

MINUTES OF THE
MEETING OF THE BOARD OF DIRECTORS
OF
NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY
HELD REMOTELY PURSUANT TO EXECUTIVE ORDER
ISSUED BY THE GOVERNOR OF THE STATE OF NEW YORK
September 22, 2020

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

James Patchett, chairman
HeeWon Brindle-Khym
Marlene Cintron
Brian Cook, alternate for Scott M. Stringer,
Comptroller of The City of New York
Khary Cuffe
Jodi Callender, alternate for Vicki Been,
Deputy Mayor for Housing and Economic Development
Anthony Del Vecchio
Albert De Leon
Barry Dinerstein, alternate for Marisa Lago,
Chair of the City Planning Commission of The City of New York
Andrea Feirstein
James E. Johnson
Jacques-Philippe Piverger
James Prendamano
Robert Santos
Shanel Thomas
Betty Woo, alternate for James Johnson,
Corporation Counsel of The City of New York

The following directors and alternates were not present.

James Patchett, President of New York City Economic Development Corporation (“NYCEDC”) and chairman of the New York City Industrial Development Agency (“NYCIDA” or the “Agency”), convened the meeting of the Board of Directors of the Agency at 9:14 a.m., at which point a quorum was present. The meeting was held pursuant to Executive Order 202.60 (2020), issued by the Governor of the State of New York, remotely by conference call, during which interested members of the public were invited to listen in by dialing 1- 888-882-6891 and entering the Passcode: 4988 4239#.

1. Adoption of the Minutes of the July 28, 2020 Board of Directors Meeting

Mr. Patchett asked if there were any comments or questions relating to the minutes of the July 28, 2020 Board of Directors meeting. There were no comments or questions; a motion to approve such minutes was made, seconded and unanimously approved.

2. Financial Statements for July 31, 2020 (Unaudited)

Carol Ann Butler, Assistant Vice President of NYCEDC, presented the Agency's Financial Statements for the one-month period ending July 31, 2020 (Unaudited). Ms. Butler reported that for the one -month period the Agency recognized revenues in the amount of \$335,000, which came from project finance fees from two transactions and the Agency recognized additional revenues derived from compliance, application, post-closing and termination fees in the approximate amount of \$189,000. Ms. Butler also reported that \$367,000 in operating expenses, largely consisting of the monthly management fee, were recorded for the Agency for the one-month period that ended on July 31st.

3. Audited Financial Statements (FY June 2020)

Fred D'Ascoli, Chief Financial Officer for NYCEDC and the Agency, and Amy Chan, Controller for NYCEDC and Assistant Treasurer for the Agency, presented for review and approval the Agency's Audited Financial Statements for the Fiscal Year ended June 30, 2020.

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

4. Annual Investment Report

Mr. D'Ascoli and Ms. Chan presented for review and approval the Agency's Annual Investment Report for the Fiscal Year ended June 30, 2020.

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

There being no comments or questions, a motion to approve the Agency's Audited Financial Statements for the Fiscal Year ended June 30, 2020 attached hereto as Exhibit A, as submitted, and the Agency's Annual Investment Report for the Fiscal Year ended June 30, 2020 attached hereto as Exhibit B, as submitted, were made, seconded and unanimously approved.

5. Extension of Omnibus Resolution

Krishna Omolade, a Vice President for NYCEDC and Executive Director of the Agency,

presented for review and approval an extension of an omnibus resolution authorizing post-closing amendments for projects impacted by the COVID 19 Virus (the “Pandemic”) (the “Omnibus Resolution”). Mr. Omolade described the Omnibus Resolution and its benefits, as reflected in Exhibit C

Ms. Cintron stated that the proposed changes to the Omnibus Resolution do not indicate that the Board will be informed of any extensions to projects at regular board meetings. Mr. Johnson stated that Ms. Cintron’s comment makes sense from corporate counsel's perspective. Mr. Omolade stated that Agency staff would be able to update the board on project extensions going forward. Mr. Patchett stated that Agency staff could provide an update at the next board meeting about all of the parties that have taken advantage of project extensions and then another update in January under the assumption that the Omnibus Resolution won’t need to be extended again. In response to a question from Ms. Feirstein, Shin Mitsugi, a Senior Vice President of NYCEDC, stated that many of the projects would take advantage of the Payment Protection Program (“PPP”) and that some project documents, especially for bond issuances, usually restrict taking on additional debt. Mr. Mitsugi stated that Agency staff worked with the bond trustee and the issuer to allow project companies to take on emergency debt during the Pandemic so the Omnibus Resolution would give Agency staff the ability to allow project companies to take on emergency programs like the PPP. In response to a question from Ms. Feirstein, Mr. Mitsugi stated that the Omnibus Resolution does not override restrictions within bond documents as long as the bond trustee and the issuer consent to the additional debt.

Eric Clement, Managing Director of NYCEDC, stated that in the context of the PPP some provisions were attractive to businesses because as long as they used the capital for eligible expenses the PPP loans would be forgiven. Mr. Clement stated that to the extent that Agency staff worked with the bond trustee to allow for additional debt it wouldn't necessarily have a negative effect on the financials assuming that the loans would be forgiven. In response to a question from Ms. Cintron, Mr. Clement stated that the Agency is not a lender of PPP loans but Agency staff have worked with other CDFIs throughout the City in order to provide them with some capital so that way they could then in turn lend through PPP. Mr. Clement stated that at the moment we don’t have to do that only because CDFIs for PPP specifically received access to the Fed window so they didn't need NYCEDC financial support money anymore but to the extent that doesn't happen it might be something that NYCEDC staff may consider.

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

6. Acknowledgment of Performance Measurement Report

Mr. Omolade presented the Agency’s performance measurements report.

In response to a question from Ms. Cintron, Mr. Omolade stated that the Hudson Yards

project approved by the Board in FY20 did not include a retail component and that the commercial office building to be developed by Brookfield is on track to continue and be completed ton time. Mr. Omolade stated that they have an anchor tenant and several other tenants lined up for that building. Mr. Omolade stated that generally the existing commercial office portions of the Hudson Yards development are either fully occupied or close to fully occupied and for the buildings currently under construction Agency staff anticipates that in a few years when construction is complete they will be close to fully occupied. Mr. Omolade stated that obviously the retail situation at 30 Hudson Yards is a challenging one but they are not in financial distress and they are not behind in terms of their obligations to the City but obviously Agency staff will continue to monitor the situation.

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

7. Board Performance Self-Evaluation Survey

Emily Marcus, a Senior Project Manager for NYCEDC, presented the results of the Board's annual Self-Evaluation Survey (the "Survey").

Mr. Santos stated that the Governance Committee met and discussed the Survey and were satisfied with the results. Mr. Santos stated that one question drew attention which asked what input does the Board have on the performance of Agency staff and that if any Board member wants to discuss it further they can reach out to Ms. Woo or himself to discuss further. Mr. Santos stated that there was a drop-off in responses which he assumed had to do with the Pandemic as well as the lack of in-person meetings. Mr. De Leon stated that the question regarding Board input on Agency staff performance might be easier to understand if there was a footnote explaining that many of Agency staff are in fact NYCEDC staff and that their performance is evaluated by NYCEDC so the Board doesn't have to be concerned. Ms. Marcus acknowledged Mr. De Leon's suggestion and stated that Agency staff would look into it for next year's survey.

8. Spenceran, Inc.

Mac Thayer, an Assistant Vice President for NYCEDC, presented for review and adoption an inducement resolution for a Food Retail Expansion to Support Health Program transaction for the benefit of Spenceran, Inc. and recommended the Board adopt a SEQRA determination that the project will not have a significant adverse effect on the environment. Mr. Thayer described the project and its benefits, as reflected in Exhibit E.

In response to a question from Mr. Cook, Mr. Thayer stated that Bogopa is an experienced supermarket operator with a supermarket located on the project site for a couple decades. Mr. Thayer stated that Agency staff reviewed the pro forma and concluded that the assumptions on revenue and expenses were consistent with their existing operations and that it

was reasonable and well-supported in terms of their future projections. Mr. Clement stated that Bogopa's financials for a relatively small store call for a 29.5 percent gross profit margin. Mr. Clement stated that they're only assuming a half a percent more for a new, bigger store so Agency staff felt they were being pretty conservative. Mr. Clement stated that all the ratios stayed in-line with how the current store is operating and that the new store will do better but that it's nice to see they are being conservative. Ms. Cintron stated that Bogopa has four stores in the Bronx. Ms. Cintron stated that in January they opened the largest supermarket in the borough and that they were in the process of opening a food court exclusive to small Bronx vendors during the Pandemic when they reached out to the Borough President's Office to provide donations of thousands of dollars in food cards for those in need. So not only are they a well-run and well-managed business but are also a great and connected neighbor for residents of the Bronx. Ms. Brindle-Khym stated that RWDSU represents a number of its members at Bogopa/Food Bazaar supermarkets in New Jersey and that she received reports that they are an excellent employer, have great employee-employer relationships and are also very generous to their employees. Ms. Brindle-Khym stated that this reflects that they do well for their workers and for their communities. Mr. De Leon stated that it's worth noting that Food Bazaar took over the Fairway supermarket in Red Hook, Brooklyn so at least the neighborhood has a major supermarket and didn't become a food desert with the demise of Fairway.

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

9. Radix Capital LLC

Ms. Marcus presented for review and adoption an authorizing resolution for an Industrial Incentive Program for the benefit of Radix Capital LLC. Ms. Marcus described the project and its benefits, as reflected in Exhibit G.

In response to a question from Mr. Cook, Ms. Marcus stated that Agency staff felt comfortable with the company's pro forma for several reasons. For the past ten years of operation at this facility there has been nearly 100% occupancy even given its state of disrepair. As part of the project the new facility will have smaller floor plates meaning that a lot of companies looking for this type of product, which is in short supply in the City, will be drawn to this facility. Lastly there's a good connection with tenants and Industry City, as shown by the letter of support from the Southwest Brooklyn Industrial Development Corporation, so there are ongoing conversations about tenancing and they feel comfortable with the demand.

There being no comments or questions, a motion to approve the authorizing resolution attached hereto as Exhibit H for the benefit of Radix Capital LLC was made, seconded and unanimously approved.

10. 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 9:54 a.m.

Arthur Hauser
Assistant Secretary

Dated: 11/17/20
New York, New York

Exhibit A

FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION

New York City Industrial Development Agency
(A Component Unit of the City of New York)
Years Ended June 30, 2020 and 2019
With Report of Independent Auditors

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

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

Financial Statements and Supplemental Information

Years Ended June 30, 2020 and 2019

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I. Financial Section

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

Report of Independent Auditors

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

Report on the Financial Statements

We have audited the accompanying financial statements of the New York City Industrial Development Agency (the “Agency”), a component unit of The City of New York, as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Agency’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

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

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

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

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of June 30, 2020 and 2019, and the changes in its financial position and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

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

Supplementary Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated September __, 2020, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

September __, 2020

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

Management's Discussion and Analysis

June 30, 2020

This section of the New York City Industrial Development Agency (IDA or the Agency) annual financial report presents our discussion and analysis of financial performance during the fiscal year that ended on June 30, 2020. Please read it in conjunction with the financial statements and accompanying notes, which follow this section.

2020 Financial Highlights

- Current assets increased \$4.4 million (or 9%)
- Current liabilities increased \$3.5 million (or 2%)
- Operating revenues increased \$3.6 million (or 126%)
- Operating income increased \$3.6 million (or 208%)
- Non-operating expenses, net, decreased \$9.9 million (or 73%)
- Change in net position was (\$1.9) million in Fiscal Year 2020 as compared to (\$15.3) million in Fiscal Year 2019

Overview of the Financial Statements

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

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

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

Management's Discussion and Analysis (continued)

Financial Analysis of the Agency:

Net Position – The following table summarizes IDA's financial position at June 30, 2020, 2019, and 2018, and the percentage changes between June 30, 2020, 2019, and 2018 (\$ in thousands):

	2020	2019	2018	% Change	
				2020–2019	2019–2018
Current assets	\$ 53,062	\$ 48,694	\$ 67,758	9%	(28)%
Non-current assets	1,723,927	1,758,327	1,780,700	(2)	(1)
Total assets	1,776,989	1,807,021	1,848,458	(2)	(2)
Deferred outflows of resources	11,849	10,173	7,392	16	38
Current liabilities	184,731	181,234	176,492	2	3
Non-current liabilities	1,584,137	1,614,140	1,642,250	(2)	(2)
Total liabilities	1,768,868	1,795,374	1,818,742	(1)	(1)
Total net position	\$ 19,970	\$ 21,820	\$ 37,108	(8)	(41)

Fiscal Year 2020 Activities:

Current assets increased by \$4.4 million or 9% mainly due to the increase in cash and fees receivables of \$4.1 million associated with the industrial incentive closings for 345 PAS Holding LLC and 45-18 Court Square Owner, LLC during fiscal year 2020.

