

MINUTES OF THE
MEETING OF THE BOARD OF DIRECTORS
OF
BUILD NYC RESOURCE CORPORATION
HELD AT THE 110 WILLIAM STREET OFFICES OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
NOVEMBER 7, 2018

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

James Patchett, Chairman
Brian Cook, alternate for Scott M. Stringer,
Comptroller of The City of New York
Albert De Leon
Andrea Feirstein
Jennifer Gravel, alternate for Marisa Lago
the Chair of the City Planning Commission of The City of New York
Jacques-Philippe Piverger
Carl Rodrigues, alternate for Alicia Glen,
Deputy Mayor for Housing and Economic Development of The City of New York
Shanel Thomas
Betty Woo, alternate for Zachary W. Carter, Esq.,
Corporation Counsel of The City of New York

The following directors were not present:

Marlene Cintron
Khary Cuffe
Robert Santos

Also present were (1) members of New York City Economic Development Corporation (“NYCEDC”) staff and interns, (2) Scott Singer from Nixon Peabody LLP, (3) Sarah Kim from Hawkins Delafield & Wood LLP, (4) Patricia Mollica and Alex Deland from Katten Muchin Rosenman LLP, (5) Seth Bryant from Bryant Rabbino LLP, and (6) other members of the public.

James Patchett, President of NYCEDC and Chairman of the Build NYC Resource Corporation (“Build NYC” or the “Corporation”), convened the meeting of the Board of Directors of Build NYC at 9:34 a.m., at which point a quorum was present.

1. Adoption of the Minutes of the September 18, 2018 Board of Directors Meeting

Mr. Patchett asked if there were any comments or questions relating to the minutes of the September 18, 2018 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 September 30, 2018 (Unaudited)

Christine Robinson, Assistant Vice President of NYCEDC, presented the Corporation's Financial Statements for the three-month period ending September 30, 2018 (Unaudited). Ms. Robinson stated that in the three-month period, the Corporation recognized approximately \$332,000 in revenue from four transactions. Ms. Robinson stated that income derived from compliance, application, and other fees totaled \$62,000 for the three-month period. Ms. Robinson stated that the Corporation recognized \$546,000 in total expenditures for the three-month period ending in September 30, 2018, consisting of the monthly management fee and marketing expenses.

3. Fiscal Year 2018 Annual Report of the Board of Directors

Krishna Omolade, an Assistant Vice President of NYCEDC and Deputy Executive Director of the Corporation, presented for review and approval the Annual Report of the Board of Directors for the 12-month fiscal period ended June 30, 2018. Mr. Omolade stated that this report is required under Section 519 of the Not-for-Profit Corporation Law of the State of New York. Mr. Omolade stated that during the Corporation's annual meeting of the Members, the Members of the Corporation would be asked to acknowledge receipt of the report.

There being no comments or questions, a motion to approve the Annual Report attached hereto as Exhibit A was made, seconded and unanimously approved.

4. Brooklyn Navy Yard Cogeneration Partners L.P.

Kyle Brandon, a Project Manager for NYCEDC, presented for review and adoption a bond approval and authorizing resolution for an approximately \$82,135,000 tax-exempt subordinate, unsecured revenue bond issuance for the benefit of Brooklyn Navy Yard Cogeneration Partners L.P. Mr. Brandon recommended the Board adopt a SEQRA determination that the proposed project is a Type II action and therefore no further environmental review is required. Mr. Brandon described the project and its benefits as set forth in Exhibit B.

Ms. Feirstein stated that the Finance Committee spent a good deal of time reviewing this project which is a restructuring of the company's debt. Ms. Feirstein stated that the Finance Committee had questions about the debt service coverage, particularly because the bonds that will be issued will be subordinate to the taxable notes, and the taxable notes are quite sizable. Ms. Feirstein stated that Corporation staff answered their questions which showed that the 1.4x debt service coverage ratio does cover everything. Ms. Feirstein stated

that there is a higher debt service requirement on the senior notes, but in the aggregate the debt will be structured in order to achieve 1.4x. Ms. Feirsten stated that the Board should understand that the savings are being achieved because of an extension of the debt and a restructuring that extends it another three or four years. On behalf of the Finance Committee, Ms. Feirstein recommended approval of this project. Mr. Piverger agreed with Ms. Feirstein.

In response to a question from Mr. Patchett, Mr. Brandon stated that there are off-take agreements with both Con Edison and the Brooklyn Navy Yard facility and that the company provides a lot of the steam that goes through the Red Hook water treatment facility. Mr. Brandon stated that the company uses natural gas as an input but a lot of steam is regenerated to create electricity so it's a critical asset in the City's infrastructure. In response to a question from Mr. Cook, Mr. Brandon stated that the company's fluctuating income was a result of different agreements, and off-take agreements with both Con Edison and the Brooklyn Navy Yard, but that going forward those are anticipated to level off. In response to a question from Ms. Thomas, Mr. Brandon stated that the original amount of debt was \$307 Million. In response to a question from Mr. Patchett, Mr. Omolade stated that the aggregate amount of the debt is about \$400 Million and that the initial bonds were first issued in 1996 by the New York City Industrial Development Agency and refinanced in 1997.

There being no comments or questions, a motion to approve the bond approval and authorizing resolution and SEQRA determination for the benefit of the Brooklyn Navy Yard Cogeneration Partners L.P. attached hereto as Exhibit C was made, seconded and approved with Ms. Thomas abstaining from the vote.

5. Richmond Medical Center

Emily Marcus, a Project Manager for NYCEDC, presented for review and adoption a bond approval and authorizing resolution for an approximately \$150,280,000 tax-exempt revenue bond issuance for the benefit of the Richmond Medical Center and recommended the adoption of a SEQRA negative declaration that the project would not have a significant adverse effect on the environment. Ms. Marcus described the project and its benefits as set forth in Exhibit D.

Ms. Feirstein thanked Ms. Marcus for her extremely thorough presentation. Ms. Feirstein stated that the Finance Committee was comfortable with the debt service coverage ratio and that this was a great institution. On behalf of the Finance Committee, Ms. Feirstein recommended approval of this project. Mr. Piverger agreed with Ms. Feirstein.

There being no further comments or questions, a motion to approve the bond approval and authorizing resolution and SEQRA determination for the benefit of the Richmond Medical Center attached hereto as Exhibit E was made, seconded and unanimously approved.

6. Adjournment

There being no further business to come before the Board of Directors at the meeting, pursuant to a motion made, seconded and unanimously approved, the meeting of the Board of Directors was adjourned at 9:50 a.m.


Assistant Secretary

Dated: 12/11/18
New York, New York

Exhibit A

BUILD NYC RESOURCE CORPORATION

Meeting of the Board of Directors – November 7, 2018

RESOLVED, that the Board of Directors of Build NYC Resource Corporation (the “Corporation”) hereby approves the form, content, presentation and delivery of the Annual Report of the Board of Directors for the 12-Month Fiscal Period Ended June 30, 2018, which attaches the audited financial statements of the Corporation for such fiscal period as audited by the independent certified public accounting firm Ernst & Young LLP, to the Members of the Corporation.

**Annual Report of the Board of Directors
of Build NYC Resource Corporation (“Build NYC”)
for the 12-Month Fiscal Period Ended June 30, 2018**

TO: The Members of Build NYC

The Board of Directors of Build NYC respectfully submits for your information the following report relating to Build NYC for the twelve-month fiscal period ended June 30, 2018:

1. Attached hereto are the Financial Statements and Supplementary Information of Build NYC for the year ended June 30, 2018, which has been certified by, and includes a Report of Independent Auditors from, Ernst & Young LLP. Such attachments show in appropriate detail the financial information required to be provided to the Members of Build NYC pursuant to Section 519 of the New York State Not-for-Profit Corporation Law.
2. The number of Members of Build NYC as of November 7, 2018 is 12.
3. The number of Members of Build NYC was 13 on June 30, 2017 and 12 on June 30, 2018.
4. The names and addresses of the current Members of Build NYC may be found in the Members/Directors book of Build NYC, which is kept at 110 William Street, 6th Floor, New York, New York 10038.

Dated November 7, 2018
New York, New York

Krishna Omolade, Deputy Executive Director

Spencer Hobson, Treasurer

State of New York)
) ss.:
County of New York)

Krishna Omolade, being first duly sworn, deposes and says that he executed the foregoing report and is the Deputy Executive Director of Build NYC Resource Corporation, that he has read the foregoing report and knows the contents thereof, and that the information provided in Sections 2-4 of the report is true.

Krishna Omolade

Sworn to before me this ____
day of November, 2018

Notary Public

State of New York)
) ss.:
County of New York)

Spencer Hobson, being first duly sworn, deposes and says that he executed the foregoing report and is the Treasurer of Build NYC Resource Corporation, that he has read the foregoing report and knows the contents thereof, and that the information provided in Sections 2-4 of the report is true.

