

MINUTES OF THE
MEETING OF THE BOARD OF DIRECTORS
OF
NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY
HELD IN-PERSON AT THE ONE LIBERTY PLAZA OFFICES OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
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 New York City Industrial Development Agency (the “Agency”), convened the meeting of the Agency at 9:00 a.m., at which point a quorum was present.

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

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, an Assistant Vice President for NYCEDC, presented the Agency's Financial Statements for the one-month period ending July 31, 2023 (Unaudited). Ms. Butler reported that for the one-month period the Agency recognized revenues from project finance fees from two transactions totaling \$2.4 million. In addition, revenues derived from Compliance, application, post-closing and other fees amounted to \$163,000. Ms. Butler also reported that \$366,000 in operating expenses, largely consisting of the monthly management fee, were recorded for the Agency 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 Agency, and Leslie Escobar, Deputy Controller for NYCEDC, presented for review and approval the Agency'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 Agency's Annual Investment Report for the Fiscal Year ended June 30, 2023.

There being no comments or questions, a motion to approve the Agency's Audited Financial Statements for the Fiscal Year ended June 30, 2023 attached hereto as Exhibit A, as submitted, and the Agency'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 a Member and the Chairperson to the Audit Committee & Appointment of Janet Mejia-Peguero as a Member to the Audit Committee

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

member of 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. CM LIC Studio 30th Place LLC and CM LIC 30th Street II LLC

Mr. Rich presented for review and adoption an inducement and authorizing resolution for an Industrial Program transaction for the benefit of CM LIC Studio 30th Place LLC and CM LIC 30th Street II LLC and recommended the Board adopt a negative SEQRA determination that the

project would not have a significant adverse effect on the environment. Mr. Rich described the project and its benefits, as reflected in Exhibit D.

In response to a question from Ms. Thomas, Mr. Rich stated that Agency staff could discuss with the company the possibility of the company partnering with organizations such as the Queensbridge Houses and the Astoria Houses to help residents get jobs. Mr. Kimball thanked Ms. Thomas for her comment and stated that Agency staff are in regular contact with Bishop Taylor at Urban Upbound and look forward to expanding that partnership. Mr. Kimball stated that Agency staff will give a bigger briefing with "MOM" on the overall film industry because it remains one of the key drivers of the economy that is supported by the State film and tax credit that was just renewed and during his tenure four or five big projects have been approved either through the NYCEDC Board or the NYCIDA board related to film. Mr. Kimball stated that this kind of project in South Brooklyn, Wildflower Sunset Studios at Pier 94 and there will be others coming down the pipeline so there's a big sector for Agency staff and connecting jobs to local folks through the main New York program which is key to accomplishing that.

There being no further comments or questions, a motion to approve the inducement and authorizing resolution and the SEQRA determination attached hereto as Exhibit E for the benefit of CM LIC Studio 30th Place LLC and CM LIC 30th Street II LLC was made, seconded and unanimously approved.

12. Heron Clean Energy, LLC, Richmond Clean Energy, LLC, Vesper Sparrow Clean Energy, LLC

Mr. Schumer presented for review and adoption three inducement resolutions for three Industrial Program transactions for the benefit of Heron Clean Energy, LLC, Richmond Clean Energy, LLC and Vesper Sparrow Clean Energy, LLC and recommended the Board adopt three negative SEQRA determinations that each of the projects would not have a significant adverse effect on the environment. Mr. Schumer described the project and its benefits, as reflected in Exhibit F.

Mr. Peers asked with respect to the FDNY has Agency staff been finding that the inspection process has been a little bit more seamless because he had a couple of challenges early on with some of these facilities. Mr. Kimball stated that the inspection process is improving. Mr. Kimball stated that he recently participated in a workshop at the new lab regarding energy battery storage that had a very senior person of the FDNY participating directly. Mr. Kimball stated that as a result Agency staff have a new FDNY contact who Agency staff can help facilitate businesses work through the process. Mr. Peers asked where these [batteries] are going to be placed. Mr. Peers stated that this is an active commercial corridor of Flatbush Avenue where there are not a lot of vacant lots except for the project site and a Kentucky Fried Chicken store that closed recently. Mr. Peers asked for more detail on the

considerations with respect to design so that it fits within the character of the commercial corridor and so the residents in that community, which is also his community, do not get upset about these projects being constructed in the middle of a commercial corridor.

Mr. Schumer stated that this issue was considered by Agency staff prior to bringing this project before the board and that the location of these projects is partly dependent on maps provided by Con Edison that indicate high demand or where projects such as this are most needed. Mr. Schumer stated that Agency staff also look at zoning to make sure they are supporting projects at locations where battery storage is an allowed as-of-right option to the property owner. Mr. Schumer stated that if there are questionable locations such as higher value plots of land then Agency staff would certainly question that and seek additional information. Mr. Schumer stated that Agency staff also received useful imagery from this developer that shows the types of design choices they might make to ensure that the design and installation of these batteries fits the character of the neighborhood. Mr. Schumer stated that the developer provided Agency staff with photos of an existing development that is under construction on Staten Island where the fencing choices are in line with the character of the neighborhood. Mr. Schumer stated that the developer also provided Agency staff with a potential type of installation for commercial corridors where the batteries would be covered to integrate better into the commercial corridor. Mr. Schumer stated that these are things Agency staff are looking at and that TCP is also in the process of amending zoning which Mr. Rose can speak to that cover some design implications.

Mr. Rose stated that the primary concern is about how the batteries look from the street or from the sidewalk so there are a series of street wall rules that are getting upgraded in City of Yes for Carbon Neutrality and City of Yes for Zoning Economic Opportunity that will avoid the situation where it is just like a single blank wall with nothing on it. Mr. Rose stated that there will be some additional zoning treatments coming down the line to exactly address this issue. Mr. Kimball thanked Mr. Rose for his comment and stated that Agency staff will include renderings or examples of similar projects where they're following those design guidelines in future presentations. Mr. Kimball stated that while this project is incredibly important for the City to meet its climate goals projects such as these require a lot of land and don't create a lot of jobs, so going back to the question about FDNY, one of the processes we would like to see move faster is the permitting for these batteries to be located on. For example, barges or rooftops may be an option, so that they are not taking away land that could otherwise be used for jobs or housing. Mr. Friedman stated that he is supportive of these types of projects for the policy reasons that Mr. Schumer articulated at the beginning of the presentation. Mr. Friedman asked about the nature of the inducement of the project which is Agency staff want the company to be located here and there's competition between somebody else to occupy the project site, but in this instance, there's a gap in the market so the financing does not pencil out and the inducement requires a different policy rationale. Mr. Friedman asked how Agency staff measures these things, such as there being no jobs, or very few jobs,

against the ripple benefits and the ancillary benefits which are great. Mr. Friedman asked in anticipation of a more robust or full discussion on this issue could the Board and Agency staff look at the nature of this project's inducement in the context of the value being added in this instance, other policy objectives, how these fit in with the Agency's mission and how to measure that? Mr. Kimball stated that having worked alongside the Peaker Plants in South Brooklyn for many years there's some real public policy benefits to getting those things unhooked. Mr. Friedman stated that Mr. Kimball's comments about the rooftops are on point.

There being no further comments or questions, a motion to approve the inducement resolutions and the SEQRA determinations attached hereto as Exhibit G for the benefit of Heron Clean Energy, LLC, Richmond Clean Energy, LLC, Vesper Sparrow Clean Energy, LLC, respectively, was made, seconded and unanimously approved.

13. OSCII Victory3, LLC, OSCII Gildersleeve, LLC and OSCII Gun Hill, LLC

Sophie King, a Senior Associate for NYCEDC, presented for review and adoption an inducement and authorizing resolution for an industrial program transaction for the benefit of OSCII Victory3, LLC and recommended the Board adopt a negative SEQRA determination that the project will not have a significant adverse effect on the environment. Ms. King also presented for review and adoption two authorizing resolutions for two industrial program transactions for the benefit of the OSCII Gildersleeve, LLC and OSCII Gun Hill, LLC. Ms. King described the projects and their benefits, as reflected in Exhibit H.

Mr. Friedman asked how does the return on investment between the prior project's inducement resolution and this one compare? Ms. Marcus Falda stated that a major notable difference is that the previous project has a solar component which is pretty rare. Traditionally, it is just a singular stand-alone battery. Mr. Friedman stated that the previous project should be applauded, but it sounds like the company is getting more inducements in this instance. Ms. Marcus Falda stated that of these three transactions, two of them were induced back in July, so they've secured their debt financing and now they're back to request their authorization from the Board and then there's a third project being presented for both inducement and authorization today, so each of the two developers each have three projects that were presented today. Mr. Friedman asked how this third project compares with the previous projects in terms of return on investment? Mr. Schumer stated that Agency staff include a cost benefit analysis in the Board book for each project along with the projected value of the sales tax benefit associated with the project's authorization as well as the financial return being the net City tax revenues that will be generated. Mr. Schumer stated that additionally the return is really the size of the megawattage that's involved in each of these projects so you could compare the total megawattage of these three projects versus the previous three projects and then compare the value of the sales tax benefit versus the financial return for the City and all

that information is provided in the Board book.

There being no further comments or questions, a motion to approve the inducement and authorizing resolutions and the SEQRA determination for the benefit of OSCII Victory 3, LLC and the authorizing resolutions for the benefit of OSCII Gildersleeve, LLC And OSCII Gun Hill, LLC attached hereto as Exhibit I, was made, seconded and unanimously approved.

14. Adjournment

There being no further business to come before the Board of Directors at the meeting, pursuant to a motion made, seconded and unanimously approved, the meeting of the Board of Directors was adjourned at 9:48 a.m.


Assistant Secretary

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

Exhibit A

FINANCIAL STATEMENTS AND REQUIRED
SUPPLEMENTARY INFORMATION

New York City Industrial Development Agency
(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

New York City Industrial Development Agency
(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
New York City Industrial Development Agency

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and fiduciary activities of the New York City Industrial Development Agency (the Agency), a component unit of the City of New York, as of and for the years ended June 30, 2023 and June 30, 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the Agency as of June 30, 2023 and 2022, and the respective changes in its financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 Agency, 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 opinions.

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 Agency'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 opinions. 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 Agency'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 Agency'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 Agency'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 Agency'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 Agency's internal control over financial reporting and compliance.

_____, 2023

New York City Industrial Development Agency
(A Component Unit of The City of New York)

Management's Discussion and Analysis

June 30, 2023 and 2022

This section of The New York City Industrial Development Agency's (IDA or the Agency) annual financial report presents our discussion and analysis of financial performance during the fiscal year that ended on June 30, 2023. Please read it in conjunction with the financial statements and accompanying notes which follow this section.

2023 Financial Highlights

- Current assets increased \$0.3 million (or 1%)
- Non-current assets decreased \$2.9 million (or 34%)
- Current liabilities increased \$0.8 million (or 16%)
- Operating revenues decreased \$0.8 million (or 24%)
- Operating loss increased \$0.8 million (or 65%)
- Change in net position was (\$3.5) million in fiscal year 2023, as compared to (\$2.7) million in fiscal year 2022

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. IDA is considered a component unit of The City of New York (The City) for financial reporting purposes and is a public benefit corporation established by the laws of The State of New York (The State). IDA was established in 1974 to actively promote, retain, attract, encourage, and develop an economically sound commerce and industry base to prevent unemployment and economic deterioration in The City.

IDA is a self-supporting entity and follows enterprise fund reporting. Enterprise fund statements offer short-term and long-term financial information about the Agency's activities.

New York City Industrial Development Agency
(A Component Unit of The City of New York)

Management's Discussion and Analysis (continued)

Financial Analysis of the Business-Type Activities of the Agency

Net Position – The following table summarizes IDA's financial position at June 30, 2023, 2022, and 2021 and the percentage change between June 30, 2023, 2022, and 2021 (dollars in thousands):

					% Change	
	2023	2022	2021	2023–2022	2022–2021	
Current assets	\$ 21,822	\$ 21,556	\$ 18,668	1%	15%	
Non-current assets	5,680	8,620	13,729	(34)	(37)	
Total assets	27,502	30,176	32,397	(9)	(7)	
Current liabilities	5,945	5,141	4,641	16	11	
Total liabilities	5,945	5,141	4,641	16	11	
Total net position	\$ 21,557	\$ 25,035	\$ 27,756	(14)	(10)	

Fiscal Year 2023 Activities

Total assets decreased by \$2.7 million or 9% mainly due to a loss from operations and payment of approximately \$1.3 million of special project costs during fiscal year 2023. Of the Agency's total assets, non-current assets decreased by \$2.9 million or 34% due to \$2.9 million of previously long-term investments becoming current.

Total current liabilities increased by \$0.8 million or 16% primarily due to the increase of \$0.8 million in special project costs incurred and owed to NYC Economic Development Corporation.

New York City Industrial Development Agency
(A Component Unit of The City of New York)

Management's Discussion and Analysis (continued)

Fiscal Year 2022 Activities

Total assets decreased by \$2.2 million or 7% mainly due to a decrease in overall cash collected from financing transactions during fiscal 2022 compared to fiscal year 2021. Of the Agency's total assets, non-current assets decreased by \$5.1 million or 37% due to \$10.5 million of previously long-term investments becoming current, net of new purchases of long-term securities of \$5.4 million.

Total current liabilities increased by \$0.5 million or 11% primarily due to cash collected of approximately \$0.3 million related to a future closing for 174 Power Global/East River ESS LLC.

Operating Activities

The Agency assists industrial and commercial participants through a "straight lease" transactional structure which provides tax benefits to participants to incentivize the acquisition and capital improvement of their facilities. Apart from the issuance of bonds to refund governmental bonds (including bonds for Yankee Stadium, LLC and Queens Baseball Stadium), the Agency has chosen not to issue new bonds. In addition to the issuance of tax-exempt and taxable bonds for certain transactions, the Agency may provide one or more of the following tax benefits: partial exemption from mortgage recording tax; payments in lieu of real property taxes (PILOT) that are less than full taxes; and exemption from City and State sales and use taxes as applied to construction materials and machinery and equipment. During the years ended June 30, 2023 and 2022, IDA did not issue any tax-exempt bonds.

The Agency charges various program fees, including application fees, financing fees, and compliance monitoring fees. In certain circumstances, the Agency may also charge servicing fees on any recapture of benefits from companies defaulting on their compliance requirements for IDA benefits.

New York City Industrial Development Agency
(A Component Unit of The City of New York)

Management's Discussion and Analysis (continued)

Operating Activities (continued)

The following table summarizes IDA's changes in net position for fiscal years 2023, 2022 and 2021 and the percentage change between June 30, 2023, 2022 and 2021 (dollars in thousands):

	2023	2022	2021	% Change	
				2023-2022	2022-2021
Operating revenues:					
Fee income	\$ 2,482	\$ 2,860	\$ 14,082	(13)%	(80)%
Other income	89	510	527	(83)	(3)
Total operating revenues	2,571	3,370	14,609	(24)	(77)
Operating expenses:					
Management fees	4,400	4,400	4,400	—	—
Other expenses	159	176	193	(10)	(9)
Total operating expenses	4,559	4,576	4,593	—	—
Operating (loss) income	(1,988)	(1,206)	10,016	65	(112)
Non-operating (expenses) revenues:					
Investment income (loss)	562	(126)	(1)	546	(12,500)
Special project costs	(2,052)	(1,389)	(2,229)	48	(38)
Total non-operating expenses, net	(1,490)	(1,515)	(2,230)	(2)	(32)
Change in net position	(3,478)	(2,721)	7,786	(28)	(135)
Beginning net position	25,035	27,756	19,970	(10)	39
Ending net position	\$ 21,557	\$ 25,035	\$ 27,756	(14)	(10)

Fiscal Year 2023 Activities

The Agency's net position decreased by \$3.5 million or 14% largely due to the operating loss of \$2.0 million and special project costs recognized of \$2.1 million.

The Agency's fiscal year 2023 operating loss increased by \$0.8 million or 65% as compared to fiscal year 2022 and amounted to \$2.0 million. This loss was incurred due to the following: (1) a decrease in finance fees and post-closing fees of \$0.4 million, and (2) a decrease of recapture income of \$0.4 million.

New York City Industrial Development Agency
(A Component Unit of The City of New York)

Management's Discussion and Analysis (continued)

Fiscal Year 2023 Activities (continued)

Special project costs increased by \$0.7 million or 48% primarily due to \$0.6 million of expenses incurred for the Kingsbridge Armory Visioning project during fiscal year 2023.

Fiscal Year 2022 Activities

The Agency's net position decreased by \$2.7 million or 10% largely due to the operating loss of \$1.2 million and special project costs recognized of \$1.5 million.

Operating income decreased by \$11.2 million or 112% during fiscal year 2022, resulting in an operating loss of \$1.2 million, due to the following: (1) a decrease of \$11.5 million in project finance fees as a result of several large closings that took place in the prior year and (2) an increase in other fee income of \$0.3 million.

Special project costs decreased overall by \$0.8 million or 38% during fiscal year 2022, largely as a result of the closeout of the Workforce One Career Center Satellites project in 2021, which incurred approximately \$1.4 million in costs in the prior year, offset by an increase of \$0.6 million in other special project costs.

Contacting the Agency's Financial Management

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

New York City Industrial Development Agency
(A Component Unit of The City of New York)

Statements of Net Position
(In Thousands)

	June 30	
	2023	2022
Assets		
Current assets:		
Cash and cash equivalents (<i>Note 3</i>)	\$ 1,282	\$ 5,403
Investments (<i>Note 3</i>)	17,248	12,556
Restricted cash	3,079	3,341
Fees receivable, net of allowance for doubtful accounts of \$63 and \$61, respectively	213	256
Total current assets	21,822	21,556
Non-current assets:		
Investments (<i>Note 3</i>)	5,680	8,620
Total non-current assets	5,680	8,620
Total assets	27,502	30,176
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	72	99
Due to New York City Economic Development Corporation	1,522	719
Unearned revenues	1,167	849
Other liabilities	3,184	3,474
Total current liabilities	5,945	5,141
Total liabilities	5,945	5,141
Net position – unrestricted	\$ 21,557	\$ 25,035

See accompanying notes.

New York City Industrial Development Agency
(A Component Unit of The City of New York)

Statements of Revenues, Expenses, and Changes in Net Position
(In Thousands)

	Year Ended June 30	
	2023	2022
Operating revenues:		
Fee income <i>(Note 2)</i>	\$ 2,482	\$ 2,860
Recapture and other related benefits <i>(Note 2)</i>	64	488
Other income <i>(Note 2)</i>	25	22
Total operating revenues	2,571	3,370
Operating expenses:		
Management fees <i>(Note 4)</i>	4,400	4,400
Other expenses	159	176
Total operating expenses	4,559	4,576
Operating loss	(1,988)	(1,206)
Non-operating revenues (expenses):		
Investment income (loss)	562	(126)
Special project costs <i>(Note 5)</i>	(2,052)	(1,389)
Total non-operating expenses, net	(1,490)	(1,515)
Change in net position	(3,478)	(2,721)
Net position, unrestricted, beginning of year	25,035	27,756
Net position, unrestricted, end of year	<u>\$ 21,557</u>	<u>\$ 25,035</u>

See accompanying notes.

New York City Industrial Development Agency
(A Component Unit of The City of New York)

Statements of Cash Flows
(In Thousands)

	Year Ended June 30	
	2023	2022
Cash flows from operating activities		
Financing and other fees	\$ 2,824	\$ 2,976
Other income	14	20
Management fees paid	(4,033)	(4,400)
Other expenses paid	(171)	(150)
Recapture benefits and other penalties received	90	3,934
Payment to NYC and other agencies of recaptured benefits	(284)	(3,260)
Payment to EDC for contingency fees	(20)	(37)
Net cash used in operating activities	(1,580)	(917)
Cash flows from investing activities		
Sale of investments	12,944	2,516
Purchase of investments	(14,167)	(9,996)
Interest income	33	8
Net cash used in investing activities	(1,190)	(7,472)
Cash flows from non-capital financing activities		
Special project costs paid	(1,613)	(1,260)
Net cash used in non-capital financing activities	(1,613)	(1,260)
Net decrease in cash and cash equivalents	(4,383)	(9,649)
Cash and cash equivalents at beginning of year	8,744	18,393
Cash and cash equivalents at end of year	\$ 4,361	\$ 8,744

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

New York City Industrial Development Agency
(A Component Unit of The City of New York)

Statements of Cash Flows (continued)
(In Thousands)

	Year Ended June 30	
	2023	2022
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	\$ (1,988)	\$ (1,206)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Provision for bad debt	2	27
Changes in operating assets and liabilities:		
Fees receivable	43	(109)
Accounts payable and accrued expenses	(27)	(78)
Due to NYC Economic Development Corp.	362	3
Other liabilities	(290)	285
Unearned revenues	318	161
Net cash used in by operating activities	<u>\$ (1,580)</u>	<u>\$ (917)</u>
Supplemental disclosures of non-cash activities		
Unrealized gain (loss) on investments	<u>\$ 18</u>	<u>\$ (157)</u>

See accompanying notes.

New York City Industrial Development Agency
(A Component Unit of The City of New York)

Statements of Fiduciary Net Position
(In Thousands)

	Custodial Funds	
	June 30	
	2023	2022
Assets		
Cash and cash equivalents	\$ 496	\$ 227
Total assets	<u>496</u>	<u>227</u>
Liabilities		
PILOT payable	496	227
Total liabilities	<u>496</u>	<u>227</u>
Net position – restricted	<u>\$ –</u>	<u>\$ –</u>

See accompanying notes.

New York City Industrial Development Agency
(A Component Unit of The City of New York)

Statements of Changes in Fiduciary Net Position
(In Thousands)

	Custodial Funds	
	Year Ended June 30	
	2023	2022
Additions		
PILOT collections	\$ 35,709	\$ 30,040
Total additions	<u>35,709</u>	<u>30,040</u>
Deductions		
PILOT payments disbursed	35,213	29,813
PILOT payments pending disbursement	<u>496</u>	<u>227</u>
Total deductions	<u>35,709</u>	<u>30,040</u>
Net increase in fiduciary net position	<u>—</u>	<u>—</u>
Net position – beginning of year	<u>—</u>	<u>—</u>
Net position – end of year	<u>\$ —</u>	<u>\$ —</u>

See accompanying notes.

New York City Industrial Development Agency
(A Component Unit of The City of New York)

Notes to Financial Statements

June 30, 2023 and 2022

1. Background and Organization

The New York City Industrial Development Agency (IDA or the Agency), a component unit of The City of New York (The City) for financial reporting purposes, is a public benefit corporation of The State of New York (The State). IDA was established in 1974 to actively promote, retain, attract, encourage, and develop an economically sound commerce and industry base to mitigate unemployment and economic deterioration in The City.

The Agency is governed by a Board of Directors, which establishes official policies and reviews and approves applications for financial assistance. Its membership is prescribed by statute and includes a public official and mayoral appointees. Five of the mayoral appointees are appointed by the Mayor after nominations by The City's five Borough Presidents.

To support the activities of the Board of Directors, the Agency 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 between NYCEDC and IDA, NYCEDC is to provide IDA with all the professional, administrative, and technical assistance it needs to accomplish its objectives.