Deferred outflows of resources increased by \$1.7 million or 16% due to the unfavorable market conditions during fiscal year 2020 relating to the interest rate swap instruments of the Series 2006 CPI Bonds (Yankee Stadium Project). These CPI Bonds are special limited obligations of the Agency.

Total current liabilities increased by \$3.5 million or 2% mainly due to an increase in the accreted interest payable of \$4.4 million, relating to the PILOT Revenue Bonds Series 2009A (Yankee Stadium Project). This increase was offset by a decrease of \$0.9 million in various current liabilities.

Total non-current liabilities decreased by \$30.0 million or 2% mainly due to the principal payments made to the bondholders of the stadia bonds.

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

Management's Discussion and Analysis (continued)

Fiscal Year 2019 Activities:

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

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

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

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

Operating Activities

The Agency assists industrial and commercial participants through a "straight lease" transactional structure which provides tax benefits to participants to incentivize the acquisition and capital improvement of their facilities. Apart from the issuance of bonds to refund governmental bonds, the Agency has chosen not to issue new bonds. In addition to the issuance of tax-exempt and taxable bonds for certain transactions, the Agency may provide one or more of the following tax benefits: partial exemption from mortgage recording tax; payments in lieu of real property taxes (PILOTs) that are less than full taxes; and exemption from City and State sales and use taxes as applied to construction materials and machinery and equipment. During the years ended June 30, 2020 and 2019, IDA did not issue any tax-exempt bonds.

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

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

Management's Discussion and Analysis (continued)

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

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

The following table summarizes IDA's changes in net position for fiscal years 2020, 2019, and 2018 and the percentage changes between June 30, 2020, 2019, and 2018 (\$ in thousands):

	2020	2019	2018	% Change	
				2020-2019	2019-2018
Operating revenues:					
Fee income	\$ 6,346	\$ 2,442	\$ 4,016	160%	(39)%
Other income	62	393	619	(84)	(37)
Total operating revenues	6,408	2,835	4,635	126	(39)
Operating expenses:					
Management fees	4,400	4,356	3,300	1	32
Other expenses	143	200	156	(29)	28
Total operating expenses	4,543	4,556	3,456	-	32
Operating income (loss)	1,865	(1,721)	1,179	208	(246)
Non-operating revenues (expenses):					
Earnings on investments	337	548	370	(39)	48
Special project costs	(4,052)	(3,665)	(3,172)	11	16
Termination of security interest	-	(10,450)	-	(100)	100
PILOT lease income	89,852	89,916	92,688	-	(3)
PILOT investment income	1,995	3,899	3,142	(49)	24
Bond interest expense	(91,847)	(93,815)	(95,830)	(2)	(2)
Total non-operating expenses, net	(3,715)	(13,567)	(2,802)	(73)	384
Change in net position	(1,850)	(15,288)	(1,623)	88	(842)
Beginning net position	21,820	37,108	38,731	(41)	(4)
Ending net position	\$ 19,970	\$ 21,820	\$ 37,108	(8)	(41)

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

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

Management's Discussion and Analysis (continued)

Fiscal Year 2020 Activities:

Despite the World Health Organization declaring the coronavirus (COVID-19) outbreak a pandemic in March of 2020, the Agency's operations were not significantly impacted.

The Agency's net position decreased by \$1.9 million or 8% largely due to special project costs of \$4.1 million which included expenditures for projects relating to LifeSci NYC, Cyber NYC and Workforce One Industrial and Transportation Career Center Satellites.

Fee income increased by \$3.9 million or 160% primarily as a result of \$3.6 million earned in project finance fees from the 345 PAS Holding LLC and 418 Court Square Owner, LLC industrial incentive closings during fiscal year 2020.

Other operating income decreased by \$0.3 million or 84%. This is a result of a general decrease in income from benefit recapture events during fiscal year 2020.

Operating income increased by \$3.6 million or 208% during fiscal year 2020 due to the following: (1) increase of \$3.9 million in project finance fees, of which \$3.6 million is related to the 345 PAS Holding LLC and 418 Court Square Owner, LLC closings and (2) an offsetting decrease in recapture income of \$0.3 million.

Special project costs increased overall by \$0.4 million or 11% during fiscal year 2020, largely as a result of \$1.9 million in costs related to the LifeSci NYC and Cyber NYC projects. This increase was offset by a decrease of \$1.5 million in various other special project costs.

Fiscal Year 2019 Activities:

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

New York City Industrial Development Agency
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Management's Discussion and Analysis (continued)

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

Other operating income decreased by \$0.2 million or 37%. This is a result of a general decrease in income from benefit recapture events during fiscal year 2019 as compared to 2018.

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

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

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

Contacting the Agency's Financial Management

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

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

Statements of Net Position
(In Thousands)

	June 30	
	2020	2019
Assets		
Current assets:		
Cash and cash equivalents <i>(Note 3)</i>	\$ 5,699	\$ 2,611
Investments <i>(Note 3)</i>	13,792	14,311
Restricted cash <i>(Note 3)</i>	3,051	3,099
Fees receivable, net of allowance for doubtful accounts of \$72 and \$15, respectively	1,224	210
PILOT lease receivable, net – stadia projects <i>(Note 7)</i>	29,296	28,463
Total current assets	53,062	48,694
Non-current assets:		
Investments <i>(Note 3)</i>	-	6,623
Restricted cash and cash equivalents– stadia projects <i>(Note 3)</i>	98,138	29,009
Restricted investments – stadia projects <i>(Note 3)</i>	18,598	88,222
PILOT lease receivable, net – stadia projects <i>(Note 7)</i>	1,607,191	1,634,473
Total non-current assets	1,723,927	1,758,327
Total assets	1,776,989	1,807,021
Deferred outflows of resources		
Derivative instrument – interest rate swap <i>(Note 6)</i>	11,849	10,173
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	140	850
Due to New York City Economic Development Corporation	174	540
Bonds payable – current – stadia projects	29,296	28,463
Interest payable on bonds – stadia projects	151,639	147,737
Unearned revenues	431	544
Other liabilities	3,051	3,100
Total current liabilities	184,731	181,234
Non-current liabilities:		
Bonds payable, net – stadia projects <i>(Note 5)</i>	1,572,288	1,603,967
Derivative instrument – interest rate swap <i>(Note 6)</i>	11,849	10,173
Total non-current liabilities	1,584,137	1,614,140
Total liabilities	1,768,868	1,795,374
Net position – unrestricted	\$ 19,970	\$ 21,820

See accompanying notes.

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

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

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

	Year Ended June 30	
	2020	2019
Operating revenues:		
Fee income <i>(Note 2)</i>	\$ 6,346	\$ 2,442
Recapture and other related benefits <i>(Note 2)</i>	36	382
Other income <i>(Note 2)</i>	26	11
Total operating revenues	6,408	2,835
Operating expenses:		
Management fees <i>(Note 4)</i>	4,400	4,356
Accounting fees	68	66
Legal fees	-	72
Public hearing expenses	15	15
Marketing/advertising	-	5
Provision for bad debt	57	7
Other expenses	3	35
Total operating expenses	4,543	4,556
Operating income (loss)	1,865	(1,721)
Non-operating revenues (expenses):		
Investment income	337	548
Special project costs <i>(Note 8)</i>	(4,052)	(3,665)
Termination of security interest <i>(Note 1)</i>	-	(10,450)
PILOT lease income – stadia projects	89,852	89,916
PILOT investment income – stadia projects	1,995	3,899
Bond interest expense – stadia projects	(91,847)	(93,815)
Total non-operating expenses, net	(3,715)	(13,567)
Change in net position	(1,850)	(15,288)
Net position, unrestricted, beginning of year	21,820	37,108
Net position, unrestricted, end of year	\$ 19,970	\$ 21,820

See accompanying notes.

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

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

Statements of Cash Flows
(In Thousands)

	Year Ended June 30	
	2020	2019
Cash flows from operating activities		
Financing and other fees	\$ 5,162	\$ 2,470
Other income	26	11
Management fees paid	(4,400)	(4,356)
Accounting fees paid	(66)	(119)
Public hearing fees paid	(18)	(19)
Marketing fees paid	(4)	(6)
Miscellaneous expenses paid	(3)	(6)
Funds held pending compliance with agreements	-	48
Return of funds held pending compliance with agreements	(48)	-
Recapture benefits and other penalties received	2,146	3,588
Payment to NYC and other agencies of recaptured benefits	(2,109)	(3,149)
Payment to EDC for contingency fees	(1)	(41)
Net cash provided by (used in) operating activities	685	(1,579)
Cash flows from investing activities		
Sale of investments	130,711	138,376
Purchase of investments	(53,486)	(141,330)
Net receipts from investment agreement termination	15	111
Investment income	1,995	3,899
Interest income	179	33
Net cash provided by investing activities	79,414	1,089
Cash flows from capital and related financing activities		
Interest payments on outstanding bonds	(78,291)	(79,746)
Bond principal redemption	(35,075)	(34,000)
Swap payments received	3,851	4,852
Swap payments made	(5,905)	(6,497)
Bond fees	(3,371)	(3,697)
PILOT revenue	115,985	107,283
Net cash used in capital and related financing activities	(2,806)	(11,805)
Cash flows from non-capital financing activities		
Special projects costs paid	(5,124)	(4,449)
Net cash used in non-capital financing activities	(5,124)	(4,449)
Net increase (decrease) in cash and cash equivalents	72,169	(16,744)
Cash and cash equivalents at beginning of year	34,719	51,463
Cash and cash equivalents at end of year	\$ 106,888	\$ 34,719

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

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

Statements of Cash Flows (continued)
(In Thousands)

	Year Ended June 30	
	2020	2019
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating income (loss)	\$ 1,865	\$ (1,721)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Provision for bad debt	57	7
Changes in operating assets and liabilities:		
Fees receivable	(1,071)	226
Accounts payable and accrued expenses	(1)	70
Due to NYC Economic Development Corp.	(4)	(57)
Other liabilities	(48)	47
Unearned revenues	(113)	(151)
Net cash provided by (used in) operating activities	\$ 685	\$ (1,579)
 Supplemental disclosures of non-cash activities		
Unrealized gain on investments	\$ 20	\$ 143

See accompanying notes.

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

Notes to Financial Statements

June 30, 2020

1. Background and Organization

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

The Agency is governed by a Board of Directors, which establishes official policies and reviews and approves applications for financial assistance. Its membership is prescribed by statute and includes a public official and mayoral appointees. Five of the mayoral appointees are appointed by the Mayor after nominations by the City's five Borough Presidents.

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

The Agency assists industrial and commercial organizations primarily through "straight lease" transactional structures. The straight lease provides tax benefits to the participating organizations (the Project Companies) to incentivize the acquisition and capital improvement of facilities that they own or occupy. The Agency may also assist Project Companies with long-term, low-cost financing for capital assets through a financing transaction (the Financing Transaction), which includes the issuance of double and triple tax-exempt private activity bonds (PABs). However, apart from the issuance of bonds to refund governmental bonds, the Agency has chosen not to issue new bonds. The Project Companies, in addition to satisfying legal requirements under the Agency's governing laws, must meet certain economic development criteria. In addition to the issuance of tax-exempt and taxable bonds for certain transactions, the Agency may provide one or more of the following tax benefits: partial exemption from mortgage recording tax; payments in lieu of real property taxes (PILOT) that are less than full taxes; and exemption from City and State sales and use taxes as applied to construction materials and machinery and equipment. For more detailed information, please refer to the following website: <https://www.edc.nyc/nycida/financial-public-documents>.

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

Notes to Financial Statements (continued)

1. Background and Organization (continued)

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

When the Agency issues PABs, the proceeds of the PAB financing are conveyed to an independent bond trustee for disbursement to the Project Company. The Project Company leases the project or other collateral to the Agency for a nominal sum and the Agency in turn leases the property or other collateral back to the Project Company for a period concurrent with the maturity of the related PAB or the term of the tax benefits. Rental payments are calculated to be sufficient to meet the debt service obligation on the PAB. The Financing Lease includes a termination option, which allows the Project Company to cancel the Financing Lease for a nominal sum after satisfaction of all terms thereof.

The total governmental and PAB debt obligations outstanding totaled \$2.41 billion and \$2.60 billion for the years ended June 30, 2020 and 2019, respectively. For more detailed information, please refer to the following website: <https://www.edc.nyc/nycida/financial-public-documents>.

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

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

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

Notes to Financial Statements (continued)

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

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

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

2. Summary of Significant Accounting Policies

Basis of Accounting

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

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

Cash Equivalents

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

Investments

Investments held by the Agency are recorded at fair value.

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

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Upcoming Accounting Pronouncements

In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* (GASB 95). The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The requirements of this Statement are effective immediately. The Agency has adopted this standard and will delay implementation of relevant GASB statements covered by GASB 95 until their new respective effective dates.

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. With the adoption of GASB 95, provisions of this Statement are effective for fiscal years beginning after June 15, 2021. The Agency is evaluating the impact this standard will have on its financial statements.

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. With the adoption of GASB 95, provisions of this Statement are effective for fiscal years beginning after December 15, 2021. The Agency is evaluating the impact this standard will have on its financial statements.

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

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Paragraphs 4, 5, 11 and 13 were effective immediately upon issuance of this Statement and did not have a significant impact to the Agency's financial statements. With the adoption of GASB 95, provisions of this Statement, other than those stated in paragraphs 4, 5, 11 and 13, are effective for fiscal years beginning after June 15, 2021. The Agency is evaluating the impact this standard will have on its financial statements.

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this statement is to address financial reporting implications that result from the replacement of the interbank offered rate (IBOR). Some governments have entered into agreements in which variable payments made or received depend on an IBOR most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021, which remains unchanged from issuance. With the adoption of GASB 95, all other requirements of this Statement are effective for reporting periods beginning after June 15, 2021. The Agency is evaluating the impact this standard will have on its financial statements.

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The Agency is evaluating the impact this standard will have on its financial statements.

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

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Revenue and Expense Classification

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

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

Recaptured benefits were recorded net of amounts due to the City and the State. The related recapture benefits that were due to the City were recorded as other liabilities until such time as they were disbursed to the City. For the year ended June 30, 2020, IDA remitted \$2.1 million to the City and other agencies relating to these recapture benefits, of which \$0.3 million was for the City. For the year ended June 30, 2019, IDA remitted \$3.1 million to the City and other agencies relating to these recapture benefits, of which \$1.3 million was for the City. IDA's operating expenses include management fees and other administrative expenses. All other revenues and expenses not described above are considered non-operating.

Bond Premium, Discount, and Other Bond Related Costs

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

3. Deposits and Investments

Deposits

At year-end, IDA's unrestricted bank balance was approximately \$5.4 million. Of this amount, \$250,000 was covered by the Federal Depository Insurance Corporation (FDIC) and \$5.1 million was collateralized with securities held by the pledging financial institution.

The Non-Stadia Projects restricted bank balance was approximately \$3.1 million. Of this amount, \$250,000 was insured by the FDIC and \$2.7 million was collateralized with securities held by the pledging financial institution.

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

Notes to Financial Statements (continued)

3. Deposits and Investments (continued)

Investments

As of June 30, 2020 and 2019, the Agency had the following unrestricted investments (*in thousands*): Investments maturities are shown for June 30, 2020 only.

	Fair Value		2020	
			Investment Maturities (In Years)	
	2020	2019	Less Than 1	1 to 2
Money Market	\$ 278	\$ 121	\$ 278	\$ –
Federal Home Loan Bank Notes	3,699	3,000	3,699	–
Federal Farm Credit Bank	–	9,932	–	–
U.S. Treasuries	9,993	7,902	9,993	–
Certificates of Deposit (over 90 days)	100	100	100	–
Total	14,070	21,055	\$ 14,070	\$ –
Less: cash equivalents	(278)	(121)		
Total unrestricted investments	\$ 13,792	\$ 20,934		

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

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

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

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

Notes to Financial Statements (continued)

3. Deposits and Investments (continued)

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

Credit Risk: It is the Agency's policy to limit its investments in debt securities to obligations of the United States of America and its agencies, and obligations of the State of New York. As of June 30, 2020, the Agency's investments in Federal Home Loan Bank and U.S. Treasuries were rated AA+ by Standard & Poor's, Aaa by Moody's and AAA by Fitch Ratings.

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

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

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

Issuer	Dollar Amount and Percentage of Total Investments			
	June 30, 2020		June 30, 2019	
Federal Home Loan Bank	\$ 3,699	26.82%	\$ 3,000	14.33%
U.S. Treasuries	9,993	72.46	7,902	37.75
Federal Farm Credit Bank	—	—	9,932	47.44

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

Notes to Financial Statements (continued)

3. Deposits and Investments (continued)

Restricted Funds Held in Trust – Stadia Projects

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

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

Under the bond agreements, the Agency does not have any obligation to make further contributions to the Stadia Projects. Accordingly, the Agency's financial responsibility will not exceed the amounts currently on deposit in the managed investment portfolio. Therefore, the Agency's obligation is not affected by various risks which include credit risk, interest rate risk and concentration of credit risk. In addition, the restricted investments are not required to be administered in accordance with the Agency's or New York State investment guidelines. The restricted cash equivalents and restricted investments for the Stadia Projects were \$98.1 and \$18.6 million, respectively, as of June 30, 2020.

4. Management Fees and Other Charges

To support the activities of the IDA, the Agency annually enters into a contract with the NYCEDC. Under the terms set forth in the contract between NYCEDC and IDA, NYCEDC is to provide IDA with all the professional, administrative, and technical assistance it needs to accomplish its objectives. The fixed annual fee for these services is based on an agreement between NYCEDC and the Agency. Such fees amounted to \$4.4 million for the years ended June 30, 2020 and 2019.

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

Notes to Financial Statements (continued)

5. Bonds Payable

The changes in outstanding Series 2006 and Series 2009 Tax Exempt PILOT Bonds for the years ended June 30, 2020 and 2019, are summarized as follows (in thousands):

2020:

Description	Bonds Outstanding June 30, 2019	New Bond Issuances	Matured/ Called/ Redeemed	Bonds Outstanding June 30, 2020	Amount Due Within One Year
Queens Baseball Stadium Project:					
Series 2006 PILOT Bonds, 3.6% to 5%, due 2046	\$ 481,400	\$ —	\$ 8,525	\$ 472,875	\$ 8,975
Series 2009 PILOT Bonds, 4.0% to 6.50%, due 2046	74,340	—	1,040	73,300	1,110
Yankee Stadium Project:					
Series 2006 PILOT Revenue Bonds, 3.6% to 5%, due 2046	662,670	—	—	662,670	—
Series 2006 CPI Bonds, 3.2% to 3.5%, due 2027	142,375	—	15,360	127,015	15,995
Series 2009 Capital Appreciation Bonds, 4.03% to 7.90%, due 2047	36,561	—	3,538	33,023	3,216
Series 2009 Current Interest Term Bonds, 7.00%, due 2049	191,960	—	—	191,960	—
Total	<u>1,589,306</u>	<u>\$ —</u>	<u>\$ 28,463</u>	<u>1,560,843</u>	<u>\$ 29,296</u>
Net premium (discount)	43,124			40,741	
Bonds payable, net	<u>\$ 1,632,430</u>			<u>\$ 1,601,584</u>	

2019:

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

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

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

Notes to Financial Statements (continued)

5. Bonds Payable (continued)

Queens Baseball Stadium Project

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

At June 30, 2020 and 2019, \$472.9 million and \$481.4 million, respectively, of the Series 2006 Bonds remained outstanding. The Series 2006 Bonds bear interest at fixed rates to the maturity thereof, payable semiannually each January 1 and July 1, commencing January 1, 2007.

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

At June 30, 2020 and 2019, \$73.3 million and \$74.3 million, respectively, of the Series 2009 Bonds remained outstanding. The Series 2009 Bonds bear interest at fixed rates to the maturity thereof, payable semiannually each January 1 and July 1, commencing July 1, 2009.

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

Notes to Financial Statements (continued)

5. Bonds Payable (continued)

Yankee Stadium Project

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

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

The CPI Bonds will pay interest to the bondholders on the first business day of each month beginning October 2, 2006, with funds provided by Goldman Sachs Capital Markets LP (GSCM) according to the Swap agreement between IDA and GSCM, dated August 16, 2006. On September 21, 2008, Goldman Sachs Bank USA became the successor to GSCM. Funds from the IDA capitalized interest account will be used to reimburse Goldman Sachs Bank USA at the fixed swap interest rates every March 1 and September 1, beginning March 1, 2007. The average fixed swap interest rates for the years ended June 30, 2020 and 2019, were 4.16% and 4.14%, respectively, due to the bond redemption during the fiscal year 2019. The average CPI Swap interest rates for the years ended June 30, 2020 and 2019, were 2.59% and 3.11%, respectively.

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

Notes to Financial Statements (continued)

5. Bonds Payable (continued)

Interest on the Series 2006 PILOT Revenue bonds, excluding the CPI Bonds, are payable on March 1 and September 1, in each year, beginning March 1, 2007. At June 30, 2020 and 2019, \$789.7 million and \$805.0 million, respectively, of the Series 2006 Revenue Bonds remained outstanding.

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

At June 30, 2020 and 2019, \$225.0 million and \$228.5 million, respectively, of the Series 2009 Bonds remained outstanding. The Series 2009 Capital Appreciation Bonds accrete interest, payable only upon maturity or prior redemption. The Series 2009 Current Interest Term Bonds bear interest at a fixed rate of 7.0% to the maturity thereof, payable each September 1 and March 1, commencing September 1, 2009.

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

Notes to Financial Statements (continued)

5. Bonds Payable (continued)

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

Year Ended June 30	Principal	Interest	Total
2021	\$ 29,296	\$ 89,356	\$ 118,652
2022	30,202	87,610	117,812
2023	31,198	85,818	117,016
2024	32,287	83,984	116,271
2025	33,468	82,103	115,571
2026–2030	189,206	378,744	567,950
2031–2035	238,957	316,249	555,206
2036–2040	304,707	241,234	545,941
2041–2045	389,952	149,228	539,180
2046–2049	281,571	40,359	321,930
Total	<u>\$ 1,560,844</u>	<u>\$ 1,554,685</u>	<u>\$ 3,115,529</u>

Swap Payments and Associated Debt

The table that follows represents debt service payments on the CPI Bonds, plus the net swap payments associated with those bonds, as of June 30, 2020 (in thousands). The below amounts are included in the above required debt payment table. Although interest rates on variable rate debt change over time, the calculations included in the table below are based on the assumption that the average variable rate of 1.2% on June 30, 2020, remains constant over the life of the bonds:

Year Ended June 30	CPI Bonds		Fixed Interest Rate Swaps, Net	Total
	Principal Maturities	CPI Interest		
2021	\$ 15,995	\$ 1,511	\$ 3,771	\$ 21,277
2022	16,655	1,327	3,302	21,284
2023	17,350	1,132	2,810	21,292
2024	18,075	928	2,295	21,298
2025	18,835	713	1,759	21,307
2026–2027	40,105	737	1,810	42,652
Total	<u>\$ 127,015</u>	<u>\$ 6,348</u>	<u>\$ 15,747</u>	<u>\$ 149,110</u>

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

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

Notes to Financial Statements (continued)

6. Derivative Instruments

Objectives of the Swaps

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

In accordance with GASB No. 53, *Accounting and Financial Reporting for Derivative Instruments*, the fair value of the derivative instrument liability and the corresponding deferred outflow of resources were \$11.8 million and \$10.2 million at June 30, 2020 and 2019, respectively.