Spencer Hobson

Sworn to before me this ____
day of November, 2018

Notary Public

Build NYC Resource Corporation
(a component unit of the City of New York)

Financial Statements

Years Ended June 30, 2018 and 2017
With Report of Independent Auditor



Build NYC Resource Corporation

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

Financial Statements

June 30, 2018 and 2017

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I. Financial Section



Report of Independent Auditors

The Management and the Board of Directors
Build NYC Resource Corporation

Report on the Financial Statements

We have audited the accompanying statements of net position of Build NYC Resource Corporation (Build NYC or the Corporation), a component unit of The City of New York, as of June 30, 2018 and 2017, and the related statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of June 30, 2018 and 2017, and the changes in its financial position and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we also have issued our report dated September 30, 2018, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Build NYC Resource Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

Ernst + Young LLP

September 30, 2018

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

Management's Discussion and Analysis

June 30, 2018

This section of the Build NYC Resource Corporation ("Build NYC" or the "Corporation") annual financial report presents our discussion and analysis of financial performance during the years ended June 30, 2018 and 2017. Please read it in conjunction with the financial statements and accompanying notes, which follow this section.

Fiscal Year 2018 Financial Highlights

- Current assets decreased by \$687,881 (or 6%)
- Current liabilities decreased by \$192,667 (or 66 %)
- Net position decreased by \$1,504,638 (or 13%)
- Operating revenues decreased by \$1,785,853 (or 50%)
- Operating expenses decreased by \$1,822 (or 0.1%)
- Non-operating revenue increased by \$262,760 (or > 100%)

Overview of the Financial Statements

This annual financial report consists of two parts: *Management's discussion and analysis* (this section) and the *basic financial statements*. Build NYC is considered a component unit of the City of New York (the "City") for the City's financial reporting purposes. Build NYC is a local development corporation that was organized under the Not-For-Profit Corporation Law of the State of New York to assist entities eligible under the federal tax laws in obtaining tax-exempt and taxable bond financing.

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

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

Management's Discussion and Analysis (continued)

Financial Analysis of the Corporation

Net Position—The following table summarizes the Corporation's financial position at June 30, 2018, 2017, and 2016, and the percentage changes between June 30, 2018, 2017, and 2016:

	2018	2017	2016	% Change	
				2018–2017	2017–2016
Current assets	\$ 9,955,494	\$ 10,643,375	\$ 8,639,514	(6)%	23%
Non-current assets	-	1,009,423	2,808,144	(100)%	(64)%
Total assets	9,955,494	11,652,798	11,447,658	(15)%	2%
Current liabilities	97,835	290,502	101,995	(66)%	185%
Total unrestricted net position	\$ 9,857,658	\$ 11,362,296	\$ 11,345,663	(13)%	.15%

In fiscal year 2018, total assets decreased by 1,697,304 or 15% primarily as a result of a reduction in current assets to cover the operating net deficit. Additionally, a call redemption of all long-term investments at year-end resulted in the elimination of non-current assets.

In fiscal year 2017, current assets increased by \$2,003,861 or 23% primarily as a result of an increase in short-term investments. Non-current assets decreased by \$1,798,722 or 64% primarily due to a decrease of investments in long-term debt securities.

As a result of a change in fee revenue generated from a number of bond transactions and the maintenance of the Corporation's contractual obligations, net position decreased by \$1,504,638 or 13% in fiscal year 2018 and increased by \$16,663 or 0.15% in fiscal year 2017.

Operating Activities

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

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

Management's Discussion and Analysis (continued)

Operating Activities (continued)

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

The following table summarizes changes in Build NYC's net position for fiscal years 2018, 2017, and 2016 and the percentage changes between June 30, 2018, 2017, and 2016:

	2018	2017	2016	% Change	
				2018-2017	2017-2016
Operating revenues	\$ 1,779,797	\$ 3,565,650	\$ 5,284,557	(50)%	(33)%
Operating expenses	3,383,978	3,385,800	2,072,197	(0.1)%	63%
Operating (loss)/income	(1,604,181)	179,850	3,212,360	(992)%	(94)%
Non-operating (expenses) revenues	99,543	(163,217)	(107,388)	(161)%	52%
Change in net position	\$ (1,504,638)	\$ 16,633	\$ 3,104,972	(9114)%	(99)%

Fiscal Year 2018 Activities

In fiscal year 2018, operating revenues decreased by \$1,785,853 or 50%. This is a direct result of a decrease in fee revenue generated from bond transactions and the one-time recaptured benefits revenue in 2017.

Total operating expenses decreased by \$1,822 in fiscal year 2018 or 0.1%, as a result of a decrease in advertising and marketing expenses.

The non-operating expense/revenue category had a total increase of \$262,760 in fiscal year 2018, a 161% increase year over year, primarily due to an increase in investment income.

Fiscal Year 2017 Activities

In fiscal year 2017, operating revenues decreased by \$1,718,907 or 33%. This is a direct result of a decrease in bond transactions, partially offset by recapture of benefits.

Total operating expenses increased by \$1,313,603 in fiscal year 2017 or 63%. This is a direct result of a board approved increase in management expenses.

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

Management's Discussion and Analysis (continued)

Fiscal Year 2017 Activities (continued)

The non-operating expense/revenue category had a net deficit of \$163,217 in fiscal year 2017, a 52% increase year over year, primarily due to an increase in a combination of current year and prior year board approved special projects costs.

Contacting the Corporation's Financial Management

This financial report is designed to provide our customers, clients and creditors with a general overview of the Corporation's finances and to demonstrate the Corporation's accountability for the resources at its disposal. If you have any questions about this report or need additional financial information, contact the Chief Financial Officer, Build NYC Resource Corporation, 110 William Street, New York, NY 10038.

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

Statements of Net Position

	June 30	
	2018	2017
Assets		
Current assets:		
Cash and cash equivalents <i>(Note 3)</i>	\$ 3,563,619	\$ 2,545,818
Investments <i>(Note 3)</i>	6,384,025	8,084,587
Fees receivable	7,850	12,970
Total current assets	9,955,494	10,643,375
Non-current assets:		
Investments <i>(Note 3)</i>	-	1,009,423
Total non-current assets	-	1,009,423
Total assets	9,955,494	11,652,798
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	45,300	41,509
Due to New York City Economic Development Corporation	14,937	180,393
Unearned revenue and other liabilities	37,599	68,600
Total current liabilities	97,836	290,502
Net position – unrestricted	\$ 9,857,658	\$11,362,296

See accompanying notes.

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

Statements of Revenues, Expenses, and Changes in Net Position

	Year Ended June 30	
	2018	2017
Operating revenues		
Fee income <i>(Note 2)</i>	\$ 1,779,797	\$ 2,753,763
Recapture income <i>(Note 2)</i>	-	811,887
Total operating revenues	1,779,797	3,565,650
Operating expenses		
Management fees <i>(Note 4)</i>	3,300,000	3,300,000
Public hearing expenses	33,993	50,016
Auditing expenses	46,272	31,656
Marketing expenses	1,537	2,162
Other expenses	2,176	1,966
Total operating expenses	3,383,978	3,385,800
Operating (loss)/income	(1,604,181)	179,850
Non-operating revenues (expenses)		
Investment income	129,543	58,875
Special projects costs <i>(Note 5)</i>	(30,000)	(222,093)
Total non-operating revenues (expenses)	99,543	(163,217)
Change in net position	(1,504,638)	16,633
Unrestricted net position, beginning of year	11,362,296	11,345,663
Unrestricted net position, end of year	\$ 9,857,658	\$ 11,362,296

See accompanying notes.

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

Statements of Cash Flows

	Year Ended June 30	
	2018	2017
Operating activities		
Financing and other fees	\$ 1,753,916	\$ 2,764,053
Recapture benefits received	-	811,887
Management fees paid	(3,300,000)	(3,300,000)
Audit expenses paid	(44,020)	(27,932)
Marketing expenses paid	(1,194)	(1,194)
Public hearing expenses paid	(32,047)	(40,163)
Miscellaneous expenses paid	(90)	(16,037)
Net cash (used in)/ provided by operating activities	(1,623,434)	190,614
Investing activities		
Interest income	9,318	8,400
Sale of investments	11,195,348	5,660,069
Purchase of investments	(8,365,138)	(6,744,855)
Net cash provided by/(used in) investing activities	2,839,528	(1,076,387)
Non-capital financing activities		
Special projects	(198,293)	(53,800)
Net cash used in non-capital financing activities	(198,293)	(53,800)
Net increase/(decrease) in cash and cash equivalents	1,017,801	(939,573)
Cash and cash equivalents at beginning of year	2,545,818	3,485,390
Cash and cash equivalents at end of year	\$ 3,563,619	\$ 2,545,818
Reconciliation of operating (loss)/ income to net cash (used in)/provided by operating activities		
Operating (loss)/income	\$ (1,604,181)	\$ 179,850
Adjustments to reconcile operating (loss)/income to net cash (used in)/provided by operating activities:		
Changes in operating assets and liabilities:		
Fees receivable	5,120	(9,450)
Accounts payable and accrued expenses	3,791	7,685
Due to NYC Economic Development Corp.	2,837	2,789
Unearned revenue and other liabilities	(31,001)	9,740
Net cash (used in)/provided by operating activities	\$ (1,623,434)	\$ 190,614

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

Notes to Financial Statements

June 30, 2018

1. Background and Organization

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

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

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

The total conduit debt obligations outstanding totaled \$2,995,456,576 and \$2,932,700,440 for the years ended June 30, 2018 and 2017, respectively.