The Agency assists industrial and commercial organizations primarily through "straight lease" transactional structures. The straight lease provides tax benefits to the participating organizations (the Project Companies) to incentivize the acquisition and capital improvement of facilities that they own or occupy. The Agency may also assist Project Companies with long-term, low-cost financing for capital assets through a financing transaction (the Financing Transaction), which includes the issuance of double and triple tax-exempt private activity bonds (PABs). However, apart from the issuance of bonds to refund governmental bonds (including bonds for Yankee Stadium, LLC and Queens Baseball Stadium), the Agency has chosen not to issue new bonds. The Project Companies, in addition to satisfying legal requirements under the Agency's governing laws, must meet certain economic development criteria. In addition to the issuance of tax-exempt and taxable bonds for certain transactions, the Agency may provide one or more of the following tax benefits: partial exemption from mortgage recording tax; payments in lieu of real property taxes (PILOT) that are less than full taxes; and exemption from City and State sales and use taxes as applied to construction materials and machinery and equipment. For more detailed information, please refer to the following website: <https://www.edc.nyc/nycida/financial-public-documents>.

New York City Industrial Development Agency
(A Component Unit of The City of New York)

Notes to Financial Statements (continued)

New York City Industrial Development Agency
(A Component Unit of The City of New York)

Notes to Financial Statements (continued)

1. Background and Organization (continued)

In the past, the Agency issued PABs. The PABs are special non-recourse conduit debt obligations of the Agency which are payable solely from the rents and revenues provided for in the lease (Financing Lease) to the Project Company. The PABs are secured by a collateral interest in the Financing Lease, the Project Company's project property and, in certain circumstances, by guarantees from the beneficiary's principals or affiliates or other forms of additional security. Both the PABs and certain provisions of the Financing Lease are administered by an independent bond trustee appointed by the Agency.

When the Agency issues PABs, the proceeds of the PAB financing are conveyed to an independent bond trustee for disbursement to the Project Company. The Project Company leases the project or other collateral to the Agency for a nominal sum and the Agency, in turn, leases the property or other collateral back to the Project Company for a period concurrent with the maturity of the related PAB or the term of the tax benefits. Rental payments are calculated to be sufficient to meet the debt service obligation on the PAB. The Financing Lease includes a termination option, which allows the Project Company to cancel the Financing Lease for a nominal sum after satisfaction of all terms thereof.

The total governmental and PAB debt obligations outstanding totaled \$2.25 billion and \$2.33 billion for the years ended June 30, 2023 and 2022, respectively. For more detailed information, please refer to the following website: <https://www.edc.nyc/nycida/financial-public-documents>.

Due to the fact that: (1) the PABs are non-recourse conduit debt obligations to the Agency, (2) the Agency assigns its interest in the Financing Lease as collateral, and (3) the Agency has no substantive obligations under the Financing Lease (other than to convey back the project property at the end of the PAB term), the Agency has, in effect, none of the risks and rewards of the Financing Lease and related PAB financing. Accordingly, with the exception of certain fees derived from the Financing Transaction, the Financing Transaction itself is given no accounting recognition in the accompanying financial statements.

In addition to PAB financing, the Agency also issued governmental Tax-Exempt PILOT Revenue Bonds and Taxable Rental Revenue Bonds, Taxable Installment Purchase Bonds and Taxable Lease Revenue Bonds in connection with the construction of the new Yankee Stadium and Citi Field (the Stadia Projects). Yankee Stadium, LLC, a Delaware limited liability company, and Queens Ballpark, LLC, a New York limited liability company, undertook the design, development,

New York City Industrial Development Agency
(A Component Unit of The City of New York)

Notes to Financial Statements (continued)

1. Background and Organization (continued)

acquisition, and construction of the Stadia Projects. The Taxable Bonds are special limited obligations of the Agency and are payable solely from revenues derived from a Lease Agreement with Yankee Stadium, LLC and a Lease Agreement and Installment Sales Agreement with Queens Ballpark Company, LLC.

The governmental Tax-Exempt PILOT Bonds are special limited obligations of the Agency payable solely from PILOT revenues derived from PILOTs made by Yankee Stadium, LLC and Queens Ballpark Company, LLC. However, since the Tax-Exempt PILOT Bonds were issued to finance the construction of the Stadia and because the Agency is the legal owner of the Stadia, the Tax-Exempt PILOT Bonds had been recorded in the Agency's books and were reflected in its financial statements. In accordance with GASB Statement No. 91, *Conduit Debt Obligations*, the Tax-Exempt PILOT Bonds are given no accounting recognition in the accompanying financial statements. In addition, no commitments beyond the payments from the PILOT revenues were extended by the Agency for any of these bonds. At June 30, 2023 and 2022, the PILOT Bonds have an aggregate outstanding principal amount payable of \$1.58 billion and \$1.60 billion, respectively.

2. Summary of Significant Accounting Policies

Basis of Accounting

IDA is 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. (GAAP).

In accordance with GAAP, revenues are recognized in the period in which they are earned and expenses are recognized in the period in which they are incurred.

New York City Industrial Development Agency
(A Component Unit of The City of New York)

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Revenue and Expense Classification

Operating revenues consist of fee income from application fees, financing fees and compliance monitoring fees. Fees are recognized as earned. Compliance monitoring fees are received annually in advance, deferred, and amortized into income as earned.

Other operating income represents administrative fees and amounts, primarily penalties, associated with the recapture of IDA benefits remitted by certain beneficiaries. Recaptured IDA benefits represent the difference between the full tax amount and the amounts actually paid by beneficiaries and result from a beneficiary's violation of an IDA agreement.

Recaptured benefits are recorded net of amounts due to The City and The State. The related recapture benefits that are due to The City are recorded as other liabilities until such time as they are disbursed to The City. For the year ended June 30, 2023, IDA remitted \$0.3 million and zero to The City and The State, respectively, relating to recapture benefits. For the year ended June 30, 2022, IDA remitted \$3.3 million to The City and State relating to recapture benefits, of which approximately \$0.6 million was for The City. IDA's operating expenses include management fees and other administrative expenses. All other revenues and expenses not described above are considered non-operating.

Cash Equivalents

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

Investments

Investments held by the Agency are recorded at fair value.

Fiduciary Fund Statements

The Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position provide information on the Agency's fiduciary activities in Custodial Funds. The Custodial Funds report assets held by the Agency on behalf of The City. The Agency collects PILOT pursuant to the lease agreements between the Agency and its various lessees on behalf of The City and recognizes an offsetting liability payable to The City when the funds are received.

New York City Industrial Development Agency
(A Component Unit of The City of New York)

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Impact of Recently Adopted Accounting Standards

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The adoption of this statement did not have a significant impact on the Agency's financial statements.

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 Agency'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 a significant impact on the Agency's financial statements.

Upcoming Accounting Pronouncements

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 Agency is evaluating the impact this statement will have on its financial statements.

New York City Industrial Development Agency
(A Component Unit of The City of New York)

Notes to Financial Statements (continued)

3. Deposits and Investments

Deposits

At year-end, IDA's unrestricted balance held in bank was approximately \$0.8 million. Of this amount, \$250,000 was covered by the Federal Depository Insurance Corporation (FDIC) and the remaining balance was collateralized with securities held by the pledging financial institution.

Investments

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

	Fair Value		2023	
			Investment Maturities (In Years)	
	2023	2022	Less than 1	Greater than 1
Money Market	\$ 528	\$ 10	\$ 528	\$ —
Federal Home Loan Bank Notes	16,312	11,215	10,632	5,680
Federal Farm Credit Bank Notes	4,217	13,600	4,217	—
Federal Home Loan Mortgage Co. Certificates of Deposit	2,297	—	2,297	—
(over 90 days)	102	101	102	—
Total	23,456	24,926	\$ 17,776	\$ 5,680
Less: cash equivalents	(528)	(3,750)		
Total unrestricted investments	\$ 22,928	\$ 21,176		

Fair Value Measurement – The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into these levels. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

The Money Market Funds, categorized as Level 1, are valued at the unadjusted prices quoted in active principal markets for identical assets. U.S. Treasury and U.S. Agency securities, categorized as Level 2, are valued based on models using observable inputs. Certificates of deposit are valued at cost.

New York City Industrial Development Agency
(A Component Unit of The City of New York)

Notes to Financial Statements (continued)

3. Deposits and Investments (continued)

IDA's investment policy permits the Agency to invest in obligations of the United States, where the payment of principal and interest is guaranteed, or in obligations guaranteed by agencies of the United States. Other investments include certificates of deposit. All investments are either insured or registered and held by the Agency or its agent in the Agency's name.

Interest Rate Risk: The Agency has a formal investment policy which limits investment maturities 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 Agency's policy to limit its investments in debt securities to obligations of the United States and its agencies, and obligations of The State. As of June 30, 2023, the Agency's investments in Federal Home Loan Mortgage Co., Federal Home Loan Bank, and Federal Farm Credit Bank were rated AA+ by Standard & Poor's, Aaa by Moody's Investor Services, Inc. and AAA by Fitch Ratings.

Custodial Credit Risk: For investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the Agency will not be able to recover the value of its investments that are in the possession of the outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured or not registered in the name of the Agency and are held by either the counterparty or the counterparty's trust department or agent, but not in the Agency's name.

The Agency manages credit risk by limiting its custodial exposure to highly rated institutions and/or requiring high quality collateral to be held by the counterparty in the name of the Agency.

Concentration of Credit Risk: The Agency places no limit on the amount the Agency may invest in any United States 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 Home Loan Bank	\$	16,312	71.14%	\$	11,215	52.96%
Federal Farm Credit Bank		4,217	18.39		13,600	64.22
Federal Home Loan Mortgage Co.		2,297	10.02		—	—

New York City Industrial Development Agency
(A Component Unit of The City of New York)

Notes to Financial Statements (continued)

4. Management Fees and Other Charges

To support the activities of the IDA, the Agency annually enters into a contract with the NYCEDC. Under the terms set forth in the contract between NYCEDC and IDA, NYCEDC is to provide IDA with all the professional, administrative, and technical assistance it needs to accomplish its objectives. The fixed annual fee for these services is based on an agreement between NYCEDC and the Agency. Such annual fee amounted to \$4.4 million for the years ended June 30, 2023 and 2022.

5. Commitments

Pursuant to various approved agreements between IDA and NYCEDC, IDA was committed to pay for projects being performed by NYCEDC related to The City's commerce and industrial development (the special project commitments). The total special project commitments under these agreements amounted to approximately \$4.8 million, with an outstanding commitment obligation at June 30, 2023 of approximately \$2.1 million.

The Project Commitments, related approval dates, original and outstanding commitment balances are as follows (in thousands):

Project	Approval Date	Total Commitments	Life-to-date Expenditures	Current Total De-Obligate	Outstanding Commitment
Grocery Delivery Expansion	06/23/20	\$ 75	\$ 39	\$ (36)	\$ –
Childcare Innovation Initiative	1/19/21	100	75	–	25
Inwood Map Split Services	4/27/21	58	53	–	5
Brooklyn Wholesale Meat Market Engineering & Design Services	7/27/21	300	275	(25)	–
Citywide Umbrella Mitigation Bank & Bush Terminal Pier 7	11/16/21	200	110	–	90
Inwood Amended Drainage Plan	11/16/21	164	128	(36)	–
CUNY STEM Pedagogy Institute	3/8/22	295	295	–	–
Fullstack Cybersecurity Bootcamp Scholarships	4/26/22	400	389	–	11
New York PropTech Piloting Program	6/14/22	500	64	–	436
Venture Access NYC Pledge & Survey	7/26/22	275	104	–	171
Industrial Working Group Facilitation	7/26/22	55	55	–	–
Hunts Point Terminal Produce Market Freight Rail Study	9/20/22	111	33	–	78
Hunts Point Market Analysis	9/20/22	200	200	–	–
KingsBridge Armory Visioning	9/20/22	770	640	–	130
LifeSci NYC Internship Program	11/22/22	500	–	–	500
ConstructNYC Program	2/14/23	338	85	–	253
Circular Construction Design Guidelines	3/7/23	200	110	–	90
Vernon C. Bain Center Site Assessments	6/6/23	295	–	–	295
		<u>\$ 4,836</u>	<u>\$ 2,655</u>	<u>\$ (97)</u>	<u>\$ 2,084</u>

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

New York City Industrial Development Agency
(A Component Unit of The City of New York)

Notes to Financial Statements (continued)

5. Commitments (continued)

For the years ended June 30, 2023 and 2022, \$2.1 million and \$1.4 million, respectively, have been incurred by the Agency related to the above projects and are included in special project costs on the accompanying statements of revenues, expenses, and changes in net position.

6. Contingencies

IDA, and in certain situations as co-defendant with The City and/or NYCEDC, is involved in personal injury, environmental claims, and other miscellaneous claims and lawsuits. In many of these matters, there is liability coverage insuring IDA, and IDA's clients are, in any case, obligated to indemnify IDA. IDA is unable to predict the outcome of each of these matters but believes that IDA has meritorious defenses or positions with respect thereto. It is management's opinion that, except for the matters noted below, the ultimate resolution of these matters will not be material to IDA.

Management believes that the following matter could have a material adverse effect on IDA's operations:

By letters dated January 7, 2009, December 2, 2009, and a Consent Order dated May 22, 2013, the New York State Department of Environmental Conservation (DEC) has notified IDA that DEC will seek contribution from IDA in connection with the remediation, respectively, of three sites in Brooklyn, one site in Long Island City, and another site in Queens that are or were used by clients to which IDA has provided financial assistance. No estimate can be determined at this time. IDA does not carry insurance that would cover any such costs. If IDA is found to have liability, IDA would be entitled to indemnification from these clients. However, IDA believes that the remediation costs will be material and would exceed the clients' ability to meet their indemnity obligations.

IDA is unable to predict the outcome of the matter described above, but believes it has meritorious defenses with respect thereto.

7. Risk Management

IDA is exposed to various risks of loss-related torts; theft of, damage to, and destruction of, assets or property. IDA requires all beneficiaries to indemnify IDA and to purchase and maintain commercial liability and property insurance coverage for these risks and name IDA as an additional insured on liability policies. Settled claims resulting from these risks have not exceeded commercial insurance coverage provided by the beneficiaries in any of the past fiscal years. In addition, IDA is an additional named insured on NYCEDC's general liability policy.

I. 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
New York City Industrial Development Agency

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 business-type activities and the fiduciary activities of the New York City Industrial Development Agency (the Agency), a component unit of the City of New York, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic 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 Agency'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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency'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 New York City Industrial Development Agency

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		\$4,361,160.00
	Investments		\$17,248,122.00
	Receivables, net		\$212,767.00
	Other assets		\$0.00
	Total current assets		\$21,822,049.00
Noncurrent Assets			
	Restricted cash and investments		\$5,679,663.00
	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		\$5,679,663.00
Total assets			\$27,501,712.00
Liabilities			
Current Liabilities			
	Accounts payable		\$0.00
	Pension contribution payable		\$0.00
	Other post-employment benefits		\$0.00
	Accrued liabilities		\$71,984.00
	Deferred revenues		\$1,166,446.00
	Bonds and notes payable		\$0.00
	Other long-term obligations due within one year		\$4,706,214.00
	Total current liabilities		\$5,944,644.00
Noncurrent Liabilities			

Annual Report for New York City Industrial Development Agency

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			\$5,944,644.00
Net Asset (Deficit)			
Net Assets			
	Invested in capital assets, net of related debt		\$0.00
	Restricted		\$0.00
	Unrestricted		\$21,557,068.00
	Total net assets		\$21,557,068.00

SUMMARY STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS

			Amount
Operating Revenues			
	Charges for services		\$1,022,877.00
	Rental and financing income		\$0.00
	Other operating revenues		\$1,547,750.00
	Total operating revenue		\$2,570,627.00
Operating Expenses			
	Salaries and wages		\$0.00
	Other employee benefits		\$0.00
	Professional services contracts		\$4,400,000.00
	Supplies and materials		\$0.00
	Depreciation and amortization		\$0.00
	Other operating expenses		\$158,671.00
	Total operating expenses		\$4,558,671.00
Operating income (loss)			(\$1,988,044.00)
Nonoperating Revenues			
	Investment earnings		\$562,234.00
	State subsidies/grants		\$0.00
	Federal subsidies/grants		\$0.00

Annual Report for New York City Industrial Development Agency

Fiscal Year Ending: 06/30/2023

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

	Municipal subsidies/grants		\$0.00
	Public authority subsidies		\$0.00
	Other nonoperating revenues		\$0.00
	Total nonoperating revenue		\$562,234.00
Nonoperating Expenses			
	Interest and other financing charges		\$0.00
	Subsidies to other public authorities		\$0.00
	Grants and donations		\$0.00
	Other nonoperating expenses		\$2,052,242.00
	Total nonoperating expenses		\$2,052,242.00
	Income (loss) before contributions		(\$3,478,052.00)
Capital contributions			\$0.00
Change in net assets			(\$3,478,052.00)
Net assets (deficit) beginning of year			\$25,035,120.00
Other net assets changes			\$0.00
Net assets (deficit) at end of year			\$21,557,068.00

Exhibit B

**NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY
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 New York City Industrial Development Agency hereby approves the Investment Report for the fiscal year ended June 30, 2023 annexed hereto (including all attachments, schedules and exhibits thereto).

**NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY
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 the New York City Industrial Development Agency (the “Agency”), as approved by the Agency’s Board of Directors on June 6, 2023 (the “Investment Policy”). The Investment Policy approved by the Agency’s Board of Directors on June 6, 2023 did not contain any substantive amendments as compared to the Investment Policy approved by the Agency’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 \$544,681 for the fiscal year ended June 30, 2023.

Fees, Commissions and Other Charges

The Agency 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.

**NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY
COMPREHENSIVE INVESTMENT GUIDELINES POLICY
Adopted June 13, 2006; 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 the New York City Industrial Development Agency (the “Agency”).

II. GENERAL PROVISIONS

A. Scope of Policy

This Policy applies to the funds of the Agency 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 the Agency on its own behalf and for its own account (collectively, the “Funds”). As defined herein, “Funds” shall not include the proceeds of bonds issued by the Agency as financial assistance in connection with a project under the General Municipal Law (as such terms are defined in the General Municipal Law).

B. Investment Objectives

The Funds shall be managed to accomplish the following objectives:

1. *Preservation of Principal* – The single most important objective of the Agency’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 the Agency.
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.
4. *Compliance with law* – The Funds shall be managed in compliance with Sections 10, 11 and 858-a(3) of the General Municipal Law of the State of New York (respectively, the “GML” and the “State”).

III. IMPLEMENTATION

Under the direction of the Chief Financial Officer of the Agency, the Treasurer of the Agency and any Assistant Treasurer of the Agency (respectively, the “Chief Financial Officer,” the “Treasurer,” and an “Assistant Treasurer”) shall be responsible for the implementation of the Agency’s investment program and the establishment of investment procedures and a system of controls to regulate the activities of subordinate staff, consistent with this Policy. The Treasurer

or an Assistant Treasurer shall additionally have the authority to invest the Funds of the Agency and shall invest prudently and in accordance with the requirements of this Policy.

IV. AUTHORIZED DEPOSITS

A. Authorized Institutions for Deposit

In accordance with relevant provisions of the General Municipal Law, the Board of Directors must designate one or more banks or trust companies for the deposit of Funds (“Designated Institution(s)”), and shall additionally specify the maximum amount of Funds which may be deposited in each such Designated Institution.

Accordingly: I. the Board of Directors hereby designates as the Designated Institutions, those banks and/or trust companies that, from time to time, the City of New York shall have designated, or shall have been permitted to designate, for the deposit of the City’s funds; II. the Board of Directors hereby determines and specifies that each account of the Agency at any such Designated Institution, shall be subject to a maximum deposit amount and that such amount shall be, for purposes of day-to-day operations, no greater than five million dollars, and for purposes of extraordinary receipts having a deposit duration of no longer than two business days, no greater than ten million dollars.

B. Deposits; Responsibility for Making Deposits

The Agency shall cause Funds potentially needed for immediate expenditure to be deposited at Designated Institutions in accounts that permit nearly immediate withdrawal (“Deposit Accounts”). The Chief Financial Officer, the Treasurer, an Assistant Treasurer, or any other officer of the Agency authorized to have custody of the Funds, shall be responsible for depositing the Funds in accordance with this Section IV.

C. Collateral

In the event that the Funds on deposit in any one Deposit Account exceed the amount that is insurable by the Federal Deposit Insurance Act, as now or hereafter amended, such excess shall be secured by collateral in accordance with the requirements of GML Section 10(3).

V. AUTHORIZED TEMPORARY INVESTMENTS

A. Responsibility for Temporary Investments

In accordance with relevant provisions of the General Municipal Law, the Board of Directors may delegate the authority to temporarily invest such portion of the Funds as are not needed for immediate expenditure. Accordingly, the Board of Directors hereby delegates to the Chief Financial Officer and, if under the direction of the Chief Financial Officer, to the Treasurer and any Assistant Treasurer, the authority to temporarily invest such portion of the Funds not needed for immediate expenditure; *provided*, such investments are made in accordance with the requirements of relevant provisions of the General Municipal Law.

B. Permitted Temporary Investments

Permitted temporary investments for the Funds are the investments permitted under Section 11 of the GML (The securities purchased as temporary investments for the Funds are hereinafter referred to as the “Securities.”)

C. Requirements

The Agency shall instruct its Agents (as such term is defined in Subdivision XI 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.

All Securities of the Agency shall be purchased, sold, payable, paid, redeemed, delivered, registered, inscribed, held in custody, and co-mingled or not co-mingled in accordance with the requirements and limitations of the GML.

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

VI. WRITTEN CONTRACTS

The Agency 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.

VII. 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 for the indicated category of security is as follows:

SECURITIES	MAXIMUM
Time deposits and certificates of deposit permitted under the GML provided same are secured by <i>eligible securities</i> as defined under the GML	45%
Obligations of the USA; obligations of agencies of the USA if guaranteed by the USA	100%
Obligations of New York State	40%

VIII. INVESTMENT MATURITIES

Maintenance of adequate liquidity to meet the cash flow needs of the Agency is essential. Accordingly, the Agency's portfolio of Permitted Investments 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 IX below.

IX. MONITORING AND ADJUSTING THE INVESTMENT PORTFOLIO

Those responsible for the day-to-day management of the Agency's portfolio of Permitted Investments 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 VII and/or VIII 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 VII and/or VIII should not vary materially from current guidelines in amounts or duration.

X. INTERNAL CONTROLS

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.

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

XII. REPORTING

A. Quarterly

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

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

XIV. 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.

XV. PRIOR POLICIES

This Policy, when originally adopted on June 13, 2006, superseded the *Deposit and Investment Policy* that the Board of Directors adopted at its meeting held on July 9, 1996. This Policy does not supersede, in any relevant part, the amended By-Laws of the Agency.

XVI. AUTOMATIC AMENDMENT

This Policy shall be deemed automatically amended to conform with enactments that amend or succeed any of GML Sections 10, 11 or 858-a(3).

XVII. MWBEs

The Agency shall seek to encourage participation by minority and women-owned business enterprises (i.e., “MWBEs”) in providing financial services to the Agency.

SCHEDULE II

RESULTS OF ANNUAL INDEPENDENT AUDIT

Attached.

SCHEDULE OF INVESTMENTS

New York City Industrial Development Agency
(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

New York City Industrial Development Agency
(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
New York City Industrial Development Agency

Report on the Audit of the Schedule of Investments

Opinion

We have audited the Schedule of Investments of the New York City Industrial Development Agency (the Agency), 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 Agency 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 Agency, 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 Agency'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 Agency'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 Agency 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 Agency'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 Agency'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 Agency's internal control over financial reporting and compliance with respect to the schedule.

