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
SEPTEMBER 24, 2019

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

James Patchett
HeeWon Brindle-Khym
Brian Cook, alternate for Scott M. Stringer,
Comptroller of The City of New York
Khary Cuffe
Albert De Leon
Barry Dinerstein, alternate for Marisa Lago,
Chair of the City Planning Commission of The City of New York
Pedram Mahdavi, alternate for Vicki Been,
Deputy Mayor for Housing and Economic Development
James Prendamano

Angela Pinsky
Jacques-Philippe Piverger
Shanel Thomas
Betty Woo, alternate for Zachary W. Carter, Esq.,
Corporation Counsel of The City of New York

The following directors were not present:

Marlene Cintron
Andrea Feirstein
Robert Santos

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) Anne Rabbino from Bryant Rabbino LLP, (5) Alex Deland 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 July 16, 2019 Board of Directors Meeting

Mr. Patchett asked if there were any comments or questions relating to the minutes of the July 16, 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 July 31, 2019 (Unaudited)

Carol Ann Butler, Assistant Vice President of NYCEDC, presented the Agency's Financial Statements for the one-month period ending July 31, 2019 (Unaudited). Ms. Butler reported the following. For the month of July, the Agency recognized revenues in the amount of $80,000, which came from project finance fees from one transaction. The Agency recognized operating expenses, largely consisting of the monthly management fee, in the amount of $637,000 for the one-month period ending on July 31, 2019. Ms. Butler stated that the Agency's net position is $21,700,000.

At this time HeeWon Brindle-Khym joined the quorum.

3. Audited Financial Statements for Fiscal Year Ended June 30, 2019

Fred D'Ascoli, Controller for NYCEDC and Assistant Treasurer of the Agency, and Amy Chan, Deputy Controller for NYCEDC, presented for review and approval the Agency's Audited Financial Statements for the Fiscal Year ended June 30, 2019.

On behalf of the Audit Committee, Mr. De Leon stated that the Audit Committee was satisfied with the Agency's Audited Financial Statements and recommended the approval thereof by the Board.

4. Annual Investment Report for Fiscal Year Ended June 30, 2019

Mr. D'Ascoli and Ms. Chan presented for review and approval the Agency's Annual Investment Report for the Fiscal Year ended June 30, 2019.

On behalf of the Audit Committee, Mr. De Leon stated that the Audit Committee was satisfied with the Annual Investment Report and recommended the approval thereof by the Board.

There being no comments or questions, a motion to approve the Agency's Audited Financial Statements for the Fiscal Year ended June 30, 2019 attached hereto as Exhibit A, as submitted, and the Agency's Annual Investment Report for the Fiscal Year ended June 30, 2019 attached hereto as Exhibit B, as submitted, were made, seconded and unanimously approved.

5. Performance Measurements Report

Krishna Omolade, a Vice President of NYCEDC and Executive Director of the Agency, presented the Agency's performance measurements report.

In response to a question from Mr. Piverger, Mr. Omolade stated that the company tracks the wages of their employees as well as the number of jobs created.

There being no comments or questions, a motion to approve the performance measurements report attached hereto as Exhibit C, as submitted, was made, seconded and unanimously approved.

6. Board Performance Self-Evaluation Survey Results

Emily Marcus, a Senior Project Manager for NYCEDC, presented the results of the Board's annual Self-Evaluation Survey (the "Survey"). Ms. Marcus stated that sixteen out of sixteen Board members took the Survey.

On behalf of the Governance Committee, Ms. Woo stated that she and Mr. Santos reviewed the results with Mr. Omolade and Ms. Marcus, which were positive. Ms. Woo stated that there were a few questions where there was one person disagreeing and question 13 is the only question where there was one disagree and one strongly disagree. Ms. Woo stated that has been consistent for the last few years that question number 13 has been the one where some people feel differently. Ms. Woo stated that the question is "the board exercises appropriate oversight of the CEO and other executive staff including setting performance expectations and reviewing performance annually" so to the extent people feel the board is not adequately overseeing the CEO and other executives the Governance Committee would appreciate any suggestions or comments. Ms. Woo stated that she wanted to thank Ms. Marcus and Mr. Omolade for being available to answer questions before each board meeting on the items that are being presented. Ms. Woo stated that she and Mr. Santos are available to speak separately with anyone after the meeting regarding question number 13.

Mr. Patchett stated that it is worth noting that question number 13 is a little bit of an unusual case for this circumstance because most industrial development agencies around New York State are structured as an independent entity that has its own staff and board whereas in this case the Agency contracts with NYCEDC for staffing. Mr. Patchett stated that the Agency does not have direct employees which is an unusual circumstance. Mr. Patchett stated that the NYCEDC board of directors has significant oversight over the staff of NYCEDC whereas in this case it is a contractual arrangement between the Agency and NYCEDC so it is a little bit hard to answer that question in the format that we have here.

7. <u>45-18 Court Square Owner, L.L.C.</u>

Ms. Marcus presented for review and adoption an amending inducement and authorizing resolution for a Commercial Life Sciences transaction for the benefit of 45-18 Court Square Owner, L.L.C. 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 reflected in <u>Exhibit D</u>.

In response to a question from Mr. Piverger, Ms. Marcus stated that the project facility will be put up as security for the loan and its affiliate that owns the facility will secure and guarantee the loan. In response to a question from Mr. Piverger, Ms. Marcus stated that the owners are putting up the security based on their assets while a new company is created. Mr. Omolade stated that the asset itself is security and then affiliates of King Street Properties, GFP Real Estate, and the Carlyle Group will be guarantors of the loan. In response to a question from Ms. Thomas, Ms. Marcus stated that the tenant companies will be obligated to use HireNYC as part of their hiring plan. In response to a question from Mr. Piverger, Ms. Marcus stated that Agency staff provided the Board with a proforma for the development portion of the project. In response to a question from Mr. Piverger, Mr. Omolade stated that the projected rents are anticipated to be between $75 and $80 a square foot and that the space has not been pre-leased and over the next few years they will begin marketing the space and tenanting the space.

Mr. Patchett stated that part of the rationale for this effort is that building out more research and development space is beneficial for the City since currently there is not enough. Mr. Patchett stated that Agency staff felt that there was a need for incentives because people are not willing to build lab space because tenants don't exist today so there is an expectation that if the space is built then the tenants will follow and Agency staff has received a lot of interest from potential tenants. Mr. Patchett stated that the Agency is not covering the full cost of the construction of the lab building so they are still taking a significant amount of risk and that Agency staff received guarantees from the principals behind the loan so they believe in the project. Mr. Patchett stated that Agency staff are excited to see this space built out and that the addition of this lab space to the City means there will be space for more companies that are coming out and developing drugs. Mr. Patchett stated that the Agency's board approved a project with Deerfield, which is a great example of what is possible because they are going to be bringing in a lot of start-ups coming out of the New York institutions who used to only research and develop drugs but now can get drugs developed in the lab and into a company's product line. Mr. Patchett stated that for Agency staff more lab space in the City allows more drugs to be created. Mr. Patchett stated that pre-leasing isn't part of the structure for this project but if there was then it wouldn't be likely that Agency benefits were necessary to make this project happen.

Eric Clement, a Managing Director of NYCEDC, stated that the three parties King Street Properties, GFP Real Estate, and the Carlyle Group are taking a significant amount of risk and since there is not enough lab space to support the current demand so while there is no pre-leasing they feel very confident that they'll be able to find tenants quickly since there really isn't that much Class A lab space in the City. In response to a question from Mr. Cook, Mr. Clement stated that there are restrictive covenants in the project documents for how the building can be used, specifically life sciences. In response to a question from Mr. Cook, Mr. Patchett stated that Agency staff have debated what the appropriate definition should be to fit the project and that Agency staff would be happy to share it with the Board. In response to a question from Mr. Cook, Ms. Marcus stated that since the project was approved in February there have not been any significant changes to the costs or the benefits.

There being no further comments or questions, a motion to approve the amending inducement and authorizing resolution and the SEQRA determination attached hereto as Exhibit E for the benefit of 45-18 Court Square Owner, L.L.C. was made, seconded and unanimously approved.

7. 410 Tompkins Ave. Food Corp

Jenny Osman, a Senior Project Manager for NYCEDC, presented for review and adoption an inducement and authorization resolution for a Food Retail Expansion to Support Health ("FRESH") Program transaction for the benefit of 410 Tompkins Ave. Food Corp and recommended the Board adopt a SEQRA determination that the proposed project is a Type II action and therefore no further environmental review is required. Ms. Osman described the project and its benefits, as reflected in Exhibit F.

In response to a question from Mr. Piverger, Mr. Clement stated that the net profit margins of supermarkets are generally low but this one seems especially low because it is the owner's first supermarket but that this project is important to support because it is a growing business. Mr. Piverger stated that the board materials the owner's father is mentioned as having 30 years of experience in the supermarket industry and asked if the father has a role in this project whereby he's going to be managing or doing something of substance. Mr. Piverger stated that the presentation suggests his involvement but if he's not involved then it is almost irrelevant that he's mentioned. In response to a question from Mr. Piverger, Ms. Osman stated that Agency staff felt it was important to stress the fact that the applicant's father would be involved in the presentation because of the fact that this is his first supermarket and particularly as his father has experience operating a supermarket in Brooklyn. Ms. Osman stated that the applicant is going to be the operator and manager of the store and his father will be officially providing supervision and business guidance throughout the beginning operations of the supermarket, which is typical of the industry. Ms. Osman stated that the applicant grew up in a family of supermarket operators which acts as a collective support system. Ms. Osman stated that this is representative of the culture of independent supermarket operators in the City whom FRESH is hoping to support more. Ms. Osman stated that as it pertains to what kind of tenant they might have, they are certainly bound to have a supermarket tenant in that space but the landlord could potentially choose to go with a larger, corporate operator. Key Food, Associated, FoodTown are all independent operators operating under a franchise banner, but there are examples of more corporate brands that the Agency has also supported, such as Western Beef and Food Bazaar, and those are always managed from the top of a corporate entity as opposed to being managed at the ground floor at the supermarket. Ms. Osman stated that the tenant would potentially be a larger operator that was less embedded in the community if not for the FRESH benefits. Mr. Piverger stated that it's important to support and foster this type of continuity in development of small business but the project will be 100% funded with loan proceeds. Mr. Piverger stated that there's another supermarket within a quarter of a mile, it seems like the margins are tight as referenced and the applicant is banking on upside from population increases.

In response to a question from Mr. Piverger, Ms. Osman stated that at the time of application Agency staff received market analysis from the distributor, who will be distributing the food that will be stocked in the store, and it is also the entity providing the loan. Ms. Osman stated that they have a certain level of diligence on the area because they don't want to lose their money on that investment and having one supermarket within a quarter mile is quite low and very below the amount of supermarket square footage we wish to have in New York City. Ms. Osman stated that from that angle the City tends to believe that everyone deserves three square feet of supermarket space and we believe also that the New York City population can support that density of supermarkets. Ms. Osman stated that in this case there is less than one square foot per residence of the census tract and this project would double that, meaning that it would improve food access but there would still be a demonstrated need so at the very best I think that this project would prevent leakage out of the neighborhood and re-concentrate that spending at this local supermarket. In response to a question from Mr. Piverger, Ms. Osman stated that a family member is the guarantor on the loan.

Mr. Patchett stated that the FRESH program and the reason why it was established under the Bloomberg administration with the goal of ensuring that there were more parts of the City where fresh food was accessible is because it has been shown that in lower-income communities or areas that have disproportionate numbers of low-income people, the lack of availability of fresh food leads to bad health outcomes like diabetes, high blood pressure, etc. Mr. Patchett stated that research has established that the availability of fresh food in local places was the distinction between those people and families who succeeded and had good health outcomes for their children and those that didn't so that is the backdrop for this program, which to this date the level of density of fresh food supermarkets in the City is low. Mr. Patchett stated that one trend is a lot of other players who don't actually offer fresh food increasingly come in and out-compete other grocery stores so a lot of pharmacies offer foods such as Cheerios, Cheetos and soft drinks but not offering any fresh produce which diminishes the profit margins of supermarkets who actually offer a broader array of products. Mr. Patchett stated that Agency staff feel good about this project because it is an area that is underserved by national metrics that are used in urban areas for the amount of food density there should be per population. Mr. Patchett stated that the policy outcomes here are the additional fresh food in these communities with a new operator starting a business which will hopefully grow over time. Mr. Patchett stated that to Agency staff this is a good story and the board's questions are very good ones so he supports these kinds of projects because of the intended policy outcomes which are really based on the health outcomes, which have been shown as a result of the prevalence of fresh food.

In response to a question from Mr. Cuffe, Ms. Osman stated that the debt service coverage ratio is 2.4 times. In response to a question from Ms. Pinsky, Ms. Osman stated that as a result of receiving a zoning benefit through the Department of City Planning, the site will be required to remain as a supermarket in perpetuity. In response to a question from Ms. Thomas, Ms. Osman stated that the operator and his family members are very open to providing as many benefits as they can to their employees and they have demonstrated a willingness to work with Agency staff so they can best serve their employees. Ms. Osman stated that in terms of what the company is able to provide directly from their bottom line, they don't project being able to offer healthcare coverage now but they envisage that they will be able to especially once they're done paying off this note. Ms. Osman stated that she would be happy to explore what services may exist for companies and speak to the operator about that.

There being no further comments or questions, a motion to approve the inducement and authorizing resolution and the SEQRA determination attached hereto as Exhibit G for the benefit of 410 Tompkins Ave. Food Corp was made, seconded and unanimously approved.

8. Picture Car Services, Ltd.

Michael Waller, an Assistant Vice President for NYCEDC, presented for review and adoption of post-closing resolution to amend the square footage of the facility from 150,000 square feet to 179,000 square feet and amend the square footage designated for permitted sublessees from 55,000 square feet to 64,000 square feet for the benefit of Picture Car Services, Ltd. Mr. Waller described the project and its benefits as set forth in Exhibit H.

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

9. 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 Hauser
Assistant Secretary

Dated: 11/5/19
New York, New York

Exhibit A

FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

New York City Industrial Development Agency
(A Component Unit of the City of New York)
Years Ended June 30, 2019 and 2018
With Report of Independent Auditors

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

New York City Industrial Development Agency
(A Component Unit of the City of New York)

Financial Statements and Supplemental Information

Years Ended June 30, 2019 and 2018

Contents

I. Financial Section

Report of Independent Auditors

The Management and the Board of Directors
New York City Industrial Development Agency

Report on the Financial Statements

We have audited the accompanying financial statements of the New York City Industrial Development Agency (the Agency), a component unit of the City of New York, as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of June 30, 2019 and 2018, and the changes in its financial position and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Required Supplementary Information

U.S. generally accepted accounting principles require that management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's basic financial statements. The combining statement of net position is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining statement of net position is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the combining statement of net position is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated June 30, 2019, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Agency's internal control over financial reporting and compliance.

________, 2019

New York City Industrial Development Agency
(A Component Unit of the City of New York)

Management's Discussion and Analysis

June 30, 2019

This section of the New York City Industrial Development Agency (IDA or the Agency) annual financial report presents our discussion and analysis of financial performance during the fiscal year that ended on June 30, 2019. Please read it in conjunction with the financial statements and accompanying notes, which follow this section.

2019 Financial Highlights

- Current assets decreased $19.1 million (or 28%)
- Current liabilities increased $4.7 million (or 3%)
- Operating revenues decreased $1.8 million (or 39%)
- Operating expenses increased $1.1 million (or 32%)
- Operating income decreased $2.9 million (or > 100%)
- Non-operating expenses increased $10.8 million (or > 100%)

Overview of the Financial Statements

This annual financial report consists of three parts: Management's Discussion and Analysis (this section), basic financial statements, and supplemental information. IDA is considered a component unit of the City of New York (the City) for financial reporting purposes and is a public benefit corporation established by the laws of the State of New York (the State). IDA was established in 1974 to actively promote, retain, attract, encourage, and develop an economically sound commerce and industry base to prevent unemployment and economic deterioration in the City.

IDA is a self-supporting entity and follows enterprise fund reporting. Enterprise fund statements offer short-term and long-term financial information about the Agency's activities.

