasons supporting this determination with respect to the Project are as follows:

- (1) The Project would not result in a substantial adverse change in existing traffic, air quality, or noise levels. The Project is a renovation of an existing building and is not expected to substantially increase the amount of traffic to/from the Project site.
- (2) The Project would not result in significant adverse impacts on cultural, archaeological, architectural, or aesthetic resources or the existing neighborhood.
- (3) The Project would not result in significant adverse impacts to natural resources, critical habitats, or water quality. The Project site is located within New York City's coastal zone boundary. Having reviewed the materials submitted by the Applicant regarding this action, the Agency finds that the proposed action is consistent with the policies comprising New York City's Waterfront Revitalization Program ("WRP") and that the proposed action would not hinder the achievement of the WRP.
- (4) The Project would not result in a change in existing zoning or land use. The proposed tenancy would be as-of-right under zoning.
- (5) A Phase I Environmental Site Assessment conducted on the site noted several recognized environmental conditions within and surrounding the property. These included:
  - *REC 1 - Historical Use of Project site ("Subject Property")*. A review of historical Certificate of Occupancy documents from 1958 and 1966 indicated the Subject Property was used for manufacturing and storage. Manufacturing processes typically include the use of petroleum products and/or solvents, the use and storage of which were not regulated during this time period. Former use of the Subject Property for manufacturing is a REC based on potential for undocumented releases of petroleum products, solvents, and/or other hazardous substances that could have impacted soil, groundwater, and/or soil vapor; however, there are no known impacts.
  - *REC 2 — Historical Use of Surrounding Properties*. A review of city directories, Sanborn fire insurance maps, and environmental database listings identified paint and lacquer manufacturing (1951-2007), carton

manufacturing (1977-1995), hydraulic equipment manufacturing (1977-1991), hardwood custom molding manufacturing (1992-1997), and unspecified manufacturing (1981-2007) at adjoining or nearby up-gradient properties. Soil vapor and/or groundwater at the Subject Property may have been impacted by releases of petroleum, solvents, or hazardous substances associated with these historical uses; however, there are no known impacts to the Subject Property.

- *REC 3 - Open NYSDEC Spill and BCP Site – Nearby property.* Open NYSDEC Spill No. 1706943 was reported at 140 Stewart Avenue (about 570 feet southeast/up-gradient of the Subject Property) on October 17, 2017 when a 1,000-gallon underground tank was found in a trench. This location is also enrolled in the NYSDEC BCP under Site No. C224258. Both groundwater and soil vapor at this spill/BCP site have been impacted by chlorinated solvents. In 2016 and 2017, sub-slab depressurization systems were installed and activated on the site. Based on the distance from the Subject Property, type of identified contamination, and up-gradient location, chlorinated solvents may have migrated and impacted groundwater and/or soil vapor at the Subject Property; however, there are no known impacts to the Subject Property.

Due to the fact that the proposed renovation of the existing building would involve no subsurface soil disturbance, no adverse impacts related to hazardous materials are expected from the proposed project. If any future renovations, other than those described in the Project, involve subsurface soil disturbance, a Phase II Environmental Site Assessment should be prepared.

- (6) No other significant effects upon the environment that would require the preparation of an Environmental Impact Statement are foreseeable.

Section 11. In connection with the Project, the Applicant covenants and agrees to comply, and to cause each of its contractors, subcontractors, agents, persons or entities to comply, with the requirements of General Municipal Law Sections 875(1) and (3), as such provisions may be amended from time to time.

(1) The Applicant acknowledges and agrees that pursuant to General Municipal Law Section 875(3) the Agency shall have the right to recover, recapture, receive, or otherwise obtain from the Applicant New York State sales or use tax savings taken or purported to be taken by the Applicant, and any agent or any other person or entity acting on behalf of the Applicant, to which the Applicant is not entitled or which are in excess of the maximum sales or use tax exemption amount authorized in Section 12 of this Resolution or which are for property or services not authorized or taken in cases where the Applicant, or any agent or any other person or entity acting on behalf of the Applicant, failed to comply with a material term or condition to use property or services in the manner required by this Resolution or any agreements entered into among the Agency, the Applicant and/or any agent or any other person or entity acting on behalf

of the Applicant. The Applicant shall, and shall require each agent and any other person or entity acting on behalf of the Applicant, to cooperate with the Agency in its efforts to recover, recapture, receive, or otherwise obtain such New York State sales or use tax savings and shall promptly pay over any such amounts to the Agency that it requests. The failure to pay over such amounts to the Agency shall be grounds for the Commissioner of the New York State Department of Taxation and Finance (the "Commissioner") to assess and determine New York State sales or use taxes due from the Applicant under Article Twenty-Eight of the New York State Tax Law, together with any relevant penalties and interest due on such amounts.

(2) The Applicant is hereby notified (provided that such notification is not a covenant or obligation and does not create a duty on the part of the Agency to the Applicant or any other party) that the Agency is subject to certain requirements under the General Municipal Law, including the following:

(i) In accordance with General Municipal Law Section 875(3)(c), if the Agency recovers, recaptures, receives, or otherwise obtains, any amount of New York State sales or use tax savings from the Applicant, any agent or other person or entity, the Agency shall, within thirty days of coming into possession of such amount, remit it to the Commissioner, together with such information and report that the Commissioner deems necessary to administer payment over of such amount. The Agency shall join the Commissioner as a party in any action or proceeding that the Agency commences to recover, recapture, obtain, or otherwise seek the return of, New York State sales or use tax savings from the Applicant or any other agent, person or entity.

(ii) In accordance with General Municipal Law Section 875(3)(d), the Agency shall prepare an annual compliance report detailing its terms and conditions described in General Municipal Law Section 875(3)(a) and its activities and efforts to recover, recapture, receive, or otherwise obtain State sales or user tax savings described in General Municipal Law Section 875(3)(b), together with such other information as the Commissioner and the New York State Commissioner of Economic Development may require. Such report shall be filed with the Commissioner, the Director of the Division of the Budget of The State of New York, the New York State Commissioner of Economic Development, the New York State Comptroller, the Council of the City of New York, and may be included with the annual financial statement required by General Municipal Law Section 859(1)(b). Such report shall be filed regardless of whether the Agency is required to file such financial statement described by General Municipal Law Section 859(1)(b). The failure to file or substantially complete such report shall be deemed to be the failure to file or substantially complete the statement required by such General Municipal Law Section 859(1)(b), and the consequences shall be the same as provided in General Municipal Law Section 859(1)(e).

(3) The foregoing requirements of this Section 11 shall apply to any amounts of New York State sales or use tax savings that the Agency recovers, recaptures, receives, or otherwise obtains, regardless of whether the Agency, the Applicant or any agent or other person or entity acting on behalf of the Applicant characterizes such benefits recovered, recaptured, received, or otherwise obtained, as a penalty or liquidated or contract damages or otherwise. The foregoing requirements shall also apply to any interest or penalty that the Agency imposes on

any such amounts or that are imposed on such amounts by operation of law or by judicial order or otherwise. Any such amounts or payments that the Agency recovers, recaptures, receives, or otherwise obtains, together with any interest or penalties thereon, shall be deemed to be New York State sales or use taxes and the Agency shall receive any such amounts or payments, whether as a result of court action or otherwise, as trustee for and on account of New York State.

Section 12. In connection with the Project, the Agency intends to grant the Applicant real property tax abatements, sales and use tax exemptions in an amount not to exceed \$71,456 and partial mortgage recording tax exemptions.

Section 13. This Resolution shall take effect immediately.

ADOPTED: July 16, 2019

ACCEPTED: \_\_\_\_\_, 2019

500 STAGG STREET LLC

By: \_\_\_\_\_  
Name:  
Title:

EVERGREEN INC.: YOUR NORTH  
BROOKLYN BUSINESS EXCHANGE

By: \_\_\_\_\_  
Name:  
Title:

**Exhibit F**

## **Project Summary**

Jughandle Realty, LLC, a New York limited liability company (“Jughandle”), and Bartlett Dairy, Inc. (“Bartlett”), a New York corporation, store, process and distribute dairy and other food products (collectively, the “Company”). The Company seeks financial assistance in connection with the acquisition of an approximately 267,893 square foot parcel of land located where Rockaway Boulevard and the Nassau Expressway intersect, within Block 14260/Tax Lot 1 in the borough of Queens, and the construction, furnishing and equipping of an approximately 56,000 square foot industrial building thereon (collectively, the “Facility”). The address of the block/lot is 154-68 Brookville Boulevard, Jamaica, New York 11422, and the Facility will receive a unique address upon completion. Jughandle will own the Facility and Bartlett will operate and use it for the warehousing, processing and distribution of food products (the “Project”). The Company anticipates completing development of the Facility and opening it for operation beginning in Fall 2020.

### **Current Location**

802-814 Bergen Street  
 Newark, New Jersey 07108

### **Project Location**

154-68 Brookville Boulevard  
 Jamaica, New York 11422

## **Actions Requested**

- Inducement and Authorizing Resolution for an Industrial Program transaction.
- Adopt a negative declaration for this project. The proposed project will not have a significant adverse effect on the environment. As part of a SEQRA determination, adopt the New York City Industrial Development Agency Findings Statement attached to the Resolution as Exhibit A.

## **Previous Actions**

- Preliminary Inducement Resolution approved on October 11, 2016

## **Anticipated Closing**

November 2019

## **Impact Summary**

Employment	
Jobs at Application:	35
Jobs to be Created at Project Location (Year 3):	147
<b>Total Jobs (full-time equivalents)</b>	<b>182</b>
<b>Projected Average Hourly Wage (excluding principals)</b>	<b>\$20.88</b>
<b>Highest/Lowest Hourly Wage (excluding principals)</b>	<b>\$33.00/15.50</b>

Estimated City Tax Revenues	
Impact of Operations (NPV 25 years at 6.25%)	\$21,998,769
One-Time Impact of Renovation	\$718,813
<b>Total impact of operations and renovation</b>	<b>\$22,717,582</b>
<b>Additional benefit from jobs to be created</b>	<b>\$16,413,821</b>



**Bartlett Dairy, Inc.**

Estimated Cost of Benefits Requested: New York City	
Building Tax Exemption (NPV, 25 years)	\$8,868,661
Land Tax Abatement (NPV, 25 years)	\$6,930,606
MRT Benefit	\$224,250
Sales Tax Exemption	\$423,779
Agency Financing Fee	(\$216,102)
<b>Total Value of Benefits provided by Agency</b>	<b>\$16,231,194</b>
Available As-of-Right Benefits (ICAP)	\$4,687,770
Agency Benefits In Excess of As-of-Right Benefits	\$11,543,424

Costs of Benefits Per Job	
Estimated Total Cost of Net City Benefits per Job	\$63,425
Estimated City Tax Revenue per Job	\$215,008

Estimated Cost of Benefits Requested: New York State	
MRT Benefit	\$120,750
Sales Tax Exemption	\$412,008
<b>Total Cost to NYS</b>	<b>\$532,758</b>

**Sources and Uses**

Sources	Total Amount	Percent of Total Financing
Commercial Loans	\$13,800,000	75%
Equity	\$4,593,350	25%
<b>Total</b>	<b>\$18,393,350</b>	<b>100%</b>

Uses	Total Amount	Percent of Total Costs
Acquisition Costs	\$4,255,000	23%
Hard Costs	\$10,335,600	56%
Soft Costs	\$1,055,450	6%
Furnishings, Fixtures & Equipment	\$2,182,400	12%
Closing Fees	\$564,900	3%
<b>Total</b>	<b>\$18,393,350</b>	<b>100%</b>

**Fees**

	Paid At Closing	On-Going Fees (NPV, 25 Years)
Agency Fee	\$216,120	
Project Counsel	35,000	
Annual Agency Fee	\$1,250	\$15,607
<b>Total</b>	<b>\$252,352</b>	<b>\$15,607</b>
<b>Total Fees</b>	<b>\$267,977</b>	

## **Bartlett Dairy, Inc.**

### **Financing and Benefits Summary**

It is anticipated that the Company will finance the Project with the combination of a commercial loan (the “Loan”), in the amount of approximately \$13,800,000, from J.P. Morgan, and with approximately \$4,593,350 in equity. The Loan will begin as a construction loan and will bear interest at a rate equal to LIBOR + 1.90% or the Commercial Bank Floating Rate (“CBFR”) and will have a term of 24 months. After 24 months, the Loan will convert into a commercial mortgage loan that will bear interest at a fixed rate equal to LIBOR + 1.90% (indicative rate of 4.29% as of July 2, 2019) or CBFR and will have monthly payments of principal and interest for 8 years based on a 20-year amortization schedule. The Company will have the option to swap the LIBOR rate for a fixed rate by executing an International Swaps and Derivatives Association Master Agreement. The Loan will be secured by a first mortgage lien on the Facility and by an assignment of all leases and rents generated by the Facility. The financial assistance proposed to be conferred by the Agency will consist of payments in lieu of City real property taxes, limited exemption from City and State mortgage recording taxes and exemption from City and State sales and use taxes. The debt service coverage ratio is anticipated to be 6.2x.

### **Market Performance and Projections**

The Facility is located on a city-owned parcel that the New York City Council has agreed to de-map in order to facilitate the Project. On June 13, 2019, New York City Economic Development (“NYCEDC”) and Bartlett received Uniform Land Use Review Procedure approval for the disposition and development of NYCEDC’s JFK North Site. The Company will develop a 56,000 square foot dairy distribution center on a significant portion of the JFK North Site, which is one of the largest city-owned manufacturing zoned properties. The Company’s development of the JFK North Site will provide a permanent home for milk distribution within the five boroughs. Currently, milk distribution occurs in New Jersey and the products are then delivered to New York City by truck.

The Project will enable Bartlett to expand its operations. The Company’s current facility in Newark, New Jersey does not provide enough space for its fleet of 60 trucks to park and maneuver. Bartlett has seen significant growth over the past decade and anticipates further growth in the years ahead, given strong market demand for dairy and milk-related products, as well as ongoing contracts with the New York City public school system in Manhattan and the Bronx, and with the Archdiocese of New York City’s school lunch program. The Project includes the construction of a warehouse facility and a manufacturing space for processing milk. Products are sourced locally and then delivered throughout New York City and the larger tri-state area to a customer base comprised of restaurants, bodegas, and food service establishments.

