MINUTES OF THE
MEETING OF THE BOARD OF DIRECTORS
OF
BUILD NYC RESOURCE CORPORATION
HELD REMOTELY AND IN-PERSON AT THE ONE LIBERTY PLAZA OFFICES OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
September 21, 2021

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

Rachel Loeb (chairperson)
Marlene Cintron
HeeWon Brindle-Khym
Brian Cook, alternate for Scott M. Stringer,
    Comptroller of The City of New York
Pedram Mahdavi, alternate for Vicki Been,
    Deputy Mayor for Housing and Economic Development
Anthony Del Vecchio
Barry Dinerstein, alternate for Marisa Lago,
    Chair of the City Planning Commission of The City of New York
Jacques-Philippe Piverger
James Prendamano
Betty Woo, alternate for Georgia M. Pestana,
    Corporation Counsel of The City of New York

The following directors and alternates were not present:

Khary Cuffe
Albert De Leon
Andrea Feirstein
Robert Santos
Shanel Thomas

Rachel Loeb, President of New York City Economic Development Corporation ("NYCEDC"), convened the meeting of the Board of Directors of the Build NYC Resource Corporation ("Build NYC" or the "Corporation") at 9:50 a.m., at which point a quorum was present. The meeting was remotely by conference call, during which interested members of the public were invited to listen in by dialing 1 (866) 868-1282 and entering the Passcode: 8056 595#.

1. Adoption of the Minutes of the July 27, 2021 Meeting Minutes

Ms. Loeb asked if there were any comments or questions relating to the minutes of the July 27, 2021 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 2021 (Unaudited)

Christine Robinson, Assistant Vice President of NYCEDC, presented the Corporation's Financial Statements for the period ending July 31, 2021 (Unaudited). Ms. Robinson reported that for the one-month period the Corporation recognized revenues derived from compliance, application, post-closing and termination fees in the amount of $20,000. Ms. Robinson also reported that $183,000 in operating expenses, largely consisting of the monthly management fee, were recorded for the Corporation for the one-month period that ended on July 31, 2021 (Unaudited).

3. Audited Financial Statements (FY June 2021)

Amy Chan, Controller for NYCEDC and Assistant Treasurer for the Corporation, and Leslie Escobar, Deputy Controller for NYCEDC, presented for review and approval the Corporation's Audited Financial Statements for the Fiscal Year ended June 30, 2021.

4. Annual Investment Report

Ms. Chan and Ms. Escobar presented for review and approval the Corporation's Annual Investment Report for the Fiscal Year ended June 30, 2021.

There being no comments or questions, a motion to approve the Corporation's Audited Financial Statements for the Fiscal Year ended June 30, 2021 attached hereto as Exhibit A, as submitted, and the Corporation's Annual Investment Report for the Fiscal Year ended June 30, 2021 attached hereto as Exhibit B, as submitted, were made, seconded and unanimously approved.

5. Acknowledgment of Performance Measurement Report

Emily Marcus, an Assistant Vice President for NYCEDC and Deputy Executive Director of the Corporation, presented the Corporation's performance measurements report.

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

6. Results of Board Performance Self-Evaluation Survey

Ms. Marcus presented the results of the Board's annual Self-Evaluation Survey (the "Survey").

Ms. Woo stated that she would like to make the same points brought up earlier this morning in the New York City Industrial Development Agency meeting. Ms. Woo stated that there were three comments that were specifically mentioned on the survey. Ms. Woo stated that the first comment was that the mission, purpose, and policies should be provided annually as a packet to the board members. Ms. Woo stated that those packets are included in the June board book but the Governance Committee would be happy to send these separately after the meeting today so that board members will have it as a separate packet. Ms. Woo stated that the second comment was that there should be a governance training session. Ms. Woo stated that the committee will take that under advisement and can think about what might be appropriate and will look at the regular on-boarding info that the committee provides to new board members, which change from time to time, so it may be a good idea to circulate those materials to board members as well. Ms. Woo stated that the third comment was that the board: (i) does not identify risk but rather tends to rely on Corporation staff and (ii) does not give performance evaluations or review performance expectations for Corporation staff. Ms. Woo stated that the board has certain performance measurements and if any board member would like to suggest additional measurements or other standards then they may reach out to any member of the Governance Committee, which includes herself, HeeWon Brindle-Khym and Robert Santos. Ms. Woo stated that it's noteworthy that the survey is reviewed every April before being approved and is a form survey from the New York State Authorities Budget Office so the Governance Committee is not trying to change the form. However, if perhaps there's something missing (because the Corporation's corporate structure is not similar to other companies that take this survey), it may be appropriate to add more questions.

7. <u>German School Brooklyn</u>

Ms. Marcus presented for review and adoption a bond approval and authorizing resolution for approximately $46,000,000 in tax-exempt qualified 501(c)(3) bonds and/or taxable revenue bonds for the benefit of German School Brooklyn and recommended the Board adopt a negative declaration for this project as a SEQRA determination because it would not have an adverse effect on the environment. Ms. Marcus described the project and its benefits, as reflected in <u>Exhibit D.</u>

Mr. Del Vecchio stated that the Finance Committee reviewed this project and were comfortable with the school's financials and debt service coverage ratio. On behalf of the Finance Committee, Mr. Del Vecchio recommended approval of this project.

There being no further comments or questions, a motion to approve the bond approval and authorizing resolution and SEQRA determination attached hereto as <u>Exhibit E</u> for the benefit of German School Brooklyn was made, seconded and unanimously approved.

8. <u>Service Contract Proposal for the Industrial Development Loan Fund program</u>

Julia Schneider, a Vice President of NYCEDC, presented for review and approval a proposal for a services contract with NYCEDC in an amount of up to $3,000,000, for services necessary to continue the mission of the Industrial Development Loan Fund ("IDLF") which is to preserve and create economic opportunities in the industrial sector. NYCEDC will use the contract proceeds to re-capitalize the IDLF to advance the fund and City's strategic priorities. Ms. Schneider described the program and its benefits, as reflected in Exhibit F.

In response to a question from Mr. Cook, Ms. Schneider stated that the pre-payment is comprised of both principle and any interest earned. Mr. Cook thanked Corporation staff for taking the time to answer all of his questions and walk him through the entire process. Mr. Cook stated that economically targeted investment ("ETI") projects are difficult, challenging and very important for the City, and that public funds can focus on things in a way that other institutions cannot. The Corporation is in a very unique position given its non-profit status (compared to pension funds, for example) and other, similar organizations have a slightly different fiduciary standard, so he is very excited about the prospect of this program. Mr. Cook stated that, that being said, the requested funds make up a large chunk of the Corporation's remaining cash balance so he highly encourages that, should anything go wrong or if there are hiccups along the way, Corporation staff be very communicative with the Board because this is going to be one of the more significant investments that the Corporation is making with its own money. Mr. Cook stated that the biggest takeaway from his experiences of working on ETI projects is the need to be more communicative when things go wrong. Ms. Loeb stated that Corporation staff could talk offline if there is either a formal or informal way Corporation staff could provide more frequent updates to the Board. Ms. Loeb stated that this is a powerful tool that Corporation staff can have in their toolkit as a way to help projects like these that can't find financing elsewhere get off the ground. Mr. Cook stated that there are few institutions that can provide lower-interest loans towards this type of project and that using City grants dovetails well with how Corporation staff view affordable funding for financing these projects.

There being no further comments or questions, a motion to approve the services contract proposal for the Industrial Development Loan Fund attached hereto as Exhibit F was made, seconded and approved by a vote of 9 in favor, with one, Ms. Cintron, opposed.

9. Service Contract Proposal for the WE Venture program

Ms. Schneider presented for review and approval a proposal for a services contract with NYCEDC in an amount of up to $700,000, for services necessary to expand capital access to underrepresented startup founders. NYCEDC will use the contract proceeds to re-capitalize the WE Venture program which is designed to provide seed and early stage funding into technology companies based in the City and founded by entrepreneurs from underrepresented groups. Ms. Schneider described the program and its benefits, as reflected in Exhibit G.

In response to a question from Mr. Cook, Ms. Schneider stated that the repayment will go to the Corporation. Ms. Loeb stated that she has had many discussions with some of the leading private equity firms and tech investors, none of whom are listed on this slide, about their ability, effort and focus on investing in tech companies specifically led by underrepresented founders, such as women or people of color, and that it was quite depressing to hear them say that they were looking but unable to find anyone, when she and Corporation staff know this is not true. Ms. Loeb stated that it's very important to make sure that Corporation staff have the ability to align with partners who are mission-driven and to target projects where we can supercharge these investment opportunities and catalytic investments in order to help push this industry along and, particularly, these founders, and to have their support. Ms. Loeb thanked the Board for their good questions and support on this project. Ms. Loeb stated that Corporation staff believe this will be another important tool as the City continues to be promoted as the number two tech leader in the United States so it's very important to showcase the City's diversity. In response to a question from Mr. Piverger, Ms. Schneider stated that with each company that the Corporation invests in, the company signs a side letter which provides performance information about the company as well as an obligation that they are committed to maintaining more than 50% of their senior management in the City. Ms. Schneider stated that the company in which the Corporation is currently invested is still in operation, continues to exist and grow, and Corporation staff receive regular reports from them. In response to a question from Mr. Piverger, Ms. Schneider stated that NYCEDC's Strategic Investment Group have talked to over 20 companies and from those conversations the Corporation invested in one in Q4 of 2019. However, funding, and those conversations, were put on hold in early 2020 due to financial constraints related to the COVID-19 pandemic. Ms. Schneider stated that Corporation staff can use this funding to re-engage our partners and to continue to make investments. In response to a question from Mr. Piverger, Ms. Schneider stated that expanding the pool of investors is not being considered at this time given the public procurement process that our existing partners went through but that it is a good point and something Corporation staff can think about. Mr. Piverger stated that since the City is the second largest venture capital hub in the United States and also a very diverse city, it seems that the amount of money to be invested in these companies could be larger and that $700,000 in the venture capital world is relatively small compared to the Corporation's typical projects. Ms. Schneider thanked Mr. Piverger for making a great point and stated that the initial approval from NYCEDC was for $10 million. Ms. Schneider stated that this money will allow Corporation staff to jump-start the program and that staff are fully intent on growing that pool of capital and coming back for more funding. Ms. Schneider stated that, to add to Mr. Piverger's point about the large number, Corporation staff are currently focused on the early stages for this program so desirable investments can range from $100,000 to $250,000, which will provide the necessary runway, but that she completely agrees that Corporation staff will need to seek further capital for this important initiative.

There being no further comments or questions, a motion to approve the services contract proposal for the We Venture program attached hereto as Exhibit G was made, seconded and approved by a vote of 9 in favor, with one, Ms. Cintron, opposed.

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 10:25 a.m.

Arthur Hanson

Assistant Secretary

Dated: 11/16/21

New York, New York

Exhibit A

FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTARY INFORMATION

Build NYC Resource Corporation
(A Component Unit of the City of New York)
Years Ended June 30, 2021 and 2020
With Report of Independent Auditors

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

Build NYC Resource Corporation
(A Component Unit of the City of New York)

Financial Statements and Required Supplementary Information

Years Ended June 30, 2021 and 2020

Contents

I. Financial Section

Report of Independent Auditors

The Management and the Board of Directors
Build NYC Resource Corporation

Report on the Financial Statements

We have audited the accompanying financial statements of Build NYC Resource Corporation (the Corporation), a component unit of The City of New York, as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Corporation'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 of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of June 30, 2021 and 2020, 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 Matter

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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated September 30, 2021, on our consideration of the Corporation'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 Build NYC Resource Corporation'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 Corporation's internal control over financial reporting and compliance.

________, 2021

This section of the Build NYC Resource Corporation's (Build NYC or the Corporation) annual financial report presents our discussion and analysis of financial performance during the years ended June 30, 2021 and 2020. Please read it in conjunction with the financial statements and accompanying notes, which follow this section.

Fiscal Year 2021 Financial Highlights

- Current assets decreased by $4,909,922 (or 50%)
- Non-current assets increased by $2,996,609 (or 100%)
- Current liabilities decreased by $388,703 (or 42%)
- Net position decreased by $1,524,610 (or 17%)
- Operating revenues increased by $1,534,339 (or 126%)
- Operating expenses increased by $10,561 (or 0.5%)
- Non-operating expenses, net increased by $1,299,852 (or 184%)

Overview of the Financial Statements

This annual financial report consists of two parts: *Management's Discussion and Analysis* (this section) and the *Basic Financial Statements*. Build NYC is considered a component unit of the City of New York (the City) for the City's financial reporting purposes. Build NYC is a local development corporation that was organized under the Not-For-Profit Corporation Law of the State of New York to assist entities eligible under the federal tax laws in obtaining tax-exempt and taxable bond financing.

Build NYC is a self-supporting entity and follows enterprise fund reporting. Enterprise fund statements offer short-term and long-term financial information about the Corporation's activities. The Corporation's financial reporting is presented in a manner similar to a private business.

Financial Analysis of the Corporation

Net Position – The following table summarizes the Corporation's financial position at June 30, 2021 2020 and 2019 and the percentage change between June 30, 2021 2020 and 2019:

				% Change	
	2021	**2020**	**2019**	**2021–2020**	**2020–2019**
Current assets	**$ 4,821,950**	$ 9,731,872	$ 7,766,503	**50%**	25%
Non-current assets	**2,996,609**	–	3,010,297	**100**	(100)
Total assets	**7,818,559**	9,731,872	10,776,800	**(20)**	(10)
Current liabilities	**537,229**	925,932	222,325	**(42)**	316
Total unrestricted net position	**$ 7,281,330**	$ 8,805,940	$ 10,554,475	**(17)**	(17)

In fiscal year 2021, total assets decreased by $1,913,313 or 20%, primarily due to $2,449,628 in special projects costs paid during the year for the ongoing renovation of a power station at BerkleeNYC. These payments were offset by approximately $500,000 of cash provided by positive operating activities during the year. Of the Corporation's total assets, non-current assets increased by $2,996,609 or 100% due to the cash from maturities of current investments being reinvested into long-term securities.

Current liabilities decreased by $388,703 or 42% due to the timing of payments made to New York City Economic Development Corporation for reimbursement of costs paid on the Corporation's behalf.

In fiscal year 2020, an outbreak of the novel strain of coronavirus (COVID-19) caused disruptions in U.S. markets and businesses. Several of the Corporation's projects that were expected to close during the fiscal year had to delay closings, due to required changes in their business operations or turmoil in the financial and real estate markets. The Corporation's total assets decreased by $1,044,928 or 10%. The significant reduction in new bond issuances as an effect of COVID-19 resulted in a decrease of fee revenue. This reduction, along with a substantial increase in special project costs year-over-year, contributed to the decline in total assets.

As a result of an increase in the Corporation's operating and non-operating activities; net position decreased by $1,524,610 or 17% in fiscal year 2021 and by comparison to a decrease of 17% in fiscal year 2020.

Operating Activities

Build NYC was organized to assist entities in obtaining tax-exempt and taxable bond financing. Build NYC's primary goal is to facilitate access to private activity tax-exempt bond financing for entities to acquire, construct, renovate, and/or equip their facilities, as well as refinance previous financing transactions.

The Corporation charges various program fees that include application fees, financing fees, and compliance fees.

The following table summarizes changes in Build NYC's net position for fiscal years 2021, 2020 and 2019 and the percentage change between June 30, 2021, 2020 and 2019:

				% Change	
	2021	**2020**	**2019**	**2021-2020**	**2020-2019**
Operating revenues	**$ 2,748,013**	$ 1,213,675	$ 2,819,605	**126%**	(57)%
Operating expenses	**2,268,206**	2,257,645	2,228,687	**–**	1
Operating income (loss)	**479,807**	(1,043,970)	590,918	**146**	(277)
Non-operating (expenses) revenues, net	**(2,004,417)**	(704,565)	105,899	**184**	(765)
Change in net position	**$ (1,524,610)**	$ (1,748,535)	$ 696,817	**(13)**	(351)

Fiscal Year 2021 Activities

In fiscal year 2021, operating revenues increased by $1,534,338 or 126%. This is a direct result of an increase in project finance fee revenue; most notably, the transactional closings of Highbridge Facilities, The Berkeley Carroll School and Friends of New World Prep contributed to the uptick in fee revenue generated from closed bond transactions, as compared to 2020.

Total operating expenses increased by $10,561 in fiscal year 2021 or less than 1%, as a result of a slight increase in public hearing notices directly correlated to an increase in financing activity.

Fiscal Year 2021 Activities (continued)

The net non-operating (expenses) revenues category had a total increase of $1,299,852 in fiscal year 2021, a 184% increase over the prior year, primarily due to an increase in special project expenses for the ongoing renovation of a power station at BerkleeNYC of $1,147,544, along with a reduction in investment income of $152,308.

Fiscal Year 2020 Activities

In fiscal year 2020, operating revenues decreased by $1,605,930 or 57%. This is a direct result of a decline in fee revenue generated from a reduced number of bond transactions closed as compared to 2019. The reduction to the number of closings is a direct result of the COVID-19 pandemic.

Total operating expenses increased by $28,958 in fiscal year 2020 or 1%, as a result of a slight increase in the board-approved contracted management fee paid to New York City Economic Development Corporation (NYCEDC), a not-for-profit corporation which provides Build NYC with all required professional, administrative and technical staff assistance.

The net non-operating (expenses) revenues category had a total decrease of $810,464 in fiscal year 2020, a 765% decrease over the prior year, primarily due to an increase in special project expenses for the ongoing renovation of a power station at BerkleeNYC; partially offset by investment income.

Contacting the Corporation's Financial Management

This financial report is designed to provide our customers, clients, creditors and the public with a general overview of the Corporation's finances and to demonstrate the Corporation'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, Build NYC Resource Corporation, One Liberty Plaza, New York, NY 10006.

Build NYC Resource Corporation
(A Component Unit of the City of New York)

Statements of Net Position

	June 30	
	2021	**2020**
Assets		
Current assets:		
Cash and cash equivalents *(Note 3)*	**$ 2,794,500**	$ 1,220,392
Investments *(Note 3)*	**1,998,700**	8,493,880
Fees receivable	**28,750**	17,600
Total current assets	**4,821,950**	9,731,872
Non-current assets:		
Investments *(Note 3)*	**2,996,609**	–
Total non-current assets	**2,996,609**	–
Total assets	**7,818,559**	9,731,872
Liabilities and net position		
Current liabilities:		
Accounts payable and accrued expenses	**36,500**	35,500
Due to New York City Economic Development Corporation	**422,771**	862,333
Unearned revenue and other liabilities	**77,958**	28,099
Total current liabilities	**537,229**	925,932
Net position – unrestricted	**$ 7,281,330**	$ 8,805,940

See accompanying notes.