_____, 2023

New York City Industrial Development Agency
(A Component Unit of The City of New York)

Schedule of Investments
(In Thousands of Dollars)

	June 30	
	2023	2022
Investments		
Unrestricted	\$ 23,456	\$ 24,926
Total investments	<u>\$ 23,456</u>	<u>\$ 24,926</u>

The accompanying notes are an integral part of this schedule.

New York City Industrial Development Agency
(A Component Unit of The City of New York)

Notes to Schedule of Investments

June 30, 2023

1. Background and Organization

The New York City Industrial Development Agency (IDA or the Agency), a component unit of The City of New York (The City) for financial reporting purposes of The City, is a public benefit corporation of the State of New York (the State). IDA was established in 1974 to actively promote, retain, attract, encourage and develop an economically sound commerce and industry base to mitigate unemployment and economic deterioration in The City.

The Agency is governed by a Board of Directors, which establishes official policies and reviews and approves applications for financial assistance. Its membership is prescribed by statute and includes a public official and mayoral appointees. Five of the mayoral appointees are appointed by the Mayor after nominations by The City's five Borough Presidents.

To support the activities of the Board of Directors, the Agency 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 between NYCEDC and IDA, NYCEDC is to provide IDA with all of the professional, administrative, and technical assistance it needs to accomplish its objectives.

The Agency assists industrial and commercial organizations primarily through "straight lease" transactional structures. The straight lease provides tax benefits to the participating organizations (the Project Companies) to incentivize the acquisition and capital improvement of facilities that they own or occupy. The Agency may also assist Project Companies with long-term, low-cost financing for capital assets through a financing transaction (the Financing Transaction), which includes the issuance of double and triple tax-exempt private activity bonds (PABs). However, apart from the issuance of bonds to refund governmental bonds, the Agency has chosen not to issue new bonds. The Project Companies, in addition to satisfying legal requirements under the Agency's governing laws, must meet certain economic development criteria. In addition to the issuance of tax-exempt and taxable bonds for certain transactions, the Agency may provide one or more of the following tax benefits: partial exemption from mortgage recording tax; payments in lieu of real property taxes (PILOT) that are less than full taxes; and exemption from City and State sales and use taxes as applied to construction materials and machinery and equipment.

New York City Industrial Development Agency
(A Component Unit of The City of New York)

Notes to Schedule of Investments (continued)

1. Background and Organization (continued)

In the past, the Agency issued PABs. The PABs are special non-recourse conduit debt obligations of the Agency which are payable solely from the rents and revenues provided for in the lease (Financing Lease) to the Project Company. The PABs are secured by a collateral interest in the Financing Lease, the Project Company's project property and, in certain circumstances, by guarantees from the beneficiary's principals or affiliates or other forms of additional security. Both the PABs and certain provisions of the Financing Lease are administered by an independent bond trustee appointed by the Agency.

When the Agency issues PABs, the proceeds of the PAB financing are conveyed to an independent bond trustee for disbursement to the Project Company. The Project Company leases the project or other collateral to the Agency for a nominal sum and the Agency, in turn, leases the property or other collateral back to the Project Company for a period concurrent with the maturity of the related PAB or the term of the tax benefits. Rental payments are calculated to be sufficient to meet the debt service obligation on the PAB. The Financing Lease includes a termination option, which allows the Project Company to cancel the Financing Lease for a nominal sum after satisfaction of all terms thereof.

Due to the fact that: (1) the PABs are non-recourse conduit debt obligations to the Agency, (2) the Agency assigns its interest in the Financing Lease as collateral, and (3) the Agency has no substantive obligations under the Financing Lease (other than to convey back the project property at the end of the PAB term), the Agency has, in effect, none of the risks and rewards of the Financing Lease and related PAB financing. Accordingly, with the exception of certain fees derived from the Financing Transaction, the Financing Transaction itself is given no accounting recognition in the financial statements of the Agency.

In addition to PAB financing, the Agency also issued governmental Tax-Exempt PILOT Revenue Bonds, Taxable Rental Revenue Bonds, Taxable Installment Purchase Bonds and Taxable Lease Revenue Bonds in connection with the construction of the new Yankee Stadium and Citi Field (the Stadia Projects). Yankee Stadium, LLC, a Delaware limited liability company, and Queens Ballpark, LLC, a New York limited liability company, undertook the design, development, acquisition, and construction of the Stadia Projects. The Taxable Bonds are special limited obligations of the Agency and are payable solely from revenues derived from a Lease Agreement with Yankee Stadium, LLC and a Lease Agreement and Installment Sales Agreement with Queens Ballpark Company, LLC.

New York City Industrial Development Agency
(A Component Unit of The City of New York)

Notes to Schedule of Investments (continued)

2. Summary of Significant Accounting Policies

Investments

Investments held by IDA are measured at fair value.

3. Investments

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

	Fair Value		2023 Investment Maturities (In Years)	
	2023	2022	Less Than 1	Greater Than 1
Money Market Funds	\$ 528	\$ 10	\$ 528	\$ —
Federal Home Loan Bank Notes	16,312	11,215	10,632	5,680
Federal Farm Credit Bank Notes	4,217	13,600	4,217	—
Federal Home Loan Mortgage Co.	2,297	—	2,297	—
Certificates of Deposit (over 90 days)	102	101	102	—
Total	<u>\$ 23,456</u>	<u>\$ 24,926</u>	<u>\$ 17,776</u>	<u>\$ 5,680</u>

Fair Value Measurement – The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into these levels. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs and Level 3 inputs are significant unobservable inputs.

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

IDA's investment policy permits the Agency to invest in obligations of the United States, where the payment of principal and interest is guaranteed, or in obligations guaranteed by agencies of the United States. Other investments include certificates of deposit. All investments are either insured or registered and held by the Agency or its agent in the Agency's name.

New York City Industrial Development Agency
(A Component Unit of The City of New York)

Notes to Schedule of Investments (continued)

3. Investments (continued)

Interest Rate Risk: The Agency has a formal investment policy, which limits investment maturities 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 Agency's policy to limit its investments in debt securities to obligations of the United States and its agencies, and obligations of the State. As of June 30, 2023, the Agency's investments in Federal Home Loan Mortgage Co., Federal Home Loan Bank and Federal Farm Credit Bank were rated AA+ by Standard & Poor's, Aaa by Moody's Investors Service, Inc. and AAA by Fitch Ratings.

Custodial Credit Risk: For investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the Agency will not be able to recover the value of its investments that are in the possession of the outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured or not registered in the name of the Agency and are held by either the counterparty or the counterparty's trust department or agent, but not in the Agency's name.

The Agency manages this credit risk by limiting its custodial exposure to highly rated institutions and/or requiring high quality collateral to be held by the counterparty in the name of the Agency.

Concentration of Credit Risk: The Agency places no limit on the amount the Agency may invest in any United States 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 Home Loan Bank	\$	16,312	69.54%	\$ 11,215 44.99%
Federal Farm Credit Bank		4,217	17.98	13,600 54.56
Federal Home Loan Mortgage Co		2,297	9.79	— —

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
New York City Industrial Development Agency

We have audited, in accordance with the 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 New York City Industrial Development Agency (the Agency), 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 Agency'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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 Agency'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

NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY
Performance Measurements Report
Board of Directors Meeting
September 19, 2023

WHEREAS, the Public Authorities Law requires the New York City Industrial Development Agency (“IDA” or the “Agency”) to publish a self-evaluation report based on performance measurements adopted by the Board of Directors of the Agency (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 Agency to publish the Performance Measurements Report on the Agency’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.

Performance Measurements Report for Fiscal Year 2023

Name of Public Authority:

New York City Industrial Development Agency (NYCIDA)

Public Authority's Mission Statement:

The mission of the New York City Industrial Development Agency (NYCIDA) is to encourage economic development throughout the five boroughs, and to assist in the retention of existing jobs, and the creation and attraction of new ones.

List of Performance Measurements:

Performance Measurements	FY2023 7/1/22 – 6/30/23	FY2022 7/1/21 – 6/30/22
Number of Contracts Closed	8	9
Amount of Private Investment Leveraged	\$95,025,772	\$83,169,755
Total net City tax revenues generated in connection with closed contracts ¹	\$29,963,431	\$143,105,265
Project three-year job growth in connection with closed contracts	151.5	114.5
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	18,355 / 336 (+18,019)	23,194 / 92 (+23,102)
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	18,355 / 10,111 (+8,244)	23,194 / 13,326 (+9,868)
Square footage of buildings/improvements receiving benefits	111,331	780,966
Number of projects that received a field visit	62	22
% of projects that received a field visit	22%	7.6%
% of projects in good standing ⁴	98%	98%

¹ Represents projected net city tax revenues through contract maturity.

² Also includes projects that closed in FY2020 but commenced all operations prior to the closing date.

³ Also includes projects that closed in FY2020 but commenced all operations prior to the closing date.

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

Exhibit D

Project Summary

CM LIC Studios 30th Place LLC, a Delaware limited liability company (the “30th Place Company”), CM LIC Studios 30th Street II LLC, a Delaware limited liability company (the “30th Street II Company” and collectively with 30th Place Company, the “Companies”), and their affiliate, Cine Magic LIC Studios LLC, a New York limited liability company (the “Operator”), are television and motion picture studio developers and operators. The 30th Place Company seeks financial assistance in connection with the construction, furnishing and equipping of an approximately 98,000 square foot facility and an approximately 42,000 square foot below grade parking garage to be located on an approximately 42,130 square foot parcel of land in Long Island City, Queens, Tax Block 283 and Lot 50, currently known by the street address 47-04 30th Place (also known as 47-21 30th Street), Long Island City, New York, which land is bounded on the north by 47th Avenue; on the west by 30th Street; on the east by 30th Place and has a southern boundary located approximately mid-block between 47th Avenue and 48th Avenue (the “30th Place Facility”). The 30th Place Facility site will be long-term ground leased to 30th Place Company from a third-party owner for use as a full-service multimedia motion picture, television and media production facility including sound stages, studios and support space for pre-production, production and post-production (the “30th Place Project”).

The 30th Street II Company seeks financial assistance in connection with the acquisition, renovation, furnishing and equipping of an approximately 52,500 square foot facility and an approximately 5,000 square foot parking lot located on an approximately 56,100 square foot parcel of land at 47-50 30th Street, Long Island City, New York (the “30th Street II Facility” and collectively with the 30th Place Facility, the “Facilities”). The 30th Street II Facility will be owned by the 30th Street II Company and leased to the Operator for use as an expansion and support space, including construction workshop, scenic and wardrobe space, set dressing and cafeteria, storage as well as possible sound stages for the Operator’s existing full-service multimedia motion picture, television and media production facility located across the street from the 30th Street II Facility (the “30th Street II Project” and collectively with the 30th Place Project, the “Projects”).

Project Locations**CM LIC Studios 30th Place LLC**

47-04 30th Place
Long Island City, New York 11101

CM LIC Studios 30th Street II LLC

47-50 30th Street
Long Island City, New York 11101

Actions Requested

- Inducement Resolution for an Industrial Program transaction for the 30th Place Project.
- Inducement and Authorizing Resolution for the 30th Street II Project.
- Adopt a Negative Declaration for the Projects. The Projects will not have a significant adverse effect on the environment.

Anticipated Closing

Fall 2023 (30th Street II Project) and Summer 2024 (30th Place Project)

Impact Summary

30th Place Project:

Employment	
Jobs at Application:	0
Jobs to be Created at Project Location (Year 3):	4
Total Jobs (full-time equivalents)*:	4
Projected Average Hourly Wage (excluding principals):	\$31.25
Highest/Lowest Hourly Wage:	\$50.00/\$25.00

**Note: The cost-benefit analysis incorporates a projection of 167 jobs created by tenants at the 30th Place Facility.*

Estimated City Tax Revenues	
Impact of Operations (NPV 25 years at 6.25%)	\$8,781,715
One-Time Impact of Renovation	\$4,993,308
Total impact of operations and renovation	\$13,775,023
Additional benefit from jobs to be created	\$25,324,827

Estimated Cost of Benefits Requested: New York City	
Building Tax Exemption (NPV, 25 years at 6.25%)	\$6,682,221
Land Tax Abatement (NPV, 25 years at 6.25%)	\$1,451,789
MRT Benefit	\$926,250
Sales Tax Exemption	\$2,063,019
Agency Financing Fee	(\$827,500)
Total Value of Benefits provided by Agency	\$10,295,779
Available As-of-Right Benefits (ICAP)	\$3,778,191
Agency Benefits in Excess of As-of-Right Benefits	\$6,517,588

Costs of Benefits Per Job	
Estimated Total Cost of Benefits per Job	\$38,115
Estimated City Tax Revenue per Job	\$228,654

Note: This calculation is based on the total number of direct and indirect jobs projected.

Estimated Cost of Benefits Requested: New York State	
MRT Benefit	\$498,750
Sales Tax Exemption	\$2,005,713
Total Cost to NYS	\$2,504,463
Overall Total Cost to NYC and NYS	\$12,800,242

Sources and Uses

Sources	Total Amount	Percent of Total Financing
Commercial Loan	\$57,000,000	70%
Equity Contribution	\$25,000,000	30%
Total	\$82,000,000	100%

Uses	Total Amount	Percent of Total Costs
Land and Building Acquisition	\$3,000,000	4%
Construction Hard Costs	\$58,000,000	71%
Construction Soft Costs	\$9,500,000	12%
FF&E and M&E	\$1,500,000	2%
Closing Fees	\$10,000,000	12%
Total	\$82,000,000	100%

30th Street II Project:

Employment	
Jobs at Application:	0
Jobs to be Created at Project Location (Year 3):	2
Total Jobs (full-time equivalents)*:	2
Projected Average Hourly Wage (excluding principals):	\$37.50
Highest/Lowest Hourly Wage:	\$50.00/\$25.00

**Note: The cost-benefit analysis incorporates a projection of 89 jobs created by tenants at the 30th Street II Facility.*

Estimated City Tax Revenues	
Impact of Operations (NPV 25 years at 6.25%)	\$5,321,073
One-Time Impact of Renovation	\$634,346
Total impact of operations and renovation	\$5,955,419
Additional benefit from jobs to be created	\$16,086,137

Estimated Cost of Benefits Requested: New York City	
Building Tax Exemption (NPV, 25 years at 6.25%)	\$1,807,019
Land Tax Abatement (NPV, 25 years at 6.25%)	\$1,666,293
MRT Benefit	\$227,500
Sales Tax Exemption	\$50,400
Agency Financing Fee	(\$26,250)
Total Value of Benefits provided by Agency	\$3,724,962
Available As-of-Right Benefits (ICAP)	\$712,914
Agency Benefits in Excess of As-of-Right Benefits	\$3,012,048

Costs of Benefits Per Job	
Estimated Total Cost of Benefits per Job	\$33,009
Estimated City Tax Revenue per Job	\$242,215

Note: This calculation is based on the total number of direct and indirect jobs projected.

CM LIC Studios 30th Place LLC and CM LIC Studios 30th Street II LLC

Estimated Cost of Benefits Requested: New York State	
MRT Benefit	\$122,500
Sales Tax Exemption	\$49,000
Total Cost to NYS	\$171,500
Overall Total Cost to NYC and NYS	\$3,896,462

Sources and Uses

Sources	Total Amount	Percent of Total Financing
Commercial Mortgage	\$13,500,000	64%
Equity Contribution	\$7,600,000	36%
Total	\$21,100,000	100%

Uses	Total Amount	Percent of Total Costs
Land and Building Acquisition	\$19,100,000	91%
Construction Hard Costs	\$1,400,000	7%
Construction Soft Costs	\$100,000	< 1%
Closing Fees	\$500,000	2%
Total	\$21,100,000	100%

Fees

30 th Place Project	Paid At Closing	On-Going Fees (NPV, 25 Years)
Agency Fee	\$827,500	
Project Counsel	Hourly	
Annual Agency Fee	\$1,250	\$15,865
Total	\$828,750	\$15,865
Total Fees	\$844,615	

30 th Street II Project	Paid At Closing	On-Going Fees (NPV, 25 Years)
Agency Fee	\$26,250	
Project Counsel	\$25,000	
Annual Agency Fee	\$750	\$9,519
Total	\$52,000	\$9,519
Total Fees	\$61,519	

Financing and Benefits Summary

The estimated cost of the 30th Place Project is \$82,000,000. It is expected that the 30th Place Project will be financed with \$25,000,000 in equity and \$57,000,000 from a commercial bank loan. The anticipated delivery of a commitment from a bank lender to the 30th Place Company is Summer 2024, at which time the 30th Place Company will seek authorization from the Agency's Board of Directors.

CM LIC Studios 30th Place LLC and CM LIC Studios 30th Street II LLC

The estimated cost of the 30th Street II Project is \$21,100,000. The 30th Street II Project is being financed with \$7,600,000 in equity and \$13,500,000 in a commercial mortgage loan from Metropolitan Commercial Bank. The equity contribution is a combination of equity from the Operator and an investment partner, G-WB Portfolio Holdings Inc. The term of the Metropolitan Commercial Bank loan will be 36 months with two, 12-month extension options. The interest rate is fixed two days prior to closing at 3-year UST plus 380 BPS, with a floor of 8.15% (indicative rate of 8.5% as of 9/8/2023). The rate will reset for the 12-month extension options and will be fixed at 1-year UST plus 390 BPS with a floor of 7.75%. The loan will be interest only for the initial 2 years of the loan term, followed by a 25-year amortization schedule, thereafter, including extension options if exercised. The loan will be secured by: (i) first mortgage lien on the land and improvements of the 30th Street II Facility; (ii) an assignment of all leases and rents with respect to the 30th Street II Facility; (iii) collateral assignment of any plans, permits, or contracts for current or future development or construction of the 30th Street II Facility; and (iv) guarantees from John Shannon and G-WB Portfolio Holdings Inc. (principals of the 30th Street II Company).

The financial assistance proposed to be conferred by the Agency for both Projects will consist of payments in lieu of City real property taxes, partial exemptions from City and State mortgage recording taxes and exemptions from City and State sales and use taxes.

Company Performance and Projections

The 30th Place Project will involve construction, furnishing and equipping of a sound studio and support facility in addition to a below grade parking garage. The 30th Place Facility will be controlled pursuant to a 99-year ground lease from a third-party owner, inclusive of options. The 30th Place Facility will be comprised of multiple studios, including large and smaller formats to provide for a diverse client base. The 30th Place Facility will have approximately 45,000 square feet of sound stages, 50,000 square feet of support space and 42,000 square feet of parking that can accommodate approximately 75 to 125 parking spaces depending on the final design. The sound stages will consist of approximately six studios ranging between 2,800 square feet and up to 16,000 square feet. Additionally, the 30th Place Company will pursue energy efficiency improvements which will include the possible addition of solar panels.

The 30th Street II Project will involve the acquisition, renovation, furnishing and equipping of a sound studio and support facility in addition to an above grade parking lot. The above grade parking lot near the rear of the 30th Street II Facility can accommodate approximately 40 parking spaces. The 30th Street II Company will renovate the existing, vacant building and install a sub slab depressurization system (SSDS) making it suitable to serve as an expansion and support space for the affiliated studio located across the street. Additional improvements planned at the 30th Street II Facility include: (i) roof work, (ii) interior and exterior painting, (iii) expansion of loading areas, (iv) redesign of interior space to create more open layouts and (v) plumbing and electrical upgrades.

Existing demand for additional space from current clients of the Companies, the Operator and their affiliates (collectively, "Cine Magic Companies"), coupled with the growing demand from the industry more broadly, has the Companies seeking expansion opportunities. The Projects will allow the Companies to meet this growing demand for film production and studio space in New York City. Prospective, past, and current clients of the Cine Magic Companies include Showtime Networks, HBO, NBC Universal, Paramount, Sony Pictures, Amazon Studios, Warner Brothers and 20th Century television. It is anticipated that the same clientele will be tenants at the Facilities.

Inducement

- I. The Projects would not be financially viable without Agency benefits.
- II. The Projects will create needed production and ancillary space for film companies in the City.
- III. The Companies have represented that the Facilities are important to their business plan and long term growth.

UTEP Considerations

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

- I. Financial assistance is required to induce each Project.
- II. Each Project will create permanent, private-sector jobs.
- III. Each Project involves the film production industry, which the Agency and the City seek to retain and foster.

Applicant Summary

The Companies are television and motion picture studio developers and operators and will be an expansion of the Cine Magic Companies' studio portfolio. The founder of the Cine Magic Companies has a 30-year history in the industry, starting as an equipment manufacturer and rental company of unique filming gear to television production professionals. Since the founding of the first of the Cine Magic Companies, dating back to 1993, the Cine Magic Companies have undergone two recent facility expansion projects. In 2012, the Cine Magic Companies expanded into Greenpoint, Brooklyn, adding over 110,000 square feet inclusive of sound stages, support space and parking. The facility now provides space and related services for over 300 jobs for the production tenant. In 2021, in connection with a straight-lease transaction with the Agency, the Operator expanded and opened a new studio in Long Island City, Queens, with the conversion of an existing warehouse into an approximately 67,000 square foot facility comprised of approximately 39,000 square feet of studio space and 28,000 square feet of support space. The Cine Magic Companies provide a broad range of production and related media support services, and licenses state-of-the-art production faculties, to the national television and film industry. To date, the Cine Magic Companies have constructed and managed over 325,000 square feet of sound stage space for the television and film industry. Showtime's *Billions* and *Ray Donovan*, which were shot at a Cine Magic Company's Greenpoint operation, and Hulu's *Only Murders in the Building*, shot at a Cine Magic Company's existing Long Island City operation, are examples of the shows filmed at the Cine Magic Companies' facilities.

Petros Kapsalis, President

Mr. Kapsalis is a founding member of the Cine Magic Companies, playing an instrumental role in their roots as an inventor and manufacturer of film technology beginning in 1993. Having the technical knowledge, creative insight and entrepreneurial outlook, Mr. Kapsalis, with his founding business partner, proceeded to invent, manufacture and market unique filming products such as the Revolution Lens System, the Cineward Lens and Ultra High Speed Effect Cameras. In the nearly 30 years that followed, the Cine Magic Companies have evolved into a highly established sound stage operation in New York City, servicing a number of industry leading clients. Mr. Kapsalis obtained a Bachelor of Fine Arts from the Pratt Institute.

John Shannon, Investor Member

Mr. Shannon has over 20 years of real estate experience in a variety of roles. Mr. Shannon started his career specializing in affordable housing on the equity side of a Real Estate Investment Trust specializing in affordable housing. He worked on a portfolio with equity values exceeding \$100 million. For a period of 10 years between 2011 and 2020, Mr. Shannon was involved in New York City development including the acquisition, capitalization, asset and project development of a portfolio of assets of more than 20 buildings comprising more than 4.5 million square feet. Since 2021, Mr. Shannon has focused on industrial assets, sound stages and multifamily housing, including ownership and asset management and a successful sound stage and studio development in Long Island City. Mr. Shannon obtained a Bachelor of Business Administration from The George Washington University with a concentration in Finance and a Master's in Urban Planning from New York University.