### **Inducement**

- I. The Company requires additional space in order to expand operations and meet anticipated future demand.
- II. The Project would not be financially viable without Agency benefits.

### **UTEP Considerations**

The Agency finds that the Project meets one or more considerations from Section I-B of the Agency’s Uniform Tax Exemption Policy (“UTEP”), including the following:

- I. The project will create permanent private-sector jobs.
- II. Financial assistance is required to induce the Project.
- III. The Project is likely to be completed in a timely manner.

### **Applicant Summary**

Bartlett is a minority certified, family owned and operated dairy and food distribution business. Bartlett was founded by Thomas Malave, Sr. in 1963. Its founder, Thomas Malave, Sr. delivered glass bottles of milk to

## **Bartlett Dairy, Inc.**

residences across the borough of Queens. As time went on Bartlett transitioned from residential to wholesale delivery and expanded its one-man, one-truck operation into a major food and dairy distributor in the tri-state area. Today, it has expanded to a commercial business consisting of approximately 60 trucks and 40 tractor trailers, operated by nearly 200 drivers. Milk and milk products remain the Company's primary business, with most of the raw milk used by Bartlett sourced from dairy farms in Pennsylvania and the Catskill region of New York. In addition to milk, the Company also distributes 800 other perishable food items, shipped to a customer base spread across New York, New Jersey, Pennsylvania, Connecticut, and Ohio. Bartlett serves a variety of customers including restaurants bodegas, the New York City Department of Education and the Archdiocese of New York City. In 2009, Mr. Malave Sr. retired and transferred ownership of the Company to his five sons, who run the business today.

### **Thomas Malave Jr., President**

Mr. Malave was born in Queens, and he was raised in East New York where he attended South Shore High School. He was the first to join the family business, helping his father to make the glass bottle deliveries before school and on the weekends. In 1987, New York State deregulated the milk and reduced barriers to entry. Mr. Malave saw this as an opportunity to expand Bartlett's operations and applied for a wholesale distribution license. This was a turning point for Bartlett as they shifted operations from residential deliveries to wholesale distribution and business grew. Mr. Malave provides strategic leadership for Bartlett, working with his brothers to establish strategies, plans and policies and achieve long term goals.

### **Robert Patrizio, Chief Financial Officer**

Mr. Patrizio has over 30 years of experience in finance and accounting, working both in public accounting and the private sector. Mr. Patrizio, a C.P.A., graduated Magna Cum Laude from NYU's Stern School of business with a bachelor's degree in accounting. Prior to joining the Bartlett team in 2009, he worked as the Chief Financial Officer for several companies in the food and beverage industry. He was born in Brooklyn and worked for KPMG after graduating from NYU. Mr. Patrizio is a trusted advisor to the Malave family and has been influential in ensuring that the company maintains its financial strength while aggressively growing the business each year.

## **Employee Benefits**

The Company provides health insurance to all employees and contributes to a retirement plan.

## **Recapture**

Pursuant to UTEP, all benefits subject to recapture for a 10-year period.

## **SEQRA Determination**

Agency staff has reviewed the environmental impacts of the proposed actions and recommends that the Agency adopt a SEQRA determination that such actions will not generate any additional significant adverse environmental impacts beyond those identified and analyzed in the New York City Industrial Development Agency Findings Statement, which is attached as Exhibit A.

## **Due Diligence**

<b>Compliance Check:</b>	Not Applicable
<b>Living Wage:</b>	Compliant
<b>Paid Sick Leave:</b>	Compliant
<b>Affordable Care Act:</b>	ACA Compliant

**Bartlett Dairy, Inc.**

<b>Bank Account:</b>	JP Morgan Chase
<b>Bank Check:</b>	Relationships are reported to be satisfactory.
<b>Supplier Checks:</b>	Relationships are reported to be satisfactory.
<b>Customer Checks:</b>	Relationships are reported to be satisfactory.
<b>Unions:</b>	Local 584 Local 863
<b>Vendex Check:</b>	No derogatory information was found.
<b>Attorney:</b>	Joseph N. Paykin Paykin Krieg & Adams, LLP 2500 Westchester Ave, Ste 107 Purchase, NY 10577
<b>Accountant:</b>	Greg Wank Anchin, Block & Anchin LLP 1375 Broadway New York, NY 10018
<b>Consultant/Advisor:</b>	Frank Fish 115 Fifth Avenue New York, NY 10003
<b>Community Board:</b>	Queens, CB #13

## **Exhibit G**

**RESOLUTION INDUCING THE FINANCING OF A DISTRIBUTION,  
MANUFACTURING AND WAREHOUSING FACILITY FOR THE  
BENEFIT OF BARTLETT DAIRY, INC. AS A STRAIGHT-LEASE  
TRANSACTION AND AUTHORIZING THE EXECUTION AND  
DELIVERY OF AGREEMENTS IN CONNECTION THEREWITH**

**WHEREAS**, the New York City Industrial Development Agency, New York, New York (the “Agency”) is authorized under the laws of the State of New York, and in particular the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended, and Chapter 1082 of the 1974 Laws of New York, as amended (collectively, the “Act”), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial and research facilities and thereby advance the job opportunities, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living; and

**WHEREAS**, Bartlett Dairy, Inc. (the “Applicant”), has entered into negotiations with officials of the Agency for the renovation and equipping of a commercial facility (the “Facility”), consisting of the acquisition of an approximately 267,893 square foot parcel of land located at 154-68 Brookville Boulevard (at the corner of Rockaway Boulevard and Nassau Expressway), Jamaica, New York and the construction, furnishing and equipping of an approximately 56,000 square foot facility thereon, all for the use by the Applicant in the warehousing, distributing and manufacturing of milk and other food products, for lease to the Agency by a real estate holding company, Jughandle Realty, LLC, or another real estate holding company affiliated with the Applicant (the “Company”), and sublease by the Agency to the Company for subsequent sub-sublease in whole to the Applicant, and having an approximate total project cost of approximately \$18,393,350 (the “Project”); and

**WHEREAS**, the Applicant has submitted an application with respect to the Project (the “Application”) to the Agency to initiate the accomplishment of the above; and

**WHEREAS**, the Application sets forth certain information with respect to the Applicant and the Project, including the following: that the Applicant currently employs 35 full time equivalent employees in The City of New York (the “City”) and expects to employ approximately 147 full time equivalent in the City within the three years following the completion of the Project; that the Applicant must obtain Agency financial assistance in the form of a straight-lease transaction to enable the Applicant to proceed with the Project and thereby establish and expand its operations in the City; and that, based upon the financial assistance provided through the Agency, the Applicant desire to proceed with the Project and establish and expand its operations in the City; and

**WHEREAS**, the Agency held a public hearing with respect to the Project on July 11, 2019; and

**WHEREAS**, based upon the Application, the Agency hereby determines that Agency financial assistance and related benefits in the form of a straight-lease transaction between the Agency and the Applicant and the Company are necessary to induce the Applicant to expand its operations and proceed with the Project; and

**WHEREAS**, the Applicant and/or the Company have entered into or may enter into loan commitments with one or more commercial banks, institutional lenders or governmental entities lenders acceptable to the Applicant and the Agency (collectively, the “Lender”), which may provide funds to the Applicant and/or the Company in the form of a loan to finance a portion of the costs of the Project, and

the Agency and the Applicant and/or the Company will grant one or more mortgages on the Facility to the Lender (collectively, the "Mortgage"); and

**WHEREAS**, in order to provide financial assistance to the Applicant and the Company for the Project, the Agency intends to grant the Applicant and the Company financial assistance through a straight-lease transaction in the form of real property tax abatements, sales tax exemptions and mortgage recording tax exemptions all pursuant to the Act;

**NOW, THEREFORE, NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY HEREBY RESOLVES AS FOLLOWS:**

**Section 1.** The Agency hereby determines that the Project and the provision by the Agency of financial assistance to the Applicant and the Company pursuant to the Act in the form of a straight-lease transaction will promote and is authorized by and will be in furtherance of the policy of the State of New York as set forth in the Act and hereby authorizes the Applicant and the Company to proceed with the Project. The Agency further determines that:

(a) the Project shall not result in the removal of any facility or plant of the Applicant or the Company or any other occupant or user of the Facility from outside of the City (but within the State of New York) to within the City or in the abandonment of one or more facilities or plants of the Applicant or the Company or any other occupant or user of the Facility located within the State of New York (but outside of the City);

(b) no funds of the Agency shall be used in connection with the Project for the purpose of preventing the establishment of an industrial or manufacturing plant or for the purpose of advertising or promotional materials which depict elected or appointed government officials in either print or electronic media, nor shall any funds of the Agency be given in connection with the Project to any group or organization which is attempting to prevent the establishment of an industrial or manufacturing plant within the State of New York; and

(c) not more than one-third of the total Project cost is in respect of facilities or property primarily used in making retail sales of goods or services to customers who personally visit such facilities within the meaning of Section 862 of the New York General Municipal Law.

**Section 2.** To accomplish the purposes of the Act and to provide financial assistance to the Applicant and the Company for the Project, a straight-lease transaction is hereby authorized subject to the provisions in this Resolution.

**Section 3.** The Agency authorizes the Applicant and the Company to proceed with the Project as herein authorized. The Applicant and the Company are authorized to proceed with the Project on behalf of the Agency in accordance with this Resolution, the Company Lease Agreement and the Agency Lease Agreement; provided, however, that it is acknowledged and agreed by the Applicant and the Company that (i) nominal leasehold title to or other interest of the Agency in the Facility shall be for purposes of granting financial assistance, and (ii) the Applicant and the Company are hereby constituted the agents for the Agency solely for the purpose of effecting the Project and neither the Agency nor any of its members, directors, officers, employees or agents (other than the Applicant, as aforesaid) shall have personal liability for any such action taken by the Applicant or the Company or any director, officer, employee, agent or affiliate of either, for such purpose.

**Section 4.** The execution and delivery of a Company Lease Agreement, an Agency Lease Agreement and the Mortgage (each document referenced in this Section 4 being, collectively, the “Agency Documents”), each being substantively the same as approved by the Agency for prior transactions, is hereby authorized. The Chairman, Vice Chairman, Executive Director, Deputy Executive Director and General Counsel of the Agency are each hereby authorized to execute, acknowledge and deliver each such Agency Document. The execution and delivery of each such agreement by one of said officers shall be conclusive evidence of due authorization and approval.

**Section 5.** The officers of the Agency are hereby designated the authorized representatives of the Agency, and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution. The Agency recognizes that due to the unusual complexities of the transaction it may become necessary that certain of the terms approved hereby may require modifications which will not affect the intent and substance of the authorizations and approvals by the Agency herein. The Agency hereby authorizes the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or General Counsel to approve modifications to the terms approved hereby which do not affect the intent and substance of this Resolution.

**Section 6.** The officers of the Agency and other appropriate officials of the Agency and its agents and employees are hereby authorized and directed to take whatever steps may be necessary to cooperate with the Applicant and the Company to assist in the Project.

**Section 7.** Any costs and expenses incurred by the Agency with respect to the Project and the financial assistance contemplated by this Resolution shall be paid by the Applicant, whether or not the Applicant proceeds with the financing of the Project as contemplated herein or financial assistance by the Agency to the Applicant, through the straight lease transaction between the Agency and the Applicant, is provided as herein authorized (other than by the sole fault of the Agency). By acceptance hereof, the Applicant agrees to pay such costs and expenses and further agrees to indemnify the Agency, its members, directors, officers, employees and agents and hold the Agency and such persons harmless against claims for any loss, liability, damage or injury or cost or expense incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Project and the financing thereof.

**Section 8.** This Resolution is subject to the approval of a private investigative report with respect to the Applicant and the Company. The provisions of this Resolution shall continue to be effective until one year from the date hereof whereupon the Agency may, at its option, terminate the effectiveness of this Resolution (except with respect to the matters contained in Section 7 hereof) unless prior to the expiration of such year the Agency shall by subsequent resolution extend the effective period of this Resolution.

**Section 9.** All covenants, stipulations, obligations and agreements of the Agency contained in this Resolution and contained in the Agency Documents shall be deemed to be the covenants, stipulations, obligations and agreements of the Agency to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Agency and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Agency or the members thereof by the provisions of this Resolution or any of the Agency Documents shall be exercised or performed by the Agency or by such members, officers, board or body as may be required by law to exercise such powers and to perform such duties.



No covenant, stipulation, obligation or agreement herein contained or contained in any Agency Document shall be deemed to be a covenant, stipulation, obligation or agreement of any member, director, officer, agent or employee of the Agency in his or her individual capacity thereof and neither the members nor the directors of the Agency nor any officer executing any Agency Document shall be liable personally for any amounts payable thereunder or arising from claims thereon or be subject to any personal liability or accountability by reason of the execution and delivery or acceptance thereof.

**Section 10.** Pursuant to the State Environmental Quality Review Act, being Article 8 of the New York State Environmental Conservation Law and the implementing regulations, the Agency, as lead agency, hereby makes the findings set forth in Exhibit A hereto and incorporated by reference herein.

**Section 11.** The Chairperson, the Vice Chairperson, the Secretary, the Assistant Secretary, the Executive Director and the Deputy Executive Director and the General Counsel of the Agency, and any member of the Agency, are hereby designated the authorized representatives of the Agency and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits, agreements and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution and the Agency Documents.

**Section 12.** In connection with the Project, the Applicant and Company covenant and agree to comply, and to cause each of their respective contractors, subcontractors, agents, persons or entities to comply, with the requirements of General Municipal Law Sections 875(1) and (3), as such provisions may be amended from time to time.

