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
JANUARY 23, 2024

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

Andrew Kimball (Chairperson)
Ellen Baer
Nate Bliss, alternate for Maria Torres-Springer,
Deputy Mayor for Housing,Economic Development and Workforce
Francesco Brindisi, alternate for Brad Lander
Comptroller of The City of New York
HeeWon Brindle-Khym
Felix A. Ciampa
Richard W. Eaddy
Adam Friedman
Venetia Lannon
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:

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 November 8, 2023 Board Meeting

Mr. Kimball asked if there were any comments or questions relating to the minutes of the November 8, 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 November 30, 2023 (Unaudited)

Carol Ann Butler, an Assistant Vice President for NYCEDC, presented the Agency's Financial Statements for the five-month period ending November 30, 2023 (Unaudited). Ms. Butler reported that for the five -month period the Agency recognized revenues from project finance fees from three transactions totaling $2.5 million. In addition, revenues derived from compliance, application, termination and post-closing recapture fees amounted to $700,000. Ms. Butler also reported that $1.8 million was recognized in operating expenses, largely consisting of the monthly management fee, were recorded for the Agency for the five -month period that ended on November 30, 2023 (Unaudited). Ms. Butler stated that lastly, the Agency recognized approximately $670,000 in special project costs with the largest expense consisting of the LifeSci NYC Internship Program.

3. Emily Marcus presentation on MCORE

Emily Marcus Falda, a Vice President for NYCEDC and Executive Director of the Agency, stated that today Agency staff will present the first projects related to the Manhattan Commercial Revitalization program ("MCORE") but before those presentations she will provide an overview of MCORE. Starting from the beginning, in April 2022 Mayor Eric Adams and Governor Kathy Hochul convened the "New" New York Panel (the "Panel"), which is a group of the City's preeminent business and community leaders to help answer the many questions that remain around the City's economic recovery from the COVID-19 pandemic (the "Pandemic"). By December 22nd the Panel led by two former deputy mayors of New York City Daniel L. Doctoroff and Richard Buery released the Making New York Work for Everyone plan (the "Action Plan"), an ambitious policy agenda for both the City and the State to ensure that New York remains the global capital business, a preeminent cultural destination and an engine of opportunity for all residents.

At this point Ms. Thomas and Ciampa joined the quorum.

The Action Plan consisted of three major elements with 4 recommendations to help transform Manhattan's commercial core. The first was legislative and regulatory changes to facilitate the conversion of 20 to 30 million square feet from vacant office space to residential. Some of that work is already being undertaken through the City of Yes for Housing Opportunity while others continue to advance with the New York State legislature and New York City Council. The second was transforming the City's urban realm with improved green and open spaces, such as Broadway Vision and Reimagine Fifth Avenue from Bryant Park to Central Park. The final key element was to convert up to 10 million square feet of aging and vacant office space to amenity-rich, high quality space that meets the demands of the current workforce and which favors a hybrid work model. MCORE was a key recommendation from the Action Plan. It targets buildings that are positioned to upgrade to higher quality office space enacting the Panel's vision to invest in the City Central Business Districts and as engines of inclusive of Economic Development.

Ms. Marcus Falda then put this recommendation into context. The City has recovered substantially all of the private sector jobs lost during the Pandemic yet Manhattan office vacancy rates are still at historic highs. This indicates that there's been a shift in how and where companies choose to do business and indicates that some amount of hybrid and remote work are here to stay. Why does this matter? Office jobs in Midtown and Lower Manhattan represent a disproportionate share of total NYC employment and office buildings in Midtown and Lower Manhattan generate a significant share of city-wide property tax revenue and contribute to the city's bottom line. Fortunately, the news isn't all bad when it comes to tenant demand for commercial office space. Data suggests that we're seeing a flight to high quality commercial space which is performing well while outdated commercial space is underperforming. The outdated offices of yesterday are increasingly less attractive. Companies are choosing to lease high quality, modern and amenity-rich office spaces that encourage their employees into the office. High quality buildings represent most of the new leasing activity, generate higher rents and have substantially lower vacancy rates than their outdated counterparts. We're also seeing higher daily in-person attendance at higher quality buildings at up to approximately 80% of pre-pandemic levels compared to approximately 60% for lower quality buildings. Estimates suggest that there are as many as 600 underperforming commercial office buildings in Manhattan alone representing about 44% of Manhattan's office space. Building owners are facing difficult choices and will have to make the best investment decisions for their assets. For many buildings the best course of action may be to convert to residential where demand consistently outpaces available supply. This won't be the appropriate or the right course of action for every underperforming building though. Those that don't convert to residential must make significant and costly capital improvements to their space with estimates ranging up to $250 per square foot for the average amount of investment likely needed. The price of an action isn't the status quo. Without investment these assets will continue to decline in attractiveness and value. The blue line on this graph represents an exemplary building's declining property tax revenues to the City as the building continues to decline in value. The yellow on the other hand shows what happens under a proposed MCORE scenario. The building's property taxes are stabilized and locked in at the current rate and there is no near-term decline in value. After the 20-year benefit period the building is contributing significantly more than it was previously. The MCORE program will benefit multiple stakeholder groups. Building owners most obviously will benefit from the MCORE program. MCORE will create value by decreasing the cost of investment required to reduce building vacancies which will allow building owners to hopefully increase their rents following the completion of renovations. Tenants will benefit from the MCORE program as well as it will unlock the creation of new, modern office spaces that are in high demand amongst companies seeking a presence in Manhattan. Finally, the MCORE program will also benefit the City. It will generate a larger net benefit than existing as-of-right incentives. This is due to the higher occupancy rates that the program is expected to drive which will increase tax revenues, drive street activity, improve Street vibrancy in our commercial quarters and increase MTA ridership. This is a limited and competitive program and is limited to 10 million square feet of space combined for the applications. Applicants are chosen based on the strength and feasibility of their proposals. There are some basic eligibility criteria including location, minimum building age and size and minimum investment threshold. Additionally, the projects must comply with various other requirements such as Living Wage and Prevailing Wage for building service workers and for construction, MWBE participation goals and Local Law 97 energy emission reduction requirements. In addition to the basic eligibility criteria the Agency has evaluated potential projects based on several additional selection criteria. Agency staff are eager to support projects that improve and modernize commercial offices with new layouts and full-scale renovations. Agency staff are looking for projects that have a demonstrated need for incentives that will encourage the construction of tenant amenities and health and wellness measures that we know bring workers back to their physical offices. Agency staff are looking for projects that have inclusive plans to activate ground floor retail with uses that will draw foot traffic such as food and beverage, cultural neighborhood services such as childcare. Agency staff are looking for buildings that are experiencing near or current vacancy and have the ability to start construction and fund their projects in the near term. Agency staff are also looking for projects that are committed to environmental sustainability and have clear plans to comply with Local Law 97 and we're also looking for projects that have commitments to focus their leasing activities towards incubators and accelerators and high growth industries of the future.

Looking back at the Agency's first submission round Agency staff were incredibly pleased to receive 11 submissions which are all high quality representing a combined 9.5 million square feet of space. The buildings ranged in size from 300,000 to 1.6 million square feet and were located across several neighborhoods in Midtown and Lower Manhattan. The second submission round opens today and has a rolling deadline through April 15th. That brings us to today where Agency staff are very excited to be presenting the two projects on today's agenda. Both were chosen due to their extensive and transformative renovations. These projects hit high on Agency staff's selection criteria and they have demonstrated commitments to broader City policy goals including energy efficiency, retail and public realm activization and supporting high growth industries. Both of these projects have gone through extensive due diligence and negotiation processes and have been through multiple rounds of interviews and site visits and with that Ms. Marcus Falda turned it over to Weston Rich to present on behalf of 853d Avenue owner and HPS Investment Partners.

4. <u>850 Third Avenue Owner, LLC & HPS Investment Partners, LLC</u>

Weston Rich, a Senior Associate for NYCEDC, presented for review and adoption an inducement and authorizing resolution for a Commercial Program transaction for the benefit of 850 Third Avenue Owner, LLC, approval of a deviation from the Uniform Tax Exemption Policy ("UTEP"), approval of a waiver from the Board Omnibus Resolution 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 A.

Ms. Baer stated that Agency staff did a good job and that this is a wonderful program. Ms. Baer stated that this building seems like a perfect candidate for the program. Ms. Baer stated that the retail is only 6,000 ft and is underwritten at approximately $135 a foot. Given the uncertainty of what's happening in retail, and especially in this corridor, it is so important that stores be occupied. Ms. Baer stated that improving the pedestrian environment is also an objective of this program so she would like to encourage the owners to drop the retail rents as low as they have to in order to get an appropriate tenant. Ms. Baer thanked Agency staff and the Board for their time.

There being no further comments or questions, a motion to approve the inducement and authorizing resolution, approval of a deviation from UTEP, approval of a waiver from the Board Omnibus Resolution and SEQRA determination attached hereto as Exhibit B for the benefit of 850 Third Avenue Owner, LLC & HPS Investment Partners, LLC was made, seconded and unanimously approved.

5. WSA Waterfront LLC

Sophie King, a Senior Associate for NYCEDC, presented for review and adoption an inducement and authorizing resolution for a Commercial Program transaction for the benefit of WSA Waterfront LLC, approval of a deviation from the Uniform Tax Exemption Policy ("UTEP"), approval of a waiver from the Board Omnibus Resolution and recommended the Board adopt a negative SEQRA determination that the project would not have a significant adverse effect on the environment. Ms. King described the project and its benefits, as reflected in Exhibit C.

Mr. Peers stated that this is a really cool project and wanted to talkabout the incubato requirement. In response to a question from Mr. Peers, Ms. Marcus Falda stated that there will also be a third-party administered incubator for another floor of the building. In response to a question from Mr. Peers, Ms. Emily Marcus falda stated if the landlord applying for MCORE designation also wanted to be the administrator of their own incubator Agency staff would be interested in hearing their proposal if they could demonstrate that they had sufficient management and executive leadership qualifications to successfully operate an incubator or accelerator where an out of house expert otherwise would fill that role.

Mr. Peers stated that this project sort of doubles down on incubator philosophy and space which is great and makes this a good project. Mr. Kimball stated that it also doubles down on what has worked in Brooklyn for the last 20 years. Mr. Bliss stated that he had never heard "FACT" tenant before and loves it so he will steal it going forward. Mr. Bliss stated that the project is fantastic and offered "kudos" to Agency staff. Mr. Bliss stated that he suggests that Board members think about this project in the context of what else is happening on Water Street, which Mr. Rose from the City's Department of City Planning can speak to. Mr. Bliss stated that over the years there's been good activity thinking about reimagining this corridor. Mr. Bliss stated that he has seen some good take up on office to residential conversions including just across the street at 160 Water Street, 180 Water Street and 25 Water Street but to have a solid 24/7 district here the area also needs good place-making activity. Mr. Bliss stated that this is a storied site and that everyone has seen the news photos of folks walking out of this building in darker times so it would be really great to see new activity here. Mr. Bliss offered "kudos" to the project team.

Mr. Friedman stated that he wanted to echo what was just said, but, in addition to Brooklyn, this project is very reminiscent of Chelsea Market or at least the early days of Chelsea Market which just led to this incredible explosion and granted there were many factors in that market but even the look of this project site is like the early days of Chelsea Market. Mr. Friedman stated that this project is dependent to a great degree on a vision of the managing entity so what would happen if during the refinancing process, or at any other time, there's a real shift in management which causes the vision to shift? Mr. Friedman stated that the Board is buying into this project because they like its ripple impact. Ms. Marcus Falda stated that if there were to be a contemplated or proposed change in management of the asset they would have to demonstrate that they have the experience to manage, follow and carry through with all the regulations and obligations under the lease that the Agency would have with the building so that scenario would certainly be of high interest for Agency staff who will carefully monitor who is proposed to manage the building if there is a proposed change in the future. Robert LaPalme, Assistant General Counsel for NYCEDC, stated that the only thing he would add is that unless the Agency is in a foreclosure situation where new management were coming into the project prior to completion, it would require Board approval.

Mr. Bliss stated that he would like to build on Mr. LaPalme's comment in the context of performance requirements and recapture provisions that are generally a part of these projects. In response to a question from Mr. Bliss, Ms. Marcus Falda stated that if the project isn't completed as described in the project documents, then that would be a serious violation of the obligations under the Agency's lease at which point Agency staff could absolutely terminate the transaction. Ms. Marcus Falda stated that the managing entity will also be required to comply with all of these provisions throughout the entire term of the 20-year lease with the Agency so if at any point they fail to do so or they stop doing so there are extensive financial penalties so it's absolutely in their best interest if there is ever a proposed change in management that the new management company is understanding of the financial obligations that they're taking on. Mr. Friedman stated that he is not sure what the answer to this dilemma is because the Board is buying into not only the minimum standards but really the vision and he doesn't know how the Agency or anyone in general can regulate a vision.

Mr. Brindisi stated that he is the only one, or the only one among Board members who have spoken at least, who is not particularly convinced about this project for two reasons: number one, it conflicts with the Mayor and the City's policy of increasing housing supply because this building was bought in 2019 with the intention of turning it into residential like the building across the street and that the issue of course is zoning because it was built in 1982 and the administration is proposing changes to the zoning regulation with the housing opportunity in order to avoid that hurdle so the conversion to residential as mentioned before is financially feasible without incentives and would generate more tax revenues for the City and, number two, the owner bought this building in September or October of 2022 for $250 million and at the time they were so excited about a comprehensive reuse plan which is what they do in London and Brooklyn so he is not convinced about the inducement argument here because this was bought with intention to do comprehensive reuse before the MCORE program was announced

Mr. Rose stated that it would be helpful if Ms. Marcus Falda could convey to the Board the conversation she had with the owner of the building about their interest in performing a residential conversion versus the office renovation. Ms. Marcus Falda stated that there are two major factors here: the first factor was alluded to by Mr. Brindisi which is that the building cannot currently convert to residential as-of-right because it was built in the 1980s and the cut off was in 1977, so currently under existing regulations it's very difficult and prohibitively expensive to convert to residential and the second factor is that the developers have confirmed that they are not interested in pursuing a residential conversion which is absolutely one of the most important things that the City needs but not every building is right for such a conversion and not every building will convert and so these developers have their own vision that they would like to pursue. Mr. Rose stated that he is really excited about this project and congratulated Agency staff for getting this far. Mr. Rose stated that in regard to quickly activating this street as far as possible the finer details of the design of the ground floor plaza that was mentioned earlier still requires some separate approvals from the chair of the City Planning Commission (the "CPC") who he represents on this board because the project site was historically a privately owned public space so CPC staff are actively working with the applicant on that issue and are looking forward to closing that issue out soon.

Mr. Friedman stated that he would like to add a refinement to what he said earlier about being unable to regulate vision, which is that it is okay because by inducing this project the Board is taking a risk and that's part of the Agency's mission. Mr. Friedman stated that this type of stimulus is a risk, but the Agency is a public entity and that he realizes the benefit from taking that risk in this instance. Ms. Marcus Falda stated that she agreed with Mr. Friedman.

There being no further comments or questions, a motion to approve the inducement and authorizing resolution, approval of a deviation from UTEP, approval of a waiver from the Board Omnibus Resolution and SEQRA determination attached hereto as Exhibit D for the benefit of WSA Waterfront LLC was made, seconded and approved with Mr. Brindisi voting in opposition.

6. CHPE LLC

Noah Schumer, an Assistant Vice President for NYCEDC and Deputy Executive Director of the Agency, presented for review and adoption an inducement and authorizing resolution for an Industrial Program transaction for the benefit of CHPE LLC and recommended the Board adopt a SEQRA determination that the project is a Type II action and therefore no further environmental review is required. Mr. Schumer described the project and its benefits, as reflected in Exhibit E.

Ms. Thomas stated that in regard to the grant for Workforce she would love for CHPE LLC to work with some of the more local partners especially considering Astoria housing Ravenswood and Queensbridge are in close proximity so those are quite a few great organizations that CHPE LLC could work with to make sure some of those benefits hit and target the local workforce in that area. Mr. Schumer stated that the second round of funding will be open during the first half of this year and that Agency staff would be happy to raise that point with CHPE LLC. Ms. Lannon stated that as a citizen of New York City she thinks this project is absolutely essential for the future and the clean energy transition that we're all going through and that as a former New York State environmental regulator I can vouch that this project has gone through its paces and was subject to very rigorous environmental review. Ms. Lannon stated that, as an officer of Con Edison, she will recuse herself from this vote. Mr. Kimball thanked Ms. Lannon for her comment and stated that he couldn't agree more – this is a massive project both in size and impact and along with offshore wind, battery storage and so many other things this Board will be contemplating will be so critical to a cleaner future.

There being no further comments or questions, a motion to approve the inducement and authorizing resolution and SEQRA determination attached hereto as Exhibit F for the benefit of WSA Waterfront LLC was made, seconded and approved with Ms. Lennon recusing herself from the vote.

7. Wintergreen Clean Energy, LLC

Mr. Rich presented for review and adoption an inducement and authorizing resolution for an Industrial Program transaction for the benefit of Wintergreen Clean Energy, 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 G.

