

MINUTES OF THE
MEETING OF THE BOARD OF DIRECTORS
OF
BUILD NYC RESOURCE CORPORATION
HELD IN-PERSON AT THE ONE LIBERTY PLAZA OFFICES OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
September 19, 2023

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
Francesco Brindisi, alternate for Brad Lander
Comptroller of The City of New York
HeeWon Brindle-Khym
Adam Friedman
Janet Mejia-Peguero
Randolph Peers
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:

Felix Ciampa
Venetia Lannon
James Prendamano

Andrew Kimball, President of New York City Economic Development Corporation (“NYCEDC”) and Chairperson of the Build NYC Resource Corporation (“Build NYC” or the “Corporation”), convened the meeting of the Board of Directors of Build NYC at 9:50 a.m., at which point a quorum was present.

1. Adoption of the Minutes of the July 25, 2023 Meeting Minutes

Mr. Kimball asked if there were any comments or questions relating to the minutes of the July 25, 2023 Board of Directors meeting. There were no comments or questions; a motion to approve such minutes was made, seconded and unanimously approved.

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

Carol Ann Butler, Assistant Vice President of NYCEDC, presented the Corporation's Financial Statements for the period ending July 31, 2023 (Unaudited). Ms. Butler reported that for the one-month period the Corporation recognized revenues from project finance fees from one transaction totaling \$138,000. In addition, revenues derived from compliance, application, post-closing and other fees in the amount of \$24,000. Ms. Butler also reported that \$183,000 in operating expenses, largely consisting of the monthly management fee, were recorded for the Corporation for the one-month period that ended on July 31, 2023 (Unaudited).

3. Audited Financial Statements (FY June 2023)

Amy Chan, Controller for NYCEDC and Assistant Treasurer for the Corporation, and Leslie Escobar, Deputy Controller for NYCEDC, presented for review and approval the Corporation's Audited Financial Statements for the Fiscal Year ended June 30, 2023.

Ms. Thomas stated that the Audit Committee met yesterday and discussed the audited financial statements and the annual investment report.

4. Annual Investment Report

Ms. Chan and Ms. Escobar presented for review and approval the Corporation's Annual Investment Report for the Fiscal Year ended June 30, 2023.

There being no comments or questions, a motion to approve the Corporation's Audited Financial Statements for the Fiscal Year ended June 30, 2023 attached hereto as Exhibit A, as submitted, and the Corporation's Annual Investment Report for the Fiscal Year ended June 30, 2023 attached hereto as Exhibit B, as submitted, were made, seconded and unanimously approved.

5. Appointment of Felix Ciampa as Member and Chairperson to the Audit Committee & Appointment of Janet Mejia-Peguero as Member to the Audit Committee

Mr. Kimball presented for review and adoption a resolution to appoint Felix Ciampa as a member and chairperson to the Audit Committee and to appoint Janet Mejia-Peguero as a

member to the Audit Committee. A motion was made to adopt the resolution. The motion was seconded and unanimously approved.

6. Appointment of Randy Peers as Alternative Member to the Finance Committee

Mr. Kimball presented for review and adoption a resolution to appoint Randy Peers as an alternate member to the Finance Committee. A motion was made to adopt the resolution. The motion was seconded and unanimously approved.

7. Appointment of Venetia Lannon as Member to the Governance Committee

Mr. Kimball presented for review and adoption a resolution to appoint Venetia Lannon as a member to the Governance Committee. A motion was made to adopt the resolution. The motion was seconded and unanimously approved.

8. Appointment of Felix Ciampa and Adam Friedman as Members to the Settlement Committee

Mr. Kimball presented for review and adoption a resolution to appoint Felix Ciampa and Adam Friedman as members to the Settlement Committee. A motion was made to adopt the resolution. The motion was seconded and unanimously approved.

9. Acknowledgment of Performance Measurement Report

Emily Marcus Falda, a Vice President for NYCEDC and Executive Director of the Agency, presented the Agency's performance measurements report.

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

10. Results of Board Performance Self-Evaluation Survey

Noah Schumer, an Assistant Vice President for NYCEDC and Deputy Executive Director of the Agency, presented the results of the Board's annual Self-Evaluation Survey (the "Survey").

11. 586 River Ave., LLC & Success Academy Charter Schools, Inc.

Weston Rich, a Senior Associate for NYCEDC, presented for review and adoption a bond approval and authorizing resolution for approximately \$250,000,000 in tax-exempt revenue bonds for the benefit of 586 River Ave., LLC whose sole member is Success Academy Charter

Schools, Inc and recommended the Board adopt a negative declaration for this project as a SEQRA determination because the project would not have an adverse effect on the environment. Mr. Rich described the project and its benefits, as reflected in Exhibit D.

Mr. Rose stated that the Finance Committee met last week with himself and Mr. Brindisi in attendance and that they are excited to have Mr. Peers join the committee and hopefully have others join us in the future. Mr. Rose stated that he wanted to thank Jack Philippe-Piverger and Anthony Del Vecchio, both of whom gave many years of service to the Finance Committee and brought a lot of knowledge. Mr. Rose stated that the Finance Committee reviewed this project and recommends that the Board approve it. Mr. Rose stated that Success Academy is in good standing, has an excellent academic record and extensive experience working with its partners to start new facilities and manage them which makes this project from a financial perspective likely to be successful. Mr. Rose stated that this is a large school and the project is the biggest Build NYC transaction ever, which is really exciting. Mr. Rose stated that the Finance Committee took a closer look at the details but there is a clear and strong demand, as the presentation showed, for students wanting to attend Success Academy schools, which makes it likely that they'll meet their protected attendance levels and be able to make their debt payments. Mr. Rose stated that the school has tens of millions of dollars and cash available to cover any unforeseen issues that may occur, so the school has a pretty strong financial situation. On behalf of the Finance Committee, Mr. Rose recommended the Board approve the project which will allow this nonprofit to spend less money on debt and more on students and education.

In response to a question from Ms. Mejia-Peguero, Mr. Rich stated that the first slide of the presentation is the projected design of the school. Ms. Mejia-Peguero stated that since this project is one of Build NYC's largest transactions for a school with a huge campus, this community is in dire need of community spaces. Ms. Mejia-Peguero stated that she has been working very closely with Build NYC staff and trust that they will be able to negotiate some of the recommendations of shared spaces within the school mostly around ensuring that we can use this space for community boards, present council meetings, neighborhood plans. Ms. Mejia-Peguero stated that looking at King's Bridge Armory as an example there is a need for sharing space with the public schools, which is a district that's close Borough Hall, so she knows it very well and that there is a huge need there. Ms. Mejia-Peguero stated that, with respect to admissions, this is a district that's limited and in need of high school entities overall so she's happy to hear this is a K through 12 with one of the largest admissions but it also speaks to the need of this district. Ms. Mejia-Peguero stated that the school is in close proximity to Harlem and Manhattan, so she wants to ensure that Bronx students have a fair chance at admissions at this high school with the understanding that charter schools have a lottery process. Ms. Mejia-Peguero stated that, while respecting the lottery process, she wants to ensure that there's intentional outreach to the community to ensure that local students have equitable access to quality education. Ms. Mejia-Peguero stated that she is hopeful and confident that Build NYC staff will work on those recommendations. Mr. Brindisi stated that he agreed with the concerns from the borough president and the hopeful for good resolutions of those concerns.

Ms. Marcus Falda stated that we will keep the board updated as we work with the school and including these terms in our agreements.

There being no further comments or questions, a motion to approve the bond approval and authorizing resolution and SEQRA determination attached hereto as Exhibit E for the benefit of 586 River Ave., LLC whose sole member is Success Academy Charter Schools, Inc. was made, seconded and unanimously approved.

12. TEP Charter School Assistance, Inc. & Sherman Tiger LLC

Leyla Arcasoy, an Associate for NYCEDC, presented for review and adoption a bond approval and authorizing resolution for approximately \$16,000,000 in tax-exempt revenue bonds for the benefit of TEP Charter School Assistance, Inc. & Sherman Tiger LLC and recommended the Board adopt a negative declaration for this project as a SEQRA determination because the project would not have an adverse effect on the environment. Ms. Arcasoy described the project and its benefits, as reflected in Exhibit F.

Mr. Rose stated that the Finance Committee reviewed the project. Mr. Rose stated that this is a relatively straightforward refinancing of debt the school already has with no capital outlays or expansion plans and presents minimal risk given that the school is in good standing consistently over-subscribed and has a wait list. Mr. Rose stated that the borrowers also reached an agreement [to buy] the bonds. On behalf of the Finance Committee, Mr. Rose recommended the Board approve the project.

Ms. Mejia-Peguero asked if this school is part of the Inwood rezoning that was proposed during the annual rezoning next to the library? Mr. Kimball stated he did not believe so, but Build NYC staff will confirm.

There being no further comments or questions, a motion to approve the bond approval and authorizing resolution and SEQRA determination attached hereto as Exhibit G for the benefit of TEP Charter School Assistance, Inc. & Sherman Tiger LLC was made, seconded and unanimously approved.

13. Adjournment

There being no further business to come before the Board of Directors at the meeting, pursuant to a motion made, seconded and unanimously approved, the meeting of the Board of Directors was adjourned at 10:11 a.m.


Assistant Secretary

Dated: 11/8/23
New York, New York

Exhibit A

FINANCIAL STATEMENTS AND REQUIRED
SUPPLEMENTARY INFORMATION

Build NYC Resource Corporation
(A Component Unit of The City of New York)
Years Ended June 30, 2023 and 2022
With Reports of Independent Auditors

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

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

Financial Statements and Required Supplementary Information

Years Ended June 30, 2023 and 2022

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PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

I. Financial Section

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

Report of Independent Auditors

The Management and the Board of Directors
Build NYC Resource Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Build NYC Resource Corporation (the Corporation), a component unit of the City of New York, which comprise the statements of net position as of June 30, 2023 and 2022, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of June 30, 2023 and 2022, and the respective changes in financial position, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated _____, 2023 on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

_____, 2023

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

Management's Discussion and Analysis

June 30, 2023 and 2022

This section of the Build NYC Resource Corporation's (Build NYC or the Corporation) annual financial report presents our discussion and analysis of financial performance during the years ended June 30, 2023 and 2022. Please read it in conjunction with the financial statements and accompanying notes which follow this section.

Fiscal Year 2023 Financial Highlights

- Current assets increased by \$707,504 (or 10%)
- Non-current assets decreased by \$97,418 (or 6%)
- Current liabilities decreased by \$382,491 (or 47%)
- Net position increased by \$992,577 (or 12%)
- Operating revenues decreased by \$79,211 (or 3%)
- Operating expenses decreased by \$3,687 (or 0.2%)
- Non-operating revenues, net increased by \$257,689 (or 4,621%)

Overview of the Financial Statements

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

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

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

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

Management's Discussion and Analysis (continued)

Financial Analysis of the Corporation

Net Position – The following table summarizes the Corporation's financial position at June 30, 2023, 2022, and 2021 and the percentage change between June 30, 2023, 2022, and 2021:

	2023	2022	2021	% Change	
				2023–2022	2022–2021
Current assets	\$ 7,870,788	\$ 7,163,284	\$ 4,821,950	10%	49%
Non-current assets	1,646,076	1,743,494	2,996,609	(6)	(42)
Total assets	9,516,864	8,906,778	7,818,559	7	14
Current liabilities	432,535	815,026	537,229	(47)	52
Total unrestricted net position	\$ 9,084,329	\$ 8,091,752	\$ 7,281,330	12	11

Fiscal Year 2023 Activities

In fiscal year 2023, total assets increased by \$610,086 or 7%, primarily due to approximately \$780,000 of cash provided by current year operations. Non-current assets decreased by \$97,418 or 6% due to investments previously classified as long-term becoming current.

Current liabilities decreased by \$382,491 or 47% primarily due to a reimbursement payment made during the fiscal year to New York City Economic Development Corporation (NYCEDC) of \$422,470. This related to a special project commitment for Berklee College of Music, Inc. that was approved by the Build NYC Board of Directors on November 8, 2017.

As a result of an increase in the Corporation's operating and non-operating activities, net position increased by \$992,577 or 12% in fiscal year 2023, as compared to an increase of 11% in fiscal year 2022.

Fiscal Year 2022 Activities

In fiscal year 2022, total assets increased by \$1,088,219 or 14%, primarily due to approximately \$1,100,000 of cash provided by current year operations. Non-current assets decreased by \$1,253,115 or 42% due to investments previously classified as long-term becoming current.

Current liabilities increased by \$277,797 or 52% due to down payments received of \$219,000 and \$69,495 for future closings related to Aero JFK II, LLC and Aero JFK, LLC, respectively.

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

Management's Discussion and Analysis (continued)

Fiscal Year 2022 Activities (continued)

As a result of an increase in the Corporation's operating and non-operating activities, net position increased by \$810,422 or 11% in fiscal year 2022, as compared to a decrease of 17% in fiscal year 2021.

Operating Activities

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

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

The following table summarizes changes in Build NYC's net position for fiscal years 2023, 2022, and 2021 and the percentage change between June 30, 2023, 2022, and 2021:

	2023	2022	2021	% Change	
				2023-2022	2022-2021
Operating revenues	\$ 3,042,920	\$ 3,122,141	\$ 2,748,013	(3)%	14%
Operating expenses	2,302,455	2,306,142	2,268,206	—	2
Operating income	740,465	815,999	479,807	(9)	70
Non-operating revenues (expenses), net	252,112	(5,577)	(2,004,417)	4,621	(100)
Change in net position	\$ 992,577	\$ 810,422	\$ (1,524,610)	22	153

Fiscal Year 2023 Activities

In fiscal year 2023, operating revenues decreased by \$79,221 or 3%. This is a result of a decrease in project finance fee revenues of approximately \$52,000 and a decrease of \$40,000 in application fees. The decrease of fee revenues is due to the generation of thirteen bond transactions in 2023 as compared to fifteen bond transactions in 2022.

Total operating expenses decreased by \$3,687 in fiscal year 2023, remaining relatively unchanged as compared to prior year.

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

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

Management's Discussion and Analysis (continued)

Fiscal Year 2023 Activities (continued)

The net non-operating revenues (expenses) category had a total increase of \$257,689 in fiscal year 2023 primarily due to investment income generated as a result of favorable market conditions during fiscal year 2023.

Fiscal Year 2022 Activities

In fiscal year 2022, operating revenues increased by \$374,128 or 14%. This is a direct result of an increase in project finance fee revenue, most notably, the transactional closings of The Shefa School, Inc., and Marymount School of New York. The uptick in fee revenue is due to the generation of fifteen bond transactions in 2022 as compared to twelve bond transactions in 2021.

Total operating expenses increased by \$37,936 in fiscal year 2022 or 2%, as a result of bad debt expense of \$25,174 recognized for one project and an increase in public hearing notices directly correlated to an increase in financing activity.

The net non-operating (expenses) revenues category had a total decrease of \$1,998,840 in fiscal year 2022, a 100% decrease over the prior year, primarily due to a lack of special project activity during FY2022.

Contacting the Corporation's Financial Management

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

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

Statements of Net Position

	June 30	
	2023	2022
Assets		
Current assets:		
Cash and cash equivalents <i>(Note 3)</i>	\$ 1,413,375	\$ 4,174,379
Investments <i>(Note 3)</i>	6,454,808	2,985,959
Fees receivable, net of allowance for doubtful accounts of \$28,755 and \$25,174, respectively	2,605	2,946
Total current assets	7,870,788	7,163,284
Non-current assets,		
Investments <i>(Note 3)</i>	1,646,076	1,743,494
Total non-current assets	1,646,076	1,743,494
Total assets	9,516,864	8,906,778
Liabilities and net position		
Current liabilities:		
Accounts payable and accrued expenses	59,497	40,000
Due to New York City Economic Development Corporation	11,047	422,679
Unearned revenue and other liabilities	361,991	352,347
Total current liabilities	432,535	815,026
Net position – unrestricted	\$ 9,084,329	\$ 8,091,752

See accompanying notes.

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

Statements of Revenues, Expenses, and Changes in Net Position

	Year Ended June 30	
	2023	2022
Operating revenues		
Fee income <i>(Note 2)</i>	\$ 3,042,920	\$ 3,122,141
Total operating revenues	3,042,920	3,122,141
Operating expenses		
Management fees <i>(Note 4)</i>	2,200,000	2,200,000
Public hearing expenses	55,083	40,289
Auditing expenses	41,500	40,000
Bad debt expense	3,581	25,174
Other expenses	2,291	679
Total operating expenses	2,302,455	2,306,142
Operating income	740,465	815,999
Non-operating revenues (expenses)		
Investment income (loss)	252,112	(5,577)
Total non-operating revenues (expenses), net	252,112	(5,577)
Change in net position	992,577	810,422
Unrestricted net position, beginning of year	8,091,752	7,281,330
Unrestricted net position, end of year	\$ 9,084,329	\$ 8,091,752

See accompanying notes.