Build NYC Resource Corporation
(A Component Unit of the City of New York)

Statements of Revenues, Expenses, and Changes in Net Position

	Year Ended June 30	
	2021	**2020**
Operating revenues		
Fee income *(Note 2)*	**$ 2,748,013**	$ 1,213,675
Total operating revenues	**2,748,013**	1,213,675
Operating expenses		
Management fees *(Note 4)*	**2,200,000**	2,200,000
Public hearing expenses	**31,197**	19,716
Auditing expenses	**36,500**	35,500
Marketing expenses	**–**	1,299
Other expenses	**509**	1,130
Total operating expenses	**2,268,206**	2,257,645
Operating income (loss)	**479,807**	(1,043,970)
Non-operating (expenses) revenues		
Investment income	**5,404**	157,712
Special project costs *(Note 5)*	**(2,009,821)**	(862,277)
Total non-operating (expenses) revenues, net	**(2,004,417)**	(704,565)
Change in net position	**(1,524,610)**	(1,748,535)
Unrestricted net position, beginning of year	**8,805,940**	10,554,475
Unrestricted net position, end of year	**$ 7,281,330**	$ 8,805,940

See accompanying notes.

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

Build NYC Resource Corporation
(A Component Unit of the City of New York)

Statements of Cash Flows

	Year Ended June 30	
	2021	**2020**
Cash flows from operating activities		
Financing and other fees	**$ 2,786,723**	$ 1,214,485
Management fees paid	**(2,200,000)**	(2,200,000)
Audit expenses paid	**(35,500)**	(68,000)
Public hearing expenses paid	**(31,197)**	(21,512)
Miscellaneous expenses paid	**(265)**	(3,651)
Net cash provided by (used in) operating activities	**519,761**	(1,078,678)
Cash flows from investing activities		
Interest income	**945**	21,481
Sale of investments	**11,499,993**	12,546,686
Purchase of investments	**(7,996,963)**	(12,494,413)
Net cash provided by investing activities	**3,503,975**	73,754
Cash flows from non-capital financing activities		
Special project	**(2,449,628)**	(127,902)
Net cash used in non-capital financing activities	**(2,449,628)**	(127,902)
Net increase (decrease) in cash and cash equivalents	**1,574,108**	(1,132,826)
Cash and cash equivalents at beginning of year	**1,220,392**	2,353,218
Cash and cash equivalents at end of year	**$ 2,794,500**	$ 1,220,392
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating income (loss)	**$ 479,807**	$ (1,043,970)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Changes in operating assets and liabilities:		
Fees receivable	**(11,150)**	(3,940)
Accounts payable and accrued expenses	**1,000**	(795)
Due to NYC Economic Development Corp.	**245**	(34,723)
Unearned revenue and other liabilities	**49,859**	4,750
Net cash provided by (used in) operating activities	**$ 519,761**	$ (1,078,678)

See accompanying notes.

1. Background and Organization

Build NYC Resource Corporation (Build NYC or the Corporation), a component unit of the City of New York (the City), is a local development corporation, organized under section 1411 of the Not-For-Profit Corporation Law of the State of New York that commenced operation in 2011. Build NYC was organized to assist entities in obtaining tax-exempt and taxable bond financing under the federal tax laws. Build NYC's primary goal is to facilitate access to private activity tax-exempt bond financing for eligible entities to acquire, construct, renovate, and/or equip their facilities and to refinance previous financing transactions.

The Corporation is governed by a Board of Directors, which establishes official policies and reviews and approves requests for financial assistance. Its membership is prescribed by the Corporation's Certificate of Incorporation and By-Laws which include a public official and appointees of the Mayor.

Bonds issued by Build NYC are special nonrecourse conduit debt obligations of the Corporation, which are payable solely from the payments and revenues provided for in the loan agreements with participating organizations (beneficiaries). The bonds are secured by collateral interests in the loan agreements and other security provided by the beneficiaries. Both the bonds and certain provisions of the loan agreements are administered by independent bond trustees appointed by the Corporation.

The total conduit debt obligations outstanding totaled $3,437,276,472 and $3,245,711,305 for the years ended June 30, 2021 and 2020, respectively.

Due to the fact that: (1) the bonds are nonrecourse conduit debt obligations of the Corporation, (2) the Corporation assigns its interests in the loan agreements as collateral, and (3) the Corporation has no substantive obligations under the loan agreements, the Corporation has, in effect, none of the risks and rewards of the loan agreements and related bond financing. Accordingly, with the exception of certain fees derived from financing transactions, these financing transactions are given no accounting recognition in the accompanying financial statements.

2. Summary of Significant Accounting Policies

Basis of Presentation

Build NYC has been 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 United States. In its accounting and financial reporting, Build NYC follows the pronouncements of the GASB.

Updated 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 Corporation adopted this standard and will delay implementation of certain GASB statements covered by GASB 95 until their new respective effective dates.

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 current 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; early adoption of this statement did not have a significant impact on the Corporation's financial statements.

Cash Equivalents

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

2. Summary of Significant Accounting Policies (continued)

Investments

Investments held by Build NYC are recorded at fair value based on quoted market prices, except for certificates of deposit, which are valued at cost.

Revenue Recognition

Operating revenues consist of income from application fees, financing fees, recaptured benefits, compliance monitoring fees and late fees. Application and financing fees are recognized as earned when paid. Build NYC's recapture of benefits is solely based upon the mortgage recording tax waiver; this benefit eliminates the mortgage recording taxes correlated with mortgages taken for the project. This benefit is recaptured as a result of a violation of the project agreement. Compliance monitoring fees are received annually, in advance, and deferred and amortized into income as earned.

Build NYC's operating expenses include management fees and related administration expenses. All other revenues and expenses are reported as non-operating revenues and expenses.

3. Deposits and Investments

At year-end, Build NYC's cash and cash equivalent bank balance was $2,794,500. Of this amount, $250,000 was insured by the Federal Depository Insurance Corporation. Of the remaining balance, $1,794,460 was invested in U.S. government money market funds.

Fair Value Measurement – The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into the following levels:

Level 1 – value based on quoted prices in active markets for identical assets.

Level 2 – value based on significant other observable inputs, such as a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Level 3 – value based on inputs that are unobservable and significant to the fair value measurement, such as discounted cash flows.

3. Deposits and Investments (continued)

Money market funds, categorized as Level 1 inputs, are valued at the unadjusted prices that are quoted in active principal markets for identical assets. U.S. Treasury and Agency securities, and commercial paper categorized as Level 2, are valued on models using observable inputs.

As of June 30, 2021 and 2020, the Corporation had the following investments (in thousands). Investment maturities are shown only for June 30, 2021.

	Fair Value		2021 Investment Maturities (in Years)	
	2021	**2020**	**Less Than 1**	**1 to 2**
Money market funds	**$ 1,794**	$ 220	$ 1,794	$ –
Federal Farm Credit Bank	**2,997**	–	–	2,997
U.S. Treasuries	–	8,494	–	–
Commercial paper	**1,999**	–	1,999	–
Total	**6,790**	8,714		
Less: investments classified as cash equivalents	**(1,794)**	(220)		
Total investments	**$ 4,996**	$ 8,494		

Interest Rate Risk: The Corporation has a formal investment policy, which limits investment maturities up 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 Corporation's policy to limit its investments in debt securities to those rated in the highest rating category by at least two nationally recognized bond rating agencies or other securities guaranteed by the U.S. government. As of June 30, 2021, the Corporation's investments in Federal Farm Credit Bank (FFCB) were rated AA+ by Standard & Poor's (S&P), Aaa by Moody's Investor Services, Inc. (Moody's) and AAA by Fitch Ratings. Investments in commercial paper (CP) were rated in the highest short-term category by at least two major rating agencies (A1+ by S&P, P1 by Moody's and F1+ by Fitch Ratings). Money market funds share the same credit ratings as the Corporation's federally held securities, with the exception of S&P, which does not rate such funds.

3. Deposits and Investments (continued)

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

Concentration of Credit Risk: The Corporation places no limit on the amount it may invest in any U.S. government backed securities. The following table shows investments that represent 5% or more of total investments as of June 30, 2021 and 2020 (dollars in thousands):

	Dollar Amount and Percentage of Total Investments			
Issuer	**June 30, 2021**		**June 30, 2020**	
Federal Farm Credit Bank	**$ 2,997**	**60%**	$ –	–%
U.S. Treasuries	**–**	**–**	8,494	100
CP-KFW	**999**	**20**	–	–
CP-LVMH Moet Hennessy	**1,000**	**20**	–	–

4. Management Fee

To support the activities of Build NYC, the Corporation 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, NYCEDC provides Build NYC with all the professional, administrative and technical staff assistance it needs to accomplish its objectives. The fixed annual fee for these services under the agreement between NYCEDC and the Corporation is $2,200,000 for both fiscal years ended June 30, 2021 and 2020.

5. Commitments

Pursuant to board approved agreements between Build NYC and NYCEDC, Build NYC committed to fund a project being administered by NYCEDC relating to the City's community and economic development initiatives. Total special project commitments under this agreement amounted to $3,000,000 with no outstanding obligation at June 30, 2021. The special project commitment, approval date, total and outstanding commitment balances are as follows as of June 30, 2021:

Project	Approval Date	Total Commitment	Life To-Date Expenses	Current Total De-Obligate	Outstanding Commitment
Power Station at BerkleeNYC	11/8/2017	$ 3,000,000	$ 3,000,000	$ –	$ –
		$ 3,000,000	$ 3,000,000	$ –	$ –

For the years ended June 30, 2021 and 2020, $2,009,821 and $862,277, respectively, have been incurred by the Corporation relating to the above project. These costs are included in special project costs on the accompanying statements of revenue, expenses, and changes in net position.

6. Risk Management

Although there should not be any liability for personal injuries as a result of its lending activities, Build NYC has been named a party to personal injury litigation in the past. Build NYC requires all project companies to purchase and maintain commercial insurance coverage for these risks and to name Build NYC as an additional insured. Build NYC is an additional named insured on NYCEDC's general liability policy. At June 30, 2021, there were no reported pending personal injury claims or litigation against Build NYC.

