

MINUTES OF THE  
MEETING OF THE BOARD OF DIRECTORS  
OF  
NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY  
HELD REMOTELY AND IN-PERSON AT THE ONE LIBERTY PLAZA OFFICES OF  
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION  
April 26, 2022

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

Andrew Kimball (Chairperson)  
Nate Bliss, alternate for Maria Torres-Springer,  
Deputy Mayor for Housing and Economic Development  
HeeWon Brindle-Khym  
Khary Cuffe  
Albert De Leon  
Anthony Del Vecchio  
Barry Dinerstein, alternate for Dan Garodnick,  
Chair of the City Planning Commission of The City of New York  
Andrea Feirstein  
Jacques-Philippe Piverger  
James Prendamano  
Shanel Thomas  
Betty Woo, alternate for Hon. Sylvia Hinds-Radix,  
Corporation Counsel of The City of New York

The following directors and alternates were not present:

Francesco Brindisi, alternate for Brad Lander,  
Comptroller of The City of New York  
Marlene Cintron  
Robert Santos

Andrew Kimball, President of New York City Economic Development Corporation (“NYCEDC”) and Chairperson of the New York City Industrial Development Agency (the “Agency”), convened the meeting of the Agency at 9:04 a.m., at which point a quorum was present. The meeting was held at the offices of NYCEDC and 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: 85591204#.

Mr. Kimball welcomed the Agency's newest Board member Nate Bliss, Chief of Staff for Deputy Mayor Maria Torres-Springer, who will serve as the Deputy Mayor's alternate on the Board for the Agency and the Build NYC Resource Corporation. Mr. Kimball welcomed Melissa Román Burch, Chief Operating Officer for NYCEDC, who has over 20 years experience in the private sector with most recently leading Len "Lease's" office for the City.

1. Adoption of the Minutes of the March 8, 2022 Meeting Minutes

Mr. Kimball asked if there were any comments or questions relating to the minutes of the March 8, 2022 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 March 31, 2022 (Unaudited)

Carol Ann Butler, an Assistant Vice President for NYCEDC, presented the Agency's Financial Statements for the nine-month period ending March 31, 2022 (Unaudited). Ms. Butler reported that for the nine-month period the Agency recognized revenues from project finance fees from ten transactions totaling \$1,100,000. In addition, revenues derived from compliance, application, post-closing and termination fees amounted to \$1,400,000 for the year to date. Ms. Butler also reported that \$3,300,000 in operating expenses, largely consisting of the monthly management fee, were recorded for the Agency for the nine-month period that ended on March 31, 2022 (Unaudited). In the category of special projects the Agency incurred \$434,000 largely consisting of the Lifescience CyberNYC project cost.

3. Fiscal Year 2023 Budget

Brett Klein, a Senior Managing Director for NYCEDC, and Emily Marcus, a Vice President for NYCEDC and Executive Director of the Agency, presented for review and approval the Agency's Fiscal Year 2023 Budget (the "Budget"). Mr. Klein stated that Agency staff were happy with last year's volume of transactions which was consistent with the Agency's budget. Overall the velocity was strong with regard to overall fee revenues that were generated. These revenues were lower than anticipated due to not closing a number of large transactions. Essentially the Agency's fee schedule is structured so that the larger transactions generate higher fees than smaller transactions. Agency staff had initially budgeted for two very large transactions that were supposed to close over the course of the year but didn't. Agency staff anticipate one of those projects closing over the next year and anticipate consistent revenues over the next couple of years. Mr. Klein stated that these considerations should be kept in mind during Ms. Marcus' presentation of the FY 2023 budget.

Ms. Marcus stated that the purpose of the presentation was to obtain approval by the Board of the Budget as required under the Public Authorities Accountability Act. Ms. Marcus presented figures in respect of the Agency's actual and projected revenues and expenses and provided comparisons against previous fiscal years attached hereto as Exhibit A.

There being no comments or questions, a motion to approve the Budget attached hereto as Exhibit A was made, seconded and unanimously approved.

4. Fiscal Year 2023 Board Meeting Dates

Noah Schumer, a Senior Associate for NYCEDC and Deputy Executive Director of the Agency, presented for review the Board meeting dates for Fiscal Year 2023, as reflected in Exhibit B.

There being no comments or questions, a motion to approve the schedule of the Agency's Board meeting dates for Fiscal Year 2023 attached hereto as Exhibit B was made, seconded and unanimously approved.

5. Collab Studio, Inc.

Mr. Schumer presented for review and adoption an inducement and authorizing resolution for an Industrial Program transaction for the benefit of Collab Studio, Inc. and recommended the Board adopt a negative SEQRA determination that the project would not have a significant adverse effect on the environment. Mr. Schumer described the project and its benefits, as reflected in Exhibit C.

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

6. 50 Penn Retail Owner LLC

Greg Coleman, an Associate for NYCEDC, presented for review and adoption an amending inducement and authorizing resolution for a Food Retail Expansion to Support Health Program ("FRESH") transaction for the benefit of 50 Penn Retail Owner LLC. Mr. Coleman described the project and its benefits, as reflected in Exhibit E.

In response to a question from Mr. Bliss, Mr. Coleman stated that as a result of the project the supermarket will be larger for less than the cost of inducement.

There being no further comments or questions, a motion to approve the amending inducement and authorizing resolution attached hereto as Exhibit F for the benefit of 50 Penn Retail Owner LLC was made, seconded and unanimously approved.

7. Service Contract Proposal for Audit Services

Leslie Escobar, a Deputy Controller for NYCEDC, presented for review and approval a proposal for a services contract with NYCEDC in an amount of up to \$286,125, which will be used to hire Ernst & Young LLP to provide audit services for the Fiscal Years ending June 30,

2022 through 2025. Ms. Escobar described the program and its benefits, as reflected in Exhibit G.

Mr. De Leon stated that the Audit Committee met on April 14, 2022 and reviewed all the factors covered by Ernst & Young LLP. Mr. De Leon stated that Ernst and Young has been the Agency's auditor for several years and has done a good job. On behalf of the Audit Committee Al De Leon recommends the Board approve the service contract with Ernst & Young LLP for audit services.

There being no comments or questions, a motion to approve the services contract proposal for audit services attached hereto as Exhibit G was made, seconded and unanimously approved.

8. Service Contract Proposal for Fullstack Cybersecurity Bootcamp Scholarships

Daria Siegel, a Vice President of NYCEDC, presented for review and approval a proposal for a services contract with NYCEDC in an amount of up to \$400,000, which will be used to pay Fullstack Academy, LLC for the following services: (i) provide 22 scholarships to residents of the City across a mix of part-time and full-time Cybersecurity Bootcamp cohorts and (ii) additional wraparound services for the scholarship recipients, including a laptop and vouchers for supplemental examinations or industry study materials, to lead to greater success and outcomes. Ms. Siegel described the program and its benefits, as reflected in Exhibit H.

There being no comments or questions, a motion to approve the services contract proposal for Fullstack Cybersecurity Bootcamp Scholarships attached hereto as Exhibit H was made, seconded and unanimously approved.

9. Adjournment

There being no further business to come before the Board of Directors at the meeting, pursuant to a motion made, seconded and unanimously approved, the meeting of the Board of Directors was adjourned at 9:30 a.m.

  
Assistant Secretary

Dated: 6/14/22  
New York, New York

Exhibit A

**NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY  
FISCAL YEAR 2023 BUDGET**

	<b>FY 2021 Actual</b>	<b>FY 2022 Budget</b>	<b>FY 2022 Proj. Year-End Actual</b>	<b>FY 2023 Budget</b>	<b>FY 2024 Budget</b>	<b>FY 2025 Budget</b>	<b>FY 2026 Budget</b>
<b>REVENUES</b>							
Financing Fees*	\$ 12,710,099	\$ 6,219,015	\$ 1,619,276	\$ 3,842,502	\$ 3,925,872	\$ 4,139,835	\$ 4,353,798
Application Fees	91,500	125,000	125,300	134,400	148,400	155,400	162,400
Compliance Fees	987,600	1,037,118	1,029,613	1,060,502	1,092,317	1,125,086	1,158,839
Post-Closing Fees	292,500	160,627	682,500	401,341	407,361	413,471	419,673
Investment Income	(489)	253,190	(50,800)	35,975	31,398	29,311	28,811
Other Income	527,174	300,000	44,805	260,579	227,429	212,313	208,687
<b>TOTAL REVENUES</b>	<b>\$ 14,608,384</b>	<b>\$ 8,094,951</b>	<b>\$ 3,450,694</b>	<b>\$ 5,735,298</b>	<b>\$ 5,832,777</b>	<b>\$ 6,075,417</b>	<b>\$ 6,332,209</b>
<b>EXPENSES</b>							
Contract Fee	\$ 4,400,000	\$ 4,400,000	\$ 4,400,000	\$ 4,400,000	\$ 4,400,000	\$ 4,400,000	\$ 4,400,000
Audit and Accounting Fees	70,335	70,791	70,791	72,915	75,102	77,355	79,676
Outreach / Marketing / Training	-	25,000	5,000	25,000	25,000	25,000	25,000
Public Notice Fees	16,283	33,526	35,977	46,923	51,615	56,777	62,454
Miscellaneous and Legal Expenses	106,363	194,337	55,735	50,000	50,000	50,000	50,000
<b>TOTAL EXPENSES</b>	<b>\$ 4,592,981</b>	<b>\$ 4,723,653</b>	<b>\$ 4,567,503</b>	<b>\$ 4,594,838</b>	<b>\$ 4,601,718</b>	<b>\$ 4,609,132</b>	<b>\$ 4,617,130</b>
<b>OPERATING EXCESS/(DEFICIT) FROM IDA OPERATIONS</b>	<b>\$ 10,015,403</b>	<b>\$ 3,371,298</b>	<b>\$ (1,116,809)</b>	<b>\$ 1,140,461</b>	<b>\$ 1,231,059</b>	<b>\$ 1,466,285</b>	<b>\$ 1,715,078</b>
<b>SERVICE CONTRACTS</b>							
Less: Service Contracts**	2,229,454	7,714,200	1,317,941	4,361,762	2,699,897	1,818,594	1,607,209
<b>NET OPERATING EXCESS/(DEFICIT)</b>	<b>\$ 7,785,949</b>	<b>\$ (4,342,902)</b>	<b>\$ (2,434,749)</b>	<b>\$ (3,221,301)</b>	<b>\$ (1,468,838)</b>	<b>\$ (352,309)</b>	<b>\$ 107,870</b>

**NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY  
NET ASSETS**

Unrestricted Net Assets (Beginning)	\$ 19,969,929	\$ 27,410,035	\$ 27,755,878	\$ 25,321,129	\$ 22,099,828	\$ 20,630,990	\$ 20,278,681
Operating Excess/(Deficit)	7,785,949	(4,342,902)	(2,434,749)	(3,221,301)	(1,468,838)	(352,309)	107,870
<b>UNRESTRICTED NET ASSETS (ENDING)</b>	<b>\$ 27,755,878</b>	<b>\$ 23,067,132</b>	<b>\$ 25,321,129</b>	<b>\$ 22,099,828</b>	<b>\$ 20,630,990</b>	<b>\$ 20,278,681</b>	<b>\$ 20,386,551</b>

\* FY22 projected year-end financing fees are based on 14 transactions. FY23 financing fees are based on 13 transactions

\*\* Pursuant to various Board approved agreements between the Agency and NYCEDC, the Agency is committed to fund various projects being performed by NYCEDC related to the City's economic and industrial development projects and initiatives

**NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY**  
**BUDGETED REVENUES, EXPENDITURES, AND CHANGES IN CURRENT NET ASSETS**  
(Office of the State Comptroller's Submission Format)

	<b>Last Year (Actual) 2021</b>	<b>Current Year (Estimated) 2022</b>	<b>Next Year (Adopted)* 2023</b>	<b>Proposed 2024</b>	<b>Proposed 2025</b>	<b>Proposed 2026</b>
<b><u>REVENUE &amp; FINANCIAL SOURCES</u></b>						
<b>Operating Revenues</b>						
Charges for services	14,081,699	3,456,690	5,438,745	5,573,950	5,833,793	6,094,711
Other operating revenues	527,174	44,805	260,579	227,429	212,313	208,687
<b>Nonoperating Revenues</b>						
Investment earnings	(489)	(50,800)	35,975	31,398	29,311	28,811
<b>Total Revenues &amp; Financing Sources</b>	<b>14,608,384</b>	<b>3,450,694</b>	<b>5,735,298</b>	<b>5,832,777</b>	<b>6,075,417</b>	<b>6,332,209</b>
<b><u>EXPENDITURES</u></b>						
<b>Operating Expenditures</b>						
Professional services contracts	6,822,435	5,885,444	8,956,599	7,301,614	6,427,726	6,224,339
<b>Total Expenditures</b>	<b>6,822,435</b>	<b>5,885,444</b>	<b>8,956,599</b>	<b>7,301,614</b>	<b>6,427,726</b>	<b>6,224,339</b>
<b>Excess (deficiency) of revenues and capital contributions over expenditures</b>	<b>7,785,949</b>	<b>(2,434,749)</b>	<b>(3,221,301)</b>	<b>(1,468,838)</b>	<b>(352,309)</b>	<b>107,870</b>

\* The FY2023 budget will be presented to the Board of Directors on April 26, 2022.



Exhibit B

DATES FOR IDA AND BUILD NYC BOARD MEETINGS

Tuesday July 26, 2022

Tuesday September 20, 2022

Tuesday November 22, 2022

Tuesday January 24, 2023

Tuesday March 7, 2023

Tuesday April 25, 2023

Tuesday June 6, 2023

DATES FOR IDA AND BUILD NYC PUBLIC HEARINGS

Thursday July 21, 2022

Thursday September 15, 2022

Thursday November 17, 2022

Thursday January 19, 2023

Thursday March 2, 2023

Thursday April 20, 2023

Thursday June 1, 2023

Exhibit C

## PROJECT SUMMARY

Collab Studio, Inc., a Delaware corporation (the “Applicant”), is an innovation lab and fabrication studio, which primarily designs, fabricates, programs and executes products, branded merchandise, and large-scale commercial installations. The Applicant and an affiliated real estate holding company to be formed (the “Affiliate;” together with the Applicant, the “Company”) are seeking financial assistance in connection with the acquisition and subsequent partial demolition of a one-story, 12,500 square foot facility, located on an approximately 19,898 square foot parcel of land at 16-63 Cody Avenue in Ridgewood, Queens, New York. Following the partial demolition, the Company will construct, renovate, furnish, and equip a new approximately 24,000 square foot facility (the “Facility”). The Facility will be owned by the Affiliate and used by the Applicant to house its art, design, technology and fabrication lab and will include an approximately 8,000 square foot sound stage, adding film and television production as well as virtual and augmented reality (VR/AR) multimedia content creation to its product offerings (the “Project”).

### Current Location

309 Starr Street  
Brooklyn, New York 11237

### Project Location

16-63 Cody Avenue  
Ridgewood, Queens 11385

### Actions Requested

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

### Anticipated Closing

Summer 2022

### Impact Summary

Employment	
Jobs at Application:	3
Jobs to be Created at Project Location (Year 3):	10
<b>Total Jobs (full-time equivalents)</b>	<b>13</b>
<b>Projected Average Hourly Wage (excluding principals)</b>	<b>\$38.17</b>
<b>Highest/Lowest Hourly Wage</b>	<b>\$49.63/\$20.00</b>

Estimated City Tax Revenues	
Impact of Operations (NPV 25 years at 6.25%)	\$2,713,996
One-Time Impact of Renovation	\$350,600
<b>Total impact of operations and renovation</b>	<b>\$3,064,596</b>
<b>Additional benefit from jobs to be created</b>	<b>\$1,860,258</b>

## Collab Studio, Inc.

Estimated Cost of Benefits Requested: New York City	
Building Tax Exemption (NPV, 25 years)	\$1,096,577
Land Tax Exemption (NPV, 25 years)	\$492,098
MRT Benefit	\$94,821
Sales Tax Exemption	\$176,493
Agency Financing Fee	(\$107,189)
<b>Total Cost to NYC Net of Financing Fee</b>	<b>\$1,752,800</b>
Available As-of-Right Benefits (ICAP)	\$861,637
Agency Benefits in Excess of As-of-Right Benefits	\$891,163

Costs of Benefits Per Job	
Estimated Total Cost of Net City Benefits per Job	\$134,831
Estimated City Tax Revenue per Job	\$378,835

Estimated Cost of Benefits Requested: New York State	
MRT Benefit	\$51,058
Sales Tax Exemption	\$171,591
<b>Total Cost to NYS</b>	<b>\$222,649</b>

## Sources and Uses

Sources	Total Amount	Percent of Total Financing
Commercial Loan	\$5,835,145	42%
Equity Investor	\$5,051,086	36%
NYSCA REDC Grant	\$1,600,000	12%
Company Equity	\$1,387,358	10%
<b>Total</b>	<b>\$13,873,589</b>	<b>100%</b>

Uses	Total Amount	Percent of Total Costs
Land and Building Acquisition	\$6,650,000	48%
Construction Hard Costs	\$5,000,000	36%
Construction Soft Costs	\$890,524	6%
Furnishings, Fixtures, & Equipment	\$422,071	3%
Financing Carrying Cost	\$565,000	5%
Closing Fees	\$345,994	2%
<b>Total</b>	<b>\$13,873,589</b>	<b>100%</b>

## Fees

	Paid At Closing	On-Going Fees (NPV, 25 Years)
Agency Fee	\$107,189	
Project Counsel	\$35,000	
Annual Agency Fee	\$1,250	\$15,607
<b>Total</b>	<b>\$143,489</b>	<b>\$15,607</b>
<b>Total Fees</b>	<b>\$159,046</b>	

## **Collab Studio, Inc.**

### **Financing and Benefits Summary**

It is anticipated that the Company will utilize an SBA-sponsored commercial loan in the amount of approximately \$5,835,145 to finance the Project, along with approximately \$5,051,086 from an outside equity investor, and an estimated \$1,387,358 in Company equity. The Applicant has also been awarded a \$1,600,000 grant from the New York State Council on the Arts' Regional Economic Development Council initiative. The Company will come back before the NYCIDA Board to seek authorization after financing commitments have been secured. The financial assistance proposed to be conferred by the Agency will consist of payments in lieu of City real property taxes, partial exemption from City and State mortgage recording taxes and exemption from City and State sales and use taxes.

### **Company Performance and Projections**

The Company is seeking financial assistance in connection with the acquisition and renovation of a building approximately 1.5 miles away from its current facility at 309 Starr Street in Brooklyn, NY, to be located at 16-63 Cody Avenue in Queens. The Company intends to partially demolish the existing approximately 12,500 square foot building, after which it will renovate the building to approximately 24,000 square feet, nearly four times the size of the Applicant's existing studio. The new Facility will be outfitted with advanced manufacturing technology. The increased size of the new Facility will allow the Company to construct a sound stage complete with Cyc and Green Screen for live-action, VR/AR and still photography, allowing film and television production into the repertoire of product offerings.

In addition to its commercial services, the Applicant conducts workforce development trainings for 18- to 24-year-olds in the surrounding neighborhoods. The Company also plans to collaborate with I.S. 162 The Willoughby School, a nearby middle school, on the school's development of a makerspace hub for its students. As a result, the Project will help strengthen the industrial business ecosystem in East Williamsburg, Bushwick, and Ridgewood.

### **Inducement**

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

- I. The Applicant requires additional space in order to expand operations and meet anticipated future demand.
- II. Without assistance from the Agency, the Applicant has stated that it likely would not pursue the Project as contemplated.

### **Applicant Summary**

The Applicant, which was founded in Manhattan in 2009, is an innovation lab and fabrication studio, which primarily designs, fabricates, programs and executes products, branded merchandise, and large-scale commercial installations. The Applicant's recent clients include companies and organizations such as: L'Oreal, Nickelodeon, MTV, The Children's Museum of Manhattan, New York Hall of Science, the United Nations, Kiasma Museum, AT&T, and Edelman Public Relations. Its current studio in Brooklyn, which it relocated to in 2018, is equipped with digital fabrication equipment (including CNC routers, laser cutters, and 3D printers) and a wood shop, metal shop, stop motion lab, photography studio, cut and sew studio, and multi-media content creation lab equipped for VR/AR development. The Applicant is a certified Women's Business Enterprise through the Women's Business Enterprise National Council.

### **Adina Levin, Co-Founder and CEO**

Ms. Levin is Co-Founder and CEO of the Applicant. She's been designing and manufacturing products and experiential installations for more than 16 years. Prior to Collab, she founded Company Boutique, an agency with offices in New York and Hong Kong that manufactured branded merchandise and interactive experiences for clients such as Hearst Corporation, Viacom, and Conde Nast. While running Company Boutique, she relaunched Camp Beverly Hills, selling into Saks Fifth Avenue, Henri Bendel's, Neiman Marcus, and high-end boutiques throughout the country before

**Collab Studio, Inc.**

selling the brand in 2007. Ms. Levin has been recognized by FortyOver40 as one of 40 women over 40 reinventing, disrupting, and making a positive impact in the world; as one of New York’s Top Ten Start-up Founders Over 40, she was an Advisor to the Obama Administration on Maker Innovation. She took her GED at 16, and has been working and founding companies ever since.

**Marc Levin, Co-Founder and President/Treasurer**

Mr. Levin is the President, Treasurer and co-founder of the Applicant He is an early-stage mentor, social entrepreneur and advocate for underserved youth. Previously, Mr. Levin designed and fabricated experiential installations for organizations such as Hearst, Viacom, Conde Nast, and Kiasma Museum. He began his career writing and producing films, including the adaptation of the Pen/Hemingway-winning Joe the Engineer. A passionate advocate for underserved youth, Mr. Levin sat on the Board of nPlay Foundation with Grant Hill, Jennie Finch, and Paul Pierce, and a coalition of 30 professional athletes to fight the childhood obesity epidemic in America, co-created the Applicant’s Robotics Program to teach light, sound, and motion to girls from Urban Assembly in Brooklyn and has taught chess and poetry in public schools to hundreds of kids. He has a Bachelor of Arts degree from the University of Arizona.

**Employee Benefits**

All employees receive full healthcare benefits after 90 days of employment paid entirely by the Applicant. The Applicant also offers on-the-job training.

**Recapture**

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

**SEQRA Determination**

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

**Due Diligence**

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

<b>Compliance Check:</b>	Not Applicable
<b>Living Wage:</b>	Compliant
<b>Paid Sick Leave:</b>	Compliant
<b>Affordable Care Act:</b>	Not Applicable
<b>Bank Account:</b>	First Republic Bank
<b>Bank Check:</b>	No derogatory information was found.
<b>Supplier Checks:</b>	No derogatory information was found.
<b>Customer Checks:</b>	No derogatory information was found.
<b>Unions:</b>	Not Applicable

**Collab Studio, Inc.**

**Vendex Check:** No derogatory information was found.

**Attorney:** Eric Schoenfeld, Esq.  
Tannenbaum Helpern Syracuse & Hirschtritt LLP  
900 3<sup>rd</sup> Ave.  
New York, NY 10022

**Accountant:** Brian Newman  
CohnReznick  
1301 6<sup>th</sup> Ave.  
New York, NY 10019

**Consultant:** Diana Reyna  
Diana Reyna Strategic Consulting  
322 Central Avenue  
Brooklyn, NY 11221

**Community Board:** Queens, CB #5





January 7, 2022

Strategic Investments Group  
NYCEDC  
One Liberty Plaza  
New York, NY 10006

Re: Inducement Letter

To Strategic Investment Group,

Collab Studio, Inc. is an Innovation Lab and Fabrication Studio that designs, fabricates, programs and executes unique products, branded merchandise and large-scale installations for companies such as L’Oreal, Nickelodeon, MTV, The Children’s Museum of Manhattan, New York Hall of Science, the United Nations, Kiasma Museum, AT&T, and Edelman Public Relations.

From applied research and discovery to rapid prototyping, design and fabrication, Collab designs products, develops solutions, and builds large experiential marketing installations in-house for its clients.

From its studio in Brooklyn, equipped with Digital Fabrication Equipment, including CNC routers, Laser Cutters, 3D printers, Wood Shop, Metal Shop, Stop Motion Lab, Photography Studio, Cut and Sew Studio, and Multi-Media Content Creation Lab equipped for VR/AR development, Collab develops and builds products and experiential installations from conceptualization through installation.

Collab is a certified Women Owned Business Enterprise (WBE), and provides access to entrepreneurship for women through Invent-Her, a platform for New York City-based female inventors and entrepreneurs to gain access, opportunity and support to start, grow or expand their business, as part of [NYCEDC](#) and [Futureworks Shops](#) program.

Collab’s current lease expires February, 2022. It has identified a one story, 12,000 SF, brick light manufacturing/ warehouse building, located at 1663 Cody Avenue in Ridgewood as its potential future and permanent home. The proposed capital project is the acquisition, associated renovations and outfitting of this building as part of an adaptive reuse plan to create the future permanent creative center for Collab.

At its new location, the facility will house an unparalleled design, technology and fabrication lab, which will include:

- Wood shop
- Metal shop

- Virtual Reality Lab
- Interactive Studio
- Broadcast studio for Net-casting and Pod-casting
- Animation Studio
- Data lab
- Electronics and Engineering room with soldering stations, multimeters and oscilloscopes
- Reproduction room with Wide Format Printers
- Rapid Prototyping Studio with multiple Laser Cutters and 3D Printers
- Sewing studio with Juki machines, cutting tables, and Over-lock machines
- Editing Bays
- Sound Stage
- Open indoor and outdoor space

The design of the new facility will integrate and showcase some of the most advanced technologies in construction and will be outfitted with advanced technology and state of the art equipment. In addition to housing existing programs, the vision for the new facility includes a sound stage complete with Cyc and Green Screen for live-action, VR/AR and still photography, allowing film and television production in the repertoire of offerings.

Collab's cost to purchase and develop the new location would be cost prohibitive if not for the benefits of NYCIDA.

The project, when complete, will impact the neighborhood and low-income community of Bushwick immediately. This project is anticipated to create 5-10 new full-time, well-paying jobs over a 36 month period, and dozens of part-time positions as part of an on-the-job training to individuals in the Community Board 5. Additionally, opportunities will be made available for fabricators, designers, sewers, production assistants, woodworkers, and others to work on projects on a contract basis. These projects mimic film productions and typically operate between 6 weeks and 12 months. In pre-covid times, the number of contract positions hired on an annualized basis ranged from 30-80. Local residents will be given preference when filling these positions, and other related opportunities.

Best,

*Marc Levin*

Marc Levin  
President

Exhibit D

Resolution inducing the financing of an industrial facility for Collab Studio, Inc. and an affiliated real estate holding company to be formed, as a Straight-Lease Transaction

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

WHEREAS, Collab Studio, Inc., a Delaware corporation (the “Applicant”), has entered into negotiations with officials of the Agency for the acquisition, construction, renovation, furnishing and equipping of an industrial facility (the “Facility”), consisting of (i) the acquisition and subsequent partial demolition of a one-story, approximately 12,500 square foot facility, located on an approximately 19,898 square foot parcel of land at 16-63 Cody Avenue in Ridgewood, Queens, New York; and (ii) the construction, renovation, furnishing and equipping of a new approximately 24,000 square foot facility, which will be used by the Applicant to house its art, design, technology and fabrication lab and will include an 8,000 square foot sound stage, adding film and television production as well as virtual and augmented reality (VR/AR) multimedia content creation to its workforce development programs, for lease to the Agency by a real estate holding company (the “Company”) to be formed and affiliated with the Applicant, and sublease by the Agency to the Company for subsequent sub-sublease in whole to the Applicant, and having a total project cost of approximately \$13,973,589 (the “Project”); and

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

WHEREAS, the Application sets forth certain information with respect to the Applicant and the Project, including the following: that the Applicant is currently located in Brooklyn, New York, and employs 3 full-time equivalent employees within The City of New York (the “City”); the Applicant’s lease at its current location expires in early 2022 and that the Applicant desires to remain in the City; that the Applicant expects to employ approximately 10 additional full-time equivalent employees within the three years following the completion of the Project; that the Applicant must obtain Agency financial assistance in the form of a straight-lease transaction to enable the Applicant to proceed with the Project and thereby remain and expand its operations in the City; and that, based upon the financial assistance provided through the Agency, the Applicant desires to proceed with the Project and remain and expand its operations in the City; and

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

WHEREAS, the Project should not be delayed by the requirement of determining the details of a straight-lease transaction, which cannot be immediately accomplished, and the Applicant has applied for a grant from the New York State Council on the Arts' Regional Economic Development Council initiative and intends to apply its own equity for a portion of the costs of the Project and to enter into loan commitments with a bank or banks or investor(s), which will provide funds to the Applicant in the form of loans to finance a portion of the costs of the Project; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (1) The Project will not result in a substantial adverse change in existing traffic, air quality, or noise levels. There are public transportation services close to the Facility, as well as pedestrian and bicycle routes.
- (2) The Project will not result in significant adverse impacts on cultural, archaeological, architectural, or aesthetic resources or the existing neighborhood.
- (3) A Phase I Environmental Site Assessment (“Phase I”) was prepared for the site in February 2022. The Phase I identified a Recognized Environmental Concern (REC) based on historic industrial use of the site. A Phase II Environmental Site Assessment workplan (the “Phase II workplan”), informed by final design, to determine if the site is impacted by contamination will be prepared and submitted to New York City Department of Environmental Protection (“DEP”) for review. DEP review and approval of the Phase II workplan and report are required for closing. If the Phase II workplan is implemented as required by DEP and subsequent recommendations identified by the Phase II workplan are followed, we do not expect any negative impacts from the site from hazmat causes.
- (4) The Project will not result in significant adverse impacts to natural resources, critical habitats, or water quality.
- (5) The Project will not result in a change in existing zoning or land use. The proposed use would be as-of-right under zoning.
- (6) The proposed renovation would not require any subsurface disturbance and is not expected to result in any adverse impacts related to hazardous materials.
- (7) No other significant effects upon the environment that would require the preparation of an Environmental Impact Statement are foreseeable.

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

(1) The Applicant and the Company each acknowledge and agree that pursuant to General Municipal Law Section 875(3) the Agency shall have the right to recover, recapture, receive, or otherwise obtain from the Applicant and/or the Company New York State sales or use tax savings taken or purported to be taken by the Applicant or the Company, and any agent or any other person or entity acting on behalf of the Applicant or the Company, to which the Applicant or the Company is not entitled or which are in excess of the maximum sales or use tax exemption amount authorized in Section 10 of this Resolution or which are for property or services not authorized or taken in cases where the Applicant or the Company, or any agent or any other person

or entity acting on behalf of the Applicant or the Company, failed to comply with a material term or condition to use property or services in the manner required by this Resolution or any agreements entered into among the Agency, the Applicant, the Company and/or any agent or any other person or entity acting on behalf of the Applicant or the Company. The Applicant and the Company shall, and shall require each agent and any other person or entity acting on behalf of the Applicant and/or the Company, to cooperate with the Agency in its efforts to recover, recapture, receive, or otherwise obtain such New York State sales or use tax savings and shall promptly pay over any such amounts to the Agency that it requests. The failure to pay over such amounts to the Agency shall be grounds for the Commissioner of the New York State Department of Taxation and Finance (the "Commissioner") to assess and determine New York State sales or use taxes due from the Applicant and/or the Company under Article Twenty-Eight of the New York State Tax Law, together with any relevant penalties and interest due on such amounts.

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

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

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



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

Section 10. In connection with the Project, the Agency intends to grant the Applicant and the Company real property tax abatements, sales and use tax exemptions in an amount not to exceed \$348,084 and partial mortgage recording tax exemptions.

Section 11. This Resolution shall take effect immediately.

ADOPTED: April 26, 2022

ACCEPTED: \_\_\_\_\_, 2022

COLLAB STUDIO, INC.

By: \_\_\_\_\_  
Name:  
Title:

Exhibit E

**Project Summary**

50 Penn Retail Owner LLC, an affiliate of Penrose LLC (together, the “Company”) seeks financial assistance in connection with the acquisition, construction, furnishing and equipping of a 28,730 square foot retail condominium unit (the “Project”) to be located within a 206,004 square foot mixed-use facility on a 35,000 square foot parcel of land located at 40 Pennsylvania Avenue (formerly 50 Pennsylvania Avenue) in the Cypress Hills neighborhood of Brooklyn, New York (the “Facility”). The Facility will be owned by the Company and leased to 50 Penn Retail LLC, an affiliated real estate holding company, and further subleased to Soliman Food Corp. for operation as a Fine Fare supermarket. The estimated Project cost is approximately \$6.1 million.

**Project Location**

40 Pennsylvania Avenue  
Brooklyn, New York 11207

**Actions Requested**

- Amending Inducement and Authorizing Resolution for a Food Retail Expansion to Support Health Program transaction.

**Prior Actions**

- Inducement Resolution for a Food Retail Expansion to Support Health Program transaction approved on November 7, 2018
- Adoption of a SEQRA determination that the proposed project is an Unlisted action on November 7, 2018

**Anticipated Closing**

August 2022

**Impact Summary**

<b>Employment</b>	
Jobs at Application:	0
Jobs to be Created at Project Location (Year 3):	22
<b>Total Jobs (full-time equivalents)</b>	<b>22</b>
<b>Projected Average Hourly Wage (excluding principals)</b>	<b>\$20.00</b>
<b>Estimated City Tax Revenues</b>	
Impact of Operations (NPV 25 years at 6.25%)	\$2,984,736
One-Time Impact of Renovation	\$283,134
<b>Total impact of operations and renovation</b>	<b>\$3,267,870</b>
<b>Additional benefit from jobs to be created</b>	<b>\$2,171,702</b>

<b>Estimated Cost of Benefits Requested: New York City</b>	
Building Tax Exemption (NPV, 25 years)	\$2,609,499
Land Tax Abatement (NPV, 25 years)	\$199,390
Sales Tax Exemption	\$131,830
Agency Financing Fee	(\$51,104)
<b>Total Cost to NYC Net of Financing Fee</b>	<b>\$2,889,615</b>
Available As-of-Right Benefits (ICAP)	\$847,941
Agency Benefits In Excess of As-of-Right Benefits	\$2,041,674

<b>Costs of Net City Benefits Per Job</b>	
Estimated Net Cost of NYCIDA Benefits per Jobs in Year 3	\$131,346
Estimated Net City Tax Revenue per Total Jobs in Year 3	\$247,253

<b>Estimated Cost of Benefits Requested: New York State</b>	
Sales Tax Exemption	\$128,168
<b>Total Cost to NYS</b>	<b>\$128,168</b>

### Sources and Uses

Sources	Total Amount	Percent of Total Financing
HDC First Mortgage	\$3,160,000	51%
Equity	\$3,008,676	49%
<b>Total</b>	<b>\$6,168,676</b>	<b>100%</b>

Uses	Total Amount	Percent of Total Costs
Land and Building Acquisition	\$121,854	2%
Hard Costs	\$2,935,075	48%
Soft Costs	\$888,522	14%
Developer Fee	\$773,225	12%
Tenant Fit-Out Allowance	\$1,250,000	21%
Closing Fees	\$200,000	3%
<b>Total</b>	<b>\$6,168,676</b>	<b>100%</b>

### Fees

	Paid At Closing	On-Going Fees (NPV, 25 Years)
Agency Fee	\$51,104	
Project Counsel	\$25,000	
Annual Agency Fee	\$1,000	\$12,485
<b>Total</b>	<b>\$77,104</b>	<b>\$12,485</b>
<b>Total Fees</b>	<b>\$89,589</b>	

## **Financing and Benefits Summary**

Construction of the Facility is being financed with a permanent mortgage loan bearing interest at a base rate of 5.05% in the amount of approximately \$3,160,000 from the New York City Housing Development Corporation, and with approximately \$3,008,676 in Company equity. The financial assistance proposed to be conferred by the Agency will consist of payments in lieu of City real property taxes and exemption from City and State sales and use taxes.

## **Company Performance and Projections**

The Company demonstrates strong financial stability. The Company's cash at the beginning of 2021 was 20% greater than the Company's cash at the beginning of 2020 and its total current assets amount to more than \$46 million. In 2017 the Company's affiliates acquired Hunt Companies, Inc, at which point all financial assets, including development services agreements, employees, resources, and capabilities of the Company's affiliates were transferred to the Company, a new joint venture. At the Project location, the Company projects approximately \$3 million in net cash flow in 15 years from the 218 residential units, the FRESH supermarket and two other retail units within the development.

## **Supermarket Operator Performance and Projections**

The anticipated supermarket tenant, Soliman Food Corp. ("Soliman"), will be operating under the Fine Fare Supermarkets ("Fine Fare") banner. Soliman provided a 3-year pro forma with positive cash flow beginning in year one, a projected 31% gross margin from year one of operations, and a net income of nearly one million dollars by the third year of operations.

## **Inducement**

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

## **UTEP Considerations**

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

- The Project involves the grocery retail industry which the Agency seeks to retain and foster;
- The Company maintains that, through the Project, it will create 22 full-time equivalent jobs over the next three years;
- Financial assistance is required to induce the Project;
- The Project is likely to be completed in a timely manner.

## **Amended Inducement**

On November 7, 2018, the Agency's Board of Directors approved an inducement resolution for the Project. Since 2018, the total cost of the Project has decreased from approximately \$11,500,000 to \$6,168,676, and the total square footage of the Project has increased from approximately 18,030 square feet to 28,730 square feet. These changes are due to the fact that construction has commenced, and the Project budget and Project square footage have been refined. As a result of the decrease in Project cost, the maximum sales tax exemption proposed to be provided by the Agency has decreased from \$487,016 to \$259,998. Lastly, the name of the applicant has changed from 50 Penn Retail LLC to 50 Penn Retail Owner LLC. The Agency is thus seeking approval of an amended inducement resolution for the Project.

## **Applicant Summary**

The Company is a full-service real estate development company with 40 years of experience in affordable housing and mixed-use development. Established in 1971, the Company has constructed over 17,000 housing units in 265 developments in 16 states plus Washington DC, the vast majority of which the Company continues to own and manage. All of the Company's operations are overseen by its three principal owners, Richard Barnhart, Mark Dambly, and Timothy Henkel. The Company is headquartered in Philadelphia, Pennsylvania but has regional offices in New York City, Boston, Chicago, Baltimore, Chattanooga, and Cincinnati. The Company currently has four employees based in its New York City office, and approximately 40 employees across its regional offices. The Company also has an affiliated management company, Pennrose Management Company, which has an additional 400 employees that specialize in property management, maintenance, and supportive service provision. In 2017, the Company secured Hunt Companies Inc. as a long-term minority owner, bringing added expertise to the Company staff and portfolio. The Company has recently been recognized in consecutive years as a Best Places to Work by the Philadelphia Business Journal.

### **Mark Dambly, Chief Executive Officer, Pennrose LLC**

As Chief Executive Officer for Pennrose LLC, Mr. Dambly provides strategic and day-to-day leadership for nearly 400 employees who support development and management activities in 16 states and the District of Columbia. Mr. Dambly has more than 30 years of experience in the real estate industry, including overseeing complex transactions in both the affordable and market rate housing markets. Under his leadership, Pennrose LLC has completed more than 350 developments totaling over 27,000 units and encompassing nearly \$5 billion in total development costs. He joined Pennrose LLC in 1992, tapping into his many years of experience in real estate development. In 2015, he was honored by the Pennsylvania Housing Finance Association (PHFA) with the Pioneer Award in recognition of his positive impact on expanding affordable housing in Pennsylvania.

### **Timothy Henkel, President, Pennrose LLC**

As President, Mr. Henkel is responsible for all aspects of Pennrose LLC's national development strategy. He oversees a team of senior and regional vice presidents and has been instrumental in continued growth in key markets across the country. Mr. Henkel has overseen the growth of Pennrose LLC's development platform to include new construction, adaptive reuse, and acquisition/preservation projects. He began his career at Pennrose LLC in 1999. He is an expert in all forms of public and private real estate financing, including affordable housing via Federal and State Low Income Housing Tax Credits (LIHTC), Federal and State Historic Rehabilitation Tax Credits (HTC), mixed-income multifamily housing via tax-exempt bonds, and public housing replacement leveraging federal HOPE VI grants. In addition, he has executed market rate and mixed-income development using various combinations of New Market Tax Credits (NMTC), Urban Transit HUB Tax Credits, and other state incentive programs. He currently serves on the board of the National Housing & Rehabilitation Association and NJ Apartment Association.

## **Supermarket Operator Summary**

Soliman will be operating under the Fine Fare banner. Fine Fare is a group of independently owned and operated supermarkets located throughout the tri-state area. The first Fine Fare store was opened in the 1970's and since that time, Fine Fare has grown to over 60 stores, all of which are full-service groceries that offer fresh quality food, competitive pricing, large product selections and a broad range of ethnic foods geared towards their local communities.

## **Employee Benefits**

At this time, Soliman does not anticipate providing an employment benefits package.

## **Recapture**

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

## **Due Diligence**

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

<b>Compliance Check:</b>	Not Applicable
<b>Living Wage:</b>	Exempt
<b>Paid Sick Leave:</b>	Compliant
<b>Affordable Care Act:</b>	Compliant
<b>Bank Account:</b>	Bank of America
<b>Bank Check:</b>	Relationships are reported to be satisfactory.
<b>Supplier Checks:</b>	Not Applicable
<b>Customer Checks:</b>	Not Applicable
<b>Unions:</b>	Not Applicable
<b>Vendex Check:</b>	No derogatory information was found.
<b>Attorney:</b>	YuhTyng Pakta, Esq Duval & Stachenfeld LLP 555 Madison Ave New York, NY 10022
<b>Accountant:</b>	CohnReznick LLP 500 E Pratt Street Baltimore, MD 21202
<b>Community Board:</b>	Brooklyn, CB 5

February 25, 2022

Emily Marcus  
New York City Industrial Development Agency  
One Liberty Plaza  
New York, NY 10006

**Re: Proposed Supermarket at 50 Pennsylvania Avenue  
NYCIDA Board Amended Inducement Letter**

Dear Ms. Marcus,

50 Penn Retail Owner seeks to build an approximately 18,512 gross square foot supermarket at its 50 Penn development (“50 Penn”). 50 Penn is a mixed-use beacon for residents of Cypress Hills and surrounding neighborhoods, providing access to **218 high-quality affordable and moderate-income rental residences, neighborhood-scale retail, and sustainable and healthy food choices**. This development will be a catalyst for regenerating commercial life within Cypress Hills, and particularly along Fulton Street and Pennsylvania Avenue, an area which has not experienced significant investment in recent years. The development site is only one block away from the J/Z train station at Alabama Avenue, and less than half a mile from the Broadway Junction transit hub and is **well situated to receive the future development activity in the area following transit and public realm improvements planned by NYCEDC, DCP, DOT, Parks, and other City agencies**.

The approximately 18,512 gross square foot supermarket at 50 Penn is designed in partnership with an operator of the well-known chain Fine Fare Supermarkets. Fine Fare is committed to opening and operating a first-rate supermarket in this under-served East New York community. The supermarket at 50 Penn will be providing fresh fruits, vegetables, meats and a full line supermarket product mix, and delivering these greatly needed necessities at affordable price points. Fit-out of the supermarket condominium has been principally negotiated between the owner and the grocery operator tenant and will be codified in the final form of the lease between the owner and tenant. Additionally, the supermarket will include a basement space that will allow for food storage in accordance with health department regulations. The supermarket will be served by a loading and delivery area at the Sheffield Avenue side of the building, as well as fifteen (15) surface parking spaces available for supermarket customer parking, also accessible from the Sheffield Avenue side of the building.

The development of 50 Penn faced unprecedented challenges posed by the Coronavirus pandemic which continues to take its toll on New York City. The crisis burgeoned construction, constrained labor and supply availability, and added time and costs to the project. At the same time, the pandemic devastated retail business owners, particularly the type of community-serving businesses that 50 Penn seeks to retain. As a result, the new commercial leasing environment dictates terms that were not underwritten at the project’s outset, including reduced rental rates, free rent and improvement allowances, which the project is unable to provide absent FRESH program benefits.

At the outset of 50 Penn’s development, the owner identified the FRESH program as a tremendous tool for 50 Penn to combat these barriers to successful supermarket operations. Often, in urban environments, the confluences of several factors create an unfavorable business climate that few operators are willing to brave, and even fewer institutions have an appetite to lend within. These factors include: increased security costs; higher shrinkage; (merchandise loss); lower disposable income for area residents which creates two issues, first, inability to purchase high margin products, and second, lower total shopping expenditures; and finally, an untrained pool of employee applicants. The net result of these issues typically leads to an unprofitable location for a supermarket operator that intends to deliver: 1) quality products, at 2) reasonable prices, along



with 3) excellent customer service. **The project would not have been financially viable without the expectation and underwriting of FRESH program benefits.** The savings connected to these benefits will be critical in making this fresh food grocer succeed and will be a determining factor in overall success for the project at 50 Penn.

The owner closed on initial financing and began the construction of 50 Penn in April of 2019 and substantially completed construction in February of 2022. The owner is actively engaged in marketing and leasing efforts for the grocery, and anticipates entering a lease imminently, and the supermarket becoming fully operational by December 2022.

Thank you for your time and your support of our endeavor to bring healthy and fresh food options to Cypress Hills. Should you have any questions, please do not hesitate to contact me directly on 267-386-8660, or by email at [THenkel@pennrose.com](mailto:THenkel@pennrose.com).

Sincerely,

50 Penn Retail Owner LLC



Timothy I. Henkel  
Authorized Signatory

Exhibit F

Resolution amending a prior resolution inducing the financing of a Food Retail Expansion to Support Health Program facility for 50 Penn Retail Owner LLC, and its affiliate, 50 Penn Retail LLC, as a (Straight-Lease) Transaction and authorizing and approving the execution and delivery of agreements in connection therewith

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

WHEREAS, 50 Penn Retail Owner LLC, a New York limited liability company affiliated with Pennrose LLC (the “Applicant”) has entered into negotiations with officials of the Agency for the acquisition, construction, furnishing and equipping of an approximately 28,730 square foot retail condominium unit (the “Facility”) located within an approximately 206,004 square foot mixed use building located on a 35,000 square foot parcel of land at 40 Pennsylvania Avenue (formerly 50 Pennsylvania Avenue), Brooklyn, New York 11207 for sublease to the Agency by 50 Penn Retail LLC, a real estate holding company, or another affiliate of the Applicant (the “Company”), and sub-sublease by the Agency to the Company, for further sublease to Soliman Food Corp. or another supermarket operator (the “Operator”) for use as a Fine Fare supermarket, and having an approximate cost of \$6,100,000 (the “Project”); and

WHEREAS, on November 7, 2018 the Agency adopted its inducement resolution for the Project (the “Inducement Resolution”), in which it was stated that (i) the Applicant was Pennrose LLC, (ii) the Project would consist of the acquisition and construction of the Facility, and (iii) the estimated cost of the Project was \$11,800,000, and the Applicant has since advised the Agency that the Applicant is 50 Penn Retail Owner LLC, the Project consists of the acquisition, construction, renovation and furnishing of the Facility, and the Project cost is now approximately \$6,100,000 due to the near-completion of construction of the Facility; and

WHEREAS, the Applicant has submitted a revised Project Application and the Agency desires to amend the Inducement Resolution in connection with the foregoing; and

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

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

Section 1. To accomplish the purposes of the Act and to provide financial assistance to the Applicant and the Company for the Project, a straight-lease transaction is

hereby authorized subject to the provisions of this Resolution and the Lease Agreement hereinafter authorized.

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

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

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

Section 4. The officers of the Agency are hereby designated the authorized representatives of the Agency, and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution. The Agency recognizes that due to the unusual complexities of the transaction it may become necessary that certain of the terms approved hereby may require modifications which will not affect the intent and substance of the authorizations and approvals by the Agency herein. The Agency hereby authorizes the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or General Counsel to approve modifications to the terms approved hereby

which do not affect the intent and substance of this Resolution. The approval of such modifications shall be evidenced by a certificate of determination of an Agency officer.

Section 5. The Inducement Resolution is hereby amended to reflect that (i) the Applicant is 50 Penn Retail Owner LLC and not Penrose LLC, (ii) the Project consists of the acquisition, construction, renovation, furnishing and equipping of the Facility, (iii) the Agency intends to grant the Applicant and the Company sales and use tax exemptions in amount not to exceed \$259,998 instead of \$487,016 and (iv) the estimated Project cost is approximately \$6,100,000 and not \$11,800,000. The Inducement Resolution is in all other respects ratified and confirmed.

Section 6. The Agency reconfirms its findings under Section 2 of the Inducement Resolution pursuant to Section 862(2)(c) of the Act and Section 8 of the Inducement Resolution with respect to the State Environmental Quality Review Act.

Section 7. This Resolution shall take effect immediately.

ADOPTED: April 26, 2022

Exhibit G

### **Project Summary**

New York City Industrial Development Agency (the “Agency”) is seeking to enter into a contract (the “Audit Contract”) with Ernst & Young LLP (“EY”) to provide audit services for the Fiscal Years ending June 30, 2022 through 2025. A Request for Proposals (“RFP”) was issued to engage an independent auditor (“the Auditor”) to provide the contract services. The RFP was distributed to twenty-four accounting firms selected from the City Comptroller’s pre-qualified certified public accountant list and was advertised in the City Record. The submitted proposals were evaluated using the following criteria: the firm’s experience with audits of similar size and scope, the overall qualification, strength, and experience of the audit team, the audit approach, the proposed fees, and the overall quality of the proposal.

After a committee of NYCEDC staff evaluated the proposals, the three highest scoring firms were interviewed. EY received the highest overall ranking and was determined to be the strongest firm for the award of the Audit Contract.

### **Services to be provided**

The Auditor will provide the following services:

- Audits of the Agency’s financial statements for the fiscal years ending June 30, 2022 through 2025
- Audits of the Schedule of Investments for the fiscal years ending June 30, 2022 through 2025
- A Management Letter, if required, setting forth findings and recommendations
- Performance of other audit related services, if needed

### **Action Requested**

Authorize the Agency to execute a service contract with the selected audit firm on the terms and for the purposes substantially as described herein.

### **Contract Value**

Up to \$286,125

### **Anticipated Execution Date**

June 2022

Exhibit H



## **Project Summary**

Cyber NYC is a suite of programs that invests in workforce and programming to grow jobs in the cybersecurity industry. New York City Economic Development Corporation (“NYCEDC”), through its subcontractors, is seeking to provide scholarships to New Yorkers to participate in the Fullstack Cybersecurity Bootcamp, as described further below.

## **Project Location**

Citywide

## **Background**

Cyber NYC is a public-private partnership dedicated to making New York City a global leader in cyber innovation and creating 10,000 accessible cybersecurity jobs for New Yorkers. Cyber NYC was announced in 2017 as a cornerstone initiative of the Mayor’s New York Works Jobs Plan and comprises a suite of innovation and talent programs. New York City is facing an ongoing cybersecurity talent shortage with over 28,000 open positions listed in the New York-metro area. Since the onset of COVID-19, and as threats from Russia grow in retaliation for the sanctions imposed by the United States, we’ve seen a rise in cyber threats. New York has been on “high alert” for cyber-attacks. The threat to NYC and its critical infrastructure is ongoing and the need for cybersecurity talent to combat these threats remains a priority to protect the businesses and services that drive our economy.

To address these challenges and create opportunities for all New Yorkers to have good paying jobs, Fullstack Academy, LLC, pursuant to a contract with NYCEDC as part of Cyber NYC, developed New York City’s first cybersecurity bootcamp with that serves as an accessible learning pipeline essential to the continued growth of the City’s cybersecurity ecosystem. This bootcamp is dedicated to job-readiness and training and placing individuals in cybersecurity jobs in NYC and is a key initiative of Cyber NYC.

The Fullstack Academy Cybersecurity Bootcamp is a 13-week (full-time) or 26-week (part-time) rigorous bootcamp training that helps a diverse group of New Yorkers launch careers in cybersecurity. The program enables individuals with no previous experience to learn the fundamentals of cybersecurity, including both offense and defense skills and trains students to use state-of-the-art cybersecurity tools to obtain entry-level cybersecurity roles.

## **Services to be Provided**

NYCEDC, through its subcontractor, will provide the following services: (i) providing for 22 scholarships to residents of New York City across a mix of part-time and full-time Cybersecurity Bootcamp cohorts; and (ii) additional wraparound services for the scholarship recipients, including a laptop and vouchers for supplemental examinations or industry study materials, to lead to greater success and outcomes.

## **Timeline**

The program activities to be funded through the Agency will take place in the fiscal years 2022 and 2023.

## **Actions Requested**

Authorization of the execution and delivery by the Agency of a \$400,000 services contract with NYCEDC, on a sole source basis, on the terms and for the purposes described herein.

**Contract Value**

Up to \$400,000

**Anticipated Contract Date**

May 2022