Terms, Fair Values, and Credit Risk

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

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

Notes to Financial Statements (continued)

6. Derivative Instruments (continued)

The following table displays the terms of the Agency's hedging derivative instruments outstanding at June 30, 2020:

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

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

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

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

Notes to Financial Statements (continued)

6. Derivative Instruments (continued)

The changes in fair value of such derivative instruments for the year ended as reported in the 2020 financial statements are as follows (*in thousands*):

Change in Fair Value		Fair Value at June 30, 2020		Notional
Classification	Amount	Classification	Amount	Amount
Deferred inflow of resources	\$ 333	Debt	\$ -	15,360*
Deferred inflow of resources	83	Debt	(518)	15,995
Deferred inflow of resources	(71)	Debt	(929)	16,655
Deferred inflow of resources	(182)	Debt	(1,304)	17,350
Deferred inflow of resources	(296)	Debt	(1,686)	18,075
Deferred inflow of resources	(405)	Debt	(2,073)	18,835
Deferred inflow of resources	(516)	Debt	(2,461)	19,630
Deferred inflow of resources	(622)	Debt	(2,878)	20,475
	<u>\$ (1,676)</u>		<u>\$ (11,849)</u>	

* Bond redemption of \$15,360,000 on March 1, 2020

Credit Risk

The swap agreements contain collateral agreements with the counterparty. The counterparty only posts collateral if (i) the rating of Goldman Sachs Group, Inc. falls to BBB+ or Baa1 or below from either of Moody's or S&P and (ii) the market value of the swap transactions covered by the credit support annex is in favor of the Agency in an amount that exceeds the threshold amount and the minimum transfer amount. Collateral that is posted can be cash, treasuries or agencies (FNMA, GNMA and FHLMC). This protects the Agency by mitigating the credit risk inherent in the swap. As of June 30, 2020, Goldman Sachs Bank USA is rated BBB+ by Standard and Poor's and A3 by Moody's. Additionally, the Agency is only obligated to pay as the counterparty the extent of the receipt of PILOT revenues from Yankee Stadium LLC.

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

Notes to Financial Statements (continued)

6. Derivative Instruments (continued)

Basis Risk

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

Interest Rate Risk

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

Termination Risk

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

7. PILOT Lease Receivable, Net

IDA has entered into various direct financing lease agreements with two commercial entities (Queens Ballpark Company, LLC and Yankee Stadium, LLC) relating to the issuance of PILOT Bonds payable. The PILOT Bonds were used to finance the previously noted Stadia Projects. The lease agreements provide for basic rental payments by the tenants to IDA in an amount equal to the debt service on the bonds. Pursuant to the terms of the agreements, the debt service on these bonds are payable solely from scheduled rental payments, and IDA has no legal obligation to make any debt service payments on the bonds. Although variable interest rates will change over time, the calculations included in the tables below are based on the assumption that the variable rate on June 30, 2020, remains constant over the life of the leases.

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

Notes to Financial Statements (continued)

7. PILOT Lease Receivable, Net (continued)

At June 30, 2020 and 2019, the outstanding leases and the receivable amounts were as follows (*in thousands*):

	2020	2019
Queens Stadium Project, through 2046	\$ 995,519	\$ 1,033,561
Yankee Baseball Stadium Project, through 2049	2,064,202	2,141,297
Aggregate lease receivable – gross	3,059,721	3,174,858
Less: deferred interest	(1,423,234)	(1,511,922)
Aggregate lease receivable – net	<u>\$ 1,636,487</u>	<u>\$ 1,662,936</u>

The aggregate lease receipts due through 2025 and thereafter are as follows (*in thousands*):

	Queens Stadium	Yankee Stadium	Total
2021	\$ 44,000	\$ 84,234	\$ 128,234
2022	44,000	84,237	128,237
2023	44,050	84,238	128,288
2024	44,100	84,236	128,336
2025	44,150	84,234	128,384
2026–2030	221,300	321,173	542,473
2031–2035	222,550	321,179	543,729
2036–2040	224,300	321,177	545,477
2041–2045	226,350	322,752	549,102
2046–2049	22,800	331,397	354,197
	1,137,600	2,038,857	3,176,457
Less: restricted funds related to Stadia Projects			(116,736)
			<u>\$ 3,059,721</u>

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

Notes to Financial Statements (continued)

7. PILOT Lease Receivable, Net (continued)

Lease payment receivable activity for the years ended June 30, 2020 and 2019, was as follows
(in thousands):

	Beginning Balance July 1, 2019	Additions	Reductions	Ending Balance June 30, 2020
Gross receivable	\$ 3,174,858	\$	\$ (115,137)	\$ 3,059,721
Less: deferred interest	1,511,922		(88,688)	1,423,234
Net receivable	\$ 1,662,936	\$	\$ (26,449)	\$ 1,636,487

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

8. Commitments

Pursuant to various approved agreements between IDA and NYCEDC, IDA was committed to fund projects being performed by NYCEDC related to the City's commerce and industrial development (the special project commitments). The total special project commitments under these agreements amounted to approximately \$18.6 million with an outstanding obligation at June 30, 2020, of approximately \$3.1 million.

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

Notes to Financial Statements (continued)

8. Commitments (continued)

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

Project	Approval Date	Total Commitment	Life-to-date Expenditures	Current Total De-Obligate	Outstanding Commitment
Hunts Point Food Distribution Center, Development					
Feasibility Studies	12/11/07	700	509	–	191
Downtown Jamaica Workspace	12/10/13	250	243	7	–
Living Lab Network – Phase I	04/14/15	600	600	–	–
FutureWorks NYC / Advanced					
Manufacturing Network Centers	5/12/15	8,295	7,366	–	929
Workforce One Industrial & Transportation Career Center					
Satellites	07/24/18	5,257	3,787	–	1,470
FutureWorks NYC					
Incubator/Shops Services	07/24/18	880	879	1	–
FreightNYC	01/07/18	550	220	–	330
LifeSci NYC/Cyber NYC	05/12/20	2,000	1,921	–	79
Grocery Delivery Expansion	06/23/20	75	–	–	75
		<u>\$ 18,607</u>	<u>\$ 15,525</u>	<u>\$ 8</u>	<u>\$ 3,074</u>

For the years ended June 30, 2020 and 2019, \$4.1 million and \$3.7 million, respectively, have been incurred by the Agency related to the above projects and are included in special project costs on the accompanying statements of revenue, expenses and changes in net position.

9. Contingencies

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

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

Notes to Financial Statements (continued)

9. Contingencies (continued)

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

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

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

10. Risk Management

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

11. Subsequent Events

On July 28, 2020, the Board of Directors authorized the issuance of the New York City Industrial Development Agency Series 2020 A&B PILOT Revenue Refunding Bonds (Yankee Stadium) (the 2020 Yankees Bonds) in an amount up to \$900,000,000 or such greater amount not to exceed 110% of such stated amount. The bond issues will include tax-exempt and federally taxable bonds. The 2020 Yankees Bonds are expected to close in October 2020.

Supplemental Information

New York City Industrial Development Agency
(a component unit of The City of New York)

Combining Schedule of Net Position

	Unrestricted	Restricted		Total Restricted	Year Ended June 30	
		Queens Baseball Stadium Project	Yankee Baseball Stadium Project		2020	2019
Assets						
Current assets:						
Cash and cash equivalents	\$ 5,699	\$ –	\$ –	\$ –	\$ 5,699	\$ 2,611
Investments	13,792	–	–	–	13,792	14,311
Restricted cash	3,051	–	–	–	3,051	3,099
Fees receivable, net of allowance for doubtful accounts of \$72 and \$15, respectively	1,224	–	–	–	1,224	210
PILOT lease receivable	–	10,085	19,211	29,296	29,296	28,463
Total current assets	23,766	10,085	19,211	29,296	53,062	48,694
Noncurrent assets:						
Investments	–	–	–	–	–	6,623
Restricted cash – stadium projects	–	19,211	78,927	98,138	98,138	29,009
Restricted investments – stadium projects	–	–	18,598	18,598	18,598	88,222
PILOT lease receivable	–	540,730	1,066,461	1,607,191	1,607,191	1,634,473
Total noncurrent assets	–	559,941	1,163,986	1,723,927	1,723,927	1,758,327
Total assets	23,766	570,026	1,183,197	1,753,223	1,776,989	1,807,021
Deferred outflows of resources						
Derivative instruments – interest rate swap	–	–	11,849	11,849	11,849	10,173
Liabilities						
Current liabilities:						
Accounts payable and accrued expenses	140	–	–	–	140	850
Due to New York City Economic Development Corporation	174	–	–	–	174	540
Bonds payable – current	–	10,085	19,211	29,296	29,296	28,463
Interest payable on bonds	–	14,060	137,579	151,639	151,639	147,737
Unearned revenue	431	–	–	–	431	544
Other liabilities	3,051	–	–	–	3,051	3,100
Total current liabilities	3,796	24,145	156,790	180,935	184,731	181,234
Noncurrent liabilities:						
Bonds payable, net	–	545,881	1,026,407	1,572,288	1,572,288	1,603,967
Derivative instruments – interest rate swap	–	–	11,849	11,849	11,849	10,173
Total noncurrent liabilities	–	545,881	1,038,256	1,584,137	1,584,137	1,614,140
Total liabilities	3,796	570,026	1,195,046	1,765,072	1,768,868	1,795,374
Net Position						
Unrestricted	\$ 19,970	\$ –	\$ –	\$ –	\$ 19,970	\$ 21,820

II. Government Auditing Standards Section

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

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

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the New York City Industrial Development Agency (the “Agency”), a component unit of The City of New York, which comprise the statement of net position as of June 30, 2020, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September __, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of This Report

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

September __, 2020

Annual Report for New York City Industrial Development Agency

Fiscal Year Ending: 06/30/2020

Run Date: 09/10/2020
 Status: UNSUBMITTED
 Certified Date: N/A

Summary Financial Information

SUMMARY STATEMENT OF NET ASSETS

			Amount
Assets			
Current Assets			
	Cash and cash equivalents		\$8,750,193.00
	Investments		\$13,791,693.00
	Receivables, net		\$30,520,154.00
	Other assets		\$0.00
	Total Current Assets		\$53,062,040.00
Noncurrent Assets			
	Restricted cash and investments		\$116,735,961.00
	Long-term receivables, net		\$1,607,190,878.00
	Other assets		\$11,848,746.00
	Capital Assets		
		Land and other nondepreciable property	\$0.00
		Buildings and equipment	\$0.00
		Infrastructure	\$0.00
		Accumulated depreciation	\$0.00
		Net Capital Assets	\$0.00
	Total Noncurrent Assets		\$1,735,775,585.00
	Total Assets		\$1,788,837,625.00
Liabilities			
Current Liabilities			
	Accounts payable		\$0.00
	Pension contribution payable		\$0.00
	Other post-employment benefits		\$0.00
	Accrued liabilities		\$139,720.00
	Deferred revenues		\$431,054.00
	Bonds and notes payable		\$29,296,231.00
	Other long-term obligations due within one year		\$154,863,763.00
	Total Current Liabilities		\$184,730,768.00
Noncurrent Liabilities			

Annual Report for New York City Industrial Development Agency

Fiscal Year Ending: 06/30/2020

Run Date: 09/10/2020
 Status: UNSUBMITTED
 Certified Date: N/A

	Pension contribution payable		\$0.00
	Other post-employment benefits		\$0.00
	Bonds and notes payable		\$1,572,288,183.00
	Long Term Leases		\$0.00
	Other long-term obligations		\$11,848,746.00
	Total Noncurrent Liabilities		\$1,584,136,929.00
Total Liabilities			\$1,768,867,697.00
Net Asset (Deficit)			
Net Assets			
	Invested in capital assets, net of related debt		\$0.00
	Restricted		\$0.00
	Unrestricted		\$19,969,928.00
	Total Net Assets		\$19,969,928.00

SUMMARY STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS

			Amount
Operating Revenues			
	Charges for services		\$6,345,698.00
	Rental & financing income		\$0.00
	Other operating revenues		\$62,412.00
	Total Operating Revenue		\$6,408,110.00
Operating Expenses			
	Salaries and wages		\$0.00
	Other employee benefits		\$0.00
	Professional services contracts		\$4,468,275.00
	Supplies and materials		\$0.00
	Depreciation & amortization		\$0.00
	Other operating expenses		\$75,131.00
	Total Operating Expenses		\$4,543,406.00
Operating Income (Loss)			\$1,864,704.00
Nonoperating Revenues			
	Investment earnings		\$337,017.00
	State subsidies/grants		\$0.00
	Federal subsidies/grants		\$0.00

Annual Report for New York City Industrial Development Agency

Fiscal Year Ending: 06/30/2020

Run Date: 09/10/2020
 Status: UNSUBMITTED
 Certified Date: N/A

	Municipal subsidies/grants		\$0.00
	Public authority subsidies		\$0.00
	Other nonoperating revenues		\$0.00
	Total Nonoperating Revenue		\$337,017.00
Nonoperating Expenses			
	Interest and other financing charges		\$0.00
	Subsidies to other public authorities		\$0.00
	Grants and donations		\$0.00
	Other nonoperating expenses		\$4,051,998.00
	Total Nonoperating Expenses		\$4,051,998.00
	Income (Loss) Before Contributions		(\$1,850,277.00)
Capital Contributions			\$0.00
Change in net assets			(\$1,850,277.00)
Net assets (deficit) beginning of year			\$21,820,205.00
Other net assets changes			\$0.00
Net assets (deficit) at end of year			\$19,969,928.00

Exhibit B

**NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY
INVESTMENT REPORT**

Board of Directors Meeting, September 22, 2020

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

NOW, THEREFORE, BE IT RESOLVED THAT, the Board of Directors of New York City Industrial Development Agency hereby approves the Investment Report for the fiscal year ended June 30, 2020 annexed hereto (including all attachments, schedules and exhibits thereto).

**NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY
INVESTMENT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Comprehensive Investment Guidelines Policy

Attached hereto as Schedule I is the Comprehensive Investment Guidelines Policy of the New York City Industrial Development Agency (the “Agency”), as approved by the Agency’s Board of Directors on June 23, 2020 (the “Investment Policy”). The Investment Policy approved by the Agency’s Board of Directors on June 23, 2020 did not contain any substantive amendments as compared to the Investment Policy approved by the Agency’s Board of Directors on June 11, 2019.

Investment Objectives

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

Annual Independent Audit

The results of the annual independent audit (including the independent accountant’s audit report) for the fiscal year ended June 30, 2020 are attached hereto as Schedule II.

Investment Income Record

Investment income from interest earned on bank accounts, certificates of deposits and securities was \$337,017 for the fiscal year ended June 30, 2020.

Fees, Commissions and Other Charges

The Agency did not pay any fees, commissions or other charges to an investment banker, broker, agent, dealer or advisor during the fiscal year ended June 30, 2020.

SCHEDULE I

INVESTMENT POLICY

Attached.

**NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY
COMPREHENSIVE INVESTMENT GUIDELINES POLICY
Adopted June 13, 2006; as amended through June 23, 2020**

I. PURPOSE

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

II. GENERAL PROVISIONS

A. Scope of Policy

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

B. Investment Objectives

The Funds shall be managed to accomplish the following objectives:

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

III. IMPLEMENTATION

Under the direction of the Chief Financial Officer of the Agency, the Treasurer of the Agency and any Assistant Treasurer of the Agency (respectively, the “Chief Financial Officer,” the “Treasurer,” and an “Assistant Treasurer”) shall be responsible for the implementation of the Agency’s investment program and the establishment of investment procedures and a system of controls to regulate the activities of subordinate staff, consistent with this Policy. The Treasurer

or an Assistant Treasurer shall additionally have the authority to invest the Funds of the Agency and shall invest prudently and in accordance with the requirements of this Policy.

IV. AUTHORIZED DEPOSITS

A. Authorized Institutions for Deposit

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

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

B. Deposits; Responsibility for Making Deposits

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

C. Collateral

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

V. AUTHORIZED TEMPORARY INVESTMENTS

A. Responsibility for Temporary Investments

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

B. Permitted Temporary Investments

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

C. Requirements

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

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

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

VI. WRITTEN CONTRACTS

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

VII. DIVERSIFICATION

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

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

VIII. MAXIMUM MATURITY

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

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

IX. MONITORING AND ADJUSTING THE INVESTMENT PORTFOLIO

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

X. INTERNAL CONTROLS

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

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

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

A. Brokers, Agents, Dealers

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

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

B. Investment Advisors

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

C. Investment Bankers

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

D. Custodians

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

XII. REPORTING

A. Quarterly

Under the direction of the Chief Financial Officer, the Treasurer or an Assistant Treasurer, shall prepare and deliver to the Board of Directors once for each quarter of the Agency's fiscal year a report setting forth a summary of new investments made during that quarter, the inventory

of existing investments and the selection of investment bankers, brokers, agents, dealers, investment advisors and auditors.

B. Annually

1. *Audit* – the Agency’s independent accountants shall conduct an annual audit of the Agency’s investments for each fiscal year of the Agency, the results of which shall be made available to the Board of Directors at the time of its annual review and approval of these Guidelines.
2. *Investment Report* – Annually, the Treasurer or an Assistant Treasurer, under the direction of the Chief Financial Officer, shall prepare and the Board of Directors shall review and approve an Investment Report, which shall include:
 - a. This Policy and amendments thereto since the last report;
 - b. An explanation of this Policy and any amendments made since the last report;
 - c. The independent audit report required by paragraph 1 above;
 - d. The investment income record of the Agency for the fiscal year; and
 - e. A list of fees, commissions or other charges paid to each investment banker, broker, agent, dealer and advisor rendering investment associated services to the Agency since the last report.

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

XIII. APPLICABILITY

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

XIV. CONFLICT OF LAW

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

XV. PRIOR POLICIES

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

XVI. AUTOMATIC AMENDMENT

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

XVII. MWBEs

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

SCHEDULE II

RESULTS OF ANNUAL INDEPENDENT AUDIT

Attached.

SCHEDULE OF INVESTMENTS

New York City Industrial Development Agency
(A Component Unit of the City of New York)
Years Ended June 30, 2020 and 2019
With Report of Independent Auditors

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

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

Schedule of Investments

Years Ended June 30, 2020 and 2019

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PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

Report of Independent Auditors

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

Report on the Schedule of Investments

We have audited the accompanying Schedule of Investments for the New York City Industrial Development Agency (the Agency), a component unit of The City of New York, as of June 30, 2020 and 2019, and the related notes.

Management's Responsibility for the Financial Schedule

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the Schedule of Investments referred to above presents fairly, in all material respects, the investments of the Agency as of June 30, 2020 and 2019, in conformity with U.S. generally accepted accounting principles.

Report on the Financial Statements as of June 30, 2020 and 2019

We have audited, in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards*, the financial statements of the Agency as of and for the years ended June 30, 2020 and 2019, and our report thereon dated September __, 2020, expressed an unmodified opinion on those financial statements.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated September __, 2020, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters with respect to the Schedule of Investments. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Agency's internal control over financial reporting and compliance with respect to the Schedule of Investments.

September __, 2020

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

Schedule of Investments
(In Thousands of Dollars)

	June 30	
	2020	2019
Investments		
Unrestricted	\$ 14,070	\$ 21,055
Restricted Funds Held in Account – Stadia Projects	<u>116,736</u>	<u>117,231</u>
Total investments	<u>\$ 130,806</u>	<u>\$ 138,286</u>

The accompanying notes are an integral part of this schedule.

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

Notes to Schedule of Investments

June 30, 2020

1. Background and Organization

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

The Agency is governed by a Board of Directors, which establishes official policies and reviews and approves applications for financial assistance. Its membership is prescribed by statute and includes a public official and mayoral appointees. Five of the mayoral appointees are appointed by the Mayor after nominations by the City's five Borough Presidents.

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

The Agency assists industrial and commercial organizations primarily through "straight lease" transactional structures. The straight lease provides tax benefits to the participating organizations (the Project Companies) to incentivize the acquisition and capital improvement of facilities that they own or occupy. The Agency may also assist Project Companies with long-term, low-cost financing for capital assets through a financing transaction (the Financing Transaction), which includes the issuance of double and triple tax-exempt private activity bonds (PABs). However, apart from the issuance of bonds to refund governmental bonds, the Agency has chosen not to issue new bonds. The Project Companies, in addition to satisfying legal requirements under the Agency's governing laws, must meet certain economic development criteria. In addition to the issuance of tax-exempt and taxable bonds for certain transactions, the Agency may provide one or more of the following tax benefits: partial exemption from mortgage recording tax; payments in lieu of real property taxes (PILOT) that are less than full taxes; and exemption from City and State sales and use taxes as applied to construction materials and machinery and equipment.

1. Background and Organization (continued)

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

When the Agency issues PABs, the proceeds of the PAB financing are conveyed to an independent bond trustee for disbursement to the Project Company. The Project Company leases the project or other collateral to the Agency for a nominal sum and the Agency in turn leases the property or other collateral back to the Project Company for a period concurrent with the maturity of the related PAB or the term of the tax benefits. Rental payments are calculated to be sufficient to meet the debt service obligation on the PAB. The Financing Lease includes a termination option, which allows the Project Company to cancel the Financing Lease for a nominal sum after satisfaction of all terms thereof.

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

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

1. Background and Organization (continued)

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

2. Summary of Significant Accounting Policies

Investments

Investments held by IDA are measured at fair value.

Restricted Funds Held in Trust – Stadia Projects

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

Under the bond agreements, the Agency does not have any obligation to make further contributions to the Stadium Construction Funds. Accordingly, the Agency's financial responsibility will not exceed the amounts currently on deposit in the managed investment portfolio. Therefore, the Agency's obligation is not affected by various risks which include credit risk, interest rate risk and concentration of credit risk. In addition, the restricted investments are not required to be administered in accordance with the Agency's or New York State investment guidelines. The restricted cash equivalents and restricted investments for the Stadia Projects were \$98.1 million and \$18.6 million, respectively, as of June 30, 2020.

3. Investments

As of June 30, 2020 and 2019, the Agency had the following unrestricted investments. Investment maturities are shown for June 30, 2020, only (dollars in thousands).

	Fair Value		2020	
			Investment Maturities (In Years)	
	2020	2019	Less Than 1	1 to 2
Money Market	\$ 278	\$ 121	\$ 278	\$ –
Federal Home Loan Bank Notes	3,699	3,000	3,699	–
Federal Farm Credit Bank	–	9,932	–	–
U.S. Treasuries	9,993	7,902	9,993	–
Certificates of Deposit (over 90 days)	100	100	100	–
Total	14,070	21,055	\$ 14,070	\$ –

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

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

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

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

Credit Risk: It is the Agency’s policy to limit its investments in debt securities to obligations of the United States of America and its agencies, and obligations of the State of New York. As of June 30, 2020, the Agency’s investments in Federal Home Loan Bank and U.S. Treasuries were rated AA+ by Standard & Poor’s, Aaa by Moody’s and AAA by Fitch Ratings.

3. Investments (continued)

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

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

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

Issuer	Dollar Amount and Percentage of Total Investments					
	June 30, 2020		June 30, 2019			
Federal Home Loan Bank	\$	3,699	26.29%	\$	3,000	14.24%
U.S. Treasuries		9,993	71.02		7,902	37.53
Federal Farm Credit Bank		–	–		9,932	47.17

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

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

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Schedule of Investments of the New York City Industrial Development Agency (the Agency), a component unit of The City of New York, as of June 30, 2020, and the related notes to the Schedule of Investments, and have issued our report thereon dated September __, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

September __, 2020

Exhibit C

NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY

Meeting of September 22, 2020

RESOLVED, that the RESOLUTION AUTHORIZING POST-CLOSING AMENDMENTS FOR PROJECTS IMPACTED BY THE PANDEMIC, approved by the Agency's Board of Directors on May 12, 2020, is extended through January 31st 2021. The resolution is attached as **Exhibit A**.

Exhibit A

NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY

Meeting of Board of Directors – May 12, 2020

RESOLUTION AUTHORIZING POST-CLOSING AMENDMENTS

FOR PROJECTS IMPACTED BY THE PANDEMIC

New York City Industrial Development Agency (the “Agency”) is committed to providing support for project companies (each, a “Project Company”) with projects approved by Agency’s Board of Directors (the “Board”) that have closed (each, a “Project”) that have been negatively impacted by the coronavirus pandemic (the “Pandemic”).

Each Project is governed by specific transaction documents (“Transaction Documents”), that include deadlines for completion of the Project and using sales tax exemption assistance authorized by the Agency, covenants relating to payments in-lieu-of taxes (“PILOT”), and covenants relating to the permitted encumbrances on Project property (collectively, “Transaction Terms”). As a direct consequence of the Pandemic, many Project Companies will face extraordinary challenges that will impact their ability to comply with certain Transaction Terms.

To support Project Companies, Agency staff has conducted a review of its Projects to determine which Transaction Terms may require modification in order to avoid defaults under the Transaction Documents. Agency staff has determined that Project Companies may need relief in the following areas: (i) certain Project Companies are seeking emergency economic disaster loans to support essential operations which may require the Agency to enter into additional mortgages and/or security agreements that further encumber Project property; (ii) New York Governor Andrew Cuomo’s Executive Orders banning or limiting all non-essential construction activities during the Pandemic have negatively impacted the ability of certain Project Companies to complete their Project construction or renovation and use sales tax exemption assistance previously approved by the Agency by the completion deadline set forth in their respective Transaction Documents, and (iii) certain Project Companies that have been impacted by the Pandemic may need additional time to pay PILOT due on July 1, 2020 under the Transaction Documents.

Based on this review, Agency staff requests the Board's authorization to delegate to certain officers of the Agency the authority to enter into amendments to Transaction Documents as described herein.

RESOLVED, that with respect to Projects that have previously been authorized by the Board of the Agency and for which Transaction Documents have been executed and delivered by the Agency, the Board hereby authorizes the execution and delivery by the Agency of any new transaction documents and/or any amendments to Transaction Documents (collectively, the “Authorized Post-Closing Documents”) that are necessary or advisable as determined by the Chairperson, Vice Chairperson, Executive Director, Deputy Executive Director, General Counsel, Compliance Officer, or any Vice President of the Agency to effect and/or facilitate the following post-closing amendments:

(i) to authorize the Agency, at the request of a Project Company, to enter into mortgages and/or security agreements encumbering Project property for the purpose securing loans needed to support Project Company operations, contingent upon obtaining any necessary approvals under the Transaction Documents (for example, the approval of any existing lender that has provided financing for the Project);

(ii) to extend, for any Project involving ongoing construction or renovations, the deadline for Project completion and for using sales tax exemption financial assistance previously approved by the Agency for up to 24 months from the original deadline; and

(iii) to authorize the Agency, at the request of any Project Company, and in the discretion of an authorized officer of the Agency, to enter into amendments to such Project Company's Transaction Documents to provide for a deferral of such Project Company's obligation to pay PILOT due on July 1, 2020, which deferral shall be on such terms and conditions as determined by an authorized officer of the Agency.

RESOLVED, that the Board of the Agency hereby authorizes each of the Chairperson, Vice Chairperson, Executive Director, Deputy Executive Director, General Counsel and any Vice President of the Agency to execute, acknowledge and deliver each such Authorized Post-Closing Document. The Compliance Officer shall also be authorized to sign by manual or facsimile signature and execute on behalf of the Agency each such Authorized Post-Closing Document authorized by this resolution. The execution and delivery of each such Authorized Post-Closing Document by one of said officers shall be conclusive evidence of due authorization and approval of such Authorized Post-Closing Document in its final form.

RESOLVED, that the Board of the Agency hereby acknowledges that the authority herein granted shall be in addition to, and not in substitution of, any authorization granted by the Board in respect of any specific project.

RESOLVED, that the Board of the Agency hereby designates the officers of the Agency as 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 or cause to be done any and all acts and things necessary or proper for carrying out the foregoing resolutions.

Exhibit D

NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY
Performance Measurements Report
Board of Directors Meeting
September 22, 2020

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

WHEREAS, on June 23, 2020, the Board adopted the performance measurements listed in the Performance Measurements Report for the fiscal year ending June 30, 2020 (attached as Attachment A) (the “Performance Measurements Report”).

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

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

ATTACHMENT A

Performance Measurements Report for Fiscal Year 2020

Name of Public Authority:

New York City Industrial Development Agency (NYCIDA)

Public Authority's Mission Statement:

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

List of Performance Measurements:

Performance Measurements	FY2020 7/1/19 – 6/30/20	FY2019 7/1/18 – 6/30/19
Number of Contracts Closed	9	7
Amount of Private Investment Leveraged	\$3,368,825,721	\$163,465,843
Total net City tax revenues generated in connection with closed contracts ¹	\$1,244,583,739	\$63,668,500
Project three-year job growth in connection with closed contracts	4,388.5	253.5
Current total jobs reported by projects that commenced operations in FY 2017 ² as compared to total jobs reported at the time of application for such projects	3,304/1628.5 (+1,676.5)	1,282/194 (+1,088)
Current total jobs reported by projects that commenced operations in FY 2017 ³ as compared to the three-year total job growth projections stated in applications for such projects	3,304/2,043 (+1,261)	1,282/1,166 (+116)
Square footage of buildings/improvements receiving benefits	2,770,244	1,019,568
Number of projects that received a field visit	19	95
% of projects that received a field visit	6.08%	30.06%
% of projects in good standing ⁴	98%	99%

¹ Represents projected net city tax revenues through contract maturity.

² Also includes projects that closed in FY 2017 but commenced all operations prior to the closing date.

³ Also includes projects that closed in FY 2017 but commenced all operations prior to the closing date.

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

Exhibit E

Project Summary

Spenceran, Inc., a New York domestic business corporation (the “Company”) and an affiliate of Bogopa Service Corp. (“Bogopa”), a New York domestic business corporation d/b/a Food Bazaar, is seeking financial assistance in connection with the construction, furnishing and equipping of an approximately 30,308 square foot retail condominium unit (the “Facility”) for use as a full-service Food Bazaar supermarket located on the ground-floor and cellar of an 11-story, approximately 230,000 square foot, approximately 223-unit residential building located on a 19,545 square foot parcel of land located at 1102 Myrtle Avenue, Brooklyn, New York 11206 (the “Premises”). The Company currently owns a one-story Food Bazaar supermarket on the Premises, and will demolish the building and undertake two distinct but connected construction projects: the construction of a new 11-story residential building on the site, and the subsequent build-out of a new supermarket retail condominium on the ground-floor and cellar of the residential building. Only the supermarket project will receive FRESH benefits. The Company will own the Premises and the Facility will be leased to and operated by AFS Market, Inc., a New York domestic business corporation (the “Operator”) and wholly owned affiliate of Bogopa that operates the existing supermarket on the site. Based on a review of the Project, Agency staff has concluded that the Project is likely to be completed within three years of the closing date.

Current and Project Location

1102 Myrtle Avenue
Brooklyn, NY 11206

Actions Requested

- Inducement Resolution for a Food Retail Expansion to Support Health Program transaction.
- Adopt a negative declaration for this project. The proposed project will not have a significant adverse effect on the environment.

Anticipated Closing

June 2022

Impact Summary

Employment	
Jobs at Application:	56.5
Jobs to be Created at Project Location (Year 3):	17
Total Jobs (full-time equivalents)	73.5
Projected Average Hourly Wage (excluding principals)	\$18.72
Highest Wage/Lowest Wage	\$30.70/\$16.70

Estimated City Tax Revenues	
Impact of Operations (NPV 25 years at 6.25%)	\$10,975,686
One-Time Impact of Renovation	\$413,706
Total impact of operations and renovation	\$11,389,392
Additional benefit from jobs to be created	\$1,473,957

Spenceran, Inc.

Estimated Cost of Benefits Requested: New York City	
Building Tax Exemption (NPV, 25 years)	\$3,256,342
Land Tax Abatement (NPV, 25 years)	\$335,250
MRT Benefit	\$91,000
Sales Tax Exemption	\$229,500
Agency Financing Fee	(\$72,500)
Total Value of Benefits provided by Agency	\$3,839,592
Available As-of-Right Benefits (ICAP)	\$1,670,133
Agency Benefits In Excess of As-of-Right Benefits	\$2,169,459

Costs of Benefits Per Job	
Estimated Total Cost of Benefits per Job	\$29,516
Estimated City Tax Revenue per Job	\$175,012

Estimated Cost of Benefits Requested: New York State	
MRT Benefit	\$49,000
Sales Tax Exemption	\$223,125
Total Cost to NYS	\$272,125

Sources and Uses

Sources	Total Amount	Percent of Total Financing
Commercial Loans	5,600,000	80%
Equity	1,400,000	20%
Total	7,000,000	100%

Uses	Total Amount	Percent of Total Costs
Hard Costs	3,000,000	43%
Soft Costs	500,000	7%
Furnishings, Fixtures, & Equipment	3,000,000	43%
Closing Fees	300,000	4%
Other ¹	200,000	3%
Total	7,000,000	100%

Fees

	Paid at Closing	On-Going Fees (NPV, 25 Years)
Agency Fee	\$72,500	
Project Counsel	\$25,000	
Annual Agency Fee	\$1,000	\$12,485
Total	\$98,500	\$12,485
Total Fees	\$110,985	

¹ Plumbing and electric lighting

Spenceran, Inc.

Financing and Benefits Summary

The estimated construction cost for the build-out of the supermarket space (including hard costs, softs costs, FF&E, closing costs, etc.) is approximately \$7,000,000. It is anticipated that the project will be financed with an approximately \$5,600,000 construction loan and approximately \$1,400,000 in Company equity. The financial assistance proposed to be conferred by the Agency will consist of Payments in lieu of City real property taxes, partial exemption from City and State mortgage recording taxes, and exemption from City and State sales and use taxes for the supermarket space.

Company Performance and Projections

The Company is an affiliate of Bogopa Service Corp. ("Bogopa"), a supermarket company that owns and operates 26 supermarkets in the tri-state region. The Company will undertake two distinct but connected construction projects at 1102 Myrtle Avenue: the construction of an 11-story, approximately 230,000 square foot residential building, and the subsequent build-out of supermarket space on the ground-floor and cellar of the residential building. The Company has engaged Shorewood Real Estate Group to manage the construction of the residential building. The building is anticipated to have approximately 223 units, of which 154 are expected to be market rate, 37 at 80% of AMI, and 32 at 130% of AMI. The construction cost of the residential building (excluding the build-out of the supermarket space) is estimated at approximately \$108,000,000.

The existing 20,000 square foot supermarket at 1102 Myrtle Avenue has been in operation since 1998. The new supermarket will be larger (approximately 30,000 square feet) and will include modern equipment and more storage space. Bogopa projects that the new supermarket will maintain similar operating numbers to the existing supermarket at 1102 Myrtle Avenue. At stabilization, Bogopa estimates gross sales of \$32,877,773; gross profit of \$9,945,526 (30% gross margin); EBITDA of \$1,941,087 (6% EBITDA margin); and NOI of \$1,493,944 (4.5% profit margin). Payroll is expected to be the largest single operating expense at \$4,109,722 (12.5% of sales). Bogopa is an experienced supermarket operator with a track record of profitable operations at the site, and the pro-forma projections are considered reasonable and well supported.

Inducement

- I. City policy, as set forth by the Food Retail Expansion to Support Health (FRESH) program, aims to promote the establishment and retention of neighborhood grocery stores in underserved communities.
- II. Without the proposed financial assistance from the Agency, the Company cannot build a larger, approximately 30,308 square foot supermarket in the Facility to replace the existing 20,000 square foot supermarket.

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:

- The Project involves the grocery retail industry which the Agency seeks to retain and foster;
- The Company maintains that, through the Project, it will retain 56.5 full-time equivalent jobs and create an additional 17 full-time equivalent jobs within the three years following the completion of the Project;
- Financial assistance is required to induce the Project; and
- The Project is likely to be completed in a timely manner.

Applicant Summary

Bogopa has been in business since 1988 and currently operates 26 large, full-scale supermarkets in the metropolitan area, sixteen of which are located in New York City, mostly in low-income communities. The stores, under the Food Bazaar banner, are located in many different ethnically-diverse neighborhoods, and the stores specialize in offering international and specialty food products that cater to the preferences of residents of the

Spenceran, Inc.

neighborhoods in which they are located. Food Bazaar supermarkets range in size from 17,000 square feet to 80,000 square feet. Each Food Bazaar supermarket devotes aisles to both international and mainstream groceries.

Bogopa and its affiliates employ more than 2,500 people in and around New York City, most of whom are members of unions including United Food and Commercial Workers (UFCW) Local 342 and UFCW Local 1500. Many of the Food Bazaar supermarket employees have been with the company for decades and reside within the communities where they are employed. The employees at the existing 1102 Myrtle Avenue supermarket will have the option of transferring to nearby Food Bazaar locations while the project is under construction.

Bogopa and its affiliates have applied for and received FRESH benefits for 8 supermarket projects since the inception of the FRESH program. These supermarkets represent approximately \$30 million of investment by Bogopa in approximately 400,000 square feet of supermarket retail space in the Bronx, Queens, and Brooklyn, and the combined retention and creation of approximately 800 full-time-equivalent jobs in New York City.

Spencer An, President and Chief Executive Officer

Spencer An's father, Francis An, started a small supermarket in Queens 30 years ago that focused on bringing real international and ethnic foods to immigrants who couldn't find ingredients from their home countries. Mr. An joined Bogopa in 2000 after graduating from SUNY Albany with an undergraduate degree in Business Administration. Mr. An worked through all levels of the supermarket, working his way from department manager to store manager to VP and currently CEO. Mr. An became the CEO of Bogopa after the passing of his father Francis in 2015 and now oversees all of the aspects of Bogopa.

Edward K. Suh, Executive Vice President

Edward Suh oversees all of the corporate matters for Bogopa. In this capacity, he oversees the Accounting & Finance, Human Resources, IT, Marketing, Training & Development, Legal, Loss Prevention, Construction, Repair and Maintenance Departments and all other administrative departments. Prior to serving in this capacity, Mr. Suh served as General Counsel and Director of Corporate Affairs for the Bogopa. Before that, Mr. Suh worked as an Assistant District Attorney for six years in the Economic Crimes Bureau and Domestic Violence Bureau for the Queens County District Attorney's Office. He is a graduate of SUNY Buffalo Law School and holds an undergraduate degree from St. John's University.

Kevin Bai, Vice President of Real Estate Development

Kevin Bai has over 17 years' experience in the real estate development and management industry. Since 1993, Mr. Bai, a licensed real estate broker, has been the owner and driving force behind Spring Plaza Real Estate located in Bayside, New York, which is a member of North Shore Multiple Listing Service and Multiple Listing Service of Long Island. In January 2009, Mr. Bai joined Bogopa as Vice President, concentrating on the development of the Bogopa companies.

Employee Benefits

Most employees are members of unions including UFCW Local 342 and UFCW Local 1500, and receive health insurance, training and reimbursement benefits through the unions.

Recapture

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

SEQRA Determination

Agency staff have reviewed the completed Environmental Assessment Form for this project and determined that there will be no significant adverse environmental impacts. Staff recommends the Board adopt a Negative Declaration for this project.

Spenceran, Inc.

Due Diligence

The Agency conducted a background investigation of the Company and its principals and found no derogatory information. Bogopa's other existing IDA FRESH projects are in compliance.

Compliance Check:	Satisfactory
Living Wage:	Exempt
Paid Sick Leave:	Compliant
Affordable Care Act:	Compliant
Bank Account:	JPMorgan Chase Bank, N.A.
Bank Check:	Relationships are reported to be satisfactory.
Supplier Checks:	Relationships are reported to be satisfactory.
Customer Checks:	Not Applicable
Unions:	Relationships are reported to be satisfactory.
Vendex Check:	No derogatory information was found.
Attorney:	Allen Perlstein, Esq HK&P, LLP 3000 Marcus Avenue Lake Success, NY 11042
Accountant:	David Chung KLICHS LLP 222 Bridge Plaza South, Suite 480 Fort Lee, NJ 07024
Community Board:	Brooklyn, CB #4



Bogopa Service Corp.
650 Fountain Ave.
Brooklyn, NY 11208
Tel: (718) 346-6500

February 2, 2020

Jenny Osman
FRESH Project-Manager
Strategic Investments Group
110 William Street
New York, NY 10038

RE: Application for FRESH program assistance for the construction of a Food Bazaar Supermarket at 1102 Myrtle Ave Brooklyn, NY 11206

Dear Ms. Osman:

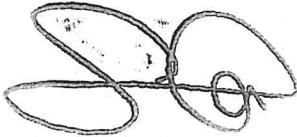
I am writing this letter on behalf of our company in support of our application for assistance through the FRESH program for a proposed construction project in the Brooklyn. We hope to construct our newest Food Bazaar Supermarket at 1102 Myrtle Ave Brooklyn, NY 11206. Since 1988, we, Food Bazaar Supermarkets, have made a commitment to serving the inner city neighborhoods of New York City that have been largely ignored by other food retailers. Specifically, we went into these neighborhoods because our founder and president, Francis An, and his family were immigrants to this county and desired to provide fresh fruits, vegetables, meat and fish and varieties of grocery products that other food retailers would not offer in these communities. In fact, Mr. An was determined to provide high-quality fresh foods to communities situated in these high-density, low income areas and has made it one of the company's top priorities. As a result, each of our 26 supermarkets is located in underserved neighborhoods and fortunately, we have been able to meet the needs of these growing communities. Specifically, we have been able to provide fresh produce and perishable products to these communities by continuously improving and upgrading our refrigeration and other equipment and by obtaining the freshest foods from our suppliers.

We are extremely proud of the positive effect our stores have had in their respective neighborhoods, including but not limited to job creation, community programs and healthy food options. We hope to continue this positive effect at our newest location. As you know, we've been operating supermarket at this location since 1998 under the banner of Food Bazaar. With your assistance, we hope to renovate the space for a new supermarket to offer an exceptional shopping experience that will cater to the surrounding densely populated and diverse community. Specifically, we plan to redevelop the improvements at the property to comprise a new configuration of supermarket comprising 25,000 SQFT

of ground floor retail space and a residential tower containing approximately 240 apartment units. All new equipment and fixtures will be installed and there will be significant improvements made to the premises to transform into a first-class supermarket with new state of the art equipment and machinery that will enhance the overall quality, taste and cleanliness of our food products and promote energy efficiency. Additionally, we hope to implement first class meat, seafood and deli-bakery departments along with a food court area operated by reputable vendors to meet the demand for restaurants and other food service establishments.

Without the IDA's assistance under the FRESH program, we would not be able to proceed with the renovation project, which would adversely impact our company and the local community. The projected cost for this project would include \$90 million to complete the building and \$5 million to build the brand new supermarket. In addition, we are not just renovate existing stores but build a new structure of the space, we may have to face unforeseen situations such as unexpected capital expenditures, delays in getting permits for proper construction, increasing in taxes, wages and other expenses. In the long run, the project would not be viable without FRESH program benefits. The savings connected to these benefits would be hugely helpful in making this supermarket succeed. And will be a determining factor in launching this project. We look forward to your favorable response.

Kindest regards,

A handwritten signature in black ink, appearing to be 'SA', written in a cursive style.

Spencer An
Chief Executive Officer.

cc: Edward Suh, Esq, Executive VP
Kevin Bai, VP, Real Estate & Development
Kirk Hwang, Director of Accounting & Finance

Exhibit F

Resolution inducing the financing of a commercial facility for
Spenceran, Inc. 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, Spenceran, Inc., a New York domestic business corporation (the “Applicant”), which is an affiliate of Bogopa Service Corp. (“Bogopa”), a New York domestic business corporation d/b/a Food Bazaar, has entered into negotiations with officials of the Agency for the construction, furnishing and equipping of a commercial facility in Brooklyn, New York (the “Facility”), consisting of a retail condominium unit containing approximately 30,308 square feet located on the ground-floor and cellar of an approximately 230,000 square foot, approximately 223-unit residential building on a 19,545 square foot parcel of land located at 1102 Myrtle Avenue, Brooklyn, New York 11206, all for the use by the Applicant as a supermarket, for lease to the Agency by the Applicant, and sublease by the Agency to the Applicant for subsequent sub-sublease in whole to an affiliate of the Applicant, AFS Market, Inc., a New York domestic business corporation (the “Operator”), and having an approximate total project cost of approximately \$7,000,000 (the “Project”); and

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

WHEREAS, the Application sets forth certain information with respect to the Applicant and the Project, including the following: that the Applicant and the Project will meet all requirements of the City’s Food Retail Expansion to Support Health Program (“FRESH”) and that without the discretionary FRESH financial incentives, the Applicant cannot build a larger, approximately 30,308 square foot supermarket in the Facility to replace the existing 20,000 square foot supermarket; that the Applicant is currently located in The City of New York (the “City”), and employs approximately 56.5 full time equivalent employees within the City; that the Applicant expects to employ approximately 17 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 Act allows the Agency to provide financial assistance for a project at which facilities or property primarily used in making retail sales of goods or services to customers who personally visit such facilities to obtain such goods or services constitute more than one-third of the total project cost if, among other alternative requirements:

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

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

WHEREAS, the Agency has determined: that the Project is located in Census Tract 36047028700 in Brooklyn; that the poverty rate calculated from the most recent census data (American Community Survey 2011-2015 5-Year Estimate) for Census Tract 36047028700 indicates that for the year to which the census data relates approximately 25.5% of the population was living below the poverty level; that the unemployment rate in Census Tract 36047028700 for the year to which the census data relates was approximately 12.1%, while the statewide unemployment rate for such year was 4.8%; that 12.1% is greater than 1.25 times the statewide rate of 4.8%; and that, therefore, the proposed Project meets the statutory requirements of being located in a “highly distressed area”; and

WHEREAS, based upon the Application, the Agency hereby determines that Agency financial assistance and related benefits in the form of a straight-lease transaction between the Agency and the Applicant are 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 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 mortgage recording tax deferrals all pursuant to the Act;

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

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

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

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

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

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

Section 2. To accomplish the purposes of the Act and to provide financial assistance to the 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 two years 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 will not result in a substantial adverse change in existing traffic, air quality, or noise levels. Customers arriving at the site will utilize public transit and will not result in a substantial increase in traffic.
- (2) The Project will not result in significant adverse impacts on cultural, archaeological, architectural, or aesthetic resources or the existing neighborhood.
- (3) The Project will not result in significant adverse impacts to natural resources, critical habitats, or water quality.
- (4) The Project will not result in a change in existing zoning or land use. The proposed building will be as-of-right under zoning.
- (5) A Phase I Environmental Site Assessment disclosed that the soil could be contaminated with petroleum and other contaminants. There is an E-designation on the site for hazardous materials. This requires that the Applicant satisfy the Mayor’s Office of Environmental Remediation (MOER) that the Applicant has performed a Phase II site investigation and provided any remediation that might be needed. MOER must give the

Applicant a letter of no objection which will allow the Project to proceed to obtain the requisite NYC Department of Buildings permits. With the implementation of further testing in accordance with all relevant guidance and regulations and with the installation of appropriate remedial mechanisms, the construction of the Project will not result in any significant adverse impacts related to hazardous materials.

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

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

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

recover, recapture, obtain, or otherwise seek the return of, New York State sales or use tax savings from the Applicant or any other agent, person or entity.

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

(3) The foregoing requirements of this Section 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 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 10. In connection with the Project, the Agency intends to grant the Applicant real property tax abatements, sales and use tax exemptions in an amount not to exceed \$452,625 and mortgage recording tax deferrals.

Section 11. This Resolution shall take effect immediately.

ADOPTED: September __, 2020

Accepted: _____, 2020

SPENCERAN, INC.

By: _____

Name:

Title:

Exhibit G

PROJECT SUMMARY

The applicant is Radix Capital LLC (“Radix”), a New York limited liability company involved in the financing, development, ownership and management of commercial and residential real estate. Radix 5714 1st Ave LLC, a Delaware limited liability company (the “Company”) is a joint venture to be formed among Radix, DL Development Partners LLC (“DL”) and Assurant Asset Management (“Assurant”). The Company is seeking financial assistance in connection with the acquisition, renovation, equipping and furnishing of an existing approximately 106,000 square foot building located on an approximately 55,955 square foot parcel of land located at 5714 1st Avenue, Brooklyn, New York (the “Facility”). The Facility will be owned by the Company and will be operated by Radix and DL to provide rentable industrial space to tenants for manufacturing, distribution, light manufacturing, and office use (the “Project”).

Project Location

5714 1st Avenue
 Brooklyn, New York 11220

Actions Requested

- Authorizing Resolution for an Industrial Program transaction.

Previous Actions

- Inducement Resolution approved on June 23, 2020.
- Type II declaration for the Project on June 23, 2020; the Project will not have a significant adverse effect on the environment.

Anticipated Closing

Winter 2020

Impact Summary

Employment	
Jobs at Application:	0
Jobs to be Created at Project Location (Year 3):	104
Total Jobs (full-time equivalents)	104
Projected Average Hourly Wage (excluding principals)¹	\$35.18
Estimated City Tax Revenues	
Impact of Operations (NPV 25 years at 6.25%)	\$7,675,905
One-Time Impact of Renovation	\$1,508,440
Total impact of operations and renovation	\$9,184,345
Additional benefit from jobs to be created	\$20,321,681

¹ This estimate is based on Quarterly Census of Employment and Wages data.

Radix Capital LLC

Estimated Cost of Benefits Requested: New York City	
Building and Land Tax Exemption (NPV, 25 years)	\$5,028,211
MRT Benefit	\$370,571
Sales Tax Exemption	\$260,536
Agency Financing Fee	(\$214,390)
Total Cost to NYC Net of Financing Fee	\$5,444,928
Available As-of-Right Benefits (ICAP)	\$1,942,819
Agency Benefits in Excess of As-of-Right Benefits	\$3,502,109

Costs of Benefits Per Job	
Estimated Total Cost of Net City Benefits per Job	\$52,355
Estimated City Tax Revenue per Job	\$283,711

Estimated Cost of Benefits Requested: New York State	
MRT Benefit	\$199,538
Sales Tax Exemption	\$253,299
Total Cost to NYS	\$452,837

Sources and Uses

Sources	Total Amount	Percent of Total Financing
Company Equity	\$18,976,962	45%
Commercial Loan	\$22,804,348	55%
Total	\$41,781,310	100%

Uses	Total Amount	Percent of Total Costs
Acquisition Costs	\$22,000,000	53%
Hard Costs	\$10,425,615	25%
Soft Costs	\$2,106,404	5%
Tenant Improvements	\$927,329	2%
Closing Fees	\$6,321,962	15%
Total	\$41,781,310	100%

Fees

	Paid At Closing	On-Going Fees (NPV, 25 Years)
Agency Fee	\$214,390	
Project Counsel	Hourly	
Annual Agency Fee	\$1,250	\$15,607
Total	\$215,640	\$15,607
Total Fees	\$231,247	

Financing and Benefits Summary

It is anticipated that the Company will finance a portion of the cost of the Project with a commercial mortgage loan (the "Loan") from Centennial Bank (or from another financial institution), in the amount of approximately \$22,804,348, and with approximately \$18,976,962 in equity. The Loan will be secured by a first mortgage lien on the Facility and a first priority assignment of leases and rents with respect to the Facility. The Loan will bear interest at a variable rate per annum equal to one-month LIBOR + 4.75% (current indicative rate of approximately 4.9%) and will be subject to a 25-year amortization schedule. The financial assistance proposed to be conferred by the Agency will consist of exemption of City and State mortgage recording taxes, exemption from City and State sales and use taxes and payments in lieu of City real property taxes. The debt service coverage ratio is anticipated to be 1.29x upon project stabilization during the fourth year of operations.

Performance and Projections

The Project involves the acquisition, renovation, equipping and furnishing of a neglected and underutilized Sunset Park industrial facility into a modern industrial space for various types of manufacturing uses. The Facility has been neglected for decades and is in a severe state of disrepair. Renovations to the Facility will include upgrading loading docks and drive-in bays, upgrading freight elevator cabs and associated mechanicals, increasing the electrical capacity, and providing favorable ceiling heights for manufacturing uses. Once completed, the Facility will offer unique high-quality industrial space at a discount relative to similar facilities in the market. As such, the Company is confident the demand for the Property will be significant regardless of the global economy's health.

Company Summary

Radix is an independent real estate development and investment management company whose professionals bring fifty years of experience in New York real estate. Radix Capital seeks opportunities to convert underutilized industrial assets into state-of-the-art facilities and partners with like-minded institutional investors to obtain capital to invest in such projects. Radix was established by Alex Ohebshalom, who has extensive construction experience in New York City, having supervised and completed roughly one million square feet of best-in-class residential, retail, and hospitality properties.

DL is an independent real estate development and management firm. Founded in 2017 by Eric Deutsch and Brian Lockner, its principals bring decades of real estate and economic development expertise. With decades of public and private sector experience and millions of square feet of space built, renovated, leased, sold, and/or financed, DL is well positioned for significant future growth.

Assurant provides investment advisory services. The company offers portfolio management, financial planning, and consulting services in the United States. Assurant is an affiliate of Assurant, Inc., a global provider of risk management products and services. Assurant expects to contribute 90% of the equity for the Project and will not be involved in day to day operations.

The Company will be a joint venture among Radix, DL, and Assurant.

Alex Ohebshalom, Founder & CEO, Radix

Mr. Ohebshalom is Chief Executive Officer, where he is responsible for overseeing the day-to-day operational, corporate and business functions of the company as well as its development and acquisition activities. He has over 10 years of experience in the real estate space, most notably as Chief Operating Officer of Empire Management. Mr. Ohebshalom has extensive construction experience in New York City, having supervised and completed roughly one million square feet of best-in-class residential, retail, and hospitality properties. He was instrumental in the development of Empire's luxury rental project "The Greywood" at 3 West 36th Street in Manhattan, as well as the "Brooklyn Warehouse" project in DUMBO, Brooklyn at 180 Nassau Street. He is a Graduate of Program for Leadership Development, Harvard Business School Alumni 2019, and received his Bachelor of Business Administration in Real Estate Development from the Zicklin School of Business.

Radix Capital LLC

Marc Effren, Senior Vice President, Radix

Mr. Effren is a Senior Vice President, leading the firm's investment activities, including all aspects of deal sourcing, underwriting and due diligence, structuring and business plan formulation. Mr. Effren has over 15 years of real estate experience. Prior to joining Radix in 2018, Mr. Effren oversaw multi-family acquisitions activities at Thor Equities, where he closed more than \$750 million in New York City transactions. Prior to Thor, he was Director of Acquisitions and Development for Elk Investors, a New York real estate family office. He had previously been an analyst at Daten Group, a New York City developer, and began his career at Greyrock, focusing on the development, sales, and marketing of residential properties. Marc holds an MS degree in Real Estate Development from New York University and a bachelor's degree in Economics from Vanderbilt University.

David Ridoutt, Senior Vice President, Radix

Mr. Ridoutt is a Senior Vice President, leading Development and Construction. In this capacity, Mr. Ridoutt manages all aspects of project execution, including design and construction, financing, and marketing. Mr. Ridoutt has over 18 years of experience in the industry, having delivered more than two million square feet of development projects across residential and hospitality high-rises, commercial, and industrial buildings. Prior to joining Radix, over the course of 10 years he led the creation of the DDG Construction business as part of the overall real estate platform focusing on high-rise residential projects. In this capacity, he built a 50-person construction team, implemented a business infrastructure, and was responsible for overall profit and loss. He holds an MS in Real Estate Finance from New York University and a BA degree in Construction Management from East Carolina University.

Eric Deutsch, Principal & Founder, DL

Erich has thirty years of experience in the real estate and economic development fields, serving senior positions in the public, non-profit and for-profit sectors. Eric is an expert in New York City development, with experience in several market segments, from industrial to residential, and with all aspects of the development process, from financing to design and construction. Eric is best known for his service as the President and CEO of the Brooklyn Navy Yard Development Corp. His tenure there hailed the renaissance of the industrial market in NYC, creating a model that is still followed today. He went on to become the President of the Alliance for Downtown NY, the largest Business Improvement District in America. Eric started his years in the public realm at the New York City Economic Development Corp., serving nearly eight years and becoming the Executive Director of the New York City Industrial Development Agency. In the private sector, Eric worked as a managing director of The Clarett Group and as Executive Vice President and Head of US Operations for M56 USA, a division of The M56 Group, headquartered in Paris, France. Eric holds an MS degree in Real Estate Development from Columbia University and a BA degree in Political Science from George Washington University.

Brian Lockner, Principal & Founder, DL

Brian began his career in the real estate industry more than seventeen years ago working as an investment and commercial sales broker with Besen & Associates in Manhattan. Brian has completed more than \$100 Million in commercial transactions. After completing his brokerage career, he joined American Development Group (ADG) as Head of Investments and Acquisitions. Brian spent over ten years working with ADG, completing seven ground-up condominium projects totaling nearly \$500 million in condominium sales. During this period, Brian headed ADG in navigating the massive changes brought about by the financial crisis of 2007, ensuring that ADG came through this tumultuous time stronger and primed to take advantage of opportunistic deals, developing a broad array of industry relationships. During his tenure at ADG, Brian also managed a 100,000 square-foot industrial asset in the Wallabout section of Brooklyn as well as a series of parking facilities. Brian began his career in working as an investment and commercial sales broker with Besen & Associates LLC in Manhattan. Brian holds a BA degree in Political Science from the University of Pittsburgh.

Radix Capital LLC

Recapture

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

Due Diligence

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

Compliance Check:	Not Applicable
Living Wage:	Anticipated to be compliant
Paid Sick Leave:	Anticipated to be compliant
Affordable Care Act:	Anticipated to be compliant
Bank Account:	First Republic Bank
Bank Check:	Relationships are reported to be satisfactory.
Supplier Checks:	Not Applicable
Customer Checks:	Not Applicable
Unions:	Not Applicable
Vendex Check:	No derogatory information was found.
Attorney:	Ira Nesenoff Nesenoff & Miltonberg LLP 363 7 th Avenue, 5 th Floor New York, New York 10001
Consultant/Advisor:	Sunil Aggarwal ThinkForward Financial Group 27 Whitehall Street, 4 th Floor New York, New York 10004
Community Board:	Brooklyn, CB #7

Exhibit H

Resolution authorizing and approving the execution and delivery of agreements in connection with a Straight-Lease Project project for Radix Capital LLC, and its affiliate, Radix 5714 1st Ave LLC.

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

WHEREAS, Radix Capital LLC (the “Applicant”) has entered into negotiations with officials of the Agency for the acquisition, renovation, equipping and furnishing of an industrial facility (the “Facility”) consisting of the acquisition, renovation, equipping and furnishing of an existing approximately 106,000 square foot building located on an approximately 55,955 square foot parcel of land located at 5714 1st Avenue, Brooklyn, New York, for lease to the Agency by Radix 5714 1st Ave LLC, a joint venture to be formed among the Applicant, DL Development Group LLC and Assurant Asset Management, or another 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 to tenants for manufacturing, distribution, light manufacturing and office use, and having an approximate total project cost of approximately \$41,781,310 (the “Project”); and

WHEREAS, on June 23, 2020, the Agency adopted a resolution approving the taking of preliminary action with respect to providing financial assistance in the form of a straight-lease transaction; and

WHEREAS, in order to finance a portion of the costs of the Project, Centennial Bank (such financial institution, or any other financial institution as may be approved by a certificate of determination of an Agency officer, the “Lender”) has agreed to enter into a loan arrangement with the Company pursuant to which the Lender will lend approximately \$22,804,348 to the Company, and the Agency and the Company will grant a mortgage on the Facility to the Lender (the “Lender Mortgage”);

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

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

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

Section 2. The execution and delivery of a Company Lease Agreement from the Company leasing the Facility to the Agency, an Agency Lease Agreement from the Agency subleasing the Facility to the Company (the "Lease Agreement") (for sub-sublease to tenants), a Sales Tax Agent Authorization Letter from the Agency, the Lender Mortgage, the Refinancing Mortgages, and the acceptance of a Guaranty Agreement from the Company and the Company's owners and/or principals in favor of the Agency (each document referenced in this Section 2 being, collectively, the "Agency Documents"), each being substantively the same as approved by the Agency for prior transactions, is hereby authorized. The Chairman, Vice Chairman, Executive Director, Deputy Executive Director and General Counsel of the Agency are each hereby authorized to execute, acknowledge and deliver each such Agency Document. The execution and delivery of each such agreement by one of said officers shall be conclusive evidence of due authorization and approval.

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

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

Section 4. The officers of the Agency are hereby designated the authorized representatives of the Agency, and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution. The Agency recognizes that due to the unusual complexities of the

transaction it may become necessary that certain of the terms approved hereby may require modifications which will not affect the intent and substance of the authorizations and approvals by the Agency herein. The Agency hereby authorizes the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or General Counsel to approve modifications to the terms approved hereby which do not affect the intent and substance of this Resolution. The approval of such modifications shall be evidenced by a certificate of determination of an Agency officer.

Section 5. This Resolution shall take effect immediately

ADOPTED: September 22, 2020