

Build NYC Resource Corporation Finance Committee Discussion

The Finance Committee convened on November 12, 2020 to discuss the following projects:

- Bideawee, Inc.
- Young Adult Institute, Inc.

Finance Committee Members: Jacques-Philippe Piverger, Barry Dinerstein, Andrea Feirstein, and Anthony Del Vecchio

Build NYC Staff Members: Krishna Omolade, Emily Marcus, and Mac Thayer

Start: 1:05 PM

End: 1:25 PM

Bideawee, Inc.

The applicant is Bideawee, Inc. (“Bideawee”), a New York not-for-profit corporation exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, is seeking approximately \$11,000,000 in tax-exempt revenue bonds (the “Bonds”). Proceeds from the Bonds, together with other funds contributed by Bideawee, will be used to: (1) finance and/or refinance the acquisition, renovation, furnishing and equipping of a 8,000 square foot building located on a 2,469 square foot parcel of land located at 152 West 24th Street, New York, New York and the acquisition and renovation of a 2,125 square foot parcel of land, currently used as a parking lot, located at 154 West 24th Street, New York, New York (collectively, the “Facility”); and (2) pay for certain costs related to the issuance of the Bonds. The Facility will be owned by Bideawee and will serve as its New York City headquarters as it provides services for abandoned and rescued animals.

Mr. Del Vecchio asked about the significant drop in bequests and legacies between 2018 and 2019.

Ms. Marcus replied that bequests sometimes fluctuate, but that the organization had reported to Corporation staff that 2020 had been a strong year for bequests to date.

Mr. Del Vecchio stated that the 2020 figures reported by Ms. Marcus appeared in line with the 2018 figures, suggesting that 2019 may have been an anomaly.

Ms. Marcus concurred with this assessment and stated this was the Corporation’s understanding.

The committee recommended the Project to seek authorization at the November 17th Board meeting.

Young Adult Institute, Inc.

Young Adult Institute, Inc. (“YAI”), a New York not-for-profit corporation exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, serves individuals with developmental and related disabilities and their families. On May 12, 2020, Build NYC Resource Corporation’s (the “Corporation”) Board of Directors adopted a resolution authorizing the issuance and sale of approximately \$6,110,000 in tax-exempt bonds and approximately \$205,000 in taxable bonds to finance and refinance costs associated with the renovation, equipping and furnishing of YAI’s headquarters and a medical and dental clinic located at 220 East 42nd Street, Units 7NW and 8, New York, New York (the “First Project Facility”). On September 22, 2020, the Corporation’s Board of Directors adopted an amended resolution to grant mortgage recording tax benefits to YAI for its mortgage of its facility located at 314 East 35th Street, New York, New York (the “Collateral Property”), as security for the bonds. YAI is now seeking approval for the issuance of an additional \$730,000 in taxable bonds, for

a total combined issuance of approximately \$7,045,000 in tax-exempt and taxable bonds, and to add the Collateral Property as part of the project. Proceeds of the taxable bonds will be used to (i) reimburse YAI for the costs of redeeming the outstanding bonds in the approximate amount of \$680,000 issued by the Dormitory Authority of the State of New York ("DASNY") on June 30, 2010, the proceeds of which were used to finance or refinance the cost of the renovation of the Collateral Property, which is a residential facility, consisting of approximately 11,070 square feet, on three floors of a building on approximately 4,937 square feet of land; and (ii) pay for certain costs related to the issuance of the bonds. The Collateral Property is owned and operated by YAI as Individualized Residential Alternative (IRA), a supervised housing opportunity certified by New York State Office for People With Developmental Disabilities for eligible individuals with developmental disabilities.

Mr. Piverger asked if the organization was refinancing to obtain a better interest rate.

Mr. Thayer replied that the organization had built out their space at 42nd St. using a line of credit, which they now wanted to refinance with new bonds. After originally seeking to market the new bonds unsecured, the organization had decided to collateralize the bonds using their 35th St. property in order to obtain a better interest rate. They subsequently discovered that the 35th St. property had outstanding DASNY bonds, which could not be subordinated to the new Build NYC bonds. As a result, the organization was now seeking Board authorization for a larger bond amount that included refinancing the line of credit and the DASNY bonds, in order to seek a lower overall cost of financing, and to clear the 35th St. property of the existing bonds in order for it to be used as collateral for the new issuance.

Ms. Feirstein asked why there was a taxable component to the bond issuance.

Mr. Omolade noted that part of the issuance had to be done on a taxable basis because the DASNY bonds aren't yet at the official call date, and thus this constituted an advanced refunding.

Ms. Feirstein asked for clarity on whether the issuance would be a limited public offering, with the bonds sold to more than one purchaser.

Mr. Thayer stated that he believed that was the case.

Mr. Omolade noted that in the grand scheme of things, this request for Board approval represented a relatively minor change from the previous one, but that it did require Board approval.

The committee recommended the Project to seek authorization at the November 17th Board meeting.



Noah Schumer
Assistant Secretary