Financial Analysis of the Agency:

Net Position – The following table summarizes IDA's financial position at June 30, 2019, 2018, and 2017, and the percentage changes between June 30, 2019, 2018, and 2017 ($ in thousands):

	2019	2018	2017	% Change 2019–2018	% Change 2018–2017
Current assets	$ 48,694	$ 67,758	$ 45,267	(28)%	50%
Non-current assets	1,758,327	1,780,700	1,830,224	(1)	(3)
Total assets	1,807,021	1,848,458	1,875,491	(2)	(1)
Deferred outflows of resources	10,173	7,392	12,404	38	(40)
Current liabilities	181,234	176,492	171,684	3	3
Non-current liabilities	1,614,140	1,642,250	1,677,480	(2)	(2)
Total liabilities	1,795,374	1,818,742	1,849,164	(1)	(2)
Total net position	$ 21,820	$ 37,108	$ 38,731	(41)%	(4)%

Fiscal Year 2019 Activities:

Current assets decreased by $19.1 million or 28% mainly due to the termination in November 2018 of a secured interest in assets relating to the Fresh Direct, LLC project. In addition, available cash was used to meet current expense obligations and a change in IDA's investment strategy shifted from more short-term to long-term holdings.

Deferred outflows of resources increased by $2.8 million or 38% due to the unfavorable market conditions during fiscal year 2019 relating to the interest rate swap instruments of the Series 2006 CPI Bonds (Yankee Stadium Project). The CPI Bonds are special limited obligations of the Agency.

Total current liabilities increased by $4.7 million or 3% mainly due to an increase of the accreted interest payable of $5.3 million, relating to the PILOT Revenue Bonds Series 2009A (Yankee Stadium Project). This increase was slightly counteracted by a decrease in $0.6 million of various current liabilities.

Total non-current liabilities decreased by $28.1 million or 2% mainly due to the principal payments made to the bondholders of the stadia bonds.

Fiscal Year 2018 Activities:

Current assets increased by $22.5 million or 50% as a result of the shift in our investment strategy from long-term to short-term investments during fiscal year 2018. In addition, the secured interest on assets was also reclassified to a current asset during fiscal year 2018 from a noncurrent asset classification during fiscal year 2017.

Deferred outflows of resources decreased by $5.0 million or 40% due to the favorable market conditions relating to the interest rate swap instruments of the Series 2006 CPI Bonds (Yankee Stadium Project). The CPI Bonds are special limited obligations of the Agency.

Total current liabilities increased by $4.8 million or 3% mainly due to an increase of the accreted interest payable of $6.4 million, relating to the PILOT Revenue Bonds Series 2009A (Yankee Stadium Project). This increase was counteracted by a decrease in $1.6 million of various current liabilities.

Total non-current liabilities decreased by $35.2 million or 2% mainly due to the principal payments made to the bondholders of the stadia bonds.

Operating Activities

The Agency assists industrial and commercial participants through a "straight lease" transactional structure which provides tax benefits to participants to incentivize the acquisition and capital improvement of their facilities. Apart from the refinancing of outstanding conduit debt transactions, the Agency has chosen not to issue new conduit debt. Whether the Agency enters into a straight lease or issues tax-exempt bonds, the Agency may provide one or more of the following tax benefits: exemption from mortgage recording tax; payments in lieu of real property taxes (PILOTs) that are less than full taxes; and exemption from City and State sales and use taxes as applied to construction materials and machinery and equipment. During the years ended June 30, 2019 and 2018, IDA did not issue any tax-exempt bonds.

During fiscal years 2007 and 2009, in connection with the construction and financing of the new Yankee Stadium and Citi Field (Stadia Projects), the Agency issued Tax-Exempt PILOT Revenue Bonds, Taxable Rental Revenue Bonds, Taxable Installment Purchase Bonds and Taxable Lease Revenue Bonds. The Taxable Bonds are special limited obligations of the Agency and are payable solely from revenues derived from the Lease Agreement with Yankee Stadium, LLC and the Lease Agreement and Installment Sales Agreement with Queens Ballpark Company, LLC.

Since the Tax-Exempt PILOT Bonds were issued to finance the construction of the stadia and the Agency is the legal owner of the stadia, the Tax-Exempt PILOT Revenue Bonds have been recorded in the Agency's books and reflected in its financial statements. The PILOT Bonds are special limited obligations of the Agency payable solely from PILOT Revenues derived from PILOT payments made by Yankee Stadium, LLC and Queens Ballpark Company, LLC and as such have no financial impact on the Agency's overall financial position or results of operations. Additional information about the Agency's debt is presented in Note 5 to the financial statements.

The Agency charges various program fees that may include application fees, financing fees, legal fees and compliance fees. In certain circumstances, the Agency may also charge servicing fees on any recapture of benefits from companies defaulting on their compliance requirements for IDA benefits.

The following table summarizes IDA's changes in net position for fiscal years 2019, 2018, and 2017 and the percentage changes between June 30, 2019, 2018, and 2017 ($ in thousands):

				% Change	
	2019	**2018**	**2017**	**2019–2018**	**2018–2017**
Operating revenues:					
Fee income	$ 2,442	$ 4,016	$ 1,956	(39)%	>100%
Other income	393	619	530	(37)	17
Total operating revenues	2,835	4,635	2,486	(39)	86
Operating expenses:					
Management fees	4,356	3,300	3,300	32	–
Other expenses	200	156	216	28	(28)
Total operating expenses	4,556	3,456	3,516	32	(2)
Operating (loss) income	(1,721)	1,179	(1,030)	(246)	214
Non-operating revenues (expenses):					
Earnings on investments	548	370	200	48	85
Special project costs	(3,665)	(3,172)	(7,031)	16	(55)
Termination of security interest	(10,450)	–	–	100	–
PILOT lease income	89,916	92,688	96,431	(3)	(4)
PILOT investment income	3,899	3,142	2,892	24	9
Bond interest expense	(93,815)	(95,830)	(99,323)	(2)	(4)
Total non-operating (expenses) revenues	(13,567)	(2,802)	(6,831)	384	(59)
Change in net position	(15,288)	(1,623)	(7,861)	(842)	79
Beginning net position	37,108	38,731	46,592	(4)	(17)
Ending net position	$ 21,820	$ 37,108	$ 38,731	(41)	(4)

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

Fiscal Year 2019 Activities:

The Agency's net position decreased by $15.3 million or 41% largely due to special project costs of $3.7 million which included expenditures for projects such as FutureWorks NYC and Workforce1 Career Centers. The net position decrease also included the expense recognition of $10.5 million relating to the termination of a security interest related to the Fresh Direct, LLC Project during fiscal 2019, as discussed further in Note 1 of the financial statements.

Fee income decreased by $1.6 million or 39%. This is primarily a result of the decrease in project finance fees of $1.8 million due to fewer industrial incentive closings during fiscal year 2019 as compared to fiscal year 2018.

Other operating income decreased by $0.2 million or 37%. This is a result of a general decrease in income from five benefit recapture events during fiscal year 2019.

Total operating expenses increased by $1.1 million or 32% due to an increase of $1.0 million for the management fee to the NYC Economic Development Corporation during fiscal 2019.

Operating income decreased by $2.9 million or 246% during fiscal year 2019 due to the following: (1) decrease in the number and amount of transactional closings resulting in a decrease of $1.8 million of project finance fees and (2) increase of $1.0 million of the NYC Economic Development Corporation management fee.

Special project costs increased overall by $0.5 million or 16% during fiscal year 2019, largely as a result of a $1.5 million increase in costs related to the Workforce One Career Center Satellites project. This increase was counteracted by a decrease of $1.1 million in costs related to the FutureWorks NYC project.

Fiscal Year 2018 Activities:

The Agency's net position decreased by $1.6 million or 4% largely due to special project costs of $3.2 million which outpaced operating income of $1.2 million during 2018.

Fee income increased by $2.1 million or 105%. This is primarily a result of the increase in project finance fees of $2.2 million due to the increased number of industrial incentive closings during fiscal year 2018.

Other operating income increased by $0.09 million or 17%. This is a result of a general increase in income from ten benefit recapture events during fiscal year 2018.

Total operating expenses decreased by $0.06 million or 2% due to a decrease in consulting and public hearing expenses during fiscal 2018.

Operating income increased by $2.2 million or 214% during fiscal year 2018 due to the increase in the number of transactional closings resulting in an increase in the collection of project finance fees.

Special project costs decreased overall by $3.9 million or 55% during fiscal year 2018, largely as a result of a $2.7 million decrease in costs related to the FutureWorks NYC project.

Contacting the Agency's Financial Management

This financial report is designed to provide our customers, clients, creditors, and the public with a general overview of the Agency's finances and to demonstrate the Agency's accountability for the resources at its disposal. If you have any questions about this report or need additional financial information, contact the Chief Financial Officer, New York City Industrial Development Agency, One Liberty Plaza, New York, NY 10006.

New York City Industrial Development Agency
(A Component Unit of the City of New York)

Statements of Net Position
(In Thousands)

	June 30 2019	June 30 2018
Assets		
Current assets:		
Cash and cash equivalents *(Note 3)*	$ 2,611	$ 8,408
Investments *(Note 3)*	14,311	17,659
Restricted cash *(Note 3)*	3,099	3,054
Fees receivable, net of allowance for doubtful accounts of $15 and $8, respectively	210	443
Secured interest on assets *(Note 1)*	–	10,450
PILOT lease receivable, net – stadia projects *(Note 7)*	28,463	27,744
Total current assets	48,694	67,758
Non-current assets:		
Investments (*Note 3*)	6,623	3,004
Restricted cash and cash equivalents– stadia projects (*Note 3*)	29,009	40,001
Restricted investments – stadia projects (*Note 3*)	88,222	85,025
PILOT lease receivable, net – stadia projects (*Note 7*)	1,634,473	1,652,670
Total non-current assets	1,758,327	1,780,700
Total assets	1,807,021	1,848,458
Deferred outflows of resources		
Derivative instrument – interest rate swap *(Note 6)*	10,173	7,392
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	850	884
Due to New York City Economic Development Corporation	540	1,278
Bonds payable – current – stadia projects	28,463	27,744
Interest payable on bonds – stadia projects	147,737	142,837
Unearned revenues	544	695
Other liabilities	3,100	3,054
Total current liabilities	181,234	176,492
Non-current liabilities:		
Bonds payable, net – stadia projects (*Note 5*)	1,603,967	1,634,858
Derivative instrument – interest rate swap *(Note 6)*	10,173	7,392
Total non-current liabilities	1,614,140	1,642,250
Total liabilities	1,795,374	1,818,742
Net position – unrestricted	$ 21,820	$ 37,108

See accompanying notes.

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

New York City Industrial Development Agency
(A Component Unit of the City of New York)

Statements of Revenues, Expenses, and Changes in Net Position
(In Thousands)

	Year Ended June 30	
	2019	2018
Operating revenues:		
Fee income *(Note 2)*	$ **2,442**	$ 4,016
Recapture and other related benefits *(Note 2)*	**382**	584
Other income *(Note 2)*	**11**	35
Total operating revenues	**2,835**	4,635
Operating expenses:		
Management fees *(Note 4)*	**4,356**	3,300
Accounting fees	**66**	64
Legal fees	**72**	–
Public hearing expenses	**15**	29
Marketing/advertising	**5**	4
Provision for bad debt	**7**	–
Other expenses	**35**	59
Total operating expenses	**4,556**	3,456
Operating (loss) income	**(1,721)**	1,179
Non-operating revenues (expenses):		
Investment income	**548**	370
Special project costs *(Note 8)*	**(3,665)**	(3,172)
Termination of security interest *(Note 1)*	**(10,450)**	–
PILOT lease income – stadia projects	**89,916**	92,688
PILOT investment income – stadia projects	**3,899**	3,142
Bond interest expense – stadia projects	**(93,815)**	(95,830)
Total non-operating revenues (expenses)	**(13,567)**	(2,802)
Change in net position	**(15,288)**	(1,623)
Net position, unrestricted, beginning of year	**37,108**	38,731
Net position, unrestricted, end of year	$ **21,820**	$ 37,108

See accompanying notes.

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

New York City Industrial Development Agency
(A Component Unit of the City of New York)

Statements of Cash Flows
(In Thousands)

	Year Ended June 30 2019	2018
Operating activities		
Financing and other fees	**$ 2,470**	$ 4,006
Other income	**11**	23
Management fees paid	**(4,356)**	(3,300)
Accounting fees paid	**(119)**	–
Public hearing fees paid	**(19)**	(31)
Marketing fees paid	**(6)**	(2)
Miscellaneous expenses paid	**(6)**	(2)
Funds held pending compliance with agreements	**48**	27
Return of funds held pending compliance with agreements	**–**	(85)
Recapture benefits and other penalties received	**3,588**	4,509
Payment to NYC and other agencies of recaptured benefits	**(3,149)**	(3,895)
Payment to EDC for contingency fees	**(41)**	(54)
Net cash (used in) provided by operating activities	**(1,579)**	1,196
Investing activities		
Sale of investments	**138,376**	116,223
Purchase of investments	**(141,330)**	(106,059)
Net receipts from investment agreement termination	**111**	311
Investment income	**3,899**	3,143
Interest income	**33**	370
Net cash provided by investing activities	**1,089**	13,988
Capital and related financing activities		
Interest payments on outstanding bonds	**(79,746)**	(80,162)
Bond principal redemption	**(34,000)**	(32,970)
Swap payments received	**4,852**	4,835
Swap payments made	**(6,497)**	(7,058)
Bond fees	**(3,697)**	(4,104)
PILOT revenue	**107,283**	89,636
Net cash used in capital and related financing activities	**(11,805)**	(29,823)
Non-capital financing activities		
Special projects costs paid	**(4,449)**	(4,910)
Net cash used in non-capital financing activities	**(4,449)**	(4,910)
Net decrease in cash and cash equivalents	**(16,744)**	(19,549)
Cash and cash equivalents at beginning of year	**51,463**	71,012
Cash and cash equivalents at end of year	**$ 34,719**	$ 51,463

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

New York City Industrial Development Agency
(A Component Unit of the City of New York)

Statements of Cash Flows (continued)
(In Thousands)

	Year Ended June 30 2019	2018
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating (loss) income	$ (1,721)	$ 1,179
Adjustments to reconcile operating (loss) income to net cash provided by (used in) operating activities:		
Provision for bad debt	7	–
Changes in operating assets and liabilities:		
Fees receivable	226	60
Accounts payable and accrued expenses	70	(1)
Due to NYC Economic Development Corp.	(57)	66
Other liabilities	47	(56)
Unearned revenues	(151)	(52)
Net cash (used in) provided by operating activities	$ (1,579)	$ 1,196
Supplemental disclosures of non-cash activities		
Unrealized gain on investments	$ 143	$ 70

See accompanying notes.

1. Background and Organization

The New York City Industrial Development Agency (IDA or the Agency), a component unit of the City of New York (the City) for financial reporting purposes, is a public benefit corporation of the State of New York (the State). IDA was established in 1974 to actively promote, retain, attract, encourage and develop an economically sound commerce and industry base to prevent unemployment and economic deterioration in the City.

The Agency is governed by a Board of Directors, which establishes official policies and reviews and approves applications for financial assistance. Its membership is prescribed by statute and includes a public official and mayoral appointees.

To support the activities of the Board of Directors, the Agency annually enters into a contract with the New York City Economic Development Corp. (NYCEDC), a not-for-profit corporation and a component unit of the City, organized to administer economic development programs which foster business expansion in the City. Under the terms set forth in the NYCEDC and IDA Agreement, NYCEDC is to provide IDA with all the professional, administrative and technical assistance it needs to accomplish its objectives.

The Agency assists industrial and commercial organizations through "straight lease" transactional structures. The straight lease provides tax benefits to the participating organizations (the Beneficiaries) to incentivize the acquisition and capital improvement of their facilities. The Agency may also assist Beneficiaries in obtaining long-term, low-cost financing for capital assets through a financing transaction (the Financing Transaction), which includes the issuance of double and triple tax-exempt industrial development bonds (IDBs). However, apart from the refinancing of outstanding conduit debt transactions, the Agency has chosen not to issue new conduit debt. The Beneficiaries, in addition to satisfying legal requirements under the Agency's governing laws, must meet certain economic development criteria, the most important of which is job creation and/or retention. Whether the Agency enters into a straight lease or issues IDBs, the Agency may provide one or more of the following tax benefits: exemption from mortgage recording tax; payments in lieu of real property taxes (PILOT) that are less than full taxes; and exemption from City and State sales and use taxes as applied to construction materials and machinery and equipment. For more detailed information, please refer to the following website: https://www.nycedc.com/nycida/financial-public-documents.

1. Background and Organization (continued)

In the past, the Agency issued IDBs. The IDBs are special non-recourse conduit debt obligations of the Agency which are payable solely from the rents and revenues provided for in the lease (Financing Lease) to the Beneficiary. The IDBs are secured by a collateral interest in the Financing Lease, the Beneficiary's project property and, in certain circumstances, by guarantees from the Beneficiary's principals or affiliates or other forms of additional security. Both the IDBs and certain provisions of the Financing Lease are administered by an independent bond trustee appointed by the Agency.