Michael Vicarelli, Vice President

Mr. Vicarelli, an advertising director and friend of Mr. Kapsalis, became an investment partner in the Cine Magic partnership group in 2008. The partners, sharing the common interest of capitalizing off the success of their business by continually expanding, allocated their resources to the commercial construction of residences. In 2015, for the purpose of developing an owner-operated multi-unit residence on a desirable property in Brooklyn's Coney Island, 1613 Mermaid Realty and Mermaid General Contracting were started. Mr. Vicarelli has been involved in the Cine Magic partnership group since 2008 through multiple expansions and currently serves as Vice President. Mr. Vicarelli obtained a Bachelor of Arts from the Fashion Institute of Technology.

Employee Benefits

The Companies offer health care coverage, vacation time, year-end bonuses and on-the-job skills training. Typical production subtenants average around 80% union membership, with benefits including healthcare, employer contributions to retirement plans and on-the-job skills training.

Recapture

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

SEQRA Determination

Unlisted actions which if implemented will not result in significant adverse environmental impacts. The completed Environmental Assessment Form for each Project has been reviewed and signed by Agency staff.

Due Diligence

The Agency conducted a background investigation of the Companies, the Operator, and their respective principals and found no derogatory information.

Compliance Check:	Compliant
Living Wage:	Compliant
Paid Sick Leave:	Compliant
Affordable Care Act:	Not Applicable
Bank Account:	TD Bank, N.A.
Bank Check:	Relationships are reported to be satisfactory
Supplier Checks:	Relationships are reported to be satisfactory
Customer Checks:	Relationships are reported to be satisfactory
Unions:	Not Applicable
Background Check:	No derogatory information was found
Attorneys:	Marc Becker (30 th Place Company) Goldfarb & Fleece LLP 560 Lexington Avenue

CM LIC Studios 30th Place LLC and CM LIC Studios 30th Street II LLC

New York, New York 10022

Sean Garahan (30th Street II Company)
Nixon Peabody LLP
55 West 46th Street
New York, New York 10036

Accountants:

Keith Devisser, CPA (30th Place Company)
Eisner Advisory Group
733 Third Avenue
New York, New York 10017

Aaron Cywiak, CPA (30th Street II Company)
Cywiak & Company LLP
19 West 44th Street, Suite 510
New York, New York 10036

Community Board:

Queens Community Board #2

September 5, 2023

Mrs. Emily Marcus Falda, Executive Director
New York City Industrial Development Agency
One Liberty Plaza
New York, NY 10006

INDUCEMENT LETTER

CM LIC Studios 30th Place, LLC (“the Applicant”) and its group has over 26 years of operating businesses in the film industry, under the Cine Magic brand. The founders started as equipment manufacturers and suppliers of unique filming gear to television professionals; thereafter opening its first studio in 2006, Cine Magic has since opened other studios including the 110,000 square feet in Greenpoint, a studio that is still operational under a lease with several years remaining, home to “Showtime’s Billions”, helping contribute to create more than 300 production jobs. In 2021, Cine Magic opened a studio of approximately 67,000 square feet in Long Island City, which is home to Hulu’s Only Murder’s in the Building generating approximately 800 full and part-time jobs.

The Applicant and its affiliates are a motion picture and television studio developer and operator looking to expand upon its affiliated studios and create long term ownership of studios that expand beyond the mid-range lease terms of the past (10-15 years) with a ground lease with renewal options that extend up to 99 years. The Applicant will be investing significant capital into the Project to create a best-in-class tv and film production hub comprising studios/sound stages and support as well as parking of approximately 140,000 square foot project including studios, support, and parking on a 42,000 lot located contiguous to the existing LIC studio operation. The contemplated investment is approximately \$82 Million and is anticipated to create more than 630 full- and part-time jobs not including any construction jobs. The investment is significant as the project needs to incorporate a below grade parking garage to accommodate the parking needs of the studio and neighboring studio operation (excavation/remediation costs will be significant).

Absent the incentives, the contemplated remediation costs and the current financial environment (capital markets), the project would not be financially feasible. By way of example, our studio in Greenpoint experiences a more than 700% increase in real estate taxes from 2012 to 2019. The contemplated incentives will assist in reducing project costs as well as lowering on-going operational expenses to provide for an attractive financial return to attract the requisite debt and equity needs for the project. With the contemplated incentives, our project will be financially feasible, and it will assist us in providing community benefits as a result that may be utilized to create positive economic development, job and diversity training.

The project will have an impact on NYC’s economy by providing much needed production space and high paying salaries within the industry as an indirect result of the contemplated development project. The

project's business model is otherwise known to create positive business and employment separate of the operation itself -restaurants, retail stores, and service industries near the studio facilities often thrive as a result of the increased presence within the neighborhoods.

Applicant Signature:

A handwritten signature in black ink that reads "John Shannon". The script is cursive and fluid, with the first letters of each word being capitalized and prominent.

John Shannon, Authorized Signatory
CM LIC Studios 30th Place LLC

September 5, 2023

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

INDUCEMENT LETTER

CM LIC Studios 30th Street II, LLC (“the Applicant”) and its group has over 26 years of operating businesses in the film industry, under the Cine Magic brand. The founders started as equipment manufacturers and suppliers of unique filming gear to television professionals; thereafter opening its first studio in 2006, Cine Magic has since opened other studios including the 110,000 square feet in Greenpoint, a studio that is still operational under a lease with several years remaining, home to “Showtime’s Billions”, helping contribute to create more than 300 production jobs. In 2021, Cine Magic opened a studio of approximately 67,000 square feet in Long Island City, which is home to Hulu’s Only Murder’s in the Building generating approximately 800 full and part-time jobs.

The Applicant and its affiliates are a motion picture and television studio developer and operator looking to expand upon its affiliated studios and ownership of studios and support space beyond the conventional mid-range lease terms of the past (10-15 years) with the purchase, redevelopment and lease-up of an adjacent building, that has sat vacant for over 4 years, into support space for its existing studio located at 30-15 48th Avenue. The Applicant will be investing capital into the Project to generate the ability to occupy the space (curtail the vapor issues emanating from the soil) and create a best-in-class tv and film production hub comprising studios/sound stages and support as well as parking of approximately 52,500 square foot project including studios, support, and parking on a 56,100 lot located contiguous to the existing LIC studio operation. The contemplated investment is approximately \$21.1 Million and is anticipated to create more than 50 full- and part-time jobs not including any construction jobs.

Absent the incentives, the contemplated remediation costs and the current financial environment (capital markets), the project would not be financially feasible as the cost of property debt is very expensive. By way of example, the Cine Magic studio in Greenpoint experiences a more than 700% increase in real estate taxes from 2012 to 2019. The contemplated incentives will assist in reducing project costs as well as lowering on-going operational expenses to provide for an attractive financial return to attract the requisite debt and equity needs for the project. With the contemplated incentives, our project will be financially feasible, and it will assist us in providing community benefits as a result that may be utilized to create positive economic development, job and diversity training.

The project will have an impact on NYC’s economy by providing much needed production space and high paying salaries within the industry as an indirect result of the contemplated development project. The project’s business model is otherwise known to create positive business and employment separate of

the operation itself -restaurants, retail stores, and service industries near the studio facilities often thrive as a result of the increased presence within the neighborhoods.

Applicant Signature:

A handwritten signature in black ink that reads "John Shannon". The script is fluid and cursive, with the first letters of "John" and "Shannon" being capitalized and prominent.

John Shannon
CM LIC Studios 30th Street II LLC

Exhibit E

Resolution inducing the financing of an industrial facility for CM
LIC Studios 30th Place LLC as a Straight-Lease Transaction

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

WHEREAS, CM LIC Studios 30th Place LLC, a Delaware limited liability company (the “Applicant”), has entered into negotiations with officials of the Agency for the construction, furnishing and equipping of an industrial facility (the “Facility”), consisting of an approximately 98,000 square foot structure and an approximately 42,000 square foot parking garage on an approximately 42,130 square foot parcel of land located at 47-04 30th Place, Long Island City, New York, all for the use by the Applicant in its operations as a state-of-the-art full-service multimedia motion picture, television and media production facility including sound stages, studios and support space for pre-production, production and post-production, for lease to the Agency by the Applicant, and sublease by the Agency to the Applicant, and having an approximate total project cost of approximately \$82,000,000 (the “Project”); and

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

WHEREAS, the Application sets forth certain information with respect to the Applicant and the Project, including the following: that the Applicant is a motion picture and television studio developer and operator; that the Applicant’s affiliate has been leasing space since 2012 in Greenpoint, Brooklyn, for sound stages and support space; that another of the Applicant’s affiliate, Cine Magic LIC Studios LLC entered into a straight-lease transaction in December 2021 with the Agency with respect to nearby space in Long Island City for sound stages, television studios, related office space; that the Applicant desires to expand and remain within The City of New York (the “City”); that the Applicant expects to employ approximately four full-time equivalent employees at the Facility; that the Applicant expects that users of the Facility not affiliated with the Applicant will employ approximately 167 employees at the Facility within three years of following the completion of the Project; that the Applicant must obtain Agency financial assistance in the form of a straight-lease transaction to enable the Applicant to proceed with the Project and thereby remain and expand its operations in the City; and that, based upon the financial assistance provided through the Agency, the Applicant desires to proceed with the Project and remain and expand its operations in the City; and

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

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

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

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

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

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

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

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

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

Section 3. The Agency hereby authorizes the Applicant to proceed with the Project as herein authorized. The Applicant is authorized to proceed with the Project on behalf of the Agency as set forth in this Resolution; provided, however, that it is acknowledged and agreed by the Applicant that (i) nominal leasehold title to or other interest of the Agency in the Facility shall be in the Agency for purposes of granting financial assistance, and (ii) the Applicant is hereby

constituted the agent for the Agency solely for the purpose of effecting the Project, and the Agency shall have no personal liability for any such action taken by the Applicant for such purpose.

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

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

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

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

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

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

- (1) The Project will not result in a substantial adverse change in existing traffic. A transportation demand analysis was performed and determined that the Project will result in a net decrease in total pedestrian and transit trips generated by the site between the With-action and No-Action conditions. The Project will also not exceed the 50-vehicle trip increment threshold.
- (2) The Project will not result in significant adverse impacts on cultural, archaeological, architectural, or aesthetic resources or the existing neighborhood.

- (3) The Applicant plans to apply for the New York State Department of Environmental Conservation (“NYS DEC”) Brownfield Cleanup Program (“BCP”). If the Applicant does not complete the BCP application or is rejected from the program by NYS DEC, it then will need to submit the appropriate hazardous materials documentation as per City Environmental Quality Review to the New York City Department Environmental Protection for its review.
- (4) The Project will not result in significant adverse impacts to natural resources, critical habitats, or water quality. The Project site is located within New York City’s coastal zone boundary. Having reviewed the materials submitted by the Applicant regarding this action, the Agency finds that the proposed action is consistent with the policies comprising New York City’s Waterfront Revitalization Program (the “WRP”) (WRP # 23-101), and that the proposed action will not hinder the achievement of the WRP.
- (5) The Project will not result in a change in existing zoning or land use. The proposed use would be as-of-right under zoning.
- (6) No other significant effects upon the environment that would require the preparation of an Environmental Impact Statement are foreseeable.

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

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

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

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

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

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

Section 10. In connection with the Project, the Agency intends to grant the Applicant real property tax abatements, sales and use tax exemptions in an amount not to exceed \$4,068,732 and a partial exemption of City and New York State mortgage recording taxes.

Section 11. This Resolution shall take effect immediately.

ADOPTED: September 19, 2023

CM LIC STUDIOS 30TH PLACE LLC

By: _____
Name:
Title:

ACCEPTED: _____, 2023

Resolution inducing the financing of an industrial facility for CM LIC Studios 30th Street II LLC and its affiliate, Cine Magic LIC Studios LLC, as a Straight-Lease Transaction and authorizing and approving the execution and delivery of agreements in connection therewith

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

WHEREAS, CM LIC Studios 30th Street II LLC, a Delaware limited liability company (the “Applicant”), has entered into negotiations with officials of the Agency for the acquisition, renovation, furnishing and equipping of an industrial facility (the “Facility”), consisting of an approximately 52,000 square foot structure and an approximately 5,000 square foot parking area on an approximately 56,100 square foot parcel of land located at 47-50 30th Street, Long Island City, New York, all for the use by the Applicant in providing an expansion and support space, including construction workshop, scenic and wardrobe space, set dressing and cafeteria, for the production studio operated by its affiliate Cine Magic LIC Studios LLC, a New York limited liability company (the “Company”), located across the street from the Facility, for lease to the Agency by the Applicant, and sublease by the Agency to the Applicant for subsequent sub-sublease in whole to the Company, and having a total project cost of approximately \$21,100,000 (the “Project”); and

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

WHEREAS, the Application sets forth certain information with respect to the Applicant, the Company and the Project, including the following: that the Applicant is sponsored by the founder and president of the Company; that the Company is a motion picture and television studio developer and operator; that the Company’s affiliate has been leasing space since 2012 in Greenpoint, Brooklyn, for sound stages and support space; that the Company entered into a straight-lease transaction in December 2021 with the Agency with respect to space in Long Island City for sound stages, television studios, related office space (the “LIC Studio”); that the Facility will provide for an expansion and support space for the LIC Studio; that the Facility will be utilized initially for construction workshop, scenic and wardrobe space, set dressing and cafeteria area, storage as well as possible sound stages; that the Applicant intends to develop plans to re-develop the entire Facility to construct a state-of-the-art full service multimedia motion picture production facility; that the Applicant desires to expand and remain within The City of New York (the “City”); that the Applicant expects to employ approximately two full-time equivalent employees at the Facility; that the Applicant expects that users of the Facility not affiliated with the Applicant will employ approximately 89 employees at the Facility within three years of following the completion of the Project; that the Applicant must obtain Agency financial assistance in the form of a straight-

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

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

WHEREAS, in order to finance a portion of the costs of the Project, Metropolitan Commercial Bank (such financial institution, or any other financial institution as may be approved by a certificate of determination of an Agency officer, the "Lender") has agreed to enter into a loan arrangement with the Company pursuant to which the Lender will lend approximately \$13,500,000 to the Company, and the Agency and the Company will grant a mortgage on the Facility to the Lender (the "Lender Mortgage"); and

WHEREAS, for purposes of refinancing from time to time the indebtedness secured by the Lender Mortgage (the "Original Mortgage Indebtedness") (whether such refinancing is in an amount equal to or greater than the outstanding principal balance of the Original Mortgage Indebtedness), the Applicant may from time to time desire to enter into new mortgage arrangements, including but not limited to consolidation with mortgages granted subsequent to the Lender Mortgage; and therefore the Applicant may request the Agency to enter into the mortgage instruments required for such new mortgage arrangements ("Refinancing Mortgage(s)"); and

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

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

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

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

(b) no funds of the Agency shall be used in connection with the Project for the purpose of preventing the establishment of an industrial or manufacturing plant or for the purpose of advertising or promotional materials which depict elected or appointed government officials in either print or electronic media, nor shall any funds of the Agency

be given in connection with the Project to any group or organization which is attempting to prevent the establishment of an industrial or manufacturing plant within the State of New York; and

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

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

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

Section 4. The execution and delivery of a Company Lease Agreement from the Applicant leasing the Facility to the Agency, an Agency Lease Agreement from the Agency subleasing the Facility to the Applicant (the "Lease Agreement") (for sub-sublease to the Company), a Uniform Project Agreement between the Agency and each of the Applicant and the Company, a Sales Tax Agent Authorization Letter from the Agency, the Lender Mortgage, the Refinancing Mortgages and the acceptance of a Guaranty Agreement from the Company, the Applicant and the Applicant's and the Company's owners and/or principals in favor of the Agency (the "Guaranty Agreement") (each document referenced in this Section 4 being, collectively, the "Agency Documents"), each being substantively the same as approved by the Agency for prior transactions, is hereby authorized. The Chairman, Vice Chairman, Executive Director, Deputy Executive Director and General Counsel are each hereby authorized to execute, acknowledge and deliver each such Agency Document. The execution and delivery of each such agreement by one of said officers shall be conclusive evidence of due authorization and approval.

Section 5. The officers of the Agency and other appropriate officials of the Agency and its agents and employees are hereby authorized and directed to take whatever steps may be necessary to cooperate with the Applicant and the Company to assist in the Project.

Section 6. All covenants, stipulations, obligations and agreements of the Agency contained in this Resolution and contained in the Agency Documents shall be deemed to be the covenants, stipulations, obligations and agreements of the Agency to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Agency and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Agency or the members thereof by the provisions of this Resolution or the Agency Documents shall be

exercised or performed by the Agency or by such members, officers, board or body as may be required by law to exercise such powers and to perform such duties.

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

Section 7. The officers of the Agency are hereby designated the authorized representatives of the Agency, and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution. The Agency recognizes that due to the unusual complexities of the transaction it may become necessary that certain of the terms approved hereby may require modifications which will not affect the intent and substance of the authorizations and approvals by the Agency herein. The Agency hereby authorizes the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or General Counsel to approve modifications to the terms approved hereby which do not affect the intent and substance of this Resolution. The approval of such modifications shall be evidenced by a certificate of determination of an Agency officer.

Section 8. Any expenses incurred by the Agency with respect to the Project shall be paid by the Applicant. By acceptance hereof, the Applicant agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Project.

Section 9. This Resolution is subject to approval based on an investigative report with respect to the Applicant and the Company. The provisions of this Resolution shall continue to be effective for one year from the date hereof, whereupon the Agency may, at its option, terminate the effectiveness of this Resolution (except with respect to the matters contained in Section 8 hereof).

Section 10. The Agency, as lead agency, is issuing this determination pursuant to the State Environmental Quality Review Act ("SEQRA") (Article 8 of the Environmental Conservation Law) and implementing regulations contained in 6 N.Y.C.R.R. Part 617. This determination is based upon the Agency's review of information provided by the Applicant and such other information as the Agency has deemed necessary and appropriate to make this determination.

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

- (1) The Project will not result in a substantial adverse change in existing traffic.

- (2) The Project will not result in significant adverse impacts on cultural, archaeological, architectural, or aesthetic resources or the existing neighborhood.
- (3) The Applicant plans to apply for the New York State Department of Environmental Conservation (“NYS DEC”) Brownfield Cleanup Program (“BCP”). If the Applicant does not complete the BCP application or is rejected from the program by NYS DEC, it then will need to submit the appropriate hazardous materials documentation as per City Environmental Quality Review to the New York City Department Environmental Protection for its review.
- (4) The Project will not result in significant adverse impacts to natural resources, critical habitats, or water quality. The Project site is located within New York City’s coastal zone boundary. Having reviewed the materials submitted by the Applicant regarding this action, the Agency finds that the proposed action is consistent with the policies comprising New York City’s Waterfront Revitalization Program (the “WRP”) and that the proposed action will not hinder the achievement of the WRP.
- (5) The Project will not result in a change in existing zoning or land use. The proposed use would be as-of-right under zoning.
- (6) No other significant effects upon the environment that would require the preparation of an Environmental Impact Statement are foreseeable.

Section 11. In connection with the Project, each of the Applicant and the Company covenants and agrees to comply, and to cause each of their respective contractors, subcontractors, agents, persons or entities to comply, with the requirements of General Municipal Law Sections 875(1) and (3), as such provisions may be amended from time to time.

(1) The Applicant and the Company each acknowledge and agree that pursuant to General Municipal Law Section 875(3) the Agency shall have the right to recover, recapture, receive, or otherwise obtain from the Applicant and/or the Company New York State sales or use tax savings taken or purported to be taken by the Applicant or the Company, and any agent or any other person or entity acting on behalf of the Applicant or the Company, to which the Applicant or the Company is not entitled or which are in excess of the maximum sales or use tax exemption amount authorized in Section 12 of this Resolution or which are for property or services not authorized or taken in cases where the Applicant or the Company, or any agent or any other person or entity acting on behalf of the Applicant or the Company, failed to comply with a material term or condition to use property or services in the manner required by this Resolution or any agreements entered into among the Agency, the Applicant, the Company and/or any agent or any other person or entity acting on behalf of the Applicant or the Company. The Applicant and the Company shall, and shall require each agent and any other person or entity acting on behalf of the Applicant and/or the Company, to cooperate with the Agency in its efforts to recover, recapture, receive, or otherwise obtain such New York State sales or use tax savings and shall promptly pay over any such amounts to the Agency that it requests. The failure to pay over such amounts to the Agency shall be grounds for the Commissioner of the New York State Department of Taxation and Finance (the “Commissioner”) to assess and determine New York State sales or use taxes due

from the Applicant and/or the Company under Article Twenty-Eight of the New York State Tax Law, together with any relevant penalties and interest due on such amounts.

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

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

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

(3) The foregoing requirements of this Section 11 shall apply to any amounts of New York State sales or use tax savings that the Agency recovers, recaptures, receives, or otherwise obtains, regardless of whether the Agency, the Applicant, the Company or any agent or other person or entity acting on behalf of the Applicant or the Company characterizes such benefits recovered, recaptured, received, or otherwise obtained, as a penalty or liquidated or contract damages or otherwise. The foregoing requirements shall also apply to any interest or penalty that the Agency imposes on any such amounts or that are imposed on such amounts by operation of law or by judicial order or otherwise. Any such amounts or payments that the Agency recovers, recaptures, receives, or otherwise obtains, together with any interest or penalties thereon, shall be deemed to be New York State sales or use taxes and the Agency shall receive any such amounts or payments, whether as a result of court action or otherwise, as trustee for and on account of New York State.

Section 12. In connection with the Project, the Agency intends to grant the Applicant and the Company real property tax abatements, sales and use tax exemptions in an amount not to exceed \$99,400 and a partial exemption of City and New York State mortgage recording taxes.

Section 13. This Resolution shall take effect immediately.

ADOPTED: September 19, 2023

CM LIC STUDIOS 30TH STREET II LLC

By: _____
 Name:
 Title:

CINE MAGIC LIC STUDIOS, LLC

By: _____
 Name:
 Title:

ACCEPTED: _____, 2023

Exhibit F

PROJECT SUMMARY

Heron Clean Energy, LLC (“Heron Project”), Richmond Clean Energy, LLC (“Richmond Project”), and Vesper Sparrow Clean Energy, LLC (“Vesper Sparrow Project”) (collectively, the “Companies”) are each Delaware limited liability companies and wholly owned subsidiaries of NineDot Energy, LLC (“NineDot”). NineDot is a community distributed energy generation developer. The Companies seek financial assistance in connection with three projects (collectively the “Projects”), for which the respective Companies will own and operate battery energy storage and solar canopy system equipment. The Projects will each individually serve as battery energy storage systems capable of charging from, and discharging into, the New York power grid with solar canopy systems connected to the battery systems. The Heron Project and the Richmond Project will lease their respective properties. The Vesper Sparrow Project will own the property. The Agency will execute separate equipment leases with each of the Companies. The Heron Project and Vesper Sparrow Project are expected to begin construction in the second quarter of 2024 and to be completed in the fourth quarter of 2025. The Richmond Project is expected to begin construction in the third quarter of 2024 and to be completed in the first quarter of 2026 (see more information about the Companies in the Appendix).

Project Locations

Heron Clean Energy, LLC
2118 Flatbush Avenue
Brooklyn, New York 11234

Vesper Sparrow Clean Energy, LLC
2138-48 Flatbush Avenue
Brooklyn, New York 11234

Richmond Clean Energy, LLC
1415 Richmond Avenue
Staten Island, New York 10314

Actions Requested

- Inducement Resolutions for Industrial Program transactions for the Heron Project, the Richmond Project, and the Vesper Sparrow Project.
- Adopt negative SEQRA declarations for the Heron Project, the Richmond Project, and the Vesper Sparrow Project. The proposed Projects will not have a significant adverse effect on the environment.

Anticipated Closing

March 2024

Impact Summary**Heron Project:**

Employment	
Jobs at Application:	1.0
Jobs to be Created at Project Location (Year 3):	0.5
Total Jobs (full-time equivalents)	1.5
Projected Average Hourly Wage (excluding principals)	\$83.19

Estimated City Tax Revenues	
Impact of Operations (NPV 10 years at 6.25%)	\$4,058,974
One-Time Impact of Renovation	\$565,928
Total Impact of Operations and Renovation	\$4,624,902
Additional Benefit from Jobs to be Created	\$83,751

Estimated Cost of Benefits Requested: New York City	
Sales Tax Exemption	\$508,036
Agency Financing Fee	(\$200,000)
Total Cost to NYC Net of Financing Fee	\$308,036
Agency Benefits in Excess of As-of-Right Benefits	\$308,036
Costs of Benefits Per Job	
Estimated Total Cost of Net City Benefits per Job in Year 3	\$205,357
Estimated City Tax Revenue per Job in Year 3	\$3,139,102

Estimated Cost of Benefits Requested: New York State	
Sales Tax Exemption	\$493,924
Total Cost to NYS	\$493,924
Overall Total Cost to NYC and NYS	\$801,960

Richmond Project:

Employment	
Jobs at Application:	1.0
Jobs to be Created at Project Location (Year 3):	0.5
Total Jobs (full-time equivalents)	1.5
Projected Average Hourly Wage (excluding principals)	\$83.19

Estimated City Tax Revenues	
Impact of Operations (NPV 10 years at 6.25%)	\$5,372,545
One-Time Impact of Renovation	\$776,008
Total Impact of Operations and Renovation	\$6,148,553
Additional Benefit from Jobs to be Created	\$83,751

Estimated Cost of Benefits Requested: New York City	
Sales Tax Exemption	\$622,667
Agency Financing Fee	(\$258,500)
Total Cost to NYC Net of Financing Fee	\$364,167
Agency Benefits in Excess of As-of-Right Benefits	\$364,167
Costs of Benefits Per Job	
Estimated Total Cost of Net City Benefits per Job in Year 3	\$242,778
Estimated City Tax Revenue per Job in Year 3	\$4,154,869

Estimated Cost of Benefits Requested: New York State	
Sales Tax Exemption	\$605,371
Total Cost to NYS	\$605,371
Overall Total Cost to NYC and NYS	\$969,538

Vesper Sparrow Project:

Employment	
Jobs at Application:	1.0
Jobs to be Created at Project Location (Year 3):	0.5
Total Jobs (full-time equivalents)	1.5
Projected Average Hourly Wage (excluding principals)	\$83.19

Estimated City Tax Revenues	
Impact of Operations (NPV 10 years at 6.25%)	\$8,909,346
One-Time Impact of Renovation	\$1,331,780
Total Impact of Operations and Renovation	\$10,241,126
Additional Benefit from Jobs to be Created	\$83,751

Estimated Cost of Benefits Requested: New York City	
MRT Benefit	\$71,637
Sales Tax Exemption	\$1,100,268
Agency Financing Fee	(\$419,500)
Total Cost to NYC Net of Financing Fee	\$752,405
Agency Benefits in Excess of As-of-Right Benefits	\$752,405
Costs of Benefits Per Job	
Estimated Total Cost of Net City Benefits per Job in Year 3	\$501,603
Estimated City Tax Revenue per Job in Year 3	\$6,883,251

Estimated Cost of Benefits Requested: New York State	
MRT Benefit	\$38,574
Sales Tax Exemption	\$1,069,705
Total Cost to NYS	\$1,108,279
Overall Total Cost to NYC and NYS	\$1,860,684

Sources and Uses

Sources: Heron Project	Total Amount	Percent of Total Financing
NineDot Equity	\$6,900,000	41%
Commercial Loan	\$10,000,000	59%
Total	\$16,900,000	100%

Uses: Heron Project	Total Amount	Percent of Total Costs
Leasing Costs	\$1,500,000	9%
Hard Costs	\$2,400,000	14%
Soft Costs	\$500,000	3%
Furnishing, Fixtures, & Equipment	\$9,600,000	57%
Other ¹	\$2,900,000	17%
Total	\$16,900,000	100%

¹ Other includes electric charging costs, insurance, and operations and maintenance.

Sources: Richmond Project	Total Amount	Percent of Total Financing
NineDot Equity	\$7,800,000	37%
Commercial Loan	\$13,100,000	63%
Total	\$20,900,000	100%

Uses: Richmond Project	Total Amount	Percent of Total Costs
Leasing Costs	\$1,400,000	7%
Hard Costs	\$5,200,000	25%
Soft Costs	\$1,000,000	5%
Furnishing, Fixtures, & Equipment	\$10,200,000	49%
Other ²	\$3,100,000	14%
Total	\$20,900,000	100%

Sources: Vesper Sparrow Project	Total Amount	Percent of Total Financing
NineDot Equity	\$16,400,000	42%
Commercial Loan	\$22,600,000	58%
Total	\$39,000,000	100%

Uses: Vesper Sparrow Project	Total Amount	Percent of Total Costs
Land Acquisition	\$5,500,000	14%
Hard Costs	\$8,500,000	22%
Soft Costs	\$1,200,000	3%
Furnishing, Fixtures, & Equipment	\$18,500,000	47%
Other ³	\$5,300,000	14%
Total	\$39,000,000	100%

Fees

Heron Project	To be paid at Closing	On-Going Fees (NPV, 10 Years)
Agency Fee	\$200,000	
Project Counsel	\$35,000	
Annual Agency Fee	\$1,250	\$9,092
Total	\$236,250	\$9,092
Total Fees	\$245,342	

² Other includes electric charging costs, insurance, and operations and maintenance.

³ Other includes electric charging costs, insurance, and operations and maintenance.

Richmond Project	To be paid at Closing	On-Going Fees (NPV, 10 Years)
Agency Fee	\$258,500	
Project Counsel	Hourly	
Annual Agency Fee	\$1,250	\$9,092
Total	\$259,750	\$9,092
Total Fees	\$268,842	

Vesper Sparrow Project	To be paid at Closing	On-Going Fees (NPV, 10 Years)
Agency Fee	\$419,500	
Project Counsel	Hourly	
Annual Agency Fee	\$1,250	\$9,092
Total	\$420,750	\$9,092
Total Fees	\$429,842	

Financing and Benefits Summary

The Projects will be compensated on an ongoing basis under the Value of Distributed Energy Resources (“Value Stack” or “VDER”) tariffs established by the New York State Public Service Commission. NineDot will finance the Projects with approximately \$31,100,000 in Company equity and with \$45,700,000 in commercial loans. The anticipated commercial loans are expected to be funded in December 2023, at which time NineDot will seek authorization from the Agency’s Board of Directors. The financial assistance proposed to be conferred by the Agency will consist of partial exemption from City and State mortgage recording taxes for the Vesper Sparrow Project and exemption from City and State sales and use taxes for the Projects.

Company Performance and Projections

The Projects will serve as battery energy storage systems capable of charging from, and discharging into, the New York power grid, and will include solar canopy systems connected to the battery systems. The Heron Project is projected to have a 5-Megawatt battery storage capacity and generate 100-Kilowatt hours of energy per day through the solar canopy. The Richmond Project is projected to have 6-Megawatts of storage capacity and generate 200-Kilowatts of energy per day. The Vesper Sparrow Project is projected to have 9.6-Megawatt storage capacity and generate 200-Kilowatts of energy per day. The total energy stored by the Projects’ battery storage systems is enough to power 20,600 New York City households for four hours on a peak summer day. The total energy produced by the Project’s solar canopy systems on an average day would support 500 New York City households for over four peak energy usage hours. Battery energy systems can purchase wholesale power from the market when the power is at lower cost and sell the power into the wholesale market when prices are higher. In doing so, the battery system is helping regulate the supply and demand for energy in New York and reducing the need to build additional, fossil-fuel dependent and polluting peaker plants.

Inducement

- I. The Projects would not be financially viable without Agency benefits.
- II. The Projects will expand energy storage capacity within New York City, helping to facilitate the City’s goal of reducing greenhouse gas emissions. Renewable energy sources provide power intermittently. Battery energy storage capacity allows electricity to be captured during periods of excess generation and deployed during periods of peak demand and lower generation.

UTEP Considerations

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

- I. Financial assistance is required to induce the Projects.
- II. The Projects are likely to be completed in a timely manner.

Applicant Summary

NineDot (formerly doing business as CertainSolar, Inc.) was founded in 2015 by clean energy financing experts and is based out of the Urban Future Lab, a clean-tech incubator run by New York University ("NYU"). NineDot is a leading community-scale, clean energy developer with a growing portfolio of projects across a range of technologies. NineDot's developments are intended to support a more resilient electric grid, deliver economic savings, and reduce carbon emissions. NineDot's focus is on developing battery energy storage systems in the New York City metropolitan area and plans to develop, build, and operate more than 400 megawatts of clean energy systems by 2026. This will strengthen the local power grid infrastructure and provide clean, reliable, and resilient power to tens of thousands of New York homes and businesses. NineDot's work supports New York State's mission to achieve 100% clean energy by 2035 with a goal of 6,000 megawatts of energy storage deployment by 2030.

David Arfin, Chief Executive Officer

Mr. Arfin is the Chief Executive Officer of NineDot. Mr. Arfin invented SolarCity's SolarLease®, the game-changing solar financing program. He received the first-ever Innovation in PV Financing Award from the Solar Energy Industry Association. Mr. Arfin is a co-founder of Ener-Pacte (France) and SolarNGreen (Mexico). Prior to SolarCity, Mr. Arfin was co-founder and Chief Executive Officer of GloopLabs (acquired by Cisco Systems) and was the founder and Chief Executive Officer of CLE Group (acquired by PLI). He received an MBA from the Stanford University Graduate School of Business, an MA in Public Policy Analysis from Claremont Graduate University, and a BA in Political Science from University of California Los Angeles.

Adam B. Cohen, Ph.D., Chief Technology Officer

Mr. Cohen is the Chief Technology Officer of NineDot. Mr. Cohen is a physicist who thinks of our energy system as a complex, interconnected experimental laboratory. He seeks to uncover small technical, financial, and regulatory improvements that will cause tipping points for clean energy diffusion. Prior to NineDot, Adam was Science Team Lead for Split Technology, a smart transportation start-up (acquired by Volkswagen Group). Mr. Cohen was a post-doctoral fellow of the U.S. Department of Energy where he launched a new research program applying social and behavioral science to scale up solar energy adoption. He earned a PhD from the Chaos Group at University of Maryland and a BS in physics from Bucknell University.

Emily Wheeler, Chief of Staff

Ms. Wheeler is an energy business and operations specialist who manages the day-to-day performance of NineDot. Prior to NineDot, Ms. Wheeler was the Executive Vice President of Operations at Smarter Grid Solutions, an enterprise energy software company specializing in solutions for distributed clean energy technologies. Ms. Wheeler also helped launch the NYU Urban Future Lab, having served as the Managing Director of Cleantech Initiatives for NYU's engineering school, and worked in analyst and project manager roles at the U.S. Department of Energy's Loan Program Office. Ms. Wheeler has a BS in Chemical Engineering from Rensselaer Polytechnic Institute.

Employee Benefits

Benefits include medical insurance, life insurance, short-term disability insurance, employer contributions to a 401(k) plan, training, and workshop reimbursement.

Recapture

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

SEQRA Determination

Unlisted actions, which if implemented, will not result in significant adverse environmental impacts. Staff recommends the Board adopt Negative Declarations for the Projects. The completed Environmental Assessment Form for the Projects have been reviewed and signed by Agency staff.

Due Diligence

The Agency conducted a background investigation of the Companies, NineDot, and their principals and found no derogatory information.

Compliance Check:	Not Applicable
Living Wage:	Compliant
Paid Sick Leave:	Compliant
Affordable Care Act:	Not Applicable
Bank Account:	First Citizens 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:	Steven P. Polivy, Esq. Ackerman LLP 1251 Avenue of the Americas, 37 th floor New York, NY 10020
Accountant:	Shin Takiguchi NineDot Energy 370 Jay Street, 7 th Floor Brooklyn, NY 11201
Community Boards:	Brooklyn, CB #18 (Herron Project, Vesper Sparrow Project) Staten Island, CB #2 (Richmond Project)

Appendix

Heron Clean Energy, LLC

Heron Clean Energy, LLC, a Delaware limited liability company (the “Company”). The Company is a wholly owned subsidiary of NineDot Energy, LLC (“NineDot”). NineDot is a developer and operator of community scale clean energy facilities. The Company is seeking financial assistance in connection with the construction and equipping of an approximately 5-Megawatt (MW) battery energy storage system consisting of batteries and concrete pads for equipment, including transformers, switchboards, and metering with 20 MW hours of energy storage capacity (collectively, the “Battery System”), and an approximately 500 square foot solar canopy system consisting of solar panels, inverters and an electrical collection system with an estimated solar power generation of 100-Kilowatt hour per day (the “Solar System”). The Battery System and Solar System will total approximately 1,845 square feet and be located on a 6,000 square foot parcel of land at 2118 Flatbush Avenue, Brooklyn, New York (the “Facility”). The Facility will be owned by the Company and operated as a Battery System capable of charging from and discharging into the New York power grid, as well as a Solar System connected to the Battery System.

Richmond Clean Energy, LLC

Richmond Clean Energy, LLC, a Delaware limited liability company (the “Company”). The Company is a wholly owned subsidiary of NineDot Energy, LLC (“NineDot”). NineDot is a developer and operator of community scale clean energy facilities. The Company is seeking financial assistance in connection with the construction and equipping of two battery energy storage systems with an estimated capacity of 3 Megawatts (MW) each consisting of batteries and concrete pads for equipment, including transformers, switchboards, and metering 12 MW hours of energy storage capacity each (collectively, the “Battery System”) and two solar canopy systems consisting of solar panels, inverters and an electrical collection system with an estimated solar power generation of 200 kilowatt hours total per day (the “Solar System”). The Battery System and Solar System will total approximately 2,800 square feet and will be located on two parcels which total 16,000 square feet to be subdivided from an existing 84,276 square foot parcel of land at 1415 Richmond Avenue, Staten Island, New York (the “Facility”). The Facility will be owned or leased by the Company and operated as a Battery System capable of charging from and discharging into the New York power grid, as well as a Solar System connected to the Battery System.

Vesper Sparrow Clean Energy, LLC

Vesper Sparrow Clean Energy, LLC, a Delaware limited liability company (the “Company”). The Company is a wholly owned subsidiary of NineDot Energy, LLC (“NineDot”). NineDot is a developer and operator of community scale clean energy facilities. The Company is seeking financial assistance in connection with the demolition, construction and equipping of two battery energy storage systems with an estimated capacity of 4.8 Megawatts (MW) each consisting of batteries and concrete pads for equipment, including transformers, switchboards, and metering 19.2 MW hours of energy storage capacity each (collectively, the “Battery System”) and a solar canopy system located on the roof of the switchgear buildings connected to the Battery System, consisting of solar panels, inverters and an electrical collection system with an estimated solar power generation of 200 kilowatt hours total (the “Solar System”). The Battery System and Solar System will total approximately 2,690 square feet and be located on a 14,000 square foot parcel of land at 2138-48 Flatbush Avenue, Brooklyn, New York (the “Facility”). The Facility will be owned by the Company and operated as a battery energy storage system capable of charging from and discharging into the New York power grid, as well as a Solar System connected to the Battery System.



Sam Brill

Director, Strategic Development Initiatives
370 Jay Street, 7th Floor | Brooklyn, NY 11201
sam.brill@nine.energy | 917-815-3382

July 25, 2023

New York City Industrial Development Agency (NYCIDA)
110 William Street
New York, NY 10038

Re: Application for Industrial Program
Battery Energy Storage System, 2118 Flatbush Avenue, Brooklyn

To Whom It May Concern:

We are pleased to submit for your consideration an application for NYCIDA's Industrial Program, in order to obtain a sales tax exemption for capital expenditures made in connection with our development of a community-scale clean battery energy storage system ("BESS") located at 2118 Flatbush Avenue in Brooklyn (the "Property").

NineDot Holdings, Inc. ("NineDot") is the parent company of Heron Clean Energy, LLC, the Applicant for this application. NineDot is a leading community-scale, clean energy developer with a growing portfolio of projects across a range of technologies which support a more resilient electric grid, deliver economic savings, and reduce carbon emissions. We plan to develop, build and operate more than 400 megawatts (MW) of clean energy systems by 2026 that will strengthen local power grid infrastructure and provide clean, reliable, and resilient power to tens of thousands of homes and businesses. We strongly support New York City's goal to install 500 MW by 2025, and New York State's goal of deploying 6,000 MW by 2030.¹ The BESS installation contemplated in this application would provide an estimated capacity of 5 MW (the "Project"); following completion, the Project will provide greater grid resiliency, lower utility costs, and a reduced reliance on high-emission, high-cost "peaker" plants during summer hours when grid demand exceeds available capacity. It will also result in up to 20 temporary construction jobs and at least two permanent operations and maintenance jobs.

Although New York State and City have prioritized energy storage projects, the Project is dependent upon financial assistance from NYCIDA to move forward. The past three years have seen dramatic increases in our costs, not only for acquiring real estate but also for lithium-ion batteries, electrical equipment, and professional engineers and contractors. Neither NineDot nor Applicant have received any public benefit to date to support the Project, nor have we closed on private financing. As shown in the highlighted text of the attached lease for this Property, the Applicant has the option, at its sole discretion, of canceling its lease agreement during the due diligence period which ends in October 2023.

¹ See "New York's 6 GW Energy Storage Roadmap: Policy Options for Continued Growth in Energy Storage," New York Department of Public Service and New York State Energy Research and Development Agency, 12/28/22, available at: <https://www.nyserda.ny.gov/-/media/Project/Nyserda/Files/Programs/Energy-Storage/ny-6-gw-energy-storage-roadmap.pdf>.



Sam Brill

Director, Strategic Development Initiatives
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Please do not hesitate to reach out with further questions, and thank you for your consideration.

Sincerely,

Sam Brill

Sam Brill



Sam Brill

Director, Strategic Development Initiatives
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July 25, 2023

New York City Industrial Development Agency (NYCIDA)
110 William Street
New York, NY 10038

Re: Application for Industrial Program
Battery Energy Storage System, 1415 Richmond Avenue, Staten Island

To Whom It May Concern:

We are pleased to submit for your consideration an application for NYCIDA's Industrial Program, in order to obtain tax benefits in connection with our development of a community-scale clean battery energy storage system ("BESS") located at 1415 Richmond Avenue in Staten Island (the "Property").

NineDot Holdings, Inc. ("NineDot") is the parent company of Richmond Clean Energy, LLC, the Applicant for this application. NineDot is a leading community-scale, clean energy developer with a growing portfolio of projects across a range of technologies which support a more resilient electric grid, deliver economic savings, and reduce carbon emissions. We plan to develop, build and operate more than 400 megawatts (MW) of clean energy systems by 2026 that will strengthen local power grid infrastructure and provide clean, reliable, and resilient power to tens of thousands of homes and businesses. We strongly support New York City's goal to install 500 MW by 2025, and New York State's goal of deploying 6,000 MW by 2030.¹ The BESS installation contemplated in this application would provide an estimated capacity of 6.0 MW (the "Project"); following completion, the Project will provide greater grid resiliency, lower utility costs, and a reduced reliance on high-emission, high-cost "peaker" plants during summer hours when grid demand exceeds available capacity. It will also result in up to 20 temporary construction jobs and at least two permanent operations and maintenance jobs.

Although New York State and City have prioritized energy storage projects, the Project is dependent upon financial assistance from NYCIDA to move forward. The past three years have seen dramatic increases in our costs, not only for acquiring real estate but also for lithium-ion batteries, electrical equipment, and professional engineers and contractors. Neither NineDot nor Applicant have received any public benefit to date to support the Project, nor have we closed on private financing. As shown in the highlighted text of the attached lease for this Property, the Applicant has the option, at its sole discretion, of canceling its lease agreement during the due diligence period which ends in December 2023.

¹ See "New York's 6 GW Energy Storage Roadmap: Policy Options for Continued Growth in Energy Storage," New York Department of Public Service and New York State Energy Research and Development Agency, 12/28/22, available at: <https://www.nyserda.ny.gov/-/media/Project/Nyserda/Files/Programs/Energy-Storage/ny-6-gw-energy-storage-roadmap.pdf>.



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Sincerely,

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July 25, 2023

New York City Industrial Development Agency (NYCIDA)
110 William Street
New York, NY 10038

Re: Application for Industrial Program
Battery Energy Storage System, 2138-2148 Flatbush Avenue, Brooklyn

To Whom It May Concern:

We are pleased to submit for your consideration an application for NYCIDA's Industrial Program, in order to obtain tax benefits in connection with our development of a community-scale clean battery energy storage system ("BESS") located at 2138-2148 Flatbush Avenue in Brooklyn (the "Property").

NineDot Holdings, Inc. ("NineDot") is the parent company of Vesper Sparrow Clean Energy, LLC, the Applicant for this application. NineDot is a leading community-scale, clean energy developer with a growing portfolio of projects across a range of technologies which support a more resilient electric grid, deliver economic savings, and reduce carbon emissions. We plan to develop, build and operate more than 400 megawatts (MW) of clean energy systems by 2026 that will strengthen local power grid infrastructure and provide clean, reliable, and resilient power to tens of thousands of homes and businesses. We strongly support New York City's goal to install 500 MW by 2025, and New York State's goal of deploying 6,000 MW by 2030.¹ The BESS installation contemplated in this application would provide an estimated capacity of 10 MW (the "Project"); following completion, the Project will provide greater grid resiliency, lower utility costs, and a reduced reliance on high-emission, high-cost "peaker" plants during summer hours when grid demand exceeds available capacity. It will also result in up to 20 temporary construction jobs and at least two permanent operations and maintenance jobs.

Although New York State and City have prioritized energy storage projects, the Project is dependent upon financial assistance from NYCIDA to move forward. The past three years have seen dramatic increases in our costs, not only for acquiring real estate but also for lithium-ion batteries, electrical equipment, and professional engineers and contractors. Neither NineDot nor Applicant have received any public benefit to date to support the Project, nor have we closed on private financing. As shown in the highlighted text of the attached purchase agreement for this Property, Applicant has the option, at its sole discretion, of canceling its purchase agreement during the due diligence period which ends in March 2024.

¹ See "New York's 6 GW Energy Storage Roadmap: Policy Options for Continued Growth in Energy Storage," New York Department of Public Service and New York State Energy Research and Development Agency, 12/28/22, available at: <https://www.nyserda.ny.gov/-/media/Project/Nyserda/Files/Programs/Energy-Storage/ny-6-gw-energy-storage-roadmap.pdf>.



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Please do not hesitate to reach out with further questions, and thank you for your consideration.

