

Build NYC Resource Corporation Finance Committee Discussion

The Finance Committee convened on April 18, 2024, to discuss the following project:

- Inwood Avenue – Nuasin Support Corporation

Finance Committee Members: Ellen Baer, Francesco Brindisi, Richard Eaddy, and Randy Peers

Build NYC and NYCEDC Staff Members: Brinda Ganguly, Emily Marcus Falda, Noah Schumer, Weston Rich, Sophie King, Joseph Taecker-Wyss, and Leyla Arcasoy

Start: 2:32 PM

End: 2:45 PM

Inwood Avenue – Nuasin Support Corporation

Inwood Avenue-Nuasin Support Corporation (“IANSC” or the “Borrower”) is a New York not-for-profit corporation which is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). IANSC was created as a support organization for Nuasin Next Generation Charter School (the “School”), a New York not-for-profit education corporation which is exempt from federal income taxation pursuant to section 501(c)(3) of the Code. 1342 Inwood NNG, LLC (the “LLC”) is a Delaware limited liability company and a disregarded entity for federal income tax purposes, whose sole member is the Metropolitan Support Corporation, another support organization for the School, and a New York not-for-profit corporation, which is exempt from federal income taxation pursuant to section 501(c)(3) of the Code. The Borrower is seeking \$60,000,000 in tax-exempt and/or taxable bonds (the “Bonds”). The tax-exempt bonds will be issued as part of a plan of finance as qualified 501(c)(3) bonds for educational facilities under Section 145 of the Code. Proceeds of the Bonds, together with other funds available to the Borrower will be used to finance or refinance: (i) the costs of acquiring for federal tax law purposes a condominium unit consisting of a portion of an existing building (such portion, the “Existing Facility”) located on a 36,858 square foot parcel of land located at 1342 Inwood Avenue, Bronx, New York (the Existing Facility and the allocable portion of the land, the “Condo Unit”), and constructing, renovating, furnishing, and equipping the Condo Unit into a 67,000 square foot leasehold condominium facility (the “School Facility”) that will be part of a 77,000 square foot building; (ii) one or more debt service reserve fund(s); (iii) capitalized interest; and (iv) certain costs related to the issuance of the Bonds (collectively, (i)-(iv), the “Project”). The Borrower will ground lease the Condo Unit from a third-party owner. The Borrower will sub-lease the School Facility to the LLC and the LLC will sub-sublease the School Facility to the School, which will operate the School Facility as a public charter school serving approximately 400 students from Grades 9 through 12.

Ms. Baer asked how the Borrower determined the mix of taxable and tax-exempt bonds to which Ms. King explained that the taxable tail covers costs of issuance that do not fall under tax-exempt use. Mr. Schumer corroborated this.

Ms. Baer also asked about the Bronx Borough President’s take on the school’s location in the South Bronx. Mrs. Marcus-Falda explained that staff engaged with the Deputy Borough President and the Borough President to thoroughly understand their position on charter schools in the Bronx and this particular application. The Borough President was in support of this application and would like to ensure that charter schools are good actors in the communities that they locate.

Mr. Peers asked for further clarification on the organizational structure for the transaction, which Mr. Schumer and Ms. King went through in detail.

Mr. Eddy asked for clarification on the selling and leasing structure, which Ms. King explained in greater detail.

The Committee recommended the Project to seek authorization at the April 23rd Board meeting.

Emily Marcus Falda

Emily Marcus Falda
Executive Director, Build NYC