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

Statements of Cash Flows

	Year Ended June 30	
	2023	2022
Cash flows from operating activities		
Financing and other fees	\$3,049,325	\$3,397,657
Management fees paid	(2,200,000)	(2,200,000)
Audit expenses paid	(40,000)	(36,500)
Public hearing expenses paid	(26,661)	(40,289)
Miscellaneous expenses paid	(1,879)	(1,268)
Net cash provided by operating activities	780,785	1,119,600
Cash flows from investing activities		
Investment income	252,112	10,279
Sale of investments	2,945,943	2,000,000
Purchase of investments	(6,317,374)	(1,750,000)
Net cash (used in) provided by investing activities	(3,119,319)	260,279
Cash flows from non-capital financing activities		
Special projects	(422,470)	-
Net cash used in non-capital financing activities	(422,470)	-
Net (decrease) increase in cash and cash equivalents	(2,761,004)	1,379,879
Cash and cash equivalents at beginning of year	4,174,379	2,794,500
Cash and cash equivalents at end of year	\$ 1,413,375	\$ 4,174,379
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 740,465	\$ 815,999
Adjustments to reconcile operating income to net cash provided by operating activities:		
Provision for bad debt	3,581	25,174
Changes in operating assets and liabilities:		
Fees receivable	(3,240)	630
Accounts payable and accrued expenses	19,497	3,500
Due to NYC Economic Development Corp.	820	(92)
Unearned revenue and other liabilities	19,662	274,389
Net cash provided by operating activities	\$ 780,785	\$ 1,119,600

See accompanying notes.

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

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

Notes to Financial Statements

June 30, 2023 and 2022

1. Background and Organization

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

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

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

The total conduit debt obligations outstanding totaled \$3,741,564,404 and \$3,541,340,212 for the years ended June 30, 2023 and 2022, respectively. Due to the fact that: (1) the bonds are nonrecourse conduit debt obligations of the Corporation, (2) the Corporation assigns its interests in the loan agreements as collateral, and (3) the Corporation has no substantive obligations under the loan agreements, the Corporation has, in effect, none of the risks and rewards of the loan agreements and related bond financing. Accordingly, with the exception of certain fees derived from financing transactions, these financing transactions are given no accounting recognition in the accompanying financial statements.

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

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies

Basis of Presentation

Build NYC has been classified as an “enterprise fund” as defined by the Governmental Accounting Standards Board (GASB) and, as such, the financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. In its accounting and financial reporting, Build NYC follows the pronouncements of the GASB.

Cash Equivalents

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

Investments

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

Revenue and Expense Recognition

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

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

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

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Recent and Upcoming Accounting Pronouncements

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Certain paragraphs of this statement were effective immediately and did not have a significant impact on the Corporation's financial statements. The remaining requirements of this statement are effective for fiscal years beginning after June 15, 2022 and beyond. The adoption of this statement did not have an impact on the Corporation's financial statements.

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023. The Corporation is evaluating the impact this statement will have on its financial statements.

3. Deposits and Investments

At year-end, Build NYC's cash and cash equivalent balance held in bank was \$1,339,437. Of this amount, \$250,000 was insured by the Federal Depository Insurance Corporation. Of the remaining balance, \$340,124 was invested in U.S. government money market funds.

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

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

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

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

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

Notes to Financial Statements (continued)

3. Deposits and Investments (continued)

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

As of June 30, 2023 and 2022, the Corporation had the following investments (in thousands). Investment maturities are shown only for June 30, 2023.

	Fair Value		2023	
			Investment Maturities (in Years)	
	2023	2022	Less Than 1	1 to 2
Money market funds	\$ 414	\$ 3,150	\$ 414	\$ —
Federal Farm Credit Bank	1,072	2,986	1,072	—
Federal Home Loan Bank	7,029	1,743	5,383	1,646
Total	8,515	7,879		
Less: investments classified as cash equivalents	(414)	(3,150)		
Total investments	\$ 8,101	\$ 4,729		

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

Credit Risk: It is the Corporation's policy to limit its investments in debt securities to those rated in the highest rating category by at least two nationally recognized bond rating agencies or other securities guaranteed by the U.S. government. As of June 30, 2023, the Corporation's investments in Federal Farm Credit Bank (FFCB) and Federal Home Loan Bank (FHLB) were rated AA+ by Standard & Poor's (S&P), Aaa by Moody's Investor Services, Inc. (Moody's) and AAA by Fitch Ratings. Money market funds share the same credit ratings as the Corporation's federally held securities, with the exception of S&P, which does not rate such funds.

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

Notes to Financial Statements (continued)

3. Deposits and Investments (continued)

Custodial Credit Risk: For investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the Corporation will not be able to recover the value of its investments or collateral securities that are in the possession of the counterparty. Investment securities are exposed to custodial credit risk if the securities are uninsured and are not registered in the name of the Corporation. The Corporation manages this credit risk by limiting its custodial exposure to highly rated institutions and/or requiring high quality collateral be held by the counterparty in the name of the Corporation.

Concentration of Credit Risk: The Corporation places no limit on the amount it may invest in any U.S. government backed securities. The following table shows investments that represent 5% or more of total investments as of June 30, 2023 and 2022 (dollars in thousands):

Issuer	Dollar Amount and Percentage of Total Investments					
	June 30, 2023		June 30, 2022			
Federal Farm Credit Bank	\$	1,072	13%	\$	2,986	63%
Federal Home Loan Bank	\$	7,029	87%	\$	1,743	37%

4. Management Fee

To support the activities of Build NYC, the Corporation annually enters into a contract with the New York City Economic Development Corporation (NYCEDC), a not-for-profit corporation and a component unit of The City organized to administer economic development programs which foster business expansion in The City. Under the terms set forth in the contract, NYCEDC provides Build NYC with all the professional, administrative, and technical staff assistance it needs to accomplish its objectives. The fixed annual fee for these services under the agreement between NYCEDC and the Corporation is \$2,200,000 for both fiscal years ended June 30, 2023 and 2022.

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

Notes to Financial Statements (continued)

5. Commitments

Pursuant to board approved agreements between Build NYC and NYCEDC, Build NYC committed to fund projects being administered by NYCEDC relating to The City’s community and economic development initiatives. Total special project commitments under these agreements amounted to \$3,000,000 with an outstanding obligation of \$3,000,000 at June 30, 2023. The current special project commitment, approval date, total and outstanding commitment balances are as follows as of June 30, 2023:

Project	Approval Date	Total Commitment	Life To-Date Expenses	Current Total De-Obligate	Outstanding Commitment
We Venture Investment Fund	9/21/2001	\$ 700,000	\$ –	\$ (700,000)	\$ –
Industrial Development Loan Fund	9/21/2001	3,000,000	–	–	3,000,000
		<u>\$ 3,700,000</u>	<u>\$ –</u>	<u>\$ (700,000)</u>	<u>\$ 3,000,000</u>

For the years ended June 30, 2023 and 2022, no expenses have been incurred by the Corporation relating to the above projects.

6. Risk Management

Although there should not be any liability for personal injuries as a result of its lending activities, Build NYC has been named a party to personal injury litigation in the past. Build NYC requires all project companies to indemnify Build NYC and to purchase and maintain commercial insurance coverage for these risks and name Build NYC as an additional insured. Build NYC also is an additional named insured on NYCEDC’s general liability policy. At June 30, 2023, there were no reported pending personal injury claims or litigation against Build NYC.

II. *Government Auditing Standards* Section

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

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

The Management and the Board of Directors
Build NYC Resource Corporation

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Build NYC Resource Corporation (the Corporation), a component unit of the City of New York, which comprise the statement of net position as of June 30, 2023, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated _____, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

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

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

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

Report on Compliance and Other Matters

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

Purpose of this Report

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

_____, 2023

Annual Report for Build NYC Resource Corporation

Fiscal Year Ending: 06/30/2023

Run Date: 09/07/2023

Status: UNSUBMITTED

Certified Date: N/A

Summary Financial Information

SUMMARY STATEMENT OF NET ASSETS

			Amount
Assets			
Current Assets			
	Cash and cash equivalents		\$1,413,375.00
	Investments		\$6,454,808.00
	Receivables, net		\$2,605.00
	Other assets		\$0.00
	Total current assets		\$7,870,788.00
Noncurrent Assets			
	Restricted cash and investments		\$1,646,076.00
	Long-term receivables, net		\$0.00
	Other assets		\$0.00
Capital Assets			
		Land and other nondepreciable property	\$0.00
		Buildings and equipment	\$0.00
		Infrastructure	\$0.00
		Accumulated depreciation	\$0.00
		Net Capital Assets	\$0.00
	Total noncurrent assets		\$1,646,076.00
Total assets			\$9,516,864.00
Liabilities			
Current Liabilities			
	Accounts payable		\$0.00
	Pension contribution payable		\$0.00
	Other post-employment benefits		\$0.00
	Accrued liabilities		\$70,544.00
	Deferred revenues		\$361,991.00
	Bonds and notes payable		\$0.00
	Other long-term obligations due within one year		\$0.00
	Total current liabilities		\$432,535.00
Noncurrent Liabilities			

Annual Report for Build NYC Resource Corporation

Fiscal Year Ending: 06/30/2023

Run Date: 09/07/2023
 Status: UNSUBMITTED
 Certified Date: N/A

	Pension contribution payable		\$0.00
	Other post-employment benefits		\$0.00
	Bonds and notes payable		\$0.00
	Long term leases		\$0.00
	Other long-term obligations		\$0.00
	Total noncurrent liabilities		\$0.00
Total liabilities			\$432,535.00
Net Asset (Deficit)			
Net Assets			
	Invested in capital assets, net of related debt		\$0.00
	Restricted		\$0.00
	Unrestricted		\$9,084,329.00
	Total net assets		\$9,084,329.00

SUMMARY STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS

			Amount
Operating Revenues			
	Charges for services		\$0.00
	Rental and financing income		\$3,042,920.00
	Other operating revenues		\$0.00
	Total operating revenue		\$3,042,920.00
Operating Expenses			
	Salaries and wages		\$0.00
	Other employee benefits		\$0.00
	Professional services contracts		\$2,241,500.00
	Supplies and materials		\$0.00
	Depreciation and amortization		\$0.00
	Other operating expenses		\$60,955.00
	Total operating expenses		\$2,302,455.00
Operating income (loss)			\$740,465.00
Nonoperating Revenues			
	Investment earnings		\$252,112.00
	State subsidies/grants		\$0.00
	Federal subsidies/grants		\$0.00
	Municipal subsidies/grants		\$0.00
	Public authority subsidies		\$0.00

Annual Report for Build NYC Resource Corporation

Fiscal Year Ending: 06/30/2023

Run Date: 09/07/2023

Status: UNSUBMITTED

Certified Date: N/A

	Other nonoperating revenues		\$0.00
	Total nonoperating revenue		\$252,112.00
Nonoperating Expenses			
	Interest and other financing charges		\$0.00
	Subsidies to other public authorities		\$0.00
	Grants and donations		\$0.00
	Other nonoperating expenses		\$0.00
	Total nonoperating expenses		\$0.00
	Income (loss) before contributions		\$992,577.00
Capital contributions			\$0.00
Change in net assets			\$992,577.00
Net assets (deficit) beginning of year			\$8,091,752.00
Other net assets changes			\$0.00
Net assets (deficit) at end of year			\$9,084,329.00

Exhibit B

**BUILD NYC RESOURCE CORPORATION
INVESTMENT REPORT**

Board of Directors Meeting, September 19, 2023

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

NOW, THEREFORE, BE IT RESOLVED THAT, the Board of Directors of Build NYC Resource Corporation hereby approves the Investment Report for the fiscal year ended June 30, 2023 annexed hereto (including all attachments, schedules and exhibits thereto).

**BUILD NYC RESOURCE CORPORATION
INVESTMENT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Comprehensive Investment Guidelines Policy

Attached hereto as Schedule I is the Comprehensive Investment Guidelines Policy of Build NYC Resource Corporation (the “Corporation”), as approved by the Corporation’s Board of Directors on June 6, 2023 (the “Investment Policy”). The Investment Policy approved by the Corporation’s Board of Directors on June 6, 2023 did not contain any substantive amendments as compared to the Investment Policy approved by the Corporation’s Board of Directors on June 14, 2022.

Investment Objectives

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

Annual Independent Audit

The results of the annual independent audit (including the independent accountant’s audit report) for the fiscal year ended June 30, 2023 are attached hereto as Schedule II.

Investment Income Record

Investment income from interest earned on bank accounts, certificates of deposits and securities was \$249,496 for the fiscal year ended June 30, 2023.

Fees, Commissions and Other Charges

The Corporation did not pay any fees, commissions or other charges to an investment banker, broker, agent, dealer or advisor during the fiscal year ended June 30, 2023.

SCHEDULE I

INVESTMENT POLICY

Attached.

**BUILD NYC RESOURCE CORPORATION
COMPREHENSIVE INVESTMENT GUIDELINES POLICY**

Adopted December 13, 2011, as amended through June 6, 2023

I. PURPOSE

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

II. GENERAL PROVISIONS

A. Scope of Policy

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

B. Investment Objectives

The Funds shall be managed to accomplish the following objectives:

1. *Preservation of Principal* – The single most important objective of Build NYC’s investment program is the preservation of the principal of the Funds.
2. *Maintenance of Liquidity* – The Funds shall be managed in such a manner that assures that funds are available as needed to meet immediate and/or future operating requirements of Build NYC.
3. *Maximize Return* – The Funds shall be managed in such a fashion as to maximize income through the purchase of Permitted Investments (hereinafter defined), taking into account the other investment objectives.

III. IMPLEMENTATION OF GUIDELINES

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

IV. AUTHORIZED INVESTMENTS

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

1. *U.S.A.* Obligations or securities issued by the United States.
2. *Federal Agency Obligations.* Obligations or securities issued by any agency or instrumentality of the United States if guaranteed, as to principal and interest, by the United States.
3. *Commercial Paper.* Debt obligations with a maturity of no greater than 270 days and with ratings that are the highest ratings issued by at least two rating agencies approved by the Comptroller of the State of New York.
4. *Bankers’ Acceptances* of banks with worldwide assets in excess of \$50 million that are rated with the highest categories of the leading bank rating services and regional banks also rated within the highest categories.
5. *Certificates of Deposit and Time Deposits* with New York banks, including minority-owned banks. All such certificates of deposit in these banks must be Federal Deposit Insurance Corporation (“FDIC”) insured; *provided, however*, if and to the extent such certificates of deposits or time deposits are not FDIC insured, such Securities shall comply with all other applicable requirements of the General Municipal Law of the State of New York, including, but not limited to, requirements as to the collateralization of deposits of funds in excess of the amounts insured by the FDIC.
6. *Other investments* approved by the Comptroller of New York City for the investment of City funds.

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

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

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

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

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

V. WRITTEN CONTRACTS

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

VI. DIVERSIFICATION

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

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

VII. INVESTMENT MATURITIES

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

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

VIII. MONITORING AND ADJUSTING THE INVESTMENT PORTFOLIO

Those responsible for the day-to-day management of the portfolio will routinely monitor the contents of the portfolio, the available markets and the relative values of competing instruments, and will adjust the portfolio as necessary to meet the requirements and goals of this Policy. It is recognized and understood that the non-speculative active management of portfolio holdings may cause a loss on the sale of an owned investment. From time to time, the Chief Financial Officer may exercise his or her discretion and invest outside of the requirements of the guidelines stated in VI and/or VII so long as the four overarching objectives in IIB are met and communication is provided to the Audit Committee at the next scheduled Audit Committee meeting. Exceptions to the requirements of the guidelines stated in VI and/or VII should not vary materially from current guidelines in amounts or duration.

IX. INTERNAL CONTROLS

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

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

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

A. BROKERS, AGENTS, DEALERS

The categories of firms listed below are the categories from which Build NYC may select firms to purchase and sell Securities (as selected an “Agent”). Factors to be considered by Build

NYC in selecting Agents from these categories shall include the following: size and capitalization; quality and reliability; prior experience generally and prior experience with Build NYC specifically; and level of expertise for the transactions contemplated.

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

B. INVESTMENT ADVISORS

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

C. INVESTMENT BANKERS

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

D. CUSTODIANS

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

XI. REPORTING

A. Quarterly

The Chief Financial Officer or, if under the direction of the Chief Financial Officer, the Treasurer or an Assistant Treasurer, shall prepare and deliver to the Board of Directors once for each quarter of Build NYC’s fiscal year a report setting forth a summary of new investments made during that quarter, the inventory of existing investments and the selection of investment bankers, brokers, agents, dealers, investment advisors and auditors.

B. Annually

1. *Audit* – Build NYC’s independent accountants shall conduct an annual audit of Build NYC’s investments for each fiscal year of Build NYC, the results of which shall be made available to the Board of Directors at the time of its annual review and approval of these Guidelines.

2. *Investment Report* – Annually, the Treasurer or, if under the direction of the Treasurer, an Assistant Treasurer shall prepare and the Board of Directors shall review and approve an Investment Report, which shall include:

- a. This Policy and amendments thereto since the last report;
- b. An explanation of this Policy and any amendments made since the last report;
- c. The independent audit report required by paragraph 1 above;
- d. The investment income record of Build NYC for the fiscal year; and
- e. A list of fees, commissions or other charges paid to each investment banker, broker, agent, dealer and advisor rendering investment associated services to Build NYC since the last report.

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

XII. APPLICABILITY

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

XIII. CONFLICT OF LAW

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

XIV. PRIOR AUTHORIZATIONS NOT SUPERSEDED

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

XV. MWBEs

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

SCHEDULE II

RESULTS OF ANNUAL INDEPENDENT AUDIT

Attached.

SCHEDULE OF INVESTMENTS

Build NYC Resource Corporation
(A Component Unit of The City of New York)
Years Ended June 30, 2023 and 2022
With Reports of Independent Auditors

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

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

Schedule of Investments

Years Ended June 30, 2023 and 2022

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PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

Report of Independent Auditors

The Management and the Board of Directors
Build NYC Resource Corporation

Report on the Audit of the Schedule of Investments

Opinion

We have audited the Schedule of Investments of the Build NYC Resource Corporation (the Corporation), a component unit of The City of New York, as of June 30, 2023 and 2022, and the related notes (the schedule).