(a) The Applicant and Company covenant and agree that pursuant to General Municipal Law Section 875(3) the Agency shall have the right to recover, recapture, receive, or otherwise obtain from the Company New York State sales or use tax savings taken or purported to be taken by the Applicant and the Company, and any agent or any other person or entity acting on behalf of the Applicant and the Company, to which the Company is not entitled or which are in excess of the maximum sales or use tax exemption amount authorized in Section 13 of this Resolution or which are for property or services not authorized or taken in cases where the Applicant and the Company, or any agent or any other person or entity acting on behalf of the Applicant and the Company, failed to comply with a material term or condition to use property or services in the manner required by this Resolution or any agreements entered into among the Agency, the Applicant and the Company and/or any agent or any other person or entity acting on behalf of the Applicant and the Company. The Applicant and the Company shall, and shall require each agent and any other person or entity acting on behalf of the Applicant and the Company, to cooperate with the Agency in its efforts to recover, recapture, receive, or otherwise obtain such New York State sales or use tax savings and shall promptly pay over any such amounts to the Agency that it requests. The failure to pay over such amounts to the Agency shall be grounds for the Commissioner of the New York State Department of Taxation and Finance (the "Commissioner") to assess and determine New York State sales or use taxes due from the Company under Article Twenty-Eight of the New York State Tax Law, together with any relevant penalties and interest due on such amounts.

(b) The Applicant and the Company are hereby notified (provided that such notification is not a covenant or obligation and does not create a duty on the part of the Agency to the Company or any other party) that the Agency is subject to certain requirements under the General Municipal Law, including the following:

(i) In accordance with General Municipal Law Section 875(3)(c), if the Agency recovers, recaptures, receives, or otherwise obtains, any amount of New York State sales or use tax savings from the Applicant and the Company, any agent or other person or entity, the Agency shall, within thirty days of coming into possession of such amount, remit it to the Commissioner, together with such information and report that the Commissioner deems necessary to administer payment over of such amount. The Agency shall join the Commissioner as a party in any action or proceeding that the Agency commences to recover, recapture, obtain, or otherwise seek the return of, New York State sales or use tax savings from the Company or any other agent, person or entity.

(ii) In accordance with General Municipal Law Section 875(3)(d), the Agency shall prepare an annual compliance report detailing its terms and conditions described in General Municipal Law Section 875(3)(a) and its activities and efforts to recover, recapture, receive, or otherwise obtain State sales or user tax savings described in General Municipal Law Section 875(3)(b), together with such other information as the Commissioner and the New York State Commissioner of Economic Development may require. Such report shall be filed with the Commissioner, the Director of the Division of the Budget of The State of New York, the New York State Commissioner of Economic Development, the New York State Comptroller, the Council of the City of New York, and may be included with the annual financial statement required by General Municipal Law Section 859(1)(b). Such report shall be filed regardless of whether the Agency is required to file such financial statement described by General Municipal Law Section 859(1)(b). The failure to file or substantially complete such report shall be deemed to be the failure to file or substantially complete the statement required by such General Municipal Law Section 859(1)(b), and the consequences shall be the same as provided in General Municipal Law Section 859(1)(e).

(iii) The foregoing requirements of this Section 12 shall apply to any amounts of New York State sales or use tax savings that the Agency recovers, recaptures, receives, or otherwise obtains, regardless of whether the Agency, the Applicant or the Company or any agent or other person or entity acting on behalf of the Applicant or the Company characterizes such benefits recovered, recaptured, received, or otherwise obtained, as a penalty or liquidated or contract damages or otherwise. The foregoing requirements shall also apply to any interest or penalty that the Agency imposes on any such amounts or that are imposed on such amounts by operation of law or by judicial order or otherwise. Any such amounts or payments that the Agency recovers, recaptures, receives, or otherwise obtains, together with any interest or penalties thereon, shall be deemed to be New York State sales or use taxes and the Agency shall receive any such amounts or payments, whether as a result of court action or otherwise, as trustee for and on account of New York State.

**Section 13.** In connection with the Project, the Agency intends to grant the Applicant and the Company sales tax exemptions in an amount not to exceed \$835,787, real property tax exemptions and a mortgage recording tax exemption.

**Section 14.** This Resolution shall take effect immediately.

**ADOPTED:** July 16, 2019

**ACCEPTED:** \_\_\_\_\_, 2019

**JUGHANDLE REALTY, LLC**

By: \_\_\_\_\_  
Name:  
Title:

**BARTLETT DAIRY, INC.**

By: \_\_\_\_\_  
Name:  
Title:

## Exhibit A

### **NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY FINDINGS STATEMENT PURSUANT TO THE NEW YORK STATE ENVIRONMENTAL QUALITY REVIEW ACT**

#### **1. INTRODUCTION AND DESCRIPTION OF THE PROPOSED ACTION**

This Findings Statement has been prepared in accordance with Article 8 of the Environmental Conservation Law, the State Environmental Quality Review Act (SEQRA), and its implementing regulations promulgated at 6 NYCRR Part 617.

This Findings Statement sets forth the findings of the New York City Industrial Development Agency (the Agency) with respect to potential environmental impacts related to a project proposed by Jughandle Realty, LLC (the Applicant) at the intersection of Rockaway Boulevard and Nassau Expressway in Queens, NY. Bartlett Dairy, Inc. (“Bartlett”), the operating company who will be leasing the space from the Applicant, delivers dairy and other food products to a variety of customers in the tri-state area. The applicant intends to construct a 55,750 square foot warehouse and distribution facility which will include office space and a mechanics shop. The project is the relocation of Bartlett’s operations to a site that can adequately support parking for its fleet of approximately 60 trucks, as well as space to expand the warehouse to support anticipated growth.

In order to facilitate this project, the New York City Economic Development Corporation (NYCEDC)—together with the Department of Small Business Services (NYCSBS) in coordination with Jughandle Realty, LLC (the “Applicant”) sought a single demapping action. This action included the elimination of an 8.75-acre unbuilt portion of the Nassau Expressway (the “Proposed Action”) and authority to dispose of this property. This land (known as the “Project Area”) is currently shown on the official City Map as a portion of the Nassau Expressway right-of-way, and therefore required a demapping prior to development. The ULURP application (C 180517 MMQ) was approved by New York City Council on June 13, 2019 ([LU 0415-2019](#)). Subsequent to this approval, the City will sell a 6.15-acre portion of this larger 8.75-acre City-owned site to the Applicant. The larger 8.75-acre site is located immediately north of JFK Airport, between Rockaway Boulevard to the northeast, the Nassau Expressway to the south, and Lot 90 to the west. The 6.15-acre portion that will be sold to the Applicant is the eastern most portion of the larger site.

Specifically, the Applicant is seeking approval from the Agency for financial assistance consisting of exemptions from City real property taxes, City and State mortgage recording taxes, and City and State sales and use taxes.

The proposed project will allow Bartlett to return to Queens after being dislocated when the Elmhurst facility abruptly closed, bringing back the jobs that were lost to Newark when they relocated there. The tax savings will also enable Bartlett to reinvest funds in purchasing necessary equipment and fund a portion of the development while enabling Bartlett to keep the prices of its products at a competitive level.

#### **2. DOCUMENTS RELEVANT TO THE FINDINGS STATEMENT**

This Findings Statement is based on a) the JFK North Environmental Assessment Statement (EAS), dated November 30, 2018 (City Environmental Quality Review [CEQR] No. 17DME006Q); and b) the Negative Declaration, dated November 30, 2018. The EAS and Negative Declaration are both referenced via link to the [NYC MOEC website](#).

#### **a. CITY ENVIRONMENTAL QUALITY REVIEW (CEQR) EAS**

The Mayor's Office of Environmental Coordination (MOEC) assumed lead agency status for environmental review. To implement the proposed project, the Applicant was seeking a single demapping action. The action included the elimination of an 8.75 -acre unbuilt portion of the Nassau Expressway and authority to dispose of this property. The EAS analyzed a proposed project consistent with what is being proposed now for the Agency's approval.

Pursuant to the methodology of the *2014 CEQR Technical Manual*, preliminary analyses conducted for the EAS determined that the following technical areas did not trigger CEQR thresholds and/or were found unlikely to result in significant impacts, and therefore did not require detailed analyses: land use, zoning and public policy; socioeconomic conditions; community facilities and services; open space; shadows; historic and cultural resources; urban design and visual resources; natural resources; hazardous materials; water and sewer infrastructure, solid waste and sanitation services; energy; transportation; air quality; greenhouse gas emissions and climate change; noise; public health; neighborhood character; or construction. Supplemental screening analyses were prepared for land use, zoning and public policy; historic and cultural resources; natural resources; hazardous materials; water and sewer infrastructure; transportation; air quality; noise and neighborhood character. The screening analyses determined that the proposed project is not expected to adversely affect these technical areas.

The following measures were identified in the EAS to ensure that the proposed project would not result in significant adverse impacts:

##### *Hazardous Materials*

To avoid potential significant adverse impacts related to hazardous materials, the Applicant must:

- develop and submit a Remedial Action Plan (RAP) to NYCDEP for the Proposed Project for review and approval as a closing condition. The RAP must delineate the requirements for items including: transportation and disposal of soils; soil stockpiling; dust control; air monitoring; de-watering; engineering controls; capping with concrete/asphalt and/or imported clean fill, etc. The RAP must indicate that for all areas, which will be landscaped or covered with grass (not capped), a minimum of one (1) foot of NYCDEP approved clean fill/top soil must be imported from an approved facility/source and graded across all landscaped/grass covered areas of the sites not capped with concrete/asphalt. The clean fill/top soil must be segregated at the source/facility, have qualified environmental personnel collect representative samples at a frequency of one (1) sample for every 250 cubic yards, analyze the samples for TCL VOCs by EPA Method 8260, SVOCs by EPA Method 8270, pesticides by EPA Method 8081, PCBs by EPA Method 8082, and TAL metals by a New York State Department of Health Environmental Laboratory Approval Program certified laboratory, compared to NYSDEC 6 NYCRR Part 375 Environmental Remediation Programs. Upon completion of the investigation activities, the applicant must submit a detailed clean soil report to NYCDEP for review and approval prior to importation and placement on-site. The report must include, at a minimum, an executive summary, narrative of the field activities, laboratory data, and comparison of soil analytical results (i.e., NYSDEC 6 NYCRR Part 375 Environmental Remediation Programs).
- submit a site-specific Construction Health and Safety Plan (CHASP) on the basis of possible exposure of workers and/or community to contaminants from the Proposed Project. The CHASP must identify the possible locations and risks associated with the potential contaminants that may be encountered, and the administrative and engineering controls that will be utilized to mitigate concerns.

- Soil disturbance must not occur without NYCDEP's written approval of the RAP and CHASP.
- A vapor barrier must be incorporated into the design and construction of the Proposed Project. The Applicant must include the manufacturer's specifications of the proposed vapor barrier in the RAP.

#### *Water and Sewer Infrastructure*

Since the Project Site is located in the Jamaica Bay Watershed, a drainage area of concern, the Proposed Project is required to comply with stipulations of the Jamaica Bay Watershed Protection Plan. As part of the Proposed Project, a Post-Construction Stormwater Management BMP will be implemented to meet NYCDEP and NYSDEC stormwater management criteria, so that peak discharge leaving the site will match existing conditions. As no existing connection to the stormwater sewers was identified, a NYCDEP sewer connection permit is expected. A hydraulic analysis of the existing sewer system may be needed at the time of submittal of the site connection permit application to determine whether the existing sewer system is capable of supporting higher density development and related increase in wastewater flow, or whether there will be a need to upgrade the existing sewer system. Additionally, NYCDEP Drainage Plans do not identify the Project Site as part of the drainage area of the Rockaway Boulevard sewer, therefore an amended drainage plan (ADP) may be required prior to construction. Specific determinations will be made by NYCDEP prior to granting necessary permits. Once these directions are followed by the Applicant, no significant adverse impacts on Water and Sewer Infrastructure are anticipated to occur as a result of Proposed Project.

#### *Transportation*

The Project Site is located along Rockaway Boulevard, an arterial roadway also designated as a truck route. The Project Site's existing driveway, located on Rockaway Boulevard between 145th Avenue and 145th Road, would serve as the entrance to the facility. A new driveway and curb cut would be constructed along Rockaway Boulevard between 145th Drive and 146th Avenue, and would be used for site egress (right turns out only). It is expected that trucks would enter the site by turning left from Rockaway Boulevard. As an existing median currently blocks this action, a modification would be required to allow left-turns into the site. Trucks leaving the site would exit through the main driveway or egress driveway and turn right onto Rockaway Boulevard, then access the Nassau Expressway. As a pre-closing condition, NYCEDC would require the Applicant to submit detailed plans to NYCDOT, including site plans identifying the following: all proposed site entrances, the removal/relocation of various utilities and any sidewalk appurtenances (i.e., signs, poles, fire hydrants, etc.) located less than seven feet from the outside edge of any curb cut splays, sidewalk widths, adjacent street geometry (as per AASHTO, MUTCD and DOT specifications), and the adjustment of any manholes and/or catch basins required when the median is trimmed to add a left-turn bay at the unsignalized location of Rockaway Boulevard between 145th Road and 145th Avenue.

#### **b. NEGATIVE DECLARATION**

With the adoption of the Negative Declaration on November 30, 2018, The Mayor's Office of Environmental Coordination (MOEC) determined that the proposed project would have no significant effect on the quality of the environment. The measures outline in section 2 a. above would ensure that the proposed project would not result in significant adverse impacts. No other significant effects upon the environment that would require the preparation of an Environmental Impact Statement were foreseeable.

### 3. NYCIDA FINDINGS

The proposed project would involve financial assistance proposed to be conferred by the Agency, which would consist of payments in lieu of New York City real property taxes and New York City and State mortgage recording taxes.

Upon reviewing the previously completed EAS and Negative Declaration, and the material provided to the Agency by the Applicant in support of the proposed action, the Agency has determined that the proposed project is comparable to the analysis framework presented and analyzed in the previously completed EAS.

The Agency finds that the EAS has made a thorough and comprehensive analysis of the relevant areas of concern under SEQRA and its implementing regulations, appropriately assessed the potential environmental and land use impacts of the EAS Proposed Action, identified measures to avoid adverse impacts to the extent practicable, and set forth appropriate conditions to be imposed as conditions of approval. Furthermore, the Agency has carefully considered the EAS and the Co-Lead Agencies Negative Declaration and finds that this document is an accurate reflection of the EAS findings related to the Proposed Action. The Board of Directors of the Agency hereby adopts and incorporates by reference the Co-Lead Agencies Negative Declaration (including the conditions therein).