Sincerely,

Sam Brill

Sam Brill

Exhibit G

Resolution inducing the purchase of equipment and other personal property for Heron Clean Energy, LLC, as a participant in an industrial incentive program (Straight-Lease) Transaction and authorizing and approving the execution and delivery of agreements in connection therewith

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

WHEREAS, Heron Clean Energy, LLC, a Delaware limited liability company (the “Applicant”), has entered into negotiations with officials of the Agency for the construction and equipping of an approximately 5-Megawatt (MW) battery energy storage system consisting of batteries and concrete pads for equipment, including transformers, switchboards, and metering with 20 MW hours of energy storage capacity (collectively, the “Battery System”), concrete pads where five Tesla Megapack 2XLs will be rigged and electrically connected, and a 250 square foot solar canopy system consisting of solar panels, inverters and an electrical collection system with an estimated solar power generation of 100-Kilowatt hour per day (the “Solar System”). The Battery System and Solar System will total 2,095 square feet and be located on a 6,000 square foot parcel of land at 2118 Flatbush Avenue, Brooklyn, New York (the “Facility”). The Facility will be owned by the Applicant and operated as a Battery System capable of charging from and discharging into the New York power grid, as well as a Solar System connected to the Battery System (the “Project”), and having an approximate total project cost of approximately \$16,900,000; and

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

WHEREAS, the Application sets forth certain information with respect to the Applicant and the Project, including the following: that the Applicant, is a subsidiary of NineDot Energy, LLC, a Delaware limited liability company, that is a community distribution energy generation developer (“NineDot”); that the Applicant expects to employ approximately 0.5 full time equivalent employees within the three years following the completion of the Project; that the Applicant must obtain Agency financial assistance in the form of a straight-lease transaction to enable the Applicant to proceed with the Project and thereby expand its operations in the City; that without the Agency’s financial assistance the Applicant would not be able to complete the Project, and that, based upon the financial assistance provided through the Agency, the Applicant desires to proceed with the Project and expand its operations in the City; and

WHEREAS, based upon the Application, the Agency hereby determines that Agency financial assistance and related benefits in the form of a straight-lease transaction

between the Agency and the Applicant is necessary to induce the Applicant to expand its operations in the City; and

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

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

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

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

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

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

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

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

Section 4. The execution and delivery of a Company Lease Agreement from the Applicant leasing the Eligible Items to the Agency, an Equipment Lease Agreement from the Agency subleasing the Eligible Items to the Applicant (the "Equipment Lease"), the Project Agreement between the Agency and the Applicant, a Sales Tax Agent Authorization Letter from the Agency to the Applicant, and, if applicable, the acceptance of a Guaranty Agreement from the Applicant and/or the Applicant's owners and/or principals in favor of the Agency (the "Guaranty Agreement") (each document referenced in this Section 4 being, collectively, the "Agency Documents"), each being substantively the same as approved by the Agency for prior transactions, is hereby authorized. The Chairperson, Vice Chairperson, Executive Director, Deputy Executive Director and General Counsel of the Agency are each hereby authorized to execute, acknowledge and deliver each such Agency Document. The execution and delivery of each such agreement by one of said officers shall be conclusive evidence of due authorization and approval.

Section 5. The officers of the Agency and other appropriate officials of the Agency and its agents and employees are hereby authorized and directed to take whatever steps may be necessary to cooperate with the Applicant to assist in the Project.

Section 6. All covenants, stipulations, obligations and agreements of the Agency contained in this Resolution and contained in the Agency Documents shall be deemed to be the covenants, stipulations, obligations and agreements of the Agency to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Agency and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Agency or the members thereof by the provisions of this Resolution or the Agency Documents shall be exercised or performed by the Agency or by such members, officers, board or body as may be required by law to exercise such powers and to perform such duties.

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

Section 7. The officers of the Agency are hereby designated the authorized representatives of the Agency, and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution. The Agency recognizes that due to the unusual complexities of the transaction it may become necessary that certain of the terms approved hereby may require modifications which will not affect the intent and substance of the authorizations and approvals by the Agency herein. The Agency hereby authorizes the 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 a certificate of determination of an Agency officer.

Section 8. Any expenses incurred by the Agency with respect to the Project shall be paid by the Applicant. By acceptance hereof, the Applicant agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Project.

Section 9. This Resolution is subject to approval based on an investigative report with respect to the Applicant. The provisions of this Resolution shall continue to be effective for one year from the date hereof, whereupon the Agency may, at its option, terminate the effectiveness of this Resolution (except with respect to the matters contained in Section 8 hereof).

Section 10. The Agency, as lead agency, is issuing this determination pursuant to the State Environmental Quality Review Act ("SEQRA") (Article 8 of the Environmental Conservation Law) and implementing regulations contained in 6 N.Y.C.R.R. Part 617. This determination is based upon the Agency's review of information provided by the Applicant and such other information as the Agency has deemed necessary and appropriate to make this determination.

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

1. The proposed Project would not result in a substantial adverse change in existing traffic, air quality, or noise levels. The proposed Project will lower cost of electricity and provide cleaner electricity generation from a reduced reliance on peak generation plants.
2. The proposed Project would not result in significant adverse impacts on cultural, archaeological, architectural, or aesthetic resources or the existing neighborhood.
3. The proposed Project would not result in significant adverse impacts to natural resources, critical habitats, or water quality.
4. The proposed Project would not result in a change in existing zoning or land use. The existing uses would be continuing to be as-of-right under zoning.
5. A Phase I was conducted on this property in May 2023. A previous Phase I ESA and Soil Survey was completed for the site in October & November 2022, respectively. No recognized environmental concerns (RECs) were identified. Soil vapor concentrations of volatile organic compounds (VOCs) were at low concentrations that

warranted no further action. The site is located in a commercial and residential area and no historic concerns were raised by the review. Based on this information, we do not expect any negative impact from hazmat issues from this project.

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

Section 11. In connection with the Project, the Applicant and the covenants and agrees to comply, and to cause each of its contractors, subcontractors, agents, persons or entities to comply, with the requirements of General Municipal Law Sections 875(1) and (3), as such provisions may be amended from time to time.

(1) The Applicant acknowledges and agrees that pursuant to General Municipal Law Section 875(3) the Agency shall have the right to recover, recapture, receive, or otherwise obtain from the Applicant New York State sales or use tax savings taken or purported to be taken by the Applicant, and any agent or any other person or entity acting on behalf of the Applicant, to which the Applicant is not entitled or which are in excess of the maximum sales or use tax exemption amount authorized in Section 12 of this Resolution or which are for property or services not authorized or taken in cases where the Applicant, or any agent or any other person or entity acting on behalf of the Applicant, failed to comply with a material term or condition to use property or services in the manner required by this Resolution or any agreements entered into among the Agency, the Applicant and/or any agent or any other person or entity acting on behalf of the Applicant. The Applicant shall, and shall require each agent and any other person or entity acting on behalf of the Applicant, to cooperate with the Agency in its efforts to recover, recapture, receive, or otherwise obtain such New York State sales or use tax savings and shall promptly pay over any such amounts to the Agency that it requests. The failure to pay over such amounts to the Agency shall be grounds for the Commissioner of the New York State Department of Taxation and Finance (the "Commissioner") to assess and determine New York State sales or use taxes due from the Applicant under Article Twenty-Eight of the New York State Tax Law, together with any relevant penalties and interest due on such amounts.

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

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

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

(3) The foregoing requirements of this Section 11 shall apply to any amounts of New York State sales or use tax savings that the Agency recovers, recaptures, receives, or otherwise obtains, regardless of whether the Agency, the Applicant, or any agent or other person or entity acting on behalf of the Applicant characterizes such benefits recovered, recaptured, received, or otherwise obtained, as a penalty or liquidated or contract damages or otherwise. The foregoing requirements shall also apply to any interest or penalty that the Agency imposes on any such amounts or that are imposed on such amounts by operation of law or by judicial order or otherwise. Any such amounts or payments that the Agency recovers, recaptures, receives, or otherwise obtains, together with any interest or penalties thereon, shall be deemed to be New York State sales or use taxes and the Agency shall receive any such amounts or payments, whether as a result of court action or otherwise, as trustee for and on account of New York State.

Section 12. In connection with the Project, the Agency intends to grant the Applicant City and State sales and use tax exemptions in an amount not to exceed \$1,001,960.

Section 13. This Resolution shall take effect immediately

ADOPTED: September 19, 2023

Accepted: _____, 2023

Heron Clean Energy, LLC

By: _____

Name:

Title:

Resolution inducing the purchase of equipment and other personal property for Richmond Clean Energy, LLC, as a participant in an industrial incentive program (Straight-Lease) Transaction and authorizing and approving the execution and delivery of agreements in connection therewith

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

WHEREAS, Richmond Clean Energy, LLC, a Delaware limited liability company (the “Applicant”), has entered into negotiations with officials of the Agency for the construction and equipping of two battery energy storage systems with an estimated capacity of 3 Megawatts (MW) each consisting of batteries and concrete pads for equipment, including transformers, switchboards, and metering 24 MW hours of energy storage capacity each (collectively, the “Battery System”) and two solar canopy systems consisting of solar panels, inverters and an electrical collection system with an estimated solar power generation of 200 kilowatt hours total per day (the “Solar System”). The Battery System and Solar System will total 2,800 square feet and will be located on two condo units which total 16,000 square feet and will be located on an 84,276 square foot parcel of land at 1415 Richmond Avenue, Staten Island, New York (the “Facility”). The Facility will be owned or leased by the Applicant and operated as a Battery System capable of charging from and discharging into the New York power grid, as well as a Solar System connected to the Battery System (the “Project”), and having an approximate total project cost of approximately \$20,900,000; and

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

WHEREAS, the Application sets forth certain information with respect to the Applicant and the Project, including the following: that the Applicant, is a subsidiary of NineDot Energy, LLC, a Delaware limited liability company, that is a community distribution energy generation developer (“NineDot”); that the Applicant expects to employ approximately 0.5 full time equivalent employees within the three years following the completion of the Project; that the Applicant must obtain Agency financial assistance in the form of a straight-lease transaction to enable the Applicant to proceed with the Project and thereby expand its operations in the City; that without the Agency’s financial assistance the Applicant would not be able to complete the Project, and that, based upon the financial assistance provided through the Agency, the Applicant desires to proceed with the Project and expand its operations in the City; and

WHEREAS, based upon the Application, the Agency hereby determines that Agency financial assistance and related benefits in the form of a straight-lease transaction

between the Agency and the Applicant is necessary to induce the Applicant to expand its operations in the City; and

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

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

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

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

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

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

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

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

Section 4. The execution and delivery of a Company Lease Agreement from the Applicant leasing the Eligible Items to the Agency, an Equipment Lease Agreement from the Agency subleasing the Eligible Items to the Applicant (the "Equipment Lease"), the Project Agreement between the Agency and the Applicant, a Sales Tax Agent Authorization Letter from the Agency to the Applicant, and, if applicable, the acceptance of a Guaranty Agreement from the Applicant and/or the Applicant's owners and/or principals in favor of the Agency (the "Guaranty Agreement") (each document referenced in this Section 4 being, collectively, the "Agency Documents"), each being substantively the same as approved by the Agency for prior transactions, is hereby authorized. The Chairperson, Vice Chairperson, Executive Director, Deputy Executive Director and General Counsel of the Agency are each hereby authorized to execute, acknowledge and deliver each such Agency Document. The execution and delivery of each such agreement by one of said officers shall be conclusive evidence of due authorization and approval.

Section 5. The officers of the Agency and other appropriate officials of the Agency and its agents and employees are hereby authorized and directed to take whatever steps may be necessary to cooperate with the Applicant to assist in the Project.

Section 6. All covenants, stipulations, obligations and agreements of the Agency contained in this Resolution and contained in the Agency Documents shall be deemed to be the covenants, stipulations, obligations and agreements of the Agency to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Agency and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Agency or the members thereof by the provisions of this Resolution or the Agency Documents shall be exercised or performed by the Agency or by such members, officers, board or body as may be required by law to exercise such powers and to perform such duties.

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

Section 7. The officers of the Agency are hereby designated the authorized representatives of the Agency, and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution. The Agency recognizes that due to the unusual complexities of the transaction it may become necessary that certain of the terms approved hereby may require modifications which will not affect the intent and substance of the authorizations and approvals by the Agency herein. The Agency hereby authorizes the 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 a certificate of determination of an Agency officer.

Section 8. Any expenses incurred by the Agency with respect to the Project shall be paid by the Applicant. By acceptance hereof, the Applicant agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Project.

Section 9. This Resolution is subject to approval based on an investigative report with respect to the Applicant. The provisions of this Resolution shall continue to be effective for one year from the date hereof, whereupon the Agency may, at its option, terminate the effectiveness of this Resolution (except with respect to the matters contained in Section 8 hereof).

Section 10. The Agency, as lead agency, is issuing this determination pursuant to the State Environmental Quality Review Act ("SEQRA") (Article 8 of the Environmental Conservation Law) and implementing regulations contained in 6 N.Y.C.R.R. Part 617. This determination is based upon the Agency's review of information provided by the Applicant and such other information as the Agency has deemed necessary and appropriate to make this determination.

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

1. The proposed Project would not result in a substantial adverse change in existing traffic, air quality, or noise levels. The proposed Project will lower cost of electricity and provide cleaner electricity generation from a reduced reliance on peak generation plants.
2. The proposed Project would not result in significant adverse impacts on cultural, archaeological, architectural, or aesthetic resources or the existing neighborhood.
3. The proposed Project would not result in significant adverse impacts to natural resources, critical habitats, or water quality. The proposed project would not result in significant adverse impacts to natural resources, critical habitats, or water quality. The proposed project site is located within New York City's coastal zone boundary. Having reviewed the materials submitted by the applicant regarding this action, the Agency finds that the proposed action is consistent with the policies comprising New York City's Waterfront Revitalization Program (WRP) and that the proposed action would not hinder the achievement of the WRP.

4. The proposed Project would not result in a change in existing zoning or land use. The existing uses would be continuing to be as-of-right under zoning.

5. A Phase I was prepared on this property in October 2022 and updated in May 2023. No RECs were identified. The site is located in a commercial area and no historic concerns were raised by the review. Based on this information, we do not expect any negative impact from hazmat issues from this project.

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

Section 11. In connection with the Project, the Applicant and the covenants and agrees to comply, and to cause each of its contractors, subcontractors, agents, persons or entities to comply, with the requirements of General Municipal Law Sections 875(1) and (3), as such provisions may be amended from time to time.

(1) The Applicant acknowledges and agrees that pursuant to General Municipal Law Section 875(3) the Agency shall have the right to recover, recapture, receive, or otherwise obtain from the Applicant New York State sales or use tax savings taken or purported to be taken by the Applicant, and any agent or any other person or entity acting on behalf of the Applicant, to which the Applicant is not entitled or which are in excess of the maximum sales or use tax exemption amount authorized in Section 12 of this Resolution or which are for property or services not authorized or taken in cases where the Applicant, or any agent or any other person or entity acting on behalf of the Applicant, failed to comply with a material term or condition to use property or services in the manner required by this Resolution or any agreements entered into among the Agency, the Applicant and/or any agent or any other person or entity acting on behalf of the Applicant. The Applicant shall, and shall require each agent and any other person or entity acting on behalf of the Applicant, to cooperate with the Agency in its efforts to recover, recapture, receive, or otherwise obtain such New York State sales or use tax savings and shall promptly pay over any such amounts to the Agency that it requests. The failure to pay over such amounts to the Agency shall be grounds for the Commissioner of the New York State Department of Taxation and Finance (the "Commissioner") to assess and determine New York State sales or use taxes due from the Applicant under Article Twenty-Eight of the New York State Tax Law, together with any relevant penalties and interest due on such amounts.

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

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

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

(3) The foregoing requirements of this Section 11 shall apply to any amounts of New York State sales or use tax savings that the Agency recovers, recaptures, receives, or otherwise obtains, regardless of whether the Agency, the Applicant, or any agent or other person or entity acting on behalf of the Applicant characterizes such benefits recovered, recaptured, received, or otherwise obtained, as a penalty or liquidated or contract damages or otherwise. The foregoing requirements shall also apply to any interest or penalty that the Agency imposes on any such amounts or that are imposed on such amounts by operation of law or by judicial order or otherwise. Any such amounts or payments that the Agency recovers, recaptures, receives, or otherwise obtains, together with any interest or penalties thereon, shall be deemed to be New York State sales or use taxes and the Agency shall receive any such amounts or payments, whether as a result of court action or otherwise, as trustee for and on account of New York State.

Section 12. In connection with the Project, the Agency intends to grant the Applicant City and State sales and use tax exemptions in an amount not to exceed \$1,228,038.

Section 13. This Resolution shall take effect immediately

ADOPTED: September 19, 2023

Accepted: _____, 2023

Richmond Clean Energy, LLC

By: _____

Name:

Title:

Resolution inducing the purchase of equipment and other personal property for Vesper Sparrow Clean Energy, LLC, as a participant in an industrial incentive program (Straight-Lease) Transaction and authorizing and approving the execution and delivery of agreements in connection therewith

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

WHEREAS, Vesper Sparrow Clean Energy, LLC, a New York limited liability company (the “Applicant”), has entered into negotiations with officials of the Agency for the demolition, construction and equipping of two battery energy storage systems with an estimated capacity of 4.8 Megawatts (MW) each consisting of batteries and concrete pads for equipment, including transformers, switchboards, and metering 38.4 MW hours of energy storage capacity each (collectively, the “Battery System”) and a solar canopy system consisting of solar panels, inverters and an electrical collection system with an estimated solar power generation of 200 kilowatt hours total (the “Solar System”). The Battery System and Solar System will total 3,970 square feet and be located on a 14,000 square foot parcel of land at 2138-48 Flatbush Avenue, Brooklyn, New York (the “Facility”). The Facility will be owned by the Applicant and operated as a battery energy storage system capable of charging from and discharging into the New York power grid, as well as a Solar System connected to the Battery System (the “Project”), and having an approximate total project cost of approximately \$39,000,000; and

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

WHEREAS, the Application sets forth certain information with respect to the Applicant and the Project, including the following: that the Applicant, is a subsidiary of NineDot Energy, LLC, a Delaware limited liability company, that is a community distribution energy generation developer (“NineDot”); that the Applicant expects to employ approximately 0.5 full time equivalent employees within the three years following the completion of the Project; that the Applicant must obtain Agency financial assistance in the form of a straight-lease transaction to enable the Applicant to proceed with the Project and thereby expand its operations in the City; that without the Agency’s financial assistance the Applicant would not be able to complete the Project, and that, based upon the financial assistance provided through the Agency, the Applicant desires to proceed with the Project and expand its operations in the City; and

WHEREAS, based upon the Application, the Agency hereby determines that Agency financial assistance and related benefits in the form of a straight-lease transaction

between the Agency and the Applicant is necessary to induce the Applicant to expand its operations in the City; and

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

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

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

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

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

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

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

Section 3. The Agency hereby authorizes the Applicant to proceed with the Project as herein authorized. The Applicant is authorized to proceed with the Project on behalf of the Agency as set forth in this Resolution; provided, however, that it is acknowledged and agreed by the Applicant that (i) nominal leasehold title to or other interest of the Agency in the purchased equipment or other personal property in connection with the Project (the "Eligible Items") shall be in the Agency for purposes of granting financial assistance, and (ii) the Applicant is hereby constituted the agent for the Agency solely for the purpose of effecting the

Project, and the Agency shall have no personal liability for any such action taken by the Applicant for such purpose.

Section 4. The execution and delivery of a Company Lease Agreement from the Applicant leasing the Eligible Items to the Agency, an Equipment Lease Agreement from the Agency subleasing the Eligible Items to the Applicant (the "Equipment Lease"), the Project Agreement between the Agency and the Applicant, a Sales Tax Agent Authorization Letter from the Agency to the Applicant, and, if applicable, the acceptance of a Guaranty Agreement from the Applicant and/or the Applicant's owners and/or principals in favor of the Agency (the "Guaranty Agreement") (each document referenced in this Section 4 being, collectively, the "Agency Documents"), each being substantively the same as approved by the Agency for prior transactions, is hereby authorized. The Chairperson, Vice Chairperson, Executive Director, Deputy Executive Director and General Counsel of the Agency are each hereby authorized to execute, acknowledge and deliver each such Agency Document. The execution and delivery of each such agreement by one of said officers shall be conclusive evidence of due authorization and approval.

Section 5. The officers of the Agency and other appropriate officials of the Agency and its agents and employees are hereby authorized and directed to take whatever steps may be necessary to cooperate with the Applicant to assist in the Project.

Section 6. All covenants, stipulations, obligations and agreements of the Agency contained in this Resolution and contained in the Agency Documents shall be deemed to be the covenants, stipulations, obligations and agreements of the Agency to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Agency and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Agency or the members thereof by the provisions of this Resolution or the Agency Documents shall be exercised or performed by the Agency or by such members, officers, board or body as may be required by law to exercise such powers and to perform such duties.

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

Section 7. The officers of the Agency are hereby designated the authorized representatives of the Agency, and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution. The Agency recognizes that due to the unusual complexities of the transaction it may become necessary that certain of the terms approved hereby may require

modifications which will not affect the intent and substance of the authorizations and approvals by the Agency herein. The Agency hereby authorizes the 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 a certificate of determination of an Agency officer.

Section 8. Any expenses incurred by the Agency with respect to the Project shall be paid by the Applicant. By acceptance hereof, the Applicant agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Project.

Section 9. This Resolution is subject to approval based on an investigative report with respect to the Applicant. The provisions of this Resolution shall continue to be effective for one year from the date hereof, whereupon the Agency may, at its option, terminate the effectiveness of this Resolution (except with respect to the matters contained in Section 8 hereof).

Section 10. The Agency, as lead agency, is issuing this determination pursuant to the State Environmental Quality Review Act ("SEQRA") (Article 8 of the Environmental Conservation Law) and implementing regulations contained in 6 N.Y.C.R.R. Part 617. This determination is based upon the Agency's review of information provided by the Applicant and such other information as the Agency has deemed necessary and appropriate to make this determination.

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

1. The proposed Project would not result in a substantial adverse change in existing traffic, air quality, or noise levels. The proposed Project will lower cost of electricity and provide cleaner electricity generation from a reduced reliance on peak generation plants.
2. The proposed Project would not result in significant adverse impacts on cultural, archaeological, architectural, or aesthetic resources or the existing neighborhood.
3. The proposed Project would not result in significant adverse impacts to natural resources, critical habitats, or water quality. The proposed project would not result in significant adverse impacts to natural resources, critical habitats, or water quality. The proposed project site is located within New York City's coastal zone boundary. Having reviewed the materials submitted by the applicant regarding this action, the Agency finds that the proposed action is consistent with the policies

comprising New York City's Waterfront Revitalization Program (WRP) and that the proposed action would not hinder the achievement of the WRP.

4. The proposed Project would not result in a change in existing zoning or land use. The existing uses would be continuing to be as-of-right under zoning.

5. The site is located in a commercial and residential area. A Phase I was conducted on this property in June 2023. Recognized Environmental Conditions (RECs) were identified, including for illegal kitchen grease disposal on Lot 44, and historic auto repair activity at Lot 50. Soon after the Phase I, it was determined Lot 50 will not be redeveloped as part of the project. Subsurface sampling was completed in September 2023 for Lot 44 to determine if the earthen bottomed drainage structures behind the former restaurant is still impacted by kitchen grease. Sampling found that the storm drain at the northern portion of the site should be remediated to address a Selenium contamination and that both storm drains should be closed in accordance with applicable regulations as part of the planned redevelopment of the Site. If Lot 50 is to be redeveloped as part of this project in the future, then a Phase II will need to be done to determine if historic auto repair has impacted that site. If redevelopment follows the recommendations above, we do not anticipate any significant adverse impacts resulting from the proposed projects due to Hazmat.