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
Build NYC Resource Corporation

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 Build NYC Resource Corporation (the Corporation), a component unit of The City of New York, which comprise the statement of net position as of June 30, 2021, 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 30, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing 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 Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 Corporation'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 financial statements. 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 results 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.

________, 2021

Summary Financial Information

SUMMARY STATEMENT OF NET ASSETS

			Amount
Assets			
Current Assets			
	Cash and cash equivalents		$2,794,500.00
	Investments		$1,998,700.00
	Receivables, net		$28,750.00
	Other assets		$0.00
	Total Current Assets		$4,821,950.00
Noncurrent Assets			
	Restricted cash and investments		$2,996,609.00
	Long-term receivables, net		$0.00
	Other assets		$0.00
	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		$2,996,609.00
Total Assets			$7,818,559.00
Liabilities			
Current Liabilities			
	Accounts payable		$0.00
	Pension contribution payable		$0.00
	Other post-employment benefits		$0.00
	Accrued liabilities		$459,271.00
	Deferred revenues		$77,958.00
	Bonds and notes payable		$0.00
	Other long-term obligations due within one year		$0.00
	Total Current Liabilities		$537,229.00
Noncurrent Liabilities			

	Pension contribution payable		$0.00
	Other post-employment benefits		$0.00
	Bonds and notes payable		$0.00
	Long Term Leases		$0.00
	Other long-term obligations		$0.00
	Total Noncurrent Liabilities		$0.00
Total Liabilities			$537,229.00
Net Asset (Deficit)			
Net Assets			
	Invested in capital assets, net of related debt		$0.00
	Restricted		$0.00
	Unrestricted		$7,281,330.00
	Total Net Assets		$7,281,330.00

SUMMARY STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS

			Amount
Operating Revenues			
	Charges for services		$0.00
	Rental & financing income		$2,748,013.00
	Other operating revenues		$0.00
	Total Operating Revenue		$2,748,013.00
Operating Expenses			
	Salaries and wages		$0.00
	Other employee benefits		$0.00
	Professional services contracts		$2,236,500.00
	Supplies and materials		$0.00
	Depreciation & amortization		$0.00
	Other operating expenses		$31,706.00
	Total Operating Expenses		$2,268,206.00
Operating Income (Loss)			$479,807.00
Nonoperating Revenues			
	Investment earnings		$5,404.00
	State subsidies/grants		$0.00
	Federal subsidies/grants		$0.00
	Municipal subsidies/grants		$0.00
	Public authority subsidies		$0.00

	Other nonoperating revenues		$0.00
	Total Nonoperating Revenue		$5,404.00
Nonoperating Expenses			
	Interest and other financing charges		$0.00
	Subsidies to other public authorities		$0.00
	Grants and donations		$0.00
	Other nonoperating expenses		$2,009,821.00
	Total Nonoperating Expenses		$2,009,821.00
	Income (Loss) Before Contributions		($1,524,610.00)
Capital Contributions			$0.00
Change in net assets			($1,524,610.00)
Net assets (deficit) beginning of year			$8,805,940.00
Other net assets changes			$0.00
Net assets (deficit) at end of year			$7,281,330.00

Exhibit B

BUILD NYC RESOURCE CORPORATION
INVESTMENT REPORT

Board of Directors Meeting, September 21, 2021

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 Build NYC Resource Corporation hereby approves the Investment Report for the fiscal year ended June 30, 2021 annexed hereto (including all attachments, schedules and exhibits thereto).

BUILD NYC RESOURCE CORPORATION
INVESTMENT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Comprehensive Investment Guidelines Policy

Attached hereto as Schedule I is the Comprehensive Investment Guidelines Policy of Build NYC Resource Corporation (the "Corporation"), as approved by the Corporation's Board of Directors on June 15, 2021 (the "Investment Policy"). The Investment Policy approved by the Corporation's Board of Directors on June 15, 2021 did not contain any substantive amendments as compared to the Investment Policy approved by the Corporation's Board of Directors on June 23, 2020.

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, 2021 are attached hereto as Schedule II.

Investment Income Record

Investment income from interest earned on bank accounts, certificates of deposits and securities was $1,316 for the fiscal year ended June 30, 2021.

Fees, Commissions and Other Charges

The Corporation 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, 2021.

<u>SCHEDULE I</u>

INVESTMENT POLICY

Attached.

BUILD NYC RESOURCE CORPORATION

COMPREHENSIVE INVESTMENT GUIDELINES POLICY

Adopted December 13, 2011, as amended through June 15, 2021

I. PURPOSE

The purpose of this Policy is to establish procedures and guidelines regarding the investing, monitoring and reporting of funds of Build NYC Resource Corporation ("Build NYC").

II. GENERAL PROVISIONS

A. Scope of Policy

This Policy applies to the funds of Build NYC, 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 Build NYC on its own behalf and for its own account (collectively, the "Funds"). As defined herein, "Funds" shall not include the proceeds of conduit bonds issued by Build NYC as financial assistance in connection with a project.

B. Investment Objectives

The Funds shall be managed to accomplish the following objectives:

1. *Preservation of Principal* – The single most important objective of Build NYC'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 Build NYC.

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.

III. IMPLEMENTATION OF GUIDELINES

The Chief Financial Officer of Build NYC or, if under the direction of the Chief Financial Officer of Build NYC, the Treasurer of Build NYC or an Assistant Treasurer of Build NYC (respectively, the "Chief Financial Officer", "the "Treasurer," and an "Assistant Treasurer") is each hereby authorized to invest the Funds. The Treasurer or an Assistant Treasurer shall be responsible for the prudent investment of the Funds and for the implementation of the investment program and the establishment of investment procedures and a system of controls to regulate the activities of subordinate staff, consistent with this Policy.

IV. AUTHORIZED INVESTMENTS

A. The Treasurer or an Assistant Treasurer may invest the Funds in the following securities (collectively, the "Securities"):

1. *U.S.A*. Obligations or securities issued by the United States.

2. *Federal Agency Obligations*. Obligations or securities issued by any agency or instrumentality of the United States if guaranteed, as to principal and interest, by the United States.

3. *Commercial Paper*. Debt obligations with a maturity of no greater than 270 days and with ratings that are the highest ratings issued by at least two rating agencies approved by the Comptroller of the State of New York.

4. *Bankers' Acceptances* of banks with worldwide assets in excess of $50 million that are rated with the highest categories of the leading bank rating services and regional banks also rated within the highest categories.

5. *Certificates of Deposit and Time Deposits* with New York banks, including minority-owned banks. All such certificates of deposit in these banks must be Federal Deposit Insurance Corporation ("FDIC") insured; *provided, however,* if and to the extent such certificates of deposits or time deposits are not FDIC insured, such Securities shall comply with all other applicable requirements of the General Municipal Law of the State of New York, including, but not limited to, requirements as to the collateralization of deposits of funds in excess of the amounts insured by the FDIC.

6. *Other investments* approved by the Comptroller of New York City for the investment of City funds.

B. Build NYC shall instruct its Agents (as such term is defined in Subdivision X 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.

The Treasurer shall maintain, or cause to be maintained, proper books and records of all Securities held by or for Build NYC 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.

C. In addition to investments in Securities, Build NYC may deposit Funds in the following ("Deposit Accounts"), with respect to Funds needed for operational expenses and Funds awaiting investment or disbursement:

1. High quality no-load money market mutual funds that restrict their investments to short term, highly rated money market instruments.

2. Other interest bearing accounts, if permitted by applicable laws, rules and regulations, with New York City financial institutions designated by the New York City Banking Commission or such other financial institutions approved by the Deputy Mayor for Economic Development or his successor in function.

V. WRITTEN CONTRACTS

Build NYC 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.

VI. 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 in the indicated type of eligible security is as follows:

REFERENCE	SECURITY	MAXIMUM
IV.A.1	U.S.A.	100% maximum
IV.A.2	Federal Agency	100% maximum
IV.A.3	Commercial Paper	40% maximum
IV.A.4	Bankers Acceptances	25% maximum
IV.A.5	Certificates of Deposit; Time Deposits	45% maximum
IV.A.6	Other Investments Approved by NYC Comptroller for City Funds	A percentage deemed prudent by CFO

VII. MAXIMUM MATURITY

Maintenance of adequate liquidity to meet the cash flow needs of Build NYC is essential. Accordingly, the portfolio 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.

VIII. MONITORING AND ADJUSTING THE INVESTMENT PORTFOLIO

Those responsible for the day-to-day management of the portfolio 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.

IX. INTERNAL CONTROLS

The Chief Financial Officer or, if 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.

X. 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 Build NYC may select firms to purchase and sell Securities (as selected an "Agent"). Factors to be considered by Build NYC in selecting Agents from these categories shall include the following: size and capitalization; quality and reliability; prior experience generally and prior experience with Build NYC 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 Build NYC 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 Build NYC 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 Build NYC to be a custodian shall have capital and surplus of not less than $50,000,000.

XI. REPORTING

A. Quarterly

The Chief Financial Officer or, if 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 Build NYC'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* – Build NYC's independent accountants shall conduct an annual audit of Build NYC's investments for each fiscal year of Build NYC, 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, if under the direction of the Treasurer, an Assistant Treasurer 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 Build NYC 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 Build NYC 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.

XII. 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 investment of the Funds, made or entered into in violation of, or without compliance with, the provisions of this policy.

XIII. 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.

XIV. PRIOR AUTHORIZATIONS NOT SUPERSEDED

This Policy does not supersede or replace the following authorizations: (i) powers and other authorizations provided to the Treasurer of Build NYC in the By-Laws of Build NYC and (ii) the powers and other authorizations provided in resolutions adopted by Build NYC's Board of Directors at its meeting held on December 13, 2011, which resolutions, among other matters, authorized and resolved that empowered officers of Build NYC be authorized to (x) enter into banking or other depository accounts and otherwise conduct banking business, (ii) sign checks, notes, drafts and other negotiable instruments, and (iii) open checking accounts.

XV. MWBEs

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

SCHEDULE II

RESULTS OF ANNUAL INDEPENDENT AUDIT

Attached.

Schedule of Investments

Build NYC Resource Corporation
(A Component Unit of the City of New York)
June 30, 2021 and 2020
With Report of Independent Auditors

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

Build NYC Resource Corporation
(A Component Unit of the City of New York)

Schedule of Investments

June 30, 2021 and 2020

Contents

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

Report of Independent Auditors

The Management and the Board of Directors
Build NYC Resource Corporation

Report on the Schedule of Investments

We have audited the accompanying Schedule of Investments for the Build NYC Resource Corporation (the Corporation), a component unit of The City of New York, as of June 30, 2021 and 2020, 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 Corporation as of June 30, 2021 and 2020, in conformity with U.S. generally accepted accounting principles.

Report on the Financial Statements as of June 30, 2021 and 2020

We have audited, in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards,* the financial statements of the Corporation as of and for the years ended June 30, 2021 and 2020, and our report thereon, dated September 30, 2021, 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 30, 2021, on our consideration of the Corporation'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 Corporation'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 Corporation's internal control over financial reporting and compliance with respect to the Schedule of Investments.

________, 2021

Build NYC Resource Corporation
(A Component Unit of the City of New York)

Schedule of Investments
(In Thousands of Dollars)

	June 30	
	2021	**2020**
Investments		
Unrestricted	**$ 6,790**	$ 8,714
Total investments	**$ 6,790**	$ 8,714

The accompanying notes are an integral part of this schedule.

1. Background and Organization

Build NYC Resource Corporation (Build NYC or the Corporation), a component unit of the City of New York (the City), is a local development corporation, organized under section 1411 of the Not-For-Profit Corporation Law of the State of New York that commenced operations in 2011. Build NYC was organized to assist entities eligible under the federal tax laws in obtaining tax-exempt and taxable bond financing. Build NYC's primary goal is to facilitate access to private activity tax-exempt bond financing for eligible entities to acquire, construct, renovate, and/or equip their facilities, as well as refinance previous financing transactions.

The Corporation is governed by a Board of Directors, which establishes official policies and reviews and approves requests for financing assistance. Its membership is prescribed by the Corporation's Certificate of Incorporation and By-Laws which include a public official and appointees of the Mayor.

Bonds issued by Build NYC are special nonrecourse conduit debt obligations of the Corporation, which are payable solely from the payments and revenues provided for in the loan agreements with participating organizations (beneficiaries). The bonds are secured by collateral interest in the loan agreements and other security provided by the beneficiaries. Both the bonds and certain provisions of the loan agreements are administered by independent bond trustees appointed by the Corporation.

Due to the fact that: (1) the bonds are nonrecourse conduit debt obligations of the Corporation, (2) the Corporation assigns its interest in the loan agreements as collateral, and (3) the Corporation has no substantive obligations under the loan agreements, the Corporation has, in effect, none of the risks and rewards of the loan agreements and related bond financing. Accordingly, with the exception of certain fees derived from financing transactions, these financing transactions are given no accounting recognition in the financial statements.

2. Summary of Significant Accounting Policies

Cash Equivalents

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

Investments

All investments are recorded at fair value based on quoted market prices, except for certificates of deposit, which are valued at cost.

3. Investments

Fair Value Measurement – The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into the following levels:

> Level 1 – value based on quoted prices in active markets for identical assets.
>
> Level 2 – value based on significant other observable inputs, such as a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.
>
> Level 3 – value based on inputs that are unobservable and significant to the fair value measurement such as discounted cash flows.

Money market funds, categorized as Level 1 inputs, are valued at the unadjusted prices that are quoted in active principal markets for identical assets. U.S. Treasury and U.S. Agency securities, and commercial paper categorized as Level 2, are valued on models using observable inputs.

3. Investments (continued)

As of June 30, 2021 and 2020, the Corporation had the following investments (in thousands). Investments maturities are shown only for June 30, 2021.

	Fair Value		2021 Investment Maturities (in Years)	
	2021	**2020**	**Less Than 1**	**1 to 2**
Money Market Funds	**$ 1,794**	$ 220	**$ 1,794**	$ –
Federal Farm Credit Bank	**2,997**	–	–	**2,997**
U.S. Treasuries	–	8,494	–	–
Commercial Paper	**1,999**	–	**1,999**	–
Total Investments	**$ 6,790**	$ 8,714		

Interest Rate Risk: The Corporation has a formal investment policy, which limits investment maturities up 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 Corporation's policy to limit its investments in debt securities to those rated in the highest rating category by at least two nationally recognized bond rating agencies or other securities guaranteed by the U.S. government. As of June 30, 2021, the Corporation's investments in Federal Farm Credit Bank (FFCB) were rated AA+ by Standard & Poor's (S&P), Aaa by Moody's Investor Services, Inc. (Moody's) and AAA by Fitch Ratings. Investments in commercial paper (CP) were rated in the highest short-term category by at least two major rating agencies (A1+ by S&P, P1 by Moody's and F1+ by Fitch Ratings). Money market funds share the same credit ratings as the Corporation's federally held securities with the exception of S&P, which does not rate such funds.

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 Corporation will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured and are not registered in the name of the Corporation. The Corporation 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 Corporation.

Concentration of Credit Risk: The Corporation places no limit on the amount it may invest in any U.S. government backed securities. The following table shows investments that represent 5% or more of total investments as of June 30, 2021 and 2020 (dollars in thousands):

	Dollar Amount and Percentage of Total Investments			
Issuer	**June 30, 2021**		**June 30, 2020**	
Federal Farm Credit Bank	**$ 2,997**	**60%**	$ –	–%
U.S. Treasuries	**–**	**–**	8,494	100
CP-KFW	**999**	**20**	–	–
CP-LVMH Moet Hennessy	**1,000**	**20**	–	–

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
Build NYC Resource Corporation

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 Build NYC Resource Corporation (the Corporation), a component unit of The City of New York, as of June 30, 2021, and the related notes to the Schedule of Investments, and have issued our report thereon dated September 30, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the Schedule of Investments, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing 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 Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 Corporation'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 Corporation 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 Schedule of Investments. 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 results 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.

________, 2021

Exhibit C

BUILD NYC RESOURCE CORPORATION
Performance Measurements Report
Board of Directors Meeting
September 21, 2021

WHEREAS, the Public Authorities Law requires Build NYC Resource Corporation ("BNYC" or the "Corporation") to publish a self-evaluation report based on performance measurements adopted by the Board of Directors of the Corporation (the "Board") and to submit such report to the New York State Authorities Budget Office (the "ABO").

WHEREAS, on June 15, 2021, the Board adopted the performance measurements listed in the Performance Measurements Report for the fiscal year ending June 30, 2021 (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 Corporation to publish the Performance Measurements Report on the Corporation'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 2021

Name of Public Authority:
Build NYC Resource Corporation (BNYC)

Public Authority's Mission Statement:
The mission of the Build NYC Resource Corporation (BNYC) is to encourage community and economic development and job creation and retention throughout New York City by providing lower-cost financing programs to qualified not for-profit institutions and manufacturing, industrial, and other businesses for their eligible capital projects.

List of Performance Measurements:

Performance Measurements	FY2021 7/1/20 – 6/30/21	FY2020 7/1/19 – 6/30/20
Number of Contracts Closed	12	6
Amount of Private Investment Leveraged	\$464,065,079	\$252,230,265
Total net City tax revenues generated in connection with closed contracts[1]	\$185,600,658	\$121,352,596
Project three-year job growth in connection with closed contracts	298.5	66.5
Current total jobs reported by projects that commenced operations in FY 2018[2] as compared to total jobs reported at the time of application for such projects	5,178/4,877 (+301)	472/222 (+250)
Current total jobs reported by projects that commenced operations in FY 2018[3] as compared to the three-year total job growth projections stated in applications for such projects	5,178/5,400 (-222)	472/255 (+217)
Square footage of buildings/improvements receiving benefits	813,801	533,169
Number of projects that received a field visit	0	19
% of projects that received a field visit	0%	13.97%
% of projects in good standing[4]	100%	100%

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

[2] Also includes projects that closed in FY 2018 but commenced all operations prior to the closing date.

[3] Also includes projects that closed in FY 2018 but commenced all operations prior to the closing date.

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

Exhibit D

Project Summary

German School Brooklyn ("GSB"), 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, as borrower, is seeking approximately $46,000,000 in tax-exempt qualified 501(c)(3) bonds and/or taxable revenue bonds (the "Bonds"). Proceeds from the Bonds, together with other funds contributed by GSB, will be used to: (1)(a) refinance an outstanding commercial loan in the aggregate principal amount of approximately $17,779,000, and (b) refinance outstanding taxable bonds issued by GSB in the aggregate principal amount of approximately $5,500,000, the proceeds of which loan and bonds, together with other funds of GSB, were used to finance the costs of acquisition, construction, furnishing and equipping of a new, 39,084 square foot, four-story building located on a 15,660 square foot parcel of land at 760 Sterling Place, Brooklyn, New York 11216 (the "Facility"); (2) finance additional costs associated with the construction, furnishing and equipping of the Facility; (3) fund any required debt service reserve fund and capitalized interest for the Bonds; and (4) pay for certain costs related to the issuance of the Bonds. The Facility will be owned and operated by GSB as a dual-language independent day school serving students from kindergarten through grade twelve.

Current Location
17 Eastern Parkway, 5th Floor
Brooklyn, New York 11238

Project Location
760 Sterling Place
Brooklyn, New York 11216

Actions Requested

- Bond Approval and Authorizing Resolution.
- Adopt a negative declaration for this project. The proposed project will not have a significant adverse effect on the environment.

Anticipated Closing

Winter 2021

Impact Summary

Employment	
Jobs at Application:	44
Jobs to be Created at Project Location (Year 3):	6
Total Jobs (full-time equivalents)	**50**
Projected Average Hourly Wage (excluding principals)	**$30.38**
Highest Wage/Lowest Wage	**$46.47/$20.60**

Estimated City Tax Revenues	
Impact of Operations (NPV 35 years at 6.25%)	$5,575,891
One-Time Impact of Renovation	$386,829
Total impact of operations and renovation	**$5,962,720**
Additional benefit from jobs to be created	**$608,131**

Estimated Cost of Benefits Requested: New York City	
MRT Benefit	$747,500
NYC Forgone Income Tax on Bond Interest	$591,603
Corporation Financing Fee	($357,500)
Total Cost to NYC Net of Financing Fee	**$981,603**

Emily Marcus, SIG
Jill Braverman, LGL

Nixon Peabody LLP
Project Number - 9798

Costs of Benefits Per Job	
Estimated Net City Cost of Benefits per Job in Year 3	$19,632
Estimated City Tax Revenue per Job in Year 3	$131,417

Estimated Cost of Benefits Requested: New York State	
MRT Benefit	$540,500
NYS Forgone Income Tax on Bond Interest	$2,225,734
Total Cost to NYS	**$2,766,234**
Overall Total Cost to NYC and NYS	**$2,747,837**

Sources and Uses

Sources	Total Amount	Percent of Total Financing
Bonds Proceeds	$46,000,000	100%
Total	**$46,000,000**	**100%**

Uses	Total Amount	Percent of Total Costs
Refinancing	$23,279,000	51%
Hard Costs	$9,387,000	21%
Soft Costs	$2,928,000	6%
Furnishings, Fixtures & Equipment	$1,100,000	2%
Debt Service Reserve Fund & Capitalized Interest	$7,064,000	15%
Costs of Issuance	$2,242,000	5%
Total	**$46,000,000**	**100%**

Fees

	Paid At Closing	On-Going Fees (NPV, 35 Years)
Corporation Fee	$357,500	
Bond Counsel	Hourly	
Annual Corporation Fee	$1,250	$17,604
Bond Trustee Acceptance Fee	$500	
Annual Bond Trustee Fee	$500	$7,042
Trustee Counsel Fee	$5,000	
Total	$364,750	$24,646
Total Fees	**$389,396**	

Financing and Benefits Summary

Truist Securities will serve as underwriter for the Bonds, which will be sold through a limited public offering. The Bonds will be issued as two series, a tax-exempt bond series (the "Series 2021A Bonds") in the amount of approximately $45,150,000, and a taxable bond series (the "Series 2021B Bonds") in the amount of approximately $850,000. The Series 2021A Bonds have an anticipated maturity of 35 years and the Series 2021B Bonds have an anticipated maturity of six years. It is expected that the Bonds will be secured by a gross revenue pledge of GSB, a debt service reserve fund, and a first mortgage on the Facility. Based on an analysis of GSB's financial statements, there is an expected debt service coverage ratio of 2.01x.

Applicant Summary

GSB was founded in 2014 as the first German international school in New York City to provide bilingual education to students. The elementary school program was launched in September 2014 with grades K-2 serving 15 students. For the 2020-21 school year, GSB served approximately 191 students in grades K-8. GSB expects to continue expanding by one grade per year until it serves students in grades K-12 in school year 2024-25. GSB provides instruction in German and English, as well as offering instruction for other foreign languages. Its curriculum emphasizes fine arts, including music, art, dance, and theater. Its students benefit from an internationally-oriented global education, differentiated learning, individual, partner and group work, projects, presentations, and performances.

Dr. Stefan Stauder, PhD, President, Board of Trustees

Dr. Stauder is a Partner at Torys LLP where he represents a wide variety of private equity firms, pension funds, portfolio companies and other corporate clients, and he serves on the firm's finance committee. Dr. Stauder is admitted to practice law in New York and was previously admitted to practice in Germany. He holds law degrees from Ludwig-Maximilians University (LMU) and Columbia University, as well as a Ph.D. in law also from LMU. Dr. Stauder was born and raised in Munich and Bad Homburg, Germany. He moved to New York in 1998.

Kathrin Nagle, Co-Founder and Head of School

Ms. Nagle is the Head of School and Co-Founder of GSB. She manages daily operations at GSB, including administration, strategic development, fundraising, and admissions. After studying law at LMU in Munich, Germany, Ms. Nagle moved to the United States in 2008. Prior to her work for GSB, Ms. Nagle worked for the Federal Foreign Ministry of Germany. She served in the Political Department at the German Mission to the United Nations and in the German Consulate General in New York. In 2010, Ms. Nagle established a German Co-op Preschool in Ditmas Park and organized playgroups for German-speaking children in Brooklyn. Thereafter, she started a parent initiative for a German school in New York City, which became GSB. Ms. Nagle is the co-founder of, and holds an ownership interest in, German School Manhattan, the sister school of GSB.

Employee Benefits

GSB provides health insurance, professional development training, employer contributions for retirement plans, and MetroCard commuter benefits.

Recapture

Subject to recapture of the mortgage recording tax benefit.

SEQRA Determination

Type II action which, if implemented, will not result in significant adverse environmental impacts. The completed Environmental Assessment Form for this project has been reviewed and signed by Corporation staff.

Due Diligence

The Corporation conducted a background investigation of GSB and its principals and found no derogatory information.

German School Brooklyn

Compliance Check:	Not Applicable
Living Wage:	Exempt
Paid Sick Leave:	Compliant
Affordable Care Act:	Compliant
Private School Policy:	Applicable
Bank Account:	Chase 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:	Sarah Richmond, Esq. Bond Schoeneck & King Attorneys 600 3rd Avenue, 22nd Floor New York, NY 10016
Accountant:	Susan Cheng Del Prete & Cheng, LLP 1011 Atlantic Avenue Brooklyn, NY 11201
Underwriter:	Jason Appelt Truist Securities 603 Stanwix Street, Suite 1899 Pittsburgh, PA 15222
Community Board:	Brooklyn, CB 8

Board of Trustees

July 20, 2021

Mr. Krishna Omolade
Deputy Executive Director
NYCIDA and Build NYC Resource Corporation
New York City Economic Development Corporation
110 William Street
New York, NY 10038

Re: Application for refinancing / new money through the Build NYC Resource Corp. / Not-For-Profit Bond Program on behalf of German School Brooklyn

Dear Mr. Omolade:

German School Brooklyn (“GSB” or the "School") is a not-for-profit education corporation duly incorporated and existing under the laws of the State of New York, provisionally chartered by The New York Education Department. GSB is a private school and was the first German International School in The City of New York to provide bilingual education to students. It opened in September 2014, launching the elementary school program with grades K-2 serving 15 students. The School expects to expand by one grade per year until it serves students in grades K-12 in school year 2024-25. For the 2020-21 school year, the School served approximately 191 students in grades K-8.

GSB provides instruction in German and English, as well as offering instruction for other foreign languages, and emphasizes fine arts, including music, art, dance, and theater. The School provides an internationally-oriented global education; differentiated learning, individual, partner and group work, projects, presentations and performances.

The School’s demographics consist of three groups: (i) a majority of local families who have one German speaking parent or guardian and the German language is spoken within the family or by family members nearby, (ii) a smaller group of families who are interested in a multilingual education that offers the cognitive benefits of a bilingual program, and (iii) a smaller group of German expatriate families who have moved to the City.

THE GERMAN SCHOOL BROOKLYN 17 EASTERN PARKWAY, 5TH FLOOR BROOKLYN, NY 11238 USA
P: +1.917.499.9927 E: knagle@germanschoolbrooklyn.org W: germanschoolbrooklyn.org

German School Brooklyn

In the application plan of finance, GSB proposes the issuance of Series 2021 tax exempt bonds in an estimated amount not to exceed $40 million to (i) finance the completion of the construction, furnishing and equipping of a new school facility (the “Project”) in Brooklyn, and (ii) refinance certain debt related to the site acquisition and start of construction related to the Project. But for lower tax exempt interest rate and other ancillary benefits offered by a Build NYC financing, the School would not be in a position to affordably finance the Project. Equally important, the savings allow GSB to grow its programs and academic offerings which results in the maintenance of existing full and part-time jobs and future sustainable workforce growth to match student headcount growth.

Thank you for your time and consideration in reviewing the School’s application. The GSB team looks forward to working with you.

Very truly yours,

Kathrin Nagle
Executive Director and Founder

THE GERMAN SCHOOL BROOKLYN 17 EASTERN PARKWAY, 5TH FLOOR BROOKLYN, NY 11238 USA
P: +1.917.499.9927 E: knagle@germanschoolbrooklyn.org W: germanschoolbrooklyn.org

Exhibit E

Resolution approving financing of a facility for German School Brooklyn and authorizing the issuance and sale of approximately $46,000,000 of Tax-Exempt and Taxable Revenue Bonds (German School Brooklyn Project), Series 2021 and the taking of other action in connection therewith

WHEREAS, Build NYC Resource Corporation (the "Issuer") is authorized pursuant to Section 1411(a) of the Not-For-Profit Corporation Law of the State of New York, as amended (the "N-PCL"), and its Certificate of Incorporation and By-Laws (i) to promote community and economic development and the creation of jobs in the non-profit and for-profit sectors for the citizens of The City of New York (the "City") by developing and providing programs for not-for-profit institutions, manufacturing and industrial businesses and other entities to access tax-exempt and taxable financing for their projects; (ii) to issue and sell one or more series or classes of bonds, notes and other obligations through private placement, negotiated underwriting or competitive underwriting to finance such activities above, on a secured or unsecured basis; and (iii) to undertake other eligible projects that are appropriate functions for a non-profit local development corporation for the purpose of relieving and reducing unemployment, promoting job opportunities, carrying on scientific research for the purpose of aiding the City by attracting new industry to the City or by encouraging the development of or retention of an industry in the City, lessening the burdens of government and acting in the public interest; and

WHEREAS, German School Brooklyn (the "Applicant"), 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 (the "Code"), has entered into negotiations with officials of the Issuer for the Issuer's assistance with a tax-exempt revenue bond and taxable revenue bond transaction, the proceeds of which, together with other funds of the Applicant, will be used by the Applicant to: (1)(a) refinance an outstanding commercial loan in the aggregate principal amount of approximately $17,779,000, and (b) refinance outstanding taxable bonds issued by the Applicant in the aggregate principal amount of approximately $5,500,000, the proceeds of which loan and bonds, together with other funds of the Applicant, were used to finance the costs of acquisition, construction, furnishing and equipping of a new, approximately 39,084 square foot, four-story building located on an approximately 15,660 square foot parcel of land at 760 Sterling Place, Brooklyn, New York 11216 (the "Facility"); (2) finance additional costs associated with the construction, furnishing and equipping of the Facility; (3) fund any required debt service reserve fund and capitalized interest for the Bonds; and (4) pay for certain costs related to the issuance of the Bonds (collectively (1) through (4), the "Project"); and

WHEREAS, the Facility will be owned and operated by the Applicant as a dual-language independent school serving students from kindergarten through grade twelve; and

WHEREAS, the Applicant has submitted an Application (the "Application") to the Issuer to initiate the accomplishment of the above; and

WHEREAS, the Application sets forth certain information with respect to the Applicant and the Project; that there will be approximately 50 full-time equivalent employees employed at the Facility by year 3; that the financing of the Project costs with the Issuer's financing assistance will provide savings to the Applicant which will allow it to redirect financial resources to provide educational services and continue its programs with a greater measure of financial security; and that, therefore the Issuer's assistance is necessary to assist the Applicant in proceeding with the Project; and

WHEREAS, the Issuer desires to further encourage the Applicant with respect to the financing of the Facility, if by so doing it is able to induce the Applicant to proceed with the Project; and

WHEREAS, in order to finance a portion of the cost of the Project, the Issuer intends to issue its Revenue Bonds (German School Brooklyn Project), Series 2021, in one or more tax-exempt and taxable series, in the aggregate principal amount of approximately $46,000,000, or such greater amount (not to exceed 10% more than such stated amount) (the "Bonds") each as may be determined by a certificate of determination of an authorized officer of the Issuer (the "Certificate of Determination"), all pursuant to an Indenture of Trust (the "Indenture"), to be entered into between the Issuer and U.S. Bank National Association, as Trustee, or a trustee to be appointed by the Issuer (the "Trustee"); and

WHEREAS, (i) the Issuer intends to loan the proceeds of the Bonds to the Applicant pursuant to a Loan Agreement (the "Loan Agreement") to be entered into between the Issuer, the Applicant and any other party as may be determined by a certificate of determination of an authorized officer of the Issuer, and (ii) the Applicant will execute one or more promissory notes in favor of the Issuer and the Trustee (collectively, the "Promissory Note") to evidence the Applicant's obligation under the Loan Agreement to repay such loan; and

WHEREAS, the Bonds are to be secured by mortgage liens on and security interests in the Facility granted by the Applicant, as mortgagor, to the Issuer and the Trustee, pursuant to one or more Mortgage and Security Agreements (collectively, the "Mortgage"), which Mortgage will be assigned by the Issuer to the Trustee pursuant to one or more Assignments of Mortgage and Security Agreement from the Issuer to the Trustee (collectively, the "Assignment of Mortgage"); and

WHEREAS, the Bonds will be further secured by a pledge and security interest in certain revenues of the Applicant pursuant to a Pledge and Security Agreement from the Applicant to the Trustee (the "Pledge and Security Agreement"); and

NOW, THEREFORE, BE IT RESOLVED BY BUILD NYC RESOURCE CORPORATION AS FOLLOWS:

Section 1. The Issuer hereby determines that the financing of a portion of the costs of the Project by the Issuer will promote and is authorized by and will be in furtherance of the corporate purposes of the Issuer.

Section 2. The Issuer hereby approves the Project and authorizes the Applicant to proceed with the Project as set forth herein, which Project will be financed in part through the issuance of the Bonds of the Issuer, which Bonds will be special limited revenue obligations of the Issuer payable solely from the revenues and other amounts derived pursuant to the Loan Agreement and the Promissory Note.

Section 3. To provide for the financing of the Project, the issuance of the Bonds of the Issuer is hereby authorized subject to the provisions of this Resolution and the Indenture hereinafter authorized.

The Bonds shall be issued as fully registered bonds in one or more tax exempt and/or taxable series, shall be dated as provided in the Indenture, shall be issued as one or more serial and/or term bonds and with respect to the Bonds in an aggregate amount not to exceed $46,000,000, or such greater amount (not to exceed 10% more than such stated amount), and the Bonds shall be payable as to principal and redemption premium, if any, at the principal office of the Trustee, shall be payable as to interest by check, draft or wire transfer as provided in the Indenture, shall bear interest at such rate(s) as determined by the Certificate of Determination, shall be subject to optional redemption and mandatory redemption as provided in the Indenture, shall be payable as provided in the Indenture until the payment in full of the principal amount thereof and shall mature not later than December 31, 2056 (or as determined by the Certificate of Determination), all as set forth in the Bonds.

The provisions for signatures, authentication, payment, delivery, redemption and number of Bonds shall be set forth in the Indenture.

Section 4. The Bonds shall be secured by the pledge effected by the Indenture and shall be payable solely from and secured by a pledge by the Issuer of revenues and receipts of the Issuer, including loan payments made by the Applicant, to the extent set forth in the Loan Agreement and Indenture hereinafter authorized. The Bonds shall be further secured by the Mortgage and the Pledge and Security Agreement. The Bonds, together with the interest thereon, are special limited revenue obligations of the Issuer, payable solely as provided in the Indenture, including from moneys deposited in the Revenue Fund, Bond Fund, the Project Fund, and such other funds as established under the Indenture (subject to disbursements therefrom in accordance with the Loan Agreement and the Indenture), and shall never constitute a debt of the State of New York or of The City of New York, and neither the State of New York nor The City of New York shall be liable thereon, nor shall the Bonds be payable out of any funds of the Issuer other than those pledged therefor.

Section 5. The Bonds may be sold pursuant to a public offering or a private placement and Truist Securities, or an investment bank to be determined by the Applicant may serve as the underwriter or placement agent ("Investment Bank"). The determination as to public offering or private placement, the designation of the Investment Bank, and the purchase price of the Bonds shall be approved by Certificate of Determination.

Section 6. The delivery of a Preliminary Official Statement or Preliminary Private Placement Memorandum with respect to the Bonds (the "Preliminary Offering Document") and the execution and delivery of the Indenture, a final Private Placement Memorandum or final Official Statement with respect to the Bonds (the "Final Offering Document"), a Bond Placement Agreement or Bond Purchase Agreement with the Applicant and the Investment Bank, the Loan Agreement, a Letter of Representation and Indemnity Agreement from the Applicant, the Assignment of Mortgage, a Building Loan Agreement, among the Issuer, the Applicant and the Trustee and a Tax Regulatory Agreement from the Issuer and the Applicant to the Trustee (the documents referenced in this Section 6 being, collectively, the "Issuer Documents"), each being substantially in the form approved by the Issuer for prior financings, are hereby authorized. The Chairperson, Vice Chairperson, Executive Director, Deputy Executive Director and General Counsel of the Issuer are hereby authorized to execute, acknowledge and deliver each such Issuer Documents. The execution and delivery of each such Issuer Documents by said officer shall be conclusive evidence of due authorization and approval.

Section 7. The Issuer hereby authorizes the distribution of the Preliminary Offering Document and the Final Offering Document to prospective purchasers of the Bonds.

Section 8. All covenants, stipulations, obligations and agreements of the Issuer contained in this Resolution and contained in the Issuer Documents shall be deemed to be the covenants, stipulations, obligations and agreements of the Issuer to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Issuer 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 Issuer or the members or directors thereof by the provisions of this Resolution and the Issuer Documents shall be exercised or performed by the Issuer or by such members, directors, officers, board or body as may be required by law to exercise such powers and to perform such duties.

No covenant, stipulation, obligation or agreement herein contained or contained in any of the Issuer Documents shall be deemed to be a covenant, stipulation, obligation or agreement of any member, director, officer, agent or employee of the Issuer in his individual capacity, and neither the members or directors of the Issuer nor any officer executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 9. The officers of the Issuer are hereby designated the authorized representatives of the Issuer 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 Issuer Documents and the issuance of the Bonds.

Section 10. The Issuer is hereby authorized to cause the Applicant to proceed with the Project, the agreed costs thereof to be paid by the Issuer by the application of the proceeds of the Bonds, all as particularly authorized by the terms and provisions of the Loan Agreement. The Applicant is authorized to proceed with the Project; provided, however, that it is acknowledged and agreed by the Applicant that neither the Issuer nor any of its members, directors, officers, employees, agents or servants shall have any personal liability for any action taken by the Applicant for such purpose or for any other purpose.

Section 11. Any expenses incurred by the Issuer with respect to the Project and the financing thereof shall be reimbursed out of the proceeds of the Bonds or, in the event such proceeds are insufficient after payment of other costs of the Project or the Bonds are not issued by the Issuer, shall be paid by the Applicant. By accepting this Resolution, the Applicant agrees to pay such expenses and further agrees to indemnify the Issuer, its members, employees and agents and hold the Issuer 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 Issuer in good faith with respect to the Project and the financing thereof.

Section 12. In connection with the Project, the Issuer intends to grant the Applicant financing assistance in the form of the issuance of the Bonds and exemptions of mortgage recording tax.

Section 13. Any qualified costs incurred by the Applicant in initiating the Project shall be reimbursed by the Issuer from the proceeds of the Bonds in accordance with Treasury Regulation Section 1.150-2; provided that the Issuer incurs no liability with respect thereto except as otherwise provided in this Resolution.

Section 14. This Resolution is subject to the approval of a private investigative report with respect to the Applicant, which approval shall be conclusively evidenced by the delivery of the Issuer Documents authorized pursuant to Section 6 hereof. The provisions of this Resolution shall continue to be effective until one year from the date hereof, whereupon the effectiveness of this Resolution shall terminate (except with respect to the matters contained in Section 11 hereof) unless (i) prior to the expiration date of such year the Issuer shall (x) have issued the Bonds for the Project, or (y) by subsequent resolution extend the effective period of this Resolution, or (ii) the Applicant shall be continuing to take affirmative steps to secure financing for the Project.

Section 15. This Resolution is subject to further compliance with the provisions of Sections 103 and 141 through 150 and related provisions of the Code, including, without limitation, the obtaining of public approval for the Project and the Bonds.

Section 16. The Issuer, 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 Issuer's review of information provided by the Applicant and such other information as the Issuer has deemed necessary and appropriate to make this determination.

> The Issuer has determined that the proposed action is a Type II action, pursuant to 6 NYCRR Part 617.5(c)(29), 'investments by or on behalf of agencies or pension or retirement systems or refinancing existing debt...' which would not result in adverse environmental impacts requiring the preparation of an Environmental Impact Statement.

Section 17. The Issuer recognizes that due to the unusual complexities of the financing 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 Issuer herein. The Issuer hereby authorizes the Chairperson, Vice Chairperson, Executive Director, Deputy Executive Director or General Counsel of the Issuer 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 the Certificate of Determination.

Section 18. This Resolution shall take effect immediately.

ADOPTED: September 21, 2021

GERMAN SCHOOL BROOKLYN

____

Name:
Title:

Accepted: ___________, 2021

Exhibit F

Project Summary

In November 2015, Mayor Bill de Blasio and then City Council Speaker Melissa Mark-Viverito unveiled a ten-point action plan to modernize the City's industrial policy (the "Industrial Action Plan") in an effort to ensure that both longstanding businesses and new firms have the space to grow and evolve, preserving and creating good jobs in New York City. The Industrial Development Loan Fund ("IDLF"), included in the Industrial Action Plan, was designed to provide strategic debt capital in the form of subordinate loans for industrial-related uses to selected applicants experiencing a gap in their funding resources. By March 2020, the IDLF had invested $6.3 million in two eligible projects. It is requested that the Corporation enter into a services contract with the New York City Economic Development Corporation ("NYCEDC") to obtain services from NYCEDC that are necessary to continue the IDLF's mission of preserving and creating economic opportunities in the industrial sector. NYCEDC will use the contract proceeds to re-capitalize the IDLF to advance the fund and City's strategic priorities.

Action Requested

Authorization of the execution and delivery of a services contract with NYCEDC, on a sole source basis, on the terms and for the purposes substantially described herein.

Background

The City's industrial and manufacturing sector is a significant contributor to the City's private sector workforce. The sector remains an important pathway to the middle class for many families, with the majority of associated jobs located outside Manhattan and available to individuals without a college degree. The industrial sector also tends to employ individuals from culturally diverse backgrounds with nearly half of the workforce being foreign-born.

While the industrial and manufacturing sector is an integral part of the City's economy, it has faced serious challenges in recent decades. The dynamics of industrial real estate have changed dramatically in the last 50 years which has exacerbated the challenges that the sector faces. Particularly, the majority of the City's industrial real estate was built to suit 20th century industrial businesses, which required large footprint buildings. Yet today's industrial businesses are more nimble and are focused on accessing smaller, modernized spaces. In addition, the shortage of desirable industrial space is aggravated by continued conversion of industrial space to higher revenue uses that often conflict with their industrial neighbors. These non-industrial uses also impact the value of industrial property further exacerbating the ability of industrial companies to find affordable space. The Industrial Development Loan Fund was implemented as part of a broader City effort to help correct the shortage of suitable industrial real estate by creating, modernizing, and preserving industrial spaces.

Services to be Provided

NYCEDC will commit $3,000,000. Eligibility criteria are described below:

- **Use of Proceeds:** Acquisition of land, properties, and/or equipment for industrial facilities and/or for construction related to industrial facilities
- **Geography:** New York City's five boroughs
- **Use/Purpose:** Projects must create and/or preserve long-term industrial real estate property and demonstrate the ability to create and/or retain permanent, quality industrial jobs

Investments would be structured based on the following parameters:

- **Loan Type:** Subordinate loans with fixed or floating rates, priced at a discount to market, and with flexible structures and repayment conditions
- **Borrower Entity:** Qualified for-profit and nonprofit developers and owner-users of industrial real estate

- **Loan Size:** Up to 20% of project costs, with a maximum loan size of $10 million
- **Maturity:** Preferred range of 18-120 months
- **Other:** Minimum Debt Service Coverage Ratio of 1.15x with conditions around stabilization period and reserves

Projects will be selected through an open and competitive application process. NYCEDC's Strategic Investments Group and the IDLF Credit Committee will evaluate each application, assessing both project and borrower eligibility. They will consider, among other factors, the following:

- Financial condition of the applicant
- Sources and uses of capital
- Total jobs estimate (including retained and new jobs)
- Use and/or tenanting of the proposed project

Following a preliminary review and assessment, NYCEDC will notify the applicant if NYCEDC proposes to proceed to a full due diligence and underwriting process regarding the project. The final decision to award IDLF funding will be determined on a case-by-case basis at the sole discretion of the NYCEDC President and IDLF Credit Committee.

Example Project: Spofford Building 1A

The Spofford Building 1A project is an industrial building that serves as the first phase of the redevelopment of the site of the former Spofford Detention Center, bringing industrial and community space in addition to 740 units of affordable housing to Hunts Point.

- Square Feet: 56,000 sq. ft.
- Project Cost: $32MM
- IDLF Loan Size: $3MM
- Loan Date: May 2019
- Jobs created: 150

Contract Value

$3,000,000

Location

Citywide

Exhibit G

Build NYC Resource Corporation

SERVICE CONTRACT PROPOSAL
WE VENTURE
MEETING OF SEPTEMBER 21ST, 2021

Project Summary

The economic and social impacts resulting from the COVID-19 pandemic have reaffirmed the need to support the growth of innovative industries and companies to broaden and deepen the range of economic opportunities for New Yorkers. The pandemic also intensified the unique challenges faced by underrepresented founders, particularly related to sourcing much-needed growth capital. To help address these issues, it is requested that the Corporation enter into a services contract with the New York City Economic Development Corporation ("NYCEDC") to obtain services from NYCEDC that are necessary to expand capital access to underrepresented startup founders. NYCEDC will use the contract proceeds to re-capitalize an existing program, WE Venture, which is designed to provide seed and early stage funding into technology companies based in New York City and founded by entrepreneurs from underrepresented groups. WE Venture leverages the network and resources of its five venture capital partners (the "Venture Capital Consortium") to make high impact investments in early-stage, tech-based companies, supporting their growth while signaling the value of startups with diverse founders to the broader investor community.

Action Requested

Authorization of the execution and delivery of a services contract with NYCEDC on the terms and for the purposes substantially described herein.

Background

New York City is now home to a burgeoning tech startup ecosystem. Despite NYC's robust growth in tech, the industry still presents barriers to entry for entrepreneurs from underrepresented groups. WE Venture will provide seed and early stage funding into technology companies based in New York City and founded by entrepreneurs from underrepresented groups. NYCEDC will work with the Venture Capital Consortium to identify seed and early stage entities based in New York City to which to provide funding.

Services to be Provided

NYCEDC will commit $700,000 alongside matching funds from the Venture Capital Consortium to be invested in startup companies that:

- Include underrepresented founders
- Have a New York City-based location
- Early-stage (i.e., ranging from seed through Series A)
- Technology focused or technology-enabled

In addition to contributing capital, the Venture Capital Consortium will assist NYCEDC by providing deal flow and supplying expert due diligence to compliment NYCEDC's internal analysis.

Investment success will be measured based on multi-faceted social, economic and environmental outcomes, including but not limited to:

- Capital invested and/or allocated to firms led by underrepresented founders
- Accessible, good-paying jobs created and/or preserved across the New York City
- Private sector capital leveraged from WE Venture investments

Contract Value

$700,000

Location

Citywide

Julia Schneider, Michael Tsahalis, SIG
Caroline Nguyen, LGL

Project Number - 6397