Having considered the EAS and the Negative Declaration, the Agency certifies that:

- the requirements of SEQRA, including 6 NYCRR §617.9, have been met and fully satisfied;
- the Agency has considered the relevant environmental impacts, facts and conclusions disclosed in the EAS and Negative Declaration and weighed and balanced relevant environmental impacts with social, economic and other considerations;
- the proposed project has been designed and is expected to achieve goals and objectives while minimizing the potential for significant adverse environmental impacts; and that
- consistent with social, economic and other essential considerations from among the reasonable alternatives available, the proposed project would avoid or minimize adverse environmental impacts to the maximum extent practicable by incorporating as conditions to the decision those mitigative measures that were identified as practicable in the EAS and the Co-Lead Agencies Negative Declaration.

Based on the foregoing, the Agency finds that the proposed project will not generate any additional significant adverse environmental impacts beyond those identified and analyzed in the FGEIS and therefore concludes that the preparation of a supplemental FGEIS is not required.

## **Exhibit H**



### Project Summary

Care Foods International Corp., a New York Corporation, and Maruwa Corp., a New York corporation, each doing business as Royal Food (collectively the "Company"). The Company is engaged in the business of nut roasting and the cleaning and packing of seafood. The Company seeks financial assistance in connection with the acquisition, construction and equipping of a new 37,500 square foot building located on an approximately 12,500 square foot parcel of land located at 54-64 43<sup>rd</sup> Street, Maspeth, New York 11378 (the "Facility"). The Facility will be owned by the Company, or an affiliate of the Company, and operated by the Company as a warehousing, processing and distribution facility (the "Project"). Based on a review of the Project, Agency staff has concluded that the Project is likely to be completed within two years of the closing date of the Agency straight lease transaction, which will occur after construction of the Facility.

### Project Location

54-64 43<sup>rd</sup> Street  
 Maspeth, NY 11378

### Actions Requested

- Inducement and Authorizing Resolution for an Industrial Program transaction.
- Adopt a SEQRA determination that the proposed project is an Unlisted action and that a Draft Environmental Impact Statement will not be prepared.

### Anticipated Closing

December 2019

### Impact Summary

<b>Employment</b>	
Jobs at Application:	0
Jobs to be Created at Project Location (Year 3):	22.5
<b>Total Jobs (full-time equivalents)</b>	<b>22.5</b>
<b>Projected Average Hourly Wage (excluding principals)</b>	<b>\$ 20.15</b>
<b>Highest Wage/Lowest Wage</b>	<b>\$20.15 / \$15.76</b>

<b>Estimated City Tax Revenues</b>	
Impact of Operations (NPV 25 years at 6.25%)	\$2,468,419
One-Time Impact of Renovation	219,363
<b>Total impact of operations and renovation</b>	<b>\$2,687,782</b>
<b>Additional benefit from jobs to be created</b>	<b>\$2,615,925</b>

<b>Estimated Cost of Benefits Requested: New York City</b>	
Building Tax Exemption (NPV, 25 years)	\$1,985,338
Land Tax Abatement (NPV, 25 years)	\$270,006
MRT Benefit	\$76,375
Sales Tax Exemption	\$122,798
Agency Financing Fee	(\$61,755)
<b>Total Cost to NYC Net of Financing Fee</b>	<b>\$2,392,762</b>
Available As-of-Right Benefits (ICAP)	\$1,364,833
Agency Benefits In Excess of As-of-Right Benefits	\$1,027,929

## Royal Foods – Care Foods International, Corp.

<b>Costs of Net City Benefits Per Job</b>	
Estimated Net Cost of NYCIDA Benefits per Jobs in Year 3	\$45,686
Estimated Net City Tax Revenue per Total Jobs in Year 3	\$235,720

<b>Estimated Cost of Benefits Requested: New York State</b>	
MRT Benefit	\$41,125
Sales Tax Exemption	\$119,387
<b>Total Cost to NYS</b>	<b>\$160,512</b>

### Sources and Uses

Sources	Total Amount	Percent of Total Financing
Commercial Loans	\$4,700,000	66%
Loans from Affiliates	\$2,397,843	34%
<b>Total</b>	<b>\$7,097,843</b>	<b>100%</b>

Uses	Total Amount	Percent of Total Costs
Land Acquisition	\$3,450,000	49%
Hard Costs	\$2,500,000	35%
Soft Costs	\$50,000	1%
Furnishings and Equipment	\$978,850	14%
Closing Fees	\$118,993	2%
<b>Total</b>	<b>\$7,097,843</b>	<b>100%</b>

### Fees

	Paid At Closing	On-Going Fees (NPV, 25 Years)
Agency Fee	\$61,755	
Project Counsel	25,000	
Annual Agency Fee	1,000	12,485
Total	87,755	12,485
<b>Total Fees</b>	<b>\$100,240</b>	

### Financing and Benefits Summary

The Company will finance the Project with a commercial loan of \$4,700,000 from Bank of America and \$2,397,843 in affiliate loans. The commercial loan will be secured by the borrower's assets and a first mortgage lien on the Facility and will be guaranteed by affiliates of the Company and the Company's principal, Dae Hyun Yoo. The loan will bear an interest rate of 5.47% and will be repaid as interest only during a 12 month build out period, after which all amounts outstanding will be converted into a commercial mortgage with monthly installments of principal and interest based on a 20 year amortization with the final payment of all amounts outstanding plus accrued interest, due 10 years after the closing.

The financial assistance proposed to be conferred by the Agency will consist of payments in lieu of City real property taxes, exemption of City and State mortgage recording taxes and exemption from City and State sales and use taxes. The company is expected to have a debt service coverage ratio of 2.11x.

## **Royal Foods – Care Foods International, Corp.**

### **Company Performance and Projections**

The proposed expansion will provide the space needed to relaunch a nut roasting operation, grow inventory, hire new employees and relocate the seafood cleaning, packaging and distribution business from Ridgefield, New Jersey to New York City. The Project will anchor the Company's existing jobs and operations in New York City.

The Company projects sales income to increase by 14% between the first and second year of operation at the Facility and another 14.6% by the end of year three. Further, the Company projects a 23% year over year increase in gross profit during the first three years of operations at the Facility. The Company projects breaking even in their 4<sup>th</sup> year of operations.

The Project cannot proceed without the requested financial assistance. The reduction and stabilization of property taxes will help offset costs of the construction of the Facility and will also offset the costs of operating in New York City. Without the proposed assistance, the company would likely relocate all business to an existing, affiliate-owned 230,000 square foot facility in Ridgefield, NJ.

### **Inducement**

- I. Without the proposed financial assistance provided by the Agency, the Company would not be able to expand its business model into nut roasting and create more space for new product offerings.
- II. In order to move the Company's current business from out of state, the Company must expand its facilities, but without the proposed financial incentives, the company would not be able to expand nor move their out of state operation into New York City.
- III. But for the assistance provided by the Agency, the Project would not occur, or would occur out of state.

### **UTEP Considerations**

The Agency finds that the Project meets one or more considerations from Section I-B of the Agency's Uniform Tax Exemption Policy ("UTEP"), including the following:

- I. The Project will create or retain permanent private-sector jobs in New York City.
- II. Financial assistance is required to induce the Project.
- III. The Project will generate approximately \$7,097,843 in private-sector investment.
- IV. The Project is likely to be completed in a timely manner.

### **Applicant Summary**

In 1992, Dae Hyun Yoo started Royal Food International ("Royal Food") as an importer, roaster and distributor of nuts and candy-coated nuts from a 10,000 square foot facility in Ozone Park. By 1995, Royal Food's production capacity was outpaced by growing sales. As a result, management made the decision to become only a distributor of nuts and contracted the nut roasting and other production elements to third parties.

In 1997, Royal Food expanded its operation to include general merchandising, which involved wholesale distribution and re-packaging of candies, dried foods and other items into retail size packages. In 2000, Royal Food further widened its product mix and purchased a 12,000 square foot building to accommodate its growth. In 2001, Royal Food entered the perishable food business when it started to carry items such as cheese, milk, yogurt and fruit juices. In 2002, Royal Food was incorporated as B.C.S. International Corporation.

In 2004, Care Foods International was incorporated to distribute specialty, organic and natural, vegetarian and gourmet food. Care Foods International directly imports quality foods and beverages from around the world.

In 2007, the Company's affiliate acquired a 100,061 square foot facility with the assistance of the NYCIDA. It relocated 20 employees to the 47-15 33<sup>rd</sup> Street facility. Today, the number of workers has grown to 174 at the 47-15 33<sup>rd</sup> Street facility. The growth can be attributed to increased and diversified products and customers.

## **Royal Foods – Care Foods International, Corp.**

In 2014 Maruwa Corp. was incorporated to clean, package and distribute premium seafood in Ridgefield, New Jersey.

### **Dae Hyun Yoo, President**

Dae Hyun Yoo was born in Seoul, Korea where he later obtained his master's degree in business management. In 1988 Mr. Yoo emigrated to the United States with his family where he pursued an American-issued master's degree in business management. While studying, Mr. Yoo worked for a food wholesaler, starting as a clerk and working his way up to becoming a manager. Starting in 1992 Mr. Yoo began establishing the Royal Foods family of companies, most recently founding Maruwa Corp in 2014. Mr. Yoo's responsibilities within the business range from strategic planning, general administration and sales for the Royal Foods group.

### **Employee Benefits**

The Company provides health insurance, vacation time, and on-the-job training to all employees.

### **Recapture**

Pursuant to UTEP, all benefits subject to recapture for a 10-year period.

### **SEQRA Determination**

The Agency has determined that the proposed project, an Unlisted action, pursuant to SEQRA and the implementing regulations, would not have a significant effect on the environment and that a Draft Environmental Impact Statement will not be prepared. As a condition for closing, a Phase II must be completed on this site and submitted to the New York City Department of Environmental Protection for their review and guidance. With the implementation of these measures, the proposed project would not result in adverse impacts related to hazardous materials.

### **Due Diligence**

The Agency conducted a background investigation of the Company and its principals and found no derogatory information.

<b>Compliance Check:</b>	Compliant
<b>Living Wage:</b>	Compliant
<b>Paid Sick Leave:</b>	Compliant
<b>Health Insurance Offered:</b>	Exempt
<b>Bank Account:</b>	Woori America Bank
<b>Bank Check:</b>	Relationships are reported to be satisfactory
<b>Supplier Checks:</b>	Relationships are reported to be satisfactory
<b>Customer Checks:</b>	Relationships are reported to be satisfactory
<b>Unions:</b>	Not applicable
<b>Vendex Check:</b>	No derogatory information was found

**Royal Foods – Care Foods International, Corp.**

<b>Attorney:</b>	Yu Mi Hong, Esq. Law Offices of Yu Mi Hong 39-29 150 <sup>th</sup> Street Flushing, NY 11354
<b>Accountant:</b>	Howard Dorman Mazars USA 60 Crossways Park Drive West Woodbury, NY 11797
<b>Consultant/Advisor:</b>	Ara N. Araz Economic Development Resources Inc. 48 Wall Street, Suite 1100 New York, NY 10005
<b>Community Board:</b>	Queens, CB #2

## **Exhibit I**

**RESOLUTION INDUCING THE FINANCING OF A PROCESSING,  
WAREHOUSING AND DISTRIBUTION FACILITY FOR THE  
BENEFIT OF CARE FOODS INTERNATIONAL CORP. AND  
MARUWA CORP. AS A STRAIGHT-LEASE TRANSACTION AND  
AUTHORIZING THE EXECUTION AND DELIVERY OF  
AGREEMENTS IN CONNECTION THEREWITH**

**WHEREAS**, the New York City Industrial Development Agency, New York, New York (the “Agency”) is authorized under the laws of the State of New York, and in particular the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended, and Chapter 1082 of the 1974 Laws of New York, as amended (collectively, the “Act”), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial and research facilities and thereby advance the job opportunities, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living; and

**WHEREAS**, Care Foods International Corp. and Maruwa Corp., each New York corporations doing business as Royal Food (collectively, the “Applicant”), has entered into negotiations with officials of the Agency for the renovation and equipping of a facility (the “Facility”), consisting of the acquisition of an approximately 12,500 square foot parcel of land located at 54-64 43<sup>rd</sup> Street, Maspeth, New York and the construction, furnishing and equipping of an approximately 37,500 square foot facility thereon, all for the use by the Applicant in the processing, distribution and warehousing of nuts, seafood and other food products, for lease to the Agency by a real estate holding company affiliated with the Applicant (the “Company”), and sublease by the Agency to the Company for subsequent sub-sublease in whole to the Applicant, and having an approximate total project cost of approximately \$7,097,843 (the “Project”); and

**WHEREAS**, the Applicant has submitted an application with respect to the Project (the “Application”) to the Agency to initiate the accomplishment of the above; and

**WHEREAS**, the Application sets forth certain information with respect to the Applicant and the Project, including the following: that the Applicant plan to relocate its operations in Ridgefield, New Jersey to the Facility and expects to employ approximately 22.5 full time equivalent employees in The City of New York (the “City”) within the three years following the completion of the Project; that the Applicant must obtain Agency financial assistance in the form of a straight-lease transaction to enable the Applicant to proceed with the Project and thereby establish and expand its operations in the City; and that, based upon the financial assistance provided through the Agency, the Applicant desire to proceed with the Project and establish and expand its operations in the City; and

**WHEREAS**, the Agency held a public hearing with respect to the Project on July 11, 2019; and

**WHEREAS**, based upon the Application, the Agency hereby determines that Agency financial assistance and related benefits in the form of a straight-lease transaction between the Agency and the Applicant and the Company are necessary to induce the Applicant to expand its operations and proceed with the Project; and

**WHEREAS**, the Applicant and/or the Company have entered into or may enter into loan commitments with one or more commercial banks, institutional lenders or governmental entities lenders acceptable to the Applicant and the Agency (collectively, the “Lender”), which may provide funds to the Applicant and/or the Company in the form of a loan to finance a portion of the costs of the Project, and

the Agency and the Applicant and/or the Company will grant one or more mortgages on the Facility to the Lender (collectively, the "Mortgage"); and

**WHEREAS**, in order to provide financial assistance to the Applicant and the Company for the Project, the Agency intends to grant the Applicant and the Company financial assistance through a straight-lease transaction in the form of real property tax abatements, sales tax exemptions and mortgage recording tax exemptions all pursuant to the Act;

**NOW, THEREFORE, NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY HEREBY RESOLVES AS FOLLOWS:**

**Section 1.** The Agency hereby determines that the Project and the provision by the Agency of financial assistance to the Applicant and the Company pursuant to the Act in the form of a straight-lease transaction will promote and is authorized by and will be in furtherance of the policy of the State of New York as set forth in the Act and hereby authorizes the Applicant and the Company to proceed with the Project. The Agency further determines that:

(a) the Project shall not result in the removal of any facility or plant of the Applicant or the Company or any other occupant or user of the Facility from outside of the City (but within the State of New York) to within the City or in the abandonment of one or more facilities or plants of the Applicant or the Company or any other occupant or user of the Facility located within the State of New York (but outside of the City);

(b) no funds of the Agency shall be used in connection with the Project for the purpose of preventing the establishment of an industrial or manufacturing plant or for the purpose of advertising or promotional materials which depict elected or appointed government officials in either print or electronic media, nor shall any funds of the Agency be given in connection with the Project to any group or organization which is attempting to prevent the establishment of an industrial or manufacturing plant within the State of New York; and

(c) not more than one-third of the total Project cost is in respect of facilities or property primarily used in making retail sales of goods or services to customers who personally visit such facilities within the meaning of Section 862 of the New York General Municipal Law.