In our opinion, the accompanying schedule presents fairly, in all material respects, the investments of the Corporation at June 30, 2023 and 2022 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Schedule section of our report. We are required to be independent of the Corporation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Schedule

Management is responsible for the preparation and fair presentation of the schedule in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule that is free of material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the schedule as a whole is free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the schedule.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the schedule, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the schedule.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the schedule.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Financial Statements as of June 30, 2023 and 2022

We have audited, in accordance with GAAS and *Government Auditing Standards*, the financial statements of the Corporation as of and for the years ended June 30, 2023 and 2022, and our report thereon, dated _____, 2023, expressed an unmodified opinion on those financial statements.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated _____, 2023, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters with respect to the schedule. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance with respect to the schedule.

_____, 2023

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

Schedule of Investments
(In Thousands of Dollars)

	June 30	
	2023	2022
Investments		
Unrestricted	\$ 8,515	\$ 7,879
Total investments	\$ 8,515	\$ 7,879

The accompanying notes are an integral part of this schedule.

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

Notes to Schedule of Investments

June 30, 2023

1. Background and Organization

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

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

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

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

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

Notes to Schedule of Investments (continued)

2. Summary of Significant Accounting Policies

Cash Equivalents

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

Investments

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

3. Investments

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

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

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

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

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

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

Notes to Schedule of Investments (continued)

3. Investments (continued)

As of June 30, 2023 and 2022, the Corporation had the following investments (in thousands). Investments maturities are shown only for June 30, 2023.

	Fair Value		2023	
			Investment Maturities (In Years)	
	2023	2022	Less Than 1	1 to 2
Money Market Funds	\$ 414	\$ 3,150	\$ 414	\$ —
Federal Farm Credit Bank	1,072	2,986	1,072	—
Federal Home Loan Bank	7,029	1,743	5,383	1,646
Total Investments	<u>\$ 8,515</u>	<u>\$ 7,879</u>		

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

Credit Risk – It is the Corporation’s policy to limit its investments in debt securities to those rated in the highest rating category by at least two nationally recognized bond rating agencies or other securities guaranteed by the U.S. government. As of June 30, 2023, the Corporation’s investments in Federal Farm Credit Bank (FFCB) and Federal Home Loan Bank (FHLB) were rated AA+ by Standard & Poor’s (S&P), Aaa by Moody’s Investor Services, Inc. (Moody’s) and AAA by Fitch Ratings. Money market funds share the same credit ratings as the Corporation’s federally held securities with the exception of S&P, which does not rate such funds.

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

Notes to Schedule of Investments (continued)

3. Investments (continued)

Custodial Credit Risk – For investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the Corporation will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured and are not registered in the name of the Corporation. The Corporation manages this credit risk by limiting its custodial exposure to highly rated institutions and/or requiring high quality collateral be held by the counterparty in the name of the Corporation.

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

Issuer	Dollar Amount and Percentage of Total Investments			
	June 30, 2023		June 30, 2022	
Federal Farm Credit Bank	\$ 1,072	13%	\$ 2,986	38%
Federal Home Loan Bank	7,029	83	1,743	22

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

The Management and the Board of Directors
Build NYC Resource Corporation

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the Schedule of Investments (the schedule) of the Build NYC Resource Corporation (the Corporation), a component unit of The City of New York, as of June 30, 2023, and the related notes to the schedule, and have issued our report thereon dated _____, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the schedule, we considered the Corporation’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the schedule, but not for the purpose of expressing an opinion on the effectiveness of the Corporation’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation’s internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

_____, 2023

Exhibit C

BUILD NYC RESOURCE CORPORATION
Performance Measurements Report
Board of Directors Meeting
September 19, 2023

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

WHEREAS, on June 6, 2023, the Board adopted the performance measurements listed in the Performance Measurements Report for the fiscal year ending June 30, 2023 (attached as Attachment A) (the “Performance Measurements Report”).

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

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

ATTACHMENT A

Performance Measurements Report for Fiscal Year 2023

Name of Public Authority:

Build NYC Resource Corporation (BNYC)

Public Authority's Mission Statement:

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

List of Performance Measurements:

Performance Measurements	FY2023 7/1/22 – 6/30/23	FY2022 7/1/21 – 6/30/22
Number of Contracts Closed	13	12
Amount of Private Investment Leveraged	\$620,500,000	\$498,285,272
Total net City tax revenues generated in connection with closed contracts ¹	\$137,591,548	\$359,915,833
Project three-year job growth in connection with closed contracts	331.5	308.0
Current total jobs reported by projects that commenced operations in FY 2020 ² as compared to total jobs reported at the time of application for such projects	1,882 / 1,716 (+166)	931 / 831 (+100)
Current total jobs reported by projects that commenced operations in FY 2020 ³ as compared to the three-year total job growth projections stated in applications for such projects	1,882 / 1,757 (+125)	931 / 922 (+9)
Square footage of buildings/improvements receiving benefits	856,335	993,604
Number of projects that received a field visit	28	7
% of projects that received a field visit	19%	4.8%
% of projects in good standing ⁴	98%	99%

¹ Represents projected net city tax revenues through contract maturity.

² Also includes projects that closed in FY 2020 but commenced all operations prior to the closing date.

³ Also includes projects that closed in FY 2020 but commenced all operations prior to the closing date.

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

Exhibit D



Build NYC Resource Corporation

PROJECT SUMMARY

586 River Ave., LLC, is a Delaware limited liability company and a disregarded entity for federal income tax purposes (the "Borrower") whose sole member is Success Academy Charter Schools, Inc. ("SACS"), a Delaware not-for-profit corporation exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). SACS is a charter management organization founded to provide academic and business services to Success Academy Charter Schools – NYC, a New York not-for-profit education corporation exempt from federal income taxation pursuant to Section 501(c)(3) of the Code (the "School"). The Borrower is seeking approximately \$250,000,000 in tax-exempt bonds (the "Bonds"). The Bonds will be issued as part of a plan of finance of qualified 501(c)(3) bonds for educational facilities under Section 145 of the Code. Proceeds of the Bonds will be used to finance a portion of the costs of: (i) the construction and equipping of a 309,000 square foot facility on an approximately 98,972 square foot parcel of land located at Bronx Tax Block 2354, Lot 1, currently known by the street addresses 580-586 River Avenue, 101-119 East 150th Street and 587-595 Gerard Avenue Bronx, New York, (the "Facility"); (ii) a debt service reserve fund; (iii) capitalized interest; and (iv) certain costs related to the issuance of the Bonds (collectively, the "Project"). The Facility will consist of an elementary school, middle school, high school, and common areas in one building, with separate entrances. The Facility will be owned by the Borrower and leased to the School, which will operate the Facility for educational purposes as three public charter schools serving approximately 2,400 students from kindergarten through Grade 12.

Project Locations

586 River Ave., LLC
580-586 River Avenue
Bronx, New York 10451

586 River Ave., LLC
101-119 East 150th Street
Bronx, New York 10451

586 River Ave., LLC
587-595 Gerard Avenue
Bronx, New York 10451

Actions Requested

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

Anticipated Closing

Winter 2023

Impact Summary

Employment	
Jobs at Application:	60
Jobs to be Created at Project Location (Year 3):	282
Total Jobs (full-time equivalents)	342
Projected Average Hourly Wage (excluding principals)	\$30.38
Highest Wage/Lowest Wage	\$49.60/\$26.44

586 River Ave., LLC

Estimated City Tax Revenues	
Impact of Operations (NPV 40 years @6.25%)	\$10,492,328
One-Time Impact of Renovation	\$8,625,281
Total Impact of Operations and Renovation	\$19,117,609
Additional Benefit from Jobs to be Created	\$29,568,845

Estimated Cost of Benefits Requested: New York City	
MRT Benefit	\$4,062,500
NYC Forgone Income Tax on Bond Interest	\$2,956,410
Corporation Financing Fee	(\$1,275,000)
Total Cost to NYC Net of Financing Fee	\$5,743,910

Costs of Benefits Per Job	
Estimated Net City Cost of Benefits per Job in Year 3	\$16,795
Estimated City Tax Revenue per Job in Year 3	\$142,358

Estimated Cost of Benefits Requested: New York State	
MRT Benefit	\$2,937,500
NYS Forgone Income Tax on Bond Interest	\$11,122,641
Total Cost to NYS	\$14,060,141
Overall Total Cost to NYC and NYS	\$19,804,051

Sources and Uses

Sources	Total Amount	Percent of Total Financing
Tax-Exempt Bonds Proceeds	\$250,000,000	70%
Philanthropic Contribution	\$99,500,000	28%
Equity	\$8,900,000	2%
Total	\$358,400,000	100%

Uses	Total Amount	Percent of Total Costs
Construction Hard Costs	\$255,100,000	71%
Construction Soft Costs	\$27,600,000	8%
Furnishings, Fixtures & Equipment	\$23,900,000	7%
Capitalized Interest	\$34,100,000	10%
Debt Service Reserve Fund	\$14,800,000	4%
Closing Fees	\$2,900,000	<1%
Total	\$358,400,000	100%

Fees

	Paid At Closing	On-Going Fees (NPV, 40 Years)
Corporation Fee	\$1,275,000	
Bond Counsel	Hourly	
Annual Corporation Fee	\$1,250	\$18,230
Bond Trustee Acceptance Fee	\$500	
Annual Bond Trustee Fee	\$500	\$7,292
Trustee Counsel Fee	\$5,000	
Total	\$1,282,250	\$25,523
Total Fees	\$1,307,773	

Financing and Benefits Summary

PNC Capital Markets LLC will serve as underwriter for the Bonds, which are expected to receive an investment grade rating and will be sold through a public offering. The Bonds will be issued in a single tax-exempt series of approximately \$250,000,000, with a final maturity up to 40 years from closing and an interest-only period until December 1, 2028. The interest rate on the Bonds is estimated to be approximately 5.24%. The Bonds will be payable from a gross revenues pledge of the Borrower, including all rental income from the School under the lease of the Facility between the Borrower and the School. The Bonds will be secured by an obligation under the Master Trust Indenture which includes gross revenue pledges from both the Borrower and SACS, and by one or more mortgages on the Facility. There is an expected debt service coverage ratio of 5.97x or 1.53x based on analysis of SACS's financial statements and revenues from 2022 and 2021, respectively.

Applicant & School Summary

The Borrower is a special purpose entity whose sole member is SACS. The Borrower was organized to acquire, construct, and manage the Facility, which will be leased to the School. Founded in 2006, SACS is the largest public charter school network in New York State, currently operating 49 schools in the Bronx, Brooklyn, Manhattan, and Queens, and serving approximately 20,000 students from kindergarten through Grade 12. SACS is dedicated to providing a high-quality education to primarily disadvantaged students to narrow the achievement gap. Approximately 94% of students are minorities; 74% are from low-income households; 10% are current or former English Language Learners; and over 15% are current or former special needs students. SACS is among the highest performing public charter school networks in New York State, and its math and reading scores are in the top 5% among New York State school districts. To date, 100% of the five graduating classes in schools operated by SACS have been accepted to four-year colleges. In 2022, SACS received more than 17,000 applications for approximately 5,000 open seats.

Eva Moscowitz, Founder and CEO, SACS

Ms. Moscowitz founded the School in 2006 and serves as CEO of SACS. Previously, she was a teacher, college professor, elected official, and Chair of the New York City Council's Education Committee. Ms. Moscowitz attended the University of Pennsylvania, where she obtained a B.A. degree, and Johns Hopkins University, where she obtained a Ph.D. degree in American History.

Shabbir Ahmed, CFO, SACS

Mr. Ahmed joined SACS as Chief Financial Officer in 2021. Previously, he was CFO at Phillip Jeffries and has held financial leadership positions at D'Addario Inc., Princeton Global Strategies, Stanley Black & Decker, and other multinational companies. Mr. Ahmed attended Webster University in Austria where he obtained B.A. and M.B.A. degrees.

586 River Ave., LLC

Steven Galbraith, Chairperson of the Board of Trustees, SACS

Mr. Galbraith is a Managing Member of Kindred Capital. Previously, Mr. Galbraith was a Partner at Maverick Capital and chaired the firm's Advisory Committee. Prior to Maverick, he was the Chief Investment Officer at Morgan Stanley. Prior to Morgan Stanley, he was a Partner at Sanford Bernstein where he was an analyst in the packaged good industry and later the financial services sector. From 1998 to 2008, Mr. Galbraith was an Adjunct Professor at Columbia Business School, where he taught securities analysis. He currently serves on the boards of Tufts University, Narragansett Brewing Company, Pzena Investment Management, and Said Holdings Limited. Mr. Galbraith attended Tufts University, where he obtained a B.A. degree.

Lorenzo Smith III, Chairperson of the Board of Trustees, the School

Mr. Smith is a Private Banker at J.P. Morgan Private Bank, responsible for managing relationships with ultra high net worth individuals and families with a specific focus on hedge fund principals. Prior to J.P. Morgan, Mr. Smith was a credit analyst on TIAA CREF's Distressed Investments Team. Mr. Smith attended the United States Military Academy at West Point, where he obtained a B.A. degree, and Columbia Business School, where he obtained an M.B.A. degree.

Employee Benefits

Employees of the School are eligible to receive a medical, dental, and vision insurance plan, 403b retirement saving options, paid childcare leave, adoption reimbursement benefits, pre-tax commuter benefits, personal time off and paid holidays. Additionally, children of employees receive a lottery preference to attend the School. Each educator receives the equivalent of 13 weeks of training per year through online resources and weekly professional development sessions.

Recapture

The mortgage recording tax benefit is subject to a 10-year recapture period.

SEQRA Determination

Unlisted Action which, if implemented, will not result in significant adverse environmental impacts. The completed Environmental Assessment Form for the Project has been reviewed and signed by Corporation staff.

Due Diligence

The Corporation conducted a background investigation of the Borrower, SACS, the School and their respective principals and the respective entities cleared the Corporation's background check.

Compliance Check:	Not applicable
Living Wage:	Compliant
Paid Sick Leave:	Compliant
Private School Policy:	Not applicable
Affordable Care Act:	Compliant
Bank Account:	PNC Bank
Bank Check:	Relationships are reported to be satisfactory
Supplier Checks:	Not applicable

586 River Ave., LLC

Customer Checks: Not applicable

Unions: Not applicable

Background Check: Cleared

Attorney: Eugene Clark-Herrera, Esq.
Orrick, Herrington & Sutcliffe LLP
The Orrick Building
405 Howard Street
San Francisco, CA 94105

Accountant: Adam B. Cole
BDO USA, LLP
100 Park Avenue, Suite 201
Melville, NY 11747

Underwriter: Beatriz Peguero
PNC Capital Markets LLC
340 Madison Avenue, 11th Floor
New York, NY 10173

Community Board: Bronx, CB 4

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July 7, 2023

BuildNYC
One Liberty Plaza
New York, NY 10006

Re: Application for Not-For-Profit Bond Program on behalf of 586 River Ave., LLC

Emily Marcus Falda, Executive Director:

Applicant Background

The Applicant, 586 River Ave., LLC is a special purpose entity which was organized to construct, lease, and manage a three school facility project in the Bronx. Success Academy Charter Schools, Inc., is a Charter Management Organization founded in 2006 to provide Academic and Business Services to Success Academy Charter Schools - NYC.

Founded in 2006, Success Academy Charter Schools - NYC is the largest and highest-performing public charter school network in New York State. Success Academy currently operates 49 schools, serving approximately 20,000 children in kindergarten through 12th grade. Approximately 94% of our students are children of color; 74% are from low-income households; 9.7% are current or former English Language Learners; and over 15% are current or former special needs students. As the highest performing free public charter school network in New York City and a national leader in public school innovation, SA has established a strong record of accomplishment since inception. Year after year, thousands of children, primarily from the Bronx and Queens, remain on its waitlist. In 2022, Success Academy received more than 17,000 applications for approximately 5,000 open seats.

Over the past 17 years, Success Academy has built world-class public schools, showing that all children can excel. In 2019, Success Academy schools had a combined math and reading score that topped every other district in New York state. In 2022, SA schools performed in the top 5% in ELA and in the top 2.5% in math on the New York State tests. While strong performance on tests is an important and necessary metric, it is not our ultimate goal. We aim for not only attendance at but also graduation from highly-selective four-year colleges.

Project

The proposed project is the construction of three Public Charter Schools: an Elementary School for 600 scholars whose entrance will be at River Avenue; a Middle School for 600 scholars with entrance at Gerard Avenue; and a High School for 1,200 scholars whose entrance will be on 150th Street between River and Gerard Avenues. Together these schools will total approximately 309,000 square feet on a 98,972 square foot parcel of land.



Project Would Not Be Completed Without BuildNYC

The Project would not be completed without the benefit of BuildNYC's resources. Construction costs are expected to be \$358.4 million for the three schools and common areas. Allocation of these costs are anticipated to be \$56.6 million for the elementary school; \$70.7 million for the middle school; and \$155.5 million for the high school, \$23,900,000 in furnishing and equipping of all three schools, \$51,800,000 of capitalized interest, funding of a debt service reserve, and bond issuance cost.

Immediate Impact of the Project

The immediate impact of the project is that the educational home for 2,400 primarily low-income elementary and secondary students of color in the Bronx will be secure.

Sincerely,

A handwritten signature in black ink, appearing to read "Shabbir Ahmed", is written over a faint, illegible background.