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

Section 11. In connection with the Project, the Applicant and the covenants and agrees to comply, and to cause each of its contractors, subcontractors, agents, persons or entities to comply, with the requirements of General Municipal Law Sections 875(1) and (3), as such provisions may be amended from time to time.

(1) The Applicant acknowledges and agrees that pursuant to General Municipal Law Section 875(3) the Agency shall have the right to recover, recapture, receive, or otherwise obtain from the Applicant New York State sales or use tax savings taken or purported to be taken by the Applicant, and any agent or any other person or entity acting on behalf of the Applicant, to which the Applicant is not entitled or which are in excess of the maximum sales or use tax exemption amount authorized in Section 12 of this Resolution or which are for property or services not authorized or taken in cases where the Applicant, or any agent or any other person or entity acting on behalf of the Applicant, failed to comply with a material term or condition to use property or services in the manner required by this Resolution or any agreements entered into among the Agency, the Applicant and/or any agent or any other person or entity acting on behalf of the Applicant. The Applicant shall, and shall require each agent and any other person or entity acting on behalf of the Applicant, to cooperate with the Agency in its efforts to recover, recapture, receive, or otherwise obtain such New York State sales or use tax savings and shall promptly pay over any such amounts to the Agency that it requests. The failure to pay over such amounts to the Agency shall be grounds for the Commissioner of the New York State Department of Taxation and Finance (the "Commissioner") to assess and determine New York State sales or use taxes due from the Applicant under Article Twenty-Eight of the New York State Tax Law, together with any relevant penalties and interest due on such amounts.

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

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

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

(3) The foregoing requirements of this Section 11 shall apply to any amounts of New York State sales or use tax savings that the Agency recovers, recaptures, receives, or otherwise obtains, regardless of whether the Agency, the Applicant, or any agent or other person or entity acting on behalf of the Applicant characterizes such benefits recovered, recaptured, received, or otherwise obtained, as a penalty or liquidated or contract damages or otherwise. The foregoing requirements shall also apply to any interest or penalty that the Agency imposes on any such amounts or that are imposed on such amounts by operation of law or by judicial order or otherwise. Any such amounts or payments that the Agency recovers, recaptures, receives, or otherwise obtains, together with any interest or penalties thereon, shall be deemed to be New York State sales or use taxes and the Agency shall receive any such amounts or payments, whether as a result of court action or otherwise, as trustee for and on account of New York State.

Section 12. In connection with the Project, the Agency intends to grant the Applicant a partial exemption for City and State mortgage recording taxes and an exemption from City and State sales and use tax in an amount not to exceed \$2,169,973.

Section 13. This Resolution shall take effect immediately

ADOPTED: September 19, 2023

Accepted: _____, 2023

Vesper Sparrow Clean Energy, LLC

By: _____

Name:

Title:

Exhibit H

PROJECT SUMMARY

OSCII Gildersleeve, LLC (“Gildersleeve Project”), OSCII Gun Hill, LLC (“Gun Hill Project”), and OSCII Victory 3, LLC (“Victory3 Project”) (collectively, the “Companies”) are each Delaware limited liability companies and wholly owned subsidiaries of Orenda Sky Capital II, LLC (“OSCII”). OSCII was established as a joint venture indirectly owned by Orenda, Inc. (“Orenda”) and North Sky Infrastructure Investment Fund, LLC (“NSC”). Orenda is a developer and operator of energy storage facilities and NSC is an impact investor that finances sustainable infrastructure. NSC is managed by North Sky Capital, an impact investor founded in 2000. The Companies seek financial assistance in connection with three projects (collectively, the “Projects”), for which the respective Companies will own and operate battery energy storage equipment on leased property. The Projects will each individually serve as battery energy storage systems capable of charging from, and discharging into, the New York power grid. The Agency will execute separate equipment leases with each of the Companies. The Gildersleeve Project and Gun Hill Project are both expected to begin construction in the fourth quarter of 2023 and begin operating by Summer 2024; the Victory3 Project is expected to begin construction by Fall 2024 and begin operating by 2025 (see more information about the Companies in the Appendix).

Project Locations

OSCII Gildersleeve, LLC
1927 Gildersleeve Avenue
Bronx, New York 10473

OSCII Gun Hill, LLC
1352 East Gun Hill Road
Bronx, New York 10469

OSCII Victory3, LLC
3619 Victory Boulevard
Staten Island, New York 10314

Actions Requested

- Inducement and Authorizing Resolutions for an Industrial Program transaction for the Victory3 Project.
- Adopt a negative SEQRA declaration for the Victory3 Project. The proposed Victory3 Project will not have a significant adverse effect on the environment.
- Authorizing Resolutions for Industrial Program transactions for the Gildersleeve Project and Gun Hill Project.

Previous Actions

- Inducement Resolution for an Industrial Program transaction for the Gildersleeve Project and Gun Hill Project approved on July 25, 2023.
- Negative SEQRA declaration for the Gildersleeve Project and Gun Hill Project adopted on July 25, 2023. The proposed Gildersleeve Project and Gun Hill Project will not have a significant adverse effect on the environment.

Anticipated Closing

Fall 2023

OSCII Gildersleeve, LLC; OSCII Gun Hill, LLC; and OSCII Victory3, LLC

Impact Summary

Gildersleeve Project:

Employment	
Jobs at Application:	0
Jobs to be Created at Project Location (Year 3):	1
Total Jobs (full-time equivalents)	1
Projected Average Hourly Wage (excluding principals)	\$80.00

Estimated City Tax Revenues	
Impact of Operations (NPV 10 years at 6.25%)	\$4,092,945
One-Time Impact of Renovation	\$580,932
Total Impact of Operations and Renovation	\$4,673,877
Additional Benefit from Jobs to be Created	\$252,098

Estimated Cost of Benefits Requested: New York City	
Sales Tax Exemption	\$493,200
Agency Financing Fee	(\$204,500)
Total Cost to NYC Net of Financing Fee	\$288,700
Agency Benefits in Excess of As-of-Right Benefits	\$288,700
Costs of Benefits Per Job	
Estimated Total Cost of Net City Benefits per Job in Year 3	\$288,700
Estimated City Tax Revenue per Job in Year 3	\$4,925,975

Estimated Cost of Benefits Requested: New York State	
Sales Tax Exemption	\$479,500
Total Cost to NYS	\$479,500
Total Cost to NYC and NYS	\$768,200

Gun Hill Project:

Employment	
Jobs at Application:	0
Jobs to be Created at Project Location (Year 3):	1
Total Jobs (full-time equivalents)	1
Projected Average Hourly Wage (excluding principals)	\$50.00

Estimated City Tax Revenues	
Impact of Operations (NPV 10 years at 6.25%)	\$4,086,456
One-Time Impact of Renovation	\$580,932
Total Impact of Operations and Renovation	\$4,667,388
Additional Benefit from Jobs to be Created	\$157,561

Estimated Cost of Benefits Requested: New York City	
Sales Tax Exemption	\$493,200
Agency Financing Fee	(\$204,500)
Total Cost to NYC Net of Financing Fee	\$288,700
Agency Benefits in Excess of As-of-Right Benefits	\$288,700

OSCII Gildersleeve, LLC; OSCII Gun Hill, LLC; and OSCII Victory3, LLC

Costs of Benefits Per Job	
Estimated Total Cost of Net City Benefits per Job in Year 3	\$288,700
Estimated City Tax Revenue per Job in Year 3	\$4,824,949

Estimated Cost of Benefits Requested: New York State	
Sales Tax Exemption	\$479,500
Total Cost to NYS	\$479,500
Total Cost to NYC and NYS	\$768,200

Victory3 Project:

Employment	
Jobs at Application:	0
Jobs to be Created at Project Location (Year 3):	1.5
Total Jobs (full-time equivalents)	1.5
Projected Average Hourly Wage (excluding principals)	\$37.50

Estimated City Tax Revenues	
Impact of Operations (NPV 10 years at 6.25%)	\$2,805,211
One-Time Impact of Renovation	\$425,276
Total Impact of Operations and Renovation	\$3,230,487
Additional Benefit from Jobs to be Created	\$177,256

Estimated Cost of Benefits Requested: New York City	
Sales Tax Exemption	\$337,500
Agency Financing Fee	(\$151,250)
Total Cost to NYC Net of Financing Fee	\$186,250
Agency Benefits in Excess of As-of-Right Benefits	\$186,250
Costs of Benefits Per Job	
Estimated Total Cost of Net City Benefits per Job in Year 3	\$124,167
Estimated City Tax Revenue per Job in Year 3	\$2,271,829

Estimated Cost of Benefits Requested: New York State	
Sales Tax Exemption	\$328,125
Total Cost to NYS	\$328,125
Total Cost to NYC and NYS	\$514,375

OSCII Gildersleeve, LLC; OSCII Gun Hill, LLC; and OSCII Victory3, LLC

Sources and Uses

Sources: OSCII Gildersleeve Project	Total Amount	Percent of Total Financing
North Sky Capital Equity	\$4,682,703	34%
New York Green Bank	\$9,192,297	66%
Total	\$13,875,000	100%

Uses: OSCII Gildersleeve Project	Total Amount	Percent of Total Costs
Leasing Costs	\$250,000	2%
Hard Costs	\$2,800,000	20%
Soft Costs	\$1,000,000	7%
Furnishings, Fixtures & Equipment	\$9,000,000	65%
Closing Fees	\$825,000	6%
Total	\$13,875,000	100%

Sources: OSCII Gun Hill Project	Total Amount	Percent of Total Financing
North Sky Capital Equity	\$4,682,703	34%
New York Green Bank	\$9,192,297	66%
Total	\$13,875,000	100%

Uses: OSCII Gun Hill Project	Total Amount	Percent of Total Costs
Leasing Costs	\$250,000	2%
Hard Costs	\$2,800,000	20%
Soft Costs	\$1,000,000	7%
Furnishings, Fixtures & Equipment	\$9,000,000	65%
Closing Fees	\$825,000	6%
Total	\$13,875,000	100%

Sources: OSCII Victory3 Project	Total Amount	Percent of Total Financing
North Sky Capital Equity	\$4,318,517	43%
New York Green Bank	\$5,781,483	57%
Total	\$10,100,000	100%

Uses: OSCII Victory3 Project	Total Amount	Percent of Total Costs
Leasing Costs	\$200,000	2%
Hard Costs	\$2,500,000	25%
Soft Costs	\$1,000,000	10%
Furnishings, Fixtures & Equipment	\$5,750,000	57%
Closing Fees	\$650,000	6%
Total	\$10,100,000	100%

OSCII Gildersleeve, LLC; OSCII Gun Hill, LLC; and OSCII Victory3, LLC

Fees

OSCII Gildersleeve Project	To be paid at Closing	On-Going Fees (NPV, 10 Years)
Agency Fee	\$204,500	
Project Counsel	\$35,000	
Annual Agency Fee	\$1,250	\$9,092
Total	\$240,750	\$9,092
Total Fees	\$249,842	

OSCII Gun Hill Project	To be paid at Closing	On-Going Fees (NPV, 10 Years)
Agency Fee	\$204,500	
Project Counsel	\$35,000	
Annual Agency Fee	\$1,250	\$9,092
Total	\$240,750	\$9,092
Total Fees	\$249,842	

OSCII Victory3 Project	To be paid at Closing	On-Going Fees (NPV, 10 Years)
Agency Fee	\$151,250	
Project Counsel	\$35,000	
Annual Agency Fee	\$1,250	\$9,092
Total	\$187,500	\$9,092
Total Fees	\$196,592	

Financing and Benefits Summary

The Projects will be compensated on an ongoing basis under the Value of Distributed Energy Resources ("Value Stack" or "VDER") tariffs established by the New York State Public Service Commission. In addition, the Projects have applied for one-time compensation under the NYSERDA Retail Storage Incentive Program (the "NYSERDA Incentive") and expect to receive notice of acceptance into the program in October 2023. The Projects are also anticipated to be compensated by Federal Investment Tax Credits (the "ITC") to be filed after construction completion.

The total cost of the three Projects is approximately \$37,850,000. It is anticipated that the Companies will finance the Projects with \$13,683,923 in equity from North Sky Capital and with one or more senior secured loans, totaling \$24,166,077, from the New York Green Bank (the "Loan"). The Loan will be used to: (i) provide construction-to-term financing supported by the Projects' cash flows arising from the VDER tariffs; (ii) provide a bridge to the NYSERDA Incentive proceeds; and (iii) provide a bridge to the ITC monetization. Term conversion will occur up to one year after Loan closing, and the final maturity date will be five years after term conversion. Prior to term conversion, the Loan will bear interest at a floating rate equal to 1-month Term SOFR (5.23% as of 9/1/2023), plus 5.00% per annum. Following term conversion, the Project Loan will bear interest at a rate equal to the 5-Year SOFR swap rate fixed as of term conversion (4.08% as of 9/1/2023), plus 4.75% per annum. Debt service is paid quarterly following term conversion and comprised of both a fixed, low amortization (3% of the term loan per annum) and variable cash sweep payments based upon excess cash flows in each quarter. The Loan is structured such that the debt service coverage ratio is anticipated to exceed 1.0x. The Loan will be secured by a first-priority security interest on 100% membership interest in the Projects, various Collateral Accounts established at the Loan closing date, and all Project assets including collateral assignment of contracts, real property rights, permits, equipment (as applicable), etc.

OSCII Gildersleeve, LLC; OSCII Gun Hill, LLC; and OSCII Victory3, LLC

The financial assistance proposed to be conferred by the Agency will consist solely of exemption from City and State sales and use taxes.

Company Performance and Projections

The Projects will serve as battery energy storage systems capable of charging from, and discharging into, the New York power grid. The Projects are planned to be up to 5-MWs each. Battery energy systems can purchase wholesale power from the market when the power is at lower cost and sell the power into the wholesale market when prices are higher. In doing so, the battery system is helping regulate the supply and demand for energy in New York. The Projects will receive compensation under the VDER tariff established by the New York State Public Service Commission (“NYPSC”) for distributed energy resources. Under the tariff, the compensation rate is set by the NYPSC and the tariff is guaranteed for 25 years. Consolidated Edison, Inc. (“ConEd”) will calculate the value of the energy deployed to the grid using the Value Stack methodology and will compensate the Projects in the form of a bill credit. The Projects are also anticipated to receive funding during the first year of operation from the NYSEDA Retail Storage Incentive Program, pending acceptance into the program. The Projects are expected to reduce greenhouse gas emissions by displacing the use of existing, older, and higher-emitting fossil fuel-powered peaker plants.

Inducement – Victory3 Project

- I. The Victory3 Project would not be financially viable without Agency benefits.
- II. The Victory3 Project will expand energy storage capacity within New York City, helping to facilitate the City’s goal of reducing greenhouse gas emissions. Renewable energy sources like wind and solar provide power intermittently. Battery energy storage capacity allows electricity to be captured during periods of excess generation and deployed during periods of peak demand and lower generation.

UTEP Considerations – Victory3 Project

The Agency finds that the Victory3 Project meets one or more considerations from Section I-B of the Agency’s Uniform Tax Exemption Policy (“UTEP”), including the following:

- I. Financial assistance is required to induce the Victory3 Project.
- II. The Victory3 Project is likely to be completed in a timely manner.

Applicant Summary

OSCII was established in April 2022 as a joint venture indirectly owned by Orenda and NSC. Orenda was founded by former energy executives in March 2020 and is a developer and operator of energy storage facilities around New York City. Orenda’s executive team leverages over 30 years of industry experience with battery storage development, finance, and technology, which has enabled the company to contribute and advise on the development of hundreds of megawatts of renewable energy projects. Orenda is comprised of 10 employees and has an advisory board consisting of current and former employees from local colleges, research centers, and the utilities industry. NSC is an impact investor that finances green infrastructure. NSC is managed by North Sky Capital, an impact investor founded in 2000 that has raised more than \$1.7 billion of investor commitments in an effort to create positive social and environmental impact while generating strong financial returns by investing in companies, private equity funds, and infrastructure projects that have positive impacts. NSC and North Sky Capital have created 3.3 GW of new clean power generation and storage capacity across North America via the investment of \$700 million in 38 projects.

Bill Grinstead, Co-Founder and Chief Executive Officer

Mr. Grinstead is Co-Founder and Chief Executive Officer of Orenda and brings over 15 years of experience identifying, researching, and financing new market opportunities. Prior to founding Orenda, Mr. Grinstead gained extensive experience in both the public and private financial markets across various technologies, including renewables. He was previously CFO of Integrated Storage Technologies, an energy storage solutions provider which designed New York City’s and ConEd’s first energy storage Non-Wires Solution for owner Agilitas Energy. Prior, Mr. Grinstead

OSCII Gildersleeve, LLC; OSCII Gun Hill, LLC; and OSCII Victory3, LLC

worked at Marlin Equity Partners, a \$7 billion tech-focused private equity firm, as well as Susquehanna International Group, a global technology and proprietary trading firm with more than \$500 billion of assets under management. Mr. Grinstead earned a B.S. in Finance from the WP Carey School of Business at Arizona State University. He also studied Sustainable Finance and Real Estate Investing at Harvard University.

Olivier Brigaud, Chief Project Officer

Mr. Brigaud is Chief Project Officer of Orenda. His responsibilities include the successful procurement, construction, and installation of the company's pipeline of energy storage projects. Prior to joining Orenda, Mr. Brigaud founded and led Innovative Energy Storage Solutions (iESS), a consultancy focused on lithium-ion battery technology and monetization. Prior, Mr. Brigaud served as VP of Transformation and VP of Energy Storage at Saft, a global manufacturer of batteries. Mr. Brigaud started his career as a high-level civil servant in the French Nuclear Safety Authority, regulating the nuclear industry and developing policies with a focus on the safety of radioactive waste management. Mr. Olivier holds a PhD in Organic Chemistry from Université Pierre et Marie Curie (Paris, France) as well as a graduate degree in Business and Government Administration from Ecole des Mines de Paris (Paris, France).

Baker Al-Freihat, Co-Founder and Director of Engineering

Mr. Al-Freihat is Co-Founder and Director of Engineering. Prior to joining Orenda, he worked for Integrated Storage Technologies where he led the data science and software team as well as led the initial design and successful application for the first non-wires solution energy storage system in New York City. Prior, he worked at the Electricity Distribution Company (EDCO) in Jordan. Mr. Al-Freihat has an extensive educational background, which includes a M.S. in Electrical Engineering from New York University with a concentration in smart grids and power optimization and a B.S. in Electrical Engineering from the University of Jordan. He also studied Environmental Economics at the London School of Economics.

Employee Benefits

Employees are eligible for a discretionary bonus and offered participation in an industry standard healthcare insurance package.

Recapture

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

SEQRA Determination – Victory3 Project

Unlisted action which if implemented will not result in significant adverse environmental impacts. Staff recommends the Board adopt a Negative Declaration for the Victory3 Project. The completed Environmental Assessment Form for the Victory3 Project have been reviewed and signed by Agency staff.

Due Diligence

The Agency conducted a background investigation of the Companies, Orenda, NSC, North Sky Capital, and their principals and found no derogatory information.

Compliance Check:	Not Applicable
Living Wage:	Compliant
Paid Sick Leave:	Compliant
Affordable Care Act:	Not Applicable
Bank Account:	J.P. Morgan Chase & Co.
Bank Check:	Relationships are reported to be satisfactory

OSCII Gildersleeve, LLC; OSCII Gun Hill, LLC; and OSCII Victory3, LLC

Supplier Checks:	Relationships are reported to be satisfactory
Customer Checks:	Not Applicable
Unions:	Not Applicable
Background Check:	No derogatory information was found
Attorney:	Daniel Spitzer Hodgson Russ LLP 90 Linden Oaks, Suite 110 Rochester, New York 14625
Accountant:	Bill Grinstead Orenda, Inc. 175 Pearl Street Brooklyn, New York 11201
Community Boards:	Bronx, CB #11 (Gun Hill) Bronx, CB #9 (Gildersleeve) Staten Island, CB #2 (Victory3)

OSCII Gildersleeve, LLC; OSCII Gun Hill, LLC; and OSCII Victory3, LLC

Appendix

OSCII Gildersleeve, LLC

OSCII Gildersleeve, LLC, a Delaware limited liability company (the “Company”). The Company is a wholly owned subsidiary of Orenda Sky Capital II, LLC (“OSCII”). OSCII was established as a joint venture indirectly owned by Orenda, Inc. (“Orenda”) and North Sky Infrastructure Investment Fund, LLC (“NSC”). Orenda is a developer and operator of energy storage facilities and NSC is an impact investor with two flagship strategies – sustainable infrastructure and impact secondaries. The Company is seeking financial assistance in connection with the construction and equipping of an approximately 5-Megawatt (MW) battery energy storage system consisting of 20MW hours of energy storage capacity (the “Battery System”). The Battery System will total 9,968 square feet and be located on a 15,767 square foot parcel of land at 1927 Gildersleeve Avenue in the Bronx, New York (the “Facility”). The Facility will be owned by the Company and operated as a battery energy storage system capable of charging from and discharging into the New York power grid.

OSCII Gun Hill, LLC

OSCII Gun Hill, LLC, a Delaware limited liability company (the “Company”). The Company is a wholly owned subsidiary of Orenda Sky Capital II, LLC (“OSCII”). OSCII was established as a joint venture indirectly owned by Orenda, Inc. (“Orenda”) and North Sky Infrastructure Investment Fund, LLC (“NSC”). Orenda is a developer and operator of energy storage facilities and NSC is an impact investor with two flagship strategies – sustainable infrastructure and impact secondaries. The Company is seeking financial assistance in connection with the construction and equipping of an approximately 5-Megawatt (MW) battery energy storage system consisting of 20MW hours of energy storage capacity (the “Battery System”). The Battery System will total 9,206 square feet and be located on a 15,320 square foot parcel of land at 1352 East Gun Hill Road in the Bronx, New York (the “Facility”). The Facility will be owned by the Company and operated as a battery energy storage system capable of charging from and discharging into the New York power grid.

OSCII Victory3, LLC

OSCII Victory3, LLC, a Delaware limited liability company (the “Company”). The Company is a wholly owned subsidiary of Orenda Sky Capital II, LLC (“OSCII”). OSCII was established as a joint venture indirectly owned by Orenda, Inc. (“Orenda”) and North Sky Infrastructure Investment Fund, LLC (“NSC”). Orenda is a developer and operator of energy storage facilities and NSC is an impact investor with two flagship strategies – sustainable infrastructure and impact secondaries. The Company is seeking financial assistance in connection with the construction and equipping of an approximately 3-Megawatt (MW) battery energy storage system consisting of 12MW hours of energy storage capacity (the “Battery System”). The Battery System will total 7,500 square feet and be located on a 14,124 square foot parcel of land at 3619 Victory Boulevard in Staten Island, New York (the “Facility”). The Facility will be owned by the Company and operated as a battery energy storage system capable of charging from and discharging into the New York power grid.



June 2, 2023

VIA EMAIL

Emily Marcus, Executive Director
New York City Industrial Development Agency
One Liberty Plaza
New York, NY 1000

RE: NYCIDA Core Application – OSCII Gildersleeve, LLC

Dear Ms. Marcus:

Orenda, Inc. (“**Orenda**”), founded in 2020, is a New York City-based developer, owner, and operator of energy storage facilities. Orenda’s vision, which is unlike some of our competitors, is to build a portfolio across the State of New York (the “**State**”), with a particular focus in New York City (the “**City**”), to assist in the State’s (and the City’s) transition to clean energy. To that end, we have set an internal goal of deploying 1,000MW of energy storage in the State by 2030.

We believe that Orenda is well positioned to meet that goal based on the knowledge and skill of our executive team (which collectively has over thirty years of experience), our employees (ten today, with expected growth) and our advisory board (which consists of current and former employees from local colleges, research centers, and utilities). In addition, we have partnered with North Sky Capital Infrastructure Fund, LLC (“**NSC**”), which is an innovative impact investor, which seeks to create positive social and environmental impact while generating strong financial returns by investing in companies, funds and infrastructure projects that make the world a better place. Through their investments, over 3.3 GW of new clean power generation and storage capacity have been created across North America

Orenda and NSC have formed OSCII Gildersleeve, LLC (the “**Applicant**”). The Applicant is proposing to build a 5MW / 20MWh energy storage project at 1927 Gildersleeve Avenue, Bronx, NY 10473 (the “**Project**”). The Project will support the resiliency of the local electrical grid, including the Parkchester No 2 substation. Once operational, the Project will charge and discharge about 500 MWh of electricity from/to the electrical grid at the most critical time to help Consolidated Edison Co of New York, Inc. keep a stable electrical network for the benefit of City residents.

With respect to the Project, Orenda has conducted initial engineering, received a positive electrical grid study, and has applied for permits with the New York City Fire Department and the New York City Department of Buildings. We have received no indication that the Project will not be approved. Therefore, we are now focused on financing the Project.

After initial discussions with NSC, it has been determined that the Applicant will need to obtain debt financing (to supplement NSC’s equity investment). We have had conversations with lenders about such financing, but the lenders have expressed some concerns about the



economics of the Project (and the level of debt and equity it can support). As such, we are seeking support from the NYC IDA to enhance the return of the Project.

As you may know, energy storage projects are currently exempt from sales tax under New York State law if they are co-located and primarily charged from renewable energy generation. Co-locating energy storage with renewable generation is nearly impossible in the City as land is very scarce, particularly in the significant quantities that renewable generation requires. Thus, without the NYC IDA's assistance, energy storage projects located in the City generally do not qualify for a sales tax exemption. However, with a sales tax exemption, projects like our Project become financially feasible, which means that we are reliant on the NYC IDA providing financial assistance to the Project and we are confident with such assistance we can finance (and construct) the Project, thereby assisting the City and State in transitioning to clean energy.

Should you have any questions or require additional information, please do not hesitate to contact me. We thank you for your consideration.

William Grinstead

**Authorized Rep, Member
OSCII Gildersleeve, LLC**



June 2, 2023

VIA EMAIL

Emily Marcus, Executive Director
New York City Industrial Development Agency
One Liberty Plaza
New York, NY 1000

RE: NYCIDA Core Application – OSCII Gun Hill, LLC

Dear Ms. Marcus:

Orenda, Inc. (“**Orenda**”), founded in 2020, is a New York City-based developer, owner, and operator of energy storage facilities. Orenda’s vision, which is unlike some of our competitors, is to build a portfolio across the State of New York (the “**State**”), with a particular focus in New York City (the “**City**”), to assist in the State’s (and the City’s) transition to clean energy. To that end, we have set an internal goal of deploying 1,000MW of energy storage in the State by 2030.

We believe that Orenda is well positioned to meet that goal based on the knowledge and skill of our executive team (which collectively has over thirty years of experience), our employees (ten today, with expected growth) and our advisory board (which consists of current and former employees from local colleges, research centers, and utilities). In addition, we have partnered with North Sky Capital Infrastructure Fund, LLC (“**NSC**”), which is an innovative impact investor, which seeks to create positive social and environmental impact while generating strong financial returns by investing in companies, funds and infrastructure projects that make the world a better place. Through their investments, over 3.3 GW of new clean power generation and storage capacity have been created across North America

Orenda and NSC have formed OSCII Gun Hill, LLC (the “**Applicant**”). The Applicant is proposing to build a 5MW / 20MWh energy storage project at 1352 East Gun Hill Road, Bronx, NY 10469 (the “**Project**”). The Project will support the resiliency of the local electrical grid, including the Parkchester No 2 substation. Once operational, the Project will charge and discharge about 500 MWh of electricity from/to the electrical grid at the most critical time to help Consolidated Edison Co of New York, Inc. keep a stable electrical network for the benefit of City residents.

With respect to the Project, Orenda has conducted initial engineering, received a positive electrical grid study, and has applied for permits with the New York City Fire Department and the New York City Department of Buildings. We have received no indication that the Project will not be approved. Therefore, we are now focused on financing the Project.

After initial discussions with NSC, it has been determined that the Applicant will need to obtain debt financing (to supplement NSC’s equity investment). We have had conversations with lenders about such financing, but the lenders have expressed some concerns about the



economics of the Project (and the level of debt and equity it can support). As such, we are seeking support from the NYC IDA to enhance the return of the Project.

As you may know, energy storage projects are currently exempt from sales tax under New York State law if they are co-located and primarily charged from renewable energy generation. Co-locating energy storage with renewable generation is nearly impossible in the City as land is very scarce, particularly in the significant quantities that renewable generation requires. Thus, without the NYC IDA's assistance, energy storage projects located in the City generally do not qualify for a sales tax exemption. However, with a sales tax exemption, projects like our Project become financially feasible, which means that we are reliant on the NYC IDA providing financial assistance to the Project and we are confident with such assistance we can finance (and construct) the Project, thereby assisting the City and State in transitioning to clean energy.

Should you have any questions or require additional information, please do not hesitate to contact me. We thank you for your consideration.

William Grinstead

**Authorized Rep, Member
OSCII Gun Hill, LLC**



June 2, 2023

VIA EMAIL

Emily Marcus, Executive Director
New York City Industrial Development Agency
One Liberty Plaza
New York, NY 1000

RE: NYCIDA Core Application – OSCII Victory3, LLC

Dear Ms. Marcus:

Orenda, Inc. (“**Orenda**”), founded in 2020, is a New York City-based developer, owner, and operator of energy storage facilities. Orenda’s vision, which is unlike some of our competitors, is to build a portfolio across the State of New York (the “**State**”), with a particular focus in New York City (the “**City**”), to assist in the State’s (and the City’s) transition to clean energy. To that end, we have set an internal goal of deploying 1,000MW of energy storage in the State by 2030.

We believe that Orenda is well positioned to meet that goal based on the knowledge and skill of our executive team (which collectively has over thirty years of experience), our employees (ten today, with expected growth) and our advisory board (which consists of current and former employees from local colleges, research centers, and utilities). In addition, we have partnered with North Sky Capital Infrastructure Fund, LLC (“**NSC**”), which is an innovative impact investor, which seeks to create positive social and environmental impact while generating strong financial returns by investing in companies, funds and infrastructure projects that make the world a better place. Through their investments, over 3.3 GW of new clean power generation and storage capacity have been created across North America

Orenda and NSC have formed OSCII Victory3, LLC (the “**Applicant**”). The Applicant is proposing to build a 3MW / 12MWh energy storage project at 3611 Victory Boulevard, Staten Island, NY 10314 (the “**Project**”). The Project will support the resiliency of the local electrical grid, including the Fresh Kills substation which supports the FDNY Squad 8. Once operational, the Project will charge and discharge about 500 MWh of electricity from/to the electrical grid at the most critical time to help Consolidated Edison Co of New York, Inc. keep a stable electrical network for the benefit of City residents.

With respect to the Project, Orenda has conducted initial engineering, received a positive electrical grid study, and has applied for permits with the New York City Fire Department and the New York City Department of Buildings. We have received no indication that the Project will not be approved. Therefore, we are now focused on financing the Project.

After initial discussions with NSC, it has been determined that the Applicant will need to obtain debt financing (to supplement NSC’s equity investment). We have had conversations with lenders about such financing, but the lenders have expressed some concerns about the



economics of the Project (and the level of debt and equity it can support). As such, we are seeking support from the NYC IDA to enhance the return of the Project.

As you may know, energy storage projects are currently exempt from sales tax under New York State law if they are co-located and primarily charged from renewable energy generation. Co-locating energy storage with renewable generation is nearly impossible in the City as land is very scarce, particularly in the significant quantities that renewable generation requires. Thus, without the NYC IDA's assistance, energy storage projects located in the City generally do not qualify for a sales tax exemption. However, with a sales tax exemption, projects like our Project become financially feasible, which means that we are reliant on the NYC IDA providing financial assistance to the Project and we are confident with such assistance we can finance (and construct) the Project, thereby assisting the City and State in transitioning to clean energy.

Should you have any questions or require additional information, please do not hesitate to contact me. We thank you for your consideration.

William Grinstead

**Authorized Rep, Member
OSCII Victory3, LLC**

Exhibit I

Resolution authorizing and approving the execution and delivery of agreements in connection with a Straight-Lease project for OSCII Gildersleeve, LLC

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

WHEREAS, OSCII Gildersleeve, LLC (the “Applicant”), has entered into negotiations with officials of the Agency for the acquisition, construction, renovation and equipping of an industrial facility (the “Facility”), consisting of an approximately 5-Megawatt (MW) battery energy storage system consisting of 20MW hours of energy storage capacity (the “Battery System”). The Battery System will total 9,968 square feet and be located on a 15,767 square foot parcel of land at 1927 Gildersleeve Avenue in the Bronx, New York. The Facility will be owned by the Applicant and operated as a battery energy storage system capable of charging from and discharging into the New York power grid, all for the use by the Applicant, for sublease to the Agency and sub-sublease by the Agency to the Applicant and having an approximate total project cost of approximately \$13,875,000 (the “Project”); and

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

WHEREAS, the Application sets forth certain information with respect to the Applicant and the Project, including the following: that the Applicant is a wholly owned subsidiary of Orenda Sky Capital II, LLC (“OSCII”). OSCII was established as a two-member joint venture between Orenda, Inc. (“Orenda”) and North Sky Capital Infrastructure Fund, LLC (“NSC”) developers of energy storage power projects; that the Applicant must obtain Agency financial assistance in the form of a straight-lease transaction to enable the Applicant to proceed with the Project and thereby expand its operations in the City; that without the Agency’s financial assistance the Applicant would not be able to complete the Project, and that, based upon the financial assistance provided through the Agency, the Applicant desires to proceed with the Project and expand its operations in the City; and

WHEREAS, on July 25, 2023, the Agency adopted a resolution approving the taking of preliminary action with respect to providing financial assistance in the form of a straight-lease transaction; and

WHEREAS, based upon the Application, the Agency hereby determines that Agency financial assistance and related benefits in the form of a straight-lease transaction

between the Agency and the Applicant are necessary to induce the Applicant to remain and expand its operations in the City; and

WHEREAS, in order to provide financial assistance to the Applicant for the Project, the Agency intends to grant the Applicant financial assistance through a straight-lease transaction in the form of an exemption from City and State sales and use tax exemptions, all pursuant to the Act;

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

Section 1. To accomplish the purposes of the Act and to provide financial assistance to the Applicant for the Project, a straight-lease transaction is hereby authorized subject to the provisions of this Resolution and the Equipment Lease Agreement hereinafter authorized.

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

Section 3. The officers of the Agency and other appropriate officials of the Agency and its agents and employees are hereby authorized and directed to take whatever steps may be necessary to cooperate with the Applicant to assist in the Project.

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

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

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

Section 6. This Resolution shall take effect immediately.

ADOPTED: September 19 , 2023

Accepted: _____, 2023

OSCII GILDERSLEEVE, LLC

By: _____
Name:
Title:

Resolution authorizing and approving the execution and delivery of agreements in connection with a Straight-Lease project for OSCII Gun Hill, LLC

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

WHEREAS, OSCII Gun Hill, LLC (the “Applicant”), has entered into negotiations with officials of the Agency for the acquisition, construction, renovation and equipping of an industrial facility (the “Facility”), consisting of an approximately 5-Megawatt (MW) battery energy storage system consisting of 20MW hours of energy storage capacity (the “Battery System”). The Battery System will total 9,206 square feet and be located on a 15,320 square foot parcel of land at 1352 East Gun Hill Road in the Bronx, New York. The Facility will be owned by the Applicant and operated as a battery energy storage system capable of charging from and discharging into the New York power grid, all for the use by the Applicant, for sublease to the Agency and sub-sublease by the Agency to the Applicant and having an approximate total project cost of approximately \$13,875,000 (the “Project”); and

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

WHEREAS, the Application sets forth certain information with respect to the Applicant and the Project, including the following: that the Applicant is a wholly owned subsidiary of Orenda Sky Capital II, LLC (“OSCII”). OSCII was established as a two-member joint venture between Orenda, Inc. (“Orenda”) and North Sky Capital Infrastructure Fund, LLC (“NSC”) developers of energy storage power projects; that the Applicant must obtain Agency financial assistance in the form of a straight-lease transaction to enable the Applicant to proceed with the Project and thereby expand its operations in the City; that without the Agency’s financial assistance the Applicant would not be able to complete the Project, and that, based upon the financial assistance provided through the Agency, the Applicant desires to proceed with the Project and expand its operations in the City; and

WHEREAS, on July 25, 2023, the Agency adopted a resolution approving the taking of preliminary action with respect to providing financial assistance in the form of a straight-lease transaction; and

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

WHEREAS, in order to provide financial assistance to the Applicant for the Project, the Agency intends to grant the Applicant financial assistance through a straight-lease transaction in the form of an exemption from City and State sales and use tax exemptions, all pursuant to the Act;

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

Section 1. To accomplish the purposes of the Act and to provide financial assistance to the Applicant for the Project, a straight-lease transaction is hereby authorized subject to the provisions of this Resolution and the Equipment Lease Agreement hereinafter authorize.

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

Section 3. The officers of the Agency and other appropriate officials of the Agency and its agents and employees are hereby authorized and directed to take whatever steps may be necessary to cooperate with the Applicant to assist in the Project.

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

No covenant, stipulation, obligation or agreement herein contained or contained in the Agency Documents shall be deemed to be a covenant, stipulation, obligation or agreement of any member, director, officer, agent or employee of the Agency in his or her individual capacity

and neither the members nor the directors of the Agency nor any officer executing any Agency Document shall be liable personally for any amounts payable thereunder or arising from claims thereon or be subject to any personal liability or accountability by reason of the execution and delivery or acceptance thereof.

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

Section 6. This Resolution shall take effect immediately.

ADOPTED: September 19, 2023

Accepted: _____, 2023

OSCII GUN HILL, LLC

By: _____

Name:

Title:

Resolution inducing the purchase of equipment and other personal property for OSCII Victory3, LLC, as a participant in an industrial incentive program (Straight-Lease) Transaction and authorizing and approving the execution and delivery of agreements in connection therewith

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

WHEREAS, OSCII Victory3, LLC, a Delaware limited liability company (the “Applicant”), has entered into negotiations with officials of the Agency for the construction and equipping of an appropriately 3-Megawatt (MW) battery storage system consisting of 12MW hours of storage capacity (the “Battery System”). The Battery System will total 7,500 square feet and be located on a 14,124 square foot parcel of land at 3619 Victory Boulevard in Staten Island, New York (the “Facility”). The Facility will be owned by the Applicant and operated as a battery energy storage site capable of charging from and discharging into the New York power grid (the “Project”), and having an approximate total project cost of approximately \$10,100,000; and

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

WHEREAS, the Application sets forth certain information with respect to the Applicant and the Project, including the following: that the Applicant, is a wholly owned subsidiary of Orenda Sky Capital II, LLC (“OSCII”). OSCII was established as a two-member joint venture between Orenda, Inc. (“Orenda”) and North Sky Capital Infrastructure Fund, LLC (“NSC”). The Applicant is a battery energy storage developer. Orenda is a developer and operator of energy storage facilities and NSC is an impact investor; that the Applicant expects to employ approximately 1.0 full time equivalent employees within the three years following the completion of the Project; that the Applicant must obtain Agency financial assistance in the form of a straight-lease transaction to enable the Applicant to proceed with the Project and thereby expand its operations in the City; that without the Agency’s financial assistance the Applicant would not be able to complete the Project, and that, based upon the financial assistance provided through the Agency, the Applicant desires to proceed with the Project and expand its operations in the City; and

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

WHEREAS, in order to provide financial assistance to the Applicant for the Project, the Agency intends to grant the Applicant financial assistance through a straight-lease transaction in the form of an exemption from City and State sales and use tax exemptions, all pursuant to the Act;

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

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

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

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

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

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

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

Section 4. The execution and delivery of a Company Lease Agreement from the Applicant leasing the Eligible Items to the Agency, an Equipment Lease Agreement from the Agency subleasing the Eligible Items to the Applicant (the "Equipment Lease"), the Project Agreement between the Agency and the Applicant, a Sales Tax Agent Authorization Letter from the Agency to the Applicant, and, if applicable, the acceptance of a Guaranty Agreement from the Applicant and/or the Applicant's owners and/or principals in favor of the Agency (the "Guaranty Agreement") (each document referenced in this Section 4 being, collectively, the "Agency Documents"), each being substantively the same as approved by the Agency for prior transactions, is hereby authorized. The Chairperson, Vice Chairperson, Executive Director, Deputy Executive Director and General Counsel of the Agency are each hereby authorized to execute, acknowledge and deliver each such Agency Document. The execution and delivery of each such agreement by one of said officers shall be conclusive evidence of due authorization and approval.

Section 5. The officers of the Agency and other appropriate officials of the Agency and its agents and employees are hereby authorized and directed to take whatever steps may be necessary to cooperate with the Applicant to assist in the Project.

Section 6. All covenants, stipulations, obligations and agreements of the Agency contained in this Resolution and contained in the Agency Documents shall be deemed to be the covenants, stipulations, obligations and agreements of the Agency to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Agency and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Agency or the members thereof by the provisions of this Resolution or the Agency Documents shall be exercised or performed by the Agency or by such members, officers, board or body as may be required by law to exercise such powers and to perform such duties.

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

Section 7. The officers of the Agency are hereby designated the authorized representatives of the Agency, and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution. The Agency recognizes that due to the unusual complexities of the transaction it may become necessary that certain of the terms approved hereby may require modifications which will not affect the intent and substance of the authorizations and approvals by the Agency herein. The Agency hereby authorizes the 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 a certificate of determination of an Agency officer.

Section 8. Any expenses incurred by the Agency with respect to the Project shall be paid by the Applicant. By acceptance hereof, the Applicant agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Project.

Section 9. This Resolution is subject to approval based on an investigative report with respect to the Applicant. The provisions of this Resolution shall continue to be effective for one year from the date hereof, whereupon the Agency may, at its option, terminate the effectiveness of this Resolution (except with respect to the matters contained in Section 8 hereof).

Section 10. The Agency, as lead agency, is issuing this determination pursuant to the State Environmental Quality Review Act ("SEQRA") (Article 8 of the Environmental Conservation Law) and implementing regulations contained in 6 N.Y.C.R.R. Part 617. This determination is based upon the Agency's review of information provided by the Applicant and such other information as the Agency has deemed necessary and appropriate to make this determination.

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

1. The proposed Project would not result in a substantial adverse change in existing traffic, air quality, or noise levels. The proposed Project will lower cost of electricity and provide cleaner electricity generation from a reduced reliance on peak generation plants.
2. The proposed Project would not result in significant adverse impacts on cultural, archaeological, architectural, or aesthetic resources or the existing neighborhood.
3. The proposed Project would not result in significant adverse impacts to natural resources, critical habitats, or water quality. The proposed Project site is located within New York City's coastal zone boundary. Having reviewed the materials submitted by the Applicant regarding this action, the Agency finds that the proposed action is consistent with the policies comprising New York City's Waterfront Revitalization Program (WRP) and that the proposed action would not hinder the achievement of the WRP.
4. The proposed Project would not result in a change in existing zoning or land use. The existing uses would be continuing to be as-of-right under zoning.

5. A Phase I and a limited Phase II investigation were completed for the site in January 2023 and August 2023. The Phase I identified Recognized Environmental Conditions (RECs) associated with possible vapor migration from a nearby site and past spills at the site. Subsequent to the Phase I, the Phase II investigation looked at Soil Vapor, Groundwater, and Soil at the site. The Phase II did not identify subsurface vapor levels that could result in concerns about air quality for the proposed Project. Groundwater samples found exceedances of NYSDEC Ambient Water Quality Standards and Guidance Values for total metals, but that was found to be due to turbidity, which makes it not indicative of groundwater contamination at the site. Dissolved metals, such as manganese and sodium were found in exceedance of these guidance values but are naturally occurring at the site. Soil testing indicated samples did not exceed Commercial Soil Cleanup Objectives published by NYSDEC. As these results show that there are not any levels of contamination that would require further investigation or mitigation, we do not anticipate any significant adverse impacts resulting from the development of the Project due to Hazmat.

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

Section 11. In connection with the Project, the Applicant and the covenants and agrees to comply, and to cause each of its contractors, subcontractors, agents, persons or entities to comply, with the requirements of General Municipal Law Sections 875(1) and (3), as such provisions may be amended from time to time.

(1) The Applicant acknowledges and agrees that pursuant to General Municipal Law Section 875(3) the Agency shall have the right to recover, recapture, receive, or otherwise obtain from the Applicant New York State sales or use tax savings taken or purported to be taken by the Applicant, and any agent or any other person or entity acting on behalf of the Applicant, to which the Applicant is not entitled or which are in excess of the maximum sales or use tax exemption amount authorized in Section 12 of this Resolution or which are for property or services not authorized or taken in cases where the Applicant, or any agent or any other person or entity acting on behalf of the Applicant, failed to comply with a material term or condition to use property or services in the manner required by this Resolution or any agreements entered into among the Agency, the Applicant and/or any agent or any other person or entity acting on behalf of the Applicant. The Applicant shall, and shall require each agent and any other person or entity acting on behalf of the Applicant, to cooperate with the Agency in its efforts to recover, recapture, receive, or otherwise obtain such New York State sales or use tax savings and shall promptly pay over any such amounts to the Agency that it requests. The failure to pay over such amounts to the Agency shall be grounds for the Commissioner of the New York State Department of Taxation and Finance (the "Commissioner") to assess and determine New York State sales or use taxes due from the Applicant under Article Twenty-Eight of the New York State Tax Law, together with any relevant penalties and interest due on such amounts.

(2) The Applicant is hereby notified (provided that such notification is not a covenant or obligation and does not create a duty on the part of the Agency to the Applicant or

any other party) that the Agency is subject to certain requirements under the General Municipal Law, including the following:

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

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

(3) The foregoing requirements of this Section 11 shall apply to any amounts of New York State sales or use tax savings that the Agency recovers, recaptures, receives, or otherwise obtains, regardless of whether the Agency, the Applicant, or any agent or other person or entity acting on behalf of the Applicant characterizes such benefits recovered, recaptured, received, or otherwise obtained, as a penalty or liquidated or contract damages or otherwise. The foregoing requirements shall also apply to any interest or penalty that the Agency imposes on any such amounts or that are imposed on such amounts by operation of law or by judicial order or otherwise. Any such amounts or payments that the Agency recovers, recaptures, receives, or otherwise obtains, together with any interest or penalties thereon, shall be deemed to be New York State sales or use taxes and the Agency shall receive any such amounts or payments, whether as a result of court action or otherwise, as trustee for and on account of New York State.

Section 12. In connection with the Project, the Agency intends to grant the Applicant an exemption from City and State sales and use tax in an amount not to exceed \$665,625.

Section 13. This Resolution shall take effect immediately

ADOPTED: September 19, 2023

Accepted: _____, 2023

OSCII Victory3, LLC

By: _____

Name:

Title: