

MINUTES OF THE  
MEETING OF THE BOARD OF DIRECTORS  
OF  
NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY  
HELD IN-PERSON AT THE ONE LIBERTY PLAZA OFFICES OF  
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION  
MARCH 7, 2023

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

Andrew Kimball (chairperson)  
Anand Amin, alternate for Maria Torres-Springer,  
Deputy Mayor for Housing and Economic Development  
Francesco Brindisi, alternate for Brad Lander  
Comptroller of The City of New York  
Andrea Feirstein  
Janet Mejia-Peguero  
James Prendamano  
Douglas Rose, alternate for Dan Garodnick,  
Chair of the City Planning Commission of The City of New York  
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:

HeeWon Brindle-Khym  
Khary Cuffe  
Albert De Leon  
Anthony Del Vecchio  
Jacques-Philippe Piverger

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.

1. Adoption of the Minutes of the (adjourned) January 24, 2023 and (rescheduled) February 14, 2023 Board Meeting

Mr. Kimball asked if there were any comments or questions relating to the minutes of the adjourned January 24, 2023 Board of Directors meeting as well as the minutes of the continuation of that meeting which took place on February 14, 2023. There were no comments or questions; a motion to approve such minutes was made, seconded and unanimously approved.

2. Financial Statements for January 31, 2023 (Unaudited)

Carol Ann Butler, an Assistant Vice President for NYCEDC, presented the Agency's Financial Statements for the six-month period ending January 31, 2023 (Unaudited). Ms. Butler reported that for the six-month period the Agency recognized revenues from project finance fees from six transactions totaling \$670,000. In addition, revenues derived from compliance, application and termination fees amounted to \$1,000,000. Ms. Butler also reported that \$2.6 million in operating expenses, largely consisting of the monthly management fee, were recorded for the Agency for the six-month period that ended on January 31, 2023 (Unaudited). In the category of special projects the Agency recognized \$293,000 in special project costs largely consisting of the full stack cyber security boot camp scholarship.

3. BCAL 707 Property LLC

Noah Schumer, an Assistant Vice President for NYCEDC and Deputy Executive Director of the Agency, presented for review and adoption an inducement resolution for a commercial life sciences transaction for the benefit of BCAL 707 Property LLC and recommended the Board adopt a negative SEQRA determination that the project will not have a significant adverse effect on the environment. Mr. Schumer described the project and its benefits, as reflected in Exhibit A.

There being no comments or questions, a motion to approve the inducement resolution and the SEQRA determination attached hereto as Exhibit B for the benefit of BCAL 707 Property LLC was made, seconded and unanimously approved.

4. Spenceran, Inc.

Joseph Taecker-Wyss, an Associate for NYCEDC, presented for review and approval an amending inducement resolution and authorizing resolution for a Food Retail Expansion to Support Health Program ("FRESH") transaction for the benefit of Spenceran, Inc., recommended the Board adopt a revised negative SEQRA determination that the project is an unlisted action that will not have a significant adverse effect on the environment and adopt a finding statement that since this company is retail focused and located in a "highly distressed area" as defined in Section 854(18) of the IDA Act the project will result in increasing the overall number of permanent, private sector jobs in New York State. Mr. Taecker-Wyss described the

project and its benefits, as reflected in Exhibit C.

There being no comments or questions, a motion to approve the amending inducement resolution, authorizing resolution, SEQRA determination and finding statement, attached hereto as Exhibit D, was made, seconded and unanimously approved.

5. Services Contract Proposal for Circular Construction Design Guidelines

Zack Aders, a Vice President for NYCEDC, presented for review and approval a proposal for a services contract with NYCEDC in an amount of up to \$200,000, which will engage Jacobs Engineering which will: (i) gather data in order to draft and develop design guidelines including additional cost estimates, constructability review and review draft guidelines and specifications and (ii) develop and draft construction guidelines including maximizing material reuse in procurement of trades, waste management, construction logistics and other construction related guidelines for circular construction. Mr. Aders described the program and its benefits, as reflected in Exhibit E.

Mr. Prendamano asked if there will be a period between identifying best practices and adoption where there will be a review or a discussion? Mr. Aders stated that there will be a series of workshops outside of these guidelines to loop in construction-minded staff from the Agency and NYCEDC in order to ensure these guidelines meet specified requirements. Mr. Aders stated that a lot of studies conducted by the consultant cost more than \$200,000. Mr. Aders stated that Agency staff are looking to target the points of greatest impact. Mr. Aders stated that there is already language in NYCEDC's template for request for proposals (RFP) that encourage the use of reusable materials and similar concepts but the goal is to be more concentrated with such language. Mr. Aders stated that the scope of work includes the review of regulatory challenges and financial challenges so that Agency staff can get a sense of the impact from all sides. Ms. Feirstein asked whether these guidelines would become part of a RFP process when an entity is asking to undertake a project and they would undertake to adhere to these guidelines? Mr. Aders stated that every project would be unique in how respondents respond to a RFP but reducing carbon by finding reusable materials when possible is the goal. Mr. Aders stated that one aspect of the project is informing others by incorporating specific language in RFPs and also providing specified guidelines to the teams at the time of the RFP so they can see what the expectations are. In response to a question from Ms. Feirstein, Mr. Aders stated that these guidelines are not in place with other entities in the City. Mr. Aders stated that it's a difficult problem to solve for which makes it incredibly interesting. Mr. Aders stated that this is really the first part because there is so much data that isn't out there and to define what these guidelines will be and the second part is the data collection which will be used to inform Agency staff as the project moves forward and as markets develop.

There being no further comments or questions, a motion to approve the services contract proposals for the Circular Construction Design Guidelines attached hereto as Exhibit E was made, seconded and approved with Ms. Thomas abstaining from the vote.

6. 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 9:19 a.m.