When the Agency issues IDBs, the proceeds of the IDB financing are conveyed to an independent bond trustee for disbursement to the Beneficiary. The Beneficiary simultaneously sells and then leases back, the project or other collateral from the Agency for a nominal sum and the Agency in turn leases the property or other collateral back to the Beneficiary for a period concurrent with the maturity of the related IDB or the term of the tax benefits. Rental payments are calculated to be sufficient to meet the debt service obligation on the IDB. The Financing Lease includes a bargain purchase option, which allows the Beneficiary to cancel the lease or, in those transactions in which the Beneficiary sold the property to the Agency, repurchase the property, for a nominal sum upon expiration of the Financing Lease and after satisfaction of all terms thereof.

The total conduit debt obligations outstanding totaled $2.60 billion and $3.06 billion for the years ended June 30, 2019 and 2018, respectively. For more detailed information, please refer to the following website: https://www.nycedc.com/nycida/financial-public-documents.

Due to the fact that (1) the IDBs are non-recourse conduit debt obligations to the Agency, (2) the Agency assigns its interest in the Financing Lease as collateral, and (3) the Agency has no substantive obligations under the Financing Lease (other than to convey back the project property at the end of the IDB term, and to issue IDBs in those projects where subsequent issuance is contemplated), the Agency has, in effect, none of the risks and rewards of the Financing Lease and related IDB financing. Accordingly, with the exception of certain fees derived from the Financing Transaction, the Financing Transaction itself is given no accounting recognition in the accompanying financial statements.

In addition to IDB financing, the Agency also issued Tax-Exempt PILOT Revenue Bonds, Taxable Rental Revenue Bonds, Taxable Installment Purchase Bonds and Taxable Lease Revenue Bonds in connection with the construction of the new Yankee Stadium and Citi Field (the Stadia

1. Background and Organization (continued)

Projects). Yankee Stadium, LLC, a Delaware limited liability company, and Queens Ballpark, LLC, a New York limited liability company, undertook the design, development, acquisition and construction of the Stadia Projects. The Taxable Bonds are special limited obligations of the

Agency and are payable solely from revenues derived from a Lease Agreement with Yankee Stadium, LLC and a Lease Agreement and Installment Sales Agreement with Queens Ballpark Company, LLC.

The Tax-Exempt PILOT Bonds are special limited obligations of the Agency payable solely from PILOT Revenues derived from PILOTs made by Yankee Stadium, LLC and Queens Ballpark Company, LLC. However, since the Tax-Exempt PILOT Bonds were issued to finance the construction of the Stadia and because the Agency is the legal owner of the Stadia, the Tax Exempt PILOT Bonds have been recorded in the Agency's books and reflected in its financial statements.

During fiscal year 2016, the Agency paid for a security interest in the amount of $10.45 million in certain eligible equipment at the Fresh Direct facility, located in the Harlem River Yards, relating to the December 19, 2013, straight-lease transaction for the benefit of Fresh Direct LLC. That transaction required the Agency to hold the security interest until the completion of project work, after which the Agency could terminate its security interest. The Agency terminated its security interest in the acquired equipment on November 27, 2018.

2. Summary of Significant Accounting Policies

Basis of Accounting

IDA is classified as an "enterprise fund," as defined by the Governmental Accounting Standards Board (GASB), and as such, the financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the US (GAAP).

In accordance with GAAP, revenues are recognized in the period in which they are earned and expenses are recognized in the period in which they are incurred.

Cash Equivalents

The Agency considers all highly liquid investments purchased with original maturities of 90 days or less to be cash equivalents.

2. Summary of Significant Accounting Policies (continued)

Investments

Investments held by the Agency are recorded at fair value.

Upcoming Accounting Pronouncements

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Provisions of this Statement are effective for fiscal years beginning after December 15, 2019. The Agency is evaluating the impact this standard will have on its financial statements.

In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The provisions of this statement are effective for fiscal years beginning after June 15, 2018. The adoption of this Statement in 2018 did not have an impact on the Agency's financial statements.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. Provisions of this Statement are effective for fiscal years beginning after December 15, 2019. The Agency does not anticipate any related impact on its financial statements.

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority

2. Summary of Significant Accounting Policies (continued)

equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. Provisions of this Statement are effective for fiscal years beginning after December 15, 2018. The Agency does not anticipate any related impact on its financial statements.

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Provisions of this Statement are effective for fiscal years beginning after December 15, 2020. The Agency is evaluating the impact this standard will have on its financial statements.

Revenue and Expense Classification

Operating revenues consists of fee income from application fees, financing fees and compliance monitoring fees. Fees are recognized as earned. Compliance monitoring fees are received annually, in advance and deferred and amortized into income as earned.

Other operating income represents administrative fees and amounts, primarily penalties, associated with the recapture of IDA benefits remitted by certain beneficiaries. Recaptured IDA benefits represent the difference between the full tax amount and the amounts actually paid by beneficiaries and result from a beneficiary's violation of an IDA agreement.

Recaptured benefits were recorded net of amounts due to the City and the State. The related recapture benefits that were due to the City were recorded as other liabilities until such time as they were disbursed to the City. For the year ended June 30, 2019, IDA remitted $3.1 million to the City and other agencies relating to these recapture benefits, of which $1.3 million was for the City. For the year ended June 30, 2018, IDA remitted $3.9 million to the City and other agencies relating to these recapture benefits, of which $1.4 million was for the City. IDA's operating expenses include management fees and other administrative expenses. All other revenues and expenses not described above are considered non-operating.

2. Summary of Significant Accounting Policies (continued)

Bond Premium, Discount, and Other Bond Related Costs

Discount and premium on bonds are deferred and amortized to interest expense using a method approximating the effective interest method. Bond related costs are expensed in the period incurred.

3. Deposits and Investments

Deposits

At year-end, IDA's unrestricted bank balance was approximately $2.5 million. Of this amount, $0.3 million was covered by the Federal Depository Insurance Corporation (FDIC) and $2.2 million was collateralized with securities held by the pledging financial institution.

The Non-Stadia Projects restricted bank balance was approximately $3.1 million. Of this amount, $0.3 million was insured by the FDIC and $2.8 million was collateralized with securities held by the pledging financial institution.

3. Deposits and Investments

Investments

As of June 30, 2019 and 2018, the Agency had the following unrestricted investments *(in thousands)*: Investments maturities are shown for June 30, 2019, only.

	Fair Value		2019 Investment Maturities (In Years)	
	2019	2018	Less Than 1	1 to 2
Money Market	$ 121	$ 4,377	$ 121	$ –
Federal National Mort. Assn. Notes	–	6,819	–	–
Federal Home Loan Mort. Corp. Notes	–	5,190	–	–
Federal Home Loan Bank Notes	3,000	5,810	3,000	–
Federal Farm Credit Bank	9,932	1,245	3,309	6,623
US Treasury Notes	7,902	1,499	7,902	–
Certificates of Deposit (over 90 days)	100	100	100	–
Total	21,055	25,040	$ 14,432	$ 6,623
Less: cash equivalents	(121)	(4,377)		
Total unrestricted investments	$ 20,934	$ 20,663		

Fair Value Measurement – Fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into these levels. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Money Market Funds, categorized as Level 1, are valued at the unadjusted prices quoted in active principal markets for identical assets. US Agencies securities, categorized as Level 2, are valued based on models using observable inputs. Certificates of deposit are valued at cost.

IDA's investment policy permits the Agency to invest in obligations of the United States of America, where the payment of principal and interest is guaranteed, or in obligations guaranteed by agencies of the United States of America. Other investments include certificates of deposit, and time deposits. All investments are either insured or registered and held by the Agency or its agent in the Agency's name.

3. Deposits and Investments (continued)

Interest Rate Risk: The Agency has a formal investment policy which limits investment maturities to a maximum of two years from the date of purchase as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk: It is the Agency's policy to limit its investments in debt securities to obligations of the United States of America and its agencies, and obligations of the State of New York. As of June 30, 2019, the Agency's investments in Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and US Treasury Notes were rated AA+ by Standard & Poor's, Aaa by Moody's and AAA by Fitch Ratings.

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

The Agency manages credit risk by limiting its custodial exposure to highly rated institutions and/or requiring high quality collateral to be held by the counterparty.

Concentration of Credit Risk: The Agency places no limit on the amount the Agency may invest in any United States of America government backed securities. The following table shows investments that represent 5% or more of total investments ($ in thousands):

	Dollar Amount and Percentage of Total Investments			
Issuer	**June 30, 2019**		**June 30, 2018**	
Federal Home Loan Mortgage Corp.	$ –	–%	$ 5,190	25.12%
Federal Home Mortgage Assn.	–	–	6,819	33.00
Federal Home Loan Bank	**3,000**	**14.33**	5,810	28.12
US Treasury Notes	**7,902**	**37.75**	1,499	7.25
Federal Farm Credit Bank	**9,932**	**47.44**	1,245	6.03

3. Deposits and Investments (continued)

Restricted Funds Held in Trust – Stadia Projects

Restricted cash, cash equivalents and investments, related to the Stadia Projects, are segregated and designated for purposes of the debt reserve fund and to pay future bond interest and principal payments. These investments are managed by an external investment portfolio manager. Qualified investments, as defined in the bond agreements, are technically made under the direction of the Agency.

Fair Value Measurement – Money Market Funds, categorized as Level 1, are valued at the unadjusted prices quoted in active principal markets for identical assets. US Treasury securities, categorized as Level 2, are valued based on models using observable inputs.

Under the bond agreements, the Agency does not have any obligation to make further contributions to the Stadia Projects. Accordingly, the Agency's financial responsibility will not exceed the amounts currently on deposit in the managed investment portfolio. Therefore, the Agency's obligation is not affected by various risks which include credit risk, interest rate risk and concentration of credit risk. In addition, the restricted investments are not required to be administered in accordance with the Agency's or New York State investment guidelines. The restricted cash equivalents and restricted investments for the Stadia Projects were $29.0 and $88.2 million, respectively, as of June 30, 2019.

4. Management Fees and Other Charges

To support the activities of the IDA, the Agency annually enters into a contract with the NYCEDC. Under the terms set forth in the NYCEDC and IDA agreement, NYCEDC is to provide IDA with all the professional, administrative and technical assistance it needs to accomplish its objectives. The fixed annual fee for these services is based on an agreement between NYCEDC and the Agency. Such fees amounted to $4.4 million and $3.3 million for the years ended June 30, 2019 and 2018, respectively.

5. Bonds Payable

The changes in outstanding Series 2006 and Series 2009 Tax Exempt PILOT Bonds for the years ended June 30, 2019 and 2018, are summarized as follows (in thousands):

2019:

Description	Bonds Outstanding June 30, 2018	New Bond Issuances	Matured/ Called/ Redeemed	Bonds Outstanding June 30, 2019	Amount Due Within One Year
Queens Baseball Stadium Project:					
Series 2006 PILOT Bonds, 3.6% to 5%, due 2046	$ 489,505	$ –	$ 8,105	$ 481,400	$ 8,525
Series 2009 PILOT Bonds, 4.0% to 6.50%, due 2046	75,325	–	985	74,340	1,040
Yankee Stadium Project:					
Series 2006 PILOT Revenue Bonds, 3.6% to 5%, due 2046	662,670	–	–	662,670	–
Series 2006 CPI Bonds, 3.2% to 3.5%, due 2027	157,140	–	14,765	142,375	15,360
Series 2009 Capital Appreciation Bonds, 4.03% to 7.90%, due 2047	40,450	–	3,889	36,561	3,538
Series 2009 Current Interest Term Bonds, 7.00%, due 2049	191,960	–	–	191,960	–
Total	1,617,050	$ –	$ 27,744	1,589,306	$ 28,463
Net premium (discount)	45,552			43,124	
Bonds payable, net	$ 1,662,602			$ 1,632,430	

2018:

Description	Bonds Outstanding June 30, 2017	New Bond Issuances	Matured/ Called/ Redeemed	Bonds Outstanding June 30, 2018	Amount Due Within One Year
Queens Baseball Stadium Project:					
Series 2006 PILOT Bonds, 3.6% to 5%, due 2046	$ 497,205	$ –	$ 7,700	$ 489,505	$ 8,105
Series 2009 PILOT Bonds, 4.0% to 6.50%, due 2046	76,260	–	935	75,325	985
Yankee Stadium Project:					
Series 2006 PILOT Revenue Bonds, 3.6% to 5%, due 2046	662,670	–	–	662,670	–
Series 2006 CPI Bonds, 3.2% to 3.5%, due 2027	171,335	–	14,195	157,140	14,765
Series 2009 Capital Appreciation Bonds, 4.03% to 7.90%, due 2047	44,725	–	4,275	40,450	3,889
Series 2009 Current Interest Term Bonds, 7.00%, due 2049	191,960	–	–	191,960	–
Total	1,644,155	$ –	$ 27,105	1,617,050	$ 27,744
Net premium (discount)	48,026			45,552	
Bonds payable, net	$ 1,692,181			$ 1,662,602	

5. Bonds Payable (continued)

Queens Baseball Stadium Project

On August 22, 2006, IDA issued Tax Exempt PILOT Bonds (Queens Baseball Stadium Project) Series 2006 in the amount of $547.4 million (the "PILOT Bonds") for the purpose of financing the design, development, acquisition, construction, and equipping of a Major League Baseball Stadium to be used by the New York Mets professional baseball team, the improvement of certain parking facilities, and the demolition of Shea Stadium (collectively the "Project"), funding the capitalized interest funds, to purchase debt service reserve credit facilities, and to pay for bond issuance costs. The PILOT Bonds are special limited obligations of IDA payable solely from and secured by PILOT revenues made by Queens Ballpark Company, L.L.C. pursuant to the PILOT Agreement dated August 1, 2006, and certain funds and accounts held under the PILOT Bonds Indenture. Payment of the principal and interest on the PILOT Bonds is insured by an insurance policy from Ambac Assurance Corporation. No other funds or assets of IDA are pledged towards the payment of such bonds. The original issue premium of $20.6 million is being amortized over the life of the Series 2006 bonds.

At June 30, 2019 and 2018, $481.4 million and $489.5 million, respectively, of the Series 2006 Bonds remained outstanding. The Series 2006 Bonds bear interest at fixed rates to the maturity thereof, payable semiannually each January 1 and July 1, commencing January 1, 2007.

On February 5, 2009, IDA issued additional PILOT Bonds Series 2009 in the amount of $82.3 million for the Project (see Note 7), funding the capitalized interest funds, to purchase debt service reserve credit facilities, and to pay for bond issuance costs. The PILOT Bonds are special limited obligations of IDA payable solely from and secured by PILOT revenues made by Queens Ballpark Company, L.L.C. pursuant to the PILOT Agreement dated August 1, 2006, and certain funds and accounts held under the PILOT Bonds Indenture. Payment of the principal and interest on the PILOT Bonds is insured by an insurance policy from Assured Guaranty Corp. No other funds or assets of IDA are pledged towards the payment of such bonds. The original issue discount of $1.2 million is being amortized over the life of the Series 2009 bonds.

At June 30, 2019 and 2018, $74.3 million and $75.3 million, respectively, of the Series 2009 Bonds remained outstanding. The Series 2009 Bonds bear interest at fixed rates to the maturity thereof, payable semiannually each January 1 and July 1, commencing July 1, 2009.

5. Bonds Payable (continued)

Yankee Stadium Project

On August 22, 2006, IDA issued Tax Exempt PILOT Revenue Bonds (Yankee Stadium Project) Series 2006 in the amount of $942.6 million, which consist of the PILOT Revenue Bonds and the CPI Bonds in the amount of $744.4 million and $198.1 million, respectively, for the purpose of paying a portion of the design, development, acquisition, construction, and fitting out of a Major League Baseball Stadium located in the Bronx, New York to be used by the New York Yankees Major League Baseball team and to pay for various bond issuance costs. The PILOT Revenue Bonds are special limited obligations of IDA payable solely from and secured by PILOT revenues made by Yankee Stadium LLC pursuant to the PILOT Agreement dated August 1, 2006, and certain funds and accounts held under the PILOT Bonds Indenture. Payment of principal and interest on the PILOT Revenue Bonds maturing on September 1, 2009, March 1, 2010, through and including March 1, 2015, March 1, 2023, March 1, 2024, March 1, 2036, and certain related bonds maturing on March 1, 2046, is insured by an insurance policy from MBIA Insurance Corporation. Payment of principal and interest on the PILOT Revenue Bonds maturing on March 1, 2016, through and including March 1, 2022, March 1, 2025, through and including March 1, 2028, March 1, 2031, March 1, 2039, and certain bonds maturing on March 1, 2046, is insured by an insurance policy from Financial Guaranty Insurance Company. No other funds or assets of IDA are pledged towards the payment of such bonds.

The original issue premium of $23.6 million is being amortized over the life of the Series 2006 bonds.

The CPI Bonds will pay interest to the bondholders on the first business day of each month beginning October 2, 2006, with funds provided by Goldman Sachs Capital Markets LP (GSCM) according to the Swap agreement between IDA and GSCM, dated August 16, 2006. On September 21, 2008, Goldman Sachs Bank USA became the successor to GSCM. Funds from the IDA capitalized interest account will be used to reimburse Goldman Sachs Bank USA at the fixed swap interest rates every March 1 and September 1, beginning March 1, 2007. The average fixed swap interest rates for the years ended June 30, 2019 and 2018, were 4.14% and 4.12%, respectively, due to the bond redemption during the fiscal year 2019. The average CPI Swap interest rates for the years ended June 30, 2019 and 2018, were 3.11% and 2.90%, respectively.

5. Bonds Payable (continued)

Interest on the Series 2006 PILOT Revenue bonds, excluding the CPI Bonds, are payable on March 1 and September 1, in each year, beginning March 1, 2007. At June 30, 2019 and 2018, \$805.0 million and \$819.8 million, respectively, of the Series 2006 Revenue Bonds remained outstanding.

On February 5, 2009, IDA issued additional Tax Exempt PILOT Revenue Bonds (Yankee Stadium Project) Series 2009 in the amount of \$259.0 million, which consist of the PILOT Capital Appreciation Bonds and the PILOT Current Interest Term Bonds in the amount of \$67.0 million and \$192.0 million, respectively, for the Yankees Stadium Project. The PILOT Revenue Bonds are special limited obligations of IDA payable solely from and secured by PILOT revenues made by Yankee Stadium LLC pursuant to the PILOT Agreement dated August 1, 2006, and certain funds and accounts held under the PILOT Bonds Indenture. Payment of the principal and interest on the PILOT Bonds is insured by an insurance policy from Assured Guaranty Corp. No other funds or assets of IDA are pledged towards the payment of such bonds. The original issue premium of \$31.3 million is being amortized over the life of the Series 2009 bonds.

At June 30, 2019 and 2018, \$228.5 million and \$232.4 million, respectively, of the Series 2009 Bonds remained outstanding. The Series 2009 Capital Appreciation Bonds accrete interest, payable only upon maturity or prior redemption. The Series 2009 Current Interest Term Bonds bear interest at a fixed rate of 7.0% to the maturity thereof, payable each September 1 and March 1, commencing September 1, 2009.

5. Bonds Payable (continued)

Required debt payments for the next five years and thereafter are as follows for the Stadia Projects (in thousands):

Year Ended June 30	Principal	Interest	Total
2020	$ 28,463	$ 91,066	$ 119,529
2021	29,295	89,357	118,652
2022	30,202	87,610	117,812
2023	31,198	85,818	117,016
2024	32,287	83,984	116,271
2025–2029	181,384	389,742	571,126
2030–2034	227,681	329,701	557,382
2035–2039	290,326	257,229	547,555
2040–2044	370,815	169,606	540,421
2045–2049	367,655	61,639	429,294
Total	$ 1,589,306	$ 1,645,752	$ 3,235,058

Swap Payments and Associated Debt

The table that follows represents debt service payments on the CPI Bonds, plus the net swap payments associated with those bonds, as of June 30, 2019 (in thousands). The below amounts are included in the above required debt payment table. Although interest rates on variable rate debt change over time, the calculations included in the table below are based on the assumption that the average variable rate of 2.85% on June 30, 2019, remains constant over the life of the bonds:

	CPI Bonds		Fixed	
Year Ended June 30	Principal Maturities	CPI Interest	Interest Rate Swaps, Net	Total
2020	$ 15,360	$ 4,056	$ 1,848	$ 21,264
2021	15,995	3,628	1,654	21,277
2022	16,655	3,178	1,451	21,284
2023	17,350	2,705	1,237	21,292
2024	18,075	2,211	1,012	21,298
2025–2027	58,940	3,442	1,577	63,959
Total	$ 142,375	$ 19,220	$ 8,779	$ 170,374

6. Derivative Instruments

Objectives of the Swaps

In connection with the issuance of the Series 2006 Tax Exempt PILOT Bonds maturing annually beginning on March 1, 2016, through and including March 1, 2027 (the CPI Bonds) currently outstanding under the Yankee Stadium Project, IDA has entered into a swap agreement to hedge the changes in the swap interest rates and associated cash flows of the CPI Bonds. Based on the consistency of the terms of the swap and the CPI Bonds, the swap is a hedging instrument using the consistent critical terms method.

In accordance with GASB No. 53, *Accounting and Financial Reporting for Derivative Instruments*, the fair value of the derivative instrument liability and the corresponding deferred outflow of resources were $10.2 million and $7.4 million at June 30, 2019 and 2018, respectively.

Terms, Fair Values, and Credit Risk

The Agency pays a fixed interest rate on the notional amount that represents the principal amount of the related bonds. As noted under the "Basis Risk" paragraph further in this note, the counterparty will be paying the Agency a floating interest rate on the notional amount of the swap which is expected to result in an amount that is equal to the variable interest payments to be made by the Agency to the Bondholders of the related CPI Bonds. At times, the payments due from the counterparty and the Agency will be netted and only one net payment will be made from one party to the other, but this will not change the Agency's obligation to make the variable interest payments to the Bondholders of the related CPI Bonds. IDA will be exposed to variable rates if the counterparty to the swap defaults or if the swap is terminated; however, IDA's recourse with respect to the swap liability is only to the extent that the IDA receives a PILOT payment from the Yankees.

6. Derivative Instruments (continued)

The following table displays the terms of the Agency's hedging derivative instruments outstanding at June 30, 2019:

Swap Effective Date	Swap Termination Date	Fixed Rate Paid	Variable Rate Received	Outstanding Notional Amounts	Counterparty ***
8/22/2006	3/1/2020	4.050%	CPI Rate**	$ 15,360,000	Goldman Sachs Bank USA
8/22/2006	3/1/2021	4.090	CPI Rate**	15,995,000	Goldman Sachs Bank USA
8/22/2006	3/1/2022	4.120	CPI Rate**	16,655,000	Goldman Sachs Bank USA
8/22/2006	3/1/2023	4.140	CPI Rate**	17,350,000	Goldman Sachs Bank USA
8/22/2006	3/1/2024	4.160	CPI Rate**	18,075,000	Goldman Sachs Bank USA
8/22/2006	3/1/2025	4.180	CPI Rate**	18,835,000	Goldman Sachs Bank USA
8/22/2006	3/1/2026	4.190	CPI Rate**	19,630,000	Goldman Sachs Bank USA
8/22/2006	3/1/2027	4.210	CPI Rate**	20,475,000	Goldman Sachs Bank USA

** The Consumer Price Index for purposes of the CPI Bonds is the Non-revised Index of Consumer Prices for All Urban Consumers (CPI-U) before seasonal adjustment (CPI), published monthly by the Bureau of Labor Statistics of the U.S. Department of Labor (BLS) and reported on Bloomberg CPURNSA.

*** On September 21, 2008, Goldman Sachs Bank USA became the successor to GSCM.

6. Derivative Instruments (continued)

The changes in fair value of such derivative instruments for the year ended as reported in the 2019 financial statements are as follows *(in thousands)*:

Change in Fair Value		Fair Value at June 30, 2019		Notional
Classification	**Amount**	**Classification**	**Amount**	**Amount**
Deferred inflow of resources	$ 213	Debt	$ –	14,765*
Deferred inflow of resources	49	Debt	(333)	15,360
Deferred inflow of resources	(75)	Debt	(601)	15,995
Deferred inflow of resources	(197)	Debt	(858)	16,655
Deferred inflow of resources	(320)	Debt	(1,122)	17,350
Deferred inflow of resources	(437)	Debt	(1,390)	18,075
Deferred inflow of resources	(552)	Debt	(1,668)	18,835
Deferred inflow of resources	(668)	Debt	(1,945)	19,630
Deferred inflow of resources	(794)	Debt	(2,256)	20,475
	$ (2,781)		$ (10,173)	

* Bond redemption of $14,765,000 on March 1, 2019

Credit Risk

The swap agreements contain collateral agreements with the counterparty. The counterparty only posts collateral if (i) the rating of Goldman Sachs Bank falls to BBB+ or Baa1 or below from either of Moody's or S&P and (ii) the market value of the swap transactions covered by the credit support annex is in favor of the Agency in an amount that exceeds the threshold amount and the minimum transfer amount. Collateral that is posted can be cash, treasuries or agencies (FNMA, GNMA and FHLMC). This protects the Agency by mitigating the credit risk inherent in the swap. As of June 30, 2019, Goldman Sachs Bank USA is rated A+ by Standard and Poor's, A1 by Moody's, and A+ by Fitch Ratings. Additionally, the Agency is only obligated to pay as the counterparty the extent of the receipt of PILOT revenues from Yankee Stadium LLC.

6. Derivative Instruments (continued)

Basis Risk

Basis risk exists to the extent the Agency's variable rate bond coupon payments do not exactly equal the index on the swap. The floating rate that the Agency is entitled to receive under the swap agreement is expected to be identical to the floating rate payable by the Agency with respect to the CPI Bonds.

Interest Rate Risk

IDA's interest rate swaps serve to guard against a rise in variable interest rates associated with its outstanding variable rate bonds.

Termination Risk

The Agency retains the right to terminate any swap agreement at the market value prior to its scheduled termination date. The Agency has termination risk under the contract as defined in the swap documents and has purchased termination payment insurance on certain swap contracts, which acts as a buffer against a portion of potential termination payments if a termination event was to occur. As long as the swap insurer maintains at least a minimal rating as defined in the swap documents, the insurance policy will allow the Agency to avoid termination due to a decline in the credit rating of Agency bonds. If at the time of termination, the swap has a negative fair value, the Agency would be liable to the counterparty to the extent PILOTs are available, for a payment equal to the swap's fair value.

7. PILOT Lease Receivable, Net

IDA has entered into various direct financing lease agreements with two commercial entities (Queens Ballpark Company, LLC and Yankee Stadium, LLC) relating to the issuance of PILOT Bonds payable. The PILOT Bonds were used to finance the previously noted Stadia Projects. The lease agreements provide for basic rental payments by the tenants to IDA in an amount equal to the debt service on the bonds. Pursuant to the terms of the agreements, the debt service on these bonds are payable solely from scheduled rental payments, and IDA has no legal obligation to make any debt service payments on the bonds. Although variable interest rates will change over time, the calculations included in the tables below are based on the assumption that the variable rate on June 30, 2019, remains constant over the life of the leases.

7. PILOT Lease Receivable, Net (continued)

At June 30, 2019 and 2018, the outstanding leases and the receivable amounts were as follows *(in thousands)*:

	2019	2018
Queens Stadium Project, through 2046	$ 1,033,561	$ 1,064,410
Yankee Baseball Stadium Project, through 2049	2,141,297	2,218,139
Aggregate lease receivable – gross	3,174,858	3,282,549
Less: deferred interest	(1,511,922)	(1,602,135)
Aggregate lease receivable – net	$ 1,662,936	$ 1,680,414

The aggregate lease receipts due through 2024 and thereafter are as follows *(in thousands)*:

	Queens Stadium	Yankee Stadium	Total
2020	$ 44,000	$ 84,233	$ 128,233
2021	44,000	84,233	128,233
2022	44,000	84,237	128,237
2023	44,050	84,238	128,288
2024	44,100	84,236	128,336
2025–2029	221,100	321,174	542,274
2030–2034	222,250	321,178	543,428
2035–2039	223,900	321,180	545,080
2040–2044	225,900	321,177	547,077
2045–2049	68,300	404,603	472,903
	1,181,600	2,110,489	3,292,089
Less: restricted funds related to Stadia Projects			(117,231)
			$ 3,174,858

7. PILOT Lease Receivable, Net (continued)

Lease payment receivable activity for the years ended June 30, 2019 and 2018, was as follows *(in thousands)*:

	Beginning Balance July 1, 2018	Additions	Reductions	Ending Balance June 30, 2019
Gross receivable	$ 3,282,549	$ –	$ (107,691)	$ 3,174,858
Less: deferred interest	1,602,135	–	(90,213)	1,511,922
Net receivable	$ 1,680,414	$ –	$ (17,478)	$ 1,662,936

	Beginning Balance July 1, 2017	Additions	Reductions	Ending Balance June 30, 2018
Gross receivable	$ 3,371,535	$ –	$ (88,986)	$ 3,282,549
Less: deferred interest	1,693,861	–	(91,726)	1,602,135
Net receivable	$ 1,677,674	$ –	$ 2,740	$ 1,680,414

8. Commitments

Pursuant to various approved agreements between IDA and NYCEDC, IDA was committed to fund projects being performed by NYCEDC related to the City's commerce and industrial development (the special project commitments). The total special project commitments under these agreements amounted to approximately $17.3 million with an outstanding obligation at June 30, 2019, of approximately $5.1 million.

8. Commitments (continued)

The Project Commitments, related approval dates, original and outstanding commitment balances are as follows (in thousands):

Project	Approval Date	Total Commitment	Life-to-date Expenditures	Current Total De-Obligate	Outstanding Commitment
Hunts Point Peninsula/Vision Plan	07/29/03	$ 795	$ 795	$ –	$ –
Hunts Point Food Distribution Center, Development Feasibility Studies	12/11/07	700	509	–	191
Downtown Jamaica Workspace	12/10/13	250	243	–	7
Living Lab Network – Phase I	04/14/15	600	576	–	24
FutureWorks NYC / Advanced Manufacturing Network Centers	5/12/15	8,295	7,370	–	925
Workforce1 Industrial & Transportation Career Center Satellites	07/24/18	5,257	2,317	–	2,940
FutureWorks NYC Incubator/Shops Services	07/24/18	880	391	–	489
FreightNYC	11/7/18	550	67	–	483
		$ 17,327	$ 12,268	$ –	$ 5,059

For the years ended June 30, 2019 and 2018, $3.7 million and $3.2 million, respectively, have been incurred by the Agency related to the above projects and are included in special project costs on the accompanying statements of revenue, expenses and changes in net position.

9. Contingencies

IDA, and in certain situations as co-defendant with the City and/or NYCEDC, is involved in personal injury, environmental claims, and other miscellaneous claims and lawsuits. In many of these matters there is liability coverage insuring the IDA and the IDA's clients are, in any case, obligated to indemnify IDA. IDA is unable to predict the outcome of each of these matters but believes that the IDA has meritorious defenses or positions with respect thereto. It is management's opinion that, except for the matters noted below, the ultimate resolution of these matters will not be material to the Agency.

9. Contingencies (continued)

Management believes that the following matter could have a material adverse effect on IDA's operations:

By letters dated January 7, 2009, December 2, 2009, and a Consent Order dated May 22, 2013, the New York State Department of Environmental Conservation (DEC) has notified IDA that DEC will seek contribution from IDA in connection with the remediation, respectively, of three sites in Brooklyn, one site in Long Island City, and another site in Queens that are or were used by clients to which IDA has provided financial assistance. If IDA is found to have liability, IDA would be entitled to indemnification from these clients. However, IDA believes that the remediation costs will be substantial and would exceed the clients' ability to meet their indemnity obligations.

IDA is unable to predict the outcome of the matters described above, but believes it has meritorious defenses with respect thereto.

10. Risk Management

IDA is exposed to various risks of loss-related torts; theft of, damage to, and destruction of assets; and natural disasters. IDA requires all beneficiaries to purchase and maintain commercial insurance coverage for these risks and name the IDA as additional insured. Settled claims resulting from these risks have not exceeded commercial insurance coverage provided by the beneficiaries in any of the past fiscal years.

Supplemental Information

NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY
(a component unit of the City of New York)
Statements of Net Position
(in thousands)

		Restricted			June 30,	
	Unrestricted	Queens Baseball Stadium Project	Yankee Baseball Stadium Project	Total Restricted	2019	2018
Assets						
Current Assets:						
Cash and cash equivalents	$ 2,611	$ -	$ -	$ -	$ 2,611	$ 8,408
Investments	14,311	-	-	-	14,311	17,659
Restricted cash	3,099	-	-	-	3,099	3,054
Fees receivable, net of allowance for doubtful accounts of $15 and $8, respectively	210	-	-	-	210	443
Secured interest on assets	-	-	-	-	-	10,450
PILOT lease receivable, net	-	9,565	18,898	28,463	28,463	27,744
Total current assets	20,231	9,565	18,898	28,463	48,694	67,758
Non-current assets:						
Investments	6,623	-	-	-	6,623	3,004
Restricted cash and cash equivalents-stadia projects	-	19,345	9,664	29,009	29,009	40,001
Restricted investments - stadia projects	-	-	88,222	88,222	88,222	85,025
Secured interest on assets	-	-	-	-	-	-
PILOT lease receivable, net	-	551,555	1,082,918	1,634,473	1,634,473	1,652,670
Total non-current assets	6,623	570,900	1,180,804	1,751,704	1,758,327	1,780,700
Total assets	26,854	580,465	1,199,702	1,780,167	1,807,021	1,848,458
Deferred outflows of resources						
Derivative instrument - interest rate swap	-	-	10,173	10,173	10,173	7,392
Liabilities						
Current liabilities:						
Accounts payable and accrued expenses	850	-	-	-	850	884
Due to NYC Economic Development Corp.	540	-	-	-	540	1,278
Bonds payable - current	-	9,565	18,898	28,463	28,463	27,744
Interest payable on bonds	-	14,305	133,432	147,737	147,737	142,837
Unearned revenues	544	-	-	-	544	695
Other liabilities	3,100	-	-	-	3,100	3,054
Total current liabilities	5,034	23,870	152,330	176,200	181,234	176,492
Non-current liabilities						
Bonds payable, net	-	556,595	1,047,372	1,603,967	1,603,967	1,634,858
Derivative instrument-interest rate swap	-	-	10,173	10,173	10,173	7,392
Total non-current liabilities	-	556,595	1,057,545	1,614,140	1,614,140	1,642,250
Total liabilitites	5,034	580,465	1,209,875	1,790,340	1,795,374	1,818,742
Net position - unrestricted	$ 21,820	$ -	$ -	$ -	$ 21,820	$ 37,108

See accompanying notes.

II. Government Auditing Standards Section

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*

The Management and the Board of Directors
New York City Industrial Development Agency

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the New York City Industrial Development Agency (the Agency), a component unit of the City of New York, which comprise the statement of net position as of June 30, 2019, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated ______, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters.

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

_______, 2019

Annual Report for New York City Industrial Development Agency

Fiscal Year Ending: 06/30/2019

Run Date: 09/09/2019
Status: UNSUBMITTED
Certified Date: N/A

Summary Financial Information

SUMMARY STATEMENT OF NET ASSETS

			Amount
Assets			
Current Assets			
	Cash and cash equivalents		$5,710,417.00
	Investments		$14,310,711.00
	Receivables, net		$28,672,851.00
	Other assets		$0.00
	Total Current Assets		$48,693,979.00
Noncurrent Assets			
	Restricted cash and investments		$123,854,058.00
	Long-term receivables, net		$1,634,472,608.00
	Other assets		$10,173,443.00
	Capital Assets		
		Land and other nondepreciable property	$0.00
		Buildings and equipment	$0.00
		Infrastructure	$0.00
		Accumulated depreciation	$0.00
		Net Capital Assets	$0.00
	Total Noncurrent Assets		$1,768,500,109.00
Total Assets			$1,817,194,088.00
Liabilities			
Current Liabilities			
	Accounts payable		$0.00
	Pension contribution payable		$0.00
	Other post-employment benefits		$0.00
	Accrued liabilities		$850,220.00
	Deferred revenues		$544,190.00
	Bonds and notes payable		$28,462,478.00
	Other long-term obligations due within one year		$151,376,707.00
	Total Current Liabilities		$181,233,595.00
Noncurrent Liabilities			

	Pension contribution payable		$0.00
	Other post-employment benefits		$0.00
	Bonds and notes payable		$1,603,966,845.00
	Long Term Leases		$0.00
	Other long-term obligations		$10,173,443.00
	Total Noncurrent Liabilities		$1,614,140,288.00
Total Liabilities			$1,795,373,883.00
Net Asset (Deficit)			
Net Assets			
	Invested in capital assets, net of related debt		$0.00
	Restricted		$0.00
	Unrestricted		$21,820,205.00
	Total Net Assets		$21,820,205.00

SUMMARY STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS

			Amount
Operating Revenues			
	Charges for services		$2,442,443.00
	Rental & financing income		$0.00
	Other operating revenues		$392,842.00
	Total Operating Revenue		$2,835,285.00
Operating Expenses			
	Salaries and wages		$0.00
	Other employee benefits		$0.00
	Professional services contracts		$4,422,280.00
	Supplies and materials		$0.00
	Depreciation & amortization		$0.00
	Other operating expenses		$133,636.00
	Total Operating Expenses		$4,555,916.00
Operating Income (Loss)			($1,720,631.00)
Nonoperating Revenues			
	Investment earnings		$547,788.00
	State subsidies/grants		$0.00
	Federal subsidies/grants		$0.00

	Municipal subsidies/grants		$0.00
	Public authority subsidies		$0.00
	Other nonoperating revenues		$0.00
	Total Nonoperating Revenue		$547,788.00
Nonoperating Expenses			
	Interest and other financing charges		$0.00
	Subsidies to other public authorities		$0.00
	Grants and donations		$0.00
	Other nonoperating expenses		$14,115,084.00
	Total Nonoperating Expenses		$14,115,084.00
	Income (Loss) Before Contributions		($15,287,927.00)
Capital Contributions			$0.00
Change in net assets			($15,287,927.00)
Net assets (deficit) beginning of year			$37,108,132.00
Other net assets changes			$0.00
Net assets (deficit) at end of year			$21,820,205.00

<u>Exhibit B</u>

NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY
INVESTMENT REPORT

Board of Directors Meeting, September 24, 2019

WHEREAS, the Public Authorities Law requires public authorities to annually prepare and approve an investment report, which shall include the public authority's comprehensive investment guidelines, amendments to such guidelines since the last investment report, an explanation of the investment guidelines and amendments, the results of the annual independent audit, the investment income record of the public authority and a list of the total fees, commissions or other charges paid to each investment banker, broker, agent, dealer and adviser rendering investment associated services to the public authority since the last investment report.

NOW, THEREFORE, BE IT RESOLVED THAT, the Board of Directors of New York City Industrial Development Agency hereby approves the Investment Report for the fiscal year ended June 30, 2019 annexed hereto (including all attachments, schedules and exhibits thereto).

NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY
INVESTMENT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Comprehensive Investment Guidelines Policy

Attached hereto as Schedule I is the Comprehensive Investment Guidelines Policy of the New York City Industrial Development Agency (the "Agency"), as approved by the Agency's Board of Directors on June 11, 2019 (the "Investment Policy"). The Investment Policy approved by the Agency's Board of Directors on June 11, 2019 did not contain any substantive amendments as compared to the Investment Policy approved by the Agency's Board of Directors on June 12, 2018.

Investment Objectives

By way of summary, the investment objectives set forth in the Investment Policy are as follows: preservation of capital; maintenance of liquidity; maximization of return; and compliance with law.

Annual Independent Audit

The results of the annual independent audit (including the independent accountant's audit report) for the fiscal year ended June 30, 2018 are attached hereto as Schedule II.

Investment Income Record

Investment income from interest earned on bank accounts, certificates of deposits and securities was $547,788 for the fiscal year ended June 30, 2019.

Fees, Commissions and Other Charges

The Agency did not pay any fees, commissions or other charges to an investment banker, broker, agent, dealer or advisor during the fiscal year ended June 30, 2019.

SCHEDULE I
INVESTMENT POLICY

Attached.

NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY
COMPREHENSIVE INVESTMENT GUIDELINES POLICY
Adopted June 13, 2006; as amended through June 11, 2019

I. PURPOSE

The purpose of this Policy is to establish procedures and guidelines regarding the investing, monitoring and reporting of funds of the New York City Industrial Development Agency (the "Agency").

II. GENERAL PROVISIONS

A. Scope of Policy

This Policy applies to the funds of the Agency which, for purposes of this Policy and the guidelines stated herein, consist of all moneys and other financial resources available for deposit and investment by the Agency on its own behalf and for its own account (collectively, the "Funds"). As defined herein, "Funds" shall not include the proceeds of bonds issued by the Agency as financial assistance in connection with a project under the General Municipal Law (as such terms are defined in the General Municipal Law).

B. Investment Objectives

The Funds shall be managed to accomplish the following objectives:

1. *Preservation of Principal* – The single most important objective of the Agency's investment program is the preservation of the principal of the Funds.
2. *Maintenance of Liquidity* – The Funds shall be managed in such a manner that assures that funds are available as needed to meet immediate and/or future operating requirements of the Agency.
3. *Maximize Return* – The Funds shall be managed in such a fashion as to maximize income through the purchase of Permitted Investments (hereinafter defined), taking into account the other investment objectives.
4. *Compliance with law* – The Funds shall be managed in compliance with Sections 10, 11 and 858-a(3) of the General Municipal Law of the State of New York (respectively, the "GML" and the "State").

III. IMPLEMENTATION

Under the direction of the Chief Financial Officer of the Agency, the Treasurer of the Agency and any Assistant Treasurer of the Agency (respectively, the "Chief Financial Officer," the "Treasurer," and an "Assistant Treasurer") shall be responsible for the implementation of the Agency's investment program and the establishment of investment procedures and a system of controls to regulate the activities of subordinate staff, consistent with this Policy. The Treasurer or an Assistant Treasurer shall additionally have the authority to invest the Funds of the Agency and shall invest prudently and in accordance with the requirements of this Policy.

IV. AUTHORIZED DEPOSITS

A. Authorized Institutions for Deposit

In accordance with relevant provisions of the General Municipal Law, the Board of Directors must designate one or more banks or trust companies for the deposit of Funds ("Designated Institution(s)"), and shall additionally specify the maximum amount of Funds which may be deposited in each such Designated Institution.

Accordingly: I. the Board of Directors hereby designates as the Designated Institutions, those banks and/or trust companies that, from time to time, the City of New York shall have designated, or shall have been permitted to designate, for the deposit of the City's funds; II. the Board of Directors hereby determines and specifies that each account of the Agency at any such Designated Institution, shall be subject to a maximum deposit amount and that such amount shall be, for purposes of day-to-day operations, no greater than two million dollars, and for purposes of extraordinary receipts having a deposit duration of no longer than two business days, no greater than ten million dollars.

B. Deposits; Responsibility for Making Deposits

The Agency shall cause Funds potentially needed for immediate expenditure to be deposited at Designated Institutions in accounts that permit nearly immediate withdrawal ("Deposit Accounts"). The Chief Financial Officer, the Treasurer, an Assistant Treasurer, or any other officer of the Agency authorized to have custody of the Funds, shall be responsible for depositing the Funds in accordance with this Section IV.

C. Collateral

In the event that the Funds on deposit in any one Deposit Account exceed the amount that is insurable by the Federal Deposit Insurance Act, as now or hereafter amended, such excess shall be secured by collateral in accordance with the requirements of GML Section 10(3).

V. AUTHORIZED TEMPORARY INVESTMENTS

A. Responsibility for Temporary Investments

In accordance with relevant provisions of the General Municipal Law, the Board of Directors may delegate the authority to temporarily invest such portion of the Funds as are not needed for immediate expenditure. Accordingly, the Board of Directors hereby delegates to the Chief Financial Officer and, if under the direction of the Chief Financial Officer, to the Treasurer and any Assistant Treasurer, the authority to temporarily invest such portion of the Funds not needed for immediate expenditure; *provided,* such investments are made in accordance with the requirements of relevant provisions of the General Municipal Law.

B. Permitted Temporary Investments

Permitted temporary investments for the Funds are the investments permitted under Section 11 of the GML (The securities purchased as temporary investments for the Funds are hereinafter referred to as the "Securities.")

C. Requirements

The Agency shall instruct its Agents (as such term is defined in Subdivision XI of this Policy) to obtain competitive quotes for each purchase or sale of Securities, other than governmental Securities, when such transaction equals or exceeds $2,500,000 in amount.

All Securities of the Agency shall be purchased, sold, payable, paid, redeemed, delivered, registered, inscribed, held in custody, and co-mingled or not co-mingled in accordance with the requirements and limitations of the GML.

The Treasurer shall maintain, or cause to be maintained, proper books and records of all Securities held by or for the Agency and for all transactions pertinent thereto. Such books and records shall at least identify the Security, the fund for which held, and the place where kept; and the entries made therein shall show the competitive quotes obtained therefor, the date of sale or other disposition, and the amount realized therefrom.

VI. WRITTEN CONTRACTS

The Agency shall enter into written contracts pursuant to which investments are made which conform with the requirements of this Policy and Section 2925.3(c) of the Public Authorities Law unless the Board of Directors determines by resolution that a written contract containing such provisions is not practical or that there is not a regular business practice of written contracts containing such provisions with respect to a specific investment or transaction, in which case the Board of Directors shall adopt procedures covering such investment or transaction.

VII. DIVERSIFICATION

The investment portfolio for the Funds shall be structured diversely to reduce the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer or a specific type of security. The maximum percentage of the total portfolio permitted for the indicated category of security is as follows:

SECURITIES	MAXIMUM
Time deposits and certificates of deposit permitted under the GML provided same are secured by *eligible securities* as defined under the GML	45%
Obligations of the USA; obligations of agencies of the USA if guaranteed by the USA	100%
Obligations of New York State	40%

VIII. MAXIMUM MATURITY

Maintenance of adequate liquidity to meet the cash flow needs of the Agency is essential. Accordingly, the Agency's portfolio of Permitted Investments will be structured in a manner that ensures sufficient cash is available to meet anticipated liquidity needs. Selection of investment maturities must be consistent with cash requirements in order to avoid the forced sale of securities prior to maturity.

For purposes of this Policy, assets of the portfolio shall be segregated into two categories based on expected liquidity needs and purposes – Cash Equivalents and Investments. Assets categorized as Cash Equivalents will be invested in Permitted Investments maturing in ninety (90) days or less or in Deposit Accounts. Assets categorized as Investments will be invested in Permitted Investments with a stated maturity of no more than two (2) years from the date of purchase.

IX. MONITORING AND ADJUSTING THE INVESTMENT PORTFOLIO

Those responsible for the day-to-day management of the Agency's portfolio of Permitted Investments will routinely monitor the contents of the portfolio, the available markets and the relative values of competing instruments, and will adjust the portfolio as necessary to meet the requirements and goals of this Policy. It is recognized and understood that the non-speculative active management of portfolio holdings may cause a loss on the sale of an owned investment.

X. INTERNAL CONTROLS

Under the direction of the Chief Financial Officer, the Treasurer or an Assistant Treasurer, shall establish and be responsible for monitoring a system of internal controls governing the administration and management of the portfolio. Such controls shall be designed to prevent and control losses of the portfolio funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by any personnel.

XI. ELIGIBLE BROKERS, AGENTS, DEALERS, INVESTMENT ADVISORS, INVESTMENT BANKERS AND CUSTODIANS.

The following are the standards for the qualifications of brokers, agents, dealers, investment advisors, investment bankers and custodians:

A. Brokers, Agents, Dealers

The categories of firms listed below are the categories from which the Agency may select firms to purchase and sell Securities (as selected an "Agent"). Factors to be considered by the Agency in selecting Agents from these categories shall include the following: size and capitalization; quality and reliability; prior experience generally and prior experience with the Agency specifically; and level of expertise for the transactions contemplated.

1. any bank or trust company organized and/or licensed under the laws of the USA which is authorized to do business in NYS;
2. any bank or trust company organized and/or licensed under the laws of any state of the USA which is authorized to do business in NYS;
3. any broker-dealer licensed and/or permitted to provide services under federal law and, when necessary, qualified to do business in NYS

B. Investment Advisors

In addition to the requirements set forth in "A" preceding, any Agent selected by the Agency to be an investment advisor shall be registered with the SEC under the Investment Advisors Act of 1940.

C. Investment Bankers

In addition to the requirements set forth in "A" preceding, any Agent selected by the Agency to serve as a senior managing underwriter for negotiated sales must be registered with the SEC.

D. Custodians

In addition to the requirements set forth in "A" preceding, any Agent selected by the Agency to be a custodian shall have capital and surplus of not less than $50,000,000.

XII. REPORTING

A. Quarterly

Under the direction of the Chief Financial Officer, the Treasurer or an Assistant Treasurer, shall prepare and deliver to the Board of Directors once for each quarter of the Agency's fiscal year a report setting forth a summary of new investments made during that quarter, the inventory of existing investments and the selection of investment bankers, brokers, agents, dealers, investment advisors and auditors.

B. Annually

1. *Audit* – the Agency's independent accountants shall conduct an annual audit of the Agency's investments for each fiscal year of the Agency, the results of which shall be made available to the Board of Directors at the time of its annual review and approval of these Guidelines.

2. *Investment Report* – Annually, the Treasurer or an Assistant Treasurer, under the direction of the Chief Financial Officer, shall prepare and the Board of Directors shall review and approve an Investment Report, which shall include:

   a. This Policy and amendments thereto since the last report;
   b. An explanation of this Policy and any amendments made since the last report;
   c. The independent audit report required by paragraph 1 above;
   d. The investment income record of the Agency for the fiscal year; and
   e. A list of fees, commissions or other charges paid to each investment banker, broker, agent, dealer and advisor rendering investment associated services to the Agency since the last report.

   The Investment Report shall be submitted to the Mayor and the Comptroller of the City of New York and to the New York State Department of Audit and Control. Copies of the report shall also be made available to the public upon reasonable request.

XIII. APPLICABILITY

Nothing contained in this Policy shall be deemed to alter, affect the validity of, modify the terms of or impair any contract or agreement for the investment of the Funds, made or entered into in violation of, or without compliance with, the provisions of this Policy.

XIV. CONFLICT OF LAW

In the event that any portion of this Policy is in conflict with any State, City or federal law, that law will prevail.

XV. PRIOR POLICIES

This Policy, when originally adopted on June 13, 2006, superseded the *Deposit and Investment Policy* that the Board of Directors adopted at its meeting held on July 9, 1996. This Policy does not supersede, in any relevant part, the amended By-Laws of the Agency.

XVI. AUTOMATIC AMENDMENT

This Policy shall be deemed automatically amended to conform with enactments that amend or succeed any of GML Sections 10, 11 or 858-a(3).

XVII. MWBEs

The Agency shall seek to encourage participation by minority and women-owned business enterprises (i.e., "MWBEs") in providing financial services to the Agency.

<u>SCHEDULE II</u>

RESULTS OF ANNUAL INDEPENDENT AUDIT

Attached.

Schedule of Investments

New York City Industrial Development Agency
(A Component Unit of the City of New York)
Years Ended June 30, 2019 and 2018
With Report of Independent Auditors

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

New York City Industrial Development Agency
(A Component Unit of the City of New York)

Schedule of Investments

Years Ended June 30, 2019 and 2018

Contents

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

1905-3156858

Report of Independent Auditors

The Management and the Board of Directors
New York City Industrial Development Agency

Report on the Schedule of Investments

We have audited the accompanying Schedule of Investments for the New York City Industrial Development Agency (the Agency), a component unit of the City of New York, as of June 30, 2019 and 2018, and the related notes.

Management's Responsibility for the Financial Schedule

Management is responsible for the preparation and fair presentation of the Schedule of Investments in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedule of Investments that is free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Schedule of Investments based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule of Investments is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule of Investments. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Schedule of Investments, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Schedule of Investments in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Schedule of Investments.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Schedule of Investments referred to above presents fairly, in all material respects, the investments of the Agency as of June 30, 2019 and 2018, in conformity with U.S. generally accepted accounting principles.

Report on the Financial Statements as of June 30, 2019 and 2018

We have audited, in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards*, the financial statements of the Agency as of and for the years ended June 30, 2019 and 2018, and our report thereon dated ________, 2019, expressed an unmodified opinion on those financial statements.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated ________, 2019, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters with respect to the Schedule of Investments. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Agency's internal control over financial reporting and compliance with respect to the Schedule of Investments.

________, 2019

New York City Industrial Development Agency
(A Component Unit of the City of New York)

Schedule of Investments
(In Thousands of Dollars)

	June 30 2019	June 30 2018
Investments		
Unrestricted	$ **21,055**	$ 25,040
Restricted Funds Held in Account – Stadia Projects	**117,231**	112,884
Total investments	$ **138,286**	$ 137,924

The accompanying notes are an integral part of this statement.

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

New York City Industrial Development Agency
(A Component Unit of the City of New York)

Notes to Schedule of Investments

June 30, 2019

1. Background and Organization

The New York City Industrial Development Agency (IDA or the Agency), a component unit of the City of New York (the City) for financial reporting purposes of the City, is a public benefit corporation of the State of New York (the State). IDA was established in 1974 to actively promote, retain, attract, encourage and develop an economically sound commerce and industry base to prevent unemployment and economic deterioration in the City.

The Agency assists industrial and commercial organizations through "straight lease" structures. The straight lease provides tax benefits to the participating organizations (the Beneficiaries) to incentivize the acquisition and capital improvement of their facilities. The Agency may also assist Beneficiaries in obtaining long-term, low-cost financing for capital assets through a financing transaction (the Financing Transaction), which includes the issuance of double and triple tax-exempt industrial development bonds (IDBs). The Beneficiaries, in addition to satisfying legal requirements under the Agency's governing laws, must meet certain economic development criteria, the most important of which is job creation and/or retention. Whether the Agency enters into a straight lease or issues IDBs, the Agency may provide one or more of the following tax benefits: exemption from mortgage recording tax; payments in lieu of real property taxes (PILOT) that are less than full taxes; and exemption from City and State sales and use taxes as applied to construction materials and machinery and equipment.

When the Agency issues IDBs, the proceeds of the IDB financing are conveyed to an independent bond trustee for disbursement to the Beneficiary. The Beneficiary concurrently leases, and formerly sold, the project or other collateral to the Agency for a nominal sum and the Agency in turn leases the property or other collateral back to the Beneficiary for a period concurrent with the maturity of the related IDB or the term of the tax benefits. Rental payments are calculated to be sufficient to meet the debt service obligation on the IDB. The Financing Lease includes a bargain purchase option, which allows the Beneficiary to cancel the lease or, in those transactions in which the Beneficiary sold the property to the Agency, repurchase the property, for a nominal sum upon expiration of the Financing Lease and after satisfaction of all terms thereof.

The IDBs are special non-recourse conduit debt obligations of the Agency which are payable solely from the rents and revenues provided for in the lease (Financing Lease) to the Beneficiary. The IDBs are secured by a collateral interest in the Financing Lease, the Beneficiary's project property and, in certain circumstances, by guarantees from the Beneficiary's principals or affiliates or other forms of additional security.

1. Background and Organization (continued)

Both the IDBs and certain provisions of the Financing Lease are administered by an independent bond trustee appointed by the Agency. Due to the facts that (1) the IDBs are non-recourse conduit debt obligations to the Agency, (2) the Agency assigns its interest in the Financing Lease as collateral, and (3) the Agency has no substantive obligations under the Financing Lease (other than to convey back the project property at the end of the IDB term, and to issue IDBs in those projects where subsequent issuance is contemplated), the Agency has, in effect, none of the risks and rewards of the Financing Lease and related IDB financing. Accordingly, with the exception of certain fees derived from the Financing Transaction, the Financing Transaction itself is given no accounting recognition in the accompanying financial statements.

The Agency is governed by a Board of Directors, which establishes official policies and reviews and approves requests for financial assistance. Its membership is prescribed by statute and includes a public official and mayoral appointees.

In addition to IDB financing, the Agency also issued Tax-Exempt PILOT Revenue Bonds, Taxable Rental Revenue Bonds, Taxable Installment Purchase Bonds and Taxable Lease Revenue Bonds in connection with the construction of the new Yankee Stadium and Citi Field (the Stadia Projects). Yankee Stadium, LLC, a Delaware limited liability company, and Queens Ballpark, LLC, a New York limited liability company, undertook the design, development, acquisition and construction of the Stadia Projects. The Taxable Bonds are special limited obligations of the Agency and are payable solely from revenues derived from a Lease Agreement with Yankee Stadium, LLC and a Lease Agreement and Installment Sales Agreement with Queens Ballpark Company, LLC.

The Tax-Exempt PILOT Bonds are special limited obligations of the Agency payable solely from PILOT Revenues derived from PILOTs made by Yankee Stadium, LLC and Queens Ballpark Company, LLC. However, since the Tax-Exempt PILOT Bonds were issued to finance the construction of the Stadia and because the Agency is the legal owner of the Stadia, the Tax Exempt PILOT Bonds have been recorded in the Agency's books and records.

2. Summary of Significant Accounting Policies

Investments

Investments held by IDA are measured at fair value pursuant to GASB issued Statement No. 72, *Fair Value Measurement and Application*. Money Market Funds, categorized as Level 1 inputs, are valued at the unadjusted prices that are quoted in active principal markets for identical assets. US Agencies securities, categorized as Level 2, are valued on models using observable inputs. Certificates of deposit are valued at cost.

Restricted Funds Held in Trust – Stadia Projects

Restricted cash, cash equivalents and investments, related to the Stadia Projects, are segregated and designated for purposes of the debt reserve fund and to pay future bond interest and principal payments. These investments are managed by an external investment portfolio manager. Qualified investments, as defined in the bond agreements, are made under the direction of the Agency.

Under the bond agreements, the Agency does not have any obligation to make further contributions to the Stadium Construction Funds. Accordingly, the Agency's financial responsibility will not exceed the amounts currently on deposit in the managed investment portfolio. Therefore, the Agency's obligation is not affected by various risks which include credit risk, interest rate risk and concentration of credit risk. In addition, the restricted investments are not required to be administered in accordance with the Agency's or New York State investment guidelines. The restricted cash equivalents and restricted investments for the Stadia Projects were $29.0 million and $88.2 million, respectively, as of June 30, 2019.

3. Investments

As of June 30, 2019 and 2018, the Agency had the following unrestricted investments. Investment maturities are shown for June 30, 2019, only (dollars in thousands).

	Fair Value		2019 Investment Maturities (In Years)	
	2019	2018	Less Than 1	1 to 2
Money Market	$ 121	$ 4,377	$ 121	$ –
Federal National Mort. Assn. Notes	–	6,819	–	–
Federal Home Loan Mort. Corp. Notes	–	5,190	–	–
Federal Home Loan Bank Notes	3,000	5,810	3,000	–
Federal Farm Credit Bank	9,932	1,245	3,309	6,623
US Treasury Note	7,902	1,499	7,902	–
Certificates of Deposit (over 90 days)	100	100	100	–
Total	$ 21,055	$ 25,040	$ 14,432	$ 6,623

IDA's investment policy permits the Agency to invest in obligations of the United States of America, where the payment of principal and interest is guaranteed, or in obligations guaranteed by agencies of the United States of America. Other investments include certificates of deposit, and time deposits. All investments are either insured or registered and held by the Agency or its agent in the Agency's name.

Interest Rate Risk: The Agency has a formal investment policy, which limits investment maturities to a maximum of two years from the date of purchase as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk: It is the Agency's policy to limit its investments in debt securities to obligations of the United States of America and its agencies, and obligations of the State of New York. As of June 30, 2019, the Agency's investments in Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank and Federal Home Loan Mortgage Corporation and US Treasury Notes were rated AA+ by Standard & Poor's, Aaa by Moody's and AAA by Fitch Ratings.

3. Investments (continued)

Custodial Credit Risk: For investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the Agency will not be able to recover the value of its investments that are in the possession of the outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured and are not registered in the name of the Agency.

The Agency manages this credit risk by limiting its custodial exposure to highly rated institutions and/or requiring high quality collateral be held by the counterparty in the name of the Agency.

Concentration of Credit Risk: The Agency places no limit on the amount the Agency may invest in any United States of America government backed securities. The following table shows investments that represent 5% or more of total investments (dollars in thousands):

Issuer	Dollar Amount and Percentage of Total Investments			
	June 30, 2019		June 30, 2018	
Federal Home Loan Mortgage Corp.	$ –	–%	$ 5,190	25.12%
Federal National Home Mortgage Assn.	–	–	6,819	33.00
Federal Home Loan Bank	**3,000**	**14.33**	5,810	28.12
US Treasury Note	**7,902**	**37.75**	1,499	7.25
Federal Farm Credit Bank	**9,932**	**47.45**	1,245	6.03

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Schedule of Investments Performed in Accordance with *Government Auditing Standards*

The Management and the Board of Directors
New York City Industrial Development Agency

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Schedule of Investments of the New York City Industrial Development Agency (the Agency), a component unit of the City of New York, as of June 30, 2019, and the related notes to the Schedule of Investments, and have issued our report thereon dated ________, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the Schedule of Investments, we considered the Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Schedule of Investments, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's Schedule of Investments will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's Schedule of Investments are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and investment policies established by the Agency and the New York State Comptroller investment guideline requirements as presented in Section 201.3(c) of the *Accounting, Reporting and Supervision Requirements for Public Authorities*, noncompliance with which could have a direct and material effect on the determination of Schedule of Investments amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

________, 2019

<u>Exhibit C</u>

NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY
Performance Measurements Report
Board of Directors Meeting
September 24, 2019

WHEREAS, the Public Authorities Law requires the New York City Industrial Development Agency ("IDA" or the "Agency") to publish a self-evaluation report based on performance measurements adopted by the Board of Directors of the Agency (the "Board") and to submit such report to the New York State Authorities Budget Office (the "ABO").

WHEREAS, on June 11, 2019, the Board adopted the performance measurements listed in the Performance Measurements Report for the fiscal year ending June 30, 2019 (attached as Attachment A) (the "Performance Measurements Report").

RESOLVED, that the Board hereby acknowledges that it has reviewed the Performance Measurements Report and hereby approves the Performance Measurements Report.

RESOLVED, that the Board hereby directs the Officers of the Agency to publish the Performance Measurements Report on the Agency's website and to submit the Performance Measurements Report to the ABO and to any other required persons or entities in accordance with the Public Authorities Law.

ATTACHMENT A

Performance Measurements Report for Fiscal Year 2019

Name of Public Authority:
New York City Industrial Development Agency (NYCIDA)

Public Authority's Mission Statement:
The mission of the New York City Industrial Development Agency (NYCIDA) is to encourage economic development throughout the five boroughs, and to assist in the retention of existing jobs, and the creation and attraction of new ones.

List of Performance Measurements:

Performance Measurements	**FY2019 7/1/18 – 6/30/19**	**FY2018 7/1/17 – 6/30/18**
Number of Contracts Closed	7	14
Amount of Private Investment Leveraged	$163,465,843	$7,412,378,506
Total net City tax revenues generated in connection with closed contracts[1]	$63,668,500	$2,368,671,279
Project three-year job growth in connection with closed contracts	253.5	15,201
Current total jobs reported by projects that commenced operations in FY 2016[2] as compared to total jobs reported at the time of application for such projects	1,282/194 (+1,088)	667/31 (+636)
Current total jobs reported by projects that commenced operations in FY 2016[3] as compared to the three-year total job growth projections stated in applications for such projects	1,282/1,166 (+116)	667/278 (+389)
Square footage of buildings/improvements receiving benefits	1,019,568	6,167,349
Number of projects that received a field visit	95	98
% of projects that received a field visit	30.06%	29.78%
% of projects in good standing[4]	99%	95%

[1] Represents projected net city tax revenues through contract maturity.

[2] Also includes projects that closed in FY 2016 but commenced all operations prior to the closing date.

[3] Also includes projects that closed in FY 2016 but commenced all operations prior to the closing date.

[4] Defined as those projects that did not receive a Notice of Event of Default by the end of the Fiscal Year.

Exhibit D

Project Summary

45-18 Court Square Owner, L.L.C., a Delaware limited liability company (the "Company"), a joint venture between GFP/KS Court Square LLC and CRP 45-18 Court Square Member, L.L.C., owners and managers of commercial real estate, is seeking financial assistance in connection with the construction, furnishing and equipping of a 263,000 rentable square foot office building on a 36,875 square foot parcel of land located at 45-18 Court Square, Long Island City, New York (the "Facility"). The Facility is leased by the Company and is owned by 45-18 LLC and 45-18 Riverside LLC. The Company intends to sublease the Facility to various tenants for lab, lab support, office space and other uses applicable to life sciences industries (the "Project").

Project Location

45-18 Court Square
Long Island City, New York 11101

Actions Requested

- Amending Inducement and Authorizing Resolution for a Commercial Life Sciences transaction.
- Adopt a SEQRA negative declaration for this project. The proposed Project will not have a significant adverse effect on the environment.

Anticipated Closing

October 2019

Impact Summary

Employment	
Jobs at Application:	0
Jobs to be Created at Project Location (Year 3):	*503
Total Jobs (full-time equivalents)	**503**
Projected Average Hourly Wage (excluding principals)	**$47.00**
*** Estimate based on industry statistics**	

Estimated City Tax Revenues	
Impact of Operations (NPV 20 years at 6.25%)	$58,273,555
One-Time Impact of Renovation	8,308,682
Total impact of operations and renovation	**$66,582,237**
Additional benefit from jobs to be created	**$59,256,620**

Estimated Cost of Benefits Requested: New York City	
Building Tax Exemption (NPV, 20 years)	$41,174,016
Land Tax Abatement (NPV, 20 years)	$8,569,131
MRT Benefit	$2,245,982
Sales Tax Exemption (NPV, 4 years)	$3,777,646
Agency Financing Fee	($1,619,714)
Total Value of Benefits provided by Agency	**$54,147,061**
Available As-of-Right Benefits (ICAP)	$22,664,677
Agency Benefits In Excess of As-of-Right Benefits	$31,482,384

Emily Marcus, SIG
Robert LaPalme, LGL

Nixon Peabody LLP
Project Number - 7298

45-18 Court Square Owner, L.L.C.

Costs of Net City Benefits Per Job	
Estimated Total Cost of Benefits per Job	$62,589
Estimated City Tax Revenue per Job	$250,177

Estimated Cost of Benefits Requested: New York State	
MRT Benefit	$1,624,018
Sales Tax Exemption (NPV, 4 years)	$3,672,711
Total Cost to NYS	**$5,296,729**

Sources and Uses

Sources	Total Amount	Percent of Total Financing
Commercial Loan	$154,800,000	67%
Equity	$83,390,000	33%
Total	**$238,190,000**	**100%**

Uses	Total Amount	Percent of Total Costs
Leasehold Acquisition	$72,618,750	30%
Hard Costs	80,150,420	33%
Soft Costs	18,859,464	8%
Leasing Costs	49,211,511	21%
Contingency	4,959,470	2%
Financing Costs	12,390,385	5%
Total	**$238,190,000**	**100%**

Fees

	Paid At Closing	On-Going Fees (NPV, 20 Years)
Agency Fee	$1,619,714	
Project Counsel	Hourly	
Annual Agency Fee	$1,250	$14,730
Total	$1,620,964	$14,730
Total Fees	**$1,635,694**	

Financing and Benefits Summary

It is anticipated that the Company will finance the Project with a commercial mortgage loan (the "Loan") from ACORE Capital Mortgage, LP, or from its affiliate(s) or designee(s), in the amount of approximately $154,800,000, and with approximately $83,390,000 in equity. The Loan will be secured by a pledge or mortgage of all the Company's assets, including its fee interest in the Facility. The Loan will bear interest at a rate equal to 3.90%, plus the higher of either 30-day LIBOR or a floor of the greater of 1.75% + LIBOR, to be set at closing. The financial assistance proposed to be conferred by the Agency will consist of exemption of City and State mortgage recording taxes, exemption from City and State sales and use taxes and payments in lieu of City real property taxes. The debt service coverage ratio is anticipated to be 2.3x upon Project completion in 2024.

Market Performance and Projections

New York City (the "City") is an emerging destination for life sciences tenants as the local economy boasts a rich talent pool, access to global capital, and proximity to a growing tech sector. Additionally, the City is home to one of the nation's largest concentrations of medical centers, research foundations, and academic institutions. The life sciences industry in the city is also bolstered by its proximity to other biotech enclaves in the greater metro area – specifically New Jersey, Long Island, and Westchester County. New York's lab stock is close to fully occupied as a result of demand from the City's budding life sciences industry outpacing lab supply which has resulted in growing companies having to leave the City to find space. In response, the City has launched LifeSci NYC, an initiative that will allocate $100 million towards the creation of an applied life sciences campus that will ultimately serve as the industry's anchor along with $50 million to establish applied research and development centers. LifeSci NYC has also pledged $300 million in tax incentives for investors who commit to building commercial laboratory and office space. Further, LifeSci NYC is committing $50 million toward workforce development initiatives and programs focused on nurturing entrepreneurship and innovation.

Inducement

I. The Project will create critically needed wet lab and commercial office space for life sciences companies in the City.
II. The Project would not be financially viable without Agency benefits.
III. Developing wet lab space and related office space is significantly more expensive than alternative types of real estate.

UTEP Considerations

The Agency finds that the Project meets one or more considerations from Article II B of the Agency's Uniform Tax Exemption Policy ("UTEP") and the Agency's criteria for the evaluation and selection of projects, 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 likely to be completed in a timely manner.
IV. The Project involves the life sciences industry, which the Agency seeks to retain and foster.

Applicant Summary

King Street ("King Street") Properties is owned by Thomas Ragno, a former executive with Beacon Capital Partners and its predecessor companies, and Stephen Lynch, who has been part of the Greater Boston commercial real estate industry for over 30 years. King Street was founded in 2002, and it operates as the largest private owner and operator of high-quality lab space in Greater Boston. It focuses on the acquisition and development of office and life science buildings in established submarkets, and it owns and operates over 680,000 square feet of lab and office space.

GFP Real Estate LLC ("GFP") was founded in 1952 by Aaron Gural and has grown to own, along with its partners, more than 8.8 million square feet of commercial property in New York City, and a total of over 10.2 million square feet in the Tri-State region. The company's portfolio includes properties as the Flatiron Building (175 Fifth Avenue) and The Film Center Building (630 Ninth Avenue). GFP serves as landlord to more than 2,700 tenants in its portfolio, manages 13.4 million square feet on behalf of itself and other property owners in the region, and has 80 full-time professionals on its team.

The Carlyle Group ("Carlyle") is a global investment firm with $223 billion of assets under management across 362 investment vehicles. Founded in 1987 in Washington, DC, Carlyle has grown into one of the world's largest investment firms.

The Company is a joint venture between GFP/KS Court Square LLC, a joint venture affiliate of GFP and King Street, and CRP 45-18 Court Square Member, L.L.C., an affiliate of Carlyle.

Tom Ortinau, Head of Acquisitions, GFP Real Estate LLC
Mr. Ortinau joined GFP in 2014 to lead the firm's property acquisition efforts. He has since been instrumental in making over 10 investments comprising over $1 billion, and handles leasing, asset management and development activities for GFP's projects. Prior to joining GFP, Mr. Ortinau was a member of the US Transactions team at PGIM Real Estate where he handled Northeast Acquisitions and Development activities for the firm's private equity funds. Mr. Ortinau holds a B.S.E from the University of Kansas, an M.S. from New York University, and an MBA from Columbia Business School. Mr. Ortinau is on the board of NYPEN Real Estate and a member of the Real Estate Circle at Columbia Business School. He is also an Adjunct Professor at New York University where he teaches real estate investing to graduate students.

Mr. Robert Albro, Managing Director, King Street Properties, LLC
Mr. Albro joined King Street Properties in 2016 and is a Managing Director at the firm. He has been responsible for the redevelopment, leasing, and recapitalization of the Hayden Research Campus in Greater Boston as well the design and permitting of a 213,000 square foot Class A life science building. Prior to King Street Properties, Mr. Albro served as a Senior Vice President at Beacon Capital Partners. At Beacon, he was involved in over $2 billion of transactions, completed over 1 million square feet of leasing, and worked with numerous capital and strategic partners. Projects included: the development and sale of 330 Hudson Street in New York, the acquisition of 1633 Broadway and 195 Broadway in New York; and numerous transactions and projects in Boston, including One Financial Center, One Beacon Street, Canal Park, and 177 Huntington Avenue. He holds a Bachelor of Arts degree from Lehigh University and a Master of Business Administration from the Tuck School of Business at Dartmouth. He also is a Chartered Financial Analyst and a Leadership in Energy and Environmental Design (LEED) accredited professional.

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

Compliance Check:	Not Applicable
Living Wage:	Compliant
Paid Sick Leave:	Compliant
Affordable Care Act:	ACA Coverage Offered
Bank Check:	Relationships are reported to be satisfactory.
Supplier Checks:	Relationships are reported to be satisfactory.
Customer Checks:	Relationships are reported to be satisfactory.
Vendex Check:	No derogatory information was found.

45-18 Court Square Owner, L.L.C.

Applicant:	Rob Albro King Street Properties, LLC 200 Cambridge Park Drive Cambridge, MA 02140 Tom Ortinau GFP Real Estate, LLC 125 Park Avenue New York, NY 10017
Attorney:	Andrew Albstein Goldberg Weprin Finkel Goldstein, LLP 1501 Broadway Suite 22 New York, NY 10036
Accountant:	Andrew Sapienza GFP Real Estate LLC 125 Park Avenue New York, NY 10017
Community Board:	Queens, CB2

GFP
REAL ESTATE
SINCE 1952

September 11, 2019

New York City Industrial Development Agency
c/o Mr. Krishna Omolade
Senior Project Manager Strategic Investments Group
New York City Economic Development Corporation
110 William Street, 5th Floor
New York, NY 10038

Re: IDA Application for 45-18 Court Square West

Dear Mr. Omolade:

This letter is being delivered by 45-18 Court Square West LLC (the "Applicant"), a joint venture between affiliates of GFP Real Estate and King Street Properties, in connection with the Applicant's application to the New York City Industrial Development Agency (the "NYCIDA") for financial assistance pursuant to the NYCIDA tax incentive programs. The applicant is seeking tax incentive benefits for the development of a life science project (the "Project") to be located at 45-18 Court Square West (the "Property").

The Project is anticipated to be a redevelopment of the existing 131,000 gross SF class B commercial facility into a 263,000 rentable square foot, Class A "wet lab" facility suitable for life science industry companies. The Property's prime location in Court Square, large size and physical features as well as the significant improvements that will be completed through the Project will make a meaningful positive impact on the Long Island City community. We expect this important project to catalyze the future development of a cluster of life science facilities in Long Island City.

The tax incentive benefits for which the Applicant has applied to the NYCIDA are vital to the economic feasibility of the Project. Without this financial assistance, the Applicant could not proceed with the Project as the cost of delivering lab space for tenants is too high for the market to afford without the benefits. The benefits afforded to the Project by the IDA are expected to have a multiplier effect on the creation of direct and indirect construction and permeant jobs and tax revenues for the Long Island City community and the City of New York.

The Applicant looks forward to working with the NYCIDA and other City agencies on the project.

[Signature on the following page]

GFP

REAL ESTATE

SINCE 1952

Best regards,

Sign: ______________________

Name: Brian Steinwurtzel

Title: Authorized Signatory

Entity: 45-18 Court Square West LLC

Date: September 11, 2019

Exhibit E

Resolution amending a prior resolution and authorizing and approving the execution and delivery of agreements in connection with a Straight-Lease project for 45-18 Court Square Owner, L.L.C.

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, 45-18 Court Square Owner, L.L.C. (the "Applicant"), a joint venture of GFP/KS Court Square LLC ("GFP/KS") and CRP 45-18 Court Square Member, L.L.C, has entered into negotiations with officials of the Agency for the construction, furnishing and equipping of an approximately 263,000 rentable square foot office building on an approximately 36,875 square foot parcel of land located at 45-18 Court Square, Long Island City, New York (the "Facility"), for lease to the Agency by the Applicant, and sublease by the Agency to the Applicant for subsequent sublease to various tenants for lab, lab support, office space and other uses applicable to the life sciences industries at the Facility, and having an approximate total project cost of approximately $238,190,000 (the "Project"); and

WHEREAS, on February 12, 2019, the Agency adopted its inducement resolution for the Project (the "Inducement Resolution") for 45-18 Court Square West LLC ("45-18 West LLC"), an affiliate of the Applicant, and the Agency has since been advised that 45-18 West LLC has been merged into GFP/KS, an affiliate of the Applicant; and

WHEREAS, in order to finance a portion of the costs of the Project (i) ACORE Capital Mortgage, LP (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 $154,800,000 to the Applicant, and the Agency and the Applicant will grant a mortgage or mortgages on the Facility to the Lender (collectively, the "Lender Mortgage"), and (ii) the Applicant will contribute approximately $83,390,000 in 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, the Applicant has requested that the Agency permit certain transfers in the Applicant's ownership interest prior to the completion of the Project (each a "Permitted

Transfer"), which transfers shall be subject to and in accordance with the Lease Agreement to be entered into between the Agency and the Applicant referred to below;

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, a partial exemption of City and State mortgage recording taxes and sales and use tax exemptions all pursuant to the Act;

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

Section 1. To accomplish the purposes of the Act and to provide financial assistance to the Applicant for the Project, a straight-lease transaction is hereby authorized subject to the provisions of this Resolution and the Lease Agreement hereinafter authorized.

Section 2. 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 (which shall provide for Permitted Transfers) (the "Lease Agreement"), an overlease agreement pursuant to which the landlord/owner of the Facility (the "Landlord") leases the Facility to the Agency, a sublease agreement by which the Agency subleases the Facility to the Landlord, an Agency-Owner Agreement between the Landlord and the Agency, a Uniform Project Agreement between the Agency and the Applicant, a Sales Tax Agent Authorization Letter from the Agency to the Applicant, the Lender Mortgage, the Refinancing Mortgages, and, if applicable, the acceptance of a Guaranty Agreement from the Applicant and the Applicant's and the Applicant's owners and/or principals in favor of the Agency (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 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. 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, would not have a significant effect on the environment and that a Draft Environmental Impact Statement will not be prepared. The reasons supporting this determination are as follows:

(1) The Project would not result in a substantial adverse change in existing traffic, air quality, or noise levels. The majority of the Project comprises the renovation of an existing building for the same office use. The proposed building addition would provide wet lab space for the building's life-science tenants and would not significantly increase the number of tenants in the building or result in additional 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 use and building expansion would be as-of-right under zoning;

(5) A Phase I Environmental Site Assessment disclosed that the property

included factory and manufacturing activities for more than 50 years and was identified in federal databases as a generator of lead, solvents, and electroplating chemicals. Undocumented spills or releases of petroleum, solvents, chemicals, and/or other hazardous substances associated with these historical operations may have adversely affected soil, groundwater, and/or soil vapor beneath the site. In addition, nearby uses have historically included manufacturing activities and machine shops. 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 proposed 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 6. The Inducement Resolution is hereby amended to reflect that the Applicant is 45-18 Court Square Owner, L.L.C.

Section 7. 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 $7,450,357 (NPV) (which is $8,659,261 in nominal terms) and partial mortgage recording tax exemptions.

Section 8. The Inducement Resolution is in all other respects ratified and confirmed.

Section 9. This Resolution shall take effect immediately

ADOPTED: September 24, 2019

Accepted: _____ __, 2019

45-18 COURT SQUARE OWNER, L.L.C. , a Delaware limited liability company
By: 45-18 Court Square Venture, L.L.C., its sole member
By: GFP/KS Court Square LLC, its administrative member
By: King Posada LLC, its manager
By: King Street Properties Investments LLC, its manager

By:________________________________
Name: Thomas Ragno
Title: Manager

Exhibit F

FRESH Program Proposal
410 Tompkins Ave. Food Corp
Meeting of September 24, 2019

Project Summary

410 Tompkins Ave. Food Corp, a New York corporation that is a supermarket operator and developer (the "Company") seeks financial assistance in connection with the renovation, furnishing and equipping of an approximately 6,205 square foot retail condominium (the "Facility") located within a mixed-use 7-story building, containing 11 affordable units, located on an approximately 8,000 square foot parcel of land (the "Project"). The Facility will be owned by 410 Tompkins Residence LLC, a New York limited liability company (the "Landlord"), which has entered into a lease for a term of 30 years with the Company, which will operate the Facility under the Met Fresh/ Market Fresh banner as a full-service supermarket. 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

410 Tompkins Avenue
Brooklyn, NY 11216

Actions Requested

- Inducement and Authorizing Resolution for a FRESH Program transaction.
- Adopt a SEQRA determination that the proposed project is a Type II action and therefore no further environmental review is required.

Anticipated Closing

November 2019

Impact Summary

Employment	
Jobs at Application:	0
Jobs to be Created at Project Location (Year 3):	19
Total Jobs (full-time equivalents)	**19**
Projected Average Hourly Wage (excluding principals)	**$15.11**
Highest Wage/ Lowest Wage	**$17.00/$15.00**

Estimated City Tax Revenues	
Impact of Operations (NPV 25 years at 6.25%)	$2,959,726
One-Time Impact of Renovation	$80,883
Total impact of operations and renovation	**$3,040,609**
Additional benefit from jobs to be created	**$1,395,139**

Estimated Cost of Benefits Requested: New York City	
Building Tax Exemption (NPV, 25 years)	$1,056,049
Land Tax Abatement (NPV, 25 years)	$292,740
Sales Tax Exemption	$45,225
Agency Financing Fee	($12,600)
Total Value of Benefits provided by Agency	**$1,381,414**
Available As-of-Right Benefits (ICAP)	($158,437)
Agency Benefits In Excess of As-of-Right Benefits	$1,222,977

Jenny Osman, SIG
Izzy Cohn, LGL

Bryant Rabbino LLP
Project Number - 8121

Costs of Benefits Per Job	
Estimated Total Cost of Benefits per Job	$64,367
Estimated City Tax Revenue per Job	$233,460

Estimated Cost of Benefits Requested: New York State	
Sales Tax Exemption	$43,969
Total Cost to NYS	**$43,969**

Sources and Uses

Sources	Total Amount	Percent of Total Financing
Distributor Loan	$1,500,000	100%
Total	**$1,500,000**	**$1,500,000**

Uses	Total Amount	Percent of Total Costs
Hard Costs	$600,000	40%
Soft Costs	$75,000	5%
Fixed Tenant Improvements Furnishings, Fixtures, Machinery and Equipment	$585,000	39%
Closing Fees	$40,000	3%
Other: Inventory	$200,000	13%
Total	**$1,500,000**	**100%**

Fees

	Paid At Closing	On-Going Fees (NPV, 25 Years)
Agency Fee	$12,600	
Project Counsel	$25,000	
Annual Agency Fee	$750	$9,364
Total	$38,350	$9,364
Total Fees	**$47,714**	

Financing and Benefits Summary

The Project will be financed with a $1,500,000 distributor loan from Alpha 1 Marketing Corp. The interest rate will be 2% over prime with a term of 7-years and will be secured by first-priority liens on the fixtures, equipment and inventory purchased by the Company as well as a collateral assignment of the Company's lease. Upon completion of the Company's build-out of the Facility, the Landlord is required under the lease to reimburse the Company $421,000 for hard and soft costs spent by the Company. The contribution from the Landlord will be applied to repayment of the distributor loan. The financial assistance proposed to be conferred by the Agency will consist of payments in lieu of City real property taxes and exemption from City and State sales and use taxes.

Company Performance and Projections

The applicant and owner of the Company, Daoud Othman, has a degree in accounting and experience with supermarket store management. The applicant's father, Nadel Othman, has 30 years of experience operating two different supermarkets at 720 Washington Avenue and 801 Washington Avenue in the Prospect Heights neighborhood of Brooklyn.

There is only one other supermarket within one-quarter mile of the Project location in a neighborhood which the Company projects will experience population growth. Within a half mile of the Project location the Company estimates that there is a population of 49,109 residents, representing a significant amount of available spending dollars in the immediate proximity of the Project.

The Company projects revenue of $6.4 million during the first year of operations with net income projected to increase from approximately $83,000 after the first year of operations to approximately $106,000 at the end of the third year of operations. It is anticipated that there will be a debt service coverage ratio of 2.4x.

Inducement

I. City policy, as set forth by the Food Retail Expansion to Support Health (FRESH) program, aims to promote the establishment and retention of neighborhood grocery stores in underserved communities.
II. Without the proposed financial assistance from the Agency, the Landlord would lease the retail space to a tenant who can afford to pay higher rent.

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 involves the grocery retail industry, which the Agency seeks to retain and foster;
II. The Company maintains that, through the Project, it will create 19 full-time equivalent jobs over the next three years;
III. Financial assistance is required to induce the Project; and
IV. The Project is likely to be completed in a timely manner.

Applicant Summary

The Company is a newly formed entity by Daoud Othman, whose family has developed and operated supermarkets in New York City for over 35 years. Daoud will operate the Company under the guidance of his father, Nadel Othman, and with his cousin as a guarantor.

Daoud Othman, President
Daoud Othman graduated from the College of Staten Island with a Bachelor of Science degree in Accounting. While in school, Daoud was the General Manager of a 6,500 square foot family owned and operated supermarket in Brooklyn for three years.

Nadel Othman, Supermarket Business Advisor
Nadel Othman has been involved in the supermarket industry for over 30 years, having operated both; a 10,000 square foot Pioneer supermarket from 1990-1998 until the building was sold, and a 6,000 square foot Key Food Supermarket, at 801 Washington Avenue, for 30 years until its closing to build a mixed-use development. Mr. Othman will own the retail unit on the ground floor at that location which he will operate as a supermarket. Mr. Othman is currently involved in the operation of a 6,400 square foot Market Fresh Supermarket in Staten Island that has now been operating for one year.

Employee Benefits

The Company will offer on the job training to part-time and full-time employees.

Recapture

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

410 Tompkins Ave. Food Corp

SEQRA Determination

Type II Action which, if implemented, will not result in significant adverse environmental impacts. 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.

Compliance Check:	Not Applicable
Living Wage:	Exempt
Paid Sick Leave:	Compliant
Affordable Care Act:	ACA Coverage Not Offered
Bank Account:	Chase Bank
Bank Check:	Relationships are reported to be satisfactory.
Supplier Checks:	Relationships are reported to be satisfactory.
Customer Checks:	Not Applicable
Unions:	Not Applicable
Background Investigation Check:	No derogatory information was found.
Attorney:	Saree Patak Tarter Krinsky and Drogin LLP 1350 Broadway New York, NY 10018
Accountant:	Howard Stein 50 Brunswick Drive East Brunswick, NJ 08816
Consultant/Advisor:	Not Applicable
Community Board:	Brooklyn, CB #3

To Jenny Osman, NYCEDC

Date: August 21, 2019

RE: Proposed Supermarket at 410 Tompkins Avenue

Daoud Othman seeks to build a 6,200 Sq ft. supermarket in the Bedford-Stuyvesant area of Brooklyn, New York, and would like to apply for the Fresh program benefits for the project. While there are a few supermarkets in the surrounding area, the site's nearest competitor is over a quarter mile away. Our goal is to bring a supermarket to the community that will offer a full line grocery and fresh produce items , and affordable pricing.

A lease with the landlord has been executed to bring the supermarket to this newly constructed development which will also offer affordable housing to the community. The site is four blocks away from the nearest train station which will attract a significant number of customers based on the foot traffic generated by the subway line.

The grocery operator will be responsible for the cost of the build out of the supermarket. The space will include 6,200 Sq ft of selling area and a large basement that will be used for both dry and cold storage in accordance with health department regulations.

The tenants build out cost are anticipated to be 1.5 million dollars; this amount includes both hard and soft costs. The weekly sales are estimated to be approximately 100,000 a week, with a projected profit margin of 20% before all expenses and taxes. The store is projected to increase 2-3 % in sales a year, for the first four years. The store is estimated to operational in the first quarter of 2020.

Because of high build out cost, rising taxes, wages, and other expenses, the project will not be viable without the fresh program benefits. The savings associated with the fresh benefits will be extremely helpful in ensuring the success of the supermarket for years to come. These benefits will be the determining factor as to whether this project will be launched.

Thank You,

Sincerely,

Daoud Othman

Daoud Othman

Exhibit G

Resolution inducing the financing of a commercial facility for 410 Tompkins Ave. Food Corp 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, 410 Tompkins Ave. Food Corp, a New York corporation (the "Company"), has entered into negotiations with officials of the Agency for the renovation, furnishing and equipping of a commercial facility in Brooklyn, New York (the "Facility"), consisting of a retail condominium unit (the "Condominium Unit") containing approximately 6,205 square feet located within a mixed-use 7-story building on an approximately 8,000 square foot parcel of land at 410 Tompkins Avenue, Brooklyn, New York 11216, which Condominium Unit has been leased to the Company by 410 Tompkins Residence LLC, a New York limited liability company, for a term of thirty (30) years, all for the use by the Company as a supermarket, for sublease to the Agency by the Company, and sub-sublease by the Agency to the Company, and having an approximate total project cost of $1,500,000 (the "Project"); and

WHEREAS, the Company 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 Company and the Project, including the following: that the Company was formed in order to undertake the Project; that the Project will meet all requirements of the City's Food Retail Expansion to Support Health Program ("FRESH"); that the Company's operations will be located in The City of New York (the "City"); that the Company expects to employ approximately 19 full time equivalent employees in the City within the three years following the completion of the Project; 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 establish 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 establish 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 Company are necessary to induce the Company to establish its operations in the City; and

WHEREAS, in order to finance a portion of the costs of the Project, Alpha 1 Marketing Corp., a distributor of products to grocery stores, or another lender 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 up to $1,500,000 to the Company, and, upon completion of construction the Company will grant a collateral assignment of its lease of the Facility and a first priority lien on fixtures, equipment and inventory to the Lender (collectively, the "Lender Collateral), but the Agency will not be a party to any documents granting such Lender Collateral to Lender; and

WHEREAS, the Act allows the Agency to provide financial assistance for a project at which facilities or property primarily used in making retail sales of goods or services to customers who personally visit such facilities to obtain such goods or services to constitute more than one-third of the total project cost if, among other alternative requirements:

(1) the project is located in a "highly distressed area," defined in Section 854(18) of the Act, to include an area in which a census tract, or tracts or block numbering area or areas or such census tract or block numbering areas contiguous thereto, which, according to the most recent census data available has (i) a poverty rate of at least 20% for the year to which the data relates or at least 20% of households receiving public assistance and (ii) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates; and

(2) the Agency determines after a public hearing that undertaking the project will serve the public purposes of Article 18-A of the Act by increasing the overall number of permanent, private sector jobs in New York State; and

WHEREAS, the Agency has determined: that the Project is located in Census Tract 267 in Brooklyn; that the poverty rate calculated from the most recent census data (American Community Survey 2013-2017 5-Year Estimate) for Census Tract 267 indicates that for the year to which the census data relates approximately 20% of the population was living below the poverty level; that the unemployment rate in Census Tract 267 for the year to which the census data relates was approximately 14.4%, while the statewide unemployment rate for such year was 4.7%; that 14.4% is greater than 1.25 times the statewide rate of 4.7%; and that, therefore, the proposed Project meets the statutory requirements of being located in a "highly distressed area"; 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 Company will serve the public purposes of Article 18-A of the Act by increasing the overall number of permanent, private section jobs in New York State and that Agency financial assistance and related benefits in the form of a straight-lease transaction between the Agency and the Company are necessary to induce the Company to establish its operations in the City; and

WHEREAS, in order to provide financial assistance to the Company for the Project, the Agency intends to grant the Company financial assistance through a straight-lease transaction in the form of real property tax abatements and sales and use 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 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 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 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 Company or any other occupant or user of the Project 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;

(c) the Project is located in a "highly distressed area" (as defined in Section 854(18) of the Act); and

(d) the proposed action of the Agency described herein must be confirmed by the Mayor of the City.

Section 2. To accomplish the purposes of the Act and to provide financial assistance to 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 Company to proceed with the Project as herein authorized. The Company 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 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 Company is hereby constituted the agent for the Agency solely for the purpose of effecting the Project, and neither the Agency nor any of its members, directors, officers, employees, agents or servants shall have any personal liability for any such action taken by the Company for such purpose.

Section 4. The execution and delivery of a Company Lease Agreement from the Company leasing the Facility to the Agency, an Agency Lease Agreement from the Agency subleasing the Facility to the Company (the "Lease Agreement"), a Sales Tax Letter from the Agency to the Company, and the acceptance of a Guaranty Agreement from the Company 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, are 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 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 Company. By acceptance hereof, the Company 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 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 Company and such other information as the Agency has deemed necessary and appropriate to make this determination.

The Agency has determined that the proposed action is a Type II action, pursuant to 6 N.Y.C.R.R Part 617.5(c)(2), because it is the "replacement, rehabilitation or reconstruction of a structure or facility, in kind, on the same site, including upgrading buildings to meet building or fire codes", which would not result in adverse environmental impacts requiring the preparation of an Environmental Impact Statement.

Section 11. In connection with the Project, the Company covenants and agrees to comply, and to cause 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 Company 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 Company New York State sales or use tax savings taken or purported to be taken by the Company, and any agent or any other person or entity acting on behalf of 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 12 of this Resolution or which are for property or services not authorized or taken in cases where the Company, or any agent or any other person or entity acting on behalf of 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 Company and/or any agent or any other person or entity acting on behalf of the Company. The Company shall, and shall require each agent and any other person or entity acting on behalf of 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.

(2) The Company 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 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 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 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 Company, or any agent or other person or entity acting on behalf of 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 Company sales and use tax exemptions in an amount not to exceed $89,194. The Agency also intends to provide real property tax abatements for the benefit of the Company.

Section 13. This Resolution shall take effect immediately.

ADOPTED: September __, 2019

Accepted: _____ __, 2019

410 TOMPKINS AVE. FOOD CORP

By:____________________________
Name:
Title:

<u>Exhibit H</u>

POST-CLOSING AMENDMENT
PICTURE CAR SERVICES, LTD.
MEETING OF SEPTEMBER 24, 2019

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 by the Company to refurbish, fabricate, store and distribute vehicles and other automotive rolling stock items for television and film productions and for use in part by unaffiliated businesses that engage in film production, postproduction and other industrial activities (the "Permitted Sublessees").

The Facility's ground floor was originally comprised of 40-foot-high ceilings and a mezzanine level in order to accommodate car stackers where four cars would be stored vertically. However, due to difficulties with the original design, the ground floor has been reconfigured as two separate floors in order to accommodate a more efficient car storage system. Due to the redesign, the Facility's gross square footage will increase from 150,000 to 179,000 and the square footage designated for Permitted Sublessees will increase from 55,000 to 64,000.

Project Location

48-05 Metropolitan Avenue, Ridgewood, NY 11385

Action Requested

Approve a Post-Closing Resolution to amend the square footage of the Facility from 150,000 to 179,000 and amend the square footage designated for Permitted Sublessees from 55,000 to 64,000.

Prior Actions

- Inducement Resolution approved February 9, 2016
- Authorizing Resolution approved April 12, 2016
- Post-Closing Resolution approved July 16, 2019

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

September 2019

Michael Waller, Compliance
Jay Lopez, LGL

Nixon Peabody LLP
Project Number - 6481

<u>Exhibit I</u>

RESOLUTION AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF DOCUMENTS AND AUTHORIZING CERTAIN MATTERS IN CONNECTION WITH THE 2016 PICTURE CAR SPECIALISTS, LTD. PROJECT

WHEREAS, the 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, 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 Agency is leasing the Project from the Company pursuant to the Company Lease Agreement dated as of June 1, 2016 (the "Company Lease"); and

WHEREAS, the Agency is subleasing the Project to the Company pursuant to the Agency Lease Agreement dated as of June 1, 2016 (the "Agency Lease"); and

WHEREAS, the Company is subleasing the Project to the Sublessee pursuant to the Sublease Agreement dated as of June 1, 2016 (the "Sublease"); and

WHEREAS, by resolution dated July 19, 2019, the Agency approved an amendment to the Project Documents and an extension of the Completion Deadline to December 31, 2020 (as such terms are defined in the Agency Lease Agreement) (the "Extension"); and

WHEREAS, the Company has notified the Agency that the original plans for the Project have been revised and such revisions will increase the Project from 150,000 gross square feet to 179,000 square feet and the designated square footage for the Permitted Sublessees will increase from 55,000 square feet to 64,000 square feet (the "Increase"); and

WHEREAS, in connection with the Increase, the Company has requested that the Agency consent to the amendment to the straight lease documents including the amendment of the Company Lease, the Agency Lease and the Sublease (the "Amendment Documents") to amend the square footage of the Facility to 179,000 square feet and amend the square footage designated for Permitted Sublessees from 55,000 square feet to 64,000 square feet; and

WHEREAS, the Agency deems it advisable to authorize the execution and delivery of the Amendment Documents, the recording of the Amendment Documents and the execution of closing documents (collectively, the "Agency Documents").

NOW, THEREFORE, BE IT RESOLVED BY THE NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY, AS FOLLOWS

Section 1. The Agency hereby authorizes the execution and delivery of the Agency Documents, each being substantially in the form approved by the Agency for prior transactions, with such changes as the Chairperson, the Vice Chairperson, the Executive Director, the Deputy Executive Director or General Counsel of the Agency shall deem advisable. The Chairperson, the Vice Chairperson, the Executive Director, the Deputy Executive Director and the 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 Agency Document by one of said officers shall be conclusive evidence of due authorization and approval. The Agency further recognizes that due to the unusual complexities of the transaction it may become necessary that certain of the terms approved hereby may require modifications or the execution of additional documents which will not affect the intent and substance of the authorizations and approvals by the Agency herein. The Agency hereby authorizes the Chairperson, Vice Chairperson, 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 or execution of additional documents shall be evidenced by a certificate of determination of an Agency officer.

Section 2. 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 power 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 of the Agency Documents shall be deemed to be a covenant, stipulation, obligation or agreement of any member, 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 3. The Chairperson, the Vice Chairperson, the Executive Director, 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, agreements, 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 and any of the instruments, agreements or other documents authorized hereby.

Section 4. This Resolution shall take effect immediately.

ADOPTED: September 24, 2019