There being no further comments or questions, a motion to approve the inducement and authorizing resolution and SEQRA determination attached hereto as Exhibit H for the benefit of Wintergreen Clean Energy, LLC was made, seconded and approved with Ms. Lennon recusing herself from the vote.

8. 5 Bay Phase 1 LLC

Johanne Singh, a Vice President for NYCEDC, presented for review and approval a post-closing resolution to approve amendments to the project documents necessary needed to extend the Project Completion Date to June 30, 2024. Ms. Singh described the project and its benefits, as reflected in Exhibit I.

Mr. Bliss offered "kudos" to the team for the tenacity in seeing this project through and that it's been a long journey for this really important project on the North Shore.

There being no comments or questions, a motion to approve the post-closing resolution attached hereto as Exhibit J, was made, seconded and unanimously approved.

9. Services Contract Proposal for the Sustainability Based Biotech Industry Study

Kidd Solomon, an Assistant Vice President for NYCEDC, and Nicole Spina, an Assistant Vice President for NYCEDC, presented for review and approval a proposal for a services contract with NYCEDC in an amount of up to $186,500, which will support an industry development study for the sustainability-based biotech industry. Mr. Solomon and Ms. Spina described the program and its benefits, as reflected in Exhibit K.

In response to a question from Ms. Lannon, Mr. Solomon stated that NYCEDC staff anticipate the study to be complete later this spring and it's anticipated that NYCEDC staff will work with the consultant primarily to define the definition so NYCEDC staff can synthesize its own internal projections and sizing and then the consultant will take that work to do the validation afterward so a bit of the timetable is dependent on NYCEDC staff's internal processes but he anticipates that it should be done shortly by April.

Mr. Ciampa congratulated the team for this very innovative proposal and asked if Mr. Solomon and Ms. Spina if they could share the industry sizing and projections they referenced earlier in the presentation. Mr. Solomon stated that he would be happy to and that NYCEDC staff primarily looked at food, tech and material science industries, the last of which deals with creating more sustainable materials with biobased solutions. Mr. Solomon stated that these are both projected to be around several hundred million dollars globally within the next 10 to

20 years. Mr. Solomon stated that he is really excited about the fact that this industry is constantly evolving to the point where new sectors implement these innovations almost on a yearly basis so it's hard to game out what some of these sectors will be without that standard definition but in terms of materials and food there is potential for exponential growth over the coming years. Ms. Spina stated that there is a really interesting overlay with some of New York City's existing industries like fashion, food, construction, packaging and healthcare and there isn't yet any market output or sizing that really looks at the delineation of biobased products and innovation in that sector versus what's sustainability rent large within that sector and so that that's part of what the industry study will help to analyze.

Mr. Friedman stated that this study is really intriguing because [we're] doing something similar around sustainable building design in Tech. Mr. Friedman stated that [we] have talked a little bit about that and thinking of it as the ecosystem like this sector and a big piece of what [we're] doing is looking at Workforce Development and what educational institutions and Workforce Development programs are flowing in and flowing out of that and I wonder if there is a similar component to this? Mr. Solomon stated that yes, ideally this is going to inform what NYCEDC staff will plan to do with Workforce Development and that it is really exciting that this sector, especially from the life sciences side of things, is that there are many jobs at these companies that are incredibly high quality but don't require advanced degrees, such as a PhD in molecular biology, for participants to really share in the benefits. Mr. Solomon stated that this presents a unique opportunity because the sector is so nescient to think about how to create those training programs in the City and NYCEDC staff have worked in materials internally quite a bit. Mr. Solomon stated that at least 10,000 New York City students graduate with a degree related to Material Science every year but the City lacks companies who could support those recent graduates and so NYCEDC staff are thinking about how to implement those programs in all of this work while hoping that this study will provide NYCEDC staff with valuable data.

Ms. Spina stated that NYCEDC staff would like for those high quality jobs to be accessible such as lab technician jobs but also given the overlay with existing industries NYCEDC staff are going to see jobs in sales, design, marketing and other traditional jobs so it will be important to understand the really wide range of opportunities that are going to be associated with these jobs because a lot of these companies don't think of themselves as a green economy company or a life sciences company such as Werewool who takes proteins and weaves them into fibers to create wool but thinks of themselves as a fashion company that provide jobs in fashion so that intersection will help NYCEDC staff better understand the range of opportunities in Workforce Development. Ms. Lannon stated that this is really interesting and looks forward to the results of the study.

There being no further comments or questions, a motion to approve the services contract proposal for the Sustainability Based Biotech Industry Study attached hereto as Exhibit K was made, seconded and unanimously approved.

10. Services Contract Proposal for the Commercial Real Estate Development Disparity Study

Shehila Stephens, Directory of Community Impact for NYCEDC, Claudia Flores, a Senior Vice President for NYCEDC, and Melissa Pumphrey, a Senior Vice President for NYCEDC, presented for review and approval a proposal for a services contract with NYCEDC in an amount of up to $597,965.48, which will support the Commercial Real Estate Development Disparity Study. Ms. Stephens described the program and its benefits, as reflected in Exhibit L.

There being no comments or questions, a motion to approve the services contract proposal for Commercial Real Estate Development Disparity Study attached hereto as Exhibit L was made, seconded and unanimously approved.

11. Services Contract Proposal for the Long Island City Neighborhood Plan

Erich Bilal, a Vice President for NYCEDC, presented for review and approval a proposal for a services contract with NYCEDC in an amount of up to $196,700, which will support the Long Island City Neighborhood Plan. Mr. Bilal described the program and its benefits, as reflected in Exhibit M.

In response to a question from Ms. Thomas, Mr. Bilal stated that the current estimated number of housing units is very high level and only a “ballpark” estimate based on the geometry of the project site. Mr. Bilal stated that the actual program for these sites would be developed through the engagement process with the consultant and that for now NYCEDC staff have a thematic foundation of what folks would like to see on the waterfront but currently there is no detail associated with these units so far. In response to a question from Ms. Thomas, Mr. Kimball stated that this is the first step of an ongoing effort to rezone this area but it will be iterative and in partnership with the City Council. Mr. Kimball stated that local council members are excited about this initial engagement and is the beginning of a long process. Mr. Kimball stated that obviously City Council members, the Queens Borough President, the speaker and the administration will all need to come together at the end and decide on that level of detail. Mr. Rose stated that to the extent where there are sites that do not allow our residential today and there is a zoning change that would come with mandatory inclusionary housing so on those sites there definitely will be a significant portion of affordable housing but the exact percentages are like to be determined. Mr. Rose stated that high quality, independent, public consultation services like this are really valued by the CPC so he is really grateful to have WXY on board as well as NYCEDC staff. Mr. Rose stated that he will be recusing himself from the vote as an employee of the CPC which is the lead agency on this Board action. In response to a question from Ms. Lannon, Mr. Bilal stated that NYCEDC did a competitive mini RFP to initiate the notice to proceed with the consultant to accommodate the timing target for the start of this work which was back in November so what this Board action is effectively requesting the delta for the contract amount on a sole source basis to supplement the seed funding already provided by NYCEDC from self-funds.

There being no further comments or questions, a motion to approve the services contract proposal for the Long Island City Neighborhood Plan attached hereto as Exhibit M was made, seconded and approved with Mr. Rose recusing himself from the vote.

12. Adjournment

There being no further business to come before the Board of Directors at the meeting, pursuant to a motion made, seconded and unanimously approved, the meeting of the Board of Directors was adjourned at 10:26 a.m.

Arthur Hanson

Assistant Secretary

Dated: March 12, 2024

New York, New York

Exhibit A

Project Summary

850 Third Avenue Owner, LLC, a Delaware limited liability company and/or an affiliate (the "Company"). The Company is managed by HPS Investment Partners, LLC, a Delaware limited liability company (the "Manager"). The Company is seeking financial assistance in connection with the renovation, furnishing, and equipping of an existing 574,675 square foot, 21-story mixed use building located on a 31,632 square foot parcel of land located at 850 Third Avenue, New York, New York (the "Facility"). The Facility is owned by the Company and managed by the Manager, which intends to lease the Facility to various tenants for commercial office and other approved uses (the "Project").

Project Location

850 Third Avenue
New York, New York 10022

Actions Requested

- Inducement and Authorizing Resolution for a Commercial Program transaction.
- Approval of Deviation from Uniform Tax Exemption Policy.
- Approval of Waiver from Board Omnibus Resolution.
- Adopt a SEQRA Negative Declaration for the Project. The proposed Project will not have a significant adverse effect on the environment.

Anticipated Closing

Q2 2024

Impact Summary

Employment	
Jobs at Application (Tenant Jobs):	345
Company Jobs to be Created at Project Location (Year 3):	0
Tenant Jobs to be Created at Project Location (Year 3):*	1,086
Total Permanent Jobs (Full-Time Equivalents):	**1,431**
Company Projected Average Hourly Wage (Excluding Principals):	**N/A**
Tenant Projected Average Hourly Wage (Excluding Principals):	**$114**
**Estimate based on industry statistics for anticipated tenants*	
Construction Jobs to be Created (Full-Time Equivalent):	206

Estimated City Tax Revenues	
Impact of Operations (NPV 20 years at 6.25%)	$261,152,110
One-Time Impact of Renovation	$3,599,028
Total Impact of Operations and Renovation	**$264,751,138**
Additional Benefit from Jobs to be Created	$334,144,402

Weston Rich, SIG
Robert LaPalme, LGL

Nixon Peabody LLP
Project Number – 10671

Estimated Cost of Benefits Requested: New York City	
Building Tax Exemption (NPV, 20 years at 6.25%)	$46,583,631
Land Tax Abatement (NPV, 20 years at 6.25%)	$8,986,638
MRT Benefit	$959,941
Sales Tax Exemption	$1,834,200
Agency Financing Fee	($746,500)
Total Value of Benefits Provided by Agency	**$57,617,910**
Available As-of-Right Benefits (ICAP)	$8,091,539
Agency Benefits in Excess of As-of-Right Benefits	$49,526,371

Costs of Benefits Per Job	
Estimated Total Cost of Benefits per Job	$34,610
Estimated City Tax Revenue per Job	$418,515

Note: This calculation is based on the total number of retained and projected tenant jobs cited above.

Estimated Cost of Benefits Requested: New York State	
MRT Benefit	$516,892
Sales Tax Exemption	$1,783,250
Total Cost to NYS	**$2,300,142**
Overall Total Cost to NYC and NYS	**$59,918,552**

Sources and Uses

Sources	Total Amount	Percent of Total Financing
Equity Contribution	$62,765,404	100%
Total	**$62,765,404**	**100%**

Uses	Total Amount	Percent of Total Costs
Construction Hard Costs	$56,800,000	90%
Construction Soft Costs	$3,100,000	5%
Furnishing, Fixtures, & Equipment	$1,000,000	2%
Closing Fees	$1,265,404	2%
Marketing Collateral	$600,000	1%
Total	**$62,765,404**	**100%**

Fees

	Paid At Closing	On-Going Fees (NPV, 20 Years)
Agency Fee	$746,500	
Project Counsel	Hourly	
Annual Agency Fee	$10,000	$112,407
Total	$756,500	$112,407
Total Fees	**$868,907**	

Financing and Benefits Summary

The estimated cost of the Project is $62,765,404. It is expected that the Project will initially be financed upfront with investor equity via investment funds managed by the Manager. As a private investment firm, the Manager administers and deploys investor capital using various investment strategies, including real estate, to achieve certain return objectives. In total, there are 17 investment funds managed by the Manager that are invested in the Facility. As a result of the investor equity, no additional debt from an outside lender is initially needed to finance the Project. The Manager plans to reimburse themselves with permanent financing at a later date when interest rates are more favorable and costs associated with debt financing aren't prohibitively high, at which time the Agency's mortgage recording tax benefit will be realized. The financial assistance proposed to be conferred by the Agency will consist of payments in lieu of City real property taxes, a partial exemption from City and State mortgage recording taxes (to be provided with respect to any mortgage securing a loan that proceeds of which are used to pay Project costs or reimburse Project cost amounts initially funded with equity), and an exemption from City and State sales and use taxes for a period of twenty years. Additionally, a partial exemption from mortgage recording tax may be utilized by the Agency with respect to mortgages to be recorded to secure repayment of PILOT.

Market Performance and Projections

Commercial office leasing has changed dramatically in New York City (the "City") since the COVID-19 pandemic. New preferences for remote and hybrid work, combined with rising interest rates, have resulted in a slowdown of investment into the office sector, and have created immediate challenges facing the City's commercial business districts. Many businesses are leasing less commercial office space than before, and Manhattan office vacancy is near historical highs. High office vacancies in business districts reduce pedestrian foot traffic, transit ridership, public safety, and spending on retail, restaurants, and entertainment. This phenomenon has major implications because midtown Manhattan generates 58.5 percent of the citywide office and retail property tax revenues and represents 45 percent of all jobs in the City. Aging and outdated office buildings in the City's business districts are increasingly struggling to retain tenants and to sign new leases, as compared to higher quality office spaces. Of the 450 million square feet of office space in Manhattan nearly half – 255 million square feet – represent underperforming buildings. Higher quality office buildings represent most of the new leasing activity, generate higher rents, and have substantially lower vacancy rates than their outdated counterparts.

In April 2022, Mayor Eric Adams and Governor Kathy Hochul convened the New New York panel (the "Panel"), a group of the City's preeminent business and community leaders, to help answer the many questions that remain around New York's economic recovery from the COVID-19 pandemic. By December 2022, the panel, led by two former Deputy Mayors of the City – Dan Doctoroff and Richard Buery – released Making New York Work for Everyone, an ambitious policy agenda for both the City and the State to ensure that New York remains the global capital of business, a preeminent cultural destination, and an engine of opportunity for all its residents. The panel called for the City and State to cooperatively launch initiatives that serve three goals: 1) to reimagine New York's business districts, particularly midtown Manhattan, as vibrant 24/7 destinations, 2) to make it easier for New Yorkers to get to work, and 3) to generate inclusive, future-focused growth. To achieve these three goals, Making New York Work for Everyone makes 40 different recommendations across ten targeted areas of focus that outline how the City and the State will work together to support the regional economy and make the City an even better place to live and work. As part of its suite of recommendations, the Panel specifically called on the Agency to expand its current focus in Manhattan to support the renovation of older commercial office stock to ensure that it remains in the appropriate condition to attract the world's most innovative and successful firms and workers to the City's primary business districts.

The Manhattan Commercial Revitalization program ("M-CORE" or "the Program"), is designed to catalyze significant and near-term investment into outdated and aging commercial office buildings in Manhattan's core business districts by lowering the cost for building owners to make improvements and renovations. The Program is intended to help building owners decrease vacancy and attract world class tenant companies, who are increasingly seeking high-quality, amenity-rich office space, as well as incubator and accelerator operators to generate the high-growth companies of the future. M-CORE is not a singular solution but rather one of many tools to help address office vacancy and improve street vibrancy in the City's business districts. Building owners will benefit from the Program, as it creates value by decreasing the cost of investment required to reduce building vacancies and increase rents following the completion of renovations. It also gives building owners the flexibility to make the best investment decisions for their unique buildings and will help them overcome the significant headwinds in the market right now to deliver high quality space that has resonance with tenants. Tenants will benefit from the Program as well, as it unlocks the creation of new, modern office spaces that are in high demand among companies seeking a presence in Manhattan. Finally, the Program also benefits the City, as it generates a larger net benefit than existing as-of-right incentives. This is due to the higher occupancy rates that the Program is expected to drive, which will increase tax revenues, drive street activity, improve street vibrancy in our commercial corridors, and increase MTA ridership.

The Project will involve the renovation, furnishing, and equipping of an existing 574,675 square foot, 21-story mixed use building primarily leased to commercial office tenants. The Facility was built in 1959 and the Company acquired it in March 2023 when the former owner, the Chetrit Organization, sold it to the Company after facing foreclosure. It is approximately 67% vacant, and vacancy at the Facility is anticipated to increase to 87% by 2027 as a result of existing tenants moving out of the Facility at the end of their respective leases. The Facility has not undergone a renovation since 2008, when a previous owner completed a light cosmetic renovation. As such, the Facility lacks modern office layouts and offers minimal tenant amenities, which are commonly sought after by tenants in today's commercial leasing environment.

The Company plans to reposition the Facility from an outdated office building into a newly renovated, Class-A building with modern amenities and improved building systems. Construction work will involve the renovation of the lobby, activation of the ground floor retail space, and creation of tenant amenities that will inspire employees to return to the office. The upgraded lobby will feature new furniture, modern finishes, and retrofitted LED lighting. Additionally, the Company plans to partner with collectors of emerging artists to provide rotating art displays in the lobby that will be visible from the street. Food and beverage offerings are envisioned for the currently vacant retail space on the ground floor – part of an "open restaurant" concept with floor-to-ceiling windows that will maximize natural light and attract pedestrians. New tenant amenities will include green terraces on five separate floors of the Facility, a roof deck, and a new amenity center and conference space on the 21st floor that can host over 70 guests for special events. It is anticipated that these improvements will significantly improve tenant occupancy at the Facility, and the Company has partnered with Cushman & Wakefield plc and Newmark Group, Inc. to lead leasing efforts. After the Facility's renovation, occupancy is expected to increase to over 95% with stabilization anticipated by December 2027.