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

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

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies

Basis of Presentation

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

Updated Pronouncements

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Provisions of this Statement are effective for fiscal years beginning after December 15, 2019. The Corporation does not anticipate any related impact on its financial statements.

In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The provisions of this statement are effective for fiscal years beginning after June 15, 2018. The Corporation does not anticipate any related impact on its financial statements.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. Provisions of this Statement are effective for fiscal years beginning after December 15, 2019. The Corporation does not anticipate any related impact on its financial statements.

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

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Updated Pronouncements

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. Provisions of this Statement are effective for fiscal years beginning after December 15, 2018. The Corporation does not anticipate any related impact on its financial statements.

Cash Equivalents

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

Investments

Investments held by Build NYC are recorded at fair value.

Revenue Recognition

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

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

3. Deposits and Investments

At year-end, Build NYC's cash balance was \$3,563,619. Of this amount, \$250,000 was insured by the Federal Depository Insurance Corporation. For the remaining balance, \$2,563,477 was invested in funds comprised of U.S. government backed securities.

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

Notes to Financial Statements (continued)

3. Deposits and Investments (continued)

In February 2015 the GASB issued Statement No.72, *Fair Value Measurement and Application*. This Statement requires that investments be categorized based on the methodology used in determining fair value. The hierarchy is as follows:

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

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

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

Money Market Funds, categorized as Level 1 inputs, are valued at the unadjusted prices that are quoted in active principal markets for identical assets. US Agencies securities, categorized as Level 2, are valued on models using observable inputs

As of June 30, 2018 and 2017, the Corporation had the following investments (in thousands). Investments maturities are shown only for June 30, 2018.

	Fair Value		2018	
			Investment Maturities (In Years)	
	2018	2017	Less Than 1	1 to 2
Money Market Funds	\$ 2,563	\$ 4	\$ 2,563	\$ -
Federal Farm Credit Bank	-	997	-	-
Federal Home Loan Mort. Corp. Notes	-	2,802	-	-
Federal Home Loan Bank Notes	1,004	2,009	1,004	-
Federal National Mortgage Association	-	1,300	-	-
US Treasury Note	1,998	-	1,998	-
Commercial Paper	3,382	1,986	3,382	-
Subtotal Investments	8,947	9,098		
Less investments classified as cash equivalents	\$ (2,563)	\$ (4)		
Total Investments	\$ 6,384	\$ 9,094		

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

Notes to Financial Statements (continued)

3. Deposits and Investments (continued)

Interest Rate Risk: The Corporation has a formal investment policy, which limits investment maturities up to a maximum of two years from the date of purchase as a means of managing its exposure to fair value losses arising from increasing interest rates. Currently, all of the Corporation's investments have maturities of one year or less.

Credit Risk: It is the Corporation's policy to limit its investments in debt securities to those rated in the highest rating category by at least two nationally recognized bond rating agencies or other securities guaranteed by the U.S. government. As of June 30, 2018, the Corporation's investments in Federal Home Loan Bank Notes ("FHLB"), U.S. Treasury Note, AA+ by Standard & Poor's ("S&P"), Aaa by Moody's and AAA by Fitch Ratings. Money market funds share the same credit ratings as the Corporation's federally held securities with the exception of S&P, which does not rate such funds. Investments in commercial paper ("CP") were rated in the highest short-term category by at least two major rating agencies (A-1+ by Standard & Poor's, P-1 by Moody's, and F1+ by Fitch Ratings).

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

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

Notes to Financial Statements (continued)

3. Deposits and Investments (continued)

Concentration of Credit Risk: The Corporation places no limit on the amount it may invest in any U.S. government backed securities. The following table shows investments that represent 5% or more of total investments as of June 30, 2018 and 2017 (dollars in thousands):

Issuer	Dollar Amount and Percentage of Total Investments			
	June 30, 2018		June 30, 2017	
Federal Home Loan Bank	\$ 1,004	15.72%	\$ 2,009	22.09%
Federal Home Loan Mortgage Corp.	–	–	2,802	30.82
Federal National Mortgage Assoc.	–	–	1,300	14.29
Federal Farm Credit Bank	–	–	997	10.97
US Treasury Note	1,998	31.30	–	–
American Honda Finance Corp	999	15.65	–	–
Nat'l Sec Clearing Corp	2,383	37.32	–	–
CP-Coca-Cola Co.	–	–	993	10.92
CP-MetLife Short Term Fund	–	–	993	10.92

4. Management Fee

To support the activities of Build NYC, the Corporation annually enters into a contract with the New York City Economic Development Corporation (“NYCEDC”), a not-for-profit corporation and a component unit of the City organized to administer economic development programs which foster business expansion in the City. Under the terms set forth in the contract, NYCEDC provides Build NYC with all the professional, administrative and technical assistance it needs to accomplish its objectives. The fixed annual fee for these services under the agreement between NYCEDC and the Corporation is \$3,300,000 for the years ended June 30, 2018 and 2017, respectively.

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

Notes to Financial Statements (continued)

5. Commitments

Pursuant to approved agreements between Build NYC and NYCEDC, Build NYC committed to fund three projects being performed by NYCEDC related to the City’s community and economic development initiatives. Total special project commitments under these agreements amounted to approximately \$3,375,000 with an outstanding obligation at June 30, 2018, of \$3,017,907. The special project commitments, related approval, dates, original and outstanding commitment balances are as follows:

Project	Approval Date	Total Commitment	Life To- Date	Current Total De-Obligate	Outstanding Commitment
Advanced Manufacturing Technology Grant Program	5/12/2015	\$300,000	\$270,000	\$30,000	\$0
Nonprofit Real Estate Lecture Series	12/13/2016	75,000	57,093	-	17,907
Power Station at BerkleeNYC	11/8/2017	3,000,000	-	-	3,000,000
		<u>\$3,375,000</u>	<u>\$327,093</u>	<u>\$30,000</u>	<u>\$3,017,907</u>

For the year ended June 30, 2018, \$30,000 has been incurred by the Corporation related to the above projects and included in special project costs on the accompanying statements of revenue, expenses and changes in net position.

6. Risk Management

Although there should not be any liability for personal injuries as a result of its lending activities, Build NYC could be named a party to such litigation. Therefore, Build NYC requires all project companies to purchase and maintain commercial insurance coverage for these risks and to name Build NYC as additional insured. Build NYC is also named as an additional insured on NYCEDC’s general liability policy. Build NYC has no threatened material litigations, claims or assessments as of June 30, 2018.

II. Government Auditing Standards Section



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

The Management and the Board of Directors
Build NYC Resource Corporation

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Build NYC Resource Corporation (the Corporation), a component unit of The City of New York, which comprise the statement of net position as of June 30, 2018, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 30, 2018.

Internal Control Over Financial Reporting

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

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

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



Compliance and Other Matters

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

Purpose of This Report

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

Ernst + Young LLP

September 30, 2018

Exhibit B

Project Summary

Brooklyn Navy Yard Cogeneration Partners, L.P. (the “Applicant”), a limited partnership organized under the laws of the State of Delaware, as borrower, is seeking approximately \$82,135,000 in tax-exempt subordinate, unsecured revenue bonds (the “Bonds”). Proceeds from the Bonds, together with proceeds of certain senior notes to be issued by the Applicant, amounts available under letters of credit, and funds provided by the Applicant, will be used to refund the \$307,000,000 of New York City Industrial Development Agency Industrial Development Revenue Bonds (Brooklyn Navy Yard Cogeneration Partners, L.P. Project), Series 1997 (the “Refunded Bonds”). The Refunded Bonds were issued to refund prior bonds issued by the New York City Industrial Development Agency to finance or refinance a portion of the cost of the development, construction and improvement of a 286 megawatt cogeneration power plant (the “Facility”) and the related acquisition and installation of machinery, equipment, furniture, fixtures and other tangible person property for use at the Facility to provide facilities for the local furnishing of electric energy. The owner of the Facility and all such related property is the Applicant. The Facility is located at Building B-41 at the intersection of Fifth Street and Morris Street in the Brooklyn Navy Yard, Brooklyn, New York.

Project Locations

63 Flushing Avenue, Unit 234, Building 41
Brooklyn, New York 11205

Actions Requested

- Bond Approval and Authorizing Resolution
- Adopt a SEQRA determination that the proposed project is a Type II action and therefore no further environmental review is required.

Anticipated Closing

Q1 2019

Impact Summary

Employment Information	
Jobs at Application:	37
Jobs to be Created at Project Location (Year 3):	0
Total Jobs (full-time equivalents)	37
Projected Average Hourly Wage (excluding principals)	\$51.34
Highest Wage/Lowest Wage	\$59.57/15.57

Estimated City Tax Revenues	
Impact of Operations (NPV 21 years at 6.25%)	\$ 29,486,701
Total impact	\$ 29,486,701

Estimated Cost of Benefits Requested: New York City	
NYC Forgone Income Tax on Bond Interest	\$ 376,372
Corporation Financing Fee	(435,675)
Total Cost to NYC Net of Financing Fee	\$ (178,628)

Costs of Benefits Per Job	
Estimated Net City Cost of Benefits per Jobs in Year 3	\$ 4,828
Estimated City Tax Revenue per Jobs in Year 3	\$ 796,938

Brooklyn Navy Yard Cogeneration Partners, L.P.

Estimated Cost of Benefits Requested: New York State		
NYS Forgone Income Tax on Bond Interest		\$ 1,303,126
Total Cost to NYS		\$ 1,303,126
Overall Total Cost to NYC and NYS		\$ 1,124,498

Sources and Uses

Sources	Total Amount	Percent of Total Financing
Senior Secured Debt	\$322,512,000	72%
Tax Exempt Bonds	82,135,000	18%
Tax Exempt Premium	(2,178,000)	(0.5%)
Equity	10,433,000	2%
Debt Service Reserve Account	15,182,000	4%
Major Maintenance Reserve Account	641,000	0.1%
Unrestricted Cash	17,956,000	4%
Total	\$446,681,000	100%

Uses	Total Amount	Percent of Total Costs
Refunding of Existing Tax-Exempt Debt	\$310,719,000	69%
Refinancing of Existing Taxable Debt	90,516,000	20%
Funding of Reserves	27,741,000	6%
Transaction Costs	15,900,000	4%
Other	1,805,000	1%
Total	\$446,681,000	100%

Fees

	Paid At Closing	On-Going Fees (NPV, 21 Years)
Corporation Fee	\$436,675	
Bond Counsel	Hourly	
Annual Corporation Fee	1,250	9,092
Bond Trustee Acceptance Fee	500	
Annual Bond Trustee Fee	500	3,637
Trustee Counsel Fee	5,000	
Total	\$443,925	12,729
Total Fees	\$456,654	

Financing and Benefits Summary

The Bonds will be sold to Barclays Capital Inc. (the "Underwriter") and purchased by institutional investors. The Bonds will have a 21-year maturity and an indicative interest rate of 5.25%. The Bonds will be subordinate and unsecured. Based on an analysis of the Applicant's financial statements, it is expected to have a debt service coverage ratio of 1.40.

Brooklyn Navy Yard Cogeneration Partners, L.P.

Applicant Summary

The Applicant is the owner of the Brooklyn Navy Yard cogeneration facility, a 286 MW dual fuel power plant located in the New York City-owned industrial park known as the Brooklyn Navy Yard. The Applicant was formed in 1992, and its primary purpose was to develop, build and operate the Facility. The Facility began operation in 1996 and continues to provide steam and electricity under long-term off-take agreements with the Consolidated Edison Company of New York and the Brooklyn Navy Yard Development Corporation.

Axium Infrastructure is an employee-owned, independent firm dedicated to investing in core infrastructure assets. Axium Infrastructure and its affiliated portfolio companies acquired the Applicant on July 24, 2018 from EIF United States Power Fund IV, L.P.

Paulo Arencibia, President

Mr. Arencibia has 20 years of experience in the areas of financial advisory, asset-based, export and project finance. Based in the firm's New York office, Mr. Arencibia joined Axium Infrastructure in 2012 and serves as a senior member of the US management team primarily responsible for transaction origination, due diligence and execution.

Mr. Arencibia began his career in London with Citigroup, where he focused on financial advisory, and debt structuring and placement in support of the development of large scale energy and water facilities in Europe and the Middle East. In 2004, Mr. Arencibia joined the Energy & Infrastructure Banking team at BNP Paribas in New York, where he executed multiple greenfield project finance transactions for natural gas-fired, renewable energy and oil sands projects. Mr. Arencibia holds a B.A. in Political Science and Philosophy from Tufts University, an M.A. in Development Economics from the Fletcher School, and an M.B.A from Instituto de Empresa (Madrid, Spain).

Dominic Chalifoux, Treasurer

Mr. Chalifoux has 10 years of experience in infrastructure principal investing and asset management, and 20 years of experience in project management. Mr. Chalifoux joined Axium Infrastructure in 2009 and holds primary responsibility for the firm's asset management functions, as well as transaction origination, due diligence and execution. As a mechanical engineer, Mr. Chalifoux began his career working as a project manager for Trane, a leading HVAC manufacturer where he managed relationships with large Canadian corporations and delivered large turn-key projects.

Mr. Chalifoux later moved on to join Macquarie Capital Funds' asset management group where he maintained asset management responsibility for transportation assets. He was active in the development of risk management plans, recruitment of management staff, performance monitoring and reporting and valuation functions. Mr. Chalifoux is an engineering and finance professional holding an MBA from HEC Montréal and a bachelor's degree in mechanical engineering from Polytechnique Montréal. He is also a member of the Ordre des ingénieurs du Québec.

Employee Benefits

The Applicant provides health and dental insurance, matching retirement contribution plans and on-the-job training.

SEQRA Determination

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

Due Diligence

The Corporation conducted a background investigation of the Applicant and found no derogatory information.

Compliance Check: Compliant

Living Wage: Compliant

Paid Sick Leave: Compliant

Brooklyn Navy Yard Cogeneration Partners, L.P.

Affordable Care Act: ACA Coverage Offered

Private School Policy: Not Applicable

Bank Account: Wells Fargo & Company

Bank Check: Relationships are reported to be satisfactory.

Supplier Checks: Relationships are reported to be satisfactory.

Customer Checks: Relationships are reported to be satisfactory.

Unions: Not Applicable

Vendex Check: No derogatory information was found.

Attorney: Michael E. Pikiel, Jr.
Winston & Strawn
200 Park Avenue
New York, NY 10166

Accountant: Mona Parmar
Ernst & Young LLP
200 Plaza Drive
Secaucus, New Jersey 07094

Consultant: Salem Esber
PA Consulting Group, Inc.
1700 Lincoln Street Suite 3550
Denver, Colorado 80203

Community Board: Brooklyn, CB2

Board of Directors

Christopher Trabold
Paulo Arencibia
Ben Ellis
Jean Eric Laferriere

Dominic Chalifoux
Anick Sivret
Christine Eid

AXIUM

INFRASTRUCTURE

Brooklyn Navy Yard Cogeneration Partners, L.P.
63 Flushing Avenue, Unit 234, Building 41
Brooklyn, New York 11205

September 11, 2018

Build NYC Resource Corporation
110 William Street
New York, New York 10038

Re: Inducement Letter

Ladies and Gentlemen:

Brooklyn Navy Yard Cogeneration Partners, L.P. (the "Applicant") is the owner of the Brooklyn Navy Yard cogeneration facility, a 286 MW dual fuel power plant located in the New York City-owned industrial park known as the Brooklyn Navy Yard (the "Facility"). The Applicant was formed in 1992 and its primary purpose was to develop, build and operate the Facility. The Facility began operations in 1996 and continues to provide steam and electricity under long-term offtake agreements with the Consolidated Edison Company of New York and the Brooklyn Navy Yard Development Corporation. It also provides steam to the Red Hook Water Treatment Facility.

The Applicant is seeking up to \$100,000,000 in subordinated tax-exempt bonds, which, in addition to the proceeds from the issuance and sale by the Applicant of its senior secured notes in the amount of \$338,512,400, will be used to (1) refund \$307,000,000 of New York City Industrial Development Agency Industrial Development Revenue Bonds (Brooklyn Navy Yard Cogeneration Partners, L.P. Project), Series 1997 issued in December, 1997, (2) refinance senior secured bonds due 2020 in the principal amount of \$100,000,000 issued by the Applicant in 1997, and senior secured bonds due 2020 in the aggregate principal amount of \$30,005,673 issued by the Applicant in 2004 and 2005, and (3) refinance senior secured notes in an aggregate principal amount of \$60,000,000 issued by Axiom BNY Cogeneration Partners LLC, the Applicant's indirect parent company, in July, 2018. In addition, the Applicant will also enter into an approximately \$30,000,000 senior secured letter of credit facility in order to provide letters of credit to meet certain reserve requirements.

The refinancing will reduce the cost of debt for which the Applicant is responsible and will allow the Facility to continue to operate at existing capacity.

On behalf of the Applicant, we respectfully request that the Build NYC Resource Corporation induce this project.

[Signature page follows.]


AXIUM

INFRASTRUCTURE

Very truly yours,

BROOKLYN NAVY YARD COGENERATION
PARTNERS, L.P.

By:



Paulo Arencibia
President

2020, boul. Robert-Bourassa
Bureau 2500
Montréal (Québec) H3A 2A5

120 Adelaide Street West
Suite 425
Toronto, ON M5H 1T1

410 Park Avenue
Suite 510
New York, NY 10022

axiuminfra.com

Exhibit C

RESOLUTION APPROVING THE REFINANCING OF A COGENERATION FACILITY FOR BROOKLYN NAVY YARD COGENAERATION PARTNERS, L.P. AND AUTHORIZING THE ISSUANCE AND SALE OF APPROXIMATELY \$82,135,000 TAX EXEMPT AND/OR TAXABLE REFUNDING REVENUE BONDS (BROOKLYN NAVY YARD COGENERATION PARTNERS, L.P. PROJECT), SERIES 2019 AND THE TAKING OF OTHER ACTION IN CONNECTION THEREWITH

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

WHEREAS, Brooklyn Navy Yard Cogeneration Partners, L.P., a limited partnership (the “Applicant”), entered into negotiations with officials of the Issuer to issue approximately \$82,135,000 in tax exempt and taxable unsecured, subordinate bonds, the proceeds of which, together with the proceeds of certain senior secured notes to be issued by the Applicant (the “Senior Secured Notes”), amounts available under letters of credit (the “Letter of Credit Facility”) and other funds provided by the Applicant, will be used to refund the outstanding \$307,000,000 of New York City Industrial Development Agency Industrial Development Revenue Bonds (Brooklyn Navy Yard Cogeneration Partners, L.P. Project), Series 1997, which bonds were issued to refund prior bonds issued by the New York City Industrial Development Agency to finance or refinance a portion of the cost of the development, construction and improvement of a 286 megawatt cogeneration power plant (the “Facility”) and the related acquisition and installation of machinery, equipment, furniture, fixtures and other tangible person property for use at the Facility to provide facilities for the local furnishing of electric energy (collectively, the “Project”); and

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

WHEREAS, the Application sets forth certain information with respect to the Applicant, and the Project, including the following: that the Applicant will continue to own and operate the Facility as cogeneration facility providing facilities for the local furnishing of electric energy; that the financing of the Project with the Issuer’s financing assistance will provide certain cost savings to the Applicant; and that, therefore, the Issuer’s financing assistance is necessary to assist the Applicant in proceeding with the Project; and

WHEREAS, the Issuer desires to further encourage the Applicant with respect to the refinancing of the Facilities, if by so doing it is able to induce the Applicant to proceed with the Project; and

WHEREAS, in order to finance a portion of the cost of the Project, the Issuer intends to issue its tax exempt and/or taxable Refunding Revenue Bonds (Brooklyn Navy Yard Cogeneration, L.P. Project), Series 2019, in the aggregate principal amount of approximately \$82,135,000 (or such greater amount not to exceed such stated amount by more than 10%, as may be determined by a certificate of determination of an authorized officer of the Issuer (the “Certificate of Determination”)) (the “Bonds”), all pursuant to an Indenture of Trust (the “Indenture”) to be entered into between the Issuer and The Bank of New York Mellon, as trustee (the “Trustee”); and

WHEREAS, the Issuer intends to loan the proceeds of the Bonds to the Applicant pursuant to a Loan Agreement (the “Loan Agreement”) to be entered into between the Issuer and the Applicant, and the Applicant will execute a promissory note in favor of the Issuer and the Trustee (the “Promissory Note”) to evidence the Applicant’s obligation under the Loan Agreement to repay such loan; and

WHEREAS, the Senior Secured Notes and the Letter of Credit Facility (the “Senior Debt”) will be issued simultaneously with the issuance of the Bonds and will rank (i) *pari passu*, without any preference or priority in payment or security, among the Senior Debt, and (ii) senior in the right of payment and priority of recovery to the Bonds and all other unsecured indebtedness of the Applicant; and

WHEREAS, the Issuer intends to enter into a Common Terms Agreement (the “Common Terms Agreement”), by and among the Applicant, the Issuer, the administrative agent, the collateral agent, the purchasers of the Senior Debt and the Letter of Credit Facility providers, which agreement will set forth certain conditions precedent, representations, warranties and covenants applicable to the Senior Debt and the Bonds and certain events of default applicable to the Senior Debt;

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

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

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

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

The Bonds shall be issued as fully registered bonds in one or more series, shall be dated as provided in the Indenture, shall be issued as one or more serial and/or term bonds and in an aggregate amount not to exceed \$82,135,000 (or such greater amount not to exceed such stated amount by more than 10% as may be determined by the Certificate of Determination), shall be payable as to principal and redemption premium, if any, at the principal office of the Trustee, shall be payable as to interest by check, draft or wire transfer as provided in the Indenture, shall bear interest at a fixed interest rate not to exceed seven percent (7.00%) (such final rate(s) to be determined by the Certificate of Determination).

The Bonds shall be subject to optional and mandatory redemption as provided in the Indenture, shall be payable as provided in the Indenture until the payment in full of the principal amount

thereof and shall mature not later than January 1, 2040 (or as determined by the Certificate of Determination), all as set forth in the Bonds. The provisions for signatures, authentication, payment, delivery, redemption and number of Bonds shall be set forth in the Indenture hereinafter authorized.

Section 4. The Bonds shall be secured by the pledge effected by the Indenture and shall be payable solely from and secured by a pledge of the loan payments, revenues and receipts of the Applicant to the extent set forth in the Loan Agreement and the Indenture hereinafter authorized. The Bonds, together with the interest thereon, are special limited revenue obligations of the Issuer, payable solely as provided in the Indenture, including from moneys deposited in the Bond Fund, the Project Fund, the Debt Service Reserve Fund and such other funds as established under the Indenture (subject to disbursements therefrom in accordance with the Loan Agreement and the Indenture), and shall never constitute a debt of the State of New York or of the City, and neither the State of New York nor the City shall be liable thereon, nor shall the Bonds be payable out of any funds of the Issuer other than those pledged therefor.

Section 5. The Bonds are hereby authorized to be sold to Barclays Capital Inc., as underwriter or lead underwriter (the “Underwriter”), at a purchase price as shall be approved by the Certificate of Determination.

Section 6. The execution and delivery of the Indenture, a Loan Agreement, the Common Terms Agreement, a final Limited Offering Memorandum with respect to the Bonds, a Bond Purchase Agreement, among the Applicant, the Issuer and the Underwriter, and a Tax Certificate of the Issuer and the Applicant (the documents referenced in this Section 6 being, collectively, the “Issuer Documents”), each being substantially in the form approved by the Issuer for prior financings, are hereby authorized. The Chairman, Vice Chairman, Executive Director, Deputy Executive Director and the General Counsel of the Issuer are hereby authorized to execute, acknowledge and deliver each such Issuer Document. The execution and delivery of each such Issuer Document by said officer shall be conclusive evidence of due authorization and approval.

Section 7. The Issuer hereby authorizes the distribution of the Limited Offering Memorandum to prospective purchasers of the Bonds.

Section 8. All covenants, stipulations, obligations and agreements of the Issuer contained in this Resolution and contained in the Issuer Documents shall be deemed to be the covenants, stipulations, obligations and agreements of the Issuer to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Issuer and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Issuer or the members thereof by the provisions of this Resolution and the Issuer Documents shall be exercised or performed by the Issuer or by such members, officers, board or body as may be required by law to exercise such powers and to perform such duties.

No covenant, stipulation, obligation or agreement herein contained or contained in any of the Issuer Documents shall be deemed to be a covenant, stipulation, obligation or agreement of any member, director, officer, agent or employee of the Issuer in his individual capacity, and neither the members of the Issuer nor any officer executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 9. The officers of the Issuer are hereby designated the authorized representatives of the Issuer, and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause

to be done any and all acts and things necessary or proper for carrying out this Resolution, the Issuer Documents and the issuance of the Bonds.

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

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

Section 12. Any qualified costs incurred by the Applicant in initiating the Project shall be reimbursed by the Issuer from the proceeds of the Bonds; provided that the Issuer incurs no liability with respect thereto except as otherwise provided in this Resolution and provided further that the reimbursement is permitted under the Tax Certificate.

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

Section 14. Pursuant to the State Environmental Quality Review Act, being Article 8 of the New York State Environmental Conservation Law and the implementing regulations, the Issuer, as lead agency, make this determination, that the Project, is a Type II action, pursuant to 6 NYCRR Part 617.5(c)(23), “investments by or on behalf of agencies or pension or retirement systems, or refinancing existing debt . . .” which would not result in adverse environmental impacts requiring the preparation of an Environmental Impact Statement.”

Section 15. The Issuer recognizes that due to the unusual complexities of the financing it may become necessary that certain of the terms approved hereby may require modifications which will not affect the intent and substance of the authorizations and approvals by the Issuer herein. The Issuer hereby authorizes the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or General Counsel to approve modifications to the terms approved hereby which do not affect the intent and substance of this Resolution. The approval of such modifications shall be evidenced by the Certificate of Determination.

Section 16. In connection with the Project, the Issuer intends to grant the Applicant financing assistance in the form of issuance of the Bonds.

Section 17. This Resolution shall take effect immediately.

Adopted: November 7, 2018

Accepted: _____, 2018

**BROOKLYN NAVY YARD COGENERATION
PARTNERS, L.P.**

By: _____

Name:

Title:

Exhibit D

Project Summary

Richmond Medical Center, doing business as Richmond University Medical Center (“RUMC”), 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 and which provides hospital and other health-care services is seeking approximately \$150,280,000 in tax-exempt revenue bonds (the “Bonds”). Proceeds from the Bonds will be used as part of a plan of financing to: (1) finance the design, construction, furnishing and equipping of a new approximately 56,000 square foot building located on the southeast portion of an approximately 578,550 square foot parcel of land located at 355 Bard Avenue Staten Island, New York 10310; (2) finance the design and construction of a new approximately 250 space parking lot located on an approximately 115,000 square foot vacant parcel of land located directly behind at 669 and 657 Castleton Avenue, Staten Island, New York 10301; (3) finance the acquisition and installation of a cogeneration facility and associated equipment located within the RUMC boiler plant situated on the southeast portion of the land located at 355 Bard Avenue, Staten Island, NY 10310 which will be used to provide electrical energy to RUMC; (4) finance infrastructure improvements, including, but not limited to, elevator upgrades and roof repair and replacement, with respect to various buildings located at 355 Bard Avenue, Staten Island, New York, (5) refinance existing taxable loans that were used to finance the renovation, furnishing and equipping of an existing approximately 68,000 square foot residential building located on an approximately 82,000 square foot parcel of land located at 288 Kissel Avenue, Staten Island, New York 10310, which is primarily used to provide, among other things, employee housing to interns and residents in the physician graduate education program, and (6) refinance existing taxable loans that were used to finance the acquisition, renovation, furnishing and equipping of an existing approximately 4,900 square foot primary care facility located on an existing approximately 15,400 square foot parcel of land located at 1058 Forest Avenue, Staten Island, New York 10310; (7) fund a debt service reserve fund; and (8) pay for certain costs related to the issuance of the Bonds (collectively, the “Project”). The facilities to be financed and refinanced by the Project are or will be owned by RUMC and will allow RUMC to enhance and expand its medical and health care services.

Project Locations

- 355 Bard Avenue
Staten Island, New York 10310
- 1058 Forest Avenue
Staten Island, New York 10310
- 288 Kissel Avenue
Staten Island, New York 10310

Actions Requested

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

Anticipated Closing

December 2019

Richmond Medical Center

Impact Summary

Employment	
Jobs at Application:	1,957.5
Jobs to be Created at Project Location (Year 3):	13.0
Total Jobs (full-time equivalents)	1970.5
Projected Average Hourly Wage (excluding principals)	\$37.25
Highest Wage/Lowest Wage	\$55.50/\$15.50

Estimated City Tax Revenues	
Impact of Operations (NPV 32 years at 6.25%)	\$251,978,729
One-Time Impact of Renovation	\$3,698,269
Total impact of operations and renovation	\$255,676,998
Additional benefit from jobs to be created	\$1,498,165

Estimated Cost of Benefits Requested: New York City	
MRT Benefit	\$2,593,500
NYC Forgone Income Tax on Bond Interest	\$1,789,466
New York City Public Funds	\$35,000,000
Corporation Financing Fee	(\$776,400)
Total Cost to NYC Net of Financing Fee	\$38,606,566

Costs of Benefits Per Job	
Estimated Net City Cost of Benefits per Job in Year 3	\$19,592
Estimated City Tax Revenue per Job in Year 3	\$130,513

Estimated Cost of Benefits Requested: New York State	
MRT Benefit	\$1,875,300
NYS Forgone Income Tax on Bond Interest	\$6,732,349
New York State Public Funds	\$7,600,000
Total Cost to NYS	\$16,207,649
Overall Total Cost to NYC and NYS	\$54,814,215

Sources and Uses

Sources	Total Amount	Percent of Total Financing
Bonds Proceeds, Series A	\$107,680,000	53%
Bond Proceeds, Series B	\$42,600,000	21%
New York City Public Funds	\$35,000,000	17.3%
New York State Public Funds	\$7,600,000	3.7%
Equity	\$10,000,000	5%
Total	\$202,880,000	100%

Richmond Medical Center

Uses	Total Amount	Percent of Total Costs
Construction Hard Costs	\$112,800,000	55.6%
Construction Soft Costs	\$9,887,000	4.8%
Machinery and Equipment Purchases	\$8,554,246	4.2%
Closing Fees	\$20,802,251	10.4%
Debt Refinancing	\$8,236,503	4%
Series B Bond Proceeds Redemption	\$42,600,000	21%
Total	\$202,880,000	100%

Fees

	Paid At Closing	On-Going Fees (NPV, 25 Years)
Corporation Fee	\$776,400	
Bond Counsel	Hourly	
Annual Corporation Fee	\$1,250	\$17,126
Bond Trustee Acceptance Fee	\$500	
Annual Bond Trustee Fee	\$500	\$6,850
Trustee Counsel Fee	\$5,000	
Total	\$783,650	\$23,976
Total Fees	\$807,626	

Financing and Benefits Summary

KeyBanc Capital Markets Inc. will serve as underwriter for the Bonds, which will be issued as a limited public offering and will be purchased by Preston Hollow Capital. The Bonds will be issued as two series, Series 2018A and Series 2018B. Both series will be tax-exempt and will be issued as draw-down bonds, allowing RUMC to access funds as the Project progresses. RUMC will make interest-only payments from the closing date until December 1, 2022. The Series 2018A Bonds will bear interest at a fixed rate of 5.625% and the Series 2018B Bonds will bear interest at a fixed rate of 5.875%. Both Series will have final maturities in 2050, but it is anticipated that the Series 2018B Bonds will be redeemed in full once the New York City Public Funds and the New York State Public Funds have been received by RUMC. The Bonds will be secured by a gross revenues pledge and a first priority mortgage on the Facility. Based on an analysis of the Applicant's financial statements, it is expected to have a debt service coverage ratio of 3.1x.

Applicant Summary

RUMC provides high-end tertiary care services to the residents of Staten Island. An affiliate of The Mount Sinai Hospital and the Icahn School of Medicine, it serves as a 448 bed healthcare facility and teaching institution serving borough residents as a leader in the areas of acute, medical and surgical care, including emergency care, surgery, minimally invasive laparoscopic and robotic surgery, neurosurgery, gastroenterology, cardiology, pediatrics, podiatry, endocrinology, urology, oncology, orthopedics, neonatal intensive care and maternal health.

RUMC is a Level 1 Trauma Center and a designated Stroke Center, receiving top national recognition from the American Heart Association and the American Stroke Association. The state-of-the-art Cardiac Catheterization Lab has PCI capabilities for elective and emergent procedures in angioplasty. RUMC maintains a Wound Care Center and a Sleep Disorder Center on-site at its main campus. The hospital also offers behavioral health services, encompassing both inpatient and outpatient services for children, adolescents and adults, including emergent inpatient and mobile outreach units. RUMC is the only borough facility that offers inpatient psychiatric services for adolescents. With over 2,500 employees, RUMC is one of the largest employers on Staten Island.

Richmond Medical Center

Daniel Messina, Ph.D., President and CEO

Dr. Messina, a life-long resident of Staten Island, is a seasoned executive with over 30 years of healthcare leadership expertise. Prior to joining Richmond University, for 13 years he served as the System Chief Operating Officer of CentraState Healthcare System in Freehold, NJ, where he was responsible administratively for all System Operations for the Medical Center, Monmouth Crossing Assisted Living Facility, The Manor Skilled Nursing and Rehabilitation Center and Applewood Estates Continuing Care Retirement Community.

During his tenure as President and CEO of RUMC, Dr. Messina has continued the expansion of the medical center's primary and behavioral care networks along with the integration of those services. Under Dr. Messina's leadership, the medical center is currently planning the construction of a new emergency department and the development of a comprehensive women's health and breast center at the Teleport. The medical center has also launched its first school-based clinic at Susan E. Wagner High School.

Dr. Messina received his B.S. in Health Science/Respiratory Care from Long Island University Brooklyn, and earned his MPA in Healthcare Administration from LIU Post. He obtained his Ph.D. in Health Sciences and Leadership at Seton Hall University where he currently serves as an Adjunct Professor in the School of Health and Allied Sciences.

Pietro Carpenito, M.D., Executive Vice President

Dr. Carpenito is one of the founding board members of Richmond University Medical Center, where he continues to serve on various board committees, including Finance, Strategic Planning and Joint Conference. As Senior Vice President, Dr. Carpenito is the liaison between the medical staff and the administration. He is responsible for clinical strategic planning and development of the organization ensuring, high-level physician integration. Dr. Carpenito is a graduate of the Università degli Studi Di Pisa Facoltà di Medicina e Chirurgia, Italy. He is a member of the American Board of Anesthesiologists, New York State Society of Anesthesia, American Society of Anesthesiology, International Research Society, the Richmond County Medical Society and the American Medical Association. Dr. Carpenito has been honored numerous times for his commitment to the community, most recently as a recipient of the United Hospital Trustee of the Year and the Rev. Dr. Martin Luther King, Jr. Business Achievement Award, and an honoree at the St. Vincent's Gala.

Kathryn Krause Rooney, Esq., Board of Trustees Chairperson

Ms. Rooney served as special counsel to State Senator John Marchi for over 30 years and has been practicing law since 1977. A member of the Richmond County Bar Association, she is a member of the Board of Trustees of the Staten Island Foundation, Archcare, the Sisters of Charity Housing Development Corporation and St. Joseph Hill Academy. She also served on the Board of the former St. Vincent's Hospital, Carmel Richmond Healthcare & Rehabilitation Center, and was the founding Chairperson of Pax Christi Hospice. Ms. Rooney has been recognized for her community service by several organizations, including being named a 2009 Staten Island Advance Woman of Achievement and the United Hospital Fund.

Employee Benefits

RUMC provides health and dental insurance, matching retirement contribution plans, a tuition refund plan, personal days and on-the-job training.

Recapture

Subject to recapture of the mortgage recording tax benefit.

SEQRA Determination

No significant adverse environmental impacts, staff recommends the Board adopt a Negative Declaration for this project. The completed Environmental Assessment Form for this project has been reviewed and signed by Corporation staff.

Richmond Medical Center

Due Diligence

The Corporation 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:	ACA Coverage Offered
Bank Account:	Investors Bank
Bank Check:	Relationships are reported to be satisfactory.
Supplier Checks:	Relationships are reported to be satisfactory.
Customer Checks:	Relationships are reported to be satisfactory.
Unions:	Relationships are reported to be satisfactory.
Vendex Check:	No derogatory information was found.
Attorney:	Andrew Schulson, Esq. Garfunkel Wild, P.C. 111 Great Neck Road Great Neck, NY 11021
Accountant:	Albert Deana, CPA Baker Tilly Virchow Krause, LLP 99 Wood Avenue South, Suite 801 Islin, NJ 08830
Advisor:	James Kim Cain Brothers/KeyBanc 277 Park Avenue, 40 th Floor New York, NY 10172
Community Board:	Staten Island, CB #1

September 11, 2018

Attention: Emily Marcus, Project Manager
Strategic Investments Group New York City Economic Development Corporation

Dear Emily:

Richmond University Medical Center (doing business as Richmond University Medical Center) (RUMC) has prepared this application with Build NYC for its upcoming issuance of the tax-exempt Series 2018 A and B Bonds.

RUMC is a 501(c) 3 provider of healthcare services that who's main campus is in the West New Brighton section of Staten Island in New York City. RUMC has a clinical and academic affiliation with The Mount Sinai Health Network and is a 448 bed hospital and teaching institution serving borough residents as a leader in the areas of the provision of acute medical and surgical care and behavioral health care. RUMC services include: emergency care, surgery, minimally invasive laparoscopic and robotic surgery, gastroenterology, cardiology, pediatrics, podiatry, endocrinology, urology, oncology, orthopedics, neonatal intensive care, inpatient and outpatient behavioral medicine and maternal health.

The proposed Project is part of a major strategic physical plant restructuring and quality program initiative designed to enhance its service offerings while expanding into much needed space. It is part of a much larger total facility re-design which is to be implemented over time including new operating rooms, parking lot re-grading, energy efficiencies, off-site outpatient centers and overall facility enhancements/modernization. RUMC will expand and develop a state-of-the-art Emergency Department ("ED") increasing from 15,609 square feet to approximately 26,376 square feet and expanding the number of treatment rooms from 34 to 47 in total. The ED expansion project will better position RUMC's ED to receive patients and to provide emergency medical services in a more efficient and effective manner. Once completed, the ED will be capable of handling more than 80,000 annual visits, which will enable the Medical Center to meet increased volume demands during any "surge" situation such as epidemics or disasters and/or growth in population and/or market demand. In Addition,

Richmond University Medical Center

An Affiliate of The Mount Sinai Health Network

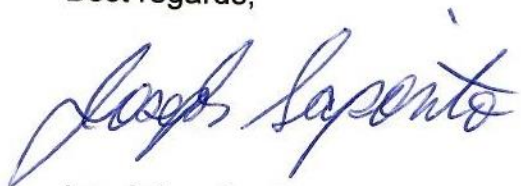
RUMC proposes to construct a new co-generation plant and complete other critical infrastructure projects which have projected annual savings of greater than \$500 thousand.

The structuring flexibility provided by the Build NYC program will allow the Hospital to lock-in an attractive long-term cost of capital that will minimize costs during the critical construction phase and create budget certainty once the Project is completed. More importantly, the Build NYC Series 2018 A and B Bonds will allow the Medical Center to upgrade the existing infrastructure to optimize health care delivery for the residents of Staten Island and New York City. We truly believe that the Project could not be completed without receiving the Issuer's benefits.

Please note that our representatives have had several discussions regarding the transaction, its structure and timetable with members of the team at Katten Muchin Rosenman LLP regarding this transaction. As such, we respectfully request that Katten be assigned as bond counsel for the transaction.

Thank you for your consideration and if there are any questions please feel free to reach out to me at any time.

Best regards,



Joseph Saporito, CPA
Senior Vice President & Chief Financial Officer

Richmond University Medical Center
355 Bard Avenue
Staten Island, NY 10310
Phone - 718-818-3295
JSaporito@rumcsi.org

Exhibit E

**RESOLUTION AUTHORIZING THE ISSUANCE AND SALE
OF UP TO APPROXIMATELY \$150,280,000 BUILD NYC
RESOURCE CORPORATION TAX EXEMPT REVENUE
BONDS (RICHMOND MEDICAL CENTER PROJECT),
SERIES 2018, AND THE TAKING OF OTHER ACTION IN
CONNECTION THEREWITH**

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

WHEREAS, Richmond Medical Center, a New York not-for-profit corporation (the “Applicant”), has entered into negotiations with officials of the Issuer to issue tax exempt bonds to finance a portion of the cost of a project consisting of the financing or refinancing of: (a) the design, construction, furnishing and equipping of a new approximately 56,000 square foot building located on the southeast portion of an approximately 578,550 square foot parcel of land located at 355 Bard Avenue Staten Island, New York; (b) the design and construction of a new approximately 250 space parking lot located on an approximately 115,000 square foot vacant parcel of land located directly behind at 669 and 657 Castleton Avenue, Staten Island, New York; (c) the acquisition and installation of a cogeneration facility and associated equipment located within the Applicant’s boiler plant situated on the southeast portion of the land located at 355 Bard Avenue, Staten Island, New York which will be used to provide electrical energy to the Applicant; (d) infrastructure improvements, including, but not limited to, elevator upgrades and roof repair and replacement, with respect to various buildings located at 355 Bard Avenue, Staten Island, New York; (e) existing taxable loans that were used to finance the renovation, furnishing and equipping of an existing approximately 68,000 square foot residential building located on an approximately 82,000 square foot parcel of land located at 288 Kissel Avenue, Staten Island, New York, which is primarily used to provide, among other things, employee housing to interns and residents in the Applicant’s physician graduate education program; (f) existing taxable loans that were used to finance the acquisition, renovation, furnishing and equipping of an existing approximately 4,900 square foot primary care facility located on an existing approximately 15,400 square foot parcel of land located at 1058 Forest Avenue, Staten Island, New York; (g) a debt service reserve fund; and (h) certain costs related to the issuance of the Bonds (collectively, the “Project”); and

WHEREAS, the Application sets forth certain information with respect to the Applicant and the Project, including the following: that the Applicant is a not-for-profit corporation that the Project will allow the Applicant to enhance and expand its medical and healthcare services; that the Applicant has approximately 1,957 full-time equivalent employees at the Applicant’s facilities; that the Issuer’s financing assistance will provide debt service savings to the Applicant which will allow it to redirect financial resources to the provision of medical and healthcare services; and that, therefore the Issuer’s assistance is necessary to assist the Applicant in proceeding with the Project; and

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

WHEREAS, in order to finance a portion of the cost of the Project, the Issuer intends to issue its Tax Exempt Revenue Bonds (Richmond Medical Center Project), in the aggregate principal amount of up to approximately \$150,280,000 (or such greater amount not to exceed such stated amount by more than 10%, as may be determined by a certificate of determination of an authorized officer of the Issuer (the “Certificate of Determination”)) (the “Bonds”), all pursuant to an Indenture of Trust (the “Indenture”) to be entered into between the Issuer and U.S. Bank National Association, as trustee (the “Trustee”); and

WHEREAS, the Issuer intends to loan the proceeds of the Bonds to the Applicant pursuant to a Loan Agreement (the “Loan Agreement”) to be entered into between the Issuer and the Applicant, and (ii) the Applicant will execute a promissory note in favor of the Issuer and the Trustee (the “Promissory Note”) to evidence the Applicant’s obligation under the Loan Agreement to repay such loan; and

WHEREAS, the Bonds are to be secured by one or more Mortgage and Security Agreements from the Applicant to the Trustee and the Issuer or from the Issuer and the Applicant to the Trustee with respect to the facilities (collectively, the “Mortgage”), which Mortgage will be assigned to the Trustee pursuant to one or more Assignment of Mortgage and Security Agreements from the Issuer to the Trustee (collectively, the “Assignment of Mortgage”); and

WHEREAS, the Applicant retained KeyBanc Capital Markets to act as underwriter (the “Underwriter”) in connection with the sale of the Bonds to the purchasers of the Bonds; and

WHEREAS, the Agency and the Underwriter will enter into a bond purchase agreement (the “Bond Purchase Agreement”) under which the Underwriter will agree to purchase the Bonds; and

WHEREAS, it is necessary in connection with the offering and sale of the Bonds for the Underwriter to distribute a Preliminary Limited Offering Memorandum and Limited Offering Memorandum (collectively, the “Offering Memorandum”) relating to the Bonds;

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

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

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

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

The Bonds shall be issued as fully registered bonds in one or more series, shall be dated as provided in the Indenture, shall be issued as one or more serial and/or term bonds and in an aggregate amount not to exceed \$150,280,000 (or such greater amount not to exceed such stated amount by more than 10% as may be determined by the Certificate of Determination), shall be payable as to principal and redemption premium, if any, at the principal office of the Trustee, shall be payable as to interest by check, draft or wire transfer as provided in the Indenture, shall bear interest at a fixed rate not to exceed nine percent (9.00%) (such final rate to be determined by the Certificate of Determination), shall be subject to optional and mandatory redemption as provided in the Indenture, shall be payable as provided in the Indenture until the payment in full of the principal amount thereof and shall mature not later than December 31, 2052 (or as determined by the Certificate of Determination), all as set forth in the Bonds. The provisions for signatures, authentication, payment, delivery, redemption and number of Bonds shall be set forth in the Indenture hereinafter authorized.

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

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

Section 6. The execution and delivery of the Indenture, the Loan Agreement, the Mortgage, the Assignment of Mortgage, the Bond Purchase Agreement, the Offering Memorandum, and a Tax Certificate of the Issuer and the Applicant (the documents referenced in this Section 6 being, collectively, the "Issuer Documents"), each being substantially in the form approved by the Issuer for prior financings, are hereby authorized. The Chairman, Vice Chairman, Executive Director, Deputy Executive Director or General Counsel of the Issuer are hereby authorized to execute, acknowledge and deliver each such Issuer Document. The execution and delivery of each such Issuer Document by said officer shall be conclusive evidence of due authorization and approval.

Section 7. The Issuer hereby authorizes the distribution of the Offering Memorandum relating to the Bonds.

Section 8. All covenants, stipulations, obligations and agreements of the Issuer contained in this Resolution and contained in the Issuer Documents shall be deemed to be the covenants, stipulations, obligations and agreements of the Issuer to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Issuer and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Issuer or the members thereof by the provisions of this Resolution and the Issuer Documents shall be exercised or performed by the Issuer or by such members, officers, board or body as may be required by law to exercise such powers and to perform such duties.

No covenant, stipulation, obligation or agreement herein contained or contained in any of the Issuer Documents shall be deemed to be a covenant, stipulation, obligation or agreement of any member, director, officer, agent or employee of the Issuer in his individual capacity, and neither the

members of the Issuer nor any officer executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

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

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

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

Section 12. This Resolution is subject to the approval of a private investigative report with respect to the Applicant, which approval shall be conclusively evidenced by the delivery of the Issuer Documents authorized pursuant to Section 6 hereof. The provisions of this Resolution shall continue to be effective until one year from the date hereof, whereupon the effectiveness of this Resolution shall terminate (except with respect to the matters contained in Section 10 hereof) unless (i) prior to the expiration of such year the Issuer shall (x) have issued the Bonds for the Project, or (y) by subsequent resolution extend the effective period of this Resolution, or (ii) the Applicant shall be continuing to take affirmative steps to secure financing for the Project.

Section 13. This Resolution constitutes “other similar official action” under the provisions of Treasury Regulation 1.150-2 promulgated under Section 103 and related sections of the Internal Revenue Code of 1986, as amended (the “Code”). This Resolution is subject to further compliance with the provisions of Sections 141 through 150 and related provisions of the Code.

Section 14. The Issuer, as lead agency, is issuing this determination pursuant to the State Environmental Quality Review (“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 Issuer’s review of information provided by the Applicant and such other information as the Issuer has deemed necessary and appropriate to make this determination. The Issuer 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:

- (a) The expanded emergency department is intended to optimize the hospital’s operations and will not introduce a substantial amount of additional traffic to the site. The cogeneration plan will be required to comply with the New York City Air Pollution Control Code, to secure operating permits from the NYC Department of

Environmental Protection and the NYS Department of Environmental Conservation, and to comply with all subsequent operating permit conditions. In addition, the Applicant will be required to incorporate noise attenuation measures into the design of the cogeneration facility in order to avoid potential noise impacts on the hospital's own facilities and on the surrounding neighborhood. With the implementation of these aforementioned measures, the proposed project would not result in a substantial adverse change in existing traffic, air quality, or noise levels;

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

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

(d) The proposed project would not result in a change in existing zoning or land use.

(e) A Phase I Environmental Site Assessment conducted on the site noted several recognized environmental conditions within the hospital property comprising three storage tanks (two underground and one above ground). The Phase I ESA noted that therefore, a vapor encroachment condition cannot be ruled out. Several historic recognized environmental conditions were also noted, including a closed spill incident related to contamination from a 25,000 gallon underground tank adjacent to the heating plant, and several other closed spill incidents. Two other underground storage tanks were identified from Sanborn maps near the boiler plant building at the property. Finally, visual reconnaissance conducted for the Phase I ESA noted asbestos containing materials (ACM), consisting of floor tiles, pipe wrap and adhesive throughout the property, including in the boiler building.

The Phase I ESA recommended the following:

- Further investigation of the storage tanks should be conducted to confirm that a prior release has not occurred.
- The area of the former underground storage tanks identified in the 1937 to 1962 Sanborn maps should be investigated to confirm the tanks have been removed and that no petroleum product has been released to the environment.
- A vapor encroachment investigation should be conducted at the subject property to confirm if a soil vapor condition exists at the subject property.
- Any remaining asbestos in the buildings scheduled for demolition should be removed in accordance with all appropriate regulations, methods and protocols. For any portions of the hospital undergoing major renovation or demolition, an asbestos survey should be completed in accordance with the New York State Department of Labor Industrial Code 56 and any existing ACM should be removed in accordance with all appropriate regulations, methods and protocols.

With the implementation of the aforementioned measures, no adverse impacts related to hazardous materials are expected from the proposed project.

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

Section 15. The Issuer recognizes that due to the unusual complexities of the financing it may become necessary that certain of the terms approved hereby may require modifications which will not affect the intent and substance of the authorizations and approvals by the Issuer herein. The Issuer hereby authorizes the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or General Counsel to approve modifications to the terms approved hereby which do not affect the intent and substance of this Resolution.

Section 16. In connection with the Project, the Issuer intends to grant the Applicant financing assistance in the form of issuance of the Bonds and an exemption from mortgage recording taxes.

Section 17. This Resolution shall take effect immediately.

Adopted: November 7, 2018

Accepted: _____, 2018

RICHMOND MEDICAL CENTER

By: _____
Name:
Title: