

MINUTES OF THE
MEETING OF THE BOARD OF DIRECTORS
OF
NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY
HELD AT THE ONE LIBERTY PLAZA OFFICES OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
FEBRUARY 18, 2020

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

HeeWon Brindle-Khym
Brian Cook, alternate for Scott M. Stringer,
Comptroller of The City of New York
Anthony Del Vecchio
Barry Dinerstein, alternate for Marisa Lago,
Chair of the City Planning Commission of The City of New York
Andrea Feirstein
Pedram Mahdavi, alternate for Vicki Been,
Deputy Mayor for Housing and Economic Development
Jacques-Philippe Piverger
James Prendamano
Shanel Thomas
Betty Woo, alternate for James Johnson,
Corporation Counsel of The City of New York

The following directors were not present:

James Patchett
Marlene Cintron
Khary Cuffe
Albert De Leon
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) Alex Deland from Katten Muchin Rosenman LLP and (5) other members of the public.

Eric Clement, a Managing Director of NYCEDC, convened the meeting of the Board of Directors of the New York City Industrial Development Agency ("NYCIDA" or the "Agency") at 9:00 a.m., at which point a quorum was present.

1. Adoption of the Minutes of the December 17, 2019 Board of Directors Meeting

Mr. Clement asked if there were any comments or questions relating to the minutes of the December 17, 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 December 31, 2019 (Unaudited)

Christine Robinson, Assistant Vice President of NYCEDC, presented the Agency's Financial Statements for the six-month period ending December 31, 2019 (Unaudited). Ms. Robinson reported the following: for the six-month period the Agency recognized revenues in the amount of \$3,800,000, which came from project finance fees from seven transactions. The Agency recognized revenues derived from compliance, application, post-closing and termination fees in the approximate amount of \$660,000 with \$2.2 million in operating expenses, largely consisting of the monthly management fee, were recorded for the six months ended. Lastly, the agency incurred \$150,000 in special project expenses.

3. GJDC Realty 2 LLC

Noah Schumer, a Project Manager for NYCEDC, presented for review and adoption an inducement resolution for an Industrial Program transaction for the benefit of GJDC Realty 2 LLC and recommended the adoption of a SEQRA negative declaration that the project would not have a significant adverse impact on the environment. Mr. Schumer described the project and its benefits, as reflected in Exhibit A.

In response to a question from Mr. Piverger, Mr. Schumer stated that there is a 20% discount below the market rate that is based on the appraisal of area rents which is a covenant in the Industrial Development Fund ("IDF") program agreement for the life of the grant. In response to a question from Mr. Prendamano, Mr. Schumer stated that the discount rate will always be below 20% over the next 30 years. In response to a question from Mr. Prendamano, Mr. Schumer stated that the company projected its future tenant's employee salaries and wages based on an estimate of the types of tenants who are likely to be there. Mr. Schumer stated that the company and Agency staff received letters of support for potential tenants and verified wages typically offered by these types of companies. In response to a question from Mr. Piverger, Mr. Schumer stated that Agency staff received two letters that show strong interest as potential tenants and that as part of the IDF grant program there is an evaluation to make sure that there would be sufficient demand for the building. In response to a question from Mr. Piverger, Mr. Schumer stated that the Greater Jamaica Development Corporation ("GJDC") has not done a project involving an industrial building so this is a new step for them. Mr. Schumer stated that GJDC is an experienced property owner and manager having completed a number of commercial projects. Mr. Schumer stated that GJDC has a large system of garages around Jamaica so this will be a new building typology but it is an organization that has been around for over 50 years with significant experience with property management. Mr.

Prendamano stated that after struggling to keep up with the rents in other parts of the City, industrial businesses have been relocating to Staten Island and this is the type of project needed there and that this is a wonderful project. In response to a question from Mr. Cook, Mr. Schumer stated that as part of the company's compliance with the IDF grant they will be required to submit annual reports to the City showing that the rents do not surpass the 20% threshold which is codified in a restrictive covenant. In response to a question from Mr. Cook, Mr. Schumer stated that while the Agency is providing UTEP benefits the company is subject to the same 10-year recapture period should anything go wrong.

There being no further comments or questions, a motion to approve the inducement resolution attached hereto as Exhibit B for the benefit of Friends of GJDC Realty 2 LLC and SEQRA determination was made, seconded and unanimously approved.

4. HC Contracting Inc.

Mr. Schumer presented an inducement resolution for an Industrial Program transaction for the benefit of HC Contracting Inc. and recommended the adoption of a SEQRA negative declaration that the project would not have a significant adverse impact on the environment. Mr. Schumer described the project and its benefits, as reflected in Exhibit C.

In response to a question from Mr. Del Vecchio, Mr. Schumer stated that the company's balance sheet shows its cash has been steadily decreasing at a 30% rate for the last three years because it has been reinvesting in upgrades to the digital printing and computer equipment to prepare for this project.

There being no further comments or questions, a motion to approve the inducement resolution attached hereto as Exhibit D for the benefit of HC Contracting Inc. and SEQRA determination was made, seconded and unanimously approved.

5. Phoenix Building Supply Inc.

Mr. Schumer presented an inducement resolution for an Industrial Program transaction for the benefit of Phoenix Building Supply Inc. and recommended the adoption of a SEQRA negative declaration that the project would not have a significant adverse impact on the environment. Mr. Schumer described the project and its benefits, as reflected in Exhibit E.

Krishna Omolade, a Vice President of NYCEDC and Executive Director of the Agency, stated that with respect to the strategic policy objectives and standard types of sustainability and workforce investments this company is making that this is part of both the Agency and NYCEDC's strategy to leverage resources in order to combat climate change by encouraging companies to invest in sustainability such as renewable energy and stormwater management, where Agency staff has been working with the City's Department of Environmental Protection. Companies have also been encouraged to invest in distribution projects such as rail and maritime infrastructure which will reduce truck traffic and utilize the other types of

infrastructure to both receive and deliver freight throughout the city. This is part of the Agency and NYCEDC's overall sustainability effort. NYCEDC has also encouraged companies to create pathways to middle-class jobs for their employees by investing in training and partnering with other City agencies. This project, for example, involves Agency staff working with the City's Department of Youth and Community Development to get young people job experience which otherwise might not be accessible as well as working with local non-profits, community colleges and organizations to provide training resources for employees. After discussing this project with Ms. Thomas it's also clear how important the workforce element is with respect to the overall effect on the community. This is a pilot project for the Agency and is an example of project where Agency staff can work on implementing some of these ideas. Going forward we want to present to the Board a holistic approach to sustainability and workforce when it comes to future projects that we plan to leverage our resources to get companies to invest in both of those areas.

Mr. Clement thanked Mr. Omolade for his comment and stated that in addition the 45-18 Court Square and Deerfield projects, which Agency staff closed last year, included commitments to participate in workforce development programs. If we think about internships and certain jobs often it's about who you know and providing access to these types of opportunities for the underserved communities is something that's really important to NYCEDC and Agency staff. Given our position and relationships with City and quasi-City agencies where we deal with both businesses and the general public it was incumbent upon Agency staff to develop a strategy in order to address that. This is a very interesting pilot project in the industrial sector and it's an area that Agency staff will be aware of going forward.

Ms. Thomas commended Mr. Omolade and Agency staff for shaping this project which is an example of the type of projects and partnerships that should be made with companies in the future. Ms. Thomas stated that with respect to her conversations with other Board members regarding internships that Summer Youth Employment Program applications are available now so if you have a position in your office please consider these candidates because experiences such as these allow our youth to get real work experience and that it's a great program. Mr. Cook stated that he looks forward to updates on this project. In response to a question from Mr. Cook, Mr. Schumer stated that the jump in interest expense in FY18 that caused a drop in net operating income was due to an increase in interest expense affecting the company's lease on the Irving Avenue location when Forest Building Supply bought the property.

There being no further comments or questions, a motion to approve the inducement resolution attached hereto as Exhibit F for the benefit of Phoenix Building Supply Inc. and SEQRA determination was made, seconded and unanimously approved.

6. S&L Aerospace Metals, LLC

Emily Marcus, a Senior Project Manager for NYCEDC, presented an inducement and authorizing resolution for an Industrial Program transaction for the benefit of S&L Aerospace Metals, LLC and recommended the adoption of a SEQRA negative declaration that the project

would not have a significant adverse impact on the environment. Ms. Marcus described the project and its benefits, as reflected in Exhibit G.

There being no further comments or questions, a motion to approve the inducement resolution attached hereto as Exhibit H for the benefit of S&L Aerospace Metals, LLC and SEQRA determination was made, seconded and unanimously approved.

7. Post-Closing Extension Fee Proposal

Ms. Marcus presented for the Post-Closing Extension Fee Proposal for NYCIDA projects. Ms. Marcus described the proposal, as reflected in Exhibit I.

In response to a question from Mr. Prendamano, Ms. Marcus stated that it's uncommon for projects \$100 million to require project completion extensions. However, this conversation was started when Agency staff and Board members discussed the 5 Bay Street project which would fit into this tier since it has required extensions. In response to a question from Mr. Prendamano, Ms. Marcus stated that since 2015 three projects each required three extensions and one project required four extensions so compared to all of the Agency's projects it's not that common. Ms. Marcus stated that Agency staff hope that by having a tiered fee system there will be less incentive for companies to request additional extensions. In response to a question from Mr. Del Vecchio, Ms. Marcus stated that for companies that require more than three extensions they will pay the third-tier fee for each extension.

Mr. Clement stated that when looking at the third-tier project investment over \$100 million, Hudson Yards projects come to mind which fall under that category, but if you think about the UTEP and how the UTEP now allows for developer-led deals we expect to see more opportunities in that category. Mr. Clement stated that this is another reason why Agency staff wanted to add that third tier in order to stay ahead of what is coming. In response to a question from Ms. Thomas, Ms. Marcus stated that with respect to the tier two and three extensions the cost to Agency staff depends on the complications of the review that is required in order to grant the extension.

There being no further comments or questions, a motion to approve the Agency's Post-Closing Extension Fee Proposal attached hereto as Exhibit I was made, seconded and unanimously approved.

7. 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 9:44 a.m.


Assistant Secretary

Dated: May 12, 2020
New York, New York

Exhibit A

PROJECT SUMMARY

GJDC Realty 2 LLC is a New York limited liability company (the "Company") affiliated with Greater Jamaica Development Corporation, a New York not-for-profit corporation ("GJDC", or the "Developer") that, among its activities, is seeking to develop and provide affordable space to industrial companies. The Company seeks financial assistance in connection with the acquisition, construction, renovation, equipping and furnishing of an approximately 18,750 square foot building on an approximately 4,924 square foot parcel of land located at 97-02 150th Street, Jamaica, New York (the "Facility"). The Facility will be owned by the Company and developed by the Developer to provide affordable space to industrial companies (the "Project"). The Project cost is approximately \$8,794,000. The Company anticipates acquiring the Facility in April 2020 and beginning construction in January 2021. The Project is scheduled to begin operating in January 2022.

Project Location

97-02 150th Street
 Jamaica, NY 11435

Actions Requested

- Inducement Resolution for an Industrial Program transaction.
- Adopt a negative declaration for the Project. The Project will not have a significant adverse effect on the environment.
- Approval of deviation from UTEP.

Anticipated Closing

May 2020

Impact Summary

| Employment | |
|---|----------------------|
| Jobs at Application: | 0 |
| Jobs to be Created at Project Location (Year 3): | 26 |
| Total Jobs (full-time equivalents) | 26 |
| Projected Average Hourly Wage (excluding principals) | \$28.00 |
| Highest/Lowest Hourly Wage | \$40.00/24.70 |

| Estimated City Tax Revenues | |
|---|--------------------|
| Impact of Operations (NPV 25 years at 6.25%) | \$1,427,213 |
| One-Time Impact of Renovation | \$109,758 |
| Total impact of operations and renovation | \$1,536,971 |
| Additional benefit from jobs to be created | \$4,943,685 |

| Estimated Cost of Benefits Requested: New York City | |
|---|--------------------|
| Building and Land Tax Exemption (NPV, 25 years) | \$1,650,192 |
| MRT Benefit | \$81,250 |
| Sales Tax Exemption | \$63,587 |
| Agency Financing Fee | (\$43,400) |
| Total Cost to NYC Net of Financing Fee | \$1,751,629 |
| Available As-of-Right Benefits (ICAP) | \$84,154 |
| Agency Benefits in Excess of As-of-Right Benefits | \$1,667,475 |

GJDC Realty 2 LLC

| Costs of Benefits Per Job | |
|---|-----------|
| Estimated Total Cost of Net City Benefits per Job | \$64,134 |
| Estimated City Tax Revenue per Job | \$249,256 |

| Estimated Cost of Benefits Requested: New York State | |
|---|------------------|
| MRT Benefit | \$43,750 |
| Sales Tax Exemption | \$61,821 |
| Total Cost to NYS | \$105,571 |

Sources and Uses

| Sources | Total Amount | Percent of Total Financing |
|--------------------------------|--------------------|----------------------------|
| Commercial Loan | \$4,454,000 | 51% |
| Subordinate Loan | \$2,400,000 | 27% |
| Empire State Development Grant | \$1,500,000 | 17% |
| Equity | \$440,000 | 5% |
| Total | \$8,794,000 | 100% |

| Uses | Total Amount | Percent of Total Costs |
|-------------------|--------------------|------------------------|
| Acquisition Costs | \$5,150,000 | 59% |
| Hard Costs | \$2,050,000 | 23% |
| Soft Costs | \$430,000 | 5% |
| OpEx Reserves | \$491,000 | 5% |
| Closing Fees | \$673,000 | 8% |
| Total | \$8,794,000 | 100% |

Fees

| | Paid At Closing | On-Going Fees (NPV, 25 Years) |
|-------------------|-----------------|----------------------------------|
| Agency Fee | \$43,400 | |
| Project Counsel | \$25,000 | |
| Annual Agency Fee | \$1,000 | \$12,485 |
| Total | \$69,400 | \$12,485 |
| Total Fees | \$81,885 | |

Financing and Benefits Summary

The Project will utilize a \$2,800,000 grant from the New York City Economic Development Corporation ("NYCEDC") Industrial Developer Fund ("IDF") to acquire the land and the Facility. The Project will also utilize a subordinate loan of approximately \$2,400,000, a \$1,500,000 grant from Empire State Development, and approximately \$440,000 in equity from the Developer to renovate the Facility inclusive of hard costs, soft costs and fees.

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

GJDC Realty 2 LLC

loan from Local Initiatives Support Corporation (“LISC”) in the amount of \$4,572,000 to close the transaction. A portion of the LISC loan will serve as a bridge loan to the IDF grant, while the remaining amount will be part of a permanent facility. The financial assistance proposed to be conferred by the Agency will consist of payments in lieu of City real property taxes, limited exemption from City and State mortgage recording taxes and exemption from City and State sales and use taxes.

Company Performance and Projections

GJDC Realty 2 LLC is a New York limited liability company that serves as a real estate holding company. GJDC, the sole member, is a community development organization that provides real estate services and programming tailored to businesses in Jamaica, Queens. GJDC operates several commercial projects, including small office facilities, a food market, and a public parking system of garages and lots serving Downtown Jamaica.

As part of the Project, the Company will acquire, renovate and subdivide the Facility into units to be leased to local manufacturers and industrial companies. The Project will help small industrial businesses by offering affordable rents (20% below market-rate), long-term leases, and the opportunity to build business networks. The Project will help strengthen industrial businesses in the Jamaica neighborhood of Queens.

Inducement

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 Company will provide affordable industrial real estate space at below market-rate rents to local manufacturing companies.
- II. The Project has received support from NYCEDC through the IDF program.
- III. Without assistance from the Agency, the Company has stated that it likely would not pursue the Project as contemplated.

Deviation from UTEP

In accordance with the General Municipal Law, the Agency has adopted the Uniform Tax Exemption Policy (“UTEP”). The UTEP provides that the recipient of financial assistance for an Industrial Program Project will be required to pay PILOT during the term of financial assistance in an amount equal to the City real property taxes in respect of the existing improvements that would have been payable by the recipient in the absence of the Agency’s involvement with the Project. In this transaction, in order to help address the Company’s operating needs, the benefits schedule will be adjusted such that the Company will not be required to pay PILOT in respect of the existing improvements for 15 years; the abatement will be phased out over the subsequent 10 years. As the Project will provide below market rents to small industrial tenants, an exemption from PILOT for existing improvements will enable the Project to be financially viable.

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

Applicant Summary

The Company is a New York limited liability company whose sole member is GJDC. GJDC was formed in 1967 as one of the nation’s first community development corporations. Its mission is to encourage responsible private and public investment in Jamaica, Queens to enhance the quality of life for the residents and workers of Jamaica. GJDC prides itself on its local focus, data-driven approach, high-impact programs and cross-sector collaborations—all leading to the revitalization of the Jamaica community. GJDC is supported through corporate and foundation grants, government contracts and income earned from its project operations. It has an annual operating budget over \$10 million and a professional staff of nearly 30. Their activities include property management, project design, pre-development planning with private developers, administration of a small business loan fund, administration of government programs in industrial retention and commercial revitalization, and a host of programs and

GJDC Realty 2 LLC

undertakings designed to improve the quality of life, general marketing and perception of Downtown Jamaica. GJDC is governed by a Board of Directors of 30 business and community leaders.

Hope Knight, President and CEO

Hope Knight is President and CEO of GJDC, where she works at the intersection of real estate and community development to advance historically disadvantaged communities. Prior to joining GJDC, Ms. Knight was Chief Operating Officer of the Upper Manhattan Empowerment Zone (UMEZ), where she managed day-to-day operations of the organization. During her tenure at UMEZ, Ms. Knight was responsible for overseeing a fund of approximately \$150 million, focused on impact investing via loans and grants. She was also a Vice President at Morgan Stanley in the Institutional Equities Division in the US and in Tokyo, Japan. Ms. Knight holds a bachelor's degree from Marymount Manhattan College and an MBA from the Graduate School of Business at the University of Chicago.

Todd Benenson, Assistant Treasurer and Chief Financial Officer

Todd Benenson joined GJDC as Assistant Treasurer and Chief Financial Officer in April 2005. In that role, he is responsible for all areas of the organization's accounting, including the budget, audit, payroll, fringe benefits, contract administration, and financial reporting. Prior to joining GJDC, Mr. Benenson had been Controller at Five Star Electric Corporation, the Maramont Corporation, and Trico Electric Corporation. He also has seven years of experience working with various New York accounting firms, including Deloitte & Touche, Gersten Slater & Company, and Spicer & Oppenheim. Mr. Benenson holds a BBA in Public Accounting from Pace University and is a member of the New York State Society of Certified Public Accountants and the American Institute of Certified Public Accountants.

Aron Kurlander, Director of Business Services

Aron Kurlander joined GJDC in 2004 as the in-place-industrial-park manager, a predecessor program to the IBZs (industrial business zones) and the New York City IBSP (Industrial Business Solutions Provider) programs of today. Mr. Kurlander has spent the last 16 years working with small businesses primarily around attracting, growing and preserving industrial firms that employ well-paying blue-collar workers. Since 2013, Mr. Kurlander has served as the director of the GJDC business services group, overseeing our support to industrial firms as a contract partner to the NYC Department of Small Business (SBS) services for the southern half of Queens. Additionally, Mr. Kurlander manages the GJDC Community Development Financial Institution (CDFI), helping industrial firms locate space in the manufacturing zoned areas of Southern Queens.

Employee Benefits

GJDC offers a range of benefits including healthcare, disability, life insurance, paid vacation, 403b retirement savings plan, transit check, and parking discounts. It is undetermined what benefits tenants will offer their employees.

Recapture

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

SEQRA Determination

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

Due Diligence

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

Compliance Check: Compliant

Living Wage: Compliant

GJDC Realty 2 LLC

| | |
|-----------------------------|--|
| Paid Sick Leave: | Compliant |
| Affordable Care Act: | ACA Compliant |
| Bank Account: | TD Bank |
| Bank Check: | Relationships are reported to be satisfactory. |
| Supplier Checks: | N/A |
| Customer Checks: | N/A |
| Unions: | N/A |
| Vendex Check: | No derogatory information was found. |
| Attorney: | Robert Altman, Esq. 27 Whitehall St., 4 th Floor New York, NY 10004 |
| Accountant: | Warren Ruppel Marks Paneth LLP 685 Third Ave. New York, NY 10017 |
| Consultant/Advisor: | Cameron Boucher BJH Advisors 224 Centre St., 6 th Floor New York, New York 10013 |
| Community Board: | Queens, CB #12 |



Greater Jamaica
Development
Corporation

December 06, 2019

Mr. James Patchett
Chairman
New York City Industrial Development Agency
c/o New York City
1 Liberty Plaza (165 Broadway)
14th Floor
New York, NY 10008

Dear Mr. Patchett,

Thank you for giving Greater Jamaica Development Corporation (GJDC) the opportunity to present our project to the New York City Industrial Development Corporation (IDA). GJDC, through a for-profit LLC of which GJDC is a sole member, is seeking IDA benefits in conjunction with the purchase, renovation, and tenancing of a multi-story, multi-tenant "micro" industrial facility located at 97-02 150th St, just one block outside of the Jamaica Industrial Business Zone (IBZ). The block is industrially zoned and the other buildings on the block are fully industrial and manufacturing in nature. The project, which is approximately 20,000 SF, will bring GJDC into the fold of other non-profits that the City's economic development policies have fostered to become providers of affordable industrial space. GJDC is seeking a full land tax waiver, building tax stabilization, mortgage recording tax deferral or waiver, and sales tax waivers through the IDA and associated with the purchase and management of the facility as a non-profit industrially tenanted asset.

In addition to IDA benefits, GJDC is planning on using an Industrial Developer Fund (IDF) capital grant and a long-term loan for the purchase of the facility. These two funding sources will aid in the acquisition. In addition to these two sources of funding, GJDC is hoping to receive an Empire State Development Corporation grant, from the Consolidated Funding Application process, in this upcoming round to be announced in a few weeks, for the renovation of the facility. GJDC's project was listed as a priority project in the New York City Regional Council's ranking of projects. Finally, a small permanent loan will be used to fund the project costs.

As you can see from the above description of funding, the project is complicated and will be relying on all possible sources of support in order to make it financially feasible. We have assembled an experienced team of internal managers and external advisors in order to execute on the IDA process, real estate closing, renovation, and ongoing management of the facility.

Affiliate, Greater Jamaica Development Corporation



Greater Jamaica
Development
Corporation

GJDC is an experienced property owner and manager, having decades of experience working on key economic development assets such as the 25,000 SF Jamaica Market and over 750,000 SF of development projects in downtown Jamaica. In addition, once operations commence, GJDC's work with industrial tenants will ensure the operating companies are receiving the maximum public support with programs such as Energy Cost Savings Program, Relocation Employee Assistance Program, and other IBZ support offerings, such as moving tax credits.

In terms of measuring the ongoing success of the project, GJDC will be using both the grant requirements/criteria, as well as the IDA's benefit cost analysis. The grant will require that the project create at least 1 industrial job for every 1,000 square feet – a metric that the project is projected to well exceed. In addition, the grant will require that rents for the space be no greater than 80 percent of market, other criteria that GJDC is pleased to offer to tenants.

Thank you again for the opportunity to participate in the IDA's program. We are so excited to be working with the City on this project and hope that it will be one of the new highlights in the City's effort to create essentially a new sector of industrial developers and owners. If you have any questions regarding our project or submission, we will make ourselves available at your convenience.

Sincerely,

Hope Knight
Executive Director

Affiliate, Greater Jamaica Development Corporation

Exhibit B

**RESOLUTION INDUCING THE FINANCING OF AN
INDUSTRIAL FACILITY FOR GJDC REALTY 2 LLC AS
A (STRAIGHT-LEASE) TRANSACTION**

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, GJDC Realty 2 LLC, a New York limited liability company (the “Company”), affiliated with Greater Jamaica Development Corporation, a New York Not-for-profit corporation (the “Developer”), has entered into negotiations with officials of the Agency for the renovation and equipping of an industrial facility (the “Facility”), consisting of the acquisition of an approximately 4,925 square foot parcel of land located at 97-02 150th Street, Jamaica, New York and the renovation, furnishing and equipping of an approximately 18,750 square foot building thereon, all for lease by the Applicant to various industrial tenants, and having an approximate total project cost of approximately \$8,794,000 (the “Project”); and

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

WHEREAS, the Application sets forth certain information with respect to the Applicant and the Project, including the following: that upon completion of the Project, the Facility will provide space for small businesses and approximately 26 jobs will be retained or created within The City of New York (the “City”); that the Project will provide affordable industrial real estate space at below-market rate rents to industrial tenants; that the Applicant must obtain Agency financial assistance in the form of a straight-lease transaction to enable the Applicant to proceed with the Project; and

WHEREAS, the Agency held a public hearing with respect to the Project on February 13, 2020; and

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

WHEREAS, the Project should not be delayed by the requirement of determining the details of a straight-lease transaction, which cannot be immediately accomplished, and the Applicant intends to apply its own equity for a portion of the costs of the Project and to enter into loan commitments with a bank or banks which will provide funds to the Applicant in the form of loans to finance a portion of the costs of the Project; and

WHEREAS, in order to provide financial assistance to the Applicant for the Project, the Agency intends to grant the Applicant financial assistance through a straight-lease transaction in the form of real property tax abatements, sales tax exemptions and a mortgage recording tax exemption 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 of the Facility and the provision by the Agency of financial assistance to the Applicant pursuant to the Act in the form of a straight-lease transaction will promote and is authorized by and will be in furtherance of the policy of the State of New York as set forth in the Act and hereby authorizes the Applicant to proceed with the Project. The Agency further determines that:

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

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

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

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

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

Section 4. The officers of the Agency and other appropriate officials of the Agency and its agents and employees are hereby authorized and directed to take whatever steps may be necessary to cooperate with the Applicant to assist in the Project.

Section 5. The officers of the Agency are hereby designated the authorized representatives of the Agency, and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution.

Section 6. Any expenses incurred by the Agency with respect to the Project shall be paid by the Applicant. By acceptance hereof, the Applicant agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such

persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Project.

Section 7. This Resolution is subject to approval based on an investigative report with respect to the Applicant. The provisions of this Resolution shall continue to be effective for one year from the date hereof, whereupon the Agency may, at its option, terminate the effectiveness of this Resolution (except with respect to the matters contained in Section 6 hereof).

Section 8. The Agency, as lead agency, has determined that the proposed project, an Unlisted action pursuant to the State Environmental Quality Review Act ("SEQRA") (Article 8 of the Environmental Conservation Law) and 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:

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

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

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

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

(e) A Phase I Environmental Site Assessment conducted on the site revealed *no evidence of recognized environmental conditions* in connection with the property, with the exception of the following:

- Historic use of the Site for clothing manufacturing and textile mills;
- Historic industrial use of the northwest adjoining property including cap and fuse and wire products manufacture and an electric works;
- Historic use of the northeast adjoining property for auto repair;
- Historic use of the southeast adjoining property for auto wrecking, service stations and gasoline storage; and
- Historic and current use of the south adjoining property for auto repair and historic use as auto laundry.

However, there are no known impacts to the Subject Property.

Based on the distance from the Subject Property, type of identified contamination, and up-gradient location, chlorinated solvents may have migrated and impacted

soil vapor at the Subject Property; Despite no known impacts to the Subject Property, it is recommended that the Applicant conduct soil vapor testing and/or indoor air monitoring as part of the refurbishing of the building, and if any impacts are identified, Applicant comply with all applicable DEC regulations on mitigation.

Due to the fact that the proposed renovation of the existing building would involve no subsurface soil disturbance, no adverse impacts related to hazardous materials are expected from the proposed project. If any future renovations, other than those described as this proposed project, involve subsurface soil disturbance, a Phase II ESA should be prepared in conformance with all applicable regulations.

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

Section 9. In connection with the Project, the Applicant covenants and agrees to comply, and to cause each of their respective contractors, subcontractors, agents, persons or entities to comply, with the requirements of General Municipal Law Sections 875(1) and (3), as such provisions may be amended from time to time.

(a) The Applicant and the Developer (collectively, the "Company") covenant and agree that pursuant to General Municipal Law Section 875(3) the Agency shall have the right to recover, recapture, receive, or otherwise obtain from the Company New York State sales or use tax savings taken or purported to be taken by the 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 9 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.

(b) 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 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 the Company or any other agent, person or entity.

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

(iii) The foregoing requirements of this Section 9 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 10. In connection with the Project, the Agency intends to grant the Applicant sales tax exemptions in an amount not to exceed \$125,408 real property tax exemptions and a mortgage recording tax exemption.

Section 11. This Resolution shall take effect immediately.

Adopted: February 18, 2020

Accepted: _____, 2020

GJDC REALTY 2 LLC

By: _____

Name:

Title:

Exhibit C

PROJECT SUMMARY

HC Contracting Inc., a New York corporation doing business as Ferrara Manufacturing (the "Company"), which manufactures apparel and specializes in high-end tailored women's garments, and a to-be-formed affiliated real estate holding company (the "Owner"), are seeking financial assistance in connection with the acquisition, renovation, furnishing and equipping of an approximately 22,000 square foot building on an existing approximately 22,000 existing square foot parcel of land, located at 37-20 31st Street, Long Island City, New York (the "Facility"). The Facility will be owned by the Owner and operated by the Company as a space for its digital printing operations, and as a small online sales office (the "Project"). The Project cost is approximately \$13,700,000. It is anticipated that the Project financing and acquisition of the Facility will close in May 2020 and that operations will commence at the Facility by December 2021.

Current Location

318 W 39th Street
 New York, NY 10018

Project Location

37-20 31st Street
 Long Island City, Queens 11011

Actions Requested

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

Anticipated Closing

May 2020

Impact Summary

| Employment | |
|---|----------------------|
| Jobs at Application: | 4* |
| Jobs to be Created at Project Location (Year 3): | 16 |
| Total Jobs (full-time equivalents) | 20 |
| Projected Average Hourly Wage (excluding principals) | \$19.40 |
| Highest/Lowest Hourly Wage | \$25.00/18.00 |
| *Note: This does not include the 51 employees remaining at the Company's Garment Center HQ. | |

| Estimated City Tax Revenues | |
|---|--------------------|
| Impact of Operations (NPV 25 years at 6.25%) | \$4,407,636 |
| One-Time Impact of Renovation | \$244,398 |
| Total impact of operations and renovation | \$4,652,034 |
| Additional benefit from jobs to be created | \$1,815,059 |

| Estimated Cost of Benefits Requested: New York City | |
|---|--------------------|
| Building Tax Exemption (NPV, 25 years) | \$2,348,075 |
| Land Tax Abatement (NPV, 25 years) | \$69,343 |
| MRT Benefit | \$108,875 |
| Sales Tax Exemption | \$130,500 |
| Agency Financing Fee | (\$70,875) |
| Total Cost to NYC Net of Financing Fee | \$2,585,918 |
| Available As-of-Right Benefits (ICAP) | \$1,831,635 |
| Agency Benefits in Excess of As-of-Right Benefits | \$754,283 |

HC Contracting Inc.

| Costs of Benefits Per Job | |
|---|-----------|
| Estimated Total Cost of Net City Benefits per Job | \$37,714 |
| Estimated City Tax Revenue per Job | \$323,355 |

| Estimated Cost of Benefits Requested: New York State | |
|---|------------------|
| MRT Benefit | \$58,625 |
| Sales Tax Exemption | \$126,875 |
| Total Cost to NYS | \$185,000 |

Sources and Uses

| Sources | Total Amount | Percent of Total Financing |
|-----------------|---------------------|----------------------------|
| Commercial Loan | \$6,800,000 | 50% |
| SBA 504 Loan | \$4,800,000 | 35% |
| Equity | \$2,100,000 | 15% |
| Total | \$13,700,000 | 100% |

| Uses | Total Amount | Percent of Total Costs |
|-----------------------------------|---------------------|------------------------|
| Acquisition Costs | \$9,500,000 | 69% |
| Hard Costs | \$2,000,000 | 15% |
| Soft Costs | \$550,000 | 4% |
| Furnishings, Fixtures & Equipment | \$1,500,000 | 11% |
| Closing Fees | \$150,000 | 1% |
| Total | \$13,700,000 | 100% |

Fees

| | To be paid at Closing | On-Going Fees (NPV, 25 Years) |
|-------------------|-----------------------|----------------------------------|
| Agency Fee | \$70,875 | |
| Project Counsel | \$35,000 | |
| Annual Agency Fee | \$1,250 | \$15,607 |
| Total | \$107,125 | \$15,607 |
| Total Fees | \$122,732 | |

Financing and Benefits Summary

It is anticipated that the Company will finance the Project with a commercial mortgage loan in the amount of approximately \$6,800,000, and with a U.S. Small Business Administration 504 loan in the amount of \$4,800,000. The Company will also fund the Project with approximately \$2,100,000 in Company equity. The financial assistance proposed to be conferred by the Agency will consist of payments in lieu of City real property taxes, limited exemption from City and State mortgage recording taxes and exemption from City and State sales and use taxes.

Company Performance and Projections

The Project will allow the Company to create a digital printing division for the customization of high-end garments to individual consumers, as well as existing clients in the fashion industry. The Company's current production facility in the Garment District is not large enough to accommodate digital printing equipment. The digital printing division

HC Contracting Inc.

will be integrated into the Company's Garment District operations, where the Company will maintain its headquarters and continue to cut and sew textiles after printing the fabric in Long Island City. The digital printing capabilities will improve the quality and range of the Company's product offerings to existing and potential clients. Furthermore, the Project will permit the Company to improve operational efficiencies by adding space for a future online sales office.

Inducement

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

UTEP Considerations

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

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

Applicant Summary

Founded in 1987 by Carolyn and Joseph Ferrara, the Company is an apparel manufacturer headquartered in the Garment District, with a focus on high-end women's tailored garments. The Company's 13,500 square foot production facility in Manhattan resides on West 39th Street, producing tailored garments for several of the fashion industry's most recognized brands, as well as special projects, including the production of uniforms for the U.S. Olympic team. The Company has a reputation for being on the forefront of computer-assisted design technology. In 2016, Mr. and Ms. Ferrara's daughter, Gabrielle, joined the company as Chief Operating Officer, helping to manage day-to-day operations.

Carolyn Ferrara, Co-founder and Co-CEO

Carolyn Ferrara is the co-Founder and co-Chief Executive Officer of the Company. In her role, Ms. Ferrara is responsible for strategic planning and product development, including management of the computer-assisted design team. Ms. Ferrara studied product development and design at New York University.

Joseph Ferrara, Co-founder and Co-CEO

Joseph Ferrara is co-Chief Executive Officer of the Company, having co-founded the firm with his wife, Carolyn, in 1987. Mr. Ferrara oversees the Company's engineering operations and participates in long-term strategic planning. Outside of his capacity as co-CEO, Mr. Ferrara serves as an advisor to the CFDA Fashion Incubator, supporting professional development and educational initiatives for emerging designers in the fashion and luxury space. Mr. Ferrara is also an adjunct professor of marketing at the Leonard N. Stern School of Business at New York University, where he received a bachelor's degree in Finance and Management.

Gabrielle Ferrara, COO

Gabrielle Ferrara joined the Company as Chief Operating Officer in 2016. Ms. Ferrara specializes in administration and technological operations, building the Company's programs to evaluate, monitor, and run the scheduling, billing, and shipping of product, including the creation of a custom internal order management system. She holds a bachelor's degree in Marketing and Technology from Barnard College.

Employee Benefits

Benefits are provided through Workers United Union and include on the job training, medical, dental, and vision coverage, life insurance, and 401(k) retirement benefits.

HC Contracting Inc.

Recapture

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

SEQRA Determination

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

Due Diligence

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

| | |
|-----------------------------|---|
| Compliance Check: | N/A |
| Living Wage: | Compliant |
| Paid Sick Leave: | Compliant |
| Affordable Care Act: | ACA Compliant |
| Bank Account: | TD Bank |
| Bank Check: | Relationships are reported to be satisfactory. |
| Supplier Checks: | Relationships are reported to be satisfactory. |
| Customer Checks: | Relationships are reported to be satisfactory. |
| Unions: | Relationships are reported to be satisfactory. |
| Vendex Check: | No derogatory information was found. |
| Attorney: | Rob Moy, Esq. Forchelli Deegan Terrana LLP 333 Earle Ovington Blvd, Suite 1010 East Meadow, NY 11554 |
| Accountant: | Robert Elerman Eierman & Dermilt Associates, Inc. 10218 159th Ave. Uniondale, NY 11553 |
| Consultant/Advisor: | Rob Morel City One Associates, Inc. 2440 Broadway, Suite 245 New York, New York 10024 |
| Community Board: | Queens, CB #1 |

HC CONTRACTING INC
318 WEST 39th STREET
4th FLOOR
New York, NY 10018
PHONE: (212) 643 9292

HC CONTRACTING INC.

Mr. Krishna Omalade
New York City IDA / EDC
One Liberty Plaza
New York, NY 10006

12/9/2019

Dear Mr. Omalade,

Ferrara Manufacturing is an apparel manufacturer specializing in high end tailored women's garments including dresses, suits, blouses and outerwear. We have been operating in the Garment District since 1987 and have grown to be an extremely successful and innovative trendsetter in the industry. We have a terrific reputation and our clothing has been seen on many runways in New York City and Paris and worn by Olympians, celebrities and VIPs around the world.

We have decided to take advantage of some advances in technology that will propel us to the 21st century of apparel manufacturing. The company will start digitally printing computerized designs saving tremendous lead time in sourcing and shipping quality fabric typically found overseas. These garments will be not only be "made in America" but the fabric will often be American in origin. However, the time saved between design and manufacturing and delivery is key.

This new digital division is machinery intensive and requires heavy power, ground floor access and heavy industrial floor loads. As a consequence of these factors, we are forced to set up our Digital Printing Division outside of Manhattan. We have looked in New Jersey since so many other apparel companies have relocated from Manhattan to New Jersey through the years and have been successful—Suuchi Inc., Carlstadt; Exact Apparel, Bloomfield, N.J.; Unionwear Inc., Newark; Jade Apparel Group, Newark; Stylus Apparel, Linden, N.J.-- to name a few. Clearly operating part of our business in New Jersey would not be an impediment to growth as demonstrated by these aforementioned successful company transplants. Our company has also looked in Long Island City but we were concerned about the tremendous expense of real estate there. One of our real estate brokers mentioned the IDA program to make a Long Island City expansion more cost-effective, and we decided to try and put a deal together.

We need the savings of the New York City IDA so that we can withstand the extra debt service costs for this expensive building and buildout. If you were not for the IDA program, we would not buy this building and we would relocate our digital printing and other operations (possibly up to 60 to 80 jobs) to a far cheaper one story, large floor plan

alternative in New Jersey following our competitors' lead. We would be a little farther from the Garment District (not much) but would be saving tremendous monies. For example one facility in New Jersey could be purchased for \$2,500,000 and would only require about \$1 million of renovations.

The IDA program is crucial for us to stay in New York and we hope that the IDA will approve our projects we can remain in New York City and keep our 60- 80 union employees in Manhattan and grow our business by creating 15 to 20 new union jobs within the next two years in LIC after project completion.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Carolyn Ferrara', is written over the typed name and title.

Carolyn Ferrara
Pres. & CEO

Exhibit D

Resolution inducing the financing of a manufacturing facility for
HC Contracting Inc. and an affiliated real estate holding company,
as a (Straight-Lease) Transaction

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, HC Contracting Inc. (the “Applicant”), has entered into negotiations with officials of the Agency for the acquisition, renovation, furnishing and equipping of a manufacturing facility (the “Facility”), consisting of an approximately 22,000 square foot building on an approximately 22,000 square foot parcel of land located at 37-20 31st Street, Long Island City, New York 11101, for lease to the Agency by a real estate holding company to be formed and affiliated with the Applicant (the “Company”), and sublease by the Agency to the Company for subsequent sublease in whole to the Applicant for use by the Applicant for its digital printing operations and ancillary office space, and having an approximate total project cost of approximately \$13,700,000 (the “Project”); and

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

WHEREAS, the Application sets forth certain information with respect to the Applicant and the Project, including the following: that the Applicant is a family-run apparel manufacturer specializing in high-end tailored women’s garments; that the Applicant has been operating in the Garment District of Manhattan in The City of New York (the “City”) since its formation in 1987; that the Applicant has decided to take advantage of advances in technology by starting a new digital printing division, which will save the Applicant significant lead time in sourcing and shipping quality fabric typically found overseas; that the Applicant’s current production facility in the Garment District is not large enough to accommodate the necessary digital printing equipment; that the Project will save the Applicant time between design, manufacturing and delivery, and that a quick turn-around is crucial to the success of the Applicant’s business; that the Applicant has investigated alternative facilities located in New Jersey but would prefer to remain within the City; that the Applicant expects to employ approximately 16 additional full time equivalent employees within the three years following the completion of the Project; that the Applicant must obtain Agency financial assistance in the form of a straight-lease transaction to enable the Applicant to proceed with the Project and thereby remain and expand its operations in the City; and that, based upon the financial assistance provided through the Agency, the Applicant desires to proceed with the Project and remain and expand its operations in the City; and

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

WHEREAS, the Project should not be delayed by the requirement of determining the details of a straight-lease transaction, which cannot be immediately accomplished, and the Applicant intends to apply its own equity for a portion of the costs of the Project and to enter into loan commitments with a bank or banks which will provide funds to the Applicant and/or Company in the form of loans to finance a portion of the costs of the Project; and

WHEREAS, in order to provide financial assistance to the Applicant for the Project, the Agency intends to grant the Applicant financial assistance through a straight-lease transaction in the form of real property tax abatements, 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. The Agency hereby determines that the Project and the provision by the Agency of financial assistance to the Applicant and the Company pursuant to the Act in the form of a straight-lease transaction will promote and is authorized by and will be in furtherance of the policy of the State of New York as set forth in the Act and hereby authorizes the Applicant and the Company to proceed with the Project. The Agency further determines that

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

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

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

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

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

Section 4. The officers of the Agency and other appropriate officials of the Agency and its agents and employees are hereby authorized and directed to take whatever steps may be necessary to cooperate with the Applicant and the Company to assist in the Project.

Section 5. The officers of the Agency are hereby designated the authorized representatives of the Agency, and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution.

Section 6. Any expenses incurred by the Agency with respect to the Project shall be paid by the Applicant. By acceptance hereof, the Applicant agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Project.

Section 7. This Resolution is subject to approval based on an investigative report with respect to the Applicant and the Company. The provisions of this Resolution shall continue to be effective for one year from the date hereof, whereupon the Agency may, at its option, terminate the effectiveness of this Resolution (except with respect to the matters contained in Section 6 hereof).

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

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

- (1) the Project would not result in a substantial adverse change in existing traffic, air quality, or noise levels. The proposed building addition would provide warehouse and production space and would not result in significant 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 (ESA) conducted on the site noted identified no evidence of Controlled Recognized Environmental Conditions (CRECs), in connection with the Subject Property. Historical Recognized Environmental Conditions (HRECs), regarding the presence of a closed NYSDEC Spill was identified pertaining to the Subject Property. Recognized Environmental Conditions (RECs), regarding the past usage of the Subject Property and the possible presence of an underground gasoline storage tank was identified pertaining to the Subject Property. The Phase I provided documentation that a prior Phase II was conducted, which found no contamination on the site. In addition, as there will be no soil disturbance as part of the project, no adverse impacts related to hazardous materials are expected from the proposed project; and
- (6) no other significant effects upon the environment that would require the preparation of an Environmental Impact Statement are foreseeable.

Section 9. In connection with the Project, the Applicant covenants and agrees to comply, and to cause each of its contractors, subcontractors, agents, persons or entities to comply, with the requirements of General Municipal Law Sections 875(1) and (3), as such provisions may be amended from time to time.

(1) The Applicant acknowledges and agrees that pursuant to General Municipal Law Section 875(3) the Agency shall have the right to recover, recapture, receive, or otherwise obtain from the Applicant and/or the Company New York State sales or use tax savings taken or purported to be taken by the Applicant or the Company, and any agent or any other person or entity acting on behalf of the Applicant or the Company, to which the Applicant

or the Company is not entitled or which are in excess of the maximum sales or use tax exemption amount authorized in Section 10 of this Resolution or which are for property or services not authorized or taken in cases where the Applicant or the Company, or any agent or any other person or entity acting on behalf of the Applicant or the Company, failed to comply with a material term or condition to use property or services in the manner required by this Resolution or any agreements entered into among the Agency, the Applicant, the Company and/or any agent or any other person or entity acting on behalf of the Applicant or the Company. The Applicant and the Company shall, and shall require each agent and any other person or entity acting on behalf of the Applicant and/or the Company, to cooperate with the Agency in its efforts to recover, recapture, receive, or otherwise obtain such New York State sales or use tax savings and shall promptly pay over any such amounts to the Agency that it requests. The failure to pay over such amounts to the Agency shall be grounds for the Commissioner of the New York State Department of Taxation and Finance (the "Commissioner") to assess and determine New York State sales or use taxes due from the Applicant and/or the Company under Article Twenty-Eight of the New York State Tax Law, together with any relevant penalties and interest due on such amounts.

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

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

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

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

(3) The foregoing requirements of this Section 9 shall apply to any amounts of New York State sales or use tax savings that the Agency recovers, recaptures, receives, or otherwise obtains, regardless of whether the Agency, the Applicant, the Company or any agent or other person or entity acting on behalf of the Applicant or the Company characterizes such benefits recovered, recaptured, received, or otherwise obtained, as a penalty or liquidated or contract damages or otherwise. The foregoing requirements shall also apply to any interest or penalty that the Agency imposes on any such amounts or that are imposed on such amounts by operation of law or by judicial order or otherwise. Any such amounts or payments that the Agency recovers, recaptures, receives, or otherwise obtains, together with any interest or penalties thereon, shall be deemed to be New York State sales or use taxes and the Agency shall receive any such amounts or payments, whether as a result of court action or otherwise, as trustee for and on account of New York State.

Section 10. In connection with the Project, the Agency intends to grant the Applicant and the Company real property tax abatements, sales and use tax exemptions in an amount not to exceed \$257,375, and a partial exemption of City and State mortgage recording taxes.

Section 11. This Resolution shall take effect immediately

Adopted: February 18, 2020

Accepted: _____, 2020

HC CONTRACTING INC.

By:_____

Name:

Title:

Exhibit E

PROJECT SUMMARY

Phoenix Building Supply Inc., d/b/a Forest Building Supply, a New York corporation that fabricates and sells building and construction materials (the "Company"), is seeking financial assistance in connection with the construction, furnishing, and equipping of a new approximately 15,000 square foot facility (the "Facility") on an approximately 81,000 square foot area of land at one of the Company's existing locations at 1051 Irving Avenue, Ridgewood, New York. The Facility will be located adjacent to an existing 6,000 square foot building owned by Messing Irving Realty, LLC, a New York limited liability company. The Facility will be owned by Messing Irving Realty, LLC and operated by the Company as a production facility for building materials, a warehouse, a showroom, office space, and a retail counter of approximately 1,000 square feet (the "Project"). The Project cost is approximately \$2,500,000. It is anticipated that the Project will close in May 2020. The Company expects to complete construction, renovation and equipping of the Project within 14 months of closing.

Project Location

1051 Irving Avenue
 Ridgewood, New York 11385

Actions Requested

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

Anticipated Closing

May 2020

Impact Summary

| | |
|---|----------------------|
| Employment | |
| Jobs at Application: | 24 |
| Jobs to be Created at Project Location (Year 3): | 8 |
| Total Jobs (full-time equivalents) | 32 |
| Projected Average Hourly Wage (excluding principals) | \$18.00 |
| Highest/Lowest Hourly Wage | \$29.00/15.00 |

| | |
|---|--------------------|
| Estimated City Tax Revenues | |
| Impact of Operations (NPV 25 years at 6.25%) | \$4,150,699 |
| One-Time Impact of Renovation | \$155,031 |
| Total impact of operations and renovation | \$4,305,730 |
| Additional benefit from jobs to be created | \$460,318 |

| | |
|--|--------------------|
| Estimated Cost of Benefits Requested: New York City | |
| Building Tax Exemption (NPV, 25 years) | \$682,995 |
| Land Tax Abatement (NPV, 25 years) | \$1,327,111 |
| MRT Benefit | \$28,438 |
| Sales Tax Exemption | \$87,300 |
| Agency Financing Fee | (\$42,000) |
| Total Cost to NYC Net of Financing Fee | \$2,083,844 |
| Available As-of-Right Benefits (ICAP) | \$870,777 |
| Agency Benefits in Excess of As-of-Right Benefits | \$1,213,067 |

Noah Schumer, SIG
 Caroline Nguyen, LGL

Katten Muchin Rosenman LLP
 Project Number - 9294

Phoenix Building Supply Inc.

| Costs of Benefits Per Job | |
|---|-----------|
| Estimated Total Cost of Net City Benefits per Job | \$37,908 |
| Estimated City Tax Revenue per Job | \$148,939 |

| Estimated Cost of Benefits Requested: New York State | |
|---|------------------|
| MRT Benefit | \$15,313 |
| Sales Tax Exemption | \$84,875 |
| Total Cost to NYS | \$100,188 |

Sources and Uses

| Sources | Total Amount | Percent of Total Financing |
|-----------------|--------------------|----------------------------|
| Commercial Loan | \$1,750,000 | 70% |
| Equity | \$750,000 | 30% |
| Total | \$2,500,000 | 100% |

| Uses | Total Amount | Percent of Total Costs |
|-----------------------------------|--------------------|------------------------|
| Hard Costs | \$1,200,000 | 48% |
| Soft Costs | \$100,000 | 4% |
| Furnishings, Fixtures & Equipment | \$1,100,000 | 44% |
| Closing Fees | \$100,000 | 4% |
| Total | \$2,500,000 | 100% |

Fees

| | Paid At Closing | On-Going Fees (NPV, 25 Years) |
|-------------------|-----------------|----------------------------------|
| Agency Fee | \$42,000 | |
| Project Counsel | \$25,000 | |
| Annual Agency Fee | \$750 | \$7,167 |
| Total | \$67,750 | \$7,167 |
| Total Fees | \$74,917 | |

Financing and Benefits Summary

The Company anticipates financing the Project with a line of credit of \$1,750,000 from People's United Bank, extended as part of a refinancing of the mortgage on its property at 1051 Irving Avenue. The line of credit would have an interest only period for 12 months, followed by monthly payments of principal and interest based on a 25-year amortization schedule. It is anticipated to bear interest at a rate equal to approximately One-month LIBOR + 2.15% (indicative rate of 3.92% as of January 10, 2020). The line of credit would be guaranteed by Phoenix Building Supply Inc. and by Bernard Messing individually, and it will be cross-collateralized with the Company's mortgage at 18-46 Decatur Street in Ridgewood, Queens. The Company will also fund the Project with \$750,000 in equity.

The financial assistance proposed to be conferred by the Agency will consist of payments in lieu of City real property taxes, limited exemption from City and State mortgage recording taxes and exemption from City and State sales and use taxes. Based on a review of financial statements, the Company would have an estimated debt service coverage ratio of 2.05x.

Company Performance and Projections

The Project involves the Company constructing a 15,000 square foot storage warehouse located behind the existing 6,000 square foot retail and office space at its 1051 Irving Avenue property. The warehouse will be equipped with vertical racks, which will allow for additional storage space. As part of the project, the Company also anticipates purchasing machinery to fabricate cement blocks, gutters, and leaders (the vertical pipes that transport water to ground level). The Company expects that fabricating cement blocks will reduce its vehicle miles traveled, as the Company currently trucks full cement blocks to its masonry yard, as opposed to sand to make the blocks, the latter of which will consume less volume and necessitate fewer delivery loads.

As part of the Project, the Company will make investments in sustainability measures and participate in workforce development programs. Related to sustainability, the Company will spend no less than \$100,000 on green infrastructure/stormwater management improvements at the Project location above what is required by the applicable New York City regulations. The Department of Environmental Protection will conduct a design review to ensure that the architectural plans meet this threshold. The Company is also planning an investment of approximately \$300,000 to install solar panels on the Facility.

Related to workforce development, the Company will invest in a skills training program for its employees. Based on discussions between the Agency and the Company regarding the needs of the employees, the Company will be required to contract with training providers selected by the Agency, and the selected provider will provide evidence to the Agency that the Company has contracted its services. The Company will also utilize HireNYC for all new positions projected under the terms of the Project, and will participate in additional programming offered by the Department of Youth & Community Development.

Inducement

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

UTEP Considerations

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

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

Applicant Summary

Founded in 1977, the Company has expanded from its early roots as a hardware store to become a full-service vendor and distributor of construction materials, including building supplies for exterior and interior construction projects, such as rebar steel, drywall, masonry and roofing supplies, lumber and windows. The Company also offers knuckleboom crane services for demolitions, and operates an affiliate trucking company to distribute materials, run by Stephanie Messing, Ben Messing's spouse. In the 1980s, the Company shifted from primarily servicing residential construction towards large-scale commercial projects, and clients now include a range of general contractors, architects, builders, and developers. As part of the Project, the Company anticipates expanding its operations to begin fabricating cement blocks, gutters, and leaders.

Phoenix Building Supply Inc.

Ben Messing, Founder and President

Mr. Messing founded the Company in 1977, after emigrating to the United States from Germany in 1961. Prior to founding the Company, Mr. Messing worked in a lumber yard from 1971 to 1977, rising to the position of foreman. In his role as president of Phoenix Building Supply, Mr. Messing oversees strategic planning, finance, administration, and the purchasing of construction materials.

Employee Benefits

Full-time drivers employed by the Company's affiliate trucking company, Forest Building Supply Inc, are members of Local 282 Union, and receive health care and pension benefits. For non-union employees, the Company currently offers health insurance through the UnitedHealthcare Community Plan at no cost to the employees.

Recapture

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

SEQRA Determination

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

Due Diligence

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

| | |
|-----------------------------|--|
| Compliance Check: | N/A |
| Living Wage: | Compliant |
| Paid Sick Leave: | Compliant |
| Affordable Care Act: | ACA Compliant |
| Bank Account: | People's United Bank |
| Bank Check: | Relationships are reported to be satisfactory. |
| Supplier Checks: | Relationships are reported to be satisfactory. |
| Customer Checks: | Relationships are reported to be satisfactory. |
| Unions: | Relationships are reported to be satisfactory. |
| Vendex Check: | No derogatory information was found. |
| Attorney: | Ron Mandel, Esq. Belkin Burden Wenig & Goldman, LLP 270 Madison Avenue New York, NY 10016 |
| Accountant: | Jerome Hehir Geschwind & Hehir 200 Motor Parkway, Suite D-24 Hauppauge, NY 11788 |

Phoenix Building Supply Inc.

Consultant/Advisor: Rob Morel
City One Associates, Inc.
2440 Broadway, Suite 245
New York, New York 10024

Community Board: Queens, CB #5

PHOENIX

BUILDING SUPPLY INC.

D.B.A Forest Building Supply

Office: 74-02 Forest Avenue ~ Ridgewood, NY 11385

Mr. Noah Schumer
New York City Industrial Development Agency
One Liberty Plaza
New York, NY 10024

December 10, 2019

Dear Mr. Schumer,

Our company, operating on the border of Ridgewood and Bushwick, distributes, warehouses and sells a full array of building supplies and plans to start a small production division fabricating gutters and leaders as well as pre-hung doors. We've been operating as a "mom & Pop" business since 1977 starting with a small neighborhood hardware store and developing and expanding into our large commercially based distribution business serving the local tri-state market.

As I'm sure you have heard from other IDA applicants, this is a difficult business environment and operating in New York certainly has its challenges. In order to continue to grow and to be able to compete with the large publicly owned and financed companies such as Lowe's and others that dominate this industry, we have to diversify, expand (build this 15,000 square-foot facility) and consolidate.

One of our options is to do this IDA project, consolidating, expanding, and setting up a production division. This will create at a minimum 8 new jobs and keep all our employees in Queens. The other option, is to abandon the new construction, sell off 30,000 to 40,000 ft.² of our yard to a neighboring self-storage warehouse operation has already expressed interest in the property. These proceeds (minimum \$6 million) would enable us to easily acquire a large 50,000 to 75,000 square-foot warehouse and yard in New Jersey and relocate 80% of our operations there, leaving a small skeleton crew at the remaining 30,000 square-foot yard in Irving Avenue. All our company's growth in sales and employment would consequently occur in New Jersey. The local depot would just be for deliveries for our remaining local customers.

There are seven similar building supply companies who through the years have vacated Maspeth, Queens and nearby Brooklyn locations and relocated to New Jersey because it was too expensive to expand in the boroughs. These businesses have thrived by either fully relocating to New Jersey or doing the bifurcated operation we are contemplating with a headquarters in New Jersey and the small distribution yard in Queens.

We need the help of the New York City IDA and the land tax abatement as well as the other benefits to help defray the costs of this new construction and plow back the additional savings into the business so we can be more competitive. Pricing is key for us to maintain our customers loyalty. Without the IDA's involvement, we would not do this project. We hope that the New York City IDA will approve our project so we can remain in New York and continue to expand our operations and employment here in Queens. Thank you for your consideration

Sincerely, Ben Messing



Exhibit F

**RESOLUTION INDUCING THE FINANCING OF A
MANUFACTURING AND WAREHOUSING FACILITY
WITH RELATED MULTI-USES FOR THE BENEFIT OF
PHOENIX BUILDING SUPPLY, INC. AS A STRAIGHT-
LEASE TRANSACTION AND AUTHORIZING THE
EXECUTION AND DELIVERY OF AGREEMENTS IN
CONNECTION THEREWITH**

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

WHEREAS, Phoenix Building Supply, Inc., a New York corporation doing business as Forest Building Supply (the “Applicant”), has entered into negotiations with officials of the Agency for the renovation and equipping of a facility (the “Facility”), consisting of the construction, furnishing and equipping of a new approximately 15,000 square foot facility on an approximately 81,000 square foot parcel of land located at 1051 Irving Avenue, Ridgewood, New York, all for the use by the Applicant in the production of building materials, and as warehouse, showroom, office and retail space, for lease to the Agency by the owner of the Facility, Messing Irving Realty, LLC or another real estate holding company affiliated with the Applicant (collectively, the “Company”), and sublease by the Agency to the Company for subsequent sub-sublease in whole to the Applicant, and having an approximate total project cost of approximately \$2,500,000 (the “Project”); and

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

WHEREAS, the Application sets forth certain information with respect to the Applicant and the Project, including the following: that the Applicant plan to expand its operations at its current facility in Queens; that it currently employs approximately 24 full time equivalent employees and expects to employ an additional 8 employees in The City of New York (the “City”) within the three years following the completion of the Project; that the Applicant must obtain Agency financial assistance in the form of a straight-lease transaction to enable the Applicant to proceed with the Project and thereby establish and expand its operations in the City; and that, based upon the financial assistance provided through the Agency, the Applicant desire to proceed with the Project and establish and expand its operations in the City; and

WHEREAS, the Agency held a public hearing with respect to the Project on February 13, 2020; and

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

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

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

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

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

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

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

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

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

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

liability for any such action taken by the Applicant or the Company or any director, officer, employee, agent or affiliate of either, for such purpose.

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

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

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

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

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

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

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

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

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

(a) The proposed project would not result in a substantial adverse change in existing traffic, air quality, or noise levels. The proposed building addition would provide warehouse and production space and would not result in significant additional traffic.

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

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

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

(e) A Phase I Environmental Site Assessment conducted on the site noted no Recognized Environmental Conditions (RECs), controlled RECs or historical RECs. As part of the Phase I ESA, one (1) 275-gallon aboveground waste oil tank was observed on the parcel. There were no olfactory nor visual indications of the presence of a leak observed. The ESA recommended that the tank be properly registered with the NYSDEC. The Applicant provided documentation that the tank has since been registered with NYSDEC. Therefore, no adverse impacts related to hazardous materials are expected from the proposed project.

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

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

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

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

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

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

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

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

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

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

Section 13. In connection with the Project, the Agency intends to grant the Applicant and the Company sales tax exemptions in an amount not to exceed \$172,175, real property tax exemptions and a mortgage recording tax exemption.

Section 14. This Resolution shall take effect immediately.

ADOPTED: February 18, 2020

ACCEPTED: _____, 2020

PHOENIX BUILDING SUPPLY, INC.

By: _____
Name:
Title:

MESSING IRVING REALTY, LLC

By: _____
Name:
Title:

Exhibit G

Project Summary

S&L Aerospace Metals, LLC ("S&L"), a New York limited liability company that specializes in fabricating hard metal, hydraulics, fracture-critical structural parts, machine assemblies and assembly kits for the aerospace market, and its affiliate Bao Jia Holding LLC, a New York limited liability company and affiliated real estate holding company (collectively, the "Company"), seek financial assistance in connection with the furnishing and equipping of a 94,000 square foot building located on a 40,000 square foot parcel of land located at 120-12 28th Avenue, Flushing, New York (the "Facility"). The Facility is owned by Bao Jia Holding LLC and operated by S&L as an aerospace fabrication and assembly facility.

Project Location

120-12 28th Avenue
 Flushing, New York 11354

Actions Requested

- Inducement and Authorizing Resolution for an Industrial 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

Spring 2020

Impact Summary

| | |
|---|----------------------|
| Employment | |
| Jobs at Application: | 92 |
| Jobs to be Created at Project Location (Year 3): | 16 |
| Total Jobs (full-time equivalents) | 108 |
| Projected Average Hourly Wage (excluding principals) | \$24.73 |
| Highest/Lowest Hourly Wage (excluding principals) | \$51.00/15.00 |

| | |
|---|---------------------|
| Estimated City Tax Revenues | |
| Impact of Operations (NPV 25 years at 6.25%) | \$29,888,180 |
| One-Time Impact of Renovation | \$150,840 |
| Total impact of operations and renovation | \$30,039,020 |
| Additional benefit from jobs to be created | \$3,451,871 |

| | |
|--|--------------------|
| Estimated Cost of Benefits Requested: New York City | |
| Building Tax Exemption (NPV, 25 years) | \$1,761,017 |
| Land Tax Abatement (NPV, 25 years) | \$351,484 |
| Sales Tax Exemption | \$90,000 |
| Agency Financing Fee | (\$35,000) |
| Total Value of Benefits provided by Agency | \$2,167,501 |
| Available As-of-Right Benefits (ICAP) | \$0 |
| Agency Benefits In Excess of As-of-Right Benefits | \$2,167,501 |

S&L Aerospace Metals, LLC

| Costs of Benefits Per Job | |
|---|-----------|
| Estimated Total Cost of Net City Benefits per Job | \$20,070 |
| Estimated City Tax Revenue per Job | \$310,101 |

| Estimated Cost of Benefits Requested: New York State | |
|---|-----------------|
| Sales Tax Exemption | \$87,500 |
| Total Cost to NYS | \$87,500 |

Sources and Uses

| Sources | Total Amount | Percent of Total Financing |
|------------------|--------------------|----------------------------|
| Commercial Loans | \$2,000,000 | 93% |
| Equity | \$150,000 | 7% |
| Total | \$2,150,000 | 100% |

| Uses | Total Amount | Percent of Total Costs |
|-----------------------|--------------------|------------------------|
| Machinery & Equipment | \$2,000,000 | 93% |
| Closing Fees | \$150,000 | 7% |
| Total | \$2,150,000 | 100% |

Fees

| | Paid At Closing | On-Going Fees (NPV, 25 Years) |
|-------------------|-----------------|----------------------------------|
| Agency Fee | \$35,000 | |
| Project Counsel | \$25,000 | |
| Annual Agency Fee | \$750 | \$9,364 |
| Total | \$60,750 | \$9,364 |
| Total Fees | \$70,114 | |

Financing and Benefits Summary

S&L anticipates financing the project with a line of credit of \$2,000,000 from Signature Financial LLC. The line of credit will have a fixed annual interest rate ranging from 3.98% to 4.25% based on the repayment term option that is selected by S&L. The line of credit will be secured by the manufacturing equipment that is purchased using the line of credit. S&L will also fund the Project with \$150,000 in equity. 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. Based on a review of financial statements, the Company will have an estimated debt service coverage ratio of 2.9x.

Market Performance and Projections

S&L operates within a highly specialized sector of the Aerospace market, which itself is a niche market. S&L is predominantly a cylinder manufacture whose products form full or partial hydraulic assemblies for landing gear and actuating struts. Due to the physical shape of these components, S&L primarily uses two machining types, turning and milling, of which turning operations represent about 70-80% of all production. The project involves the acquisition of additional large-scale turning machinery that is necessary for S&L to expand its production and

S&L Aerospace Metals, LLC

increase production efficiency. The specific machine that will be purchased as part of the project is a new lathe turning machine manufactured by Okuma.

Inducement

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

UTEP Considerations

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

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

Applicant Summary

S&L was founded in 1947 in Brooklyn, NY. The main business was producing bicycle parts. Throughout the 1950's the focus was changed to small precision parts for the aerospace industry. S&L grew along with local defense and commercial industries located in the boroughs of NYC as well as Long Island. During the late 1960's and early 1970's S&L became a leading supplier of hydraulic and mechanical assemblies to Grumman Aerospace and Fairchild Republic. This was closely followed by an expansion into Sikorsky Aircraft. The mission of management and ownership is to further develop S&L into a next generation supplier of hard metal, hydraulics, fracture-critical structural parts, machine assemblies, sub-assemblies, and assembly kits for the commercial and military segments of the aerospace markets. This mission is accomplished by management's steadfast commitment to the highest standard of customer service and providing increasing value to our customers. The company's short-term strategic agenda is primarily dedicated to accelerating from supplier to a full-fledged integrator. Customers include Boeing, Goodrich, Messier-Dowty, Parker California, Parker Michigan, Raytheon, Lockheed, Airbus, Derco, Heroux, Devtek and the Defense Logistics Agency.

Jerry Wang, President & CEO

Mr. Wang immigrated to New York in 1986 and has extensive management experience in various fields. In 1990 he began working in production management for MORSLY corporate organizations, where he managed overseas production and the import and export of products to many retail stores such as Walmart and JCPenny. In 2001, he acquired the Company with a partner and became CEO. He became the sole owner and head manager of the Company in 2009 and continues to serve as President and CEO today. Mr. Wang also serves as the President of Ramada Flushing Hotel and as President of the Zhejiang Chamber of Commerce Association.

Shaoxun Chen, Controller

Mr. Chen graduated from Baruch College with a bachelor's degree in accounting in 2005. He joined the Company in 2009 as Controller. Previously he worked as a financial accountant at Associate of National Advertisers and as an auditor at a private CBA firm subcontracted by New York State Department of Health and Mental Hygiene.

Employee Benefits

The Company provides medical, dental and life insurance to all employees, and on-the-job training.

Recapture

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

S&L Aerospace Metals, LLC

SEQRA Determination

The completed Environmental Assessment Form for this action has been reviewed and signed by Agency staff. The proposed action by the Agency is a Type II action and therefore no further environmental review is required.

Due Diligence

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

| | |
|-----------------------------|---|
| Compliance Check: | Not Applicable |
| Living Wage: | Compliant |
| Paid Sick Leave: | Compliant |
| Affordable Care Act: | ACA Compliant |
| Bank Accounts: | TD Bank/SB One Bank |
| Bank Check: | Relationships are reported to be satisfactory. |
| Supplier Checks: | Relationships are reported to be satisfactory. |
| Customer Checks: | Relationships are reported to be satisfactory. |
| Unions: | N/A |
| Vendex Check: | No derogatory information was found. |
| Attorney: | Vito Giannola, Esq. 3000 Marcus Avenue, Suite 1W6 Lake Success, New York, 11042 |
| Accountant: | Shaoxun Chen S&L Aerospace Metals, LLC 120-12 28 th Avenue Flushing, New York 11354 |
| Community Board: | Queens, CB #7 |



S & L AEROSPACE METALS, LLC.

S&L Aerospace Metals, LLC was founded in 1947 in Brooklyn, NY. The main business was producing bicycle parts. Throughout the 1950's the focus was changed to small precision parts for the aerospace industry.

S&L grew along with local defense and commercial industries located in the boroughs of NYC as well as Long Island. During the late 1960's and early 1970's S&L became a leading supplier of hydraulic and mechanical assemblies to Grumman Aerospace and Fairchild Republic. This was closely followed by an expansion into Sikorsky Aircraft.

The mission of management and ownership is to further develop S&L into a next generation supplier of hard metal, hydraulics, fracture-critical structural parts, machine assemblies, sub-assemblies, and assembly kits for the commercial and military segments of the aerospace markets. This mission is accomplished by management's steadfast commitment to the highest standard of customer service and providing increasing value to our customers.

The company's short-term strategic agenda is primarily dedicated to accelerating from supplier to a full-fledged integrator. One of our most recent successes has been that we now supply fully dressed Main and Tail Landing Gear for all Sikorsky Blackhawks and its derivatives. With this recent success, S&L is currently evaluating future opportunities as such.

Today's customers include Boeing, Goodrich, Messier-Dowty, Parker California, Parker Michigan, Raytheon, Lockheed, Airbus, Derco, Heroux, Devtek and all DLA agencies.

Based on the recent expansion, S&L is well positioned and prepared to become a new company with expanded capabilities and endowments. The disciplined and methodical engagement of strategical planning, complimented by the maintenance of top standard performance and unwavering integrity to our customers, represents the success of our mission statement.



Jerry Wang
CEO/President
11/22/19

Exhibit H

Resolution inducing the financing of an industrial facility for S&L Aerospace Metals, LLC, together with its affiliate, Bao Jia Holding LLC, as a Straight-Lease Transaction and authorizing and approving the execution and delivery of agreements in connection therewith

WHEREAS, New York City Industrial Development Agency (the “Agency”) is authorized under the laws of the State of New York, and in particular the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended, and Chapter 1082 of the 1974 Laws of New York, as amended (collectively, the “Act”), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, 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, S&L Aerospace Metals, LLC, a New York limited liability company (the “Company”), and its affiliate, Bao Jia Holding LLC, a New York limited liability company (“BJH” and together with the Company, the “Applicant”) have entered into negotiations with officials of the Agency for the furnishing and equipping of an approximately 94,000 square foot facility on an approximately 40,000 square foot parcel of land located at 120-12 28th Avenue, Flushing, New York 11354 (the “Facility”), all for the use by the Company as a manufacturing facility, for sublease to the Agency by the Applicant, and sub-sublease by the Agency to the Applicant, and having an approximate total project cost of approximately \$2,150,000 (the “Project”); and

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

WHEREAS, the Application sets forth certain information with respect to the Applicant and the Project, including the following: that the Applicant is currently located at 120-12 28th Avenue, Flushing, New York 11354 and employs approximately 92 employees within The City of New York (the “City”); that the Project will allow the Applicant to acquire additional machinery in order to expand operations and meet anticipated future demand; that the Applicant expects to employ approximately 16 additional full time equivalent employees within the three years following the completion of the Project; that the Applicant must obtain Agency financial assistance in the form of a straight-lease transaction to enable the Applicant to proceed with the Project and thereby remain and expand its operations in the City; and that, based upon the financial assistance provided through the Agency, the Applicant desires to proceed with the Project and remain and expand its operations in the City; and

WHEREAS, the Agency held a public hearing with respect to the Project on February 13, 2020; and

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

WHEREAS, in order to finance a portion of the costs of the Project, Signature Financial LLC (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 provide an equipment financing facility to the Applicant pursuant to which the Lender will lend \$2,000,000 to the Applicant; and

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

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

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

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

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

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

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

Section 3. The Agency hereby authorizes the Applicant to proceed with the Project as herein authorized. The Applicant is authorized to proceed with the Project on behalf of the Agency as set forth in this Resolution; provided, however, that it is acknowledged and agreed by the Applicant that (i) nominal leasehold title to or other interest of the Agency in the Facility shall be in the Agency for purposes of granting financial assistance, and (ii) the Applicant is hereby

constituted the agent for the Agency solely for the purpose of effecting the Project, and the Agency shall have no personal liability for any such action taken by the Applicant for such purpose.

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

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

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

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

Section 7. The officers of the Agency are hereby designated the authorized representatives of the Agency, and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution. The Agency recognizes that due to the unusual complexities of the transaction it may become necessary that certain of the terms approved hereby may require modifications which will not affect the intent and substance of the authorizations and approvals by the Agency herein.

The Agency hereby authorizes the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or General Counsel to approve modifications to the terms approved hereby which do not affect the intent and substance of this Resolution. The approval of such modifications shall be evidenced by a certificate of determination of an Agency officer.

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

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

Section 10. The Agency, as lead agency, is issuing this determination pursuant to the State Environmental Quality Review Act ("SEQRA") (Article 8 of the Environmental Conservation Law) and implementing regulations contained in 6 N.Y.C.R.R. Part 617. This determination is based upon the Agency's review of information provided by the Applicant 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)(23)**, because it is "investments by or on behalf of agencies or pension or retirement systems, or refinancing existing debt", which would not result in adverse environmental impacts requiring the preparation of an Environmental Impact Statement.

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

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

or otherwise obtain such New York State sales or use tax savings and shall promptly pay over any such amounts to the Agency that it requests. The failure to pay over such amounts to the Agency shall be grounds for the Commissioner of the New York State Department of Taxation and Finance (the “Commissioner”) to assess and determine New York State sales or use taxes due from the Applicant under Article Twenty-Eight of the New York State Tax Law, together with any relevant penalties and interest due on such amounts.

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

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

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

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

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

Section 12. In connection with the Project, the Agency intends to grant the Applicant real property tax abatements and sales and use tax exemptions in an amount not to exceed \$177,500.

Section 13. This Resolution shall take effect immediately.

ADOPTED: February __, 2020

Accepted: _____, 2020

S&L AEROSPACE METALS, LLC

By: _____

Name:

Title:

BAO JIA HOLDING LLC

By: _____

Name:

Title:

Exhibit I

NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY

POST-CLOSING EXTENSION FEE PROPOSAL

The New York City Industrial Development Agency (the “Agency”) is committed to providing financial support for various projects (“Project” or “Projects”). Each Project that is approved by the Agency’s Board of Directors (the “Board”) and successfully closes with the Agency is obligated to meet a Construction Completion Deadline (the “Deadline”) by which Project work must be substantially completed. The Agency’s current policy is to set a Deadline that is approximately 2.5-years from the Project closing date. Projects that are larger, more expensive and more complicated than average are typically given a longer Deadline. When a Project fails to meet its deadline, it must request an extension (an “Extension”) of the original Deadline from the Agency. For each Extension requested, the Agency has historically charged a flat post-closing Extension fee (the “Fee”) of \$2,500. The Fee is not typically modified or altered.

Based on comments from the Agency’s Board, Agency staff conducted a review of the existing Fee policy and proposes a revised fee structure as follows:

| Number of Extensions | | | |
|-------------------------------------|----------|----------|-----------|
| | 1 | 2 | 3 |
| Project Investment < \$25M* | \$2,500 | \$5,000 | \$10,000 |
| \$25M ≥ Project Investment < \$100M | \$10,000 | \$20,000 | \$30,000 |
| Project Investment ≥ \$100M | \$25,000 | \$50,000 | \$100,000 |

- Fees will be based upon a dual-tiered pricing matrix that considers (1) Project investment¹ and (2) the number of Extensions previously granted by the Agency.
- Increasing the Fee based on the number of Extensions previously granted by the Agency provides a deeper financial incentive for Projects to minimize delays in their schedules.
- Tying the Fee to the size of the Project investment prevents the Fee from being detrimental to the Project’s success.
- Fees will continue to be reviewed and updated periodically.

¹ Project investment is equal to hard costs, soft costs, fixtures, furnishings, machinery and equipment purchases.