\_\_\_\_\_  
Assistant Secretary

Dated: \_\_\_\_\_  
New York, New York

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Exhibit A

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### Project Summary

BCal 707 Property LLC (the “Company”), a Delaware limited liability company that is a joint venture between affiliates of The Georgetown Company, LLC (“Georgetown”) and Beacon Capital Partners, LLC (“Beacon”), owners, developers, and managers of commercial and life science real estate, is seeking financial assistance in connection with the demolition of an existing 18,417 square foot office building located on a 10,042 square foot parcel of land located at 615 W 50th Street, New York, New York and identified as Tax Block 1098, Lot 22 on the Tax Map for the Borough of Manhattan (the “Manhattan Tax Map”), as well as the demolition of a 103,788 square foot office building, located on a 17,573 square foot parcel of land located at 601 W 50th Street, New York, New York and identified as Block 1098, Lot 29 on the Manhattan Tax Map, and the subsequent construction, furnishing and equipping of a 180,000 square foot, 7 story (including basement) life sciences building across such parcels (the “Facility”). The Company intends to lease the Facility to various tenants for lab, lab support, office space and other uses applicable to the life sciences industries (the “Project”).

### Project Location

601 and 615 W 50<sup>th</sup> Street (also known as 707 11<sup>th</sup> Avenue)  
New York, New York 10019

### Actions Requested

- Inducement Resolution for a Commercial Life Sciences transaction.
- Adopt a SEQRA negative declaration for this Project. The proposed Project will not have a significant adverse effect on the environment.

### Anticipated Closing

Summer 2023

### Impact Summary

Employment	
Jobs at Application:	0
Jobs to be Created at Project Location (Year 3):	*472
<b>Total Jobs (full-time equivalents)</b>	<b>472</b>
<b>Projected Average Hourly Wage (excluding principals)</b>	<b>\$86.00</b>
<b>* Estimate of tenant job creation at the Facility based on industry statistics</b>	

Estimated City Tax Revenues	
Impact of Operations (NPV 20 years at 6.25%)	\$34,468,688
One-Time Impact of Renovation	\$12,754,300
<b>Total impact of operations and renovation</b>	<b>\$47,222,988</b>
<b>Additional benefit from jobs to be created</b>	<b>\$100,353,378</b>

## BCal 707 Property LLC

Estimated Cost of Benefits Requested: New York City	
Building Tax Exemption (NPV, 20 years at 6.25%)	\$46,103,185
Land Tax Abatement (NPV, 20 years at 6.25%)	\$2,478,791
MRT Benefit	\$2,571,730
Sales Tax Exemption	\$4,686,834
Agency Financing Fee	(\$1,946,796)
<b>Total Value of Benefits provided by Agency</b>	<b>\$53,893,744</b>
Available As-of-Right Benefits (ICAP)	\$0
Agency Benefits In Excess of As-of-Right Benefits	\$53,893,744

Costs of Net City Benefits Per Job	
Estimated Total Cost of Benefits per Job	\$114,182
Estimated City Tax Revenue per Job	\$312,662

Estimated Cost of Benefits Requested: New York State	
MRT Benefit	\$1,384,778
Sales Tax Exemption	\$4,556,644
<b>Total Cost to NYS</b>	<b>\$5,941,422</b>

## Sources and Uses

Sources	Total Amount	Percent of Total Financing
Commercial Loan	\$218,260,332	73%
Equity	\$79,440,474	27%
<b>Total</b>	<b>\$297,700,806</b>	<b>100%</b>

Uses	Total Amount	Percent of Total Costs
Hard Costs	\$147,542,450	50%
Soft Costs	\$30,662,109	10%
FF&E	\$2,725,000	1%
Leasing Costs and Contingency	\$65,628,622	22%
Capitalized Interest	\$38,932,540	13%
Closing Fees	\$12,210,085	4%
<b>Total</b>	<b>\$297,700,806</b>	<b>100%</b>

## Fees

	Paid At Closing	On-Going Fees (NPV, 20 Years)
Agency Fee	\$1,946,796	
Project Counsel	Hourly	
Annual Agency Fee	\$1,250	\$14,730
Total	\$1,948,046	\$14,730
<b>Total Fees</b>	<b>\$1,962,776</b>	

## **BCal 707 Property LLC**

### **Financing and Benefits Summary**

It is anticipated that the Company will finance or refinance the Project with a commercial mortgage loan and with equity provided by Beacon and Georgetown or their affiliates. The Company will seek authorization from the NYCIDA Board of Directors upon determination of the details of a plan of finance. The financial assistance proposed to be conferred by the Agency will consist of exemption of City and State mortgage recording taxes, exemption from City and State sales and use taxes and payments in lieu of City real property taxes.

### **Market Performance and Projections**

New York City (the “City”) is an emerging destination for life sciences tenants as the local economy boasts a rich talent pool, access to global capital, and proximity to a growing tech sector. Additionally, the City is home to one of the nation’s largest concentrations of medical centers, research foundations, and academic institutions. The life sciences industry in the City is also bolstered by its proximity to other biotech enclaves in the greater metro area – specifically New Jersey, Long Island, and Westchester County.

To bolster the sector and establish the City as the global leader in life sciences, the City has launched LifeSci NYC, a \$1 billion initiative to generate thousands of new jobs for New Yorkers and to support the production of dozens of new cures and treatments. As part of this, the NYCIDA is committed to providing financial assistance to strategic projects that support the goals of the program.

A significant impediment to the growth of the life science industry in the City is the insufficient supply of wet lab space, as demand from the City’s budding life sciences industry has outpaced lab supply, resulting in growing companies having to leave the City to find space. In particular, the market is lacking in rentable lab space under 10,000 square feet for early-stage companies emerging out of incubators and proceeding through their initial financing rounds, forcing them to relocate. This Project will address these challenges by developing approximately 180,000 square feet of new wet lab space and will include in such space ‘graduation suites’ rentable to early-stage commercial life science tenants, each under 10,000 rental square feet. In addition, the Company is committed to sharing the Facility with nonprofits in the life sciences industry for a minimum of 50 hours of programming per year.

### **Inducement**

- I. The Project will create critically needed wet lab and commercial office space for life sciences companies in the City.
- II. Developing wet lab space and related office space is more expensive than alternative types of real estate.
- III. The Project would not be financially viable without Agency benefits.

### **UTEP Considerations**

The Agency finds that the Project meets one or more considerations from Article II-B of the Agency’s Uniform Tax Exemption Policy (“UTEP”), including the following:

- I. Financial assistance is required to induce the Project.
- II. The Project will create or retain permanent private-sector jobs.
- III. The Project involves the life sciences industry, which the Agency seeks to retain and foster.