Shabbir Ahmed
Chief Financial Officer
Success Academy Charter Schools

Exhibit E

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF APPROXIMATELY \$250,000,000 OF BUILD NYC RESOURCE CORPORATION TAX-EXEMPT REVENUE BONDS (SUCCESS ACADEMY CHARTER SCHOOLS PROJECT), SERIES 2023, AND THE TAKING OF OTHER ACTION IN CONNECTION THEREWITH

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

WHEREAS, 586 River Ave., LLC, a Delaware limited liability company and a disregarded entity for federal income tax purposes (the “Applicant”), the sole member of which is Success Academy Charter Schools, Inc., a Delaware not-for-profit corporation exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986 (“SACS”), has entered into negotiations with officials of the Issuer in order to finance a portion of the costs of: (i) the construction and equipping of a new 309,000 square foot facility on an approximately 98,972 square foot parcel of land located at Bronx Tax Block 2354, Lot 1, currently known by the street addresses 580-586 River Avenue, 101-119 East 150th Street and 587-595 Gerard Avenue Bronx, New York, which land is bounded on the south by East 150th Street; on the east by Gerard Avenue; and on the west by River Avenue and has a northern boundary located approximately mid-block between East 150th and East 151st Street (the “Facility”), which Facility will consist of an elementary school, middle school, high school, and common areas in one building with separate entrances; (ii) a debt service reserve fund; (iii) capitalized interest; and (iv) certain costs related to the issuance of the Bonds (hereinafter defined) (collectively, the “Project”); and

WHEREAS, the Applicant will own the Facility and will lease the Facility to Success Academy Charter Schools – NYC, a New York not-for-profit education corporation exempt from federal income taxation pursuant to Section 501(c)(3) of the Code (the “School”), to be operated by the School for educational purposes as three public charter schools serving approximately 2,400 students from kindergarten through Grade 12; and

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

WHEREAS, the Application sets forth certain information with respect to the Applicant, SACS, the School and the Project, including the following: that the Applicant is a special purpose entity which was organized to construct, lease, and manage a three school facility project in the South Bronx and SACS is a charter management organization founded to provide academic and business services to the School; that the Applicant, SACS and/or the School currently employs approximately 60 full-time equivalent employees and expects to employ an additional 282 full-time equivalent employees at the Facility within three years of completion of the Project; that the Issuer’s financing assistance will provide debt service savings to the Applicant and/or SACS which will allow them to redirect financial resources to

further the School's educational mission; and that, therefore the Issuer's assistance is necessary to assist the Applicant in proceeding with the Project; and

WHEREAS, the Issuer desires to further encourage the Applicant, SACS and/or the School with respect to the financing and refinancing of the facilities, if by so doing it is able to induce the Applicant, SACS and/or the School to proceed with the Project; and

WHEREAS, in order to finance a portion of the cost of the Project, the Issuer intends to issue its tax exempt revenue bonds (Success Academy Charter Schools Project), Series 2023 in the aggregate principal amount of approximately \$250,000,000 (or such greater amount not to exceed such stated amount by more than 10%, as may be determined by a certificate of determination of an authorized officer of the Issuer (the "Certificate of Determination")) (the "Bonds"), all pursuant to an Indenture of Trust (the "Indenture") to be entered into between the Issuer and The Bank of New York Mellon, as trustee (the "Trustee"); and

WHEREAS, the Issuer intends to loan the proceeds of the Bonds to the Applicant (and, if determined by the Certificate of Determination, SACS and/or the School) pursuant to a Loan Agreement (the "Loan Agreement") to be entered into between the Issuer and the Applicant (and/or SACS and/or the School), and (ii) the Applicant (and, if determined by the Certificate of Determination, SACS and/or the School) will execute one or more promissory notes in favor of the Issuer and the Trustee (collectively, the "Promissory Note") to evidence the obligation under the Loan Agreement to repay such loan; and

WHEREAS, the Bonds are to be secured by one or more fee and/or leasehold mortgage liens on and security interests in the Facility or land granted by the Applicant (and/or SACS and/or the School), as mortgagor, to the Issuer and the Trustee, as mortgagees, pursuant to one or more Mortgage and Security Agreements (collectively, the "Mortgage"), which Mortgage will be assigned by the Issuer to the Trustee pursuant to one or more Assignments of Mortgage and Security Agreement from the Issuer to the Trustee (collectively, the "Assignment of Mortgage") (and may be further assigned to a master trustee, if applicable, to secure obligations under a master trust indenture, including the obligation to repay the Bonds); and

WHEREAS, the Bonds may also be secured by, if determined by the Certificate of Determination: (i) a collateral assignment of leases and rents (the "Assignment of Leases and Rents"); (ii) a pledge of the revenues of the Applicant, SACS and/or the School pursuant to an Account Control Agreement among the Applicant, SACS and/or the School, a depository bank, and the Trustee (the "Account Control Agreement"); and (iii) an Assignment of Contracts, Licenses and Permits (the "Assignment of Contracts") from the Applicant, and if determined by Certificate of Determination, SACS and/or the School, to the Trustee; and

WHEREAS, the Applicant retained PNC Capital Markets LLC to serve as underwriter (the "Underwriter") in connection with the sale of the Bonds to the purchasers of the Bonds; and

WHEREAS, the Issuer, the Underwriter and the Applicant (and/or SACS and/or the School) will enter into a bond purchase agreement (the "Bond Purchase Agreement") under which the Underwriter will agree to purchase the Bonds; and

WHEREAS, it is necessary in connection with the offering and sale of the Bonds for the Underwriter to distribute a Preliminary Official Statement and an Official Statement (collectively, the "Official Statement") relating to the Bonds;

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

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

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

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

The Bonds shall be issued as fully registered bonds in one or more series of tax-exempt bonds, shall be dated as provided in the Indenture, shall be issued as one or more serial and/or term bonds and in an aggregate amount not to exceed \$250,000,000 (or such greater amount not to exceed such stated amount by more than 10% as may be determined by the Certificate of Determination), shall be payable as to principal and redemption premium, if any, at the principal office of the Trustee, shall be payable as to interest by check, draft or wire transfer as provided in the Indenture, shall bear interest at a fixed rate interest not to exceed ten percent (10.00%) (such final rate to be determined by the Certificate of Determination), shall be subject to optional and mandatory redemption as provided in the Indenture, shall be payable as provided in the Indenture until the payment in full of the principal amount thereof and shall mature not later than December 31, 2063 (or as determined by the Certificate of Determination), all as set forth in the Bonds. The provisions for signatures, authentication, payment, delivery, redemption and number of Bonds shall be set forth in the Indenture hereinafter authorized.

Section 4. The Bonds shall be secured by the pledge effected by the Indenture and shall be payable solely from and secured by a pledge of the loan payments, revenues and receipts payable under the Loan Agreement and the Promissory Note to the extent set forth in the Loan Agreement and the Indenture hereinafter authorized. The Bonds, together with the interest thereon, are special limited revenue obligations of the Issuer, payable solely as provided in the Indenture, including from moneys deposited in the Bond Fund, the Project Fund, the Debt Service Reserve Fund, and such other funds as established under the Indenture (subject to disbursements therefrom in accordance with the Loan Agreement and the Indenture), and shall never constitute a debt of the State of New York or of the City, and neither the State of New York nor the City shall be liable thereon, nor shall the Bonds be payable out of any funds of the Issuer other than those pledged therefor. The payment of the principal of, redemption premium, if any, and interest on the Bonds may be further secured by the Mortgage, and, if determined by a Certificate of Determination, the Assignment of Leases and Rents, the Account Control Agreement and/or the Assignment of Contracts.

Section 5. The Bonds are hereby authorized to be sold at a purchase price as shall be approved by the Certificate of Determination.

Section 6. The execution, as applicable, and delivery of the Indenture, the Loan Agreement, the Mortgage, the Assignment of Mortgage, the Bond Purchase Agreement, the Official Statement, a Tax Certificate from the Issuer and the Applicant, SACS and/or the School to the Trustee, a Use Agreement among the Issuer, the School and the Trustee, if any, a Letter of Representation and an Indemnity Agreement from the Applicant (and/or SACS and/or the School) to the Issuer and the Trustee (the documents referenced in this Section 6 being, collectively, the "Issuer Documents"), each being

substantially in the form approved by the Issuer for prior financings, are hereby authorized. The Chairman, Vice Chairman, Executive Director, Deputy Executive Director or General Counsel of the Issuer are hereby authorized to execute, acknowledge and deliver each such Issuer Document. The execution and delivery of each such Issuer Document by said officer shall be conclusive evidence of due authorization and approval.

Section 7. The Issuer hereby authorizes the distribution of the Official Statement relating to the Bonds.

Section 8. All covenants, stipulations, obligations and agreements of the Issuer contained in this Resolution and contained in the Issuer Documents shall be deemed to be the covenants, stipulations, obligations and agreements of the Issuer to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Issuer and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Issuer or the members thereof by the provisions of this Resolution and the Issuer Documents shall be exercised or performed by the Issuer 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 any of the Issuer Documents shall be deemed to be a covenant, stipulation, obligation or agreement of any member, director, officer, agent or employee of the Issuer in his or her individual capacity, and neither the members of the Issuer nor any officer executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 9. The officers of the Issuer are hereby designated the authorized representatives of the Issuer, and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution, the Issuer Documents and the issuance of the Bonds.

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

Section 11. Any expenses incurred by the Issuer with respect to the Project and the financing thereof shall be reimbursed out of the proceeds of the Bonds or, in the event such proceeds are insufficient after payment of other costs of the Project or the Bonds are not issued by the Issuer due to inability to consummate the transactions herein contemplated, shall be paid by the Applicant, SACS or the School. By accepting this Resolution, the Applicant, SACS and the School agree to pay such expenses and further agree to indemnify the Issuer, its members, employees and agents and hold the Issuer and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Issuer in good faith with respect to the Project and the financing thereof.

Section 12. This Resolution constitutes “other similar official action” under the provisions of Treasury Regulation 1.150-2 promulgated under Section 103 and related sections of the Internal Revenue Code of 1986, as amended (the “Code”). This Resolution is subject to further compliance with the provisions of Sections 141 through 150 and related provisions of the Code.

Section 13. This Resolution is subject to the approval of a private investigative report with respect to the Applicant, SACS and/or the School, which approval shall be conclusively evidenced by the delivery of the Issuer Documents authorized pursuant to Section 6 hereof. The provisions of this Resolution shall continue to be effective until one year from the date hereof, whereupon the effectiveness of this Resolution shall terminate (except with respect to the matters contained in Section 11 hereof) unless (i) prior to the expiration of such year the Issuer shall (x) have issued the Bonds for the Project, or (y) by subsequent resolution extend the effective period of this Resolution, or (ii) the Applicant, SACS or the School shall be continuing to take affirmative steps to secure financing for the Project.

Section 14. The Issuer finds that, with respect to the findings and resolution of the Lead Agency (NYC Board of Standards and Appeals) for the proposed project located at 580-586 River Avenue, 101-119 East 150th Street and 587-595 Gerard Avenue, Bronx, New York, the Final Environmental Assessment Statement (“FEAS”; CEQR No. 22BSA023X)) has made a thorough and comprehensive analysis of the relevant areas of concern under 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, considered a reasonable range of alternatives, appropriately assessed the potential environmental and land use impacts of the FEAS Proposed Action, identified measures to avoid or mitigate adverse impacts to the extent practicable and set forth appropriate conditions to be imposed as conditions of approval.

Furthermore, the Issuer has carefully considered the Lead Agency’s Negative Declaration and finds that this document is an accurate reflection of the FEAS findings related to the Issuer Proposed Action. The Board of Directors of the Issuer hereby adopts and incorporates by reference the Lead Agency’s Resolution and Findings Statement dated March 13, 2023 and filed on June 16, 2023, attached hereto as Exhibit A (including the conditions therein) and determines the Project to be an Unlisted Action.

Having considered the FEAS and the Lead Agency’s Negative Declaration, the Issuer certifies that:

- The requirements of SEQRA, including 6 NYCRR § 617.2 have been met and fully satisfied.
- The Issuer has considered the relevant environmental assessment, facts and conclusions disclosed in the FEAS and in the Lead Agency’s Negative Declaration and weighed and balanced relevant environmental assessment with social, economic, and other considerations.

Section 15. The Issuer recognizes that due to the unusual complexities of the financing it may become necessary that certain of the terms approved hereby may require modifications which will not affect the intent and substance of the authorizations and approvals by the Issuer herein. The Issuer hereby authorizes the 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 the Certificate of Determination.

Section 16. In connection with the Project, the Issuer intends to grant the Applicant (and/or SACS and/or the School) financing assistance in the form of issuance of the Bonds and an exemption from City and State mortgage recording taxes.

Section 17. This Resolution shall take effect immediately.

Adopted: September 19, 2023

Accepted: _____, 2023

586 RIVER AVE., LLC

By: _____
Name:
Title:

SUCCESS ACADEMY CHARTER SCHOOLS, INC.

By: _____
Name:
Title:

**SUCCESS ACADEMY CHARTER SCHOOLS –
NYC**

By: _____
Name:
Title:

EXHIBIT A

Resolution Adopted by the New York City Board of Standards and Appeals
on March 13, 2023 and filed on June 16, 2023 (#2022-27-BZ)

See Attached.

Note.—This resolution is final but subject to formal revision before publication in the Bulletin. Please notify the General Counsel of any typographical or other formal errors so that corrections may be made before the Bulletin is published.

CORRECTION: This resolution, adopted on March 13, 2023, under Calendar No. 2022-27-BZ, is hereby corrected to read as follows:

BOARD OF STANDARDS AND APPEALS

MEETING OF: March 13, 2023
CALENDAR NO.: 2022-27-BZ
PREMISES: 101 East 150th Street, Bronx
Block 2354, Lot 1

ACTION OF BOARD — Application granted on condition.

THE VOTE —
Affirmative: Chair Chanda, Vice-Chair Scibetta,
Commissioner Ottley-Brown, Commissioner Sheta, and
Commissioner Yoon.....5
Negative:.....0

THE RESOLUTION —

The decision of the Department of Buildings (“DOB”), dated April 14, 2022, acting on New Building Application No. X00706080-I1 reads in pertinent part:

ZR 42-10: The proposed Use Group 3 school is not permitted within an M1-2 zoning district contrary to ZR 42-10 and therefore requires a special permit from the Board of Standards and Appeals pursuant to ZR 73-19.

This is an application under Z.R. §§ 73-19 and 73-03 to permit, on a site located within a M1-2 zoning district, the operation of a Use Group (“UG”) 3 school, contrary to Z.R. § 42-10. This application is brought on behalf of Success Academy Charter School (the “School”).

I.

A public hearing was held on this application on September 13, 2022, after due notice by publication in *The City Record*, with continued hearings on January 10, 2023 and February 7, 2023, and then to decision on March 13, 2023. Commissioner Yoon performed an inspection of the Premises and surrounding neighborhood. Community Board 4, the Bronx, recommends approval of this application with the following conditions:

TRAFFIC & CONGESTION

The Board raised several concerns about the impact a large educational facility would have on the street grid, traffic patterns and transportation infrastructure in the neighborhood. While the drawings indicate that the elementary, middle school and high school will have separate entrances respectively on River Avenue, East 150th Street and Gerard Avenue no one can foresee what the situation will be once the school is operational. It should be noted that currently there are (2) schools already in operation within a quarter mile of the proposed school site including: Kipp Academy and Boys Prep as well as another one under construction, the American Dream Charter School. There have been several issues related to traffic and public safety with both schools, including cuing of school buses on East 149th Street during afternoon peak hours and double parking on Walton Avenue during morning rush hour and in the afternoon.

The neighborhood is the County Seat for the Bronx which includes the Bronx Supreme Court, Bronx Hall of Justice, Bronx Criminal Court, Bronx Housing Court as well as the home of the NY Yankees, the Bronx Museum of the Arts and future home of the Bronx Children's Museum and the Universal Hip Hop Museum. All of these intense uses and activity warrant a keen eye and reassessment of traffic and transportation. Respectfully the Board request the following:

- NYC Department of Transportation (DOT) Bronx in conjunction with Success Academy formulate a detailed public safety plan for the site during construction and once the site it operational.
 - That plan should be presented to the Board as soon as it is available.
- The Board be apprised of all meetings with Bronx DOT as it relates to the site and public safety.
- Bronx DOT should assess traffic volumes, pedestrian access, safety, and traffic flow during the first six months the school is open to determine what adjustments or changes if any should be made as it relates to traffic, transportation, and public safety.
- Copies of final documents or agreements related to public safety, signage, and any changes to the public safety plan before, during and after construction be sent to the Board office.

COMMUNITY ENGAGEMENT

While Community Board meetings are open to the public, this cannot be relied on as the sole vehicle to engage and inform the community about this project, nor should that burden lie with the Board to facilitate that engagement.

- We respectfully request that the executive team at Success Academy create a community engagement/outreach strategy prior to construction.
- That plan should be presented and discussed with the Community Board and should include engagement with residential and commercial property owners and local institutions.

CONSTRUCTION

Given the size and scale of the project there are a number of measures the Board request:

- The general contractor should designate a liaison who will be the point of contact for the public and the Community Board during construction.
- That individual should attend the monthly Community Board Four District Service Cabinet Meeting which takes place on the 3rd Wednesday of each month and provide an update on the project.
- The general contractor and all subcontractors must coordinate with other large-scale developments including Bronx Point and any other developments in close proximity to the development site that might be identified at a later date.
- In addition, the construction/development team should create a monthly newsletter with major project milestones alerting the community of any street closures, service interruptions, etc.

ECONOMIC DEVELOPMENT

Construction signifies economic opportunities for local residents, and we continue to strive to ensure that we benefit from all aspects of any project. To that end, we request:

- Success Academy and the selected contractor utilize local (Bronx-based) businesses for construction materials, contractors, and sub-contractors as well as Bronx-based MWBE's.
 - A minimum of 30% should be from the Bronx.
 - Success Academy and the selected contractor provide a list of all subcontractors and vendors being used on the site.
- As has been our practice for several years we ask that you utilize local (Bronx-based) talent on the construction site for the new school. There are several non-profit organizations engaged in workforce training and development for area residents on construction

sites, including but not limited to the Jerome Avenue Revitalization Collaborative (“JARC”).

- A minimum of twenty five percent of the labor should live in the Bronx.
- The contractor and subcontractor should partner with the Community Board and local organizations to promote job fairs related to this project.
- The contractor and subcontractor should issue a report on local hiring including total headcount by job title with percentages based on geographic location.
- As a major employer in the area, Success Academy has an obligation to employ local residents.
 - Fifty percent of all staff at the new school should be hired from the Bronx.
 - A list of all staff by job title and percentages by borough should be sent to the Board office.
 - An annual staffing report should be sent to the Board.

EDUCATION

- We request that 50% of all the students come from the Bronx.
 - This should not be an average but rather: 50% for the elementary, middle school and high school respectively
 - An annual report should be sent to the Board

OTHER DEVELOPMENT PROJECTS

As discussed earlier there are a number of development projects already in progress. Your analysis accounts for most of these projects. However, I would like to draw your attention to 580 Gerard Avenue (Block 2353, Lot 1). As referenced in your “Statement of Facts” the site was rezoned from M1- 2 to R7A/C2-4 in 2014. An article in the Bronx Times in September 2021, indicated that the property was purchased by Silverback Development along with Opportunity Zone equity to develop 200 units of affordable housing. The EAS submitted with the BSA application indicates one known development project within 400 feet of the proposed site, Bronx Point. However, in May 2022, permits were filed for demolition of the single-story storage facility located at 580 Gerard Avenue and that work is currently underway.

While no additional permits have been filed at this time, activity at the site indicates that there may well be plans for

development in the near future. Therefore, we request that if permits are filed and a development project overlaps with the proposed school site that Success Academy and the contractor in consultation with the Department of Buildings (DOB) and Bronx DOT reassess the construction schedule, public safety plan, street closures, etc. Regardless of whether a project moves forward at this site it is imperative that Success Academy's outreach strategy include communication with the homeowners and residents in the one and two-family homes located on Walton Avenue between East 151st Street and East 149th Street. They are already impacted by Boys Prep, Yankee games and other events and their proximity to the proposed school site means their quality of life will inevitably be impacted.

The Board received two letters of support for this application.

II.

The Premises are comprised of corner and through lot portions, bounded by East 150th Street to the south, River Street to the west, and Gerard Avenue to the east, within an M1-2 zoning district, in the Bronx. With approximately 200 feet of frontage along East 150th Street, 494 feet of frontage along River Avenue, 497 feet of frontage along Gerard Avenue, and 99,109 square feet of lot area, the Premises are currently occupied by a two-story UG 16 self-storage facility and the New York City Children's Center School.

The Board has exercised jurisdiction over the Premises since April 13, 2004, when, under BSA Cal. No. 5-04-BZ, the Board granted a special permit, pursuant to Z.R. § 73-19, to allow the proposed construction and operation of a school without sleeping accommodations (UG 3), within an M1-2 zoning district, on condition that any and all work substantially conform to drawings as they apply to the objections noted, filed with the application; the applicant obtain from the New York City Department of Transportation appropriate signage to establish a "No Standing" zone in front of the Gerard Avenue entrance to the building during school hours; the Premises comply with all applicable fire safety measures; the approval is limited to the relief granted by the Board in response to specifically cited and filed DOB/other jurisdiction objection(s) only; the approved plans be considered approved only for the portions related to the specific relief granted; and the Department of Buildings must ensure compliance with all other applicable provisions of the Zoning Resolution, the Administrative Code and any other relevant laws under its jurisdiction irrespective of plan(s) and/or configuration(s) not related to the relief granted.

III.

The applicant proposes to demolish the existing building and construct a new six-story, community facility building containing approximately 222,087 square feet of floor area and measuring 92 feet-11 1/2 inches to the top of the main six-story roof (97 feet-1 1/2 inches to the top of a high parapet wall). The applicant represents that the proposed building would be occupied entirely by the school, accommodating 2,400 students, approximately 600 in each of the elementary (K-4th grade) and middle (5th-8th grade) divisions and approximately 1,200 in the high school division (9th-12th grade).

The applicant states that the proposed building would consist of an interconnected campus organized around a north-south central spine, which it states would also provide opportunities for collaboration outside the classroom, with formal and informal gathering spaces that would feature a variety of seating types for students and staff to engage in group and individual learning. The applicant proposes to include small reading nooks to be located within the spine of the building to increase the efficiency of the corridor space. Furthermore, the applicant declares that the high school division and school-wide assembly spaces would be located at the base of the building on the cellar level, first and a portion of the second floors with access to an approximately 9,400 square foot terrace on the second floor. Moreover, the applicant describes that the middle division would be located on a portion of the second floor, and the third and fourth floors, with access to approximately 24,000 square feet of recreational terraces (shared with the elementary division), consisting of an approximately 10,262 square-foot playing field on the third floor (second story roof) and two playscaped terraces on the fifth floor (fourth story roof), containing approximately 6,065 square feet and 8,160 square feet, respectively. Finally, the applicant represents that the elementary division would be located on the fifth and sixth floors, with access to the shared recreation spaces on the third and fifth floors.

IV.

As a threshold matter, the Board notes that the Premises are within the boundaries of a designated area in which the subject special permit is available. As to whether the School qualifies as a school for purposes of Z.R. § 73-19, the applicant states that the School meets the Z.R. § 12-10(a) definition of “school” as it is an institution providing full-time day instruction and a course of study that meets the requirements of the New York State Education Law (“NYSEL”) §§

3204, 3205, and 3210. NYSEL §§ 3204 and 3205 requires 190 days of full-time instruction inclusive of legal holidays given by a competent teacher in English, and the School states that it provides at least 190 days of full-time instruction, inclusive of legal holidays, by competent teachers in English. The School states that it provides at least 190 days of full-time instruction, inclusive of legal holidays, by competent teachers, and its core curriculum includes English Language Arts, Math, Science, History, Visual and Performing Arts, and Computer Science, with classes held from 7:45 a.m. to 3:45 p.m. for the elementary school, 8:15 a.m. to 4:00 p.m. for the middle school, 8:30 a.m. to 4:30 p.m. for the 9th and 10th grades, and 9:00 a.m. to 5:00 p.m. for 11th and 12th grades, with the school year from August to the end of June. NYSEL § 3210 requires attendance for public charter schools to be comparable to that of public schools operated by the Department of Education, and the School would provide full-time day instruction for students in accordance with Board of Regents' requirements.

A.

With respect to Z.R. § 73-19(a), an applicant must demonstrate its inability to obtain a site for the development of a school within the neighborhood to be served, and with a size sufficient to meet the programmatic needs of the School, within a district where the school is permitted as of right. Here, the applicant states that it was unable to find an appropriate site of adequate size in the neighborhood within a zoning district where the proposed UG 3 use would be permitted as of right. The applicant states that in order to pursue its programmatic needs, the School requires a building (1) able to accommodate a minimum of 300,000 gross square feet of floor area for an anticipated 2,400 students able to integrate kindergarten through twelfth grade college-preparatory program in a single campus; and (2) based on expressed interest for those seeking admission to the School, located primarily in the South and Central Bronx and Upper Manhattan. The applicant submitted a letter from a licensed broker, detailing an extensive search for a suitable location within the as-of-right zoning district but the five locations in contention were improper for various reasons such as being too small for the School's programmatic needs; did not contain the correct dimensions; not in the correct location to serve the School's student body; inadequate access to mass transit; and unavailable to meet the school's scheduling requirements. Accordingly, the Board finds that the requirements of Z.R. § 73-19(a) are met.

B.

Z.R. § 73-19(b) requires an applicant to demonstrate that the proposed school is located no more than 400 feet from the boundary of

a district in which such a school is permitted as of right. The applicant represents that the School is located within 400 feet of the boundary of a district where the School is permitted as of right. Specifically, the applicant notes the proposed School would be located less than 400 feet from a C4-4 district located directly across River Avenue to the west of the site, and an R7A/C2-4 district directly across Gerard Avenue to the east of the site where the use is permitted as-of-right. In support, the applicant submitted an Environmental Assessment Statement (“EAS”) and a Radius Diagram/Land Use Map illustrating the relevant district boundaries. Accordingly, the Board finds that the requirements of Z.R. § 73-19(b) are met.

C.

Z.R. § 73-19(c) requires an applicant to demonstrate how it will achieve adequate separation from noise, traffic, and other adverse effects of the surrounding non-residential district. Here, the applicant notes that it conducted a noise analysis in its EAS which concluded that the predominant noise sources in the area of the Premises are from vehicular traffic. The applicant further describes that the noise analysis was conducted to determine the level of building attenuation necessary to ensure that interior and exterior noise levels satisfy City Environmental Quality Review (“CEQR”) requirements, to determine if the proposed building would result in adverse impacts to surrounding receptor and to determine whether projected generated traffic will increase Noise Passenger Car Equivalents by greater than 100% on adjacent roadways. The applicant states that the EAS also analyzed the projected noise associated with proposed building’s rooftop terraces, rooftop play area, and rooftop soccer field located on the second, third and fifth floors. Therefore, to satisfy CEQR Technical Manual interior noise level requirements and ensure acceptable interior noise levels, the EAS states that the proposed building would include specified OITC window/wall attenuation based on the noise analysis, as well as a closed-window condition and an alternate means of ventilation.

As such, the applicant concludes that the design of the proposed building would achieve an adequate separation from the noise of the non-residential M1-2 zoning district. Furthermore, the applicant represents that the EAS noise analysis also indicates play area noise would not cause a significant adverse impact at any off-site location, and no mitigation would be required in connection with the proposed outdoor play areas. Accordingly, the Board finds that the requirements of Z.R. § 73-19(c) are met.

D.

Z.R. § 73-19(d) requires an applicant to demonstrate how the movement of traffic through the street on which the School will be located can be controlled so as to protect children traveling to and from the School. Over the course of hearings, the Board raised concerns over the safety of the students while arriving and departing from the proposed building, specifically in light of the high volume of pedestrian and vehicular traffic that would coincide at proposed pick-up and drop-off times.

In response to the Board's concerns regarding safety at arrivals and dismissal operations of the school, the applicant submitted a commitment letter with the following safety measures:

This letter confirms Success Academy's commitment to implement certain transportation improvements and its commitment to continue working with the New York City Department of Transportation ("DOT") to ensure that all recommended safety improvements and operational commitments set forth in Sections II and III below, respectively, are in place prior to the opening of the School.

I. Traffic and Pedestrian Improvements

A. Traffic Monitoring Study: Success Academy will perform a follow-up traffic monitoring study within three months of the opening of the School. If determined to be necessary by DOT, Success Academy will perform a second follow-up traffic monitoring study within three months of full occupancy of the School. The purpose of each monitoring study is to determine trips generated by the School and observe traffic operations at the following intersections to verify the need for, and if necessary modify, the transportation measures identified in the EAS, dated February 23, 2023:

- E. 149th Street & Grand Concourse;
- E. 149th Street & Walton Avenue;
- E. 149th Street & Gerard Avenue;
- E. 149th Street & River Avenue & Exterior Street;
- E. 150th Street & Gerard Avenue;
- E. 151st Street & River Avenue & Bronx Terminal Market parking garage entrance;
- E. 153rd Street & River Avenue; and
- E. 161st Street & River Avenue.

Before commencing these monitoring studies, Success Academy will submit a detailed scope of work for review and approval by DOT. Success Academy will be responsible for all costs associated with the monitoring program and subsequent design and construction of any recommended improvement measures.

B. Proposed Signal Timing Improvements:

The following signal timing improvements are recommended in the EAS, subject to the post-opening traffic monitoring studies described above. Success Academy commits to communicating with DOT regarding the School's opening date to facilitate DOT's implementation of these signal-timing improvements:

- At East 149th Street & Grand Concourse, transfer 1 second of green time from NB/SB to EB/WB in p.m.
- At East 149th Street & River Avenue & Exterior Street, transfer 1 second of green time from EB/WB to NB/SB and 1 second from EB/WB to EB/EB-L in a.m.
- At East 153rd Street & River Avenue, transfer 3 seconds of green time from NB/SB to EB/WB in a.m.
- At East 161st Street & River Avenue, transfer 2 seconds of green time from EB/WB to NB/SB in PM.

C. Proposed Signage Changes:

The following traffic regulation signage changes are recommended in the EAS, subject to the post-opening traffic monitoring studies described above. Success Academy commits to communicating with DOT regarding the School's opening date and the required timing for the implementation of these signage changes:

- At East 149th Street & Walton Avenue, implement "No Standing Anytime" regulation for 150 feet along east curb of the SB approach;
- At East 149th Street & Gerard Avenue, implement "No Standing Anytime" regulation for 150 feet along west curb of the NB approach;
- At East 149th Street & River Avenue & Exterior Street, prohibit left turns from East 149th Street WB onto Exterior Street SB Monday to Friday from 7 a.m. to 7 p.m.;
- At East 149th Street & River Avenue & Exterior Street, prohibit right turns from Exterior Street NB onto East 149th Street EB Monday to Friday from 7 a.m. to 7 p.m.;
- At East 151st Street & River Avenue & Bronx Terminal Market parking garage entrance, implement "No Standing Anytime" regulation along the west curb;
- At East 151st Street & River Avenue & Bronx Terminal Market parking garage entrance, relocate the existing taxi/FHV parking area on the west curb of River Avenue to the east curb of Exterior Street;
- At East 153rd Street & River Avenue, implement "No Standing Anytime" regulation along both curbs;

- At East 153rd Street & River Avenue, prohibit right turns for trucks from River Avenue NB to East 153rd Street EB at all times;

D. Proposed Crosswalk Improvements:

The following crosswalk improvements are recommended in the EAS, subject to subject to the post-opening traffic monitoring studies described above. Success Academy will be responsible for the cost of implementing these measures:

- At East 149th Street & Grand Concourse, widen the west crosswalk by 1 foot;
- At East 149th Street & Walton Avenue, widen the north crosswalk by 0.5 foot and the south sidewalk by 4 feet;
- At East 150th Street & Gerard Avenue, widen the north crosswalk by 4 feet.

E. Proposed Roadway Restriping:

The following roadway restripings are recommended in the EAS, subject to the post-opening traffic monitoring studies described above. Success Academy will be responsible for the cost of implementing these measures:

- At East 149th Street & Walton Avenue, restripe SB approach to one 10-foot left turn and one 10 foot thru-right lane;
- At East 149th Street & Gerard Avenue, restripe NB approach to one 10-foot left turn and one 11 foot thru-right lane;
- At East 149th Street & River Avenue & Exterior Street, restripe River Avenue SB approach to one 11-foot thru-left (toward East 149th Street/Exterior Street SB) and one 11-foot right (toward 145th Street Bridge/Exterior Street NB) lane, and shift centerline approximately 2 feet east;
- At East 149th Street & River Avenue & Exterior Street, restripe East 149th Street WB to two thru lanes and one right-turn lane (toward Exterior Street NB);
- At East 151st Street & River Avenue & Bronx Terminal Market Parking Garage Entrance, restripe River Avenue SB approach to one 10-foot left and one 11-foot thru-right lane;
- At East 151st Street & River Avenue & Bronx Terminal Market Parking Garage Entrance, shift centerline 1 foot east;
- At East 153rd Street & River Avenue, restripe River Avenue NB approach to one 10 foot left and one 11 foot thru-right lane;
- At East 153rd Street & River Avenue, shift centerline approximately 2 feet west.

F. Proposed Sidewalk Improvements:

All sidewalks adjacent to the School will provide a minimum clear path of at least 12 feet of unobstructed pedestrian access (i.e., a walk lane, consisting of the remaining clear path along the sidewalk after subtracting for physical obstructions such as tree pits), provided the resulting geometric design of the street (including motor vehicle lanes, bike lanes, on-street parking spaces, channelization, and other similar features) remains acceptable to meet the needs of all street users as determined by DOT. Success Academy will be responsible for all costs associated with the design and construction of these sidewalk improvements.

II. School Safety Improvements

The following improvements will be implemented prior to the opening of the School:

- A. The existing curb cuts along the east side of River Avenue adjoining the new School will be closed and the sidewalk will be reconstructed to a full-height curb.
- B. Restriping faded crosswalks at the following intersections, subject to DOT approval of plans prior to implementation:
 - The north, east, and south crosswalks of River Avenue & East 150th Street;
 - The east, south, and west crosswalks of Gerard Avenue & East 150th Street;
 - The south crosswalk of River Avenue & East 149th Street.
 - The north and south crosswalks of Grand Concourse & East 149th Street.
- C. Success Academy will request that the New York Police Department (“NYPD”) station a school crossing guard at each of the following intersections during the arrival and dismissal periods for all grade levels:
 - River Avenue & East 150th Street
 - Gerard Avenue & East 150th Street
 - River Avenue & East 149th Street
 - Grand Concourse & East 149th Street
 - River Avenue & East 161st Street.

At locations where crossing guards are not provided by the NYPD, Success Academy commits to employing personnel with American Traffic Safety Services Association (“ATSSA”) Certification or other appropriate training at its expense.