In addition to the proposed improvements to the Facility, which will increase occupancy and enhance streetscape vibrancy, the Company will advance several key policy objectives. First, the creation of a childcare center on the second floor of the Facility will increase access to childcare in a neighborhood that lacks adequate childcare resources and will help address the City's shortage of accessible and high-quality childcare options. Second, the Company will be required to enter into a lease with a business incubator, accelerator, or a significant high growth tenant as part of M-CORE. Business incubators and accelerators provide workspace, resources, and programming to startup companies. A significant high growth tenant is a tenant occupying a large portion of the Facility whose primary business is in certain priority industries of importance to the City, including many technology-focused industries such as cybersecurity, the green economy, and artificial intelligence, among others. Finally, energy efficient upgrades to outdated building systems will reduce the Facility's overall carbon footprint. The Company will convert the existing steam driven chiller plant away from instant steam heaters, which will electrify up to 80% of the Facility and lay the groundwork for full electrification of the Facility by the early 2030s, ensuring the building is compliant with Local Law 97 requirements.

Inducement

I. The Project would not be financially viable without Agency benefits.
II. The Project will create needed space within the City for tenants in high growth industries.
III. The Project will convert an underutilized office building into a productive asset expected to strengthen the City's economy. A significant investment has not been made to upgrade the Facility in the past 15 years, and vacancy is expected to increase unless improvements are made to the Facility.

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 the Project.
II. The Project will create permanent, private-sector jobs.
III. The Project is likely to be completed in a timely manner.
IV. The Project involves high growth industries, which the Agency and the City seek to retain and foster.

Deviation from UTEP

In accordance with the GML, the Agency has adopted the UTEP. The UTEP provides that for a Commercial Program Project located in Manhattan to be eligible for discretionary financial assistance, it must be located within a highly distressed area as defined in the New York State Industrial Development Agency Act (the "IDA Act"). The UTEP also provides that the recipient of financial assistance for a Commercial Program Project must submit to the Agency binding expressions of interest from one or more anchor tenants for the Project that are acceptable to the Agency. Additionally, the UTEP provides that the recipient of financial assistance for the Commercial Program Project will target high growth industries including but not limited to technology, advertisement, media, information technology, engineering, life science, and fashion. Lastly, the UTEP provides that the recipient of financial assistance for the Commercial Program Project retain a controlling interest in the Project, prior to the completion deadline, while the Company completes the required Project improvements.

Four deviations from UTEP are necessary because (1) the Project is located in Manhattan but is not located within a highly distressed area as defined in the IDA Act; (2) the Company does not currently have an anchor tenant; (3) the Company will target many industries that may not primarily be high growth industries; and (4) the Company may need to transfer controlling interest in the Facility to unrelated persons or entities, such as lenders, prior to the completion of project improvements, pending approval to do so by the Board of Directors and satisfaction of certain other requirements.

The Agency believes that deviations from the UTEP are justified because the Project will make an impactful investment to improve an outdated commercial office building that is facing significant and prolonged vacancy, and which is part of a larger trend of underperforming commercial office buildings that threaten the financial health and vibrancy of New York City. To address this problem the Agency created the M-CORE program. M-CORE seeks to catalyze investment in aging commercial office buildings in Manhattan's core commercial business districts by decreasing the cost of investment in high-quality improvements and renovations with the aim of helping landlords attract world class tenants and high-growth companies. Leasing activity is increasingly concentrated in office buildings that feature high-quality amenity and retail spaces, and when compared to these buildings, aging and outdated office buildings are struggling to command rents that justify making the necessary improvements to retain and attract tenants. This is leading to a negative cycle of stagnation and to the erosion of the tax and jobs base critical to New York City's ability to maintain itself as a global hub of culture and commerce.

Absent significant investment into the Facility, the Company will be unlikely to secure an anchor tenant. Therefore, they need flexibility to target a diverse tenant mix suitable to their building's characteristics. The Agency will require the Company to lease portions of the Facility for specific uses identified by the Agency, which may include a business incubator or an accelerator or a significant high growth industry tenant and childcare facilities. The Company will also be required to lease the ground floor retail space to vibrant food and beverage, cultural amenity, or neighborhood service tenants. Failure to meet such leasing requirements will result in the loss of a portion of the proposed financial assistance. The proposed financial assistance will also assist the Company in overcoming the significant headwinds currently facing landlords and developers in commercial lending and capital markets. The Company has indicated that they will likely seek to refinance Project costs in the future and the expectation is that lenders may either be reluctant to provide financing for commercial office or will demand a significant controlling interest in the project to do so. Without the financial assistance provided by the Agency, the Company indicates that they would make a significantly reduced investment in the Project, which would result in limited ground floor activation, fewer tenant amenities and a significant reduction in the proposed energy efficient building upgrades.

Waiver from Board Omnibus Resolution

In September 2006, the Agency adopted an Omnibus Resolution (the "Omnibus") relating to practices and procedures of the Agency. The Omnibus provides that in connection with each public hearing convened by the Agency pursuant to law to present proposed projects for which the Agency has received applications, that the Agency shall publish a public notice (the "Notice") at least thirty days prior to the hearing. A waiver from the Omnibus is necessary because the Agency published the Notice 10 days prior to the hearing. The Notice was published 10 days prior to the hearing because the Agency required additional time to finalize its review of the Project application and to prepare the Notice. The Agency is compliant with all public notice procedures as prescribed by the GML.

Applicant Summary

The Company is a special purpose entity that owns the Facility and is managed by the Manager. The Manager is a leading global investment firm that seeks to provide creative capital solutions and generate attractive risk-adjusted returns for investment clients. The Manager was founded in 2007 and began investing in real estate in 2013. Since then, the Manager has invested in over $3.5 billion of real estate transactions through senior debt, mezzanine, and equity positions, including approximately $1.1 billion of transactions in the City. Over $1.3 billion of the Manager's real estate transactions were development or construction deals. The Manager is headquartered in the City and employs over 640 employees across 15 offices globally, including over 400 jobs in the City.

Scott Kapnick, CEO, HPS Investment Partners, LLC

Mr. Kapnick is Chief Executive Officer and a Governing Partner of the Manager. From 2013 to 2016, Mr. Kapnick served as Chief Executive Officer and Chairman of the Executive Committee of Highbridge Capital Management, LLC ("Highbridge"), a subsidiary of JPMorgan Asset Management ("JPMorgan AM"). The Manager was originally formed as a unit of Highbridge after the principals of the Manager acquired the firm from JPMorgan AM in 2016 and retained Highbridge and the hedge fund strategies. Prior to employment at the Manager, Mr. Kapnick was a Management Committee Member, Partner, and Co-Head of Global Investment Banking at Goldman Sachs, positions he held from 2001 to 2006. He also served as Co-Chief Executive Officer of Goldman Sachs International from 2005 to 2006 and spent 12 out of his 21 years at the firm in Europe (London and Frankfurt). Mr. Kapnick was named Partner in 1994. Mr. Kapnick is a graduate of Williams College and holds a combined JD/MBA from the University of Chicago. Mr. Kapnick also studied at the London School of Economics & Political Science.

Paul Knollmeyer, CFO and CRO, HPS Investment Partners, LLC

Mr. Knollmeyer is a Governing Partner, Chief Financial Officer, and Chief Risk Officer of the Manager. Prior to joining the Manager in 2010, Mr. Knollmeyer was Chief Operating Officer and Member of the Investment and Business Committees for Ortelius Capital Partners, an alternative investment group specializing in hedge funds and private equity. Previously, Mr. Knollmeyer also worked as Executive Vice President and Chief Financial Officer for The Griffin Group and as Chief Operating Officer of Ascendant Capital Partners. Mr. Knollmeyer began his career working for Price Waterhouse from 1987 to 1993. Mr. Knollmeyer holds a BS from Lehigh University.

Faith Rosenfeld, CAO, HPS Investment Partners, LLC
Ms. Rosenfeld is a Governing Partner and Chief Administrative Officer of the Manager. Prior to joining the Manager in 2007, Ms. Rosenfeld was a Partner at CCMP Capital ("CCMP"), the successor organization to JPMorgan Partners ("JPMP"), the private equity business of JPMorgan Chase, where she had been a Partner. While at CCMP and JPMP, Ms. Rosenfeld's responsibilities included portfolio management, valuation of the portfolio, risk management, investor relations, and fundraising. Ms. Rosenfeld joined JPMP in January 2001 following the acquisition by JPMorgan Chase of The Beacon Group, a private equity and advisory firm of which Ms. Rosenfeld was a Founding Partner. Ms. Rosenfeld began her career at Goldman Sachs, where she had various positions within the Investment Banking Division, including five years serving as the Chief Operating Officer of that division prior to her departure. Ms. Rosenfeld holds a BA from Wellesley College and an MBA from The Wharton School at the University of Pennsylvania.

Employee Benefits

The Manager offers healthcare, dental, life insurance, a 401(k) savings plan with matching contributions to eligible employees, on-the-job training, and reimbursement for education expenses.

Recapture

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

SEQRA Determination

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

Due Diligence

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

Compliance Check:	Not Applicable
Living Wage:	Compliant
Paid Sick Leave:	Compliant
Affordable Care Act:	Compliant
Bank Account:	Citizens Financial Group, Inc.
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
M/W/DBE Participation:	30% goal (construction)

850 Third Avenue Owner, LLC and HPS Investment Partners, LLC

Attorney:	Tal Golomb, Esq. and Melissa Brown, Esq. Fried, Frank, Harris, Shriver & Jacobson LLP One New York Plaza New York, New York 10004
Accountant:	Angella Rella Cushman & Wakefield plc 1290 Avenue of the Americas, 7^{th} floor New York, New York 10104
Consultant:	David Ehrenberg Sterling Project Development 4 World Trade Center New York, New York 10048
Community Board:	Manhattan, CB #6

HPS

December 21, 2023

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

Dear Emily:

850 Third Avenue ("850 Third" or "850") is a 618,000 square foot[1] office building on the full western blockfront of Third Avenue between 51st and 52nd Street, built in 1959 by the Uris Corporation and designed by Emery, Roth & Sons. HPS Investment Partners ("HPS"), an investment firm with over $106 billion of assets under management, took over the building in late March of 2023.

850 is located at the heart of the Third Avenue corridor, which, despite its extraordinary transit assets, is one of the most challenged submarkets in core Manhattan due to a recent lack of investment to bring buildings up to true Class A status. The building is currently ~33% occupied and, with expected move-outs over the next 4 years, will be less than 14% occupied by 2027. Besides a cosmetic renovation in 2008, 850 has not had a full-scale renovation to bring the building up to a Class A standard.

The M-CORE benefit would allow us to pursue a full repositioning of 850 Third into an attractive, transit-oriented, sustainable, and fully-amenitized building with greater street presence that draws a large variety of tenants with renovations including new double-paned windows, new core restrooms, modernized HVAC systems, electrified chiller, and new attractive building entrance. The new 850 will be an attractive option to tenants in growing industries as it will have modern mechanical systems, maximized daylight, and quality natural air in a transit-oriented location with easy access to all five boroughs and the three major NYC commuting hubs.

Without the M-CORE benefit, HPS plans to deploy significantly less capital and undertake a smaller scale project to minimize investment risk, which would result in a considerably reduced street presence, fewer tenant and community amenities, and diminished sustainability efforts, specifically:

- Retention of existing multi-mullion windows with single-paned glass
- Reduced scope of core bathroom renovations
- Limited demolition scope
- Reduced scope of HVAC system modernization
- Retention of existing steam-driven chilled water plant
- Reduced scope of retail storefront repositioning

[1] All square footage is preliminary REBNY rentable square footage based on certain assumptions with regards to the proposed mechanical changes and subject to change.

HPS

- No amenity center

The Third Avenue corridor is a critical location for the City and is at a critical moment in its evolution. Surplus of dated buildings and lack of new construction has led to falling rental demand. These challenges have been greatly exacerbated by the pandemic, and this submarket could continue to see significant deterioration in the coming years. But with the support of New York City and the M-CORE benefit, these challenges provide HPS with an exciting opportunity to reposition 850 Third and revitalize the area with a bold investment right at its core that we believe will lift the entire Third Avenue corridor.

Very truly yours,

HPS Investment Partners, LLC

By: ______________________
Name: David Lehman
Title: Managing Director

Exhibit B

Resolution inducing the renovation, furnishing and equipping of a Manhattan Commercial Revitalization program (M-CORE) commercial facility for 850 Third Avenue Owner, LLC, HPS Investment Partners, LLC, and their affiliates, 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, 850 Third Avenue Owner, LLC, a Delaware limited liability company ("850 Third") and HPS Investment Partners, LLC ("HPS"), on behalf of themselves and their affiliates involved in the Project referred to below (collectively, the "Applicant"), have entered into negotiations with officials of the Agency in connection with the renovation, furnishing and equipping of an existing 574,675 square foot, 21-story mixed-use building located on a 31,632 gross square foot parcel of land located at 850 Third Avenue, New York, New York 10022 (the "Facility"), all intended to be leased by the Applicant for commercial office use and other approved uses, and having a total project cost of approximately $62,765,404 (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 Facility is owned by 850 Third and managed by HPS, an investment firm with over $106 billion of assets under management; that the Facility is currently 33% occupied and, with expected move-outs over the next 4 years, will be less than 14% occupied by 2027; that the Agency's financial assistance will allow the Applicant to pursue a full repositioning of the Facility into an attractive, transit-oriented, sustainable, and fully-amenitized building with greater street presence; that the renovated Facility will be an attractive option to tenants in growing industries as it will have modern mechanical systems, maximized daylight, and quality natural air in a transit-oriented location with easy access to all five boroughs and the three major commuting hubs in The City of New York (the "City"); that 345 full-time equivalent jobs will be retained and the Project is expected to generate approximately 1,086 full time equivalent jobs within the three years following completion; 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 that without the Agency's financial assistance, the Applicant will deploy significantly less capital and undertake a smaller scale project to minimize investment risk, which would result in a considerably reduced street presence, fewer tenant and community amenities, and diminished sustainability efforts; and that, based upon the financial assistance provided through the Agency, the Applicant desires to proceed with the Project; 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 proceed with the Project; and

WHEREAS, the Applicant will finance the renovation, furnishing, and equipping of the Project with investor equity and anticipates refinancing such costs through a loan with a bank or another financial institution to be determined by the Applicant and approved by the Agency (collectively, the "Lender"), and, in such circumstance, the Agency and the Applicant will grant one or more mortgage(s) on the Facility to the Lender (collectively, 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 Mortgages"); and

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

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

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

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

(b) no funds of the Agency shall be used in connection with the Project for the purpose of preventing the establishment of an industrial or manufacturing

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plant or for the purpose of advertising or promotional materials which depict elected or appointed government officials in either print or electronic media, nor shall any funds of the Agency be given in connection with the Project to any group or organization which is attempting to prevent the establishment of an industrial or manufacturing plant within the State of New York; and

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

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

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

Section 4. The execution and delivery of a Company Lease Agreement from 850 Third leasing the Facility to the Agency, an Agency Lease Agreement from the Agency subleasing the Facility to 850 Third (the "Lease Agreement") (for sublease to 850 Third), the acceptance of a mortgage in favor of the Agency from 850 Third to secure the payment by 850 Third of the payments in-lieu of real estate taxes due and payable in accordance with the Lease Agreement (the "PILOT Mortgage"), Sales Tax Agent Authorization Letters from the Agency, the Lender Mortgage, the Refinancing Mortgages, a Project Agreement between the Agency and the Applicant and, if applicable, the acceptance of a Guaranty Agreement from HPS or an entity (or entities) under the control of HPS 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 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 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. 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).

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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 NYCRR 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 action is a Type II action, pursuant to 6 NYCRR Part 617.5(c)(2) replacement, rehabilitation or reconstruction of a structure or facility, in kind, on the same site, including upgrading buildings to meet building, energy, or fire codes unless such action meets or exceeds any of the thresholds in section 6 NYRR Part 617.4; and 6 NYCRR Part 617.5 (c)(3) retrofit of an existing structure and its appurtenant areas to incorporate green infrastructure.

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

(1) The Applicant acknowledges and agrees that pursuant to General Municipal Law Section 875(3) the Agency shall have the right to recover, recapture, receive, or otherwise obtain from the Applicant New York State sales or use tax savings taken or purported to be taken by the Applicant, and any agent or any other person or entity acting on behalf of the Applicant, to which the Applicant is not entitled or which are in excess of the maximum sales or use tax exemption amount authorized in Section 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 sales and use tax exemptions in an amount not to exceed $3,617,450, real property tax abatements, and a partial exemption of City and State mortgage recording taxes. The Agency will also utilize a mortgage recording tax exemption to partially exempt the PILOT Mortgage from City and State mortgage recording taxes.

Section 13. The Agency hereby waives its policy that the Agency will post all public notices on its website at least thirty (30) days prior to the public hearing noticed therein, as such requirement is set forth in paragraph 2(b) of the Omnibus Resolution of the Agency, adopted on September 12, 2006, with respect to the public notice in connection with the Project.

Section 14. This Resolution shall take effect immediately.

ADOPTED: January 23, 2024

Accepted: ________ __, 2024

850 THIRD AVENUE OWNER, LLC

By:____________________________
Name:
Title:

HPS INVESTMENT PARTNERS, LLC

By:____________________________
Name:
Title:

Exhibit C

NYCIDA
New York City Industrial Development Agency

COMMERCIAL PROGRAM PROPOSAL
WSA WATERFRONT LLC
MEETING OF JANUARY 23, 2023

Project Summary

WSA Waterfront LLC is a Delaware limited liability company, the managing member of which is Milky 100 LLC, a New York limited liability company (the "Manager"). WSA Waterfront LLC and/or an affiliate ("the Company") is seeking financial assistance in connection with the renovation, expansion, furnishing, and equipping of an existing 577,511 gross square foot, 30-story office condominium building located on a 24,234 gross square foot parcel of land located at 175 Water Street, New York, New York 10038 (the "Facility"). The Facility is owned by the Company. The Company and the Manager intend to lease the Facility to various tenants for commercial office use and other approved uses (the "Project").

Project Location

175 Water Street
New York, New York 10038

Actions Requested

- Inducement and Authorizing Resolution for a Commercial Program transaction.
- Approval of Deviation from Uniform Tax Exemption Policy.
- Approval of Waiver from Board Omnibus Resolution.
- Adopt a negative SEQRA declaration for the Project. The proposed Project will not have a significant adverse effect on the environment.

Anticipated Closing

Q2 2024

Impact Summary

Employment	
Jobs at Application (Applicant Jobs):	20
Company Jobs to be Created at Project Location (Year 3):	286
Tenant Jobs to be Created at Project Location (Year 3):	*741
Total Permanent Jobs (full-time equivalents):	1,047
Company Projected Average Hourly Wage (excluding principals):	$19.07
Tenant Projected Average Hourly Wage (excluding principals):	*$99.44
** Estimate based on industry statistics for anticipated tenants*	
Construction Jobs to be Created (full-time equivalents):	440

Estimated City Tax Revenues	
Impact of Operations (NPV 20 years at 6.25%)	$115,539,469
One-Time Impact of Renovation	$8,212,270
Total impact of operations and renovation	**$123,751,739**
Additional benefit from jobs to be created	**$243,549,810**

Sophie King, SIG
Robert LaPalme, LGL

Nixon Peabody LLP
Project Number - 10670

WSA Waterfront LLC

Estimated Cost of Benefits Requested: New York City	
Building Tax Exemption (NPV, 20 years at 6.25%)	$33,760,882
Land Tax Abatement (NPV, 20 years at 6.25%)	$5,260,462
MRT Benefit	$2,299,999
Agency Financing Fee	($1,541,053)
Total Value of Benefits provided by Agency	**$39,780,290**
Available As-of-Right Benefits (ICAP)	$15,396,997
Agency Benefits in Excess of As-of-Right Benefits	$24,383,293

Costs of Benefits Per Job	
Estimated Total Cost of Net City Benefits per Job in Year 3	$23,289
Estimated City Tax Revenue per Job in Year 3	$350,813

Estimated Cost of Benefits Requested: New York State	
MRT Benefit	$1,238,461
Total Cost to NYS	**$1,238,461**
Overall Total Cost to NYC and NYS	**$41,018,751**

Sources and Uses

Sources	Total Amount	Percent of Total Financing
Equity	$150,384,535	100%
Total	**$150,384,535**	**100%**

Uses	Total Amount	Percent of Total Costs
Hard Costs	$112,784,391	75.0%
Soft Costs	$9,175,284	6.1%
FF&E and M&E	$18,395,633	12.2%
Closing Fees	$2,382,579	1.6%
Other Costs (Permits, Insurance)	$7,646,648	5.1%
Total	**$150,384,535**	**100%**

Fees

	Paid At Closing	On-Going Fees (NPV, 20 Years)
Agency Fee	$1,541,053	
Project Counsel	Hourly	
Annual Agency Fee	$10,000	$112,407
Total	$1,551,053	$112,407
Total Fees	**$1,663,460**	

Financing and Benefits Summary

The estimated cost of the Project is $150,384,535. It is expected that the Company will fund the Project upfront entirely with equity. A majority of the equity will be provided by the Company's limited partner, with a minority provided by the Manager. The limited partner is a family office which has provided the Manager with over $500 million in equity to purchase and reposition residential, commercial, and mixed-use projects in New York City. As a result of the limited partner's equity, no additional debt from an outside lender is needed to initially finance the

Project. The Company plans to reimburse themselves with permanent financing at a later date when interest rates are more favorable and costs associated with debt financing aren't prohibitively high, at which time the Agency's mortgage recording tax benefit will be realized. The financial assistance proposed to be conferred by the Agency will consist of a partial exemption of City and State mortgage recording taxes (to be provided with respect to any mortgage securing a loan the proceeds of which are used to reimburse Project cost amounts initially funded with equity) and payments in lieu of City real property taxes for a period of twenty years. Additionally, a partial exemption from mortgage recording tax may be utilized by the Agency with respect to mortgages to be recorded to secure repayment of PILOT.

Market Performance and Projections

Commercial office leasing has changed dramatically in New York City (the "City") since the COVID-19 pandemic. New preferences for remote and hybrid work, combined with rising interest rates, have resulted in a slowdown of investment into the office sector, and have created immediate challenges facing New York City's commercial business districts. Many businesses are leasing less commercial office space than before, and Manhattan office vacancy is near historical highs. High office vacancies in business districts reduce pedestrian foot traffic, transit ridership, public safety, and spending on retail, restaurants, and entertainment. This phenomenon has major implications because midtown Manhattan generates 58.5 percent of the citywide office and retail property tax revenues and represents 45 percent of all jobs in NYC. Aging and outdated office buildings in New York City's business districts are increasingly struggling to retain tenants and to sign new leases, as compared to higher quality office spaces. Of the 450 million square feet of office space in Manhattan nearly half – 255 million square feet – represent underperforming buildings. Higher quality office buildings represent most of the new leasing activity, generate higher rents, and have substantially lower vacancy rates than their outdated counterparts.

In April 2022, Mayor Eric Adams and Governor Kathy Hochul convened the New New York panel (the "Panel"), a group of New York City's preeminent business and community leaders, to help answer the many questions that remain around New York's economic recovery from the COVID-19 pandemic. By December 2022, the panel, led by two former Deputy Mayors of New York City – Dan Doctoroff and Richard Buery – released Making New York Work for Everyone, an ambitious policy agenda for both the City and the State to ensure that New York remains the global capital of business, a preeminent cultural destination, and an engine of opportunity for all its residents. The panel called for the City and State to cooperatively launch initiatives that serve three goals: 1) to reimagine New York's business districts, particularly midtown Manhattan, as vibrant 24/7 destinations, 2) to make it easier for New Yorkers to get to work, and 3) to generate inclusive, future-focused growth. To achieve these three goals, Making New York Work for Everyone makes 40 different recommendations across ten targeted areas of focus that outline how the City and the State will work together to support the regional economy and make the City an even better place to live and work. As part of its suite of recommendations, the Panel specifically called on the Agency to expand its current focus in Manhattan to support the renovation of older commercial office stock to ensure that it remains in the appropriate condition to attract the world's most innovative and successful firms and workers to the City's primary business districts.

The Manhattan Commercial Revitalization program ("M-CORE" or "the Program"), is designed to catalyze significant and near-term investment into outdated and aging commercial office buildings in Manhattan's core business districts by lowering the cost for building owners to make improvements and renovations. The program is intended to help building owners decrease vacancy and attract world class tenant companies, who are increasingly seeking high-quality, amenity-rich office space, as well as incubator and accelerator operators to generate the high-growth companies of the future. M-CORE is not a singular solution but rather one of many tools to help address office vacancy and improve street vibrancy in the City's business districts. Building owners will benefit from the Program, as it creates value by decreasing the cost of investment required to reduce building vacancies and increase rents following the completion of renovations. It also gives building owners the flexibility to make the best investment decisions for their unique buildings and will help them overcome the significant headwinds in the market right now to deliver high quality space that has resonance with tenants. Tenants will benefit from the Program as well, as it unlocks the creation of new, modern office spaces that are in high demand among companies seeking a presence in Manhattan. Finally, the Program also benefits the City, as it generates a larger net benefit than existing as-of-right incentives. This is due to the higher occupancy rates that the Program is expected to drive, which will increase tax revenues, drive street activity, improve street vibrancy in our commercial corridors, and increase MTA ridership.

The Facility was built in 1982 and served as AIG's headquarters until 2020, when the insurance company announced its relocation to a more modernized building in Manhattan, leaving the Facility entirely vacant except for a small ground-floor retail tenant. The Company acquired the Facility in 2022 and plans to reposition the building as a creative hub, with a leasing strategy focused on office tenants in the Fashion, Arts, Creative and Technology ("FACT") sectors. The Company will prioritize the curation of a diverse FACT tenant base though its "landlord as incubator" approach, which involves subsidized rents for some small businesses, office sizes ranging from individual cubicles up to a full floor, shared work lounges, flexible lease terms, and turnkey spaces to help accommodate the needs of high growth tenants and less established brands. The Company will be required to enter into a lease with a business incubator, accelerator, or a significant high growth tenant as part of M-CORE. Business incubators and accelerators provide workspace, resources, and programming to startup companies. A significant high growth tenant is a tenant occupying a large portion of the Facility whose primary business is in certain priority industries of importance to the City, including many technology-focused industries such as cybersecurity, the green economy, and artificial intelligence, among others.

The Facility remains 97% vacant with outdated interior finishes, inefficient mechanical systems, and a lack of amenities to attract new tenants. The construction work will include demolition and new buildout of all interior spaces, significant investment in amenities, upgrading of building systems and energy efficiency improvements, enlargement of the ground floors and rooftop, renovation and indoor enclosure of the privately owned public space ("POPS") at the ground floor, and development of new, ground floor retail space. Office amenities will include shared production facilities such as audio recording, podcast, photography, post-production, and extended reality studios; art galleries and film screening rooms used to showcase tenant artwork and host public events; numerous restaurants, bars, and a test kitchen; health and wellness amenities such as a state-of-the-art fitness center, bath house, and spa; and rooftop and terrace lounges including two indoor/outdoor pools. Amenities are available to both office tenants and individuals who purchase memberships, promoting activation of the Seaport neighborhood. Although it is expensive to build these specialized amenities, the Company believes they are necessary to attract FACT tenants and position the Project as lower Manhattan's creative hub.

The new retail space will be a four-story concept department store with food & beverage options, fashion, art, and digital tech retail brands, and extended reality and digital photography studios open to the public. The department store will showcase products created by the Facility's office tenants. In bringing a new cultural community to the Seaport neighborhood, the Project will help expand foot traffic and create synergies with the reinvigorated waterfront's offerings such as the newly opened Tin Building, Rooftop at Pier 17, and extensive food, beverage, and retail establishments.

Inducement

I. The Project would not be financially viable without Agency benefits.
II. The Project will create needed space within the City for tenants engaged in the fashion, arts, cultural and technology industries.
III. The Project will convert an underutilized office building into a productive asset expected to strengthen and diversify the City's economy and draw foot traffic to the commercial corridor.

UTEP Considerations

The Agency finds that the Project complies with the Agency's policies and meets one or more considerations from Article II-B of the Agency's Uniform Tax Exemption Policy ("UTEP"), including the following:

I. Financial assistance is required to induce the Project.
II. The Project will create permanent, private-sector jobs.
III. The Project is likely to be completed in a timely manner.

IV. The Project involves fashion, arts, cultural and technology industries, which the Agency seeks to retain and foster.

Deviation from UTEP

In accordance with New York State General Municipal Law, the Agency has adopted the UTEP. The UTEP provides that for a Commercial Program Project located in Manhattan to be eligible for discretionary financial assistance, the Recipient of financial assistance for a Commercial Program Project must be located within a highly distressed area as defined in the IDA Act and must submit to the Agency binding expressions of interest from one or more anchor tenants for the Project that are acceptable to the Agency. It must also retain a controlling interest in the Project, prior to the completion deadline, while the Company completes the required Project improvements. Three deviations from UTEP are necessary because (1) the Project is located in Manhattan but is not located within a highly distressed area as defined in the IDA Act; (2) the Company does not currently have an anchor tenant; and (3) the Company may need to transfer a controlling interest in the Facility to unrelated persons or entities, such as lenders, prior to the Completion of Project Improvements, pending approval to do so by the Board of Directors and satisfaction of certain other requirements.

The Agency believes that deviations from the UTEP are justified because the Project will make an impactful investment to improve an outdated commercial office building that is facing significant and prolonged vacancy, and which is part of a larger trend of underperforming commercial office buildings that threaten the financial health and vibrancy of New York City. To address this problem the Agency created the Manhattan Commercial Revitalization (“M-CORE”) program. M-CORE seeks to catalyze investment in aging commercial office buildings in Manhattan’s core commercial business districts by decreasing the cost of investment in high-quality improvements and renovations with the aim of helping landlords attract world class tenants and high-growth companies. Leasing activity is increasingly concentrated in office buildings that feature high-quality amenity and retail spaces, and when compared to these buildings, aging and outdated office buildings are struggling to command rents that justify making the necessary improvements to retain and attract tenants. This is leading to a negative cycle of stagnation and to the erosion of the tax and jobs base critical to New York City’s ability to maintain itself as a global hub of culture and commerce.

Financial assistance from the Agency will allow the Company and Manager to target FACT tenanting, which relies on leasing to a diverse variety of tenants within a unique and high growth industry cluster, rather than targeting a single anchor tenant in the more traditional finance, insurance and real estate sectors. The Agency will require that the Company lease portions of the Facility for specific uses identified by the Agency, which may include FACT tenants, a business incubator or an accelerator or a significant high growth industry tenant, and qualified retail tenants. Targeting FACT tenants is also significantly more expensive, as the Company will be required to invest in a number of specialized amenities such as dining, retail and hospitality spaces, members lounges, conference centers and meetings halls, banquet rooms, artist studios, galleries and exhibitions spaces. Renovations to the ground floor will ensure that the retail space is leased to food and beverage, cultural amenity or neighborhood service tenants, which will activate the surrounding Seaport neighborhood. The proposed financial assistance will also assist the Company in overcoming the significant headwinds currently facing landlords and developers in commercial lending and capital markets. The Company and Manager have indicated that they will likely seek to refinance Project costs in the future, and the expectation is that lenders may either be reluctant to provide financing for commercial office space or will demand a significant controlling interest in the project to do so. Without the financial assistance provided by the Agency, the Company indicates that they would not initiate the Project as proposed and would seek an alternative development approach that would not result in the same activation of the building and surrounding Seaport neighborhood. If the deviation is not approved and the proposed Project does not proceed, the City will forego the renovation and upgrading of an underperforming commercial office facility in one of the City’s main central business districts, and the reactivation of this site with approximately 1,027 new, good paying jobs.

Waiver from Board Omnibus Resolution

In September 2006, the Agency adopted an Omnibus Resolution (the “Omnibus”) relating to practices and procedures of the Agency. The Omnibus provides that in connection with each public hearing convened by the

Agency pursuant to law to present proposed projects for which the Agency has received applications, that the Agency shall publish a public notice (the "Notice") at least thirty days prior to the hearing. A waiver from the Omnibus is necessary because the Agency published the Notice 10 days prior to the hearing. The Notice was published 10 days prior to the hearing because the Agency required additional time to finalize its review of the Project application and to prepare the Notice. The Agency is compliant with all public notice procedures as prescribed by the GML.

Applicant Summary

The Company is managed by the Manager, Milky 100 LLC, and advised by 99c LLC ("99c"), a real estate development firm focused on adaptive reuse projects in New York City. Both the Manager and 99c are joint ventures created by real estate executives Dawson Stellberger and Matthew Khalil, who each hold over 20 years of real estate experience in New York City and London, respectively, and have previously specialized in creative commercial office projects.

Dawson Stellberger, Principal, Milky 100 LLC and 99c LLC
Mr. Stellberger is a Principal and Co-Founder of both the Manager and 99c. Mr. Stellberger has over 20 years of experience in real estate. He is Principal and Founder of Bushwack Capital, a New York City-based real estate firm which has developed over 25 multifamily and industrial properties in Brooklyn. Mr. Stellberger's experience includes his role as Principal in a 150,000 GSF mixed-use development in Brooklyn ("154 Scott Avenue") which opened in Summer 2023 and repositioned a former steel factory as a membership club with co-working space, production studios, food and beverage establishments, health and wellness facilities, and event space. Previously, Mr. Stellberger was a key member of the Stonehenge Partners acquisition team where he helped acquire and reposition a portfolio of over 3,000 Manhattan apartments. Mr. Stellberger is a graduate of the University of Michigan with a Bachelor of Science in Economics.

Matthew Khalil, Principal, Milky 100 LLC and 99c LLC
Mr. Khalil is a is a Principal and Co-Founder of both the Manager and 99c. Mr. Khalil has over 20 years of experience in real estate. Mr. Khalil is Principal and Founder of Khalil Kane, a London-based real estate firm focused on office, hospitality, and multifamily properties which has acquired and managed over six million square feet of London property. Mr. Khalil's experience includes his role as General Partner in a 1,100,000 GSF mixed-use development in London, comprised of a 460,000 GSF residential building ("One The Thames") and a 550,000 GSF commercial office and retail building ("180 Strand"). 180 Strand, a former corporate office building, was repositioned in 2016 as a creative hub with coworking, gallery, and event space; a membership club operated by Soho House; and office tenants from fashion, cosmetics, art, media, and tech brands such as TikTok, WeTransfer, Dazed, IMG Models, The Athletic, Frieze, and Charlotte Tilbury. The Project's development has been informed and inspired in part by Mr. Khalil's experience with 180 Strand. Mr. Khalil holds a Bachelor of Arts in Management Studies & Law from Royal Holloway, University of London and a Master of Science in Real Estate & Valuation from Cass Business School.

Employee Benefits

Multiple entities associated with the Company will have employees at the Facility, including Happier People Management LLC ("Happier") which provides property management services and will retain 20 employees at the Facility. Happier offers healthcare, dental, and vision coverage, life insurance coverage, commuter benefits and flexible spending accounts, and vacation time to its employees. It is anticipated that the Company will form various affiliate entities for hospitality purposes throughout the Facility, which would offer its employees benefits similar to those offered by Happier.

Recapture

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

SEQRA Determination

Type II action which, if implemented, will not result in significant adverse environmental impacts. Staff recommends the Board adopt a Negative Declaration for the Project. The completed Environmental Assessment Form for this project has been reviewed and signed by Agency staff.

Due Diligence

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

Compliance Check:	Not Applicable
Living Wage:	Compliant
Paid Sick Leave:	Compliant
Affordable Care Act:	Compliant
Bank Account:	Citigroup Global Markets
Bank Check:	Relationships are reported to be satisfactory.
Supplier Checks:	Not Applicable
Customer Checks:	Relationships are reported to be satisfactory.
Unions:	Not Applicable
Background Check:	No derogatory information was found
M/WBE Participation:	30% goal (construction)
Consultant:	Ryan Ybanez Happier People Management 249 Smith St. #140 Brooklyn, NY 11231
Attorney:	Paul J. Proulx Carter Ledyard & Millburn LLP 28 Liberty St., 41st Floor New York, NY 10005
Accountant:	Allesandra Corasaniti Happier People Management 249 Smith St. #140 Brooklyn, NY 11231
Community Board:	Manhattan, CB #1

WSA Waterfront LLC
175 Water Street
New York, New York 10038

January 11, 2024

New York City Economic Development Corporation
One Liberty Plaza
New York, NY 10006
Attn: Emily Marcus, Executive Director

Re: 175 Water Street – M-Core Application

Dear Ms. Marcus,

As you know, WSA Waterfront LLC (WSA) is the M-Core applicant developing the building at 175 Water Street (the "Building"). We are pleased to hear that the NYC Industrial Development Agency is interested in extending certain tax benefits to facilitate the exciting program planned for the Building.

WSA is a joint venture created by the principals of Brooklyn based real estate development firm Bushwack Capital and London based Khalil and Kane Ltd. The development team has an extensive track record in New York and in London with decades of experience in real estate acquisitions, construction, leasing, and financing.

175 Water Street is one of the northernmost buildings in a row of office towers from the 1960s and 70s that form a canyon running nearly a dozen blocks from Fulton Street to the tip of Lower Manhattan, all of which have large, efficient floor plates designed to attract big corporate tenants in Finance, Insurance and Real Estate (FIRE). The Building was constructed in 1982 for National Westminster Bank and occupied by AIG until it announced its move to Rockefeller Center on July 21, 2020. The Building has been vacant since.

WSA purchased the building on October 6, 2022 for $252MM. Underwriting was based on a $93.5M base building capital plan that would adapt the building to one or two smaller FIRE tenancies. The modest capital improvements planned would result in a projected 4.2% yield on cost.

With M-Core, WSA would be able to pursue an office program with a leasing and marketing strategy that would draw many smaller companies employing Fashion, Arts and Cultural professionals who use Technology (FACT) to shape our world. According to a New York City Comptroller's Office report, the City's 2017 creative sector employed 293,000 people.

However, the sector is widely disbursed, and no single office building is dedicated to the component industries in a way that builds upon the synergies created by cross pollination and proximity. The targeted sector is in direct counter-distinction to the FIRE tenancies that predominate in Lower Manhattan.

To attract FACT tenants to FiDi, WSA will need to offer industry appropriate rents and highly amenitized spaces, which would not be possible without M-Core. The dedicated strategy would include cross subsidized rents for synergistic creative companies. With M-Core benefits, WSA is committed to investing an additional $54.5 MM to construct a creative hub with an amenity rich office program including tenant and public facing amenities and spaces dedicated to incubating new creative sector companies.

The strategy is to adopt a “landlord as incubator” approach to attract FACT tenants to a curated and collaborative environment. Attractive starting rents as low as $12/SF would be aligned with creative tenant budgets and offered to the right small businesses. As tenant budgets grow, rents will grow with the businesses. Initial leasing would be followed by a projected 4-5 phase ramp up. Larger, more established companies would pay rents up to $70/SF. The attached 2030 cashflow projections shows FACT based tenant rents outperforming FIRE based rents on average in the long-term.

M-Core benefits would also facilitate a fully amenitized commercial office building program necessary for the planned creative hub. For each square foot of office workspace in the Building, WSA is planning an additional square foot dedicated to various amenities. The ratio of amenity to work space will create a lively and dynamic environment and encourage collaboration, networking, and the personal growth of creative professionals. Amenities such as XR Studios and artist exhibition spaces reflect the program’s focus on technology, arts and culture, providing the spaces and resources for creatives to reach their greatest potential.

Furthermore, by offering spaces for exhibition, dining, retail and leisure activities, the Building will promote the activation of the Seaport neighborhood and enhance the overall experience for tenants and visitors alike. Modest enlargements to the Building at the ground floor and rooftop levels would also establish the Building as a destination for creatives from around the world. The Building and its program will bring vitality and a sense of place to Lower Manhattan.

The additional expenses involved in implementing WSA’s FACT-based strategy are only possible with M-Core. The base building capital plan will result in an 4.2% return on cost with standard FIRE tenancies. The FACT focused approach requires an additional $54.5 MM in capital costs. The internal rent subsidies necessary to launch the creative hub also weigh heavily on the Building’s NOI in the first several years. But, even with projected rents that exceed FIRE rents by 2030, the yield on costs for FACT approach do not exceed 2.2%, as compared with the yields achieved with a traditional FIRE approach. As shown on the attached 2030 cashflow projection, M-Core is necessary to achieve a yield that justifies the FACT based approach.

We thank you for this opportunity to partner with the IDA to achieve something truly special in Lower Manhattan. We salute your commitment to New York City and appreciate your interest in our project.

Best regards,

WSA Waterfront LLC

Thomas Ta

Thomas Ta

2030 CASHFLOW PROJECTIONS	FIRE	FACT without M-Core	FACT with M-CORE
Total Rentable Area	684,455	684,455	684,455
Base Rent PSF	72	79	79
Expense Reimbursements PSF	6	4	4
Total Rent PSF	**78**	**83**	**83**
Gross Potential Rent	49.0m	53.8m	53.8m
Expense Reimbursements	4.2m	3.0m	3.0m
Vacancy Allowance	-4.9m	-5.4m	-5.4m
Gross Rental Revenue	**48.3m**	**51.4m**	**51.4m**
Other Revenue	0.0m	0.0m	0.0m
Total Revenue	**48.3m**	**51.4m**	**51.4m**
Real Estate Taxes PSF	14.5	16.5	8.0
Real Estate Taxes	9.9m	11.3m	5.5m
Operating Expenses	11.2m	13.8m	13.8m
Net Operating Income before Financing	**27.2m**	**26.4m**	**32.2m**
Mortgage Payments	22.9m	22.9m	22.9m
Net Operating Income After Financing	**4.3m**	**3.5m**	**9.3m**
Acquisition Costs	254.4m	254.4m	254.4m
Base Building Capital Plan	93.5m	93.5m	93.5m
Incremental Investment	0.0m	54.5m	54.5m
Sales Tax Savings	0.0m	0.0m	0.0m
Total Investment	**347.9m**	**402.4m**	**402.4m**
Mortgage	255.0m	255.0m	255.0m
Mortgage Recording Tax	-2.8m	-2.8m	0.0m
Mortgage Arrangement Fees	-5.1m	-5.1m	-5.1m
Total Equity Investment	**100.8m**	**155.2m**	**152.5m**
NOI	**4.3m**	**3.5m**	**9.3m**
Yield on Cost	**4.2%**	**2.2%**	**6.1%**

NB. Includes CPI Inflation Allowance of 3.0% Per Annum

Exhibit D

Resolution inducing the renovation, expansion, furnishing and equipping of a Manhattan Commercial Revitalization program (M-CORE) commercial facility for WSA Waterfront LLC and its affiliates, 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, WSA Waterfront LLC, a Delaware limited liability company, on behalf of itself and its affiliates involved in the Project referred to below (collectively, the “Applicant”), has entered into negotiations with officials of the Agency in connection with the with the renovation, expansion, furnishing, and equipping of a commercial facility (the “Facility”), consisting of the renovation, furnishing, and equipping of an existing 577,511 gross square foot, 30-story office condominium building and the construction of up to two additional floors thereon, subject to the receipt of any necessary approvals, located on a 24,234 gross square foot parcel of land located at 175 Water Street, New York, New York 10038, all intended to be leased by or on behalf of the Applicant for commercial office use and other approved uses, and having a total project cost of approximately $150,384,535 (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 Facility is owned by the Applicant and is managed by Milky 100 LLC, a New York limited liability company; that the Facility has been substantially vacant since July 2020 when its anchor tenant relocated to a more modernized building in Manhattan; that the Agency’s financial assistance will allow the Applicant to pursue an office program with a leasing and marketing strategy that would draw many smaller companies employing Fashion, Arts and Cultural professionals who use Technology (FACT); that the Project will facilitate the construction of a creative hub with an amenity rich office program including tenant and public facing amenities and spaces dedicated to incubating new creative sector companies, which will in turn create a lively and dynamic environment and encourage collaboration, networking, and the personal growth of creative professionals; that the Project will promote the activation of the Seaport neighborhood and enhance the overall experience for tenants and visitors alike; that 20 full-time equivalent jobs will be retained and the Project is expected to generate approximately 1,027 full time equivalent jobs within the three years following completion; 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 that without the Agency's financial assistance, the Applicant will not be able to offer industry appropriate rents and highly amenitized spaces; and that, based upon the financial assistance provided through the Agency, the Applicant desires to proceed with the Project; 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 proceed with the Project; and

WHEREAS, the Applicant will finance the renovation, expansion, furnishing, and equipping of the Project with equity provided by its affiliates and anticipates refinancing such costs through a loan with a bank or another financial institution to be determined by the Applicant and approved by the Agency (collectively, the "Lender"), and, in such circumstance, the Agency and the Applicant will grant one or more mortgage(s) on the Facility to the Lender (collectively, 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 Mortgages"); and

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

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

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

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

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

Section 4. The execution and delivery of a Company Lease Agreement from Applicant leasing the Facility to the Agency, an Agency Lease Agreement from the Agency subleasing the Facility to the Applicant (the "Lease Agreement") (for sublease to the Applicant), the acceptance of a mortgage in favor of the Agency from the Applicant to secure the payment by the Applicant of the payments in-lieu of real estate taxes due and payable in accordance with the Lease Agreement (the "PILOT Mortgage"), the Lender Mortgage, the Refinancing Mortgages, a Project Agreement between the Agency and the Applicant and, if applicable, the acceptance of a Guaranty Agreement from the Applicant or an affiliate of the Applicant 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 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 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. 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 NYCRR 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 action is a Type II action, (i) with respect to the renovation and upgrading of the existing building, pursuant to 6 NYCRR Part 617.5(c)(2) as replacement, rehabilitation or reconstruction of a structure or facility, in kind, on the same site, including upgrading buildings to meet building, energy, or fire codes unless such action meets or exceeds any of the thresholds in section 6 NYCRR Part 617.4 and 6 NYCRR Part 617.5(c)(3) as retrofit of an existing structure and its appurtenant areas to incorporate green infrastructure and (ii) with respect to the proposed expansion of the building, based on the Agency's review of the proposed project, pursuant to 6 NYCRR Part 617.5(c)(25) as official acts of a ministerial nature involving no exercise of discretion, including building permits and historic preservation permits where issuance is predicated solely on the applicant's compliance or noncompliance with the relevant local building or preservation code(s); which would not result in adverse environmental impacts requiring the preparation of an Environmental Impact Statement.

Section 11. In connection with the Project, the Agency intends to grant the Applicant real property tax abatements and a partial exemption of City and State mortgage recording taxes. The Agency will also utilize a mortgage recording tax exemption to partially exempt the PILOT Mortgage from City and State mortgage recording taxes.

Section 12. The Agency hereby waives its policy that the Agency will post all public notices on its website at least thirty (30) days prior to the public hearing noticed therein, as such requirement is set forth in paragraph 2(b) of the Omnibus Resolution of the Agency, adopted on September 12, 2006, with respect to the public notice in connection with the Project.

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Section 13. This Resolution shall take effect immediately.

ADOPTED: January 23, 2024

Accepted: ________ __, 2024

WSA WATERFRONT LLC

By:___________________________

Name:

Title:

Exhibit E

Project Summary

The applicant is CHPE LLC, a New York limited liability company (the "Company") owned by TDI-USA Holdings LLC, a Delaware limited liability company doing business as Transmission Developers and TDI. The Company was formed for the purpose of designing, permitting, financing, constructing, installing and operating an electric transmission system, known as the Champlain Hudson Power Express ("CHPE"), to transmit hydroelectric power from the US-Canadian border to New York City via high-voltage direct current ("HVDC") cables with a capacity of 1,250 MW to a converter station to be constructed in Astoria, Queens (the "Project"). The total length of the transmission system is approximately 339 miles, of which approximately 11.7 miles will be located within New York City. The HVDC cables will enter New York City via the Hudson River and the Harlem River, before being constructed underground on land owned by the City of New York, Consolidated Edison Company of New York, Inc. ("ConEd") and others, and terminating at the converter station. The Company seeks financial assistance in connection with the construction, installation and equipping of the 94,000 square foot converter station building and related electrical infrastructure, facilities, equipment and improvements (collectively, the "Converter Station"), to be located on an approximately 342,720 square foot parcel of land (the "Land", and together with the Convertor Station, the "Project Realty") owned by the Company, having the address 31-45 20th Avenue in Astoria, Queens (Tax Block 850, lot 310 on the Tax Map for the Borough of Queens). The Converter Station will serve to convert transmitted power from HVDC to high-voltage alternating current ("HVAC"), the form of electrical current required for distribution onto the New York City electricity grid.

Project Location

31-45 20th Avenue
Astoria, New York 11105

Actions Requested

- Inducement and Authorizing Resolution for an Industrial Program transaction.
- Adopt a SEQRA determination that the proposed project is a Type II action and therefore no further environmental review is required.

Anticipated Closing

Spring 2024

Impact Summary

Employment	
Jobs at Application:	0
Jobs to be Created at Project Location (Year 3):	21
Total Jobs (full-time equivalents):	**21**
Projected Average Hourly Wage (excluding principals):	**$114.31**
Highest/Lowest Hourly Wage:	**$128.21/$72.12**
Construction Jobs to be Created (full-time equivalents):	175

Estimated City Tax Revenues	
Impact of Operations (NPV 25 years at 6.25%)	$188,286,773
One-Time Impact of Renovation	$18,258,644
Total impact of operations and renovation	**$206,545,417**
Additional benefit from jobs to be created	**$17,172,542**

Noah Schumer, SIG
Robert LaPalme, LGL

Katten Muchin Rosenman LLP
Project Number - 9694

Estimated Cost of Benefits Requested: New York City	
Building Tax Exemption (NPV, 25 years)	$43,990,800
Land Tax Abatement (NPV, 25 years)	$1,555,593
Agency Financing Fee	($2,000,000)
Total Value of Benefits provided by Agency	**$43,546,393**
Available As-of-Right Benefits (ICAP)	$0
Agency Benefits In Excess of As-of-Right Benefits	$43,546,393

Costs of Benefits Per Job	
Estimated Total Cost of Benefits per Job	$2,073,638
Estimated City Tax Revenue per Job	$10,653,236

Sources and Uses

Sources	Total Amount	Percent of Total Financing
Commercial Loan	$275,200,000	85%
Equity	$48,200,000	15%
Total	**$323,400,000**	**100%**

Uses	Total Amount	Percent of Total Costs
Hard Costs	$288,100,000	90%
Soft Costs	$32,600,000	10%
Closing Fees	$2,700,000	>1%
Total	**$323,400,000**	**100%**

Fees

	Paid At Closing	On-Going Fees (NPV, 25 Years)
Agency Fee	$2,000,000	
Project Counsel	Hourly	
Annual Agency Fee	$1,250	$15,607
Total	$2,001,250	$15,607
Total Fees	**$2,016,857**	

Financing and Benefits Summary

It is expected that the Project will be financed with approximately $48,200,000 in equity from Blackstone and with approximately $275,200,000 in commercial debt. The Company closed on the commercial debt in November 2022 as part of financing the Champlain Hudson Power Express, which has an overall project cost of approximately $6.1 billion. The commercial debt was underwritten by the Canadian Imperial Bank of Commerce, Mizuho Financial Group, Mitsubishi UFJ Financial Group, and Société Générale, and a consortium of 20 lenders was selected. The commercial debt will have a floating interest rate equal to the Secured Overnight Financing Rate plus 175 basis points (indicative rate of 7.06% as of 1/5/24). The commercial debt will be secured by (i) all contracts held by the Company, including EPC agreements, upgrade agreements, rights of way, offtake agreements, hedging agreements and insurance policies; (ii) a lien on all property held by the Company; (iii) intercompany amounts owed by CHPE to TDI-USA Holdings, LLC; and (iv) TDI’s equity interest, voting rights, distribution rights and all other interests as owner of the Company. The financial assistance proposed to be conferred by the Agency will consist of payments in lieu of City real property taxes on the Project Realty. The PILOT will consist of a 25% abatement on the Project Realty for 21 years, followed by a phasing-out of the benefits over the final four years of the benefit term.

Company Performance and Projections

The Project involves the construction of a Converter Station that is part of the Champlain Hudson Power Express, a major energy development in New York State that will deliver 1,250 MW of Canadian hydroelectric power to the City of New York (the "City"). The CHPE project is a component of the City and The State of New York's (the "State") plans to fulfill their ambitious clean energy agenda. In 2019, the Climate Leadership and Community Protection Act was signed into law, mandating that New York State's electricity grid be 100% zero-emission by 2040. Renewable energy generation is abundant in the Northeast of the United States and Canada, but a lack of transmission infrastructure inhibits moving that energy downstate to the City, which still relies heavily on fossil fuels. To help achieve the City and State's climate goals, the New York State Energy Research and Development Authority ("NYSERDA") issued a competitive solicitation (the "RFP") in 2020 to award contracts to major projects that could transmit clean energy to the City.

CHPE was one of the two winning respondents to NYSERDA's solicitation, with the other being Clean Path NY, a project by the NY Power Authority to transmit upstate-generated solar and wind. Together, CHPE and Clean Path NY will provide electricity to cover more than a third of NYC's annual consumption before the end of this decade. Under State and Federal law, renewable energy credits ("RECs") are generated by projects that add renewable energy into the electricity grid, which the developers of the energy can sell. Under the terms of the RFP award, the State, via NYSERDA, will support the projects by purchasing all the available RECs from the respective developers once the projects are up and running, transmitting electricity. The City has agreed to then purchase RECs from NYSERDA in an amount projected to be equivalent to cover all the electricity used in City government operations, meaning the public sector will effectively run entirely on clean energy.

The CHPE project involves constructing two, 339-mile cables to transmit 1,250 MW to the NYC electricity grid—enough MW to power more than 1 million homes. Around 40% of the cables along the route will be built underground, and 60% will be built beneath water, primarily the Hudson River. Approximately 11.7 miles of the cables will run in NYC. The cables will enter NYC via the Hudson and Harlem Rivers, before connecting to the Converter Station. The converter station is necessary to convert the electricity to a usable format before it feeds into the NYC grid via a nearby substation. The Project is expected to be operational by the end of 2026.

Workforce Development, Community Engagement & Environmental Investments

TDI is committing financial resources to several initiatives to support workforce development, environmental stewardship, and community engagement. First, TDI has launched a Green Economy Fund to provide $40M in grants over 25 years to organizations working to train New York residents from disadvantaged backgrounds for careers in the green economy. The Company made the first round of grants in October 2023 to four New York City-based organizations: NYC District Council of Carpenters; Pathways to Apprenticeship; Non-traditional Employment for Women; and Stacks and Jules. A second round of grant opportunities is expected to open early in 2024. TDI has also committed $117M over 35 years to a trust fund for environmental stewardship and remediation efforts in Lake Champlain, the Hudson River, the Bronx, Harlem and East Rivers, and New York Harbor. Additionally, TDI has committed $9M to community engagement efforts, including $1.5M for a Nature Center on Randall's Island, and $1.25M for a Science and Technology Lab at the Variety Boys and Girls Club in Astoria.

Inducement

I. The Project would not be financially viable without Agency benefits.
II. But for the financial assistance provided by the Agency, a vital City-supported project or initiative may be delayed or otherwise adversely affected.

UTEP Considerations

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

I. The Project will create or retain permanent private-sector jobs.
II. The Project will generate approximately $323,400,000 in private-sector investment.
III. The Project is likely to be completed in a timely manner.
IV. The Project involves the generation of renewable energy for the City of New York, which the Agency seeks to retain and foster.

Applicant Summary

The Company was formed for the purpose of designing, permitting, financing, constructing, installing and operating the CHPE to transmit hydroelectric power from the US-Canadian border to the City via high-voltage direct current cables with a capacity of 1,250 MW to a converter station to be constructed in Astoria, Queens. The Company is owned by TDI, which is in turn owned by Blackstone Inc., a global leader in alternative asset management. TDI is currently developing two major energy projects in the Northeast—CHPE, as well as the New England Clean Power Link, a transmission line located in Vermont that will serve the New England electricity market.

Brian Kubeck, Chairman of the Board

Mr. Kubeck is TDI's Chairman of the Board. He has over 25 years of energy and infrastructure development experience, focused on complex projects in North America, Asia and Africa that required extensive stakeholder engagement and coordination across multiple disciplines, including environmental, offtake, construction, and financing. Prior to joining TDI, Mr. Kubeck helped establish, and later went on to be CEO of, Sithe Global, a Blackstone portfolio company that developed, financed, and operated impactful energy projects around the world. Mr. Kubeck currently advises Blackstone's Private Equity Group on various energy investments. In addition to serving as Chairman of TDI, he is on the board of Aypa Power, a Blackstone portfolio company that develops/owns utility-scale energy storage and hybrid energy renewable projects. Mr. Kubeck earned his Bachelor of Business Administration from Hofstra University.

Justin Sauber, Chief Executive Officer

Mr. Sauber joined TDI as its CEO in January 2023, bringing nearly 30 years of experience in the engineering and construction industry. His skills have been sought out on some of the energy industry's most challenging projects, covering nine U.S. states and 13 countries. Prior to joining TDI, Mr. Sauber was a Principal Vice President at the Bechtel group of companies, where he spent 21 years specializing in the oversight and estimation of direct hire, union-built projects across the energy, infrastructure, and government sectors. Mr. Sauber earned a Bachelor of Science in Civil and Environmental Engineering from the University of Michigan and is a licensed professional engineer (Michigan).

Todd Singer, Executive Vice President and Chief Financial Officer

Mr. Singer is Executive Vice President and Chief Financial Officer for TDI. He is a senior operating and finance executive with more than 25 years of diverse corporate and investment banking experience. He has significant expertise in the alternative energy and power/utility industries and has closed over $100 billion of capital markets transactions in his career, primarily at Morgan Stanley. Mr. Singer was formerly the founding principal of Brookdale Energy Advisors, a strategic and financial consulting business focused on alternative energy. He has also held finance positions at PricewaterhouseCoopers and Time Warner. Mr. Singer received his B.S. from Bucknell University and an MBA from Columbia Business School.

Employee Benefits

Full-time employees are expected to receive a full benefits package, including health insurance, paid time off, and retirement benefits. For construction, the Company has a project labor agreement covering union employment at the Converter Station with the Building and Construction Trades Council of Greater New York.

Recapture

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

SEQRA Determination

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

Due Diligence

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

Compliance Check:	N/A
Living Wage:	Compliant
Paid Sick Leave:	Compliant
Affordable Care Act:	Compliant
Bank Account:	Société Générale
Bank Check:	No derogatory information was found.
Supplier Checks:	N/A
Customer Checks:	N/A
Unions:	Satisfactory
Background Check:	Satisfactory
M/WBE Participation:	30% goal (construction)
Attorney:	Matt Moses, Esq. Barclay Damon LLP 125 East Jefferson St. Syracuse, NY 13202
Accountant:	Karl Fetscher CHPE LLC 623 5th Avenue, Floor 20 New York, NY 10022
Community Board:	Queens, CB #1

CHPE
Champlain Hudson
Power Express

Via Email

August 18, 2023

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

Attn: Emily Marcus, Executive Director
Chairman & Members of the Board

Re: <u>New York City Industrial Development Agency ("NYCIDA")</u>
<u>Champlain Hudson Power Express Project</u>
<u>Core Application and Inducement Letter</u>

Dear Ms. Marcus, Chairman & Members of the Board:

As indicated in the July 25, 2023 version of this letter, CHPE LLC (the "Applicant"), a subsidiary of TDI-USA Holdings, LLC, submitted an updated NYCIDA Core Application, together with the required fee and attachments (with attachments, the "Application"), requesting NYCIDA financial assistance in the form of exemptions from sales and use tax and real property tax (the "Financial Assistance") for the below-described Project. At the NYCIDA's request, this letter is an update to the Inducement Letter which was submitted on July 25, 2023.

The Application relates to the New York City portion (the "Project") of the Champlain Hudson Power Express ("CHPE"), a proposed ~339 mile, fully-buried HVDC electric power transmission line sized to 1,250 MW and designed to deliver renewable energy from the U.S.-Canada border into New York City. CHPE is fully permitted and will play a key role in New York's energy transformation and system reliability enhancement, lowering greenhouse gas emissions, creating jobs, and generating billions of dollars in new economic investment.

CHPE will comprise a significant portion of the renewable energy needed to meet New York State's 70x30 green energy goal. It is also expected to induce creation of significant jobs and economic activity throughout the State, including more than 1,000 direct full-time jobs and $0.6 billion in wages over the construction period, more than 800 long-term jobs once operational, and $7.3 billion in wages during the first 25 years of operations. Virtually all of the construction workforce will be sourced with union labor, and there will be over 500,000 workhours for NYC labor unions. Furthermore, it is expected to induce $1.6 billion in higher economic output during the construction period and $21.4 billion during the first 25 years of operations on a statewide basis. Most importantly for New York City, the Project is expected to create approximately $139 million in new property tax and PILOT payment revenue through the first 25 years of operations which is the expected term of the PILOT.

The Applicant submitted a NYCIDA Core Application in March 2021 (the "Original Application") requesting financial assistance in the form of sales and use tax, mortgage recording tax, and real property tax. At the time of submission of the Original Application, the Applicant expressed a need for the NYCIDA's assistance to create certainty for the tax costs associated with the Project in order to realize anticipated renewable energy benefits to New York City and the statewide economic impact referenced above. The Applicant further stated that the Project would not be built if financial assistance was not obtained.

In November 2021, the NYCIDA communicated its willingness to support real property tax abatement for the Project's converter station (the "Offered Abatement"). As the design and permitting of CHPE continued to take shape, the Applicant went to the financial markets to obtain financing. The Applicant incorporated the Offered Abatement into the financial plan presented to the bank syndicate based on engagement with the NYCIDA (including June 2022 and October 2022). The Applicant made this decision, and banks accepted it, based on the historical discussions with the NYCIDA and in recognition of the need for the Offered Abatement to make the Project financially feasible. The Applicant closed the financing for CHPE on November 1, 2022 ("Financial Close"). CHPE needs to receive the requested IDA assistance in order to comply with its financial model and the financial covenants set by the banks in its financing documentation. While it would have been preferable to finalize abatement documentation with the NYCIDA in advance of Financial Close, the rapidly deteriorating financing environment left insufficient time, which was extraordinarily short for a financing of this type and magnitude, between arrangement of the financing and the need to close the financing. Interest rates were on track to make CHPE economically unfeasible. The 30 Year Treasury Yield, the closest indicator of CHPE's base interest cost, was rapidly increasing as the Applicant was attempting to negotiate its credit documentation and increased 42% in the 3-month period prior to Financial Close (and was more than 150% higher than the yield one year prior). The Applicant also had no option but to abandon its pursuit of the NYCIDA's exemption from mortgage recording tax and paid New York City $19 million in mortgage recording tax at Financial Close. In short, given time pressures and unfavorable economic conditions leading up to Financial Close, the Applicant was forced to rely upon the Offered Abatement and bake its terms into the financing.

The value proposition of CHPE to its customers is largely based on a guaranteed, predictable, price over a 40-year period. Consequently, construction costs and annual operating costs, including tax responsibilities, must be predictable throughout the term of financing for CHPE to maintain its viability. As a merchant transmission line, CHPE consequently cannot rely on captive ratepayers to absorb its costs. Contrary to expectations at the time of the Original Application and the Offered Abatement, costs for CHPE have increased substantially. For just the Project portion of CHPE in New York City, the land cost increased by 30%, the real property component of the converter station increased by approximately $208 million, and the balance of CHPE's route outside of New York City has experienced dramatic cost increases. The scope of these cost increases was not anticipated at the time of the Offered Abatement. Accordingly, in the face of capped revenue and increasing costs and to help stem the eroding economics of CHPE, the Applicant seeks to modify the Offered Abatement to also include sales tax exemption benefit for Project expenditures.

Since before reaching financial close in November of 2022, CHPE has been trying to reduce the impact of increased construction costs and financing costs, and do its best to keep the Project on time and on budget. In addition to market-driven cost pressures, CHPE is under significant pressure to commence commercial operations by mid-2026. In many cases, various delays that are outside of CHPE control, require CHPE to spend additional financial resources to undertake costly schedule acceleration measures to meet the required deadlines.

From the City's perspective, the repercussions of CHPE Project delays are significant and would have direct, negative consequences on the City, electric ratepayers and the general population. These issues include degradation in grid reliability, delayed carbon emission benefits, delayed implementation of job training funds, and delayed job creation and economic benefits.

- Reliability issues on the NYISO system particularly in Zone J (New York City):
    - As NYISO recently reported in its *2022 Reliability Needs Assessment*, the electric grid "reliability margins within New York City may not be sufficient even for expected weather if… the CHPE project experiences a significant delay;"
    - Getting CHPE to commercial operations on time is necessary to have adequate reliability margins in Zone J. NYISO stated, "current plans significantly rely on a single project for the future reliability of the New York City grid;"[1] and
    - In addition, NYISO has indicated "some generation affected by the DEC Peaker Rule may need to remain in service until CHPE or other permanent solutions are completed to maintain a reliable grid and meet system demand." This outcome would be unfortunate from a public health perspective.

[1] For proper context, the full quote from the *2022 Reliability Needs Assessment* is as follows: "Additionally, until the CHPE project or other permanent solution is in-service, the reliability margins will continue to be less than 100 MW for the assumed system demand, indicating that current plans significantly rely on a single project for the future reliability of the New York City grid." https://www.nyiso.com/documents/20142/2248793/2022-RNA-Report.pdf

- Delayed carbon emissions reductions:
  - The carbon emissions reductions caused by CHPE will be equivalent to removing approximately 44% of the cars from NYC streets; and
  - A delay in CHPE would delay the commencement of this public health benefit.

- Delay in the $40 million CHPE Green Economy Fund ("GEF") job training disbursements which are tied to commencement of commercial operations:
  - Much of this $40 million fund will be awarded after CHPE's commercial operations;
  - Most of these dollars are expected to be disbursed in New York City; and
  - The GEF supports the groups where job training is needed most (e.g., Disadvantaged Communities, low-income individuals and transitioning fossil fuel workers) to access and build careers in NY State's green economy.

- Delay in job creation and economic benefits during operations:
  - Specifically, the statewide benefits of the 800 long-term jobs, $7.3 billion in wages, and the $21.4 billion in higher economic output during the first 25 years of operations would be delayed; and
  - Although these benefits are statewide, a large portion of them will accrue directly to NYC and its citizens.

The requested IDA assistance would help reduce all of these risks and allow achievement of timely construction completion and commencement of operations of CHPE's critical transmission infrastructure.

Key considerations for granting Financial Assistance to the Applicant include:

- Need for broad-based cost certainty, including:
  - Operating expenses: Property taxes would be uncertain; long-term certainty is required for continued Project viability;
  - Significantly increased converter station equipment and transmission cable costs;
  - Dramatically higher than anticipated installation costs due to fluctuating labor and commodity markets and risks associated with underground and submarine installation;
  - Greater than expected interconnection costs for NYISO-imposed AC transmission upgrades;
  - In addition to increased costs, the Project has ongoing exposure to interest rates – in particular, the risk premium specific to CHPE. Increasing costs and interest rates will continue to add financial pressure to CHPE and stress expected debt service coverage ratios;
- Repercussions of CHPE Project delays that could have direct, negative consequences on the City, electric ratepayers and the general population;
- Fixed, market-competitive pricing for New York City energy consumers;
- Addition of a reliable, always-on electricity source during a time of anticipated summer season electricity shortages in New York City; and
- Provision of long-term, predictable tax revenue and environmental benefits for the region from an "invisible" project with no use of public infrastructure or services.

We look forward to continuing our discussions with NYCIDA and to participating in meetings that would allow us to share more information with you about this unique and innovative Project. If you have any questions, please do not hesitate to contact me.

Respectfully yours,

Todd Singer
Executive Vice President & Chief Financial Officer
todd.singer@transmissiondevelopers.com

Exhibit F

RESOLUTION INDUCING THE CONSTRUCTION, INSTALLATION, AND EQUIPPING OF AN INDUSTRIAL FACILITY FOR THE BENEFIT OF CHPE LLC AS A STRAIGHT-LEASE TRANSACTION AND AUTHORIZING THE EXECUTION AND DELIVERY OF AGREEMENTS IN CONNECTION THEREWITH

WHEREAS, the New York City Industrial Development Agency, New York, New York (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, CHPE LLC, a New York limited liability company (the "Applicant"), owned by TDI-USA Holdings LLC, a Delaware limited liability company doing business as Transmission Developers ("TDI"), formed for the purpose of designing, permitting, financing, constructing, installing and operating an electric transmission system, known as the Champlain Hudson Power Express, to transmit hydroelectric power from the US-Canadian border to The City of New York (the "City") via high-voltage direct current ("HVDC") cables, entered into negotiations with officials of the Agency for the construction, installation and equipping of a 94,000 square foot converter station building and related electrical infrastructure, facilities, equipment and improvements (collectively, the "Converter Station"), to be located on an approximately 342,720 square foot parcel of land (the "Land", and together with the Convertor Station, the "Project Realty") owned by the Applicant, having the address 31-45 20th Avenue in Astoria, Queens (Tax Block 850, lot 310 on the Tax Map for the Borough of Queens), which Converter Station will serve to convert transmitted power from HVDC to high-voltage alternating current ("HVAC"), the form of electrical current required for distribution onto the City's electricity grid, for lease to the Agency by the Applicant for subsequent sub-sublease in whole to the Applicant, and having an approximate total project cost of approximately $323,400,000 (the "Project"); and

WHEREAS, the total length of the transmission system will be approximately 339 miles, of which approximately 11.7 miles will be located within the City and the HVDC cables will enter the City via the Hudson River and the Harlem River, before being constructed underground on land owned by the City, Consolidated Edison Company of New York, Inc. and others, and terminating at the Converter Station; and

WHEREAS, the Applicant has submitted an application with respect to the Project (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 Project will further the City's clean energy agenda by providing enough megawatts to power approximately one million homes; that the Applicant plans to employ 21 full time equivalent employees in the City within the three years following the completion of the Project; that the Project will result 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 in the City; and that, based upon the financial assistance provided through the Agency, the Applicant desire to proceed with the Project 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 proceed with 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 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 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 in accordance with this Resolution, the Company Lease Agreement and the Agency Lease Agreement; 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 for purposes of granting financial assistance, and (ii) the Applicant is hereby constituted the agents for the Agency solely for the purpose of effecting the Project and neither the Agency nor any of its members, directors, officers, employees or agents (other than the Applicant, as aforesaid) shall have personal liability for any such action taken by the Applicant or any director, officer, employee, agent or affiliate of either, for such purpose.

Section 4. The execution and delivery of a Company Lease Agreement and an Agency Lease 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 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 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.

Section 6. 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 7. Any costs and expenses incurred by the Agency with respect to the Project and the financial assistance contemplated by this Resolution shall be paid by the Applicant, whether or not the Applicant proceeds with the financing of the Project as contemplated herein or financial assistance by the Agency to the Applicant, through the straight lease transaction between the Agency and the Applicant, is provided as herein authorized (other than by the sole fault of the Agency). By acceptance hereof, the Applicant agrees to pay such costs and expenses and further agrees to indemnify the Agency, its members, directors, officers, employees and agents and hold the Agency and such persons harmless against claims for any loss, liability, damage or injury or cost or expense incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Project and the financing thereof.

Section 8. This Resolution is subject to the approval of a private investigative report with respect to the Applicant. The provisions of this Resolution shall continue to be effective until 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 7 hereof) unless prior to the expiration of such year the Agency shall by subsequent resolution extend the effective period of this Resolution.

Section 9. 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 any of 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 any Agency Document 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 thereof 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 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 proposed action is a Type II action, pursuant to 6 NYCRR Part 617.5(c)(44) actions requiring a certificate of environmental compatibility and public need under articles VII, VIII, X or 10 of the Public Service Law and the consideration of, granting or denial of any such certificate, which would not result in adverse environmental impacts requiring the preparation of an Environmental Impact Statement.

Section 11. The Chairperson, the Vice Chairperson, the Secretary, the Assistant Secretary, the Executive Director and the Deputy Executive Director and the General Counsel of the Agency, and any member 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, agreements 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 and the Agency Documents.

Section 12. In connection with the Project, the Agency intends to grant the Applicant real property tax exemptions.

Section 13. This Resolution shall take effect immediately.

ADOPTED: January 23, 2024

ACCEPTED: January ____, 2024

CHPE LLC

By:______________________________
Name:
Title:

Exhibit G

PROJECT SUMMARY

Wintergreen 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 community distributed energy generation developer. The Company is seeking financial assistance in connection with the construction and equipping of four battery energy storage systems with an estimated capacity of 4.9 Megawatts ("MW") each consisting of (i) batteries and other equipment, including transformers, switchboards and breakers, metering 78.3 MW hours of energy storage capacity total per day (collectively, the "Battery System"); and (ii) four solar canopy systems consisting of a photo-voltaic system mounted on the roof of a vault that will house switchgears and metering for the battery systems, with an estimated solar power generation of 240 kilowatt ("kW") hours total per day (the "Solar System"). The four battery energy storage systems and Solar System will total 5,380 and 3,500 square feet, respectively, and will be located on 20,470 square foot parcel of land at 657 Casanova Street, Bronx, 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 (the "Project").

Project Location

657 Casanova Street
Bronx, New York 10474

Actions Requested

- Inducement Resolution for an Industrial Program transaction.
- Adopt a SEQRA Negative Declaration for the Project. The proposed Project will not have a significant adverse effect on the environment.

Anticipated Closing

Q2 2024

Impact Summary

Employment	
Jobs at Application:	2
Jobs to be Created at Project Location (Year 3):	2
Total Jobs (full-time equivalents):	**4**
Projected Average Hourly Wage (Excluding Principals):	$88.53
Highest/Lowest Hourly Wage:	$110.58/$66.48
Construction Jobs to be Created (Full-Time Equivalent):	20

Estimated City Tax Revenues	
Impact of Operations (NPV 10 years at 6.25%)	$22,202,297
One-Time Impact of Renovation	$4,647,492
Total Impact of Operations and Renovation	**$26,849,789**
Additional Benefit from Jobs to be Created	$366,790

Estimated Cost of Benefits Requested: New York City	
MRT Benefit	$817,375
Sales Tax Exemption	$2,778,300
Agency Financing Fee	($826,500)
Total Value of Benefits provided by Agency	**$2,769,175**
Agency Benefits in Excess of As-of-Right Benefits	$2,769,175

Costs of Benefits Per Job	
Estimated Total Cost of Benefits per Job	$692,294
Estimated City Tax Revenue per Job	$6,804,145

Estimated Cost of Benefits Requested: New York State	
MRT Benefit	$440,125
Sales Tax Exemption	$2,701,125
Total Cost to NYS	**$3,141,250**
Overall Total Cost to NYC and NYS	**$5,910,425**

Sources and Uses

Sources	Total Amount	Percent of Total Financing
NineDot Equity	$22,400,000	29%
NY Green Bank Loan	$5,500,000	7%
Commercial Loan	$50,300,000	64%
Total	**$78,200,000**	**100%**

Uses	Total Amount	Percent of Total Costs
Leasing Costs	$6,600,000	9%
Hard Costs	$18,200,000	23%
Soft Costs	$1,700,000	2%
Furnishing, Fixtures, & Equipment	$49,000,000	63%
Closing Fees	$1,600,000	2%
Other[1]	$1,100,000	1%
Total	**$78,200,000**	**100%**

Fees

	To be paid at Closing	On-Going Fees (NPV, 10 Years)
Agency Fee	$826,500	
Project Counsel	Hourly	
Annual Agency Fee	$1,250	$9,092
Total	$827,750	$9,092
Total Fees	**$836,842**	

[1] Other includes initial insurance, maintenance, and contingency.

Financing and Benefits Summary

The Project 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 the following sources of funding: (i) $22,400,000 in company equity; (ii) a $5,500,000 revolving line of credit from the New York Green Bank; and (iii) a $50,300,000 commercial loan from a to-be-identified lender. The Company expects to close on the commercial loan in the second quarter of 2024, at which time it will seek authorization from the Agency's Board of Directors. The financial assistance proposed to be conferred by the Agency will consist of a partial exemption from City and State mortgage recording taxes and an exemption from City and State sales and use taxes.

Company Performance and Projections

The Project will include four separate battery energy storage systems capable of charging from and discharging into the New York power grid and a solar canopy system connected to each battery system. Each of the battery systems will have an estimated storage capacity of 4.9 MW for a total estimated storage capacity of 19.6 MW across the Battery System. The per-day energy capacity is expected to be 78.3 MW hours total for the Battery System, which is estimated to be enough energy to power 19,600 New York City households for four hours on a peak summer day. The per-day energy capacity is expected to be 240 kW hours for the Solar System, which is estimated to be enough to power 240 New York City households for four hours on a peak summer day. Battery energy systems can purchase wholesale power from the market when the power is at a 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 Project would not be financially viable without Agency benefits.

II. The 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 provide power intermittently. Battery energy storage capacity allows the 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 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 Project.

II. The Project is 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 MW 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 MW 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 GlooLabs (acquired by Cisco Systems) and was the founder and Chief Executive Officer of CLE Group (acquired by PLI). He obtained 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 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 obtained 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 obtained 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 action which if implemented will not result in significant adverse environmental impacts. The completed Environmental Assessment Form for the Project has been reviewed and signed by Agency staff.

Due Diligence
The Agency conducted a background investigation of the Company, NineDot, and their respective principals and found no derogatory information.

Compliance Check:	Not Applicable
Living Wage:	Compliant
Paid Sick Leave:	Compliant
Affordable Care Act:	Compliant
Bank Account:	First Citizens Bank

Wintergreen Clean Energy, LLC

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
M/W/DBE Participation:	20% goal (construction)
Attorney:	Steven Polivy, Esq. Ackerman LLP 1251 Avenue of the Americas, 37th floor New York, New York 10020
Accountant:	Shin Takiguchi NineDot Energy, LLC 370 Jay Street, 7th Floor Brooklyn, New York 11201
Community Board:	Bronx, CB #2

370 Jay Street, 7th Fl.
Brooklyn, NY 11201

November 28, 2023

Emily Marcus Falda, Executive Director
New York City Industrial Development Agency (NYCIDA)
One Liberty Plaza
New York, NY 10006

RE: Application for Industrial Program
Battery Energy Storage System, 657 Casanova Street, the Bronx

Introduction

NineDot Energy, LLC ("NineDot") is the parent entity of Wintergreen 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.

Project Background and Policy Impact

The BESS installation contemplated in this application would provide an estimated capacity of 19.6 MW (the "Project"). The Project Site is currently under contract by Applicant to purchase, with a due diligence period lasting until January 31, 2024 during which Applicant will study the financial feasibility of the Project. Pursuant to the purchase agreement, Applicant has sole discretion to terminate the contract in full during or at the conclusion of the due diligence period, or elect to proceed to purchase the Project Site. For this reason, Applicant requests to obtain an Inducement Resolution from the NYCIDA Board prior to the end of January, in order to confirm financial feasibility for 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. The Project is located in Hunts Point, an area designated by the City as an Environmental Justice Area and one notorious for elevated rates of asthma and other respiratory disease. This is in part owing to Hunts Point's proximity to two peaker plants, which spew not only CO2 but also nitrous oxide (NOx), sulfur dioxide (SOx), and particulate matter (PM). Completion of the Project would reduce reliance on the operation of these peaker plants and eventually enable their retirement altogether. It is also located within the Hunts Point Industrial Business Zone.

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Brooklyn, NY 11201

The Project would also result in significant positive economic impacts. NineDot's energy storage systems help facilitate job growth for **all** of New York City, by providing a more resilient and reliable power grid which will see increased demand as we seek to electrify buildings, cars, and more. The economic vitality of the City depends upon the strength of its infrastructure, of which we see energy storage as a critical component. Finally, the Project will also result in up to 30 temporary construction jobs, in addition to two new permanent jobs and one retained permanent job at NineDot.

Financial Impact of NYCIDA Benefits
We believe that the tax benefits offered by NYCIDA to NIneDot are significant and contribute substantially to the financial feasibility of the Project.

<u>Dollar value of NYCIDA benefits</u>: BESS projects are capital intensive, requiring significant up-front purchases of equipment and expert installation well ahead of commercial operations date. For this Project, battery expenses alone total approximately $29.5M, out of a total construction budget projected at approximately $68M. Further, the cost of interconnection required by ConEdison totals $5.7M, in addition to the $6.6M cost of purchasing the land. These are costs which NineDot must pay early in the development process, in certain instances before project financing is obtained. In total, we project that our sales tax due for this Project would be more than $5.6M, if not for the NYCIDA sales tax exemption.

<u>Impact on project finance:</u> Further, the tax benefits which NYCIDA has approved for our projects are valuable not only for their dollar value, but also for the up-front nature of sales tax savings. By way of background, outside of NYCIDA, two major government incentive programs contribute to the financial viability of our projects: the federal Investment Tax Credit (ITC), newly enabled by the Inflation Reduction Act, and the state Retail Storage Incentive Program (RSIP), administered by NYSERDA. As critical as these incentives are, at earlier stages of development and project financing, they have major drawbacks - gaps which NYCIDA helps fill in a significant way.

- First, there is currently a lack of clarity about the amount and timing of RSIP benefits. In order for NYSERDA to begin issuing these benefits, the state Public Service Commission must first adopt NYSERDA's proposed "Energy Roadmap" - a lengthy and complex process that is currently in environmental review and has been slowed by concerns over BESS fires in New York State (all outside of the City). While we are confident that RSIP will eventually be available for our projects, the timing and precise amounts are less certain - unlike with an NYCIDA sales tax exemption, whose value and timing is wholly predictable.
- Second, both ITC and RSIP involve reimbursement for expenses <u>after</u> installation or even commercial operation of the energy storage systems - in contrast to an NYCIDA sales tax exemption, which reduces the overall project cost as expenditures are incurred. This difference is particularly critical for BESS projects, as several factors can delay the date of commercial operation. Procurement of key equipment, from batteries to switchgears to transformers, can take months or even years, given increased demand and variable supply chain efficiencies. And

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as expert as our team may be, permitting for BESS is notoriously difficult, as designs to obtain interrelated FDNY and DOB approvals require multiple iterations - which is why the Mayor's Office of Climate and Environmental Justice recently identified permitting as a critical roadblock to BESS development, with a target of decreasing permitting timelines by 50% ("PowerUp NYC Report," https://climate.cityofnewyork.us/initiatives/powerupnyc/). These delays thus make it less certain when we can realize the ITC and RSIP benefits, and increase the period before which BESS can be fully online and produce revenue.

Other uncertainty: Finally, we note that BESS development brings with it other kinds of financial uncertainty which are unique among other projects which NYCIDA might approve:

- First, the delays described above in obtaining final approval to operate batteries affect our profit margin in other ways. Most obviously, as we await permit approvals, we may be paying or even adding to carrying costs. Because NineDot may procure its batteries during the construction period in anticipation of significant lead time required, our batteries may sit in a warehouse while we incur storage and insurance fees.
- Second, our revenue seasons are relatively short and therefore sensitive to any underperformance issues affecting batteries once operational. ConEdison reimburses NineDot for discharging into the grid only during summer peak hours; even a single day could represent a significant portion of a project's yearly returns. If, due to a minor metering or scheduling error, a battery fails to charge fully or discharge fully to meet peak demand hours, the financial impact would be significant.

Thank you, as always, for your collaboration. We welcome the opportunity to discuss this Project further.

Sincerely,

Sam Brill

Sam Brill
Director, Strategic Development Initiatives

Exhibit H

Resolution inducing the financing of an industrial facility for Wintergreen Clean Energy, 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, Wintergreen 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 four battery energy storage systems with an estimated capacity of 4.9 Megawatts (MW) each consisting of (i) batteries and other equipment, including transformers, switchboards and breakers, metering 78.3 MW hours of energy storage capacity total per day (collectively, the "Battery System"); and (ii) four solar canopy systems consisting of a photo-voltaic system mounted on the roof of a vault that will house switchgears and metering for the battery systems, with an estimated solar power generation of 240 kilowatt hours total per day (the "Solar System"). The four battery energy storage systems and Solar System will total 5,380 and 3,500 square feet, respectively, and will be located on an approximately 20,470 square foot parcel of land located at 657 Casanova Street, Bronx, 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 $78,200,000; 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 four 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 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 a partial exemption of City and State mortgage recording taxes and sales and use tax exemptions, all pursuant to the Act;

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

Section 1. The Agency hereby determines that the Project of the Facility 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 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 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 officers of the Agency and other appropriate officials of the Agency and its agents and employees are hereby authorized and directed to take whatever steps may be necessary to cooperate with the Applicant to assist in the Project.

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

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

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

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

The Agency has determined that the 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.

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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.

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 completed in January 2023. The Phase I document did not identify any Recognized Environmental Conditions (RECs). However, the Phase I identified stored hazardous materials on site, standing oil in areas with potential conduits to soils, and former uses of the Property that warranted a Phase II investigation. A limited Phase II investigation was done in February 2023 and found soil contaminants exceeded NYS DEC criteria. It was recommended that a Soil and Groundwater Management Plan (SGWMP) be developed and implemented for the Subject Property. The purpose of the SGWMP is to suggest procedures for properly handling and disposing of potentially impacted soil and dewatered groundwater that may be disturbed or generated during future soil excavation/dewatering. If these recommendations are followed, we do not anticipate any significant adverse impacts resulting from the proposed 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 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

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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 City and State sales and use tax exemptions in an amount not to exceed $5,479,425 and a partial exemption of City and State mortgage recording taxes.

Section 11. This Resolution shall take effect immediately

ADOPTED: January 23, 2024

Accepted: _________, 2024

WINTERGREEN CLEAN ENERGY, LLC

By:___________________________
Name:
Title:

Exhibit I

POST-CLOSING AMENDMENT
5 BAY STREET PHASE 1, LLC
MEETING OF JANUARY 23, 2024

Project Summary

5 Bay Street Phase 1, LLC (the "Company") closed on a straight lease transaction with the New York City Industrial Development Agency (the "Agency") in January 2016, pursuant to which the Agency provided mortgage recording tax benefits to support the construction and equipping of a new retail and commercial center totaling approximately 63,712 square feet and an approximately 99,929 aggregate square feet parking structure (including rooftop space) on an approximately 66,576 square foot parcel of land located at 35A Bay Street on the North Shore of Staten Island (the "Project").

Redevelopment of this former U.S. Coast Guard site was in response to a 2005 New York City Economic Development Corporation Request for Proposals. The property is owned by the City of New York and was leased for development to 5 Bay Street, LLC, an affiliate of Triangle Equities.

The Company was required to complete construction by June 18, 2018 (the "Project Completion Date"). After previous delays the Company was granted an extension of the Project Completion Date to June 18, 2019. Due to additional delays with the delivery of a curtain wall system, demolition, concrete, and steel work, the Company was granted an additional extension of the Project Completion Date to June 18, 2020. However, the Company then faced delays in connection with the bankruptcy filing of its construction contractor. At the Company's request the Agency granted an extension of the Project Completion Date to June 18, 2021. Since then, the Company experienced additional construction delays because of disputes between the Company and the surety, which were settled in the fall of 2021, and the completion date in the ground lease was extended through June 2024. The Company engaged March Construction, Inc. as its completion contractor and construction commenced in early 2022. The project is currently in the final phases of completion and expects construction to be completed by June 30, 2024.

Project Location

5 Bay Street
Staten Island, New York 10301

Action Requested

Approve amendments to the project documents needed to extend the Project Completion Date to June 30, 2024

Prior Actions

- Inducement & Authorizing Resolution approved January 13, 2015
- Amending Authorizing Resolution approved June 9, 2015
- Post-Closing Resolution approved October 16, 2018
- Post-Closing Resolution approved November 5, 2019

Fees Paid for Amendment
A Post-Closing fee of $40,000 was assessed for the amendments

Due Diligence
The Project missed its Project Completion Date of June 18, 2021

Anticipated Transaction Date
January 2024

Exhibit J

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AGREEMENTS IN CONNECTION WITH THE 5 BAY STREET PHASE 1, LLC PROJECT

WHEREAS, the New York City Industrial Development Agency, New York, New York (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, on January 29, 2016 (the "Closing Date"), the Agency entered into a straight-lease transaction with 5 Bay Street Phase 1, LLC (the "Lessee") in connection with the construction and equipping of a retail and commercial center totaling approximately 63,712 square feet and an approximately 99,929 aggregate square feet parking structures (including rooftop space) on an approximately 66,576 square foot parcel of land located at 35A Bay Street, in Staten Island, New York, which will serve as a waterfront destination for tourists and local residents and will include open space areas and retail, commercial space and parking facilities (collectively, the "Project") and the Agency entered into various agreements, including an Agency Lease Agreement, in connection with such Project (collectively, the "Project Documents"); and

WHEREAS, subsequent to the Closing Date, the Agency extended the Project Completion Date set forth in the Project Documents to June 18, 2021; and

WHEREAS, the Lessee has requested that the Agency amend the Project Documents to further extend the Project Completion Date to June 30, 2024 (collectively, the "Extension");

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

Section 1. The Agency hereby approves the Extension and hereby authorizes the Agency to enter into certain amendments and/or supplements to the Project Documents to reflect the Extension (collectively, the "Amendments"). The Chairperson, Vice Chairperson, Executive Director, Deputy Executive Director, or General Counsel of the Agency are hereby authorized and directed to execute, acknowledge and deliver any such Amendments on behalf of the Agency in such form and substance as may be acceptable to the Chairperson, Vice Chairperson, Executive Director, Deputy Executive Director or General Counsel of the Agency. The execution and delivery of such Amendments shall be conclusive evidence of due authorization and approval of such Amendments in their final form.

Section 2. All covenants, stipulations, obligations and agreements of the Agency contained in this Resolution, the Amendments, any instruments or any documents related thereto and authorized hereby (collectively, 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 officers thereof by the provisions of this Resolution or any of the

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

No covenant, stipulation, obligation or agreement herein contained or contained in any Agency Document shall be deemed to be a covenant, stipulation, obligation or agreement of any member, director, officer, agent or employee of the Agency in the individual capacity thereof and neither the members nor the directors of the Agency nor any officer executing any Agency Document or entering into or accepting any such instruments relating to the Facility 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 3. The Chairperson, the Vice Chairperson, the Secretary, the Assistant Secretary, the Executive Director and the Deputy Executive Director and the General Counsel of the Agency, and any member 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 or agreements and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution and the Agency Documents.

Section 4. This Resolution shall take effect immediately.

ADOPTED: January 23, 2024

Exhibit K

Project Summary

This is a proposal to support an industry development study for the sustainability-based biotech industry (the "Study"). Sustainability based biotech is the use of biology and biotechnology for the development of sustainability and climate solutions. Example technologies include, but are not limited to, plant-based leathers and fabrics, cellular agriculture, or lab-made meat, or fungus or bacteria that can break down plastics. The Study is designed to specifically define and size this nascent industry, as well as the potential subsectors, such as food, fashion, construction, beauty, healthcare, or others. The Study will provide data and definitions that will allow New York City Economic Development Corporation ("NYCEDC") to deepen its understanding of potential opportunities within sustainability-based biotech to drive economic growth, promote equitable outcomes for low-to-moderate income communities in environmental justice areas, and create well-paying jobs for New York City residents. NYCEDC has made several investments that sit within sustainability-based biotech, including into a food-tech company, Aanika Biosciences, and the release of the Materials Innovation Hub RFEI, which will help bring bio-based materials to market. However, NYCEDC believes that there are additional areas that may benefit from targeted investments, which the study will help to unearth.

It is proposed that the New York City Industrial Development Agency (the "Agency") enter into a services contract with NYCEDC to obtain services from NYCEDC that are necessary to implement the Study, as described below.

Project Location

City-wide Initiative

Background

Over the past decade, NYCEDC and the City have committed $1 billion as part of LifeSci NYC to create jobs and establish New York City as a global leader in life sciences. NYCEDC and the City have made extensive investments to advance multiple aspects of LifeSci NYC and the city's life sciences ecosystem—through infrastructure investments, support for not-for-profit institutions, and public-private initiatives to bring more funding to early-stage life sciences companies and workforce training opportunities.

In March 2022, Mayor Eric Adams highlighted the importance of life sciences in Rebuild, Renew, Reinvent: A Blueprint for New York City's Economic Recovery and indicated an expansion into three new areas of focus: med-tech (developing new tools for medical diagnosis, monitoring, and treatment); bioengineering (applying engineering principles to life sciences product development), and planetary health (using lab-based innovations to address climate change). Advancing sustainability-based biotech will build on this investment and mark the City's, NYCEDC's, and LifeSci NYC's commitment to, and leadership of, innovation within planetary health and bioengineering.

New York City and New York State are also home to nation-leading climate change goals that have put the five boroughs at the vanguard of creating a more sustainable future. These targets are informed by policies including but not limited to:

- The State's 2019 Climate Leadership and Community Protection Act (the "State Climate Act"), which calls for 100% clean electricity by 2040, an 85% reduction in greenhouse gas emissions by 2050, from 1990 levels, while directing at least 35% of the associated benefits to disadvantaged communities
- The City's OneNYC plan which committed carbon neutrality by 2050
- The City's Local Law 97 which requires the city's largest buildings to reduce greenhouse gas emissions by 40% by 2030 and 80% by 2050
- A commitment to accelerate the transition to a circular economy, an economic model in which materials and products are regenerated and continuously cycled

To further the City's commitment to advance both the City's life sciences and climate goals, the City wants to establish a coordinated strategy to advance a first-of-its-kind sustainability focused biotechnology initiative to catalyze innovation in biotechnology for sustainability and climate solutions in New York City. The strategy will support the emergence of a new "sustainability-based biotech" industry in New York City – where sustainability focused biotechnology is defined as a means to use biology solutions to address climate challenges.

Services to be Provided

It is proposed that NYCEDC will contract with Buro Happold (the "Operator"), to conduct the industry study. The Operator is a consulting firm with ample expertise across both the green economy and the biotech industries. Having worked successfully with NYCEDC before, NYCEDC believes the Operator is well-equipped to provide the needed information to inform future NYCEDC strategy and potential investments. The Operator will provide the following services:

- An industry study and analysis that will:
    - Develop a definition of sustainability-based biotech, including any potentially relevant subsectors.
    - Identify key players across academia, industry, and the public sector to be considered as potential partners for future investments or business attraction opportunities.
    - Review and validate EDC industry sizing and projections, specifically:
        - The capacity of the current workforce development system to train New Yorkers of all backgrounds to access these job opportunities.
        - The potential size of the primary focus areas/subsectors that will drive the growth of the Sustainability Focused Biotechnology industry in New York City
        - The job opportunities those subsectors will create for New Yorkers
    - Use stakeholder engagement to assess industry dynamics, identify challenges and opportunities, and understand NYC's competitive position.
- Final deliverables include:
    - Report documenting industry definition, insights from engagement, and validation of EDC projections that can be used for future NYCEDC internal analysis
    - Summary of overall assessment of the New York region's advantages against leading biotech and green economy markets

Timeline

The proposed services contract will require NYCEDC to provide services through NYCEDC's contract with the Operator during 2024.

Actions Requested

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

Contract Value

$186,500

Anticipated Contract Date

February 2024

Exhibit L

Project Summary

The New York City Economic Development Corporation ("NYCEDC") is seeking to commission a consultant to carry out a study that will analyze whether there is a disparity between NYCEDC's utilization of Minority and Women Business Enterprise ("M/WBE") certified commercial real estate developers for development projects and the availability of M/WBE commercial real estate developers that are ready, willing and able to contract with NYCEDC for commercial real estate development projects. The purpose of this study is to ensure that programmatic and contracting activities are appropriately targeted towards historically underrepresented groups to ensure the promotion of fair and equitable growth.

Currently, NYCEDC's M/WBE program is defined by Local Law 1, which is in turn supported by the City of New York Disparity Study published by the NYC Department of Small Business Services in 2018. This disparity study assessed the City of New York's (the "City") contracting data within the goods, professional services, standard and construction industries and determined that there was a statistical disparity for M/WBEs within certain ethnic and gender categories. Although this study set the framework for the City's M/WBE program, it did not include commercial real estate development as an industry within its scope. NYCEDC is seeking a consultant to perform this disparity analysis within real estate development to assess the need for equity-driven programming in this fast-growing and crucial sector.

Project Location

Citywide

Background

NYCEDC is deepening its commitment to promoting equitable outcomes within its projects. As part of these efforts, NYCEDC is seeking to ensure that its programmatic and contracting activities are appropriately targeted towards historically underrepresented groups to ensure the promotion of fair and equitable growth. NYCEDC released a Request for Expressions of Interest ("RFEI") to engage public resources and to commission a disparity study focused on City commercial real estate developers. On May 31, 2023, NYCEDC released an RFEI entitled the Disparity Study: Commercial Real Estate Developers. Five proposals were received in response to the RFEI. After review and evaluation of the submissions, the review committee decided to extend a conditional award to MGT of America Consulting LLC, based on a review of their proposal that assessed the responsiveness of their project scope, their proposed M/WBE utilization plan, and cost-effectiveness. MGT of America Consulting LLC has over 49 years of relevant experience and has successfully carried out over 230 disparity- and equity-related projects, including the 2018 citywide procurement disparity study on behalf of The City of New York.

Services to be Provided

The scope of work will include, but may not be limited to, the following major tasks:

- Establish data parameters and finalize a work plan;
- Review policies, procedures, and programs;
- Conduct market area and utilization analyses;
- Determine the availability of qualified firms;
- Analyze vendor utilization and availability data for disparity;

- Collect and analyze anecdotal information; and
- Prepare and present draft and final reports for the study.

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

Contract Value

$597,965.48

Anticipated Contract Date

February 1, 2023

Relevant Staff
ShehilaRae Stephens, Director, Equity & Community Impact
Claudia Flores, Senior Vice President, M/W/DBE
Melissa Pumphrey, Senior Vice President, Economic Research Policy

Exhibit M

Project Summary

This is a proposal to support the Long Island City Neighborhood Plan study ("LICNP"). The LICNP is a holistic community planning and public engagement process seeking to gain input and build consensus on key neighborhood challenges and opportunities towards the development of a neighborhood plan that includes zoning changes and coordinates critical infrastructure investments to support long-term growth in Long Island City ("LIC"). The New York City Department of City Planning ("DCP") led LICNP focuses on the neighborhood's northern waterfront and the adjacent Industrial Business Zone ("IBZ").

The LICNP is guided by the following preliminary goals:

1. Generate significant new housing, including affordable
2. Deliver new, high-quality open space along the waterfront and in the core
3. Enhance area connectivity with multi-modal transportation
4. Plan for infrastructure & area resiliency
5. Increase local jobs, access to diverse jobs and training
6. Invest in neighborhood services, education, and community programs
7. Lead through an equitable, inclusive process

It is proposed that the New York City Industrial Development Agency (the "Agency") enter into a services contract with New York City Economic Development Corporation ("NYCEDC") to obtain services from NYCEDC that are necessary to support the LICNP, as described herein.

Project Location

The preliminary study area under the LICNP is bounded by the Queensboro Bridge to the north, 23rd Street to the east, 46th Road to the south, and the East River to the west.

Background

Long Island City is a fast-growing neighborhood that is home to a diverse economy, robust transit service, and premier cultural and educational institutions. However, LIC is outgrowing its existing infrastructure and lacks critical amenities to support long-term growth. Challenges include lack of affordable housing, lack of open space, lack of flexible spaces for emerging industries to grow, an uncomfortable streetscape, and flooding during storm events.

In addition to the LICNP, the City of New York (the "City") can play a vital role in shaping the future of the LIC waterfront through the repurposing of 4.5 acres of City-owned land along the Northern LIC Waterfront into an economic development hub for emerging industries, mixed-income housing, open space, and a brand-new school. The LICNP is an important step toward coordinating infrastructure investments, securing political and community support, and initiating regulatory action to support redevelopment.

NYCEDC was asked to support LICNP by retaining a public engagement consultant through our Provision of On-Call Planning Graphics and Design Consultant Services with multiple firms. Through a competitive process, in collaboration with DCP, on August 15, 2023, NYCEDC, selected Claire Weisz Architects LLP d/b/a WXY Architecture + Urban Design (the "Consultant") to lead a 15-month public engagement process, which began in November 2023, with an estimated cost of $196,700.

Long Island City Neighborhood Plan

Services to be Provided

The Consultant has been and will continue to provide services in connection with the LICNP, which include to facilitate public engagement during the planning process, including planning and facilitating public workshops and focus area meetings, synthesizing and summarizing feedback from the public. To date, the Consultant has facilitated one large-format town hall meeting ("Town Halls") and the first round of three meetings that focused on developing strategies on specific topics ("Focus Area Meetings"). The remaining engagement includes three more Town Halls, three rounds of three Focus Area meetings, various tabling events, and production of the final neighborhood plan.

Actions Requested

Authorization of the execution and delivery by the Agency of a services contract with NYCEDC, on a sole source basis, substantively on the terms and for the purposes described herein, and for $196,700.

Contract Value

$196,700

Anticipated Contract Date

August 15, 2023