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
SEPTEMBER 18, 2018

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

James Patchett, Chairman
Marlene Cintron
Brian Cook, alternate for Scott M. Stringer,
Comptroller of The City of New York
Barry Dinerstein, 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:

Khary Cuffe
Albert De Leon
Andrea Feirstein
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) Arthur Cohen from Hawkins Delafield & Wood LLP, (4) Patricia Mollica and Alex Deland from Katten Muchin Rosenman LLP, (5) Seth Bryant from Bryant Rabbino LLP, (6) John Ravalli and Raymond Tassielli from the City's Department of Finance and (7) 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 9:47 a.m., at which point a quorum was present.

1. Adoption of the Minutes of the July 24, 2018 Board of Directors Meeting

Mr. Patchett asked if there were any comments or questions relating to the minutes of the July 24, 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 July 31, 2018 (Unaudited)

Christine Robinson, Assistant Vice President of NYCEDC, presented the Corporation's Financial Statements for the one-month period ending July 31, 2018 (Unaudited). Ms. Robinson stated that in the one-month period, the Corporation recognized approximately $46,000 in revenue from one transaction. Ms. Robinson stated that income derived from compliance fees totaled $12,000 for the one-month period. Ms. Robinson stated that the Corporation recognized $183,000 in total expenditures for the one-month period ending in July 31, 2018, consisting of the monthly management fee and marketing expenses.

3. Audited Financial Statements for Fiscal Year Ended June 30, 2018

Spencer Hobson, an Executive Vice President of NYCEDC and Treasurer of the Corporation, and Fred D'Ascoli, Controller for NYCEDC and Assistant Treasurer of the Corporation, presented for review and approval the Corporation's Audited Financial Statements for the Fiscal Year ended June 30, 2018.

On behalf of the Audit Committee, Ms. Thomas stated that the Audit Committee was satisfied with the Agency's Audited Financial Statements and recommended the approval thereof by the Board.

4. Annual Investment Report for Fiscal Year Ended June 30, 2018

Mr. Hobson and Mr. D'Ascoli presented for review and approval the Corporation's Annual Investment Report for the Fiscal Year ended June 30, 2018.

On behalf of the Audit Committee, Ms. Thomas stated that the Audit Committee was satisfied with the Annual Investment Report and recommended the approval thereof by the Board.

There being no comments or questions, a motion to approve the Corporation's Audited Financial Statements for the Fiscal Year ended June 30, 2018 attached hereto as Exhibit A, as submitted, and the Corporation's Annual Investment Report for the Fiscal Year ended June 30, 2018 attached hereto as Exhibit B, as submitted, were made, seconded and unanimously approved.

5. Performance Measurements Report

Krishna Omolade, an Assistant Vice President of NYCEDC and Deputy Executive Director of the Corporation, presented the Corporation's performance measurements report.

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

6. Board Performance Self-Evaluation Survey Results

Emily Marcus, a Project Manager for NYCEDC, presented the results of the Board's annual Self-Evaluation Survey (the "Survey"). Ms. Marcus stated that eight out of thirteen Board members took the Survey.

On behalf of the Governance Committee, Ms. Woo stated that most of the results from the Survey were favorable. The questions which elicited the largest number of "disagree" responses were questions five and thirteen. The Governance Committee wasn't sure if this was because, out of the twelve board members, five have been just recently appointed in the past year. The committee discussed whether there should be an orientation for new board members to get them familiar with how the Corporation works, what is to be expected, and the mission statement. These topics would be relevant to the subject of question five, which addresses how performance contributes to accomplishing the mission, and question thirteen, which addresses oversight of Corporation staff. The committee also discussed whether there should be an opportunity to discuss some of the projects before the actual meeting. Ms. Woo stated further that there was one additional question that Board members disagreed on, which was question four. Ms. Woo stated that these questions were taken from the PAAA survey questions and some of them might not be applicable to the Build NYC so the committee wasn't sure if that accounted for the disagreement on question four. Ms. Woo stated that overall the results were favorable.

7. AMDA, Inc.

Kyle Brandon, a Project Manager for NYCEDC, presented for review and adoption a bond approval and authorizing resolution for an approximately $34,200,000 tax-exempt and taxable revenue bond issuance for the benefit of AMDA, Inc. Mr. Brandon recommended the Board adopt a SEQRA determination that the proposed project is an Unlisted action and will not have a significant adverse effect on the environment. Mr. Brandon described the project and its benefits as set forth in Exhibit D.

Mr. Dinerstein stated that the Finance Committee had a couple questions, which Corporation staff answered, and that the company has a very strong balance sheet. On behalf of the Finance Committee, Mr. Dinerstein recommended approval of this project.

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

8. Center for Urban Community Services, Inc.

Nicholas Lyos, a Project Manager for NYCEDC, presented for review and adoption a bond approval and authorizing resolution for an approximately $13,250,000 tax-exempt note issuance for the benefit of the Center for Urban Community Services, Inc. and recommended the adoption of a SEQRA determination that the proposed project is an Unlisted action and will not have a significant adverse effect on the environment. Mr. Lyos described the project and its benefits as set forth in Exhibit F.

Mr. Dinerstein stated that most of the revenue for the operation is generated with contracts with the City and New York State and based on that the committee was satisfied that they would be able to meet their obligations under the Build NYC program. On behalf of the Finance Committee, Mr. Dinerstein recommended approval of this project.

In response to a question from Mr. Cook, Mr. Lyos stated that the company is in compliance with their due diligence.

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 Center for Urban Community Services, Inc. attached hereto as Exhibit G was made, seconded and unanimously approved.

9. Trustees of the Spence School, Inc.

Mr. Brandon presented for review and adoption a bond approval and authorizing resolution for an approximately $25,000,000 tax-exempt revenue note issuance for the benefit of the Trustees of the Spence School, Inc. and recommended the Board adopt a SEQRA determination that the project is an Unlisted action and will not have a significant adverse effect on the environment. Mr. Brandon described the project and its benefits as set forth in Exhibit H.

There being no comments or questions, a motion to approve the bond approval and authorizing resolution and SEQRA determination for the benefit of the Trustees of the Spence School, Inc. attached hereto as Exhibit I was made, seconded and unanimously approved.

10. Adjournment

There being no further business to come before the Board of Directors at the meeting, pursuant to a motion made, seconded and unanimously approved, the meeting of the Board of Directors was adjourned at 10:04 a.m.

Arthur Hauser
Assistant Secretary

Dated: 11/7/18
New York, New York

<u>Exhibit A</u>

FINANCIAL STATEMENTS

Build NYC Resource Corporation
(A Component Unit of the City of New York)
Years Ended June 30, 2018 and 2017
With Report of Independent Auditors

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

Financial Statements

June 30, 2018 and 2017

Contents

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 (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 ________, 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 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 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.

________, 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.

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:

				% Change	
	2018	**2017**	**2016**	**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 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.

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:

				% Change	
	2018	**2017**	**2016**	**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.

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 *(Note 3)*	**$ 3,563,619**	$ 2,545,818
Investments *(Note 3)*	**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 *(Note 3)*	**-**	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 *(Note 2)*	**$ 1,779,797**	$ 2,753,763
Recapture income *(Note 2)*	**-**	811,887
Total operating revenues	**1,779,797**	3,565,650
Operating expenses		
Management fees *(Note 4)*	**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 *(Note 5)*	**(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 income to net cash provided by operating activities		
Operating (loss)/income	**$ (1,604,181)**	$ 179,850
Adjustments to reconcile operating income to net cash 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 provided by operating activities	**$ (1,623,434)**	$ 190,614

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.

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.

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.

3. Deposits and Investments (continued)

In February 2015 the GASB issued Statement No.72, *Fair Value Measurement and Application*. This Statement requires that investments by 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. Matric 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		

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.

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.

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	-
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
		$3,375,000	$327,093	$30,000	$3,017,907

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 ________, 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 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.

________, 2018

Summary Financial Information

SUMMARY STATEMENT OF NET ASSETS

Assets			
Current Assets			
	Cash and cash equivalents		$3,563,619.00
	Investments		$6,384,025.00
	Receivables, net		$7,850.00
	Other assets		$0.00
	Total Current Assets		$9,955,494.00
Noncurrent Assets			
	Restricted cash and investments		$0.00
	Long-term receivables, net		$0.00
	Other assets		$0.00
	Capital Assets		
		Land and other nondepreciable property	$0.00
		Buildings and equipment	$0.00
		Infrastructure	$0.00
		Accumulated depreciation	$0.00
		Net Capital Assets	$0.00
	Total Noncurrent Assets		$0.00
Total Assets			$9,955,494.00
Liabilities			
Current Liabilities			
	Accounts payable		$8,373.00
	Pension contribution payable		$0.00
	Other post-employment benefits		$0.00
	Accrued liabilities		$51,864.00
	Deferred revenues		$37,599.00
	Bonds and notes payable		$0.00
	Other long-term obligations due within one year		$0.00
	Total Current Liabilities		$97,836.00
Noncurrent Liabilities			
	Pension contribution payable		$0.00
	Other post-employment benefits		$0.00

	Bonds and notes payable		$0.00
	Long Term Leases		$0.00
	Other long-term obligations		$0.00
	Total Noncurrent Liabilities		$0.00
Total Liabilities			$97,836.00
Net Asset (Deficit)			
Net Assets			
	Invested in capital assets, net of related debt		$0.00
	Restricted		$0.00
	Unrestricted		$9,857,658.00
	Total Net Assets		$9,857,658.00

SUMMARY STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS

Operating Revenues			
	Charges for services		$0.00
	Rental & financing income		$1,779,797.00
	Other operating revenues		$0.00
	Total Operating Revenue		$1,779,797.00
Operating Expenses			
	Salaries and wages		$0.00
	Other employee benefits		$0.00
	Professional services contracts		$3,300,000.00
	Supplies and materials		$1,973.00
	Depreciation & amortization		$0.00
	Other operating expenses		$82,005.00
	Total Operating Expenses		$3,383,978.00
Operating Income (Loss)			-$1,604,181.00
Nonoperating Revenues			
	Investment earnings		$129,543.00
	State subsidies/grants		$0.00
	Federal subsidies/grants		$0.00
	Municipal subsidies/grants		$0.00
	Public authority subsidies		$0.00
	Other nonoperating revenues		$0.00
	Total Nonoperating Revenue		$129,543.00
Nonoperating Expenses			
	Interest and other financing charges		$0.00

	Subsidies to other public authorities		$0.00
	Grants and donations		$0.00
	Other nonoperating expenses		$30,000.00
	Total Nonoperating Expenses		$30,000.00
	Income (Loss) Before Contributions		-$1,504,638.00
Capital Contributions			$0.00
Change in net assets			-$1,504,638.00
Net assets (deficit) beginning of year			$11,362,296.00
Other net assets changes			$0.00
Net assets (deficit) at end of year			$9,857,658.00

Exhibit B

BUILD NYC RESOURCE CORPORATION
INVESTMENT REPORT

Board of Directors Meeting, September 18, 2018

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

NOW, THEREFORE, BE IT RESOLVED THAT, the Board of Directors of Build NYC Resource Corporation hereby approves the Investment Report for the fiscal year ended June 30, 2018 annexed hereto (including all attachments, schedules and exhibits thereto).

BUILD NYC RESOURCE CORPORATION
INVESTMENT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Comprehensive Investment Guidelines Policy

Attached hereto as Schedule I is the Comprehensive Investment Guidelines Policy of Build NYC Resource Corporation (the "Corporation"), as approved by the Corporation's Board of Directors on June 12, 2018 (the "Investment Policy"). The Investment Policy approved by the Corporation's Board of Directors on June 12, 2018 did not contain any substantive amendments as compared to the Investment Policy approved by the Corporation's Board of Directors on June 13, 2017.

Investment Objectives

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

Annual Independent Audit

The results of the annual independent audit (including the independent accountant's audit report) for the fiscal year ended June 30, 2018 are attached hereto as Schedule II.

Investment Income Record

Investment income from interest earned on bank accounts, certificates of deposits and securities was $129,543 for the fiscal year ended June 30, 2018.

Fees, Commissions and Other Charges

The Corporation did not pay any fees, commissions or other charges to an investment banker, broker, agent, dealer or advisor during the fiscal year ended June 30, 2018.

SCHEDULE I
INVESTMENT POLICY

Attached.

SCHEDULE II
RESULTS OF ANNUAL INDEPENDENT AUDIT

Attached.

BUILD NYC RESOURCE CORPORATION

COMPREHENSIVE INVESTMENT GUIDELINES POLICY

Adopted December 13, 2011, as amended through June 12, 2018

I. PURPOSE

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

II. GENERAL PROVISIONS

A. Scope of Policy

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

B. Investment Objectives

The Funds shall be managed to accomplish the following objectives:

1. *Preservation of Principal* – The single most important objective of Build NYC's investment program is the preservation of the principal of the Funds.

2. *Maintenance of Liquidity* – The Funds shall be managed in such a manner that assures that funds are available as needed to meet immediate and/or future operating requirements of Build NYC.

3. *Maximize Return* – The Funds shall be managed in such a fashion as to maximize income through the purchase of Permitted Investments (hereinafter defined), taking into account the other investment objectives.

III. IMPLEMENTATION OF GUIDELINES

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

IV. AUTHORIZED INVESTMENTS

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

1. *U.S.A.* Obligations or securities issued by the United States.

2. *Federal Agency Obligations*. Obligations or securities issued by any agency or instrumentality of the United States if guaranteed, as to principal and interest, by the United States.

3. *Commercial Paper*. Debt obligations with a maturity of no greater than 270 days and with ratings that are the highest ratings issued by at least two rating agencies approved by the Comptroller of the State of New York.

4. *Bankers’ Acceptances* of banks with worldwide assets in excess of $50 million that are rated with the highest categories of the leading bank rating services and regional banks also rated within the highest categories.

5. *Certificates of Deposit and Time Deposits* with New York banks, including minority-owned banks. All such certificates of deposit in these banks must be Federal Deposit Insurance Corporation (“FDIC”) insured; *provided, however,* if and to the extent such certificates of deposits or time deposits are not FDIC insured, such Securities shall comply with all other applicable requirements of the General Municipal Law of the State of New York, including, but not limited to, requirements as to the collateralization of deposits of funds in excess of the amounts insured by the FDIC.

6. *Other investments* approved by the Comptroller of New York City for the investment of City funds.

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

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

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

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

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

V. WRITTEN CONTRACTS

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

VI. DIVERSIFICATION

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

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

VII. MAXIMUM MATURITY

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

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

VIII. MONITORING AND ADJUSTING THE INVESTMENT PORTFOLIO

Those responsible for the day-to-day management of the portfolio will routinely monitor the contents of the portfolio, the available markets and the relative values of competing instruments, and will adjust the portfolio as necessary to meet the requirements and goals of this Policy. It is recognized and understood that the non-speculative active management of portfolio holdings may cause a loss on the sale of an owned investment.

IX. INTERNAL CONTROLS

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

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

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

A. BROKERS, AGENTS, DEALERS

The categories of firms listed below are the categories from which Build NYC may select firms to purchase and sell Securities (as selected an "Agent"). Factors to be considered by Build NYC in selecting Agents from these categories shall include the following: size and capitalization; quality and reliability; prior experience generally and prior experience with Build NYC specifically; and level of expertise for the transactions contemplated.

1. any bank or trust company organized and/or licensed under the laws of the USA which is authorized to do business in NYS;

2. any bank or trust company organized and/or licensed under the laws of any state of the USA which is authorized to do business in NYS;

3. any broker-dealer licensed and/or permitted to provide services under federal law and, when necessary, qualified to do business in NYS.

B. INVESTMENT ADVISORS

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

C. INVESTMENT BANKERS

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

D. CUSTODIANS

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

XI. REPORTING

A. Quarterly

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

B. Annually

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

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

a. This Policy and amendments thereto since the last report;

b. An explanation of this Policy and any amendments made since the last report;

c. The independent audit report required by paragraph 1 above;

d. The investment income record of Build NYC for the fiscal year; and

e. A list of fees, commissions or other charges paid to each investment banker, broker, agent, dealer and advisor rendering investment associated services to Build NYC since the last report.

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

XII. APPLICABILITY

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

XIII. CONFLICT OF LAW

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

XIV. PRIOR AUTHORIZATIONS NOT SUPERSEDED

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

XV. MWBEs

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

Schedule of Investments

Build NYC Resource Corporation
(A Component Unit of the City of New York)
Years Ended June 30, 2018 and 2017
With Report of Independent Auditors

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

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

Schedule of Investments

Years Ended June 30, 2018 and 2017

Contents

Report of Independent Auditors

The Management and the Board of Directors
Build NYC Resource Corporation

Report on the Schedule of Investments

We have audited the accompanying Schedule of Investments for the Build NYC Resource Corporation (the "Corporation"), a component unit of the City of New York, as of June 30, 2018 and 2017, and the related notes.

Management's Responsibility for the Financial Schedule

Management is responsible for the preparation and fair presentation of the Schedule of Investments 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 the Schedule of Investments that is free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Schedule of Investments based on our audit. We conducted our audit 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 Schedule of Investments is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule of Investments. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Schedule of Investments, 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 Schedule of Investments 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 Schedule of Investments.

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 Schedule of Investments referred to above presents fairly, in all material respects, the investments of the Corporation as of June 30, 2018 and 2017, in conformity with U.S. generally accepted accounting principles.

Report on the Financial Statements as of June 30, 2018 and 2017

We have audited, in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards,* the financial statements of the Corporation as of and for the years ended June 30, 2018 and 2017, and our report thereon dated ________, 2018, expressed an unmodified opinion on those financial statements.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated ________, 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 with respect to the Schedule of Investments. The purpose of that report is 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 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 Corporation's internal control over financial reporting and compliance with respect to the Schedule of Investments.

________, 2018

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

Schedule of Investments
(In Thousands of Dollars)

	June 30	
	2018	2017
Investments		
Unrestricted	**$ 8,947**	$ 9,098
Total investments	**$ 8,947**	$ 9,098

The accompanying notes are an integral part of this statement.

Notes to Schedule of Investments

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 eligible under the federal tax laws in obtaining tax-exempt bond 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 as well as refinance previous financing transactions.

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

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

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

Notes to Schedule of Investments (continued)

2. Summary of Significant Accounting Policies

Cash Equivalents

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

Investments

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

3. Investments

In February 2015 the GASB issued Statement No.72, *Fair Value Measurement and Application*. This Statement requires that investments by 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. Matric 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.

3. Investments (continued)

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		

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 two 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).

3. Investments (continued)

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

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

	Dollar Amount and Percentage of Total Investments					
Issuer	**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**		–	–
Natl Sec Clearing Corp		**2,383**	**37.32**		–	–
CP-Coca-Cola Co.		–	–		993	10.92
CP-MetLife Short Term Fund		–	–		993	10.92

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

The Management and the Board of Directors
Build NYC Resource Corporation

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Schedule of Investments of the Build NYC Resource Corporation (the "Corporation"), a component unit of the City of New York, as of June 30, 2018, and the related notes to the Schedule of Investments, and have issued our report thereon dated ________, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the Schedule of Investments, 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 Schedule of Investments, 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 Schedule of Investments 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 Schedule of Investments are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and investment policies established by the Corporation and the New York State Comptroller investment guideline requirements as presented in Section 201.3(c) of the *Accounting, Reporting and Supervision Requirements for Public Authorities*, noncompliance with which could have a direct and material effect on the determination of Schedule of Investments 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 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.

________, 2018

Exhibit C

BUILD NYC RESOURCE CORPORATION
Performance Measurements Report
Board of Directors Meeting
September 18, 2018

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

WHEREAS, on June 12, 2018, the Board adopted the performance measurements listed in the Performance Measurements Report for the fiscal year ending June 30, 2018 (attached as Attachment A) (the "Performance Measurements Report").

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

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

ATTACHMENT A

Performance Measurements Report for Fiscal Year 2018

Name of Public Authority:
Build NYC Resource Corporation

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

List of Performance Measurements:

Performance Measurements	FY2018 7/1/17 – 6/30/18	FY2017 7/1/16 – 6/30/17
Number of Contracts Closed	15	15
Amount of Private Investment Leveraged	$616,323,814	$564,047,409
Total net City tax revenues generated in connection with closed contracts[1]	$73,613,855	$168,832,366
Project three-year job growth in connection with closed contracts	251	419
Current total jobs reported by projects that commenced operations in FY 2015[2] as compared to total jobs reported at the time of application for such projects	2,481/1,311 (+1,170)	1,229/826 (+403)
Current total jobs reported by projects that commenced operations in FY 2015[3] as compared to the three-year total job growth projections stated in applications for such projects	2,481/1,393 (+1,088)	1,229/911 (+318)
Square footage of buildings/improvements receiving benefits[4]	821,185	2,271,555
Number of projects that received a field visit	49	27
% of projects that received a field visit	39.51%	24.54%
% of projects in good standing[5]	99%	100%

[1] Represents net city tax revenues projected through contract maturity.

[2] Excludes projects which terminated prior to FY 2018 and includes projects that closed in FY 2015 but commenced all project operations prior to the closing date.

[3] Excludes projects which terminated prior to FY 2018 and includes projects that closed in FY 2015 but commenced all project operations prior to the closing date.

[4] Represents contracts which closed during Fiscal Year.

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

Exhibit D

Project Summary

AMDA, Inc. d/b/a The American Musical and Dramatic Academy (the "Institution"), a New York not-for-profit corporation exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, as borrower, is seeking approximately $34,200,000 in tax-exempt and taxable revenue bonds (the "Bonds"). Proceeds from the Bonds will be used to finance or refinance the costs to: (1) acquire, renovate, furnish and equip an approximately 15,000 square foot five-floor building located on an approximately 3,000 square foot parcel of land located at 207 West 85th Street, New York, New York 10024 for an approximate cost of $9,000,000 to be used as a dormitory; (2) acquire, renovate, furnish and equip an approximately 15,000 square foot six-floor building located on an approximately 3,000 square foot parcel of land located at 205 West 85th Street, New York, New York 10024 for an approximate cost of $9,000,000 to be used as a dormitory; (3) acquire, renovate, furnish and equip an approximately 15,000 square foot one-floor commercial condominium located on an approximately 7,500 square foot parcel of land located at 421 West 54th Street, New York, New York 10019 for an approximate cost of $14,700,000 to be used as administrative headquarters (4) renovate, furnish and equip an approximately 67,000 square foot four-floor building located on an approximately 20,100 square foot parcel of land located at 211 West 61st Street, New York, New York 10023 for an approximate cost of $1,500,000 to create five state of the art classrooms and an admissions viewing center; (5) fund a debt service reserve and (6) pay for certain costs related to the issuance of the Bonds (collectively, the "Project"). The Institution is a private performing arts conservatory serving post-secondary students and located in the Upper West Side of Manhattan.

Project Locations

211 West 61st Street
New York, NY 10023

205 West 85th Street
New York, NY 10024

207 West 85th Street
New York, NY 10024

421 West 54th Street
New York, NY 10019

Actions Requested

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

Anticipated Closing

Fall 2018

Impact Summary

Employment Information		
Jobs at Application:		204
Jobs to be Created at Project Location (Year 3):		53
Total Jobs (full-time equivalents)		**257**
Projected Average Hourly Wage (excluding principals)	**$**	**39.56**
Highest Wage/Lowest Wage	**$**	**53.00/18.00**

Estimated City Tax Revenues	
Impact of Operations (NPV 30 years at 6.25%)	$ 11,520,375
One-Time Impact of Renovation	92,576
Total impact	$ 11,612,951
Additional benefit from jobs to be created	$ 2,203,892

Kyle Brandon, SIG
Leon Willis, LGL

Hawkins Delafield & Wood LLP
Project Number – 7659

AMDA, Inc. D/B/A The American Musical and Dramatic Academy

Estimated Cost of Benefits Requested: New York City	
MRT Benefit	$568,750
NYC Forgone Income Tax on Bond Interest	125,850
Corporation Financing Fee	(200,000)
Total Cost to NYC Net of Financing Fee	**$494,600**

Costs of Benefits Per Job	
Estimated Net City Cost of Benefits per Jobs in Year 3	$ 1,925
Estimated City Tax Revenue per Jobs in Year 3	$ 53,762

Estimated Cost of Benefits Requested: New York State	
MRT Benefit	$ 411,250
NYS Forgone Income Tax on Bond Interest	473,474
Total Cost to NYS	**$ 884,724**
Overall Total Cost to NYC and NYS	**$ 1,379,324**

Sources and Uses

Sources	Total Amount	Percent of Total Financing
Bond Proceeds	$34,200,000	88%
Equity	4,300,000	12%
Total	**$38,500,000**	**100%**

Uses	Total Amount	Percent of Total Costs
Land & Building Acquisition	$34,000,000	88.3%
Construction Hard Costs	3,100,000	8.1%
Construction Soft Costs	200,000	0.5%
Furnishings & Equipment	200,000	0.5%
Cost of Issuance	1,000,000	2.6%
Total	**$38,500,000**	**100%**

Fees

	Paid At Closing	On-Going Fees (NPV, 30 Years)
Corporation Fee	$195,000	
Bond Counsel	135,000	
Annual Corporation Fee	1,250	16,756
Bond Trustee Acceptance Fee	500	
Annual Bond Trustee Fee	500	6,702
Trustee Counsel Fee	5,000	
Total	$337,250	23,458
Total Fees	**$360,708**	

AMDA, Inc. D/B/A The American Musical and Dramatic Academy

Financing and Benefits Summary

The Bonds will be directly purchased by TD Bank, Capital One, and Israel Discount Bank. The Bonds will have an anticipated fixed interest rate based on the 10-year Swap Rate plus 225 basis points, or an indicative rate of 4.57%, for the initial 10 years of the 25-year bond term with a 25-year amortization schedule. After year 10, the borrower anticipates converting the interest rate on the Bonds from the existing interest rate to a new rate for the balance of the term. The Bonds will be secured by a mortgage and assignment of rents and leases at 205 West 85th Street and 207 West 85th Street. The Bonds will also be cross collateralized with real estate assets at 421-429 West 54th Street, 211 West 61st Street, and 117 West 70th Street. Based on an analysis of the Institution's financial statements, it is expected to have a debt service coverage ratio of 3.2x.

Applicant Summary

Founded in 1964 in Manhattan, the Institution is celebrating over 50 years as one of America's premier conservatories for the performing arts including theater, dance, music, film and television. The Institution is fully accredited by the National Association of Schools of Theatre (NAST), offering conservatory studies and Bachelor of Fine Arts programming in Los Angeles and New York to more than 1,000 students. Of note, 700 students attend the conservatory programs in New York.

The project will allow the Institution to realize debt service savings by refinancing a taxable loan and by providing affordable financing to support the acquisition of the two 85th Street properties. The Institution currently leases these properties, which are used for student housing, but wishes to acquire the buildings to secure them for future use and to protect against anticipated increasing rental costs. The Institution will utilize these savings to improve the quality of its facilities. Equally important, the savings will allow the Institution to grow its programs and academic offerings, which will result in the retention of existing full and part-time jobs and future sustainable workforce growth to match student headcount growth.

The 2015, the Corporation approved the issuance of approximately $47,000,000 in tax-exempt to the Institution, the proceeds of which were used to refinance taxable debt used to acquire a commercial condominium unit located at 211 West 61st street and a building located at 117 West 70th street. At the time, the Institution had 400 students.

David D. Martin, President

David D. Martin is the Institution's co-founder, President and Artistic Director and an accomplished producer, director, teacher, and actor. Since shortly after the Institution's inception in New York over 50 years ago, Mr. Martin has led the Institution from its origins as a small academy with an enrollment of 40 students into the ranks of the top, nationally-accredited performing arts institutions in the world with two campuses. Mr. Martin received his B.A. from Baylor University and did graduate study at Trinity University. He has served on the Institution's Board since 1975.

Jan Rugger Martin, Chief Executive Officer

Jan Rugger Martin is the Institution's co-founder and CEO/Executive Director. She is married to David D. Martin, Institution's President and Artistic Director. Ms. Martin's purview not only includes the direction and supervision of both the New York and Hollywood campuses' operations, but also strategic planning and implementation for continued institutional growth. Ms. Martin has been Chair of and is currently a senior level member of the Institution's Board of Directors. She also served on the Board of Directors of the Neuropathy Association. Ms. Martin currently serves on the Board of Directors for the Hollywood Property Owners Alliance, a community group managing two Business Improvement Districts in the heart of Hollywood. Ms. Martin was the first Bachelor's Degree recipient of The American Musical and Dramatic Academy. Further undergraduate studies include Columbia University, Hunter College, The New School for Social Research, and the University of Iowa. She has served on the Institution's Board since 1975.

Nancy Sullivan, Board Chairperson

Nancy Sullivan is President of Hudson Erie Property Investments, a privately held commercial real estate investment firm that operates in Virginia and Ohio. Ms. Sullivan is also the Vice-President of Sullivan Import Company, an Ohio firm that imports goods from India and Italy for distribution in the United States. From 1977 to 1985, she was also a partner with Loving and Associates, a commercial property investment and management firm. Ms. Sullivan has been an active volunteer over the past thirty years with the Junior League and numerous community arts organizations. Ms. Sullivan received her B.A. from the University of Richmond. She has served on the Board since June 2005.

AMDA, Inc. D/B/A The American Musical and Dramatic Academy

Employee Benefits
The Institution offers a retirement plan, health insurance, life insurance, and a health care flexible spending account.

SEQRA Determination
Unlisted action with 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.

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
Affordable Care Act:	ACA Coverage Offered
Private School Policy:	Not Applicable
Bank Account:	TD 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:	Not Applicable
Vendex Check:	No derogatory information was found.
Attorney:	Jeff Fried, Esq. Loeb & Loeb LLP 345 Park Avenue New York, NY 10154
Accountant:	Joe Ali O'Connor Davies, LLP 665 Fifth Avenue New York, NY 10022
Consultant:	Dan Froehlich D.A. Davidson & Co. 575 Fifth Avenue New York, NY 10017
Community Board:	Manhattan, CB7

Board of Directors
David D. Martin, President
Jan Rugger Martin, Executive Director
Nancy Sullivan, Chair
Sharon Kelley, Audit Committee Chair
Elisa J. Lefkowitz
Molly O. Olecki
Jon Freedman, CFA
Matthew McAlpine

August 8, 2018

Mr. Krishna Omolade
Deputy Executive Director
NYCIDA and Build NYC Resource Corporation
New York City Economic Development Corporation
110 William Street
New York, NY 10038

Re: Application for refinancing / new money through the Build NYC Resource Corp. / Not-For-Profit Bond Program AMDA, Inc. (The American Musical and Dramatic Academy)

Dear Mr. Omolade:

Founded in 1964 in Manhattan, The American Musical and Dramatic Academy (AMDA), a 501 (c) 3 non-profit, is celebrating over 50 years as one of America's premier conservatories for the performing arts including theater, dance, music, film and television. AMDA is fully accredited by the National Association of Schools of Theatre (NAST) offering conservatory studies in New York and Los Angeles and Bachelor of Fine Arts in Los Angeles to more than 1,000 students annually with 700 students attending the conservatory programs in New York.

At its heart, AMDA is a New York institution having its original location on East 23rd Street, then a location on Bleecker Street and with continued growth moving to its current locations on the Upper West Side at 211 W. 61st Street and 117 W. 70th Street. AMDA's west coast location in Hollywood, CA was opened in 2003. AMDA is committed to providing an unsurpassed performing arts education to a diverse community of creative artists via a rigorous, performance-based training and an industry-focused education experience that inspires excellence and prepares artists with an appreciation for the universal power of transformation through art. By training creative artists and supporting the artistic community, AMDA plays a role in the continuing quality of cultural life in New York City.

In the application plan of finance, AMDA, Inc. proposes the issuance of Series 2018 tax exempt bonds in the estimated amount of $34 million and not to exceed $38.5 million to purchase two brownstones on West 85th Street for $18 million; refinance the purchase of 421 West 54th Street, which was purchased in April of 2018 for $16 million and financed for $12.8 million; renovate 421 West 54th Street to reconfigure offices and workstations and upgrade HVAC; renovate 211 West 61st Street, which the administrative, executive and admissions staff vacated to move to 421 West 54th Street, to build five state of the art classrooms and admissions viewing center for the benefit of the students and to pay for certain costs related to the issuance of the Bonds. But for lower tax exempt interest rate and other ancillary benefits offered by a Build NYC financing, AMDA would not be in a position to either realize debt service savings by refinancing the taxable loan or to affordably finance the acquisition of the 85th Street properties. AMDA currently leases these properties, which are used for student housing, but wishes to acquire the buildings to secure them for future use and to protect against anticipated increasing rental costs. AMDA will utilize these savings to improve the quality of its facilities including educational facilities and student housing. Equally important, the savings allow AMDA to grow its programs and academic offerings which results in the maintenance of existing full and part-time jobs and future sustainable workforce growth to match student headcount growth.

Thank you for your time and consideration in reviewing AMDA's application. The AMDA team looks forward to working with you.

Very truly yours,

/s/ David Silverman

David Silverman
AMDA, Inc.
Chief Financial Officer

Exhibit E

Resolution approving the financing and refinancing of certain facilities for AMDA, Inc. d/b/a The American Musical and Dramatic Academy, and its affiliate, Manhattan Stratford Arms, Inc., and authorizing the issuance and sale of approximately $34,200,000 Revenue Bonds (AMDA, Inc. d/b/a The American Musical and Dramatic Academy 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 institutions, manufacturing and industrial businesses and other entities to access tax-exempt and taxable financing for their eligible projects; (ii) to issue and sell one or more series or classes of bonds, notes and other obligations through private placement, negotiated underwriting or competitive underwriting to finance such activities above, on a secured or unsecured basis; and (iii) to undertake other eligible projects 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, AMDA, Inc. d/b/a The American Musical and Dramatic Academy (the "Applicant"), a New York not-for-profit corporation, and its affiliate, Manhattan Stratford Arms, Inc., a New York not-for-profit real estate holding corporation (the "Company"), entered into negotiations with officials of the Issuer with respect to the financing and refinancing of the costs of multiple facilities (collectively, the "Facilities") to (1) acquire, renovate, furnish and equip an approximately 15,000 square foot five-floor building located on an approximately 3,000 square foot parcel of land located at 207 West 85th Street, New York, New York 10024 for an approximate cost of $9,000,000 to be used as a dormitory; (2) acquire, renovate, furnish and equip an approximately 15,000 square foot six-floor building located on an approximately 3,000 square foot parcel of land located at 205 West 85th Street, New York, New York 10024 for an approximate cost of $9,000,000 to be used as a dormitory; (3) acquire, renovate, furnish and equip an approximately 15,000 square foot one-floor building located on an approximately 7,500 square foot parcel of land located at 421 West 54th Street, New York, New York 10019 for an approximate cost of $14,700,000 to be used as administrative headquarters; (4) renovate, furnish and equip an approximately 67,000 square foot four-floor building located on an approximately 20,100 square foot parcel of land located at 211 West 61st Street, New York, New York 10023 for an approximate cost of $1,500,000 to create five state of the art classrooms and an admissions viewing center, all to be used by the Applicant in its operations as a conservatory for the performing arts (the "Project"); and

WHEREAS, on December 10, 2015 the Issuer issued its $21,000,000 aggregate principal amount of Revenue Bonds (AMDA, Inc. Project), Series 2015 (the "Series 2015

Bonds") pursuant to an Indenture of Trust, dated as of December 1, 2015 (the "Indenture"), between the Issuer and U.S. Bank National Association, as Trustee (the "2015 Trustee"), which Series 2015 Bonds were issued to assist the Applicant and the Company for the purpose of (i) refinancing a portion of the cost of the acquisition and renovation of two facilities in New York, New York, consisting of the acquisition and renovation of an approximately 67,000 square foot commercial condominium unit facility owned by AMDA used for classrooms, studios, offices and performance space on an approximately 20,000 square foot parcel of land located at 211 West 61st Street (the "211 West 61st Street Facility") and an approximately 67,000 square foot dormitory facility owned by MSA on an approximately 10,000 square foot parcel of land located at 117 West 70th Street (the "117 West 70th Street Facility"; and together with the 211 West 61st Street Facility, the "Facilities"), and (ii) financing a portion of the cost of the construction, renovation, equipping and furnishing of the Facilities, consisting of the construction of additional performance spaces at the 211 West 61st Street Facility and the renovation, equipping and furnishing of the 117 West 70th Street Facility (all of such facilities being collectively referred to as the "2015 Facilities"), all to be used by AMDA in its operations as a conservatory for the performing arts (the "2015 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 is a not-for-profit school for the performing arts offering conservatory studies in New York City and Los Angles to more than 1,000 students annually with approximately 700 students annually attending the conservatory programs in New York City; that the financing and refinancing of the Project costs with the Issuer's financing assistance will enable the Applicant to provide state of the art performance facilities for its students and enhance the safety and functionality of its dormitories; that without the lower tax exempt interest rate and other ancillary benefits offered by the Issuer, the Applicant would not be in a position to either realize debt service savings by refinancing its taxable loans or to affordably finance the acquisition of the new 85th Street properties (which the Applicant currently leases) in order to acquire the buildings to secure them for future use and to protect against anticipated increasing rental costs; that the Applicant will utilize these savings to improve the quality of its facilities including educational facilities and student housing and allow the Applicant to grow its programs and academic offerings which results in the maintenance of existing full and part-time jobs and future sustainable workforce growth to match student headcount growth; and that, therefore, the Issuer's financing assistance is necessary to assist the Applicant and the Company in proceeding with the Project; and

WHEREAS, in order to finance a portion of the cost of the Project, the Issuer intends to issue its Revenue Bonds (AMDA, Inc. d/b/a The American Musical and Dramatic Academy Project), Series 2018 in the aggregate principal amount of approximately $34,200,000 (or such greater principal amount not to exceed $37,620,000, as may be determined by a certificate of determination of an Issuer officer (the "Certificate of Determination")) (the "Bonds"), all pursuant to an Indenture of Trust hereinafter authorized (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 and the Company pursuant to a Loan Agreement (the "Loan Agreement") to be entered into between the Issuer and each of the Company and the Applicant, and (ii) the Company and the Applicant will execute a promissory note in favor of the Issuer (and endorsed by the Issuer to the Trustee) (the "Promissory Note") to evidence the Company's and the Applicant's obligations under the Loan Agreement to repay such loan; and

WHEREAS, the Bonds are to be secured by (i) mortgage liens on and security interests in the Facilities (and certain of the 2015 Facilities) granted by the Company and the Applicant, as mortgagors, to the Issuer and/or the Trustee, as mortgagees, pursuant to Mortgage and Security Agreements (the "Mortgages"), which Mortgages (to which the Issuer is a party) will be assigned by the Issuer to the Trustee pursuant to an Assignment of Mortgage and Security Agreement from the Issuer to the Trustee (the "Assignment of Mortgage"); and (ii) a Pledge and Security Agreement from the Company and the Applicant to the Trustee (the "Pledge and Security Agreement") with respect to the Applicant's assets (the "Pledged Collateral"); and

WHEREAS, the respective rights of the Trustee and the 2015 Trustee, relative to the Facilities and the Pledged Collateral, will be governed by the terms of an Intercreditor Agreement among the Issuer, the Trustee, the 2015 Trustee, the Applicant and the Company, among other parties (the "Intercreditor Agreement");

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

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

Section 2. The Issuer hereby approves the Project and authorizes the Company and the Applicant to proceed with the Project as set herein, which financing and refinancing will be effected 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 and refinancing of the Project, the issuance of the Bonds by the Issuer is hereby authorized subject to the provisions of this Resolution and the Indenture hereinafter authorized.

The Bonds shall initially bear interest at a fixed rate (not to exceed seven percent (7%) per annum) to be determined by Certificate of Determination, subject to conversion to alternative interest rate modes, and shall mature approximately twenty-five (25) years from the date of issuance of the Bonds (also to be determined by Certificate of Determination), all as provided in the Indenture. The Bonds shall be subject to mandatory tender and optional and mandatory redemption as provided in the Indenture, and shall be payable as provided in the Indenture until the payment in full of the principal amount thereof, all as set forth in the Bonds.

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

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

Section 5. The Bonds are hereby authorized to be sold to TD Bank, N.A., Israel Discount Bank and Capital One Bank, or an affiliate of any thereof (or such fewer, other or additional financial institutions as determined by Certificate of Determination), as purchasers (the "Purchasers"), in such respective amounts as determined by Certificate of Determination, in each case at a purchase price of one hundred percent (100%) of the principal amount thereof.

Section 6. The execution and delivery of the Indenture, the Loan Agreement, the endorsement of the Promissory Note, the Assignment of Mortgage, the Intercreditor Agreement and a Tax Regulatory Agreement from the Issuer, the Company and the Applicant to the Trustee (the documents referenced in this Section 6 being, collectively, the "Issuer Documents"), each being substantially in the form approved by the Issuer for prior financings, are hereby authorized. The Chairman, Vice Chairman, Executive Director, Deputy Executive Director, General Counsel and Vice President for Legal Affairs of the Issuer are hereby authorized to execute, acknowledge and deliver each such Issuer Document. The execution and delivery of each such Issuer Document by said officer shall be conclusive evidence of due authorization and approval.

Section 7. All covenants, stipulations, obligations and agreements of the Issuer contained in this Resolution and contained in the Issuer Documents shall be deemed to be the covenants, stipulations, obligations and agreements of the Issuer to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Issuer and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Issuer or the members thereof by the provisions of this Resolution and the Issuer Documents shall be exercised or performed by the Issuer or by such members, officers, board or body as may be required by law to exercise such powers and to perform such duties.

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

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

Section 9. The Issuer is hereby authorized to cause the Company and 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 Company and the Applicant are authorized to proceed with the Project; provided, however, that it is acknowledged and agreed by the Company and 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 Company and the Applicant for such purpose or for any other purpose.

Section 10. 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 Company and the Applicant. By accepting this Resolution, the Company and the Applicant agree 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 11. In connection with the Project, the Issuer intends to grant the Applicant and the Company financing assistance in the form of issuance of the Bonds and the granting of a mortgage recording tax exemption.

Section 12. Any qualified costs incurred by the Company and 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.

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

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

1. The Project would not result in a substantial adverse change in existing traffic, air quality, or noise levels. The Project does not involve a substantial increase in the Applicant's student body or administrative functions.

2. The Project would not result in significant adverse impacts on cultural, archaeological, architectural, or aesthetic resources or the existing neighborhood.

3. The Project would not result in significant adverse impacts to natural resources, critical habitats, or water quality.

4. The Project would not result in a change in existing zoning or land use. The existing and proposed uses of the Applicant's locations are consistent with zoning and surrounding land use.

5. The implementation of the Project does not involve new construction or substantial renovations and would not result in substantial subsurface disturbance and no adverse impacts related to hazardous materials are anticipated.

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

Section 14. This Resolution is subject to the approval of a private investigative report with respect to the Company and the Applicant. 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 Company and the Applicant shall be continuing to take affirmative steps to secure financing for the Project.

Section 15. This Resolution constitutes "other similar official action" under the provisions of Treasury Regulation 1.103-8(a)(5) promulgated under Section 103 and related sections of the 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, including, without limitation, the obtaining of public approval for the Project and the Bonds.

Section 16. The Issuer recognizes that due to the unusual complexities of the 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, General Counsel or Vice President for Legal Affairs 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 of an Issuer officer.

Section 17. This Resolution shall take effect immediately.

ADOPTED: September 18, 2018

AMDA, INC. d/b/a THE AMERICAN MUSICAL AND DRAMATIC ACADEMY

By: ___________________________
Name:
Title:

MANHATTAN STRATFORD ARMS, INC.

By: ___________________________
Name:
Title:

Accepted: _________ ___, 2018

<u>Exhibit F</u>

Project Summary

Center for Urban Community Services, Inc. ("CUCS"), a New York not-for-profit corporation exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, (the "Code"), as borrower, is seeking approximately $13.25 million in tax-exempt notes (the "Notes"). Proceeds from the Notes will be used to: (i) finance the acquisition and renovation of an approximately 11,295 square foot three-floor building on an approximately 3,750 square foot parcel of land located at 419 West 126th Street, New York, New York 10027 (the "Acquired Facility") at an approximate cost of $8,750,000; (ii) finance leasehold improvements to an approximately 15,836 square foot four-floor building on an approximately 5,325 square foot parcel of land located at 112 West 14th Street, New York, New York 10011 (the "Leased Facility") at an approximate cost of $4,500,000; (iii) fund a debt service reserve fund; and (iv) pay certain costs associated with the issuance of the Notes. The Acquired Facility will be owned and operated by CUCS, while the Leased Facility is owned by a third party, and will be leased and operated by CUCS. CUCS will use the Acquired Facility and the Leased Facility to provide transitional housing and services for homeless and low-income people.

Current Location

198 East 121st Street
New York, New York 10035

Project Locations

419 West 126th Street
New York, New York 10027

112 West 14th Street
New York, New York 10011

Action Requested

- Bond Approval and Authorizing Resolution
- Adopt a SEQRA determination that the proposed project is an unlisted action

Anticipated Closing

Fall 2018

Impact Summary

Employment		
Jobs at Application at the Project Locations:		0
Jobs to be Created at Project Locations (Year 3):		55
Total Jobs (full-time equivalents)		**55**
Projected Average Hourly Wage (excluding principals)	**$**	**25.35**
Highest Wage/Lowest Wage	**$**	**49.87/18.50**

Center for Urban Community Services, Inc.

Estimated City Tax Revenues		
Impact of Operations (NPV 30 years at 6.25%)	$	4,808,082
One-Time Impact of Renovation		341,838
Total Impact	$	5,149,920

Estimated Cost of Benefits Requested: New York City		
MRT Benefit	$	142,188
NYC Forgone Income Tax on Bond Interest		101,858
Corporation Financing Fee		(91,250)
Total Cost to NYC Net of Financing Fee	**$**	**152,976**

Costs of Benefits Per Job		
Estimated Total Cost of Benefits per Job	$	2,778
Estimated City Tax Revenue per Job	$	93,635

Estimated Cost of Benefits Requested: New York State		
MRT Benefit	$	102,813
NYS Forgone Income Tax on Bond Interest		383,211
Total Cost to NYS	**$**	**486,024**
Overall Total Cost to NYC and NYS	**$**	**638,820**

Sources and Uses

Sources	Total Amount	Percent of Total Financing
Bond Proceeds	$13,250,000	87.8%
City Grants	830,000	5.5%
Landlord Improvements	1,015,000	6.7%
Total	**$15,095,000**	**100%**

Uses	Total Amount	Percent of Total Costs
Land & Building Acquisition	$1,900,000	12.6%
Construction Hard Costs	10,915,000	72.3%
Construction Soft Costs	1,250,000	8.3%
Debt Service Reserve Fund	400,000	2.6%
Cost of Issuance	630,000	4.2%
Total	**$15,095,000**	**100%**

Fees

	Paid At Closing	On-Going Fees (NPV, 25 Years)
Corporation Fee	$91,250	
Bond Counsel	135,000	
Annual Corporation Fee	1,250	16,755
Bond Trustee Acceptance Fee	500	
Annual Bond Trustee Fee	500	6,702
Trustee Counsel Fee	5,000	
Total	$233,500	$23,457
Total Fees	**$256,957**	

Center for Urban Community Services, Inc.

Financing and Benefits Summary

First Republic Bank will directly purchase the Notes, which will be issued as one or more series and will have terms of approximately 30 years. The interest rates will be fixed at approximately 4.15%. The Notes will be secured by fee and leasehold mortgage liens on the Acquired Facility and the Leasehold Facility, respectively, and a lien on certain assets and revenues of CUCS. The debt service coverage ratio is anticipated to be 1.85x.

Applicant Summary

CUCS was founded in 1979 when it was known as Columbia University Community Services. At its inception, it had the single focus of engaging Columbia University students to address the needs of the neighbourhood's disenfranchised individuals. As a response to the increase of homelessness in the 1980s, CUCS expanded its mission, and officially incorporated as an independent not-for-profit in 1993.

Today, CUCS is a comprehensive human services agency serving over 56,000 people each year, and it is among the nation's largest providers of supportive housing social services. It continues to implement new practices, share knowledge and assist in shaping local, state and national strategies so that families and individuals who are homeless, low-income, living with mental illness, or have other special needs can live successfully in the community.

The Project will allow the organization to provide transitional housing for up to 24 adults at the Leased Facility, and 60 shelter beds at the Acquired Facility.

In 2014 BuildNYC Resource Corporation issued $6,355,000 in tax-exempt notes to refinance costs of acquisition, renovation, and equipping two condominium units at its current location for administrative office and program use for CUCS.

Anthony Hannigan, President and Chief Executive Officer
Mr. Hannigan founded CUCS as Program Director of Columbia University Community Services, and later became Executive Director, and has since served as President and CEO. Before founding CUCS, he served as Business Officer for the Office of the Manhattan Borough President, and Regional Coordinator for Community Support Systems for the New York State Office of Mental Health. He holds a Master of Social Work from Columbia University and a Bachelor of Arts degree in English from Queens College, and is a Board Member of the Coalition of Voluntary Behavioural Health Agencies, Common Ground Community, Homeless Services United, Supportive Housing Network of New York, and Coordinated Behavioural Care.

Joseph DeGenova, Associate Executive Deputy Director
Mr. DeGenova has been active with CUCS since 1999, where he has overseen the operation of 23 housing and service programs in 15 locations, serving approximately 8,000 people annually, as well as a national training and consulting service. In the 10 years prior, he served CUCS in various other capacities, and was previously the founding Executive Director of Community Impact, Inc., a nonprofit organization based at Columbia University. He is currently a board member for The Coalition of Behavioral Health Agencies' Center for Rehabilitation and Recovery, and previously was a board member at Beacon of Hope House, Inc. and at New York Catholic Charities Social Development Grant Fund. He holds Masters of Science in Nonprofit Management from The New School University and in Social Work from Hunter College School of Social Work, and a Bachelor of Arts degree from Columbia College.

Jeffrey Halfpenny, Chief Financial Officer
Mr. Halfpenny joined CUCS in 2013, and was previously the Audit Senior Manager of the nonprofit department at Eisner LLP, and was the Chief Financial Officer for Upper Manhattan Mental Health Center before that. He holds a Bachelor of Business Administration degree in Accounting from Hofstra University.

Employee Benefits

Employees receive medical and dental insurance, life insurance, short-term and long-term disability, 14 days of vacation, and other benefits such as health club memberships, transportation credits, and tuition assistance.

Center for Urban Community Services, Inc.

Recapture

Subject to recapture of the mortgage recording tax benefit.

SEQRA Determination

Unlisted 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 is conducting a background investigation of CUCS.

Compliance Check:	Not applicable
Living Wage:	Compliant
Paid Sick Leave:	Compliant
Affordable Care Act:	ACA coverage offered
Private School Policy:	Not applicable
Bank Account:	First Republic Bank JP Morgan Chase Citibank
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:	Pending
Attorney:	Oliver Chase, Esq. Hirschen Singer & Epstein, LLP 902 Broadway, 13FL New York, NY 10010
Accountant:	Michael Clifford EisnerAmper 750 Third Avenue New York, NY 10017
Consultant	Amy Larovere Consulting, LLC 42 West 39th Street New York, NY 10018
Community Boards:	Manhattan, Community Board #3 Manhattan, Community Board #7

Center for Urban Community Services, Inc.

Board of Directors

CUCS center for urban community services

Rebuilding lives together

198 East 121st Street, 6th Floor
New York, NY 10035
P 212-801-3300
F 212-803-5880
www.cucs.org

July 30, 2018

Krishna Omolade
Deputy Director
Strategic Investments Group
NYCIDA and Build NYC Resource Corporation
110 William Street
New York, New York 10038

Dear Johan:

The Center for Urban Community Services, Inc. ("CUCS") is a human services agency with its primary purpose being to create comprehensive, effective housing and service programs for homeless and low-income people, particularly those suffering from serious mental illness, HIV/AIDS, and other disabling conditions. CUCS sponsors twenty-two service sites throughout Manhattan, Brooklyn and the Bronx, which include (i) transitional living communities; (ii) an outreach program; (iii) a job training and employment program; (iv) a training, consultation and housing information services department; (v) a permanent supportive housing program; and (vi) psychiatric and primary care outreach to the homeless. CUCS is exempt from federal income taxes under the provisions of Section 501(c)(3) of the U.S. Internal Revenue Code, and from state and local taxes under comparable laws.

The organization is seeking approximately $13,250,000 of tax-exempt financing through Build NYC. Proceeds from the financing, together with other funds of the organizations, will be used to acquire property located at 419 West 126th Street, Manhattan and renovate the property to be in compliance with programmatic guidelines. In addition, the organization has identified rental property at 112 West 14th Street that the City wishes it to operate a safe haven and drop in center that needs renovation.

Strategic Investments Group
NYIDA and Build NYC Resource Corp.

July 30, 2018

The immediate impact of the 126th Street financing would be an increase (20) in the number of shelter beds for mentally ill homeless men, a particular area of need in the NYC Department of Homeless Services' shelter system. In addition, the new site will have a full upgrade to assure that the building meets or exceeds the standards set by the Callahan Consent Decree, which in 1981 established a right shelter in New York with a set of qualitative conditions. The expected cost of acquisition and renovation is expected to be approximately $8,750,000.

The 14th Street financing will provide a location for CUCS to operate a Safe Haven and a Drop-in-Center. The Safe Haven will provide transitional housing for homeless adults (24) and provide related services. The Drop-in-Center will be part of the City's overall strategy to solve street homelessness. CUCS will work closely with its outreach teams to provide housing placement services for single homeless adults living on the street, subways or such other areas designated by the City with an anticipated capacity of 80 individuals. The expected cost of the renovation is expected to be approximately $4,500,000.

The financing will provide the organization with a fully amortizing 30 year loan at a favorable interest rate that is fully secured by its contracts with the City's Department of Homeless Services. A fully amortizing loan ensures that the 126th Street location's full time jobs (32) and expanded job capacity (16) remain in the community as would the service program that reside at the current facility. Furthermore the loan would provide for additional (43) jobs at the 14th Street location.

Regards;

Center for Urban Community Services

Jeffrey M. Halfpenny
Chief Financial Officer

Exhibit G

Resolution approving the financing of two facilities for Center for Urban Community Services, Inc. and authorizing the issuance and sale of approximately $13,250,000 Tax-Exempt Revenue Notes (2018 Center for Urban Community Services, Inc. Project) and the taking of other action in connection therewith

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

WHEREAS, Center for Urban Community Services, Inc., a New York not-for-profit corporation (the "Applicant"), entered into negotiations with officials of the Issuer with respect to the financing a portion of the costs of (i) the acquisition and renovation of an approximately 11,295 square foot three-floor building on an approximately 3,750 square foot parcel of land located at 419 West 126th Street, New York, New York (the "Acquired Facility"), which will be owned and operated by the Applicant to provide transitional housing and services for homeless and low-income people; and (ii) the leasehold improvements to an approximately 15,836 square foot four-floor building on an approximately 5,325 square foot parcel of land located at 112 West 14th Street, New York, New York (the "Leased Facility"; together with the Acquired Facility, the "Facilities"), which will be leased and operated by the Applicant to provide transitional housing and services for homeless and low-income people (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 is a New York not-for-profit, human services agency that creates comprehensive, effective housing and service programs for homeless and low-income people, particularly those suffering from serious mental illness, HIV/AIDS, and other disabling conditions; that the Applicant sponsors twenty-two service sites throughout Manhattan, Brooklyn and the Bronx; that the Applicant anticipates having (i) approximately 16 full-time employees at the Acquired Facility and (ii) approximately 36 full-time and approximately 6 part-time employees at the Leased Facility upon completion of the Project; that the financing of the Project costs with the Issuer's financing assistance will allow the

Applicant to expand and remain in the communities; and that, therefore, the Issuer's financing assistance is necessary to assist the Applicant in proceeding 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 Notes (2018 Center for Urban Community Services, Inc. Project) (the "Issuer Notes") in the aggregate principal amount of approximately $13,250,000 (or such greater principal amount not to exceed $14,575,000) as may be determined by a certificate of determination of an authorized officer of the Issuer (the "Certificate of Determination"), all pursuant to a Master Loan Agreement (the "Master Loan Agreement") to be entered into among the Issuer, the Applicant and First Republic Bank, as purchaser of the Issuer Notes (the "Lender"), and the Applicant will execute one or more promissory notes in favor of the Issuer and the Lender (collectively, the "Promissory Note") to evidence the Applicant's obligation under the Master Loan Agreement to repay such loan, and the Issuer will endorse the Promissory Note to the Lender; and

WHEREAS, the Issuer Notes and the Promissory Note are to be secured by (i) the pledge effected by the Master Loan Agreement, (ii) a pledge and security interest in certain revenues and assets of the Applicant pursuant to a Security Agreement from the Applicant to the Lender (the "Security Agreement") and (iii) a mortgage lien on and security interest in the Facilities granted by the Applicant, as mortgagor, to the Issuer and the Lender, as mortgagees, pursuant to one or more Mortgage and Security Agreements (collectively, the "Mortgage"), which Mortgage will be assigned by the Issuer to the Lender pursuant to one or more Assignments of Mortgage and Security Agreements from the Issuer to the Lender (collectively, the "Assignment of Mortgage"); and

WHEREAS, the Issuer Notes and the Promissory Note are to be sold to the Lender (or such other financial institution as shall be approved by the Certificate of Determination);

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

Section 1. The Issuer hereby determines that the financing of a portion 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 Issuer Notes, which Issuer Notes may be issued will be special limited revenue obligations of the Issuer payable solely from the revenues and other amounts derived pursuant to the Master Loan Agreement and the Promissory Note.

Section 3. To provide for the financing of the Project, the issuance of the Issuer Notes by the Issuer is hereby authorized subject to the provisions of this Resolution and the Master Loan Agreement.

The Issuer Notes shall be issued as fully registered notes, in one or more series, shall be dated their date of issuance, shall be issued in an aggregate principal amount not to exceed $14,575,000, shall be payable as to principal and interest as provided in the Master Loan

Agreement, shall bear interest at such annual fixed rate(s) as determined by the Certificate of Determination but not to exceed six percent (6%)), shall be payable as provided in the Master Loan Agreement until the payment in full of the principal amount thereof and shall mature approximately thirty (30) years from the date of issuance of the Issuer Notes (or as determined by the Certificate of Determination), all as set forth in the Issuer Notes. Other applicable provisions shall be set forth in the Master Loan Agreement.

Section 4. The Issuer Notes shall be secured by the pledge effected by the Master Loan Agreement 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 Master Loan Agreement. The Issuer Notes, together with the interest thereon, are special limited revenue obligations of the Issuer, payable solely as provided in the Master Loan Agreement, including from moneys deposited in the Debt Service Reserve Fund and other funds as established under the Master Loan Agreement (subject to disbursements therefrom in accordance with the Master Loan Agreement), and shall never constitute a debt of the State of New York or of The City of New York, and neither the State of New York nor The City of New York shall be liable thereon, nor shall the Issuer Notes be payable out of any funds of the Issuer other than those pledged therefor. The Issuer Notes are further secured pursuant to the Security Agreement and the Mortgage.

Section 5. The Issuer Notes are hereby authorized to be sold to the Lender at a purchase price equal to the aggregate principal amount of the Issuer Notes or such other purchase price as determined by the Certificate of Determination.

Section 6. The execution and delivery of the Master Loan Agreement, the endorsement of the Promissory Note, the Assignment of Mortgage, the Building Loan Agreement among the Applicant, the Issuer and the Lender, and the Tax Regulatory Agreement from the Issuer and the Applicant to the Lender (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 or pursuant to the Certificate of Determination, 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 Documents. The execution and delivery of each such Issuer Documents by said officer shall be conclusive evidence of due authorization and approval.

Section 7. All covenants, stipulations, obligations and agreements of the Issuer contained in this Resolution and contained in the Issuer Documents shall be deemed to be the covenants, stipulations, obligations and agreements of the Issuer to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Issuer and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Issuer or the members or directors 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 or directors of the Issuer nor any officer executing the Issuer Notes shall be liable personally on the Issuer Notes or be subject to any personal liability or accountability by reason of the issuance thereof.

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

Section 9. 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 Issuer Notes, all as particularly authorized by the terms and provisions of the Master 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 10. Any expenses incurred by the Issuer with respect to the Project and the financing thereof shall be reimbursed out of the proceeds of the Issuer Notes or, in the event such proceeds are insufficient after payment of other costs of the Project or the Issuer Notes 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 agree to indemnify the Issuer, its members, directors, officers, 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 11. In connection with the Project, the Issuer intends to grant the Applicant financing assistance in the form of the issuance of the Issuer Notes and mortgage recording tax exemptions.

Section 12. Any qualified costs incurred by the Applicant in initiating the Project shall be reimbursed by the Issuer from the proceeds of the Issuer Notes; 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 Regulatory Agreement.

Section 13. The Issuer, as lead agency, is issuing the following determination pursuant to the State Environmental Quality Review Act (Article 8 of the Environmental Conservation Law) ("SEQRA") and implementing regulations contained in 6 NYCRR Part 617. Such 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 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 Project would not result in a substantial adverse change in existing traffic, air quality, or noise levels.

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

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

(d) The Project would not result in a change in existing zoning or land use. The proposed uses of each building are consistent with existing zoning and surrounding land uses.

(e) The renovation of either building would not require subsurface disturbance and no adverse impacts related to hazardous materials are anticipated. The asbestos-containing materials found present in the building at the Leased Facility will be encapsulated or abated prior to the start of renovations, in accordance with all relevant guidelines and regulations. Due to the age of the building, lead paint may also be present and will be managed at the time of construction in accordance with all relevant guidelines and regulations.

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

Section 14. 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 date of such year the Issuer shall (x) have issued the Issuer Notes 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 15. This Resolution constitutes “other similar official action” under the provisions of Treasury Regulation 1.103-8(a)(5) promulgated under Section 103 and related sections of the 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, including, without limitation, the obtaining of public approval for the Project and the Issuer Notes.

Section 16. 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 of the Issuer to approve modifications to the terms approved hereby which do not affect the intent and substance of this Resolution. The approval of such modifications shall be evidenced by the Certificate of Determination.

Section 17. This Resolution shall take effect immediately.

ADOPTED: September 18, 2018

CENTER FOR URBAN COMMUNITY SERVICES, INC.

By: ___________________________
Name:
Title:

Accepted: September __, 2018

Exhibit H

Project Summary

Trustees of the Spence School, Inc. (the "School"), a New York not-for-profit education corporation exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, as borrower, is seeking approximately $25,000,000 in tax-exempt revenue notes (the "Notes"). Proceeds from the Notes, together with funds of the School and capital campaign funds, will be used as part of a plan of financing to fund a portion of the costs of: (1) demolishing an existing building located on an approximately 15,005 square foot parcel of land located at 412 East 90th Street, New York, New York (the "Project Site"); (2) designing, developing, constructing, furnishing and equipping an approximately 53,500 square foot six-story building at the Project Site which is expected to include a gymnasium and other athletic facilities and ancillary spaces, a multipurpose space, one or more classrooms and other instructional facilities, food service facilities, one or more offices, a greenhouse and a rooftop planting area, and ancillary facilities related to the foregoing (the "Facility"); and (3) pay for certain costs related to the issuance of the Notes. The Facility will be owned and operated by the School for athletic and educational purposes. The School owns and operates a private independent girls' school serving students from kindergarten through Grade 12.

Project Location	Current Locations	
412 East 90th Street New York, NY 10128	56 East 93rd Street New York, NY 10128	17 East 19th Street New York, NY 10128
	22 East 91st Street New York, NY 10128	74 East 91st Street New York, NY 10128

Actions Requested

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

Anticipated Closing

Fall 2018

Impact Summary

Employment		
Jobs at Application:		0
Jobs to be Created at Project Location (Year 3):		15.5
Total Jobs (full-time equivalents)		**15.5**
Projected Average Hourly Wage (excluding principals)	**$**	**29.50**
Highest Wage/Lowest Wage	**$**	**44.00/22.00**

Estimated City Tax Revenues		
Impact of Operations (NPV 30 years at 6.25%)	$	1,353,416
One-Time Impact of Renovation		2,285,013
Total impact	$	3,638,429

Estimated Cost of Benefits Requested: New York City		
NYC Forgone Income Tax on Bond Interest		161,102
Corporation Financing Fee		(150,000)
Total Cost to NYC Net of Financing Fee	**$**	**11,102**

Kyle Brandon, SIG
Caroline Nguyen, LGL

Hawkins Delafield & Wood LLP
Project Number – 7583

Costs of Benefits Per Job	
Estimated Total Cost of Benefits per Jobs in Year 3	$ 716
Estimated City Tax Revenue per Jobs in Year 3	$ 234,737

Estimated Cost of Benefits Requested: New York State	
NYS Forgone Income Tax on Bond Interest	606,100
Total Cost to NYS	**$ 606,100**
Overall Total Cost to NYC and NYS	**$617,202**

Sources and Uses

Sources	Total Amount	Percent of Total Financing
Bond Proceeds	25,000,000	24.7%
Capital Campaign	46,185,000	45.6%
Equity	30,158,000	29.7%
Total	**$101,343,000**	**100%**

Uses	Total Amount	Percent of Total Costs
Land & Building Acquisition	26,500,000	26%
Construction Hard Costs	59,040,000	58%
Construction Soft Costs	12,145,000	12%
Furnishings & Equipment	2,908,000	3%
Cost of Issuance	750,000	1%
Total	**101,343,000**	**100%**

Fees

	Paid At Closing	On-Going Fees (NPV, 30 Years)
Corporation Fee	$ 150,000	
Bond Counsel	135,000	
Annual Corporation Fee	1,250	16,755
Bond Trustee Acceptance Fee	500	
Annual Bond Trustee Fee	500	6,702
Trustee Counsel Fee	5,000	
Total	292,250	23,458
Total Fees	**$ 315,708**	

Financing and Benefits Summary

First Republic Bank will directly purchase the Notes. The Notes are anticipated to have a 30-year maturity, and will bear interest at either: a) a fixed rate of 3.20% for 10 years, followed by a variable rate of LIBOR + 1.15% for the remainder of the term, or b)a fixed rate of 3.60% for 30-years. The Notes will be secured by a first priority lien on the School's assets. Based on an analysis of the School's financial statements, it is expected to have a debt service coverage ratio of 3.20x.

Trustees of the Spence School

Applicant Summary

Founded by Clara B. Spence in 1892, the School is an independent, college- preparatory, day school for girls in grades Kindergarten through 12. By the late 1960s, the School had an enrollment of approximately 360 students in grades K-12 and the faculty consisted of 35 full-time and 15 part-time teachers. Since then, the School's enrollment has increased incrementally to the present enrollment of 752: 265 in the Lower School (Grades K-4); 227 in the Middle School (Grades 5-8); and 260 in the Upper School (Grades 9-12).

Although the School has dealt with capacity issues over the years, by the late 1990s, the severe lack of flexible space had serious implications for the School's long-term educational goals. In 1998, the School moved the Business Office to 74 E. 91st Street in order to create much-needed classroom space. In the summer of 1999, the School purchased an additional building at 56 East 93rd Street. The new building added approximately 40,000 square feet, creating a distinct facility for the Lower School (Grades K-4) with 15 classrooms, a dance studio, a music room, an art room, a library, a dining room, a science lab and resource center, as well as the School's only full-size gymnasium, which has enhanced the School’s athletic programs in all three divisions.

The expected lower interest rate that Build NYC Resource Corporation’s assistance would provide would lower the Project-related debt service by up to $190,000 per year, thereby reducing the costs passed through to the School’s students and their families and reducing the need to support the operation of the Facility through rentals to members of the public.

Ellanor (Bodie) Brizendine – Head of School
Ms. Brizendine has served in independent schools all of her professional career. She has been with the School since 2007 and is its 14th Head of School. Prior to joining the School, she served as Head of School at Marin Academy and various leadership positions at San Francisco University High School and the Bryn Mawr School for Girls in Baltimore, MD. Throughout her 31 years in education, she has taught English. Ms. Brizendine received a B.S. from Towson State University and a M.A. from the Johns Hopkins University.

Elyse Waterhouse - Director of Finance and Operations
As the Director of Finance and Operations, Ms. Waterhouse oversees the following departments: facilities, maintenance, food service, campus safety, information technology, student health, the business office, and any construction projects. Ms. Waterhouse came to the School in 2011 from The Forman School in Litchfield, Connecticut, where she served as CFO for the prior four years. Her previous experience includes five years as Director of Finance and Operations at the Green Meadow Waldorf School and five years as Executive Director of the Gesell Institute of Human Development, Inc. at Yale University. Ms. Waterhouse received a B.A. from the University of Rhode Island and an M.B.A. from Long Island University.

Douglas Brophy – Academic Dean
Prior to joining the School, Mr. Brophy served as Assistant Head of School for Academic Affairs and Director of the Upper School at Friends Select School in Philadelphia. As a member of the History department at the School, he teaches World Religions and Post-1945 US History and as the School’s Academic Dean, he is charged with oversight of the K-12 program, including curriculum design, hiring, professional development and evaluation. In addition to teaching History, Mr. Brophy is an Upper School advisor and serves on several committees. Prior to teaching, he was a practicing attorney in Atlanta, specializing in employment discrimination. Mr. Brophy received a B.A. and J.D. from Tulane University, a M.A. from Stanford University, and a Ph.D. from the University of Pennsylvania.

Employee Benefits

The School offers a retirement plan, health insurance, life insurance, transportation subsidies, supplemental cafeteria allowance, and a health care flexible spending account.

Trustees of the Spence School

SEQRA Determination

Corporation staff have reviewed the environmental impact of the proposed actions and recommends that the Corporation adopt a SEQRA determination that such actions will not generate any additional significant adverse environmental impacts beyond those identified in the Findings Statement and analyzed in the Board of Standards and Appeals Resolution dated April 17, 2018, both of which are attached as Exhibit A.

Due Diligence

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

Compliance Check:	Not Applicable
Living Wage:	Compliant
Paid Sick Leave:	Compliant
Affordable Care Act:	ACA Coverage Offered
Private School Policy:	Compliant
Bank Account:	First Republic 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:	Not Applicable
Vendex Check:	No derogatory information was found.
Applicant Contact Person:	Elyse Waterhouse The Spence School 22 East 91st Street New York, NY 10128
Attorney:	Alison Radecki, Esq. Orrick, Herrington & Sutcliffe LLP 51 West 52nd Street New York, NY 10019
Accountant:	Edward Martin Eisner Amper 750 Third Avenue New York, NY 10017
Consultant:	Kevin Quinn Wye River Group 522 Chesapeake Avenue Annapolis, MD 21403
Community Board:	Manhattan, CB8

Trustees of the Spence School
Board of Trustees

Exhibit I

Resolution approving the financing of a certain facility for Trustees of the Spence School, Inc. and authorizing the issuance and sale of an approximately $25,000,000 2018 Tax-Exempt Revenue Note (Trustees of the Spence School, Inc. Project), and the taking of other action in connection therewith

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

WHEREAS, Trustees of the Spence School, Inc., a New York not-for-profit education corporation (the "Applicant"), entered into negotiations with officials of the Issuer with respect to the financing a portion of the costs of the (i) demolition of an existing building located on an approximately 15,005 square foot parcel of land located at 412 East 90th Street, New York, New York (the "Project Site"); and (ii) designing, developing, constructing, furnishing and equipping of an approximately 53,500 square foot six-story building at the Project Site, which is expected to include a gymnasium and other athletic facilities and ancillary spaces, a multipurpose space, one or more classrooms and other instructional facilities, food service facilities, one or more offices, a greenhouse and a rooftop planting area, and ancillary facilities related to the foregoing (the "Facility"), which will be operated by the Applicant for athletic and educational purposes (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 is an independent, not-for-profit, all-girls school offering a comprehensive curriculum to approximately 752 students in kindergarten through twelfth grade; that the Applicant expects to employ approximately 14 full-time and 3 part-time employees at the Facility upon completion of the Project; that the financing of the Project costs with the Issuer's financing assistance will provide savings to the Applicant which will reduce the costs passed through to the Applicant's students and their families and reducing the need to support the operation of the Facility through rentals to members of the public and also support the Applicant's desire to provide local public schools with access to the

Facility; and that, therefore, the Issuer's financing assistance is necessary to assist the Applicant in proceeding with the Project; and

WHEREAS, in order to finance a portion of the cost of the Project, the Issuer intends to issue its 2018 Tax-Exempt Revenue Note (Trustees of the Spence School, Inc. Project), in the aggregate principal amount of approximately $25,000,000 (or such greater principal amount not to exceed $27,500,000) (the "Issuer Note") as may be determined by a certificate of determination of an authorized officer of the Issuer (the "Certificate of Determination"), all pursuant to a Master Loan Agreement (the "Master Loan Agreement") to be entered into among the Issuer, the Applicant and First Republic Bank, as purchaser of the Issuer Note (the "Lender"), and the Applicant will execute a promissory note in favor of the Issuer and the Lender (the "Promissory Note") to evidence the Applicant's obligation under the Master Loan Agreement to repay such loan, and the Issuer will endorse the Promissory Note to the Lender; and

WHEREAS, the Issuer Note and the Promissory Note are to be secured by the pledge effected by the Master Loan Agreement and a pledge and security interest in certain assets and personal property of the Applicant pursuant to a Security Agreement from the Applicant to a trustee acting as a Master Trustee under a Master Trust Indenture between the Applicant and such Master Trustee; and

WHEREAS, the Issuer Note and the Promissory Note are to be sold to the Lender (or such other financial institution as shall be approved by the Certificate of Determination);

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 Issuer Note, which Issuer Note will be a special limited revenue obligation of the Issuer payable solely from the revenues and other amounts derived pursuant to the Master Loan Agreement and the Promissory Note.

Section 3. To provide for the financing of the Project, the issuance of the Issuer Note by the Issuer is hereby authorized subject to the provisions of this Resolution and the Master Loan Agreement.

The Issuer Note shall be issued as a single fully registered note, shall be dated its date of issuance, shall be in the principal amount not to exceed $27,500,000, shall be payable as to principal and interest as provided in the Master Loan Agreement, shall bear interest at either (i) an annual fixed rate until maturity or (ii) an annual fixed rate for a period of approximately ten (10) years and then a variable rate of interest, all as determined by the Certificate of Determination), shall be subject to optional and mandatory redemption as provided in the Issuer Note, shall be payable as provided in the Master Loan Agreement until the payment in full of the principal amount thereof and shall mature approximately thirty (30) years from the date of issuance of the Issuer Note (or as determined by the Certificate of Determination), all as set forth in the Issuer Note. Other applicable provisions shall be set forth in the Master Loan Agreement.

Section 4. The Issuer Note shall be secured by the pledge effected by the Master Loan Agreement 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 Master Loan Agreement. The Issuer Note, together with the interest thereon, is a special limited revenue obligation of the Issuer, payable solely as provided in the Master Loan Agreement, including from moneys deposited in the funds as established under the Master Loan Agreement (subject to disbursements therefrom in accordance with the Master Loan Agreement), and shall never constitute a debt of the State of New York or of The City of New York, and neither the State of New York nor The City of New York shall be liable thereon, nor shall the Issuer Note be payable out of any funds of the Issuer other than those pledged therefor. The Issuer Note is further secured pursuant to the Security Agreement.

Section 5. The Issuer Note is hereby authorized to be sold to the Lender at a purchase price equal to the principal amount of the Issuer Note or such other purchase price as determined by the Certificate of Determination.

Section 6. The execution and delivery of the Master Loan Agreement, the endorsement of the Promissory Note and the Tax Regulatory Agreement from the Issuer and the Applicant to the Lender (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 or pursuant to the Certificate of Determination, are hereby authorized. The Chairman, Vice Chairman, Executive Director, Deputy Executive Director and General Counsel of the Issuer are hereby authorized to execute, acknowledge and deliver each such Issuer Document. The execution and delivery of each such Issuer Document by said officer shall be conclusive evidence of due authorization and approval.

Section 7. All covenants, stipulations, obligations and agreements of the Issuer contained in this Resolution and contained in the Issuer Documents shall be deemed to be the covenants, stipulations, obligations and agreements of the Issuer to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Issuer and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Issuer or the members or directors 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 or directors of the Issuer nor any officer executing the Issuer

Note shall be liable personally on the Issuer Note or be subject to any personal liability or accountability by reason of the issuance thereof.

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

Section 9. 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 Issuer Note, all as particularly authorized by the terms and provisions of the Master 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 10. Any expenses incurred by the Issuer with respect to the Project and the financing thereof shall be reimbursed out of the proceeds of the Issuer Note or, in the event such proceeds are insufficient after payment of other costs of the Project or the Issuer Note is 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, directors, officers, 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 11. In connection with the Project, the Issuer intends to grant the Applicant financing assistance in the form of the issuance of the Issuer Note.

Section 12. Any qualified costs incurred by the Applicant in initiating the Project shall be reimbursed by the Issuer from the proceeds of the Issuer Note; 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 Regulatory Agreement.

Section 13. The Issuer, as lead agency, is issuing this determination pursuant to the State Environmental Quality Review Act ("SEQRA") (Article 8 of the Environmental Conservation Law) and implementing regulations contained in 6 N.Y.C.R.R. Part 617. This determination is based upon the 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 Project is an Unlisted action, pursuant to SEQRA and the implementing regulations. The Project has previously been reviewed by the New York City Board of Standards and Appeals ("BSA"), and the Issuer adopted a Findings Statement incorporating the resolution adopted by the BSA on April 17, 2018 (the "BSA Resolution") (both of which are attached as <u>Exhibit A</u> to this Resolution), which determined that

(i) the Project will not have a significant effect on the environment, with the implementation of certain mitigation measures and the implementation of conditions outlined in the BSA Resolution and (ii) no other significant effects upon the environment that would require the preparation of an Environmental Impact Statement were foreseeable. The reasons supporting this determination are as follows:

1. The requirements of SEQRA, including 6 NYCRR §617.9, have been met and fully satisfied.

2. The Issuer has considered the relevant environmental impacts, facts and conclusions disclosed in the Spence School Final Environmental Assessment Statement dated April 13, 2018 (the "EAS") and the BSA Resolution and weighed and balanced relevant environmental impacts with social, economic and other considerations.

3. The Project is expected to achieve project goals and objectives while minimizing the potential for significant adverse environmental impacts.

4. Consistent with social, economic and other essential considerations, the Project would avoid or minimize adverse environmental impacts to the maximum extent practicable by incorporating as conditions to the decision those avoidance/minimization/mitigation measures that were identified as practicable in the EAS and BSA Resolution.

Section 14. 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 date of such year the Issuer shall (x) have issued the Issuer Note 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 15. This Resolution constitutes "other similar official action" under the provisions of Treasury Regulation 1.103-8(a)(5) promulgated under Section 103 and related sections of the 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, including, without limitation, the obtaining of public approval for the Project and the Issuer Note.

Section 16. 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 of the Issuer to approve modifications to the terms approved hereby which do not affect the intent and substance of this Resolution. The approval of such modifications shall be evidenced by the Certificate of Determination.

Section 17. This Resolution shall take effect immediately.

ADOPTED: September 18, 2018

TRUSTEES OF THE SPENCE SCHOOL, INC.

By: ____________________________

Name:

Title:

Accepted: __________ ___, 2018

<u>Exhibit A</u>

Build NYC Resource Corporation Findings Statement
Pursuant to the New York State Environmental Quality Review Act

and

Resolution Adopted by the New York City Board of Standards and Appeals
on April 17, 2018 (2017-100-BZ)

See Attached

BUILDNYC RESOURCE CORPORATION FINDINGS STATEMENT PURSUANT TO THE NEW YORK STATE ENVIRONMENTAL QUALITY REVIEW ACT

1. INTRODUCTION AND DESCRIPTION OF THE PROPOSED ACTION

This Findings Statement has been prepared in accordance with Article 8 of the Environmental Conservation Law, the State Environmental Quality Review Act (SEQRA), and its implementing regulations promulgated at 6 NYCRR Part 617.

This Findings Statement sets forth the findings of the BuildNYC Resource Corporation (the Corporation) with respect to potential environmental impacts related to a project proposed by the Spence School, an independent, college-preparatory day school for girls in Kindergarten through Grade 12. The proposed project comprises a 59,400 gross-square-foot (gsf) educational and athletic facility, including a rooftop greenhouse and planting area, on the project site at 412 East 90th Street (Manhattan Block 1569, Lot 35). The school includes approximately 750 students, who attend class at the school's existing facilities at 56 East 93rd Street (for the Lower School) and at 22 East 91st Street (for the Middle and Upper Schools). The school remains without a regulation-sized court for many of its athletic team programs, i.e., volleyball, basketball, and badminton. The school also lacks a home for its growing squash program. The proposed project is required to fulfill the school's current space needs, including a home for its athletic program, a multipurpose space for its drama and dance programs, as well as facilities for its global stewardship and sustainability programs. As the proposed project would not comply with existing regulations as defined by the New York City Zoning Resolution (ZR), the proposed project received the following approvals from the BSA:

- A special permit pursuant to ZR Sections 32-31 and 73-19 to allow a Use Group 3A school use in a C8-4 zoning district; and
- A variance pursuant to ZR Sec. 72-21 because the proposed facility does not comply with ZR Sec. 33-26 and ZR Sec. 33-292 requirements with respect to the rear yard and open area contiguous to rear lot line along a residential district boundary.

The School is seeking approval from the Corporation for the issuance of approximately $74,843,000 in tax-exempt revenue bonds to finance the aforementioned renovations and certain costs related to the issuance of the aforementioned Bonds.

The construction of the proposed project is expected to take approximately 24 months.

2. DOCUMENTS RELEVANT TO THE FINDINGS STATEMENT

This Findings Statement is based on the following relevant documents: (a) the Spence School Final Environmental Assessment Statement (EAS), dated April 13, 2018 (City Environmental Quality Review [CEQR] No. 17BSA111M); and (b) Resolution adopted by the New York City Board of Standards and Appeals (BSA) on April 17, 2018 (2017-100-BZ).

a. CITY ENVIRONMENTAL QUALITY REVIEW (CEQR) EAS

THE PROPOSED PROJECT AS ANALYZED IN THE EAS

The New York City Board of Standards and Appeals (BSA) assumed the lead agency status for the preparation of the CEQR EAS, which analyzed the aforementioned zoning approvals. The proposed project was described as an educational and athletic facility, including a rooftop greenhouse and planting area, on the project site, located at 412 East 90th Street. In the existing condition, the project site is occupied by a parking garage building that is now vacant.

EAS ANALYSIS FRAMEWORK

Pursuant to the methodology of the *2014 CEQR Technical Manual*, preliminary analyses conducted for the EAS determined that the following technical areas did not trigger CEQR thresholds and/or were found unlikely to result in significant impacts, and therefore did not require detailed analyses: socioeconomic conditions, community facilities and services, open space, natural resources, water and sewer infrastructure, solid waste and sanitation services, energy, greenhouse gas emissions, public health, neighborhood character, and construction impacts. Supplemental screening analyses were prepared for land use, zoning and public policy; historic and cultural resources; urban design and visual resources; shadows; hazardous materials; transportation; air quality; and noise. The screening analyses determined that the proposed project is not expected to adversely affect these technical areas with the implementation of certain measures to avoid, minimize, and/or mitigate potential impacts.

MEASURES TO AVOID, MINIMIZE, AND/OR MITIGATE POTENTIAL IMPACTS

Historic and Cultural Resources

The proposed project would implement a construction protection plan (CPP) to avoid adverse construction-related impacts on the five historic residential buildings located within 90 feet of the project site. The five resources to be protected are the residential buildings at 407–415 East 90th Street. Construction would take place in accordance with TPPN #10/88, a technical memorandum issued by the NYC Department of Buildings to outline procedures for the avoidance of damage to historic structures resulting from adjacent construction, defined as construction within a lateral distance of 90 feet from the historic resource. A resource could be damaged from vibration (e.g., from construction blasting or pile driving), and damage from adjacent construction that could occur from falling objects, subsidence, collapse, or construction machinery. With the implementation of the CPP, the proposed project would not have any significant adverse impacts on architectural resources.

Hazardous Materials

A hazardous materials assessment conducted on the project site in 2011 identified various potential sources of contamination on, or in close proximity to, the proposed project site. Potential sources identified included: historic onsite spill (“closed” status), unknown historic fill at the site, former and current underground storage tanks (UST) at the site and at the adjoining properties, past and current commercial/automotive repair/maintenance uses at the site, a known tetrachloroethylene (PCE or “perc”) contamination in groundwater in the area, and historic gas stations and dry cleaning facilities in the surrounding area. Subsequent subsurface testing identified concentrations of semi-volatile organic compounds and metals in soil consistent with the present of urban fill; no evidence of a significant release was detected. Groundwater testing analytical results detected concentrations of certain petroleum-related compounds in the area of the former gasoline tank that was removed in 2011. Elevated concentrations of chlorinated-solvents were detected in soil vapor, attributable to past off-site dry cleaning operations and the known PCE-contaminated groundwater in the area.

The findings of a 2017 Phase I ESA update did not identify any new Recognized Environmental Conditions (RECs) beyond those identified in the June 2011 Phase I ESA of the property.

To reduce the potential for adverse impacts associated with new construction, a Remedial Action Plan (RAP) and Construction Health and Safety Plan (CHASP) have been prepared and were submitted to the New York City Department of Environmental Protection (DEP). In a letter dated February 27, 2018, DEP approved the RAP and CHASP. The RAP includes procedures for managing wastes, including excavated soil. This includes procedures for soil management, stockpiling and disposal, dust control, and contingency measures should unforeseen petroleum tanks or soil contamination be encountered. The CHASP includes measures to protect workers, the public, and the environment, including detailed procedures, such as monitoring, for managing both known contamination issues and any unexpectedly encountered contamination. At the completion of the project, a Professional Engineer-certified Remedial Closure Report—indicating that all remedial requirements have been properly implemented (i.e., installation of vapor barrier; proper transportation/disposal manifests and certificates from impacted soils removed and properly disposed of in accordance with all NYSDEC regulations; and two feet of DEP approved certified clean fill/top soil capping requirement in any landscaped/grass covered areas not capped with concrete/asphalt; etc)—would be submitted to DEP for review and approval.

Based on the age of the existing building there is a potential for hazardous materials in existing buildings (such as asbestos-containing materials [ACM], lead-based paint [LBP], and polychlorinated biphenyl [PCB]-containing equipment and lighting fixtures). Regulatory requirements for management and disposal of such materials prior to or during demolition would continue to be followed.

With the implementation of the measures, the proposed project would not result in any significant adverse impacts with respect to hazardous materials.

Transportation

The proposed project's incremental vehicle, bus, and subway trips during the weekday AM, midday, PM, and Saturday peak hours would be below the CEQR Technical Manual analysis thresholds of 50 peak hour vehicle trips, 50 peak hour bus riders in a single direction of travel, and 200 peak hour subway trips, respectively. Therefore, detailed traffic, bus line haul, and subway analyses were not warranted and the proposed project is not expected to result in any significant adverse traffic or transit impacts. The Saturday peak hour would be below the threshold of 200 peak hour pedestrian trips. However, it would generate greater than 200 peak hour pedestrian trips in at least one weekday peak hour. Based on a detailed assignment of project-generated pedestrian trips during the highest peak period of the project for pedestrian trips, one sidewalk was identified as warranting detailed analysis for the weekday evening peak hour (6–7 PM), which would experience approximately 370 pedestrian trips. Pedestrian sidewalk capacity analysis performed for this sidewalk element and showed that the proposed project would not result in a deterioration in the future level of service from current favorable level of service conditions, nor would it result in any significant adverse pedestrian impacts.

While the EAS analysis did not identify the potential for parking or pedestrian impacts from the implementation of the proposed project, the BSA approval included a condition that the Spence School shall contact New York City Department of Transportation (DOT) School Safety Division upon construction of the school in order for DOT to determine if traffic safety improvements or parking regulation changes are necessary

b. NEGATIVE DECLARATION

With its BSA Resolution dated April 17, 2018 the BSA determined that the proposed project would not have a significant adverse impact on the environment, with the implementation of the aforementioned mitigation measures and the implementation of the conditions outlined in the BSA Resolution. No other significant effects upon the environment that would require the preparation of an Environmental Impact Statement were foreseeable.

3. BUILDNYC FINDINGS

The proposed action comprises approval from the Corporation for the issuance of tax-exempt revenue bonds to fund the aforementioned proposed project. The Corporation concurs with the BSA that the proposed project is an Unlisted action, pursuant to SEQRA and the implementing regulations.

Upon reviewing the previously completed EAS and BSA Resolution, and the material provided to the Corporation by the school in support of the proposed action, the Corporation has determined that the proposed project is comparable to the analysis framework presented and analyzed in the previously completed EAS.

The Corporation finds that the EAS had made a thorough and comprehensive analysis of the relevant areas of concern under SEQRA and its implementing regulations, appropriately assessed the potential environmental and land use impacts of the proposed project, identified measures to avoid or mitigate adverse impacts to the extent practicable, and set forth appropriate conditions to be imposed as conditions of approval. The Board of Directors of the Corporation hereby adopts and incorporates by reference the BSA Resolution (including the conditions therein).

Having considered the EAS and the BSA Resolution, the Corporation certifies that:

- the requirements of SEQRA, including 6 NYCRR §617.9, have been met and fully satisfied;
- the Corporation has considered the relevant environmental impacts, facts and conclusions disclosed in the EAS and BSA Resolution and weighed and balanced relevant environmental impacts with social, economic and other considerations;
- the proposed project is expected to achieve project goals and objectives while minimizing the potential for significant adverse environmental impacts; and that
- consistent with social, economic and other essential considerations, the proposed project would avoid or minimize adverse environmental impacts to the maximum extent practicable by incorporating as conditions to the decision those avoidance/minimization/mitigation measures that were identified as practicable in the EAS and BSA Resolution.

Based on the foregoing, the Corporation finds that the proposed project will not generate any additional significant adverse environmental impacts beyond those identified and analyzed in the EAS and therefore concludes that the preparation of an EIS is not required.

2017-100-BZ
CEQR #17-BSA-111M
APPLICANT – Friedman & Gotbaum LLP by Shelly S. Friedman, Esq., for Trustees of the Spence School, Inc., owner.
SUBJECT – Application April 4, 2017 – Special Permit (§73-19) to allow for a Use Group 3 school use (*The Spence School*) contrary to ZR §32-31 (Use Regulations); Variance (§72-21) to permit the development of the building contrary to ZR §33-292 (Proposed building extends 30 ft. into the required open area) and ZR §33-26 (Proposed building extends 20 ft. into the required rear yard. C8-4 zoning district.
PREMISES AFFECTED – 412 East 90th Street, Block 1569, Lot 35, Borough of Manhattan.
COMMUNITY BOARD #8M
ACTION OF THE BOARD – Application granted on condition.
THE VOTE TO GRANT –
Affirmative: Chair Perlmutter, Vice-Chair Chanda, Commissioner Ottley-Brown, Commissioner Sheta and Commissioner Scibetta..5
Negative: 0
THE RESOLUTION –

WHEREAS, the decision of the Department of Buildings ("DOB"), dated March 27, 2017, acting on Application No. 121191352 reads in pertinent part:

1. ZR 32-31, ZR 73-19: Use Group 3 is not permitted in a C8-4 district. BSA Special Permit required.
2. ZR 33-292: New building extends into required 30 ft open area contrary to Zoning Resolution. BSA Variance required.
3. ZR 33-26: New building extends into 20 ft rear yard contrary to Zoning Resolution. BSA Variance required.; and

WHEREAS, this is an application for a special permit, pursuant to ZR § 73-19, and a variance, pursuant to ZR § 72-21, to permit, on a zoning lot located in a C8-4 zoning district, the construction of a Use Group 3 school contrary to applicable use regulations set forth in ZR § 32-31 and applicable open area and rear yard regulations set forth in ZR § 33-292 and 33-26; and

WHEREAS, this application is filed on behalf of the Trustees of the Spence School, Inc., a non-profit private educational institution for young women ("Spence" or the "Applicant") to facilitate the construction of a new educational and athletic facility; and

WHEREAS, a public hearing was held on this application on November 21, 2017, after due notice by publication in *The City Record*, with continued hearings on March 6, 2018 and April 10, 2018, and then to decision on April 17, 2018; and

WHEREAS, Vice-Chair Chanda performed an inspection of the site and surrounding neighborhood; and

WHEREAS, Community Board 8, Manhattan, recommends approval of this application; and

WHEREAS, New York City Council Member Benjamin J. Kallos recommends approval of this proposal with the understanding that Spence will provide access to the subject proposed school building to students from nearby P.S. 151 and P.S. 527 for their physical education curricula during school day hours at no cost to those schools; and

WHEREAS, the subject site is located on the south side of East 90th Street, between First Avenue and York Avenue, in a C8-4 zoning district, in Manhattan; and

WHEREAS, the site has approximately 149 feet of frontage along East 90th Street, a depth of 101 feet, 15,005 square feet of lot area and is occupied by a two-story parking garage that, the Applicant notes, is built to the rear lot line without a rear yard or an open area and is proposed to be demolished to facilitate the development proposed herein; and

WHEREAS, the rear lot line of the subject site is coincident with a zoning district boundary line that separates a C8-4 zoning district and an R8B zoning district; and

WHEREAS, the subject site is located within walking distance of Spence's main school buildings, located at 22 East 91st Street and 17 East 90th Street, which house the school's fifth through twelfth grades (the "Main Building"), and its lower school building, located at 56 East 93rd Street (the "Lower School"); and

WHEREAS, Spence proposes to construct a six-story building measuring 93 feet to the top of the mechanical bulkhead containing 53,974 square feet of zoning floor area, a floor area ratio of 3.60, built to the rear lot line to a height of 29 feet with a rear yard having a depth of 20 feet above that height; and

WHEREAS, at the subject site, schools without living or sleeping accommodations are permitted by special permit of the Board pursuant to ZR §§ 32-31 and 73-19, an open area at curb level at least 30 foot in depth is required pursuant to ZR § 33-292 and a rear yard of at least 20 feet is required pursuant to ZR § 33-26; and

WHEREAS, accordingly, the Applicant seeks the subject relief; and

WHEREAS, ZR § 73-19 provides as follows:

> In C8 or M1 Districts, the Board of Standards and Appeals may permit *schools* which have no *residential* accommodations except *accessory* accommodations for a caretaker, provided that the following findings are made:
>
> (a) that within the neighborhood to be served by the proposed *school* there is

no practical possibility of obtaining a site of adequate size located in a district wherein it is permitted as of right, because appropriate sites in such districts are occupied by substantial improvements;

(b) that such *school* is located not more than 400 feet from the boundary of a district wherein such *school* is permitted as-of-right;

(c) that an adequate separation from noise, traffic and other adverse effects of the surrounding non-*Residential Districts* is achieved through the use of sound-attenuating exterior wall and window construction or by the provision of adequate open areas along *lot lines* of the *zoning lot*; and

(d) that the movement of traffic through the *streets* on which the *school* is located can be controlled so as to protect children going to and from the *school*. The Board shall refer the application to the Department of Traffic for its report with respect to vehicular hazards to the safety of children within the block and in the immediate vicinity of the proposed site.

The Board may prescribe additional appropriate conditions and safeguards to minimize adverse effects on the character of the surrounding area; and

WHEREAS, the Board notes that in addition to the foregoing, its determination herein is also subject to and guided by, *inter alia*, ZR §§ 73-01 through 73-04; and

WHEREAS, as a threshold matter, the Board notes that the site is located in a zoning district in which a special permit pursuant to ZR § 73-19 is available and the Applicant represents that Spence meets the ZR § 12-10 definition of "school"; and

WHEREAS, with regards to § 73-19(a), Spence states that it has searched for sites of adequate size within a zoning district that would have permitted a Use Group 3 school use as-of-right within the bounds of Community Board 8 and the lower half of Community Board 11 since 2011 and ultimately identified three such sites, including the subject site, within Spence's price range—one was subject to a zoning lot development agreement that would not have accommodated all of the school's required programming and the other was purchased by another institution; and

WHEREAS, Spence submits that between losing one potential site to another purchaser and acquiring the subject site in 2011, they continued to monitor real estate listings for appropriate sites, but did not identify an alternative to the subject site that would permit the proposed use as-of-right; and

WHEREAS, accordingly, the Board finds that, within the neighborhood to be served, there is no practical possibility of obtaining a site of adequate size located in a district wherein it is permitted as of right in satisfaction of ZR § 73-19(a); and

WHEREAS, the Board acknowledges that the rear lot line of the subject site is coincident with a zoning district boundary line separating a C8-4 zoning district and an R8B zoning district, in which a Use Group 3 school without living or sleeping accommodation is permitted as of right, and that the subject site has a depth of 101 feet, accordingly, the proposed building is located not more than 400 feet from the boundary of a district wherein it would be permitted as-of-right as required under ZR § 73-19(b); and

WHEREAS, as to ZR § 73-19(c), Spence asserts, and the Board finds, that the window and sound-attenuating exterior walls of the proposed building will be constructed so as to ensure adequate separation from noise, traffic and other adverse effects of the surrounding C8-4 zoning district and achieve an interior noise level of 45 dBA L10(1) or lower; and

WHEREAS, this application has been referred to the New York City Department of Transportation ("DOT") Division of School Safety for review, as required in ZR § 73-19, and, by letter dated November 6, 2017, DOT states that it finds the proposed plans acceptable and requested that upon approval of the application and construction of the school, DOT be notified so that they can determine if traffic safety improvements or parking regulation changes are necessary; and

WHEREAS, in addition, Spence represents that the two intersections closest to the site—at East 90th Street and York Avenue to the east and East 90th Street and First Avenue to the west—are signalized crossings with crosswalks allowing for safe access to the site; and

WHEREAS, therefore, the Board has determined that the evidence in the record supports the findings required to be made under ZR § 73-19; and

WHEREAS, the applicant additionally seeks a variance, pursuant to ZR § 72-21, waiving open area and rear yard requirements set forth in ZR §§ 33-292 and 33-26; and

WHEREAS, the subject building is proposed in order to address deficiencies in Spence's existing physical plant with regards to spaces for earth sciences and ecological studies, athletic and dance programs; specifically, the proposed building will house a gymnasium large enough to accommodate regulation-sized basketball, volleyball and badminton courts, nine squash courts (the minimum required for school team competitions), locker rooms, a new Eco-Lab including a greenhouse, planting terrace, classroom and teaching kitchen, a multipurpose space to serve as the home of the school's dance department as well as provide an alternative venue for the school's drama productions, readings, chamber music recitals, film screenings and lectures, and a student study center; and

WHEREAS, the building is proposed to include mechanical space in the cellar, a gymnasium with spectator seating in retractable bleachers on the first floor; a viewing area, spectator seating in fixed bleachers and a training room on the second floor (approximately half of which is also open to the gymnasium below); four double-height squash courts, team rooms and a study center on the third floor; five double-height squash courts, double-height squash spectator seating and locker rooms on the fourth floor; a double-height multi-purpose space and restrooms on the fifth floor (much of which is also open to the fourth floor below); and a classroom, teaching kitchen, office, greenhouse and roof top garden on the sixth floor; and

WHEREAS, Spence submits that it relies on 34 off-site venues in four boroughs for its various athletic programs and that the long travel time to off-campus venues frustrates scheduling in an already highly scheduled academic day; Spence also represents that the proposed building will enable the school to reduce their demand for off-site venues by approximately 30 percent; and

WHEREAS, the proposed building will substantially augment the school's existing on-campus athletic facilities, which are comprised of two non-regulation sized gymnasia (one each in the Main Building and the Lower School Building), a 300 square foot gymnasium in the Main Building utilized for the storage of athletic equipment, a 300 square foot yoga and cycling room in the Main Building, a 1,000 square foot storage room in the gymnasium in the Lower School Building equipped with physical education equipment, and improvised storage spaces; and

WHEREAS, in response to Board inquiry as to whether the gymnasium in the proposed facility is duplicative of the two existing gymnasia, Spence states that the existing gymnasia are utilized for physical education classes, which are mandated by state law for every grade level, their uses is incorporated into the daily school day curriculum, thus they must be located proximate to the primary academic program facilities; further, Spence states that the existing gymnasia lack the necessary height clearances and size for team competition; and

WHEREAS, additionally, Spence states, that both the Main Building and Lower School Building are located mid-block within an R8 zoning district, have been designated as individual landmarks by the New York City Landmarks Preservation Commission ("LPC") and are located within the Expanded Carnegie Hill Historic District; thus, any alteration of the existing gymnasia to provide the regulation-sized facilities of the subject proposal would likely be in excess of the maximum applicable bulk regulations, require waivers of the Zoning Resolution and have a remote likelihood of LPC approval; and

WHEREAS, in response to Board inquiry as to why the Eco-Lab could not be accommodated elsewhere within Spence's existing physical plant, Spence states, again, that its existing individually landmarked building would require significant and visible alterations in order to accommodate the elevator and stair bulkheads necessary to provide full access to the roof; and

WHEREAS, Spence submits that, in addition to addressing these spatial deficiencies, the proposed building and the regulation-sized courts accommodated therein will enable Spence to host "home" games and competitions like its peer schools; help Spence students qualify for athletics-based college recruitment and financial assistance, which rely on games played on regulation-sized courts; and enable Spence to offer summer camp programs to the greater community; Spence additionally reports that it intends to work with local public schools P.S. 151 and P.S. 527 (the "Public Schools"), which lack their own gymnasia, to provide those schools with access to the proposed gymnasium during specified times; and

WHEREAS, Spence submits that the requested waivers will facilitate floorplates large enough to enable the combination of several different athletic spaces having significant volumetric demands into a single building with efficient circulation; and

WHEREAS, the Board acknowledges that Spence, as an educational institution, is entitled to deference under the law of the State of New York as to zoning and its ability to rely upon programmatic needs in support of the subject variance application; and

WHEREAS, specifically, as held in *Cornell University v. Bagnardi*, 68 NY2d 583 (1986), a zoning board must grant an educational or religious institution's application unless it can be shown to have an adverse effect on the health, safety or welfare of the community and general concerns about traffic and disruption of the residential character of the neighborhood are insufficient grounds for the denial of such applications; and

WHEREAS, based on the above, the Board finds that Spence's programmatic needs create unnecessary hardship and practical difficulty in developing the premises in compliance with the applicable zoning regulations; and

WHEREAS, Spence is a non-profit educational institution and the variance is needed to further its non-profit mission and, thus, the finding set forth in ZR § 72-21(b) need not be made in order to grant the variance requested in this application; and

WHEREAS, Spence submits that, pursuant to ZR § 72-21(c), the subject variance, if granted, will not substantially impair the appropriate use or development of adjacent properties and will not be detrimental to the public welfare; specifically that the first two floors of the proposed building will replace an existing two-story parking garage that is currently built to the rear lot line to a height of between 22 and 25 feet above grade and provides neither a 30 foot open area above curb level at the zoning district boundary line nor a 20 foot rear yard, thus the proposed building, built to a height of 29 feet above grade, will substantially mimic existing conditions at the site with regards to incursions in the rear yard; and

WHEREAS, in addition, the immediate area, particularly the subject block of East 90th Street, is primarily residential in character—some residential buildings having commercial on their lower floors—with the exception of a parking facility located immediately to the east of the site, a commercial building across East 90th Street from the subject site and industrial and commercial uses located mid-block on East 91st Street, thus the community facility use will be consistent with the existing character of the neighborhood; and

WHEREAS, the Applicant states that the proposed building will operate six days a week between approximately 6:00 a.m. and 9:30 p.m. and expects peak activity to occur from 3:00 p.m. to the early evening hours; Spence states that the school will provide shuttle bus service to the site from its other buildings for grades K-5, that its students, faculty and staff will generally travel to the subject site by foot, spectators are expected to travel to the site by foot or public transportation and that, of teams from other schools visiting to play games at the facility, 66 percent are expected to use public transportation to access and depart the site and 34 percent are expected to arrive and depart by foot; and

WHEREAS, during hearing, the Board expressed concerns regarding the potentially simultaneous use of the athletic, music, dance and classroom spaces in the proposed facility, including the Public Schools' use of the gymnasium for physical education, will adversely affect vehicular and pedestrian traffic networks existing in the immediate area; and

WHEREAS, in response, Spence states that, even including the trips to the site from the Public Schools, there will be no significant adverse pedestrian impacts for the sidewalk analysis location during the midday peak hour of 1:00 p.m. to 2:00 p.m., the time during which the last possible public school group visiting the facility for physical education would be departing the facility by foot; and

WHEREAS, further, Spence states that simultaneous use of the various spaces in the proposed facility will be minimal: that the only uses of the facility during school day hours of 8:15 a.m. to 3:00 p.m. will be in the Eco-Lab and the Public Schools' use of the gymnasium between the hours of 8:45 a.m. and 1:00 p.m.; that the Athletics Director will develop a schedule of home and away games to minimize scheduling any two sports programs to play home games at the proposed facility on the same afternoon and, on occasions when two home games are scheduled in the same afternoon, the games will be staged to prevent simultaneous arrivals and departure; and that the squash courts will never be used by other schools during the school day because sports are not scheduled during the day in order to not interfere with academic classes; and

WHEREAS, the Board was in receipt of four letters in opposition to the proposal and testimony from a representative of a nearby condominium located on East 90th Street, expressing concerns regarding the existing congested conditions on East 90th Street, the incompatibility of a school use with a commercial zoning district, noise associated with construction of the proposal, noise associated with the school on evenings and weekends once it is in operation, the height of the school and its likelihood to decrease accessible daylight to certain properties; and

WHEREAS, by letter dated April 10, 2018, DOT states that, based on the Level 1 (Trip Generation) screening assessment performed by the Applicant's consultant following the CEQR Technical Manual guidelines and indicating that the subject proposal would generate fewer than 50 vehicle trip-ends during the weekday AM and PM peak hours because the majority of arrivals to the facility are expected by foot or school-provided shuttle bus, the agency agrees with the Board that a detailed traffic analysis is not necessary; and

WHEREAS, the Board notes that the subject use is permitted in a C8-4 zoning district pursuant to special permit upon satisfying certain findings and, those findings having been satisfactorily made in this case, the subject proposal is not, in fact, an incompatible use at the subject site in the subject zoning district; and

WHEREAS, with regards to concerns about noise due to construction of the subject proposal and the loss of light to nearby buildings, the Board notes that as-of-right construction at the site would also contribute to noise in the area and block certain buildings' access to sunlight and also that the height of the building is permitted as-of-right; with regards to concerns that, once in operation, the subject facility will have noise impacts, the Board notes that the Applicant has represented that the mechanical systems for the facility will meet all applicable noise regulations of the New York City Noise Code and the Buildings Code and, thus, not have the potential to result in a significant increase in noise levels at any nearby noise receptors, that the proposal itself will not introduce a new noise receptor and, therefore, the proposal would not have the potential to result in any significant adverse noise impacts; and

WHEREAS, in light of the foregoing, the Board finds that the subject proposal will not alter the essential character of the neighborhood nor impair the use or development of adjacent properties, nor will it be detrimental to the public welfare; and

WHEREAS, the applicant represents, and the Board finds, that the hardship claimed as grounds for the variance was not created by the owner or a predecessor in title in accordance with ZR § 72-21(d); and

WHEREAS, Spence submits that the subject proposal is the minimum variance necessary to afford relief and, in support of that assertion, submitted plans for an as-of-right eight-story building with a total height of over 126 feet that can provide the multipurpose space, a regulation-sized gymnasium for basketball, volleyball and badminton and nine squash courts, but provides a gymnasium that is too narrow to accommodate two regulation-sized volleyball courts, as the proposed facility can, rendering it unsuitable for volleyball tournaments; does not provide adequate viewing areas or spectator seating for the squash courts or the gymnasium, respectively; prevents necessary program space adjacencies in the building, i.e., necessitates the relocation of team rooms from adjacent to the gymnasium on the first and second floors to the third floor, which will promote the mixing of different event populations and pose operational, as well as scheduling complexities; splits the locations of the Eco-Lab classroom and the Eco-lab greenhouse and garden onto different floors; reduces the size of the exterior plant area adjacent to the Eco-Lab on the building roof by more than half; requires a greater amount of, yet less efficient, vertical circulation; and, at more than 30 feet taller than the proposed building, will have a greater impact on the light and air available to its immediate neighbors; and

WHEREAS, the Board finds that the subject proposal is the minimum necessary to afford the owner relief; and

WHEREAS, the project is classified as an Unlisted action pursuant to 6 NYCRR, Part 617.2; and

WHEREAS, the Board has conducted an environmental review of the proposed action and has documented relevant information about the project in the Final Environmental Assessment Statement ("EAS") CEQR No. 17BSA111M, dated April 13, 2018; and

WHEREAS, the EAS documents that the project, as proposed, would not have significant adverse impacts on Land Use, Zoning and Public Policy; Socioeconomic Conditions; Community Facilities; Open Space; Shadows; Historic and Cultural Resources; Urban Design and Visual Resources; Natural Resources; Hazardous Materials; Water and Sewer Infrastructure; Solid Waste and Sanitation Services; Energy; Transportation; Air Quality; Greenhouse Gas Emissions; Noise; Public Health; Neighborhood Character; or Construction; and

WHEREAS, LPC conducted an archaeological review of the subject site and determined that it was of no archaeological significance; and

WHEREAS, by communication dated September 21, 2017, the Waterfront and Open Space Division of the New York City Department of City Planning ("DCP") states that they completed review of the proposed project for consistency with the policies and intent of the New York City Waterfront Revitalization Program ("WRP") under WRP # 17-127 and finds that the action will not substantially hinder the achievement of any WRP policy and is, thereby, consistent with those policies; and

WHEREAS, by letter dated February 27, 2018, the New York City Department of Environmental Protection ("DEP") states that DEP finds the Revised November 2017 Remedial Action Plan ("RAP") submitted by the Applicant's consultant acceptable on condition that the RAP be revised to require that the clean fill used at the site (if required) be tested at the facility/source at a frequency of one (1) sample for every 250 (not 500) cubic yards; and

WHEREAS, DEP further requested that, at the completion of the project, a Professional Engineer-certified Remedial Closure Report—indicating that all remedial requirements have been properly implemented (i.e., installation of vapor barrier; proper transportation/disposal manifests and certificates from impacted soils removed and properly disposed of in accordance with all NYSDEC regulations; and two feet of DEP approved certified clean fill/top soil capping requirement in any landscaped/grass covered areas not capped with concrete/asphalt; etc.)—be submitted to DEP for review and approval; and

WHEREAS, on March 2, 2018, the Applicant submitted a revised RAP indicating that "any new at grade landscaped portions of the Site would have a 'soil cap' consisting of two feet of imported clean fill, i.e., tested at the source facility . . . at a frequency of one composite sample per 250 cubic yards," as requested by DEP; and

WHEREAS, by letter dated March 21, 2018, DEP's Bureau of Environmental Planning and Analysis states that the subject proposal would not result in significant air quality impacts; and

WHEREAS, by letter dated April 10, 2018, DOT agrees with the Board that a detailed traffic analysis is not necessary; and

WHEREAS, no other significant effects upon the environment that would require an Environmental Impact Statement are foreseeable; and

WHEREAS, the Board has determined that the proposed action will not have a significant adverse impact on the environment; and

Therefore, it is Resolved, that the Board of Standards and Appeals issues a Negative Declaration, with conditions as stipulated below, prepared in accordance with Article 8 of the New York State Environmental Conservation Law and 6 NYCRR Part 617, the Rules of Procedure for City Environmental Quality Review and Executive Order No. 91 of 1977, as amended, and makes each and every one of the required findings under ZR §§ 73-19 and 72-21, to permit, on a zoning lot located in a C8-4 zoning district, the construction of a Use Group 3 school building contrary to applicable use regulations set forth in ZR § 32-31 and applicable open area and rear yard regulations set forth in ZR § 33-292 and 33-26, *on condition* that all work shall substantially conform to drawings filed with this application marked "Received November 9, 2017"- Twenty (20) sheets; and *on further condition*:

THAT the following shall be the bulk parameters of the building: a rear yard of at least 0 feet to a maximum height of 29 feet, an open area at the rear lot line, which is coincidental with a zoning district boundary line, of at least 0 feet to a maximum height of 29 feet, above such height a rear yard and open area at least 20 feet in depth will be provided, as illustrated on the Board-approved plans;

THAT Spence shall contact DOT School Safety Division upon construction of the school in order for DOT to determine if traffic safety improvements or parking regulation changes are necessary;

THAT at the completion of the project, a Professional Engineer-certified Remedial Closure Report—indicating that all remedial requirements have been properly implemented (i.e., installation of vapor barrier; proper transportation/disposal manifests and certificates from impacted soils removed and properly disposed of in accordance with all NYSDEC regulations; and two feet of DEP approved certified clean fill/top soil capping requirement in any landscaped/grass covered areas not capped with concrete/asphalt; etc.)—shall be submitted to DEP for review and approval;

THAT substantial construction shall be completed pursuant to ZR § 72-23;

THAT a certificate of occupancy shall be obtained within four (4) years;

THAT this approval is limited to the relief granted by the Board in response to specifically cited and filed DOB/other jurisdiction objection(s);

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

THAT DOB must ensure compliance with all other applicable provisions of the Zoning Resolution, the Administrative Code and any other relevant laws under its jurisdiction irrespective of plan(s)/configuration(s) not related to the relief granted.

Adopted by the Board of Standards and Appeals, April 17, 2018.

A true copy of resolution adopted by the Board of Standards and Appeals, April 17, 2018.
Printed in Bulletin No. 17, Vol. 103.

Copies Sent
To Applicant
Fire Com'r.
Borough Com'r.

CERTIFIED RESOLUTION

Margery Perlmutter, R.A., Esq.
Chair/Commissioner of the Board