### **Deviation from UTEP**

In accordance with the GML, the Agency has adopted the UTEP. The UTEP provides that for a Commercial Program Project located in Manhattan to be eligible for discretionary financial assistance, it must be located within a highly distressed area as defined in the New York State Industrial Development Agency Act. The UTEP also provides that the Recipient of financial assistance for a Commercial Program Project must submit to the Agency binding expressions of interest from one or more anchor tenants for the Project that are acceptable to the Agency. Additionally, the UTEP provides that the Recipient of financial assistance for a Commercial Program Project will be required to pay PILOT during the term of financial assistance in an amount equal to the City real property taxes in respect of the land and existing improvements that would have been payable by the Recipient in the absence of the Agency’s involvement with the Project.



## **BCal 707 Property LLC**

Three deviations from UTEP are necessary because (1) the Project is in Manhattan but is not located within a highly distressed area as defined in the New York State Industrial Development Agency Act; (2) the Company does not currently have an anchor tenant committed to leasing at the Facility; and (3) the Company has requested abatements of real property taxes in respect of the Land and existing Facility improvements that would have been payable by the Recipient in the absence of the Agency's involvement with the Project.

The Agency believes that the deviations from the UTEP are justified because the Project will help establish a life sciences ecosystem in the City as part of the LifeSci NYC initiative. Additionally, the Project is anticipated to create approximately 472 good-paying jobs. With IDA assistance, the Company will be able to make the investments necessary to bring the Facility online as one that caters to life sciences companies. If the deviations are not approved and the proposed Project does not proceed, the City will forego the creation of critically needed life sciences lab space and also the creation of approximately 472 good-paying jobs.

### **Applicant Summary**

The Company is a joint venture of affiliates of Georgetown and Beacon, owners and managers of commercial real estate:

#### **The Georgetown Company**

Founded in 1978 and headquartered in New York, Georgetown is a real estate investment and development firm with approximately \$3.3 billion of real estate assets under management, including projects across the following sectors: life sciences, office, mixed-use, hotel, retail, and multifamily. Since its inception, Georgetown has developed and managed over 22 million square feet of real estate. In New York City, Georgetown is currently delivering the buildout for Mount Sinai's Icahn School of Medicine research center, as well as a biology and design lab affiliated with MIT at 787 Eleventh Avenue. Georgetown currently has 25 employees based in New York and a further 6 employees based in its other locations.

#### **Adam Flatto, CEO, Georgetown**

Mr. Flatto is the President and Chief Executive Officer of Georgetown and oversees all of the firm's activities. In his 30-plus years with Georgetown, Mr. Flatto has been involved with the development, acquisition, and ownership of over 20 million square feet of commercial and residential real estate projects throughout the United States. A native New Yorker, Mr. Flatto is committed to advancing the work of civic and cultural organizations in his community. He serves as Co-Chairman of the Board of the Park Avenue Armory in NYC and Chairman of the Housing Committee of the Robin Hood Foundation. He is Chairman of the Board of the Center for Global Risk and Security at the RAND Corporation in Santa Monica, CA, trustee of The Wexner Center for the Arts in Columbus, OH, and of Works & Process based at the Guggenheim Museum in NYC. He has also served on the Brown University Real Estate Fund committee, as a trustee of Enterprise Community Partners, and as board member of the International Center of Photography and the Children's Museum of Manhattan. Mr. Flatto is a director of The Howard Hughes Corporation and a member of the Council on Foreign Relations. In 2015 he was honored by the Citizens Union of the City of New York with its Business Leadership Award. Mr. Flatto received his BA magna cum laude from Brown University with honors in Economics and received his MBA from the Wharton School at the University of Pennsylvania.

#### **Beacon Capital Partners**

Beacon was founded in 1998, and the company is headquartered in Boston, with offices in Chicago, Los Angeles, Denver, New York, San Francisco, Seattle and Washington, D.C. Through its investment funds and joint ventures, Beacon and its affiliates own approximately 29 million square feet of office and life science properties. The company's life sciences portfolio totals 12.1 million square feet and is comprised of 4.1 million square feet of existing or under construction projects, and 8 million square feet of future development opportunities across multiple cities in the United States. The Project will be Beacon's first life sciences development in the City. Beacon currently has 8 employees based in New York and a further 122 employees based in its other locations.

## **BCal 707 Property LLC**

### **Fred Siegel, CEO, Beacon**

Mr. Siegel is the President & Chief Executive Officer of Beacon and is based in Boston. Before joining Beacon in 2001, he was Managing Director of Latona Associates, Inc., a private merchant bank. Before that, Mr. Siegel spent six years as President and Director of Energy Capital Partners, a company he founded that specialized in financing energy projects throughout the US. He serves on the Foundation's Board of Directors for the National Institutes of Health and Camp Harbor View and is also a member of the Real Estate Roundtable.

### **Recapture**

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

### **SEQRA Determination**

Unlisted 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 Agency staff.

### **Due Diligence**

The Agency conducted a background investigation of the Company, Beacon, Georgetown, 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 Check:</b>	Relationships are reported to be satisfactory.
<b>Supplier Checks:</b>	Relationships are reported to be satisfactory.
<b>Customer Checks:</b>	Relationships are reported to be satisfactory.
<b>Background Check:</b>	No derogatory information was found.
<b>Consultant:</b>	Suri Kasirer Kasirer LLC 321 Broadway, Suite 201 New York, NY 10007
<b>Attorney:</b>	Steven Polivy, Esq. Akerman LLP 666 5th Avenue, 20 <sup>th</sup> floor New York, NY 10103
<b>Accountant:</b>	Daniel Gohari The Georgetown Company 500 Park Avenue, 10 <sup>th</sup> Floor New York, NY 10022
<b>Community Board:</b>	Manhattan, CB#-4

## THE GEORGETOWN COMPANY

500 PARK AVENUE, NEW YORK, N.Y. 10022  
TEL 212-755-2323 FAX 212-755-3679

Emily Marcus, Executive Director  
New York City Industrial Development Authority  
One Liberty Plaza  
New York, NY 10006

Dear Ms. Marcus,

Thank you for the opportunity to submit this application for your consideration and for you and your team's collaboration to date. BCal 707 Property LLC, a joint venture between affiliates of The Georgetown Company ("TGC") and Beacon Capital Partners, LLC ("Beacon"), is pleased to continue our discussion with the NYCIDA ("IDA") regarding the potential development of a ~180,000 SF ground-up life science building at 707 Eleventh Avenue in the burgeoning DeWitt Clinton submarket of Manhattan.

Founded in 1978 and headquartered in New York, TGC is a privately-held, diversified real estate investment and development firm focused on unlocking complex projects and creating value. TGC has executed ~\$1.0B+ in capital transactions in the last 24 months and has approximately \$3.3BN of real estate assets under management, including life science, office, mixed-use, hotel, retail, and multifamily projects. Since its inception, TGC has developed and managed over 22.0M SF of real estate across 10 markets in the U.S. In NYC at 787 Eleventh, TGC is currently delivering the buildout for both Mount Sinai's Icahn School of Medicine research center as well as for renowned MIT Media Lab professor Neri Oxman's biology and design lab.

Beacon was founded in 1998 and is headquartered in Boston with offices in Chicago, Los Angeles, Denver, New York, San Francisco, Seattle, and Washington, D.C. To date, Beacon has deployed over \$19B in equity raised from a diverse investor group including endowments, foundations, public, private, and foreign pension funds, financial institutions, and sovereign wealth funds. Through its funds and joint ventures, Beacon and affiliates currently own approximately 29M SF of office and life science properties. Within the portfolio, life science properties total 12.6M SF, comprised of 4.7M SF of projects that are existing or under construction, as well as 7.9M SF of future development opportunities. The future development opportunities include seven projects in Boston, four projects in the San Francisco Bay Area, and projects in Chicago, Houston, Maryland, Philadelphia Boulder, and Seattle. 707 Eleventh Avenue would be Beacon's first life science project in New York, as the company continues to expand its portfolio.

As part of a shared vision to further develop a West Side life science cluster, TGC and Beacon acquired 707 Eleventh Avenue in February 2022. Together, TGC and Beacon intend to develop the first purpose-built life sciences building in Manhattan since Alexandria's project on the East Side in 2013. However, confronted with escalating costs and a desire to create a world-class life science building, TGC and Beacon need the City's help to achieve their goals – which align with those laid forth in the Mayor's Rebuild, Renew, Reinvent objective. Having extensively evaluated the financial viability of a life science project, without the City's support through abatements and incentives, the projected returns do not merit the risk. Without the City's assistance, the next best alternative is to create warehouse/logistics space, which use is as-of-right and would provide a better risk/return profile.

However, by working in partnership with the IDA and with the support of incentives and abatements, we believe that 707 Eleventh is realizable and viable as a new purpose-built life science building. The project would deliver: 450+ life science jobs, generate over \$350 million of new life science investment into Midtown West / DeWitt Clinton, and attract new firms and companies of various sizes seeking to recruit and retain highly educated life science employees. However, to be viable from an investment perspective, the project needs a real property tax abatement, a mortgage recordation tax abatement, and a sales tax exemption on building products acquired in New York. As a native New Yorker and a New York based firm, we are keen to do what is best for the City and view the creation of a new, purpose-built life science building to be just that. We hope you will agree and look forward to working with you to achieve that goal.

Sincerely,



Adam Flatto  
CEO and President

Exhibit B

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Resolution inducing the financing of a commercial facility for  
BCal 707 Property LLC and its affiliates, 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, BCal 707 Property LLC (the “Applicant”), a joint venture between affiliates of The Georgetown Company, LLC (“Georgetown”) and Beacon Capital Partners, LLC (“Beacon”), has entered into negotiations with officials of the Agency for the construction, furnishing and equipping of a commercial facility (the “Facility”), consisting of the demolition of an existing approximately 18,417 square foot office building located on an approximately 10,042 square foot parcel of land located at 615 West 50th Street, New York, New York (also known as 707 11th Avenue, New York, New York) and identified as Tax Block 1098, Lot 22 on the Tax Map for the Borough of Manhattan (the “Manhattan Tax Map”), as well as the demolition of an approximately 103,788 square foot office building, located on an approximately 17,573 square foot parcel of land located at 601 West 50th Street, New York, New York and identified as Block 1098, Lot 29 on the Manhattan Tax Map, and the subsequent construction, furnishing and equipping of an approximately 180,000 square foot, 7-story life sciences building (including a basement level) across such parcels, for lease to the Agency by the Applicant, and sublease by the Agency to the Applicant for lease to various tenants for lab, lab support, office space and other uses applicable to the life sciences industries at the Facility, and having a total project cost of approximately \$297,770,806 (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 Georgetown and Beacon are owners, developers, and managers of commercial and life science real estate with offices in the City of New York (the “City”); that the Project would be the first purpose-built life sciences building in Manhattan since the Alexandria project on the East Side; that the Project is expected to create approximately 417 full time equivalent employees within the three years following completion and generate over \$350 million of new life science investment into the Midtown West/DeWitt Clinton area of Manhattan; that the Project will attract new firms and companies of various sizes seeking to recruit and retain highly educated life science employees; that confronted with escalating costs and the Applicant’s desire to create a world-class life science building, the Project will be realizable with the Agency’s financial assistance; that without the Agency’s financial assistance, the Applicant’s next best alternative is to create warehouse/logistics space, which use is as-of-right and would provide a better risk/return profile; that the Applicant must

obtain Agency financial assistance in the form of a straight-lease transaction to enable the Applicant to proceed with the Project and thereby remain and expand its operations in the City; and that, based upon the financial assistance provided through the Agency, the Applicant desires to proceed with the Project and remain and expand its operations in the City; and

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

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

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

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

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

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

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

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

Section 2. To accomplish the purposes of the Act and to provide financial assistance to the Applicant for the Project, a deviation from the Agency's Uniform Tax Exemption Policy is hereby approved and a straight-lease transaction is hereby authorized subject to the provisions of this Resolution.

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

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

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

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

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

Section 8. The Agency, as lead agency, 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 has determined that the Project, an Unlisted action, pursuant to SEQRA and the implementing regulations, would not have a significant effect on the environment and that a Draft Environmental Impact Statement will not be prepared. The reasons supporting this determination are as follows:

- (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.
- (2) The Project will not result in significant adverse impacts on cultural, archaeological, architectural, or aesthetic resources or the existing neighborhood.
- (3) The Project would not result in significant adverse impacts to natural resources, critical habitats, or water quality. The Project site is located within the City's coastal zone boundary. Having reviewed the materials submitted by the Applicant regarding this action, the Agency finds that the proposed action is consistent with the policies comprising New York City's Waterfront Revitalization Program (WRP) and that the proposed action would not hinder the achievement of the WRP.
- (4) The Project will not result in a change in existing zoning or land use. The proposed use would be as-of-right under zoning.
- (5) A Phase I and Phase II Environmental Site Assessment were completed for the site in September 2022. The Phase I identified no Recognized Environmental Conditions (RECs) on the site. The Phase II identified non-native soil at the site that contains an amount of SVOCs and metals exceeding State regulatory values. The presence of SVOCs and metals is likely attributed to the quality of the non-native soil. Groundwater at the site contains VOCs, SVOCs, and dissolved metals at concentrations exceeding State regulatory values, most likely attributed to the non-native soils. Soil vapors were detected at the site in three soil vapor samples at concentrations exceeding State regulatory values. The soil vapor is likely attributable to an offsite source. As part of the environmental analysis, the project team recommended a vapor barrier to be installed below the lowest level slab and outside of sub-grade foundation walls of the new building. That vapor barrier would span the entirety of the proposed development. Once the new building has been constructed, indoor air sampling will be performed within enclosed spaces in the lowest levels of the building and located in areas that are deemed representative of the indoor air conditions. Sampling will be coordinated, and the indoor air samples will



be collected in accordance with NYSDOH Guidance for Evaluating Soil Vapor Intrusion in the State of New York. The samples will be submitted and analyzed as per regulations, and the results will be compared against the NYSDOH Air Guideline Values (AGV). If concentrations are higher than guideline values, steps would be taken to ensure continuous air flow for the correct amount of ventilation in the building, including upgrading the HVAC system to continuously provide the lowest levels of the building proper ventilation. If these recommendations are followed, the Agency does not anticipate any significant adverse impacts resulting from the proposed projects due to Hazmat.

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

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

(1) The Applicant acknowledges and agrees that pursuant to General Municipal Law Section 875(3) the Agency shall have the right to recover, recapture, receive, or otherwise obtain from the Applicant New York State sales or use tax savings taken or purported to be taken by the Applicant and any agent or any other person or entity acting on behalf of the Applicant, to which the Applicant is not entitled or which are in excess of the maximum sales or use tax exemption amount authorized in Section 10 of this Resolution or which are for property or services not authorized or taken in cases where the Applicant, or any agent or any other person or entity acting on behalf of the Applicant, failed to comply with a material term or condition to use property or services in the manner required by this Resolution or any agreements entered into among the Agency, the Applicant or any agent or any other person or entity acting on behalf of the Applicant. The Applicant shall, and shall require each agent and any other person or entity acting on behalf of the Applicant, to cooperate with the Agency in its efforts to recover, recapture, receive, or otherwise obtain such New York State sales or use tax savings and shall promptly pay over any such amounts to the Agency that it requests. The failure to pay over such amounts to the Agency shall be grounds for the Commissioner of the New York State Department of Taxation and Finance (the "Commissioner") to assess and determine New York State sales or use taxes due from the Applicant under Article Twenty-Eight of the New York State Tax Law, together with any relevant penalties and interest due on such amounts.

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

- (i) In accordance with General Municipal Law Section 875(3)(c), if the Agency recovers, recaptures, receives, or otherwise obtains, any amount of New York State sales or use tax savings from the Applicant, any agent or other person or entity, the

Agency shall, within thirty days of coming into possession of such amount, remit it to the Commissioner, together with such information and report that the Commissioner deems necessary to administer payment over of such amount. The Agency shall join the Commissioner as a party in any action or proceeding that the Agency commences to recover, recapture, obtain, or otherwise seek the return of, New York State sales or use tax savings from the Applicant or any other agent, person or entity.

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

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

Section 10. In connection with the Project, the Agency intends to grant the Applicant sales and use tax exemptions in an amount not to exceed \$9,243,478, real property tax abatements, and a partial exemption of City and State mortgage recording taxes.

Section 11. This Resolution shall take effect immediately.

ADOPTED: March 7, 2023

Accepted: \_\_\_\_\_, 2023

BCAL 707 PROPERTY LLC

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

Exhibit C

DRAFT

### Project Summary

Spenceran, Inc., a New York domestic business corporation (the “Company”), is an affiliate of AFS Market, Inc. (“AFS Market”), a New York domestic business corporation and supermarket operator, and each of the Company and AFS Market is an affiliate of Bogopa Service Corp, a New York domestic business corporation and supermarket operator. The Company seeks financial assistance in connection with a project (the “Project”) involving the construction, furnishing and/or equipping of an approximately 35,620 square foot condominium unit (the “Facility”) located primarily on the ground-floor and cellar of an 11-story, approximately 230,000 square foot, 233-unit residential building located on an approximately 47,108 square foot parcel of land at 1100 Myrtle Avenue, Brooklyn, New York 11206. The Facility will be owned by the Company and leased to and operated by AFS Market as a full-service supermarket and related support space. The supermarket project will receive FRESH benefits and is estimated to cost approximately \$9 million.

### Current and Project Location

1100 Myrtle Avenue  
Brooklyn, NY 11206

### Actions Requested

- Amending Inducement Resolution and Authorizing Resolution for a Food Retail Expansion to Support Health Program transaction.
- Adopt a revised negative SEQRA determination for the Project. The Project is an Unlisted action that will not have a significant adverse effect on the environment.
- Adopt a finding that the Project, a retail project located in a “highly distressed area” as defined in Section 854(18) of the IDA Act, will result in increasing the overall number of permanent, private sector jobs in New York State

### Prior Actions

- Inducement Resolution for a Food Retail Expansion to Support Health Program transaction approved on September 22, 2020.

### Anticipated Closing

Spring 2023

### Impact Summary

<b>Employment</b>	
Jobs at Application:	56.5
Jobs to be Created at Project Location (Year 3):	17.0
<b>Total Jobs (full-time equivalents)</b>	<b>73.5</b>
<b>Projected Average Hourly Wage (excluding principals)</b>	<b>\$18.29</b>
<b>Highest Wage/Lowest Wage</b>	<b>\$30.70/\$17.10</b>

<b>Estimated City Tax Revenues</b>	
Impact of Operations (NPV 25 years at 6.25%)	\$10,758,361
One-Time Impact of Renovation	\$509,913
<b>Total impact of operations and renovation</b>	<b>\$11,268,274</b>
<b>Additional benefit from jobs to be created</b>	<b>\$1,423,235</b>

## Spenceran, Inc.

Estimated Cost of Benefits Requested: New York City	
Building Tax Exemption (NPV, 25 years)	\$4,836,169
Land Tax Abatement (NPV, 25 years)	\$249,933
Sales Tax Exemption	\$287,100
Agency Financing Fee	(\$95,000)
<b>Total Value of Benefits provided by Agency</b>	<b>\$5,278,202</b>
Available As-of-Right Benefits (ICAP)	\$2,556,288
Agency Benefits In Excess of As-of-Right Benefits	\$2,721,914

Costs of Benefits Per Job	
Estimated Total Cost of Benefits per Job	\$37,033
Estimated City Tax Revenue per Job	\$172,674

Estimated Cost of Benefits Requested: New York State	
Sales Tax Exemption	\$279,125
<b>Total Cost to NYS</b>	<b>\$279,125</b>

## Sources and Uses

Sources	Total Amount	Percent of Total Financing
Commercial Loans	7,200,000	80%
Equity	1,800,000	20%
<b>Total</b>	<b>9,000,000</b>	<b>100%</b>

Uses	Total Amount	Percent of Total Costs
Hard Costs	3,400,000	38%
Soft Costs	600,000	7%
Furnishings, Fixtures, & Equipment	4,000,000	44%
Closing Fees	600,000	7%
Other <sup>1</sup>	400,000	4%
<b>Total</b>	<b>9,000,000</b>	<b>100%</b>

## Fees

	Paid at Closing	On-Going Fees (NPV, 25 Years)
Agency Fee	\$95,000	
Project Counsel	\$25,000	
Annual Agency Fee	\$1,000	\$12,485
Total	\$121,000	\$12,485
<b>Total Fees</b>	<b>\$133,485</b>	

## Financing and Benefits Summary

The estimated cost of the Project is approximately \$9,000,000. The Project is being financed with approximately \$7,200,000 from a credit agreement with JP Morgan Chase Bank, National Association and approximately \$1,800,000

<sup>1</sup> Plumbing and electric lighting

## **Spenceran, Inc.**

in Company equity. The credit agreement includes a Revolving Loan and Term Loan. The interest rate is calculated monthly and is comprised of the one-month U.S. Dollar London interbank offered rate (“LIBOR”) and the variable LIBOR Spread between 1.50 and 2.00% based on the operating income level. The most recent one-month LIBOR was approximately 4.60% and LIBOR Spread was 1.50%. Therefore, the most recent full interest rate for the loan promissory notes is approximately 6.10%. The LIBOR will permanently cease after June 30, 2023. If a new benchmark replacement for LIBOR is created, the Revolving Loan and Term Loan will adopt the new benchmark, with the option of early opt-in by the administrative agent as applicable. If no new benchmark is created, the loan will be converted to a CB Floating Rate loan, when LIBOR is no longer available. The financial assistance proposed to be conferred by the Agency with respect to the Project and the Facility 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 is an affiliate of Bogopa Service Corp. (“Bogopa”), a supermarket company that owns and operates 21 supermarkets in New York City. The Company is in the process of two distinct but connected construction projects at 1100 Myrtle Avenue: the construction of a new, currently-in-development 11-story, approximately 230,000 square foot residential building, and the build-out of a supermarket retail condominium located primarily on the ground-floor and cellar of the residential building. The Company engaged Shorewood Real Estate Group to manage the construction of the residential building. The building is anticipated to have approximately 233 units, of which 163 are expected to be market rate, 38 at 80% of AMI, and 32 at 130% of AMI. The construction cost of the residential building (excluding the build-out of the supermarket space) is estimated at approximately \$132,000,000. The Agency will not be providing financial assistance with respect to the residential project.

The prior approximately 20,000 square-foot supermarket at 1102 Myrtle Avenue was in operation since 1998 and was demolished in 2021. The Project will be larger at approximately 35,620 square feet and will include modern equipment and more storage space. Bogopa projects that the Project will maintain similar operating numbers to the prior supermarket at 1102 Myrtle Avenue. Bogopa is an experienced supermarket operator with a track record of profitable operations at the site, and the pro-forma projections are considered reasonable and well-supported.

### **Inducement**

- I. City policy, as set forth by the Food Retail Expansion to Support Health (FRESH) program, aims to promote the establishment and retention of neighborhood grocery stores in underserved communities;
- II. Without the proposed financial assistance from the Agency, the Company cannot build a larger, approximately 35,620 square foot supermarket in the Facility to replace the prior 20,000 square foot supermarket.

### **UTEP Considerations**

The Agency finds that the Project is likely to be completed in a timely manner and meets one or more considerations from Section II-B of the Agency’s Uniform Tax Exemption Policy (“UTEP”), including the following:

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

### **Amended Inducement**

On September 22, 2020, the Agency’s Board of Directors approved an inducement resolution for the Project. Since 2020, the total cost of the Project has increased from approximately \$7,000,000 to \$9,000,000, and the total square footage of the Project has increased from approximately 30,308 square feet to approximately 35,620 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 increase in Project cost, the maximum sales tax exemption proposed to be provided by the Agency has increased from \$452,625 to \$566,225. Lastly, the address of the project has

## **Spenceran, Inc.**

changed from 1102 Myrtle Avenue, Brooklyn, New York 11206 to 1100 Myrtle Avenue, Brooklyn, New York 11206. The Agency is thus seeking approval of certain amendments to inducement resolution for the Project.

### **Applicant Summary**

The Company is an affiliate of Bogopa. Bogopa has been in business since 1988 and currently operates 21 supermarkets in New York City, mostly in low-income communities. The stores, under the Food Bazaar banner, are located in many different ethnically-diverse neighborhoods, and the stores specialize in offering international and specialty food products that cater to the preferences of residents of the neighborhoods in which they are located. Food Bazaar supermarkets range in size from 17,000 square feet to 80,000 square feet. Each Food Bazaar supermarket devotes aisles to both international and mainstream groceries.

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

Bogopa and its affiliates have applied for and received FRESH benefits for 9 supermarket projects since the inception of the FRESH program. These supermarkets represent approximately \$30 million of investment by Bogopa in approximately 400,000 square feet of supermarket retail space in the Bronx, Queens, and Brooklyn, and the combined retention and creation of approximately 800 full-time-equivalent jobs in New York City.

### **Spencer An, President and Chief Executive Officer**

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

### **Edward K. Suh, Executive Vice President**

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

### **Kevin Bai, Vice President of Real Estate Development**

Mr. Bai has 20 years of experience in the real estate development and management industry. Since 1993, Mr. Bai, a licensed real estate broker, has been the owner and driving force behind Spring Plaza Real Estate located in Bayside, New York, which is a member of North Shore Multiple Listing Service and Multiple Listing Service of Long Island. In January 2009, Mr. Bai joined Bogopa as Vice President, concentrating on the development of the Bogopa companies.

### **Employee Benefits**

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

### **Recapture**

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



## Spenceran, Inc.

### Due Diligence

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

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



**Bogopa Service Corp.**  
3302 Skillman Ave.  
Long Island City, NY 11101  
Tel: (718) 346-6500

**January 24, 2023**

**Emily Marcus Falda**  
**Executive Director, New York City Industrial Development Agency**  
**1 Liberty Plaza**  
**New York, NY 10006**

RE: Application for FRESH program assistance for the construction of a Food Bazaar Supermarket at 1100 Myrtle Ave Brooklyn, NY 11206

Dear Mr. Taecker-Wyss:

I am writing this letter on behalf of our company in support of our application for assistance through the FRESH program for a proposed construction project in the Brooklyn. We hope to construct our newest Food Bazaar Supermarket at 1100 Myrtle Ave Brooklyn, NY 11206. Since 1988, we, Food Bazaar Supermarkets, have made a commitment to serving the inner-city neighborhoods of New York City that have been largely ignored by other food retailers. Specifically, we went into these neighborhoods because our founder and president, Francis An, and his family were immigrants to this county and desired to provide fresh fruits, vegetables, meat and fish and varieties of grocery products that other food retailers would not offer in these communities. In fact, Mr. An was determined to provide high-quality fresh foods to communities situated in these high-density, low income areas and has made it one of the company's top priorities. As a result, each of our 26 supermarkets is located in underserved neighborhoods and fortunately, we have been able to meet the needs of these growing communities. Specifically, we have been able to provide fresh produce and perishable products to these communities by continuously improving and upgrading our refrigeration and other equipment and by obtaining the freshest foods from our suppliers.

We are extremely proud of the positive effect our stores have had in their respective neighborhoods, including but not limited to job creation, community programs and healthy food options. We hope to continue this positive effect at our newest location. As you know, we've been operating supermarket at this location since 1998 under the banner of Food Bazaar. With your assistance, we hope to renovate the space for a new supermarket to offer an exceptional shopping experience that will cater to the surrounding densely populated and diverse community. Specifically, we plan to redevelop the improvements at the property to comprise a new configuration of supermarket comprising 35,620 SQFT of ground floor retail space and a residential tower containing approximately 230 apartment units. All new equipment and

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

Without the IDA's assistance under the FRESH program, we would not be able to proceed with the renovation of this project, which would adversely impact our company and the local community. On September 22, 2020, the New York City Industrial Development Agency induced this project for \$7 million. Due to additional unexpected and increased costs, our FRESH project is now projected to cost approximately \$9 million. We are requesting that the previous inducement resolution be amended to \$9 million to accommodate for this need. The project would not be viable without FRESH program benefits. The savings connected to these benefits would be hugely helpful in making this supermarket succeed. And will be a determining factor in launching this project. We look forward to your favorable response.

Kindest regards,

A handwritten signature in black ink, appearing to read 'Spencer An', with a stylized, cursive script.

Spencer An  
Chief Executive Officer.

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

Exhibit D

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Resolution amending a prior resolution and authorizing and approving the execution and delivery of agreements in connection with a Straight-Lease Project for Spenceran, Inc.

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

WHEREAS, Spenceran, Inc., a New York domestic business corporation (the “Applicant”), which is an affiliate of AFS Market, Inc. (the “Operator”), a New York domestic business corporation and supermarket operator, and each of the Applicant and the Operator is an affiliate of Bogopa Service Corp. (“Bogopa”), a New York domestic business corporation d/b/a Food Bazaar, has entered into negotiations with officials of the Agency for the construction, furnishing and equipping, as applicable, of a commercial facility in Brooklyn, New York (the “Facility”), consisting of a retail condominium unit containing approximately 35,620 square feet located primarily on the ground-floor and cellar of an 11-story, approximately 230,000 square foot, 233-unit residential building located on an approximately 47,108 square foot parcel of land at 1100 Myrtle Avenue, Brooklyn, New York 11206, all for the use by the Applicant as a supermarket, for lease to the Agency by the Applicant, and sublease by the Agency to the Applicant for subsequent sub-sublease in whole to the Operator, and having an approximate total project cost of approximately \$9,000,000 (the “Project”); and

WHEREAS, on September 22, 2020, the Agency adopted its inducement resolution for the Project (the “Inducement Resolution”) in which it was stated that the Facility would contain approximately 30,308 square feet and would have an approximate total project cost of approximately \$7,000,000, and the Applicant has since advised the Agency that the approximate size of the Facility has increased to approximately 35,620 square feet with a Project cost of approximately \$9,000,000; and

WHEREAS, in order to pay for the cost of the Project, the Applicant intends to use its own funds and/or amounts drawn on an existing credit line and term loan credit facility provided by JPMorgan Chase Bank, National Association; and

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

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

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

The Agency further determines that:

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

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

(c) the Project is located in a “highly distressed area” (as defined in Section 854(18) of the Act) because it is located in Census Tract 287 in Brooklyn, which is contiguous to Census Tract 283 which is a highly distressed area because (i) the poverty rate calculated from the most recent census data (American Community Survey 2017-2021 5-Year Estimate) for Census Tract 283 indicates that for the year to which the census data relates approximately 31.5% of the population was living below the poverty level, which is greater than the highly distressed area threshold of 20%; and (ii) the unemployment rate in Census Tract 283 for the year to which the census data relates was approximately 13.9%, which greater than 1.25 times the statewide unemployment rate of 5.5%;

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

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

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

Section 3. The execution and delivery of a Company Lease Agreement from the Applicant leasing the Facility to the Agency, an Agency Lease Agreement from the Agency subleasing the Facility to the Applicant (the “Lease Agreement”) (for sub-sublease to the Operator, the acceptance of a Guaranty Agreement from the Applicant and the Applicant’s owners and/or principals in favor of the Agency, a Uniform Project Agreement between the Agency and the

Applicant, a Sales Tax Agent Authorization Letter from the Agency to the Applicant (each document referenced in this Section 3 being, collectively, the “Agency Documents”), each being substantively the same as approved by the Agency for prior transactions, is hereby authorized. The Chairman, Vice Chairman, Executive Director, Deputy Executive Director and General Counsel of the Agency are each hereby authorized to execute, acknowledge and deliver each such Agency Document. The execution and delivery of each such agreement by one of said officers shall be conclusive evidence of due authorization and approval.

Section 4. All covenants, stipulations, obligations and agreements of the Agency contained in this Resolution and contained in the Agency Documents shall be deemed to be the covenants, stipulations, obligations and agreements of the Agency to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Agency and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Agency or the members thereof by the provisions of this Resolution or the Agency Documents shall be exercised or performed by the Agency or by such members, officers, board or body as may be required by law to exercise such powers and to perform such duties.

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

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

Section 6. 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 and supersedes the SEQRA determination made in the Inducement Resolution.

The Agency has determined that the proposed Project, an Unlisted in accordance with Article 8 of the Environmental Conservation Law, the State Environmental Quality Review Act ("SEQRA") and the implementing regulations, would not have a significant effect on the environment and that a Draft Environmental Impact Statement will not be prepared. The reasons supporting this determination are as follows:

(a) The proposed Project would not result in a substantial adverse change in existing traffic, air quality, or noise levels. Customers arriving at the site will utilize public transit and would not result in a substantial increase in traffic.

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

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

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

(e) The Project site was the subject of a brownfield cleanup agreement with the New York State Department of Environmental Conservation ("NYSDEC"). The required remedial work was completed and a Certification of Completion ("COC") was issued by NYSDEC. The COC requires that the site owner comply with requirements included in a Site Management Plan and report on this compliance in an annual Periodic Review Report to NYSDEC. If these requirements are complied with, no adverse effects on the environment are foreseeable from the proposed Project.

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

Section 7. The Inducement Resolution is hereby amended to reflect the changes described herein, including the description of the Project, the findings set forth in Section 1 of this Resolution, the revised SEQRA determination, and that the Agency intends to grant the Applicant real property tax abatements and sales and use tax exemptions in an amount not to exceed \$566,225.

Section 8. The Inducement Resolution is in all other respects ratified and confirmed.



Section 9. This Resolution shall take effect immediately.

ADOPTED: March 7, 2023

ACCEPTED: \_\_\_\_\_, 2023

SPENCERAN, INC.

By: \_\_\_\_\_

Name:

Title:

Exhibit E

DRAFT

## **Project Summary**

Building operations and construction account for 39% of global carbon dioxide emissions, of which building materials and construction account for 11% of those emissions. The reuse of materials in construction and use of sustainable building material alternatives decreases the amount of waste sent to landfills while simultaneously reducing the embodied carbon emissions associated with construction. Material reuse through deconstruction (i.e., preserving materials from demolition and reusing them in subsequent new construction) is one approach that facilitates the application of circular economy principles in the built environment. A spectrum of structural and non-structural deconstruction methods can salvage materials of various volumes, qualities, and types, positioning circular construction as a powerful tool to decarbonize buildings, create efficiency, and reduce construction costs.

There are many options to design and implement circular building principals, but also limited knowledge on which options will lead to the best environmental performance. To support the low carbon and circular construction industry most effectively in New York City, the New York City Economic Development Corporation (“NYCEDC”) recognizes a need for accurate qualitative and quantitative research findings on the current state of the industry and applicable surface codes and potential regulatory challenges. NYCEDC is therefore seeking to establish operational guidelines for building deconstruction and material reuse. As such, NYCEDC has identified a consultant who will compile a set of operational guidelines to identify opportunities for NYCEDC to develop high impact interventions within its capital projects and reduce carbon emissions in construction.

## **Background**

As a major capital construction project manager, NYCEDC is strategically positioned to guide the transition to decarbonize the built environment throughout New York City. NYCEDC is developing a strategic industry framework to grow the ‘green economy’ and operationalize a targeted workforce with green skills training. It is currently pursuing potential investments for the development of infrastructure that will contribute to the reduction of embodied carbon emissions of buildings through the use and reuse of building materials and low carbon construction materials.

This initiative aligns with Clean Construction Executive Order 23, which directs that Capital project agencies develop and submit action plans aimed at reducing embodied carbon emissions in capital projects by October 2023. In this executive order, Mayor Adams declared that the City of New York is committed to reaching carbon neutrality by 2050. He recognized that construction activities are responsible for more than 23% of global greenhouse gas emissions (8% from embodied carbon from cement manufacturing; 7% embodied carbon from iron and steel production).

As such, it is proposed that the New York City Industrial Development Agency (the “Agency”) enter into a service agreement with NYCEDC, pursuant to which NYCEDC will develop certain guidelines to support the need for the development and implementation of these circular construction principles. These guidelines will identify opportunities for NYCEDC to develop high impact interventions within its capital projects, as necessitated by the Clean Construction Executive Order 23.

## **Services to be Provided**

In a joint project coordinated by the Initiatives and Capital teams, NYCEDC has procured research through its Capital team retainer contracts with the Consultant, Jacobs Engineering.

The services will be comprised of both “Design Guidelines” (which will seek to incorporate circular construction practices and materials into the design of new NYCEDC capital projects, including the use of sustainable building material alternatives to concrete and steel), and “Construction Guidelines” (which will seek to implement circular

design practices, including building deconstruction with provision of a future reuse, repurposing, or recycling). The Consultant will be tasked with data gathering to develop and draft the Design Guidelines, including additional cost estimating; constructability review; and review of draft guidelines and specifications. The Consultant shall develop and draft the Construction Guidelines, including maximizing material reuse in procurement of trades; waste management; construction logistics; and other construction related guidelines for circular construction.

**Actions Requested**

Authorization of the execution and delivery of a \$200,000 services contract.

**Contract Value**

\$200,000

**Anticipated Contract Date**

02/2023-04/2023