- D. Pedestrian ramps will be constructed or reconstructed at the following locations:

- East 150 Street/River Ave: 5 ramps (2 – NE corner; 1 – NW corner; 2 – SE corner);
- East 150 Street/Gerard Ave: 6 ramps (2 – NW corner, 2-SW corner; 2 – NE corner);
- East 151 Street/River Ave: 5 ramps (2 – SE corner; 1 – SW corner; 2 - NW corner);
- East 151 Street/Gerard Ave: 6 ramps (2 – SW corner; 2 NE – corner; 2 SE corner)

Success Academy may request a waiver if existing ramps at these locations meet DOT's standards at the time of BPP filing.

- E. To facilitate school pick-up and drop-off activities, a school drop-off/pick-up zone regulation is proposed for all three School frontages from 7:00 a.m. to 7:00 p.m. on weekdays. Curbside dedicated student pick-up/drop-off zones of approximately 390 feet, 110 feet, and 493 feet in length are proposed along the River Avenue, East 150th Street, and Gerard Avenue frontages, respectively. The pick-up/drop-off zone along River Avenue would extend northward from the existing NYCT Bx13 bus stop. Success Academy will request school drop-off/pick-up zone regulation and installation from DOT around the time of completion of construction and not less than six months prior to the opening of the School using the "Contact NYC DOT Commissioner" form on DOT's website along with a reference to the special permit.
- F. The existing BX13 bus stop along the east curb of River Avenue north of East 150th Street, which currently extends approximately 75 feet north from East 150th Street, would be lengthened to 100 feet. The final decision as to the placement of BX13 bus stop signage will be subject to DOT review and approval. Success Academy will request such signage from DOT upon completion of construction using the "Contact NYC DOT Commissioner" form on DOT's website along with a reference to the special permit.

DOT will participate in the review process relating to all future modifications to geometric alignment, striping and signage during the preliminary and final design phases. The Builder's Pavement Plan ("BPPs") will be shared with DOT prior to obtaining any signoffs from DOB for DOT's review and approval as to compliance with the requirements of the special permit. DOT may modify the BPP as warranted in connection with the final review of transportation safety improvement measures. All reasonable expenses related to the post-opening monitoring studies, design,

and installation of traffic controls, proposed geometric modifications, traffic signs and pavement marking removals/installations will be funded by Success Academy, with the exception of installing any necessary signage and signal timing changes, which DOT will implement at its own expense upon a request for such signage and signal timing changes from the School. If traffic controls are reasonably warranted and approved by DOT, Success Academy will engage a design consultant to submit the necessary signage designs and work with DOT's Signals Division unless the DOT elects to provide the signage designs. Success Academy will submit all required drawings per AASHTO and DOT specifications and requirements for DOT review and approval. Success Academy understands that DOT will participate in the review process relating to all future modifications to geometric alignment, striping, and signage during the preliminary and final design phases. Success Academy must submit requests via the "Contact the Commissioner" form on the DOT website towards the end of construction and at least six months prior to the School's opening so that DOT can site and install the school loading signage in time for the School's opening.

III. School Operational Commitments

Success Academy will implement the following operational measures at School opening and maintain them at all times:

- A. The School's regular hours of operation would be Monday through Friday from 7:15 a.m. to 8:00 p.m.
- B. The School will operate with the following staggered arrival and dismissal times:
 1. The elementary division arrival period would begin at 7:15 a.m. for breakfast, and students would leave the cafeteria by 7:45 a.m. The dismissal period would begin at 3:45 p.m. The after-school activity period would be 3:45 to 5:15 p.m.
 2. The middle division arrival period would begin at 7:45 a.m. for breakfast, and students would leave the cafeteria by 8:15 a.m. The dismissal period would begin at 4:00 p.m.. The after-school activity period would occur from 4:00 p.m. to either 5:15 p.m. or 6:30 p.m., depending on the number of after-school activities a student chooses.
 3. The high school division arrival period would begin at 8:00 a.m. (Grades 9–10) and 8:30 a.m. (Grades 11–12) for breakfast; Grades 9–10 students and Grades 11–12 students would leave the cafeteria by 8:30 a.m. and 9:00 a.m., respectively. The dismissal period would begin at

- 4:30 p.m. (Grades 9–10) and 5:00 p.m. (Grades 11–12). The after-school activity period would occur from 4:30 p.m./5:00 p.m. to either 6:30 p.m. or 8:00 p.m., depending on the number of after-school activities a student chooses.
- C. On weekdays, after-school events are expected to occur from approximately 6:00 pm to 9:00 p.m.. During weekends, special events are expected to occur from approximately 10:00 a.m. to 6:00 p.m.
 - D. The School will provide separate entry/egress points for elementary, middle, and high school division students during arrival and dismissal periods. Elementary division students would enter/exit along River Avenue, middle school students would enter/exit along Gerard Avenue, and high school students would enter/exit along East 150th Street.
 - E. Dedicated School staff will be assigned at the elementary, middle, and high school division entry/egress locations during the corresponding arrival and dismissal periods. A minimum of two staff members would be present at each entrance throughout these periods – one to manage and provide security at the entrance and a second to steward pick-ups and drop-offs along the frontages.
 - F. During the arrival periods, at least one of the two dedicated staff members will greet arriving students and provide overall management at each of the three entrances. This staff coordinator will direct and provide assistance for special needs access and oversee students' movement from the arrival/drop-off point. The dismissal period from 3:45 to 5:00 p.m. will mirror the staffing plan for the arrival period.
 - G. The School administration will provide, at the start of the academic year and at various points during the year, student orientation for safe walking routes based on a student's route to and from home and applying these basic rules in terms of travel to the Access Area (defined as the sidewalk network within an area generally bounded by East 151st Street to the north, Grand Concourse to the east, East 149th Street to the south, and River Avenue to the west).
 - H. The School administration will conduct monthly in-field audits during arrival, dismissal, and after-school of pedestrian and vehicular access patterns and behavior associated with the School and nearby businesses to provide for continuous safety improvement as the School becomes a part of the neighborhood.

- I. The School administration will communicate regularly with its business neighbors within the Access Area to provide foresight and understanding with respect to their co-existence in the neighborhood.
- J. During school days, the loading dock will be closed to deliveries during the school's arrival and dismissal periods (7:15–9:00 a.m. and 3:45–5:30 p.m.). The loading dock will be staffed during all hours of operation to ensure the safety of students and pedestrians and to prevent potential conflicts between pedestrians and delivery vehicles entering or exiting the loading dock. Loading dock personnel will maintain American Traffic Safety Services Association Flagger and Pedestrian Safety Professional Traffic Control Person (“ATSSA”) Certification or other appropriate training. In addition to being staffed during all hours of operation, the loading dock will contain an audible and visual alarm to alert students and pedestrians to delivery vehicles entering or exiting the loading dock.

Additionally, the applicant agreed to participate in a Pedestrian Ramp Program to further address these concerns around safety, committing to the following:

- 1. The receiving corner at the SEC of E 150th St & River Ave must be upgraded to have dual pedestrian ramps, one for each crosswalk.
- 2. Extend the northern crosswalk striping on River Ave to make sure the ramp on the NWC is built within the crosswalk. At minimum the bottom required 4' x 4' clear space of the ramp must be entirely within the crosswalk. The stop bar must be moved to be 10' in advance of the crosswalk lines. DOT's Geometric Design Unit must be notified after work is finished to verify compliance.
- 3. Also note that if a ramp cannot be designed and constructed to comply with the standards outlined in the ADA, a Technical Infeasibility Form (“TIF”) must be submitted for approval, and ramps must be constructed to the maximum extent feasible as approved by NYC DOT.

Accordingly, the Board finds that the requirements of Z.R. § 73-19(d) are met.

By correspondence dated January 10, 2023, the Fire Department states that the agency is in receipt of the revised plans for rooftop access for the premises and that the plans are satisfactory and has no objection to the application.

The Board finds that, under the conditions and safeguards imposed, any hazard or disadvantage to the community at large due to the proposed special permit use is outweighed by the advantages to be derived by the community and finds no adverse effect on the privacy, quiet, light and air in the neighborhood. The proposed special permit use will not interfere with any pending public improvement project.

V.

The project is classified as a Type I action pursuant to Section 617.4 of 6 NYCRR. The Board has conducted an environmental review of the proposed action and has documented relevant information about the project in the Final EAS CEQR No. 22BSA023X, dated March 13, 2023. The EAS documents that the project as proposed would not have significant adverse impacts on land use, zoning, and public policy; socioeconomic conditions; community facilities and services; open space; shadows; historic resources; urban design and visual resources; neighborhood character; natural resources; waterfront revitalization program; infrastructure; hazardous materials; solid waste and sanitation services; energy; traffic and parking; transit and pedestrians; air quality; noise; or public health.

By correspondence dated December 20, 2021, the Landmarks Preservation Commission (“LPC”) states that the subject Premises have no architectural or archaeological significance.

By letter dated January 31, 2023, the Department of Environmental Protection (“DEP”), Bureau of Environmental Planning and Analysis states that it has reviewed the revised Air Quality and Noise chapters of the EAS dated January 11, 2023 and supportive files prepared on behalf of the applicant for the proposed project. Per BSA request, DEP have reviewed the mentioned above documents and has the following comments:

Air Quality:

Based on the results of the Air Quality analysis performed as per the CEQR Technical Manual, it was determined that the proposed project would not result in significant adverse impact for air quality with the commitment to utilize electricity to power HVAC systems. The assessment included air quality from mobile and stationary sources

Noise:

Based on the results of the Noise analysis performed as per the CEQR Technical Manual, it was determined that the proposed building would require the following window/wall attenuation as well as alternate means of ventilation when maintaining a closed-

window condition. With the following attenuation in place, the proposed project would not result in significant noise impacts.

Required Attenuation for Residential/Community Facility Uses (OITC):

- Floor 1 – 31 at the outermost western facades on River Avenue, at the building façade located south of River Avenue Forecourt, and at the building façade located north of River Avenue Forecourt;
- Floor 1 – 28 at the innermost western façade of River Avenue Forecourt;
- Floor 2- 31 at the outermost western façades on River Avenue, at the building façade located south of River Avenue Forecourt, at the building façade located north of River Avenue Forecourt, at the eastern building façade located west of High School Terrace, and at the southern building façade located north of High School Terrace;
- Floor 2 – 28 at the innermost western façade of River Avenue Forecourt;
- Floor 3 – 31 at the outermost western façade on River Avenue north of River Avenue Forecourt, at the building façade located north of River Avenue Forecourt, at the eastern building façade located west of High School Terrace, and at the southern building façade located north of High School Terrace;
- Floor 3 – 35 at the innermost western façade of River Avenue Forecourt located north of, and with a direct line of sight to, the non-regulation Soccer Pitch Terrace and at the Southern building façade located north of non-regulation Soccer Pitch Terrace;
- Floor 4 – 31 at outermost western façade on River Avenue north of River Avenue Forecourt, at the building façade located north of River Avenue Forecourt, at the eastern building façade located west of High School Terrace, and at the southern building façade located north of High School Terrace;
- Floor 4 – 35 at the innermost western façade of River Avenue Forecourt located north of, and with a direct line of sight to, the Non-regulation Soccer Pitch Terrace and at the southern building façade located north of non-regulation Soccer Pitch Terrace;
- Floor 5 – 31 at the outermost western façade on River Avenue north of River Avenue Forecourt, at the building façade located north of River Avenue Forecourt, at the southern building façade located north of High School Terrace, at the northern building façade located south of Elementary School Terrace,

and at the eastern building façade located west of Elementary School Terrace;

- Floor 5 – 35 at the southern building façade located north of Middle School Terrace and at the western building façade located east of Middle School Terrace;
- Floor 6 – 31 at the outermost western façade on River Avenue north of River Avenue Forecourt, at the building façade located north of River Avenue Forecourt, and at the eastern building façade located west of Elementary School Terrace;
- Floor 6 – 35 at the southern building façade located north of Middle School Terrace.

By letter dated January 27, 2023, the New York State Department of Environmental Conservation (“DEC”) states that the application for participation in the Brownfield Cleanup Program (“BCP”) has been determined to be complete based upon DEC's initial non-substantive review of the application package. While the application is complete, DEC may require additional information regarding site contamination in order to demonstrate that the site requires remediation pursuant to ECL § 27-1407(1). Additionally, if the application also seeks a determination that the site is eligible for tangible property credits under ECL § 27-1407(1-a), DEC may require additional information in order to make such a determination. If you propose additional material to supplement this application, DEC may consider it at its sole discretion. If the property does not complete the approved DEC remedy and receive a certificate of completion, or ceases to participate in the BCP, the applicant will be required by BSA to return for an amendment to this grant and to submit testing results and a Remedial Action Plan (“RAP”) for a review and approval by DEP.

By correspondence dated March 9, 2023, DOT states that it has reviewed the subject application’s material following the 2021 CEQR Technical Manual Level 1 (Project Trip Generation) and Level 2 (Project Generated Trip Assignment) screening assessments, traffic, and pedestrian levels of service (“LOS”) analyses were conducted for the weekday AM and PM peak hour at seventeen intersections, eleven crosswalks, twelve sidewalks, and twenty-three corners. In addition, an on-street and off-street parking utilization survey was also performed for the quarter mile radius. The EAS identifies improvement measures including geometric reconfiguration, signal timing modifications, changes to parking regulations, etc. at the following locations: East 149th Street and Grand Concourse Avenue; East 149th Street and Walton Avenue; East 149th Street and Gerard Avenue; East 149th Street and River Avenue / Exterior Avenue; East 150th Street and River Avenue; East 150th Street and Gerard Avenue; East 151st Street & River Avenue & Bronx Terminal Market parking garage entrance; East 153rd Street and River Avenue; and East 161st Street and River Avenue. In order to verify the need for the proposed

improvement measure identified in the EAS, additional safety and operational improvement measures, and to determine the extent to which future volume projections presented in the EAS, the applicant has committed to conducting a transportation monitoring plan (“TMP”). The TMP will include trip generation, modal split and original/destination surveys, traffic operations observations, traffic and pedestrian data collection, LOS analyses, etc. The TMP will be performed twice: within three months of the opening of the school; and within three months of full occupancy of the school. Prior to undertaking any TMP, the applicant will prepare and submit a detailed scope of work for NYC DOT’s review and approval. The applicant will submit a report summarizing the finding of each TMP as well as all necessary materials, for NYC DOT’s review and approval.

In addition to the TMP, the applicant has committed to the following as detailed in the commitment letter:

- Providing staggered arrival and departure times for elementary, middle and high school students to break the volume of students into manageable groups.
- Stationing a school crossing guard at specific intersections during the arrival and dismissal periods for all grade levels.
- Closing unused curb cuts along River Avenue and the reconstruction of sidewalks frontages to full-height curbs.
- Accommodating pedestrian access to the site.
- The proposed project would be setback a minimum of 10-feet on the River Avenue frontage and a minimum of 15-feet on the East 150th Street and Gerard Avenue frontages.
- The proposed project would also feature three forecourts totaling approximately 17,500 square feet (0.40 acres) positioned adjacent to the proposed project’s three entrances.
- Proposed school pick up and drop off area zones would be installed along the school frontages on East 150th Street, Gerard Avenue and on River Avenue.
- Building sidewalks through the entirety of the site that must provide a minimal clear path of at least 12’ of unobstructed pedestrian access (a.k.a “walk lane”, which is the remaining clear path along the sidewalk after subtracting for physical obstructions such as tree pits), provided the resulting geometric design of the street (including all motor vehicle lanes and any bike lanes, on-street parking spaces, channelization, and other similar features) remains acceptable to meet the needs of all street users, as determined by NYC DOT.
- All sidewalks are to be designed to NYC DOT standards.
- Closing the loading dock to deliveries during the school’s arrival and dismissal periods (7:15-9:00 a.m. and 3:45-5:30 p.m.) and providing staff at the loading dock during all hours

of operation, including any afterschool and weekend events, to ensure the safety of students and pedestrians and to prevent potential conflicts between pedestrians and delivery vehicles entering or exiting the loading dock.

- Lengthening Bx13 bus stop from 75-feet to 100-feet in order to conform to current City dimension standards for bus stop length, bus stop located on River Avenue adjacent to the Project Site measures approximately 75-feet in length.
- Upgrading pedestrian ramps at all intersections on the school block, including East 150th Street and River Avenue, East 150th Street and Gerard Avenue, East 151st Street and River Avenue and East 151st Street and Gerard Avenue.
- To maintain ADA compliancy a minimum of 3 feet wide sidewalk and cross (positive) slope less than 2% is required.
- Maintaining a 4 feet 2 inches width on every tree pit location and provide full width sidewalk (concrete, no pavers or cobblestones or ribbon) in the area between tree pits.
- Addressing all of Pedestrian Ramp Program's comments.
- The applicant is committed to periodic coordination with NYC DOT's School Safety throughout design and construction.
- The applicant will continue to work with city agencies to resolve the current illegal parking issues.
- Sidewalks as proposed shall remain unencumbered to DOT standards and any changes shall return to BSA for review and approval.
- In addition, the applicant should notify NYC DOT six months prior to opening the school, so that DOT can install all the necessary signage.
- Final determination on the exact placement of signage will be made by NYC DOT.
- All notifications and requests must be made using "Contact NYC DOT Commissioner" form on NYC DOT website and the BSA application must be referenced in this request.
- The applicant will be responsible for all costs associated with the design and construction/installation of the project related improvements, crossing guards, TMP and any subsequent measures identified by the TMP as per NYC DOT's direction.
- At locations where crossing guards are not provided by the NYPD, Success Academy is committing to employing personnel with American Traffic Safety Services Association ("ATSSA") Certification or other appropriate training at its expense.
- NYC DOT will continue to participate in the review process related to proposed geometric reconfiguration, reconstruction of sidewalk / pedestrian ramps, proposed signs, construction drawings, etc.

- In addition, NYC DOT can modify the Builder's Pavement Plan (BPP) as warranted in connecting with the final review of transportation safety improvement measures.
- The Applicant should submit all relevant materials such as drawings/design as per NYC DOT specifications, LOS analysis, etc. for NYC DOT review and approval.

The Pedestrian Ramp Program attachment is as follows:

1. The receiving corner at the SEC of E 150th St & River Ave must be upgraded to have dual pedestrian ramps, one for each crosswalk.
2. Extend the northern crosswalk striping on River Ave to make sure the ramp on the NWC is built within the crosswalk. At minimum the bottom required 4'x4' clear space of the ramp must be entirely within the crosswalk. The stop bar must be moved to be 10' in advance of the crosswalk lines. DOT's Geometric Design Unit must be notified after work is finished to verify compliance.
3. Please also note that if a ramp cannot be designed and constructed to comply with the standards outlined in the ADA, a Technical Infeasibility Form ("TIF") must be submitted for approval, and ramps must be constructed to the maximum extent feasible as approved by NYC DOT. Completed TIF form must be signed and sealed by a licensed professional and approved prior to ramp construction. Fill out TIF forms with one ramp per TIF. The TIF must be submitted to NYC DOT PRP for City record.

By correspondence dated March 1, 2023, the applicant commits to fund transit improvements at the 149th Street-Grand Concourse station complex serving the Nos. 2, 4 and 5 lines (the "Station"), subject to the review and approval of the New York City Transit Authority. Improvements are as follows:

1. Control Area R260 – Control Area R260 consists of two high entry/exit turnstiles (HEETs) and one high exit turnstile (HXT). Subject to NYCT review and approval, and based on a final design to be provided by NYCT, Success Academy agrees to fund the replacement of these three high wheel turnstiles with three low turnstiles.
2. Wayfinding – To facilitate the distribution of subway riders among the Station's lower mezzanine stairs (ML1/ML3, ML2/ML4, ML5/ML7, and ML6/ML8) that connect the Nos. 2 and 5 train platforms to the No. 4 train platforms, Success Academy agrees, subject to NYCT review and approval, to fund wayfinding at the Station to be designed and installed by NYCT.

No other significant effects upon the environment that would require an Environmental Impact Statement are foreseeable. Accordingly, the Board has determined that the proposed action will not have a significant adverse impact on the environment.

The Board finds that the evidence in the record supports the findings required to be made under Z.R. §§ 73-19 and 73-03 and that the applicant has substantiated a basis to warrant exercise of discretion.

Therefore, it is Resolved, that the Board of Standards and Appeals does hereby *issue* a Negative Declaration prepared in accordance with Article 8 of the New York State Environmental Conservation Law and 6 NYCRR Part 617, the Rules of Procedure for City Environmental Quality Review and Executive Order No. 91 of 1997, as amended, and makes each and every one of the required findings under Z.R. §§ 73-19 and 73-03 to *permit*, on a located within a M1-2 zoning district, the operation of a school, contrary to Z.R. § 42-10; *on condition* that all work, site conditions and operations shall substantially conform to drawings filed with this application marked “Board Approved: March 13, 2023” – Eighteen (18) sheets; and *on further condition*:

THAT before commencing the traffic monitoring studies, the applicant shall submit a detailed scope of work for review and approval by DOT;

THAT the applicant shall be responsible for all costs associated with the monitoring program and subsequent design and construction of any recommended improvement measures;

THAT the applicant shall communicate with DOT regarding the School’s opening date to facilitate DOT’s implementation of these signal-timing improvements;

THAT the applicant will be responsible for all costs associated with the design and construction of these sidewalk improvements;

THAT the existing curb cuts along the east side of River Avenue adjoining the new School will be closed and the sidewalk will be reconstructed to a full-height curb;

THAT the applicant shall restripe faded crosswalks at the following intersections, subject to DOT approval of plans prior to implementation:

- The north, east, and south crosswalks of River Avenue & East 150th Street;
- The east, south, and west crosswalks of Gerard Avenue & East 150th Street;
- The south crosswalk of River Avenue & East 149th Street;
- The north and south crosswalks of Grand Concourse & East 149th Street;

THAT pedestrian ramps will be constructed or reconstructed at the following locations:

- East 150 Street/River Ave: 5 ramps (2 –NE corner; 1 – NW corner; 2 –SE corner);
- East 150 Street/Gerard Ave: 6 ramps (2 –NW corner, 2-SW corner; 2 –NE corner);
- East 151 Street/River Ave: 5 ramps (2 –SE corner; 1 –SW corner; 2 -NW corner);
- East 151 Street/Gerard Ave: 6 ramps (2 –SW corner; 2 NE –corner; 2 SE corner);

THAT the existing BX13 bus stop along the east curb of River Avenue north of East 150th Street, which currently extends approximately 75 feet north from East 150th Street, shall be lengthened to 100 feet. The final decision as to the placement of BX13 bus stop signage will be subject to DOT review and approval;

THAT the applicant shall request appropriate signage from DOT upon completion of construction;

THAT all transportation measures as described in the Final EAS and post approval commitment letters shall be implemented with final approval of measures to be determined by DOT and New York City Transit;

THAT the applicant shall fund the replacement of three high wheel turnstiles with three low turnstiles at Control Area R260 and wayfinding measures at the 149th Street-Grand Concourse station complex as approved and installed by NYCT;

THAT the applicant shall fund wayfinding at the 149th Street-Grand Concourse station within the lower mezzanine stairs that connect the No. 2 and 5 train platforms to the No. 4 train platform, to be designed and installed by NYCT;

THAT all sidewalk improvements are for illustrative purposes only and will require DOT review and approval, post BSA approval;

THAT proposed pedestrian ramps shall be constructed to DOT standards in accordance with an approved Builder’s Pavement Plan (“BPP”);

THAT any improvement to the street as per the approved BPP shall be completed prior to obtaining a temporary certificate of occupancy (“TCO”);

THAT draft BPP shall be provided to DOT for review and approval prior to the final approval from DOB;

THAT transportation monitoring study will be implemented within three months of the opening of the School in coordination with DOT;

THAT the school will continue to work with all involved City agencies to resolve the sidewalk parking along Gerard Avenue, between East 149th Street and East 150th Streets;

THAT BSA approval is conditional on the subject site’s participation in the Brownfield Cleanup Program and completion of the approved BCP remedy;

THAT issuance of building permits shall be conditioned on the issuance of a letter of acceptance into the New York State's Department of Environmental Conservation's ("DEC") Brownfield Cleanup Program and an executed Brownfield Cleanup agreement;

THAT issuance of a certificate of occupancy shall be conditioned on the issuance of a certificate of completion from the New York State DEC;

THAT if the project property does not complete the approved DEC remedy and receive a Certificate of Completion, or ceases to participate in the BCP the applicant will be required to return to BSA for an amendment to this grant and to submit testing results and a Remedial Action Plan ("RAP") for a review and approval by DEP;

THAT the below conditions shall appear on the certificate of occupancy:

THAT all sidewalks adjacent to the School will provide a minimum clear path of at least 12 feet of unobstructed pedestrian access (i.e., a walk lane, consisting of the remaining clear path along the sidewalk after subtracting for physical obstructions such as tree pits), provided the resulting geometric design of the street (including motor vehicle lanes, bike lanes, on-street parking spaces, channelization, and other similar features) remains acceptable to meet the needs of all street users as determined by DOT;

THAT the applicant will request that the New York Police Department ("NYPD") station a school crossing guard at each of the following intersections during the arrival and dismissal periods for all grade levels:

- River Avenue & East 150th Street;
- Gerard Avenue & East 150th Street;
- River Avenue & East 149th Street;
- Grand Concourse & East 149th Street River Avenue & East 161st Street;

THAT at locations where crossing guards are not provided by the NYPD, the applicant shall employ personnel with American Traffic Safety Services Association ("ATSSA") Certification or other appropriate training at its expense;

THAT the School shall operate with the following staggered arrival and dismissal times:

1. The elementary division arrival period would begin at 7:15 a.m. for breakfast, and students would leave the cafeteria by 7:45 a.m. The dismissal period would begin at 3:45 p.m.. The after-school activity period would be 3:45 to 5:15 p.m.;
2. The middle division arrival period would begin at 7:45 a.m. for breakfast, and students would leave the cafeteria by 8:15 a.m. The dismissal period would begin at 4:00 p.m. The after-school activity period would occur from 4:00p.m.to either 5:15 p.m. or 6:30 p.m., depending on the number of after-school activities a student chooses;
3. The high school division arrival period would begin at 8:00 a.m.(Grades 9–10) and 8:30 a.m.(Grades 11–12) for breakfast; Grades 9–10 students and Grades 11–12 students would leave the

cafeteria by 8:30 a.m. and 9:00 a.m., respectively. The dismissal period would begin at 4:30 p.m.(Grades 9–10) and 5:00 p.m.(Grades 11–12). The after-school activity period would occur from 4:30 p.m./5:00 p.m.to either 6:30 p.m.or8:00 p.m., depending on the number of after-school activities a student chooses;

THAT the School shall provide separate entry/egress points for elementary, middle, and high school division students during arrival and dismissal periods. Elementary division students would enter/exit along River Avenue, middle school students would enter/exit along Gerard Avenue, and high school students would enter/exit along East 150th Street;

THAT dedicated School staff shall be assigned at the elementary, middle, and high school division entry/egress locations during the corresponding arrival and dismissal periods. A minimum of two staff members would be present at each entrance throughout these periods –one to manage and provide security at the entrance and a second to steward pick-ups and drop-offs along the frontages;

THAT during the arrival periods, at least one of the two dedicated staff members shall greet arriving students and provide overall management at each of the three entrances. This staff coordinator will direct and provide assistance for special needs access and oversee students' movement from the arrival/drop-off point;

THAT the School administration shall provide, at the start of the academic year and at various points during the year, student orientation for safe walking routes based on a student's route to and from home and applying these basic rules in terms of travel to the Access Area (defined as the sidewalk network within an area generally bounded by East 151st Street to the north, Grand Concourse to the east, East 149th Street to the south, and River Avenue to the west);

THAT the School administration shall conduct monthly in-field audits during arrival, dismissal, and after-school of pedestrian and vehicular access patterns and behavior associated with the School and nearby businesses to provide for continuous safety improvement as the School becomes a part of the neighborhood;

THAT the School administration shall communicate regularly with its business neighbors within the Access Area to provide foresight and understanding with respect to their co-existence in the neighborhood;

THAT during school days, the loading dock shall be closed to deliveries during the school's arrival and dismissal periods (7:15–9:00a.m.and 3:45–5:30 p.m.);

THAT the loading dock shall be staffed during all hours of operation to ensure the safety of students and pedestrians and to prevent potential conflicts between pedestrians and delivery vehicles entering or exiting the loading dock;

THAT loading dock personnel shall maintain ATSSA Certification or other appropriate training;

THAT in addition to being staffed during all hours of operation, the loading dock shall contain an audible and visual alarm to alert students and pedestrians to delivery vehicles entering or exiting the loading dock;

THAT sidewalks, as proposed, shall remain unencumbered to DOT standards, and the applicant shall return to BSA for review and approval of any changes;

THAT the proposed project shall use electricity to power HVAC systems;

THAT a closed window condition and alternate means of ventilation will be provided;

THAT the proposed building shall include required window-wall noise attenuation, ranging from 28 to 35OITC [based on floor and façade location, as approved by the DEP letter, dated January 31, 2023 and described in the final EAS under CEQR No. 22BSA023X;

THAT a certificate of occupancy, also indicating this approval and calendar number (“BSA Cal. No. 2022-27-BZ”) shall be obtained within four years, by March 13, 2027;

THAT this approval is limited to the relief granted by the Board in response to objections cited and filed by the Department of Buildings;

THAT the approved drawings shall be considered approved only for the portions related to the specific relief granted; and

THAT the Department of Buildings must ensure compliance with all other applicable provisions of the Zoning Resolution, the Administrative Code and any other relevant laws under its jurisdiction irrespective of drawings or configurations not related to the relief granted.

Adopted by the Board of Standards and Appeals, March 13, 2023.

CERTIFICATION

**This copy of the resolution
dated March 13, 2023
is hereby filed by the
Board of Standards and Appeals
on June 16, 2023.**



**Carlo Costanza
Executive Director**

Exhibit F

Project Summary

TEP Charter School Assistance, Inc. (“TEPCSA”) is a New York not-for-profit corporation, and Sherman Tiger LLC will be formed as a Delaware limited liability company and a disregarded entity for federal income tax purposes (“Sherman Tiger”; together with TEPCSA, the “Borrowers”). The sole member of Sherman Tiger will be The Equity Project Charter School (the “School” or “TEP”), a New York not-for-profit corporation exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). The Borrowers will be seeking approximately \$16,000,000 in tax-exempt bonds (the “Bonds”). Proceeds of the Bonds will be used to: (i) refinance the approximately \$15,200,000 outstanding principal balance of a taxable construction loan that was funded in the original amount of \$17,250,000, the proceeds of which were used to finance the costs of constructing, equipping, and furnishing of an approximately 60,000 square foot educational facility located on an approximately 12,000 square foot parcel of land at 153 Sherman Avenue, New York, NY 10034 (the “Facility”); and (ii) pay for certain costs related to the issuance of the Bonds (collectively, the “Project”). The Facility is owned by TEPCSA and is currently leased to the School. The School operates the Facility as a public charter school serving students in its middle school from grades 5 through 8. On the date of issuance of the Bonds, the Facility will be leased to Sherman Tiger from TEPCSA pursuant to a long-term lease and will be subleased from Sherman Tiger to the School.

Project Location

153 Sherman Avenue, New York, NY 10034

Action Requested

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

Anticipated Closing

November 2023

Impact Summary

Employment	
Jobs at Application:	80
Jobs to be Created at Project Location (Year 3):	0
Total Jobs (full-time equivalents)	80
Projected Average Hourly Wage (excluding principals)	\$53.81
Highest Wage/Lowest Wage	\$63.00/21.00

Estimated City Tax Revenues		NPV 30 years @ 6.25%
Impact of Operations (NPV 30 years at 6.25%)		\$14,400,456
One-Time Impact of Renovation		\$0
Total impact of operations and renovation		\$14,400,456
Additional benefit from jobs to be created		\$0

TEP Charter School Assistance, Inc. & Sherman Tiger LLC

Estimated Cost of Benefits Requested: New York City		NPV 30 years @ 6.25%
MRT Benefit		\$260,000
NYC Forgone Income Tax on Bond Interest		\$140,960
Corporation Financing Fee		(\$105,000)
Total Cost to NYC Net of Financing Fee		\$295,960

Costs of Benefits Per Job	
Estimated Net City Cost of Benefits per Job in Year 3	\$3,700
Estimated City Tax Revenue per Job in Year 3	\$180,006

Estimated Cost of Benefits Requested: New York State	
MRT Benefit	\$188,000
NYS Forgone Income Tax on Bond Interest	\$530,323
Total Cost to NYS	\$718,323
Overall Total Cost to NYC and NYS	\$1,014,283

Sources and Uses

Sources	Total Amount	Percent of Total Financing
Bond Proceeds	\$16,000,000	100%
Total	\$16,000,000	100%

Uses	Total Amount	Percent of Total Costs
Closing Fees	\$873,000	5%
Construction Loan Refinance	15,127,000	95%
Total	\$16,000,000	100%

Fees

	Paid At Closing	On-Going Fees (NPV, 30 Years)
Corporation Fee	\$105,000	
Bond Counsel	\$135,000	
Annual Corporation Fee	\$1,250	\$16,755
Bond Trustee Acceptance Fee	\$750	
Annual Bond Trustee Fee	\$750	\$6,702
Trustee Counsel Fee	\$8,000	
Total	\$250,750	\$23,457
Total Fees	\$274,207	

Financing and Benefits Summary

It is expected that the Bonds will be directly purchased by Provident Bank (the “Purchaser”) and issued as one or more tax-exempt series in the total aggregate principal amount of approximately \$16,000,000. The Bonds will be held by the Purchaser for a period of 12 years with a 30-year amortization schedule from closing. It is anticipated that the Bonds will bear interest, per annum, at a fixed rate for a term of 7 years set at the Seven Year Treasury Rate plus 1.59%, with a floor of 5.60% and a tax-factor of 80% (indicative tax-exempt rate of 4.71% as of 8/23/2023). The interest rate for the Bonds will then be re-set for an additional term of 5 years at the Five Year Treasury Rate plus 1.59% and a tax-factor of 80% (indicative tax-exempt rate 4.76% as of 8/23/2023). The Bonds will be secured by (i) a mortgage lien on the Facility and a collateral assignment of leases and rents under the Facility, (ii) the lease rentals payable by the School to the Borrowers pursuant to a deposit account control agreement, (iii) a pledge of and security interest in certain revenues of the Borrowers, and (iv) a guarantee from the School. Based on an analysis of the School’s financial statements, there is an expected debt service coverage ratio of 1.95x.

Applicant & School Summary

TEPCSA is a not-for-profit corporation and support organization formed in 2010 to advance the mission of the School. Sherman Tiger will be newly formed for purposes of this financing transaction. Originally established in 2008, the School currently has three campuses and serves over 1,000 students in kindergarten through grade eight. The School is committed to serving students from low-income and/or historically marginalized families and has demonstrated its commitment to achieving educational equity by leveraging extraordinary teacher quality. Students are provided with equal access to high-quality teachers who are attracted and retained through a three-pronged strategy that focuses on “rigorous qualification, redefined expectations, and revolutionary compensation.” As a result, the School has ranked first for performance among non-selective schools in Community School District 6 . The School’s charter was recently renewed in April 2023 for a five-year term by the Board of Regents of The University of the State of New York.

Casey Ash, Head of School

Mr. Ash was a founding teacher of TEP in 2009 and now serves as the Head of School for Grades K-8. He has served as a leader of TEP’s middle school campus since 2011, acting as Assistant Principal and Middle School Director while continuing to teach math. Mr. Ash spent the first decade of his teaching career at Community School 211 in the Bronx, where he was initially placed by Teach for America in 1997. He holds a B.A. in Spanish and History from Washington University in St. Louis.

Aaron Villela, Chief Executive Officer

Mr. Villela joined TEP in 2018 as Director of Talent Acquisition, guiding the organization through its expansion to become a three-campus school. He continued to serve as Director of Talent and then as Chief People and Services Officer before serving as Chief Executive Officer. Mr. Villela brings a decade of experience leading national operations specializing in the provision of pediatric therapy and educational services for children and leading a global team with talent operations in nine countries. He holds a degree in Business Administration from York College.

Shelly Gupta, Chief Financial Officer

Ms. Gupta joined TEP in 2008 and became Chief Financial Officer in 2016, bringing with her over 18 years of experience as an educational entrepreneur, information technology project manager, and consultant. Ms. Gupta holds her Integrated Master of Science in Computer Science and Mathematics from the Indian Institute of Technology.

Employee Benefits

School employees receive employer-sponsored healthcare as well as employer contributions for retirement plans.

Recapture

The mortgage recording tax benefit is subject to a 10-year recapture period.

SEQRA Determination

Type II action, which if implemented in compliance with environmental assessment recommendations, will not result in significant adverse environmental impacts. Staff recommends the Board adopt a Negative Declaration for the Project and find that there are no significant adverse environmental impacts. The completed Environmental Assessment Form for the Project has been reviewed and signed by Corporation staff.

Due Diligence

The Corporation conducted a background investigation of the Borrowers, the School and its respective principals and found no derogatory information.

Compliance Check:	Not Applicable
Living Wage:	Exempt
Paid Sick Leave:	Compliant
Private School Policy:	Not Applicable
Affordable Care Act:	Compliant
Bank Account:	TD Bank
Bank Check:	Relationships are reported to be satisfactory.
Supplier Checks:	Relationships are reported to be satisfactory.
Customer Checks:	Not Applicable
Unions:	Not Applicable
Background Check:	No derogatory information was found.
Attorney:	Stephen L. Rabinowitz, Esq. Greenberg Traurig LLP. One Vanderbilt Avenue New York, NY 10017
Accountant:	John Bianca PKF O'Connor Davies 500 Mamaroneck Avenue, Suite 301 Harrison, NY 10528
Community Board:	Manhattan Community Board #12

Board of Directors and Trustees:

The Equity Project Charter School

Mr. Sean Juan

Ms. Laura Tavormina

Ms. Jennifer Mulhern

Mr. Brooks S. Clark

Mr. Andrew Buher

TEP Charter School Assistance, Inc. (TEPCSA)

Mr. Ezekiel Vanderhoek

Mr. Matthew Singer

Ms. Simmi Singh

TEP CHARTER SCHOOL ASSISTANCE, INC.

July 25, 2023

Ms. Emily Marcus
Executive Director
NYCIDA and Build NYC Resource Corporation
New York City Economic Development Corporation
One Liberty Plaza
New York, NY 10006

Re: Application for refinancing through the Build NYC Resource Corporation /
Not-For-Profit Bond Program on behalf of TEP Charter School Assistance,
Inc.

Dear Ms. Marcus:

TEP Charter School Assistance, Inc. (the “Applicant”) respectfully requests that Build NYC Resource Corporation serve as the issuer for a proposed tax-exempt financing of up to \$16,000,000. Proceeds of the proposed transaction would be used to (1) refinance the Applicant’s outstanding taxable construction loan and (2) fund transaction related costs.


The Applicant was founded in 2010 with a mission to advance the interest of and provide any and all kinds of support for the operation, financing, fundraising and educational mission of The Equity Project Charter School (“TEP” or the “School”). The School and the Applicant are governed by separate boards but maintain common management teams.

TEP first opened its doors in 2009 with the vision of providing educational equity for students from traditionally underserved communities. Spurred by the belief that teacher quality is the most important factor in achieving educational equity, TEP makes unprecedented investments to attract and retain great teachers.

Today, the School serves approximately 1,080 students in grades K-8, 91% of whom qualify for free and reduced-price lunch. The School has had three five-year charter renewals since its founding, with its most recent renewal in 2023. TEP has ranked #1 for Highest Student Performance (ELA & Math) among all non-selective middle schools in CSD 6 for the past 4 years.

But for the lower tax-exempt interest rate and other ancillary benefits offered by a Build NYC financing, the School would not be in a position to realize debt service savings in the refinancing of its construction loan. The savings will allow the School to dedicate more resources to its educational and extracurricular programs for the benefit of its students.

Thank you for your time and consideration in reviewing TEP Charter School Assistance, Inc’s application. We look forward to working with you.



Very truly yours,

Ezekiel Vanderhoek

Mr. Ezekiel Vanderhoek
President

Exhibit G

Resolution approving the refinancing of a certain facility for TEP Charter School Assistance, Inc., Sherman Tiger LLC and The Equity Project Charter School and authorizing the issuance and sale of approximately \$16,000,000 Revenue Bonds (The Equity Project Charter School Project), Series 2023 and the taking of other action in connection therewith

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

WHEREAS, TEP Charter School Assistance, Inc., a New York not-for-profit corporation (“Applicant”), and The Equity Project Charter School, a New York not-for-profit education corporation operating a public charter school from grades kindergarten through grade 8 (the “School”) and affiliated with the Applicant, entered into negotiations with officials of the Issuer with respect to (i) refinancing a taxable construction loan (the “Prior Indebtedness”), the proceeds of which were used to finance the costs of constructing, equipping, and furnishing an approximately 60,000 square foot educational facility located on an approximately 12,000 square foot parcel of land at 153 Sherman Avenue, New York, New York (the “Facility”); and (ii) funding certain costs related to the issuance of the Bonds referred to below; and the Facility is currently owned by the Applicant and leased to the School for continued operation by the School as a public charter school serving students in its middle school from grades 5 through 8 (collectively, the “Project”); and

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

WHEREAS, the Application sets forth certain information with respect to the Applicant, the School and the Project, including the following: that the Applicant is a New York not-for-profit corporation and is in the process of applying to the Internal Revenue Service (“IRS”) for an exemption from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), and is an affiliate of the School; that the School will form Sherman Tiger LLC, a Delaware limited liability company and a disregarded entity for federal income tax purposes whose sole member will be the School (“Sherman Tiger”); that the Applicant intends to lease the Facility to Sherman Tiger for sublease to the School pursuant to a sublease agreement (the “School Lease”); that the School is a New

York not-for-profit corporation incorporated in 2008 and is exempt from federal income taxation pursuant to Section 501(c)(3) of the Code; that the School serves approximately 1,080 students in grades kindergarten through grade 8 at three school campuses located in the Washington Heights and Inwood neighborhoods of the City (one of which is the Facility); that the School currently leases the Facility from the Applicant and serves students from grades 5 through 8; that the School's charter was recently renewed in April 2023 for a five-year term by the Board of Regents of The University of the State of New York; that the School will retain approximately 17 full-time equivalent jobs; that in the absence of financial assistance from the Issuer, the Applicant would be unable to refinance affordably the Project and provide amended lease terms to the School with lower rent than the existing lease; that the savings passed through in the form of lower rent to the School will provide budget stability for the School, allowing the School to dedicate more resources to its educational and extracurricular programs for the benefit of its students; and that, therefore, the Issuer's financing assistance is necessary to assist the Applicant, the Sherman Tiger and the School in proceeding with the Project; and

WHEREAS, in order to refinance the cost of the Project, the Issuer intends to issue its Revenue Bonds (The Equity Project Charter School Project), Series 2023 in the aggregate principal amount of approximately \$16,000,000 (or such greater aggregate principal amount not to exceed \$17,600,000) (the "Bonds"), as may be determined by a certificate of determination of an authorized officer of the Issuer (the "Certificate of Determination"), all pursuant to an Indenture of Trust (the "Indenture") to be entered into between the Issuer and The Bank of New York Mellon, as trustee (the "Trustee"); and

WHEREAS, (i) Sherman Tiger intends to assume the Prior Indebtedness of the Applicant, and (ii) the Issuer intends to loan the proceeds of the Bonds to Sherman Tiger and, as required by the Purchaser as defined below, to the Applicant, to refinance the Prior Indebtedness, pursuant to a Loan Agreement (the "Loan Agreement") to be entered into between the Issuer and each of Sherman Tiger and the Applicant (collectively, the "Borrowers"), and the Borrowers will execute a promissory note in favor of the Issuer (and endorsed by the Issuer to the Trustee) (the "Promissory Note") to evidence the obligation of the Borrowers under the Loan Agreement to repay such loan; and

WHEREAS, concurrently with the issuance of the Bonds, the School will enter into a Use Agreement with each of the Issuer and the Trustee (the "Use Agreement"); and

WHEREAS, the Bonds are to be secured by, among other things: (i) a collateral assignment of leases and rents under the Facility, including the School Lease (the "Assignment of Leases and Rents"), (ii) a mortgage lien on and security interest in the Facility granted by the Borrowers, as mortgagors, to the Issuer and the Trustee, as mortgagees, pursuant to a Mortgage and Security Agreement (the "Mortgage"), which Mortgage will be assigned by the Issuer to the Trustee pursuant to an Assignment of Mortgage and Security Agreement from the Issuer to the Trustee (the "Assignment of Mortgage"), (iii) the lease rentals payable by the School to Sherman Tiger and/or the Applicant under the School Lease pursuant to one or more Deposit Account Control Agreements among Sherman Tiger and/or the Applicant, the Trustee and The Bank of New York Mellon (or such other bank selected by the Borrowers), as depository (collectively, the "Account Control Agreement"), (iii) a pledge of and security interest in certain revenues of the Borrowers in favor of the Trustee pursuant to a Pledge and Security Agreement from the Borrowers (the "Pledge and Security Agreement"), and (iv) a guarantee from the School to the Trustee pursuant to a Guaranty Agreement (the "Guaranty Agreement");

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

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

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

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

The Bonds shall be issued as fully registered bonds in one or more serial and/or term bonds in an aggregate principal amount not to exceed \$17,600,000, shall be dated as provided in the Indenture, shall be payable as to principal and redemption premium, if any, at the principal office of the Trustee, shall be payable as to interest by check or wire transfer as provided in the Indenture, shall bear interest at annual fixed rate(s) not to exceed 8% for a period of 7 years and to be re-set for an additional term of 5 years, shall be subject to optional and mandatory redemption and tender as provided in the Indenture, shall be payable as provided in the Indenture until the payment in full of the principal amount thereof, and shall mature over a term of approximately thirty (30) years following their date of issuance (such final interest rates, principal amounts and maturity to be determined by the Certificate of Determination), all as set forth in the Bonds.

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

Section 4. The Bonds shall be secured by the pledge effected by the Indenture and shall be payable solely from and secured by a pledge of the loan payments, revenues and receipts payable under the Loan Agreement and the Promissory Note to the extent set forth in the Loan Agreement and the Indenture. The Bonds, together with the interest thereon, are special limited revenue obligations of the Issuer, payable solely as provided in the Indenture, including from moneys deposited in the Bond Fund, the Project Fund, the Renewal Fund and such other funds as established under the Indenture (subject to disbursements therefrom in accordance with the Loan Agreement and the Indenture), and shall never constitute a debt of the State of New York (the "State") or of the City, and neither the State nor the City shall be liable thereon, nor shall the Bonds be payable out of any funds of the Issuer other than those pledged therefor. The payment of the principal of, redemption premium, if any, and interest on the Bonds will be secured pursuant to the Mortgage, the Assignment of Leases and Rents, the Account Control Agreement, the Pledge and Security Agreement and the Guaranty Agreement.

Section 5. The Bonds are hereby authorized to be sold to Provident Bank (or such other financial institution as shall be approved by the Certificate of Determination, the "Purchaser"), at a purchase price equal to the principal amount thereof.

Section 6. The execution, as applicable, and delivery of the Indenture, the Loan Agreement, the endorsement of the Promissory Note to the Trustee, the Use Agreement, the Assignment of Mortgage (and an assignment of the Assignment of Leases and Rents, to the extent the Issuer is a party thereunder), and a Tax Regulatory Agreement from the Issuer, the Borrowers and the School to the Trustee (the documents referenced in this Section 6 being, collectively, the “Issuer Documents”), each being substantially in the form approved by the Issuer for prior financings, are hereby authorized. The Chairperson, Vice Chairperson, Executive Director, Deputy Executive Director and General Counsel of the Issuer are hereby authorized to execute, acknowledge and deliver each such Issuer Document. The execution and delivery of each such Issuer Document by said officer shall be conclusive evidence of due authorization and approval.

Section 7. All covenants, stipulations, obligations and agreements of the Issuer contained in this Resolution and contained in the Issuer Documents shall be deemed to be the covenants, stipulations, obligations and agreements of the Issuer to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Issuer and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Issuer or the members thereof by the provisions of this Resolution and the Issuer Documents shall be exercised or performed by the Issuer 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 any of the Issuer Documents shall be deemed to be a covenant, stipulation, obligation or agreement of any member, director, officer, agent or employee of the Issuer in his or her individual capacity, and neither the members of the Issuer nor any officer executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 8. The officers of the Issuer are hereby designated the authorized representatives of the Issuer, and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution, the Issuer Documents and the issuance of the Bonds.

Section 9. The Issuer is hereby authorized to cause the Borrowers and the School to proceed with the Project, the agreed costs thereof to be paid by the Issuer by the application of the proceeds of the Bonds, all as particularly authorized by the terms and provisions of the Loan Agreement. The Borrowers and the School are authorized to proceed with the Project; provided, however, that it is acknowledged and agreed by the Borrowers and the School that neither the Issuer nor any of its members, directors, officers, employees, agents or servants shall have any personal liability for any action taken by the Applicant, Sherman Tiger or the School for such purpose or for any other purpose.

Section 10. Any expenses incurred by the Issuer with respect to the Project and the refinancing thereof shall be reimbursed out of the proceeds of the Bonds or, in the event such proceeds are insufficient after payment of other costs of the Project or the Bonds are not issued

by the Issuer due to inability to consummate the transactions herein contemplated, shall be paid by the Applicant, Sherman Tiger and the School. By accepting this Resolution, the Applicant, Sherman Tiger and the School agree to pay such expenses and further agree to indemnify the Issuer, its members, employees and agents and hold the Issuer and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Issuer in good faith with respect to the Project and the refinancing thereof.

Section 11. In connection with the Project, the Issuer intends to grant the Applicant, Sherman Tiger and the School financing assistance in the form of the issuance of the Bonds and exemptions from City and State mortgage recording taxes.

Section 12. Any qualified costs incurred by the Applicant, Sherman Tiger or the School in initiating the Project shall be reimbursed by the Issuer from the proceeds of the Bonds; provided that the Issuer incurs no liability with respect thereto except as otherwise provided in this Resolution.

Section 13. The Issuer, as lead agency, is issuing this determination pursuant to the State Environmental Quality Review Act (Article 8 of the Environmental Conservation Law) and implementing regulations contained in 6 NYCRR Part 617. This determination is based upon the Issuer's review of information provided by the Applicant and the School and such other information as the Issuer has deemed necessary and appropriate to make this determination.

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

Section 14. This Resolution is subject to the approval of a private investigative report with respect to the Applicant, Sherman Tiger and the School, which approval shall be conclusively evidenced by the delivery of the Issuer Documents authorized pursuant to Section 6 hereof. The provisions of this Resolution shall continue to be effective until one year from the date hereof, whereupon the effectiveness of this Resolution shall terminate (except with respect to the matters contained in Section 10 hereof) unless (i) prior to the expiration of such year the Issuer shall (x) have issued the Bonds for the Project, or (y) by subsequent resolution extend the effective period of this Resolution, or (ii) the Applicant, Sherman Tiger and the School shall be continuing to take affirmative steps to secure refinancing for the Project.

Section 15. This Resolution constitutes "other similar official action" under the provisions of Treasury Regulation 1.103-8(a)(5) promulgated under Section 103 and related sections of the Code. This Resolution is subject to further compliance with the provisions of Sections 141 through 150 and related provisions of the Code, including, without limitation, the obtaining of public approval for the Project and the Bonds.

Section 16. The Issuer recognizes that due to the unusual complexities of the refinancing it may become necessary that certain of the terms approved hereby may require modifications which will not affect the intent and substance of the authorizations and approvals by the Issuer herein. The Issuer hereby authorizes the Chairperson, Vice Chairperson, Executive Director, Deputy Executive Director or General Counsel to approve modifications to the terms

approved hereby which do not affect the intent and substance of this Resolution. The approval of such modifications shall be evidenced by the Certificate of Determination.

Section 17. This Resolution shall take effect immediately.

ADOPTED: September 19, 2023

TEP CHARTER SCHOOL ASSISTANCE, INC.

By: _____

Name:

Title:

THE EQUITY PROJECT CHARTER SCHOOL

By: _____

Name:

Title:

SHERMAN TIGER LLC

By: _____

Name:

Title:

Accepted: _____, 2023