**Section 2.** To accomplish the purposes of the Act and to provide financial assistance to the Applicant and the Company for the Project, a straight-lease transaction is hereby authorized subject to the provisions of this Resolution.

**Section 3.** The Agency authorizes the Applicant and the Company to proceed with the Project as herein authorized. The Applicant and the Company are authorized to proceed with the Project on behalf of the Agency in accordance with this Resolution, the Company Lease Agreement and the Agency Lease Agreement; provided, however, that it is acknowledged and agreed by the Applicant and the Company that (i) nominal leasehold title to or other interest of the Agency in the Facility shall be for purposes of granting financial assistance, and (ii) the Applicant and the Company are hereby constituted the agents for the Agency solely for the purpose of effecting the Project and neither the Agency nor any of its members, directors, officers, employees or agents (other than the Applicant, as aforesaid) shall have personal liability for any such action taken by the Applicant or the Company or any director, officer, employee, agent or affiliate of either, for such purpose.

**Section 4.** The execution and delivery of a Company Lease Agreement, an Agency Lease Agreement and the Mortgage (each document referenced in this Section 4 being, collectively, the



“Agency Documents”), each being substantively the same as approved by the Agency for prior transactions, is hereby authorized. The Chairman, Vice Chairman, Executive Director, Deputy Executive Director and General Counsel of the Agency are each hereby authorized to execute, acknowledge and deliver each such Agency Document. The execution and delivery of each such agreement by one of said officers shall be conclusive evidence of due authorization and approval.

**Section 5.** The officers of the Agency are hereby designated the authorized representatives of the Agency, and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution. The Agency recognizes that due to the unusual complexities of the transaction it may become necessary that certain of the terms approved hereby may require modifications which will not affect the intent and substance of the authorizations and approvals by the Agency herein. The Agency hereby authorizes the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or General Counsel to approve modifications to the terms approved hereby which do not affect the intent and substance of this Resolution.

**Section 6.** The officers of the Agency and other appropriate officials of the Agency and its agents and employees are hereby authorized and directed to take whatever steps may be necessary to cooperate with the Applicant and the Company to assist in the Project.

**Section 7.** Any costs and expenses incurred by the Agency with respect to the Project and the financial assistance contemplated by this Resolution shall be paid by the Applicant, whether or not the Applicant proceeds with the financing of the Project as contemplated herein or financial assistance by the Agency to the Applicant, through the straight lease transaction between the Agency and the Applicant, is provided as herein authorized (other than by the sole fault of the Agency). By acceptance hereof, the Applicant agrees to pay such costs and expenses and further agrees to indemnify the Agency, its members, directors, officers, employees and agents and hold the Agency and such persons harmless against claims for any loss, liability, damage or injury or cost or expense incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Project and the financing thereof.

**Section 8.** This Resolution is subject to the approval of a private investigative report with respect to the Applicant and the Company. The provisions of this Resolution shall continue to be effective until one year from the date hereof whereupon the Agency may, at its option, terminate the effectiveness of this Resolution (except with respect to the matters contained in Section 7 hereof) unless prior to the expiration of such year the Agency shall by subsequent resolution extend the effective period of this Resolution.

**Section 9.** All covenants, stipulations, obligations and agreements of the Agency contained in this Resolution and contained in the Agency Documents shall be deemed to be the covenants, stipulations, obligations and agreements of the Agency to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Agency and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Agency or the members thereof by the provisions of this Resolution or any of the Agency Documents shall be exercised or performed by the Agency or by such members, officers, board or body as may be required by law to exercise such powers and to perform such duties.

No covenant, stipulation, obligation or agreement herein contained or contained in any Agency Document shall be deemed to be a covenant, stipulation, obligation or agreement of any member, director, officer, agent or employee of the Agency in his or her individual capacity thereof and neither the members nor the directors of the Agency nor any officer executing any Agency Document shall be liable

personally for any amounts payable thereunder or arising from claims thereon or be subject to any personal liability or accountability by reason of the execution and delivery or acceptance thereof.

**Section 10.** The Agency, as lead agency, is issuing this determination pursuant to the State Environmental Quality Review Act ("SEQRA") (Article 8 of the Environmental Conservation Law) and implementing regulations contained in 6 N.Y.C.R.R. Part 617. This determination is based upon the Agency's review of information provided by the Applicant and such other information as the Agency has deemed necessary and appropriate to make this determination.

The Agency hereby determines that the Project, an unlisted action, pursuant to SEQRA and the implementing regulations, will not have a significant effect on the environment and that a Draft Environmental Impact Statement will not be prepared for the Project. The reasons supporting this determination with respect to the Project are as follows:

(a) The proposed project would not result in a substantial adverse change in existing traffic, air quality, or noise levels. The existing building is currently occupied by an industrial use and the proposed project is not expected to substantially increase the amount of traffic to/from the project site.

(b) The proposed project would not result in significant adverse impacts on cultural, archeological, architectural, or aesthetic resources of the existing neighborhood.

(c) The proposed project would not result in significant adverse impacts to natural resources, critical habitats, or water quality.

(d) The proposed project would not result in a change in existing zoning or land use. The proposed use would be as-of-right under zoning.

(e) A Phase I Environmental Site Assessment conducted on the project site indicated that, given the historical use of the property for truck storage, the presence of superficial staining, likely presence of urban fill, and planned redevelopment of the site involving soil disturbance, a Phase II Environmental Site Assessment should be conducted in order to determine if any contamination from past improper chemical disposal has impacted the subsurface, as well as to characterize soils and fill for handling and disposal purposes that will be disturbed and/or excavated during the planned redevelopment. As a condition for closing, a Phase II must be completed on this site and submitted to the New York City Department of Environmental Protection for their review and guidance. With the implementation of these measures, the proposed project would not result in adverse impacts related to hazardous materials.

(f) No other significant effects upon the environment that would require the preparation of an Environmental Impact Statement are foreseeable.

**Section 11.** The Chairperson, the Vice Chairperson, the Secretary, the Assistant Secretary, the Executive Director and the Deputy Executive Director and the General Counsel of the Agency, and any member of the Agency, are hereby designated the authorized representatives of the Agency and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits, agreements and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution and the Agency Documents.

**Section 12.** In connection with the Project, the Applicant and Company covenant and agree to comply, and to cause each of their respective contractors, subcontractors, agents, persons or entities to

comply, with the requirements of General Municipal Law Sections 875(1) and (3), as such provisions may be amended from time to time.

(a) The Applicant and Company covenant and agree that pursuant to General Municipal Law Section 875(3) the Agency shall have the right to recover, recapture, receive, or otherwise obtain from the Company New York State sales or use tax savings taken or purported to be taken by the Applicant and the Company, and any agent or any other person or entity acting on behalf of the Applicant and the Company, to which the Company is not entitled or which are in excess of the maximum sales or use tax exemption amount authorized in Section 13 of this Resolution or which are for property or services not authorized or taken in cases where the Applicant and the Company, or any agent or any other person or entity acting on behalf of the Applicant and the Company, failed to comply with a material term or condition to use property or services in the manner required by this Resolution or any agreements entered into among the Agency, the Applicant and the Company and/or any agent or any other person or entity acting on behalf of the Applicant and the Company. The Applicant and the Company shall, and shall require each agent and any other person or entity acting on behalf of the Applicant and the Company, to cooperate with the Agency in its efforts to recover, recapture, receive, or otherwise obtain such New York State sales or use tax savings and shall promptly pay over any such amounts to the Agency that it requests. The failure to pay over such amounts to the Agency shall be grounds for the Commissioner of the New York State Department of Taxation and Finance (the "Commissioner") to assess and determine New York State sales or use taxes due from the Company under Article Twenty-Eight of the New York State Tax Law, together with any relevant penalties and interest due on such amounts.

(b) The Applicant and the Company are hereby notified (provided that such notification is not a covenant or obligation and does not create a duty on the part of the Agency to the Company or any other party) that the Agency is subject to certain requirements under the General Municipal Law, including the following:

(i) In accordance with General Municipal Law Section 875(3)(c), if the Agency recovers, recaptures, receives, or otherwise obtains, any amount of New York State sales or use tax savings from the Applicant and the Company, any agent or other person or entity, the Agency shall, within thirty days of coming into possession of such amount, remit it to the Commissioner, together with such information and report that the Commissioner deems necessary to administer payment over of such amount. The Agency shall join the Commissioner as a party in any action or proceeding that the Agency commences to recover, recapture, obtain, or otherwise seek the return of, New York State sales or use tax savings from the Company or any other agent, person or entity.

(ii) In accordance with General Municipal Law Section 875(3)(d), the Agency shall prepare an annual compliance report detailing its terms and conditions described in General Municipal Law Section 875(3)(a) and its activities and efforts to recover, recapture, receive, or otherwise obtain State sales or user tax savings described in General Municipal Law Section 875(3)(b), together with such other information as the Commissioner and the New York State Commissioner of Economic Development may require. Such report shall be filed with the Commissioner, the Director of the Division of the Budget of The State of New York, the New York State Commissioner of Economic Development, the New York State Comptroller, the Council of the City of New York, and may be included with the annual financial statement required by General Municipal Law Section 859(1)(b). Such report shall be filed regardless of whether the Agency is

required to file such financial statement described by General Municipal Law Section 859(1)(b). The failure to file or substantially complete such report shall be deemed to be the failure to file or substantially complete the statement required by such General Municipal Law Section 859(1)(b), and the consequences shall be the same as provided in General Municipal Law Section 859(1)(e).

(iii) The foregoing requirements of this Section 12 shall apply to any amounts of New York State sales or use tax savings that the Agency recovers, recaptures, receives, or otherwise obtains, regardless of whether the Agency, the Applicant or the Company or any agent or other person or entity acting on behalf of the Applicant or the Company characterizes such benefits recovered, recaptured, received, or otherwise obtained, as a penalty or liquidated or contract damages or otherwise. The foregoing requirements shall also apply to any interest or penalty that the Agency imposes on any such amounts or that are imposed on such amounts by operation of law or by judicial order or otherwise. Any such amounts or payments that the Agency recovers, recaptures, receives, or otherwise obtains, together with any interest or penalties thereon, shall be deemed to be New York State sales or use taxes and the Agency shall receive any such amounts or payments, whether as a result of court action or otherwise, as trustee for and on account of New York State.

**Section 13.** In connection with the Project, the Agency intends to grant the Applicant and the Company sales tax exemptions in an amount not to exceed \$242,185, real property tax exemptions and a mortgage recording tax exemption.

**Section 14.** This Resolution shall take effect immediately.

**ADOPTED:** July 16, 2019

**ACCEPTED:** \_\_\_\_\_, 2019

**CARE FOODS INTERNATIONAL CORP.**

By: \_\_\_\_\_  
Name:  
Title:

**MARUWA CORP.**

By: \_\_\_\_\_  
Name:  
Title:

**Exhibit J**

### **PROJECT SUMMARY**

BAMMS Two Realty, LLC, a New York limited liability real estate holding company ("Bamms"), and Manhattan Beer Distributors LLC (the "Company"), a New York limited liability company affiliated with Bamms, seek financial assistance in connection with the acquisition, renovation, furnishing and equipping of an existing approximately 140,608 square foot building on an approximately 222,700 square foot parcel of land located at 999 East 149<sup>th</sup> Street, Bronx, New York (the "Facility"), for use by the Company in its operations as a beverage warehouse and distribution facility (the "Project"). The Company anticipates acquiring the Facility in Summer 2019 and completing renovation and equipping the Project within two years of acquiring the Facility.

### **Project Location**

999 East 149<sup>th</sup> Street  
 Bronx, New York 10455

### **Actions Requested**

- Inducement and Authorizing Resolution for an Industrial Program transaction.
- Adopt a negative declaration for the Project. The Project will not have a significant adverse effect on the environment.

### **Anticipated Closing**

Summer 2019

### **Impact Summary**

<b>Employment</b>	
Jobs at Application:	16
Jobs to be Created at Project Location (Year 3):	2
<b>Total Jobs (full-time equivalents)</b>	<b>18</b>
<b>Projected Average Hourly Wage (excluding principals)</b>	<b>\$23.92</b>
<b>Highest/Lowest Hourly Wage (excluding principals)</b>	<b>\$27.22/22.55</b>

<b>Estimated City Tax Revenues</b>	
Impact of Operations (NPV 25 years at 6.25%)	\$16,850,037
One-Time Impact of Renovation	\$1,799,614
<b>Total impact of operations and renovation</b>	<b>\$18,649,651</b>
<b>Additional benefit from jobs to be created</b>	<b>\$245,683</b>

<b>Estimated Cost of Benefits Requested: New York City</b>	
Building Tax Exemption (NPV, 25 years)	\$6,383,075
Land Tax Abatement (NPV, 25 years)	\$2,337,405
MRT Benefit	\$617,500
Sales Tax Exemption	\$1,732,500
Agency Financing Fee	(\$547,500)
<b>Total Value of Benefits provided by Agency</b>	<b>\$10,522,980</b>
Available As-of-Right Benefits (ICAP)	\$2,556,910
Agency Benefits In Excess of As-of-Right Benefits	\$7,966,070

## Manhattan Beer Distributors LLC

<b>Costs of Benefits Per Job</b>	
Estimated Total Cost of Net City Benefits per Job	\$468,592
Estimated City Tax Revenue per Job	\$1,111,490

<b>Estimated Cost of Benefits Requested: New York State</b>	
MRT Benefit	\$332,500
Sales Tax Exemption	\$1,684,375
<b>Total Cost to NYS</b>	<b>\$2,016,875</b>

## Sources and Uses

Sources	Total Amount	Percent of Total Financing
Commercial Loans	\$40,000,000	50%
Equity	\$40,000,000	50%
<b>Total</b>	<b>\$80,000,000</b>	<b>100%</b>

Uses	Total Amount	Percent of Total Costs
Acquisition Costs	\$38,000,000	48%
Hard Costs	\$5,000,000	6%
Soft Costs	\$1,000,000	1%
Furnishings, Fixtures & Equipment	\$35,000,000	44%
Closing Fees	\$1,000,000	1%
<b>Total</b>	<b>\$80,000,000</b>	<b>100%</b>

## Fees

	Paid At Closing	On-Going Fees (NPV, 25 Years)
Agency Fee	\$547,500	
Project Counsel	Hourly	
Annual Agency Fee	\$1,250	\$15,607
<b>Total</b>	<b>\$548,750</b>	<b>\$15,607</b>
<b>Total Fees</b>	<b>\$564,357</b>	

## Financing and Benefits Summary

It is anticipated that the Company will finance the Project with a commercial mortgage loan (the "Loan") in the amount of approximately \$40,000,000, from JP Morgan Chase Bank, N.A., and with approximately \$40,000,000 in internal cash flow. The Loan will bear interest at a rate equal to approximately One-month LIBOR + 1% (indicative rate of 3.39% as of July 2, 2019) and will have an amortization of approximately 10 to 15 years. The Loan will be secured by a first mortgage lien on the Facility and by an assignment of all leases and rents generated by the Facility. The financial assistance proposed to be conferred by the Agency will consist of payments in lieu of City real property taxes, limited exemption from City and State mortgage recording taxes and exemption from City and State sales and use taxes. The debt service coverage ratio is anticipated to be 5.28x.

## **Manhattan Beer Distributors LLC**

### **Company Performance and Projections**

The Project will allow the Company to expand and improve the efficiency of its Bronx operations by servicing clients more quickly, as well as increasing its product offerings across new brands and beverage types. The Project would also align with Freight NYC program goals by allowing the Company to expand its use of rail for receiving shipments, since the Facility would have additional direct rail access. Increasing the Company's capacity to receive shipments via rail instead of from trucks would reduce carbon emissions, as well as lessen traffic congestion on City roads and bridges. The Company is currently a tenant at the Facility, and the Facility is adjacent to the Company's existing facilities. In addition to the facilities in the Bronx, the Company has existing warehousing facilities in four other locations — Queens, Brooklyn, Wyandanch, and Suffern. The Company states that the acquisition and renovation of the Facility will allow it to expand its Bronx operations and improve overall efficiency.

### **Inducement**

- I. The Company requires additional space in order to expand operations and meet anticipated future demand.
- II. The Project would not be financially viable without Agency benefits.

### **UTEP Considerations**

The Agency finds that the Project meets one or more considerations from Section I-B of the Agency's Uniform Tax Exemption Policy ("UTEP"), including the following:

- I. The Project will create permanent private-sector jobs.
- II. Financial assistance is required to induce the Project.
- III. The Project is likely to be completed in a timely manner.
- IV. The Project aligns with the programmatic goals of the Freight NYC program to modernize and optimize how freight moves through the City.

### **Applicant Summary**

The Company is the largest single market beer wholesaler in the United States, with more than 1,700 employees servicing over 23,000 customers and covering 14 counties in the Greater New York City Metro area. The Company was founded in 1978, when Simon Bergson, the founder, obtained local distribution rights to Carling Black label and Tuborg. The Company rebranded under its current name in 1998 and now operates with more than 1.5 million square feet of warehousing space. The Company is also committed to a green energy agenda, having been among the earliest distribution companies in the Northeast to convert its diesel truck fleet to compressed natural gas, and receive most of its shipments by rail.

#### **Simon Bergson, Founder, President and CEO**

Mr. Bergson is the President and CEO of the Company. Having founded the Company in 1978 with operations in a 4,000 square foot garage located on East 5th Street in Manhattan, the Company's warehouse capacity has grown to over 1,500,000 square feet, servicing over 75 beer suppliers and more than 250 brands. Mr. Bergson was born in a U.S. Government Displaced Persons Camp in Austria and was 6 months old when the Bergson family came to the United States. Mr. Bergson earned an Associate of Arts Degree majoring in language (Spanish) from Queensborough College, and he was awarded with the "Knights Cross of the Order of the Merit of the Republic of Poland" for his dedication and work toward Polish-Jewish relations. In addition, he was knighted by the "Belgium Brewers Guild" for his dedication to Belgium Brewing. In addition to his role as President and CEO of Manhattan Beer Distributors, Mr. Bergson also sits on several nonprofit boards, including the South Bronx Overall Economic Development Corporation.

#### **Edward J. McBrien, Chief Operating Officer**

Mr. McBrien is Chief Operating Officer of the Company. In his role as COO, he is responsible for all aspects of the business. Mr. McBrien joined the Company in 2015 after many years on the brewery side of the beer business. Previously, Mr. McBrien was President of Sales and Distributor Operations for MillerCoors. In that role, he was chiefly



## **Manhattan Beer Distributors LLC**

responsible for revenue, profit contribution, share growth and network strategy. At that time, MillerCoors was the second largest brewer in the U.S., with annual sales of \$7.5 billion, more than 30 brand families, and 9,000 employees. Mr. McBrien sits on the Board of Trustees for Northwood University and chairs the Investment Committee. He received Northwood's highest honor in 2018, Doctor of Law, Honoris Causa. He also served on the Chicago Advisory Board for Project C.U.R.E. (the leading volunteer distributor of medical supplies across the world) and the Chicago United CEO Council (promoting multiracial leadership development). Mr. McBrien earned his bachelor's degree in Business Administration from Northwood University and was the Senior Class Valedictorian as well as the Academic Athlete of the Year.

### **Employee Benefits**

Benefits include on the job training, medical, dental, and vision coverage, life insurance, 401(k) retirement benefits, a pension plan, and tuition reimbursement. The Company also provides sick leave to both full and part-time employees.

### **Recapture**

Pursuant to UTEP, all benefits are subject to recapture for a 10-year period.

### **SEQRA Determination**

No significant adverse environmental impacts, staff recommends the Board adopt a Negative Declaration for this project. The completed Environmental Assessment Form for this project has been reviewed and signed by Agency staff.

### **Due Diligence**

The Agency is conducting a background investigation of the Company.

<b>Compliance Check:</b>	In Compliance
<b>Living Wage:</b>	Compliant
<b>Paid Sick Leave:</b>	Compliant
<b>Affordable Care Act:</b>	ACA Compliant
<b>Bank Account:</b>	JP Morgan Chase
<b>Bank Check:</b>	Relationships are reported to be satisfactory.
<b>Supplier Checks:</b>	Relationships are reported to be satisfactory.
<b>Customer Checks:</b>	Relationships are reported to be satisfactory.
<b>Unions:</b>	Laundry, Distribution and Food Service Joint Board, Workers United, SEIU Local 812, International Brotherhood of Teamsters
<b>Vendex Check:</b>	Pending
<b>Attorney:</b>	Andre Jaglom Tannenbaum Helpert Syracuse & Hirschtritt LLP 900 Third Ave. New York, NY 10022

## **Manhattan Beer Distributors LLC**

**Accountant:** Craig Savell  
Margolin, Winer & Evans LLP  
400 Garden City Plaza  
Garden City, NY 11530

**Community Board:** Bronx, CB 2

Section 13. This Resolution shall take effect immediately.

ADOPTED: July 16, 2019

ACCEPTED: \_\_\_\_\_, 2019

BAMMS TWO REALTY, LLC

By: \_\_\_\_\_

Name:

Title:

MANHATTAN BEER DISTRIBUTORS LLC

By: \_\_\_\_\_

Name:

Title:

## **Exhibit K**

Resolution inducing the financing of a warehousing facility for Manhattan Beer Distributors LLC and its affiliate, BAMMS Two Realty, LLC, as a Straight-Lease Transaction and authorizing and approving the execution and delivery of agreements in connection therewith

WHEREAS, New York City Industrial Development Agency (the “Agency”) is authorized under the laws of the State of New York, and in particular the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended, and Chapter 1082 of the 1974 Laws of New York, as amended (collectively, the “Act”), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial and research facilities and thereby advance the job opportunities, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living; and

WHEREAS, BAMMS Two Realty, LLC, a New York limited liability real estate holding company (the “Applicant”), has entered into negotiations with officials of the Agency for the acquisition, renovation, furnishing and equipping of a warehousing facility (the “Facility”), consisting of an existing approximately 140,608 square foot building on an approximately 222,700 square foot parcel of land located at 999 East 149<sup>th</sup> Street, Bronx, New York, all for the use by Manhattan Beer Distributors LLC, a New York limited liability company affiliated with the Applicant (the “Company”), in its operations as a beverage warehouse and distribution facility, for lease to the Agency by the Applicant, and sublease by the Agency to the Applicant for subsequent sub-sublease in whole to the Company, and having a total project cost of approximately \$80,000,000 (the “Project”); and

WHEREAS, the Applicant has submitted a Project Application (the “Application”) to the Agency to initiate the accomplishment of the above; and

WHEREAS, the Application sets forth certain information with respect to the Applicant, the Company and the Project, including the following: that the Company is a current tenant operating at the Facility and the Project site is adjacent to another facility operated by the Company; that the Project would enable the Company to operate more efficiently; that the Company would retain approximately 16 full-time equivalent employees and expects to employ approximately 2 additional full-time equivalent employees within the three years following the completion of the Project; that the Applicant has investigated alternative facilities located outside The City of New York (the “City”) but would prefer to remain within the City; that the Company must obtain Agency financial assistance in the form of a straight-lease transaction to enable the Company to proceed with the Project and thereby remain and expand its operations in the City; and that, based upon the financial assistance provided through the Agency, the Company desires to proceed with the Project and remain and expand its operations in the City; and

WHEREAS, based upon the Application, the Agency hereby determines that Agency financial assistance and related benefits in the form of a straight-lease transaction between the Agency and the Applicant and the Company are necessary to induce the Company to remain and expand its operations in the City; and

WHEREAS, in order to finance a portion of the costs of the Project, JPMorgan Chase Bank, N.A. (such financial institution, or any other financial institution as may be approved by a certificate of determination of an Agency officer, the “Lender”) has agreed to enter into a loan arrangement with the Company pursuant to which the Lender will lend approximately \$40,000,000 to the Applicant and other affiliates, and the Agency and the Applicant will grant a mortgage on the Facility to the Lender (the “Lender Mortgage”); and

WHEREAS, for purposes of refinancing from time to time the indebtedness secured by the Lender Mortgage (the “Original Mortgage Indebtedness”) (whether such refinancing is in an amount equal to or greater than the outstanding principal balance of the Original Mortgage Indebtedness), the Applicant may from time to time desire to enter into new mortgage arrangements, including but not limited to consolidation with mortgages granted subsequent to the Lender Mortgage; and therefore the Applicant may request the Agency to enter into the mortgage instruments required for such new mortgage arrangements (“Refinancing Mortgage(s)”); and

WHEREAS, in order to provide financial assistance to the Applicant and the Company for the Project, the Agency intends to grant the Applicant and the Company financial assistance through a straight-lease transaction in the form of real property tax abatements, sales tax exemptions and partial mortgage recording tax exemptions, all pursuant to the Act;

NOW, THEREFORE, NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY HEREBY RESOLVES AS FOLLOWS:

Section 1. The Agency hereby determines that the Project and the provision by the Agency of financial assistance to the Applicant and the Company pursuant to the Act in the form of a straight-lease transaction will promote and is authorized by and will be in furtherance of the policy of the State of New York as set forth in the Act and hereby authorizes the Applicant and the Company to proceed with the Project. The Agency further determines that

(a) the Project shall not result in the removal of any facility or plant of the Applicant or the Company or any other occupant or user of the Facility from outside of the City (but within the State of New York) to within the City or in the abandonment of one or more facilities or plants of the Applicant or the Company or any other occupant or user of the Facility located within the State of New York (but outside of the City);

(b) no funds of the Agency shall be used in connection with the Project for the purpose of preventing the establishment of an industrial or manufacturing plant or for the purpose of advertising or promotional materials which depict elected or appointed government officials in either print or electronic media, nor shall any funds of the Agency be given in connection with the Project to any group or organization which is attempting to prevent the establishment of an industrial or manufacturing plant within the State of New York; and

(c) not more than one-third of the total Project cost is in respect of facilities or property primarily used in making retail sales of goods or services to customers who personally visit such facilities within the meaning of Section 862 of the New York General Municipal Law.

Section 2. To accomplish the purposes of the Act and to provide financial assistance to the Applicant and the Company for the Project, a straight-lease transaction is hereby authorized subject to the provisions of this Resolution.

Section 3. The Agency hereby authorizes the Applicant and the Company to proceed with the Project as herein authorized. The Applicant and the Company are authorized to proceed with the Project on behalf of the Agency as set forth in this Resolution; provided, however, that it is acknowledged and agreed by the Applicant and the Company that (i) nominal leasehold title to or other interest of the Agency in the Facility shall be in the Agency for purposes of granting financial assistance, and (ii) the Applicant and the Company are hereby constituted the agents for the Agency solely for the purpose of effecting the Project, and the Agency shall have no personal liability for any such action taken by the Applicant or the Company for such purpose.

Section 4. The execution and delivery of a Company Lease Agreement from the Applicant leasing the Facility to the Agency, an Agency Lease Agreement from the Agency subleasing the Facility to the Applicant (the "Lease Agreement") (for sub-sublease to the Company), a Sales Tax Letter from the Agency to the Company and the Applicant, the Lender Mortgage, the Refinancing Mortgages and the acceptance of a Guaranty Agreement from the Company, the Applicant and the Applicant's and the Company's owners and/or principals in favor of the Agency (the "Guaranty Agreement") (each document referenced in this Section 4 being, collectively, the "Agency Documents"), each being substantively the same as approved by the Agency for prior transactions, is hereby authorized. The Chairman, Vice Chairman, Executive Director, Deputy Executive Director, General Counsel and Vice President for Legal Affairs of the Agency are each hereby authorized to execute, acknowledge and deliver each such Agency Document. The execution and delivery of each such agreement by one of said officers shall be conclusive evidence of due authorization and approval.

Section 5. The officers of the Agency and other appropriate officials of the Agency and its agents and employees are hereby authorized and directed to take whatever steps may be necessary to cooperate with the Applicant and the Company to assist in the Project.

Section 6. All covenants, stipulations, obligations and agreements of the Agency contained in this Resolution and contained in the Agency Documents shall be deemed to be the covenants, stipulations, obligations and agreements of the Agency to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Agency and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Agency or the members thereof by the provisions of this Resolution or the Agency Documents shall be exercised or performed by the Agency or by such members, officers, board or body as may be required by law to exercise such powers and to perform such duties.

No covenant, stipulation, obligation or agreement herein contained or contained in the Agency Documents shall be deemed to be a covenant, stipulation, obligation or agreement of any member, director, officer, agent or employee of the Agency in his or her individual capacity and neither the members nor the directors of the Agency nor any officer executing any Agency

Document shall be liable personally for any amounts payable thereunder or arising from claims thereon or be subject to any personal liability or accountability by reason of the execution and delivery or acceptance thereof.

Section 7. The officers of the Agency are hereby designated the authorized representatives of the Agency, and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution. The Agency recognizes that due to the unusual complexities of the transaction it may become necessary that certain of the terms approved hereby may require modifications which will not affect the intent and substance of the authorizations and approvals by the Agency herein. The Agency hereby authorizes the Chairman, Vice Chairman, Executive Director, Deputy Executive Director, General Counsel or Vice President for Legal Affairs to approve modifications to the terms approved hereby which do not affect the intent and substance of this Resolution. The approval of such modifications shall be evidenced by a certificate of determination of an Agency officer.

Section 8. Any expenses incurred by the Agency with respect to the Project shall be paid by the Applicant. By acceptance hereof, the Applicant agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Project.

Section 9. This Resolution is subject to approval based on an investigative report with respect to the Applicant and the Company. The provisions of this Resolution shall continue to be effective for one year from the date hereof, whereupon the Agency may, at its option, terminate the effectiveness of this Resolution (except with respect to the matters contained in Section 8 hereof).

Section 10. The Agency, as lead agency, is issuing this determination pursuant to the State Environmental Quality Review Act ("SEQRA") (Article 8 of the Environmental Conservation Law) and implementing regulations contained in 6 N.Y.C.R.R. Part 617. This determination is based upon the Agency's review of information provided by the Applicant and such other information as the Agency has deemed necessary and appropriate to make this determination.

The Agency hereby determines that the Project, an unlisted action, pursuant to SEQRA and the implementing regulations, will not have a significant effect on the environment and that a Draft Environmental Impact Statement will not be prepared for the Project. The reasons supporting this determination with respect to the Project are as follows:

- (1) The Project would not result in a substantial adverse change in existing traffic, air quality, or noise levels. The Project is a renovation of an existing building and, given 100% of shipments are planned to be delivered to the Facility via rail, is not expected to substantially increase the amount of traffic to/from the Project site.



- (2) The Project would not result in significant adverse impacts on cultural, archaeological, architectural, or aesthetic resources or the existing neighborhood.
- (3) The Project would not result in significant adverse impacts to natural resources, critical habitats, or water quality. The Project site is located within New York City's coastal zone boundary. Having reviewed the materials submitted by the Applicant regarding this action, the Agency finds that the proposed action is consistent with the policies comprising New York City's Waterfront Revitalization Program ("WRP") and that the proposed action would not hinder the achievement of the WRP.
- (4) The Project would not result in a change in existing zoning or land use. The proposed tenancy would be as-of-right under zoning.
- (5) The proposed renovation of the existing building would involve no subsurface disturbance. A Phase I Environmental Site Assessment conducted on the site noted several recognized environmental conditions, including an underground storage tank adjacent to the southwest loading dock, and three registered 550-gallon fuel oil USTs that were reported as removed. In addition, an underground tank at the north adjacent property was reported to have leaked, and thus a Phase II Environmental Site Assessment was completed on the subject property. The Phase II Environmental Site Assessment, completed on February 14, 2012, indicated
  - No obvious evidence of gross contamination was noted in the soil samples. No staining or odors were detected in any of the soil samples;
  - In all four soil samples collected at the subject site, no VOCs, SVOCs or Lead were detected above the Unrestricted and Commercial SCOs or the Gasoline/Fuel Oil guidance values.
  - One of the two groundwater samples was analyzed for Complete VOCs and none was detected above TOGS Values. The second groundwater sample was analyzed for Complete VOCs, STARs SVOCs and Lead (Total and Dissolved). No SVOCs or Lead were detected above the Unrestricted and Commercial SCOs or the Gasoline/Fuel Oil guidance values in either of these samples. Two VOCs, n-Propylbenzene and Isopropylbenzene, slightly exceeded TOGS values in one sample. N-Propylbenzene and Isopropylbenzene are common constituents of gasoline;
  - Based on the findings of HRP's site investigation, the two VOCs, n-Propylbenzene and Isopropylbenzene, detected in the one groundwater sample are likely associated with a historic petroleum release related to the former gasoline UST. However, it should be noted the levels of these constituents are considered low and not a significant environmental threat to the subject site.

Due to the Project involving no subsurface soil disturbance, no adverse impacts related to hazardous materials are expected from the Project.

- (6) No other significant effects upon the environment that would require the preparation of an Environmental Impact Statement are foreseeable.

Section 11. In connection with the Project, each of the Applicant and the Company covenants and agrees to comply, and to cause each of their respective contractors, subcontractors, agents, persons or entities to comply, with the requirements of General Municipal Law Sections 875(1) and (3), as such provisions may be amended from time to time.

(1) The Applicant and the Company each acknowledges and agrees that pursuant to General Municipal Law Section 875(3) the Agency shall have the right to recover, recapture, receive, or otherwise obtain from the Applicant and/or the Company New York State sales or use tax savings taken or purported to be taken by the Applicant or the Company, and any agent or any other person or entity acting on behalf of the Applicant or the Company, to which the Applicant or the Company is not entitled or which are in excess of the maximum sales or use tax exemption amount authorized in Section 12 of this Resolution or which are for property or services not authorized or taken in cases where the Applicant or the Company, or any agent or any other person or entity acting on behalf of the Applicant or the Company, failed to comply with a material term or condition to use property or services in the manner required by this Resolution or any agreements entered into among the Agency, the Applicant, the Company and/or any agent or any other person or entity acting on behalf of the Applicant or the Company. The Applicant and the Company shall, and shall require each agent and any other person or entity acting on behalf of the Applicant and/or the Company, to cooperate with the Agency in its efforts to recover, recapture, receive, or otherwise obtain such New York State sales or use tax savings and shall promptly pay over any such amounts to the Agency that it requests. The failure to pay over such amounts to the Agency shall be grounds for the Commissioner of the New York State Department of Taxation and Finance (the "Commissioner") to assess and determine New York State sales or use taxes due from the Applicant and/or the Company under Article Twenty-Eight of the New York State Tax Law, together with any relevant penalties and interest due on such amounts.

(2) The Applicant and the Company are hereby notified (provided that such notification is not a covenant or obligation and does not create a duty on the part of the Agency to the Applicant or the Company or any other party) that the Agency is subject to certain requirements under the General Municipal Law, including the following:

- (i) In accordance with General Municipal Law Section 875(3)(c), if the Agency recovers, recaptures, receives, or otherwise obtains, any amount of New York State sales or use tax savings from the Applicant, the Company, any agent or other person or entity, the Agency shall, within thirty days of coming into possession of such amount, remit it to the Commissioner, together with such information and report that the Commissioner deems necessary to administer payment over of such amount. The Agency shall join the Commissioner as a party in any action or proceeding that the Agency commences to recover, recapture, obtain, or otherwise seek the return of, New York State sales or use tax savings from Applicant or the Company or any other agent, person or entity.

(ii) In accordance with General Municipal Law Section 875(3)(d), the Agency shall prepare an annual compliance report detailing its terms and conditions described in General Municipal Law Section 875(3)(a) and its activities and efforts to recover, recapture, receive, or otherwise obtain State sales or user tax savings described in General Municipal Law Section 875(3)(b), together with such other information as the Commissioner and the New York State Commissioner of Economic Development may require. Such report shall be filed with the Commissioner, the Director of the Division of the Budget of The State of New York, the New York State Commissioner of Economic Development, the New York State Comptroller, the Council of the City of New York, and may be included with the annual financial statement required by General Municipal Law Section 859(1)(b). Such report shall be filed regardless of whether the Agency is required to file such financial statement described by General Municipal Law Section 859(1)(b). The failure to file or substantially complete such report shall be deemed to be the failure to file or substantially complete the statement required by such General Municipal Law Section 859(1)(b), and the consequences shall be the same as provided in General Municipal Law Section 859(1)(e).

(3) The foregoing requirements of this Section 11 shall apply to any amounts of New York State sales or use tax savings that the Agency recovers, recaptures, receives, or otherwise obtains, regardless of whether the Agency, the Applicant, the Company or any agent or other person or entity acting on behalf of the Applicant or the Company characterizes such benefits recovered, recaptured, received, or otherwise obtained, as a penalty or liquidated or contract damages or otherwise. The foregoing requirements shall also apply to any interest or penalty that the Agency imposes on any such amounts or that are imposed on such amounts by operation of law or by judicial order or otherwise. Any such amounts or payments that the Agency recovers, recaptures, receives, or otherwise obtains, together with any interest or penalties thereon, shall be deemed to be New York State sales or use taxes and the Agency shall receive any such amounts or payments, whether as a result of court action or otherwise, as trustee for and on account of New York State.

Section 12. In connection with the Project, the Agency intends to grant the Applicant and the Company real property tax abatements, sales and use tax exemptions in an amount not to exceed \$3,416,875 and partial mortgage recording tax exemptions.

Section 13. This Resolution shall take effect immediately.

ADOPTED: July 16, 2019

ACCEPTED: \_\_\_\_\_, 2019

BAMMS TWO REALTY, LLC

By: \_\_\_\_\_

Name:

Title:

MANHATTAN BEER DISTRIBUTORS LLC

By: \_\_\_\_\_

Name:

Title:

**Exhibit L**

**Project Summary**

Baco Enterprises, Inc. (the "Company") is a manufacturer of fabricated steel and threaded products for bridge and highway contractors, as well as other construction contractors. In February 2014, the Company, through its affiliate, 630 Worthen LLC, entered into an Industrial Incentive Program transaction with the Agency to acquire 628-632 Worthen Street in the Hunts Point section of the Bronx (the "Project Facility"), demolish the existing improvements and construct a new 7,500 square foot facility which will be furnished and equipped for manufacturing, storage and distribution (the "2014 Project"). The Company entered into the 2014 Project agreement with the Agency because it needed to acquire the 2014 Project Facility which is adjacent to its main facility at 1190 Longwood Avenue, for which the Agency authorized financial assistance in 2001 (the "2001 Project"), and the new facility would accommodate the Company's expanding business operations. While completing the 2014 Project Facility, the Company decided to enter into a third transaction with the Agency in December 2018 to acquire another adjacent property at 627-631 Tiffany Street to facilitate the further expansion of its operations. Since 2001, the Company has seen an increase of over 200% in employment.

Pursuant to the transactional documents for the 2014 Project, the Company was required to complete the 2014 Project by February 14, 2016. The Company was unable to complete construction as planned due mainly to architectural design delays.

On March 11, 2016, the Company was granted an extension to complete the 2014 Project by February 14, 2017. However, the Company had experienced further delays related to pile testing and delivery of supplies and on June 13, 2017, the Agency granted an additional extension to complete the project by April 30, 2018. After the Agency granted the aforementioned extension, the Company's contractor lost its license because of an incident at an unrelated site, and the Company had to find a new contractor. The Company also had to resolve issues with the Department of Buildings ("DOB") relating to the design of supporting beams and was also delayed because the Department of Environmental Protection ("DEP") experienced difficulties in locating the sewer connection to enable plumbing work to begin at the Project Facility. After resolution of these issues with DOB and DEP, the Agency again granted an extension to April 30, 2019. The 2014 Project is close to completion, but final work is being held up due to a delay in the provision of gas supply by Con Edison. Accordingly, Agency Staff is requesting that the Board approve all amendments to the project documents necessary to extend the Company's construction completion date for the 2014 Project to January 15, 2020. No new benefits will be provided in connection with this Post-Closing Amendment request.

**Project Locations**

628-632 Worthen Street, Bronx, NY 10474

**Action Requested**

Approve amendments to the project documents needed to extend the Project Completion Date to January 15, 2020.

**Prior Actions**

Inducement Resolution approved on April 10, 2012  
Authorization Resolution approved on May 8, 2012  
Approved Completion Date extension on June 13, 2017

**Fees Paid for Amendment**

A Post-Closing fee of \$2,500 has been paid.

**Due Diligence**

A review of the Company's compliance with project requirements revealed no outstanding issues other than those related to the completion of the 2014 Project.

**Exhibit M**



Resolution authorizing and approving the extension of the Project Completion Date in connection with a 2014 Straight-Lease Project for Baco Enterprises, Inc. and its affiliate, 630 Worthen, LLC

WHEREAS, New York City Industrial Development Agency (the “Agency”) is authorized under the laws of the State of New York, and in particular the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended, and Chapter 1082 of the 1974 Laws of New York, as amended (collectively, the “Act”), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial and research facilities and thereby advance the job opportunities, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living; and

WHEREAS, Baco Enterprises, Inc., a New York corporation (the “Project Company”), entered into negotiations with officials of the Agency for the acquisition, renovation and equipping of a warehousing and manufacturing facility (the “Facility”), consisting of the acquisition of an approximately 7,500 square foot facility located at 628-632 Worthen Street in Bronx, New York, and the subsequent demolition, construction and equipping of a new 7,500 square foot facility, all for the use by the Project Company for the manufacture and warehousing of fabricated steel and threaded products (the “Project”); and

WHEREAS, on February 14, 2014, the Agency entered into a Straight-Lease Transaction with the Project Company and the documents provided for a Project completion date by February 14, 2016; and

WHEREAS, the Project Company has advised the Agency that due to unforeseen circumstances, it requires that the Project completion date be extended to January 15, 2020; and

WHEREAS, the Agency desires to accommodate such request of the Project Company;

NOW, THEREFORE, NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY HEREBY RESOLVES AS FOLLOWS:

Section 1. The Agency hereby consents to the extension of the Project completion date to January 15, 2020.

Section 2. The execution and delivery of such documents or amendments to documents (collectively, the “Agency Documents”) to evidence the extension of the Project completion date, is hereby authorized. The Chairman, Vice Chairman, Executive Director, Deputy Executive Director and General Counsel of the Agency are each hereby authorized to execute, acknowledge and deliver each such Agency Document. The execution and delivery of each such agreement by one of said officers shall be conclusive evidence of due authorization and approval.

Section 3. All covenants, stipulations, obligations and agreements of the Agency contained in this Resolution and contained in the Agency Documents shall be deemed to

be the covenants, stipulations, obligations and agreements of the Agency to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Agency and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Agency or the members thereof by the provisions of this Resolution or the Agency Documents shall be exercised or performed by the Agency or by such members, officers, board or body as may be required by law to exercise such powers and to perform such duties.

No covenant, stipulation, obligation or agreement herein contained or contained in the Agency Documents shall be deemed to be a covenant, stipulation, obligation or agreement of any member, director, officer, agent or employee of the Agency in his or her individual capacity and neither the members nor the directors of the Agency nor any officer executing any Agency Document shall be liable personally for any amounts payable thereunder or arising from claims thereon or be subject to any personal liability or accountability by reason of the execution and delivery or acceptance thereof.

Section 4. The officers of the Agency are hereby designated the authorized representatives of the Agency, and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution. The Agency recognizes that due to the unusual complexities of the transaction it may become necessary that certain of the terms approved hereby may require modifications which will not affect the intent and substance of the authorizations and approvals by the Agency herein. The Agency hereby authorizes the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or General Counsel to approve modifications to the terms approved hereby which do not affect the intent and substance of this Resolution. The approval of such modifications shall be evidenced by a certificate of determination of an Agency officer.

Section 5. This Resolution shall take effect immediately.

ADOPTED: July 16, 2019

**Exhibit N**

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### **Project Summary**

Picture Car Services, Ltd. (the “Company”) modifies, customizes, and supplies vehicles for film and television productions throughout the New York City area. Mult Lots, LLC (the “Lessee”) and the Company entered into an Industrial Incentive Straight Lease transaction (the “Agreement”) with the New York City Industrial Development Agency (the “Agency”) on June 23, 2016 to support the acquisition and demolition of a 63,000 square foot building and the construction, equipping and furnishing of a new 150,000 gross square foot building in the Ridgewood neighborhood of Queens (the “Facility”). The Facility will be used to refurbish, fabricate, store and distribute vehicles and other automotive rolling stock items for television and film productions (the “Project”).

Pursuant to the Agreement, the Lessee was required to complete construction by June 1, 2019 (the “Completion Deadline”). After delays involving unforeseen ground obstructions, the signing of a neighbor access agreement and a redesign of the Facility’s gas and heating system, the Lessee requested an extension of the Completion Deadline and Sales Tax Exemption to December 31, 2020. Construction is ongoing and the Lessee is confident that it will be able to certify project completion by December 31, 2020.

### **Project Location**

48-05 Metropolitan Avenue, Ridgewood, NY 11385

### **Action Requested**

Approve a Post-Closing Resolution to extend the Completion Deadline and Sales Tax Exemption to December 31, 2020.

### **Prior Actions**

- Inducement Resolution approved February 9, 2016
- Authorizing Resolution approved April 12, 2016

### **Fees Paid for Amendment**

A Post-Closing fee of \$2,500 was assessed for the amendment.

### **Due Diligence**

A review of Project’s compliance requirements with its project documents revealed no outstanding issues other than the missed Project Completion Date of June 1, 2019.

### **Anticipated Transaction Date**

July 2019

## **Exhibit O**

**RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF  
AGREEMENTS IN CONNECTION WITH THE PICTURE CAR SERVICES,  
LTD. PROJECT**

**WHEREAS**, the New York City Industrial Development Agency, New York, New York (the “Agency”) is authorized under the laws of the State of New York, and in particular the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended, and Chapter 1082 of the 1974 Laws of New York, as amended (collectively, the “Act”), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial and research facilities and thereby advance the job opportunities, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living; and

**WHEREAS**, on June 23, 2016 (the “Closing Date”), the Agency entered into a straight-lease transaction with Mult Lots, LLC (the “Lessee”) and Picture Car Services, Ltd. (the “Sublessee”) in connection with the acquisition and demolition of a 63,000 square foot building located on a 68,000 square foot parcel of land at 48-05 Metropolitan Avenue in the Ridgewood section of Queens and the construction, equipping and furnishing of a new 150,000 gross square foot building thereon for the refurbishment, fabrication, storage and distribution of vehicles and other automotive rolling stock items for television and film productions (the “Project”). In connection with the Project, the Agency entered into various agreements, including an Agency Lease Agreement (collectively, the “Project Documents”); and

**WHEREAS**, the Lessee has requested that the Agency amend the Project Documents to extend the Completion Deadline to December 31, 2020 (as such terms are defined in the Agency Lease Agreement) (the “Extension”);

**NOW, THEREFORE, THE NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY HEREBY  
RESOLVES AS FOLLOWS:**

**Section 1.** The Agency and the Lessee may enter into certain amendments and/or supplements to the Project Documents to reflect the Extension (collectively, the “Amendments”). The Chairperson, Vice Chairperson, Executive Director, Deputy Executive Director, or General Counsel of the Agency are hereby authorized and directed to execute, acknowledge and deliver any such Amendments on behalf of the Agency in such form and substance as may be acceptable to the Chairperson, Vice Chairperson, Executive Director, Deputy Executive Director or General Counsel of the Agency. The execution and delivery of such Amendments shall be conclusive evidence of due authorization and approval of such Amendments in their final form.

**Section 2.** All covenants, stipulations, obligations and agreements of the Agency contained in this Resolution, the Amendments, any instruments or any documents related thereto and authorized hereby (collectively, the “Agency Documents”) shall be deemed to be the covenants, stipulations, obligations and agreements of the Agency to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Agency and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Agency or the officers thereof by the provisions of this Resolution or any of the Agency Documents shall be exercised or performed by the Agency or such officers, or by officers, board or body as may be required by law to exercise such powers and to perform such duties.

No covenant, stipulation, obligation or agreement herein contained or contained in any Agency Document shall be deemed to be a covenant, stipulation, obligation or agreement of any member, director, officer, agent or employee of the Agency in the individual capacity thereof and neither the members nor the directors of the Agency nor any officer executing any Agency Document or entering into or accepting any such instruments relating to the Facility shall be liable personally for any amounts payable thereunder or arising from claims thereon or be subject to any personal liability or accountability by reason of the execution and delivery or acceptance thereof.

**Section 3.** The Chairperson, the Vice Chairperson, the Secretary, the Assistant Secretary, the Executive Director and the Deputy Executive Director and the General Counsel of the Agency, and any member of the Agency, are hereby designated the authorized representatives of the Agency and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents or agreements and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution and the Agency Documents.

**Section 4.** This Resolution shall take effect immediately.

**ADOPTED:** July 16, 2019

**Exhibit P**



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### **Project Summary**

On June 18, 1999, the New York City Industrial Development Agency (the "Agency") entered into an agreement with Steinway, Inc. (the "Company") for the renovation, improvement and equipping of approximately 421,000 square foot buildings used for a piano manufacturing facility (the "Project") within Queens. The Company conveyed to the Agency fee simple title to the facility, and the Agency leased such facility to the Company.

The Company plans to sell approximately 68,000 square feet of the approximately 421,000 square feet of buildings to WF Industrial IV, LLC ("Wildflower"). Wildflower plans to demolish the portion of the existing buildings and redevelop the portion of the land for commercial use as a film studio, a pre- and post-production office and parking area. The Company intends to continue its piano manufacturing and other operations in the remaining portion of facility that it will retain, with minimal headcount reduction and operational changes.

In order to effectuate the sale, the Company requests the Agency's consent to undertake a tax lot subdivision of the land and selling a portion of such land and any existing improvements. The Company also requests the Agency amend project documents to reflect the subdivision and sale of the aforementioned portion to Wildflower. No new benefits will be conferred and payment in lieu of taxes will continue on the portion of the facility that will continue to be occupied and operated by the Company after the subdivision and sale.

### **Project Locations**

One Steinway Place Long Island City, NY

### **Action Requested**

Authorize Agency staff to amend the project documents as necessary to allow for the subdivision of the land and sale of the portion of the property.

### **Prior Actions**

Inducement and Authorizing Resolution approved on May 11, 1999

### **Fees Paid for Amendment**

A Post-Closing fee of \$2,500 was assessed for the amendment.

### **Due Diligence**

A review of Project's compliance requirements with its project documents revealed no outstanding issues.

### **Anticipated Transaction Date**

July 2019

## **Exhibit Q**

**RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF  
AGREEMENTS IN CONNECTION WITH THE STEINWAY, INC. PROJECT**

**WHEREAS**, the New York City Industrial Development Agency, New York, New York (the “Agency”) is authorized under the laws of the State of New York, and in particular the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended, and Chapter 1082 of the 1974 Laws of New York, as amended (collectively, the “Act”), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial and research facilities and thereby advance the job opportunities, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living; and

**WHEREAS**, on June 18, 1999 (the “Closing Date”), the Agency entered into a straight-lease transaction with Steinway, Inc. (the “Lessee”) in connection with the renovation, improvement and equipping of an approximately 421,000 square foot building located at Steinway Place/19th Avenue (a/k/a One Steinway Place) in Long Island City, New York (the “Facility”), all for use by the Lessee in connection with the manufacturing and distribution of pianos (together with the Facility, the “Project”) and the Agency entered into various agreements in connection with such Project (collectively, the “Initial Project Documents”); and

**WHEREAS**, the Lessee has requested that the Agency consent to the Lessee undertaking a tax lot subdivision of the land constituting the Facility and selling a portion of such land and any existing improvements thereon to WF INDUSTRIAL IV, LLC (collectively, the “Subdivision and Sale”); and

**WHEREAS**, the Lessee has requested that the Agency amend the Initial Project Documents to reflect such Subdivision and Sale and continue the existing payment in lieu of real estate taxes on that portion of the Facility which will continue to be occupied and operated by the Lessee after the Subdivision and Sale (collectively, the “Amendments”);

**NOW, THEREFORE, THE NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY HEREBY  
RESOLVES AS FOLLOWS:**

**Section 1.** The Agency hereby consents to the Subdivision and Sale.

**Section 2.** The Agency and the Lessee may enter into the Amendments and any related documents to reflect such consent and/or Subdivision and Sale (collectively, the “Amendment/Consent Documents”). The Chairperson, Vice Chairperson, Executive Director, Deputy Executive Director, or General Counsel of the Agency are hereby authorized and directed to execute, acknowledge and deliver any such Amendment/Consent Documents on behalf of the Agency in such form and substance as may be acceptable to the Chairperson, Vice Chairperson, Executive Director, Deputy Executive Director or General Counsel of the Agency. The execution and delivery of such Amendment/Consent Documents shall be conclusive evidence of due authorization and approval of such Agency Documents in their final form.

**Section 3.** All covenants, stipulations, obligations and agreements of the Agency contained in this Resolution, the Amendment/Consent Documents, any instruments or any documents related thereto and authorized hereby (collectively, the “Agency Documents”) shall be deemed to be the covenants, stipulations, obligations and agreements of the Agency to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Agency and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Agency or the officers thereof by the provisions of this Resolution or any of the Agency Documents shall be exercised or performed by the Agency or such officers, or by officers, board or body as may be required by law to exercise such powers and to perform such duties.

No covenant, stipulation, obligation or agreement herein contained or contained in any Agency Document shall be deemed to be a covenant, stipulation, obligation or agreement of any member, director, officer, agent or employee of the Agency in the individual capacity thereof and neither the members nor the directors of the Agency nor any officer executing any Agency Document or entering into or accepting any such instruments relating to the Facility shall be liable personally

for any amounts payable thereunder or arising from claims thereon or be subject to any personal liability or accountability by reason of the execution and delivery or acceptance thereof.

**Section 4.** The Chairperson, the Vice Chairperson, the Secretary, the Assistant Secretary, the Executive Director and the Deputy Executive Director and the General Counsel of the Agency, and any member of the Agency, are hereby designated the authorized representatives of the Agency and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents or agreements and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution and the Agency Documents.

**Section 5.** This Resolution shall take effect immediately.

**ADOPTED:** July 16, 2019