

**Build NYC Resource Corporation
Finance Committee Discussion**

The Finance Committee convened on January 21, 2025, to discuss the following projects:

- RiverSpring Health Senior Living, Inc.
- Aero JFK II, LLC
- 487 West 129th Street Transitional HDFC
- Dumont Avenue CCNS – Support Corporation
- The Nightingale-Bamford School

Finance Committee Members: Francesco Brindisi, Richard Eaddy, Ellen Baer, and Randy Peers
Build NYC and NYCEDC Staff Members: Brinda Ganguly, Emily Marcus Falda, Noah Schumer, Michael Parella, Weston Rich, Sophie King, Joseph Taecker-Wyss, Leyla Arcasoy, and Coco Mong

Start: 9:30 AM

End: 10:52 AM

RiverSpring Health Senior Living, Inc.

The borrower will be RiverSpring Health Senior Living, Inc. d/b/a River's Edge (the "Borrower"), a New York not-for-profit corporation exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), whose sole member is RiverSpring Living Holding Corp. (formerly known as RiverSpring Health Holding Corp., formerly known as Hebrew Home Holding Corp.), a New York not-for-profit corporation. The Borrower was created to construct and operate a continuing care retirement community consisting initially of 260 independent living apartments and associated common areas, licensed under Article 46 of the New York Public Health Law, providing, among other services, assisted living and nursing home services (the "CCRC"). The Borrower is seeking approximately \$626,040,000 in tax-exempt and/or taxable bonds (the "Bonds"). The tax-exempt Bonds will be issued as part of a plan of finance of qualified 501(c)(3) bonds under Section 145 of the Code. Proceeds of the Bonds will be used to finance and reimburse a portion of the costs of: (i) the construction, renovation, furnishing, and equipping of an approximately 441,000 square foot, 11-story CCRC, including an underground garage and a geothermal infrastructure system, located on a to-be-reapportioned parcel of land totaling approximately 130,146 square feet being Tax Block 5933, part of Lot 210 and part of Lot 225, currently known by the street addresses of 5921 Palisade Avenue and 5931 Palisade Avenue, Bronx, New York, including the renovation of an existing building located at the site known by the street address of 5941 Palisade Avenue, Bronx, New York (collectively, the "Facility"); (ii) the demolition of an approximately 77,553 square foot, four-story building; (iii) the demolition of an approximately 54,500 square foot, three-story building located on an approximately 608,000 square foot parcel of land being Tax Block 5933 Lot 55, currently known by the street address of 5801 Palisade Avenue, Bronx, New York (the "Lot 55 Parcel"); (iv) the repayment of pre-construction financing for development costs; (v) the repayment of funds advanced by an affiliated entity for pre-construction and development costs; (vi) funding capitalized and other interest; (vii) funding one or more debt service reserve and other reserve funds; and (viii) paying certain costs related to the issuance of the Bonds (collectively, the "Project"). The Facility will be operated by the Borrower as a 260-unit CCRC on land leased from an affiliated entity, The Hebrew Home for the Aged at Riverdale ("Hebrew Home"). Hebrew Home will provide the CCRC residents with assisted living and nursing home services, as needed. The Lot 55 Parcel is owned by an affiliated entity, The Hebrew Home for the Aged at Riverdale Foundation, Inc. (the "Foundation"). It is anticipated that the Foundation will lease the Lot 55 Parcel (or a portion thereof) to the Borrower under a long-term lease.

Mr. Brindisi commented on the timeline of the project, noting that initial originations of the project began in 2014. Mr. Rich explained that the long timeline was due primarily to the complex undertaking of the project. He cited zoning as one factor, as this project would mark the first CCRC in New York City, which required a number of special permits and variances to be issued in order to come to fruition. He also cited the large budget of the project as a potential factor. Mr. Schumer added that the pandemic added delays to the project's timeline.

Mr. Brindisi asked if this project was new to New York State, to which Mr. Rich clarified that while it would be New York City's first CCRC, others existed throughout the State.

Mr. Peers asked how a CCRC compares to an assisted living facility. Mr. Rich stated that a CCRC combines assisted living with independent living. He explained that residents enter under the independent living umbrella with a set interest rate and/or set rate for living expenses which acts as an insurance should the resident require assisted living later in their term.

Mr. Brindisi asked for more information about the revenue structure. Mr. Rich explained that the two main components of revenue are the initial entrance fee and the monthly living expenses.

Mr. Brindisi asked about the funded interest component of the project. Mr. Rich explained that the funded interest will be associated with the Series B issuance, which will be the first series to be redeemed. Mr. Brindisi asked what the borrower plans to do on the amount of money not spent on funded interest. Mr. Rich stated that interest not spent on Series B can be utilized for interest on Series A.

Mr. Brindisi commented on the higher interest rate on the Series A Bonds. Mr. Rich explained that it was likely due to the project being a start-up entity, a new CCRC development in New York City, which is novel for the City and poses greater risk due to that nature.

Mr. Brindisi asked for more detail on the long-term debt service calculations. Mr. Rich provided additional clarity on specific line items and the respective accounting principles which determine how the dollar amounts show up on the project pro forma with specific reference to the ground lease and amortization.

Mr. Brindisi noted that the owning entity of the land is expected to pay property taxes.

Ms. Baer asked if there are any provisions for Medicaid eligibility for residents. Mr. Rich explained that the primary demographic of this project is expected to be wealthy residents, as part of the vetting process for resident applications includes an assessment of the applicant's financial health.

Mr. Peers asked what the existing zoning on the site was. Mr. Rich stated that it is currently R-4 residential and has a special designated natural area district (NAD-2) classification. Mr. Rich also explained that special permits were required because the construction scope includes an 11-story building, which would exceed the limits of the current zoning. Those permits were initially approved in 2018 but were revised and approved in November of 2024.

Ms. Baer noted that this venture allows a new line for business expansion for the operator.

With no additional questions, the Committee recommended the Project to seek authorization at the January 28th Board meeting.

Aero JFK II, LLC

Aero JFK II, LLC, a Delaware limited liability company, as borrower (the “Borrower”). The Borrower is a special purpose affiliated entity of Realterm Airport Logistics Properties, LP (“Realterm”), an investment vehicle operated by Aeroterm Management, LLC, a Delaware limited liability company (“Aeroterm”) that develops logistics and aviation support facilities at airports in North America. The Borrower was formed for the purpose of developing a new air cargo facility at Cargo Area D of John F. Kennedy International Airport (the “Facility”) to be initially tenanted and operated by Worldwide Flight Services, Inc. (“WFS”). Proceeds from the Bonds will be used as part of a plan of finance to: (a) refinance taxable debt and equity that the Borrower used to finance the demolition of cargo facilities totaling approximately 241,489 square feet that were located on an approximately 1,137,903 square foot parcel of land leased from The Port Authority of New York and New Jersey (the “Port Authority”) at Cargo Area D of John F. Kennedy International Airport at 260 North Boundary Road, Jamaica, New York 11430 (a portion of Block 14260, Lot 1), and the construction, furnishing, and equipping of a new approximately 347,328 square foot two-story cargo facility thereon and approximately 835,935 square feet of related improvements (the “Project”); (b) reimburse the Borrower for certain expenditures for costs of the Project derived from funds of the Borrower and/or its affiliates; (c) fund a debt service reserve fund, if needed; and (d) finance the issuance costs of the Bonds.

Mr. Brindisi asked for clarification on what the debt service coverage ratio represented. Mr. Taecker-Wyss stated that it represented total revenues minus existing debt across the entire TRIPs portfolio.

Mr. Brindisi asked about the difference in the requested bond amount between the initial 2022 inducement resolution and today’s authorizing resolution. Mr. Schumer explained that, per bond counsel’s guidance, the amount being requested today reaches the higher echelons of the 10% buffer standard included in the 2022 inducement resolution.

Mr. Peers commented on unanticipated expenses which were incurred during construction and that the borrower likely anticipates reimbursing themselves for these expenses through the bonds. Mr. Schumer confirmed this and stated that construction was completed in November 2024 and that there is not a large difference from the anticipated budget originally presented in March 2022.

Mr. Brindisi asked about the risk. Mr. Schumer stated that the TRIPs structure has a BBB+ investment grade rating, and that S&P considers the investment to be a fairly low risk investment due to the breadth and depth of the borrower’s portfolio as well as the industry’s strengths indicated during the pandemic.

Mr. Eaddy asked if the parent entity would provide any kind of guarantee. Mr. Schumer explained that the bonds are cross collateralized.

With no additional questions, the Committee recommended the Project to seek authorization at the January 28th Board meeting.

487 West 129th Street Transitional HDFC

487 West 129th Street Transitional Housing Development Fund Corporation (the “Borrower”) is a New York not-for-profit corporation which is exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), whose sole member is Urban Resource Institute (“URI”), a New York not-for-profit corporation which is also exempt from federal income taxation pursuant to Section 501(c)(3) of the Code. URI provides comprehensive social services to address domestic violence, barriers for those with disabilities, and the need for shelter and access to affordable housing for residents of The City of New York. The Borrower is seeking \$77,200,000 in tax-exempt and/or taxable bonds (the “Bonds”). The tax-exempt bonds will be issued as part of a plan of finance as qualified 501(c)(3) bonds pursuant to section 145 of the Code. Proceeds of the Bonds will be used to: (i) refinance an acquisition bridge loan in the amount of \$13,000,000 and a predevelopment loan of \$4,500,000 in connection with the Facility (as defined below); (ii) finance the construction of a 67,942 square foot 91-unit transitional housing facility on a 9,533 square foot parcel of land located at 478 West 130th Street, New York, New York (the “Facility”); (iii) fund one or more debt service reserve fund(s); (iv) fund capitalized interest; and (v) pay for certain costs related to the issuance of the Bonds (clauses (i)-(v), collectively, the “Project”). The Facility will be owned by the Borrower and leased to URI which will operate the Facility to house formerly homeless families with children in Harlem.

Mr. Peers asked if part of the bond proceeds would go towards refinancing the debt originally used to purchase the property and how much the property was originally purchased for. Mr. Parella confirmed this and stated that the property was originally purchased for \$11.4 million.

Mr. Brindisi asked if the project was meant to act as supportive housing, to which Mr. Parella stated that it is meant to serve homeless families with children.

Mr. Brindisi asked how much of the bond proceeds would go towards debt service reserve funds. Mr. Parella confirmed that some portion of the bonds would go towards debt service reserve funds, but that he would need to confirm the total dollar amount.

Mr. Brindisi asked why the rent payments for the facility begin after the issuance of the bonds. Mr. Parella explained that the operating contract for the property would begin once the building begins operations, which is expected to occur within 18 months after closing, which is common for projects of similar scope.

Mr. Peers asked to confirm the leasing structure between entities. Mr. Brindisi asked about the revenue structure. Mr. Parella explained that the borrower has a contract with DHS, wherein they receive one revenue stream to support building rent and another to support the operations of the facility. Mr. Parella stated that the money to support the facility’s operations is provided regardless of whether the building is operational.

Mr. Brindisi asked about the trends in government receivables. Mr. Parella explained that the borrower’s contract with DHS is their primary source of revenue. He confirmed that this contract would serve as a guarantee of this financing.

With no additional questions, the Committee recommended the Project to seek authorization at the January 28th Board meeting. Mr. Eaddy recused himself from the vote.

Dumont Avenue CCNS – Support Corporation

Dumont Avenue-CCNS Support Corporation (“DCCSC” or the “Borrower”) is a New York not-for-profit corporation which is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). DCCSC was created to support the operations of Catholic Charities Neighborhood Services, Inc. (“CCNS”), a New York not-for-profit corporation, which is exempt from federal income taxation pursuant to section 501(c)(3) of the Code. CCNS provides a variety of social services throughout Brooklyn and Queens, including early childhood development centers. The Borrower is seeking financing assistance from Build NYC, and has requested Build NYC, as conduit issuer, to issue \$18,130,000 in tax-exempt and/or taxable bonds (the “Bonds”) to fund the Project (as defined below). The tax-exempt bonds will be issued as part of a plan of finance as qualified 501(c)(3) bonds pursuant to section 145 of the Code. Proceeds of the Bonds will be used to (i) finance the costs of acquiring a newly completed 25,200 square foot building (the “Building”) located on a 14,000 square foot parcel of land located at 822 Dumont Avenue, Brooklyn, New York (the “Land”); (ii) fund debt service reserve fund(s); (iii) fund capitalized interest; and (iv) pay for certain costs relating to the issuance of the Bonds (collectively, (i)-(iv), the “Project”). The Borrower will purchase the Building and lease the Land from a third-party owner for a period of 99 years. The Borrower will then sub-lease the Land and Building to CCNS, which will operate the Building as an early childhood development center serving approximately 200 students ages 0 to 5 years old.

Mr. Brindisi asked about the structure of lease payments as they related to debt service. Mr. Parella explained that the borrower intentionally set this lease structure up to create a buffer for revenue to cover debt service.

Mr. Peers asked if the lease payments incorporated improvements made by the current owner. Mr. Parella confirmed this.

Mr. Eaddy asked about the anticipated ownership. Mr. Parella clarified that the borrower would be buying the facility and leasing the land and leasing both to the operator.

Mr. Peers asked how the facility would create additional HeadStart seats. Mr. Parella explained that the operator has already received authorization for the higher number of seats but have been restricted by the space at their current facility. Mr. Parella stated that this new facility would ease the restraint of physical capacity.

Mr. Eaddy commented on the condition of appraisal at time of purchase and was interested to understand what would happen if the appraisal was higher than originally budgeted for. Mr. Parella stated that the anticipated value of the facility with improvements was \$16 million, and that the project had budgeted for an appraisal of \$18 million. Mr. Eaddy asked who would be conducting the appraisal. Mr. Parella stated that the developer had hired a third-party firm to conduct the appraisal.

Ms. Baer asked what would happen if the operator’s HeadStart contract was not renewed in 2029. Mr. Schumer explained that the borrower was created with a broad mission such that they may place another nonprofit tenant in the facility should the current operating tenant not be able to make lease payments.

With no additional questions, the Committee recommended the Project to seek authorization at the January 28th Board meeting.

The Nightingale-Bamford School

The Nightingale-Bamford School (“Nightingale” or the “Borrower”) is a New York not-for-profit corporation which is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). The Borrower operates a private school for girls from kindergarten through Grade 12. Nightingale is seeking \$45,000,000 in tax-exempt revenue bonds (the “Bonds”). Proceeds from the Bonds will be used to finance and/or refinance the Borrower for (i) the acquisition of a 22,324 square foot parcel of land located at 157-181 East 108th Street, New York, New York (the “Land”), (ii) the construction, renovation, equipping and/or furnishing of a 64,000 square foot athletic facility on the Land (the “Facility”), (iii) paying capitalized interest on the Bonds, and (iv) paying for certain costs related to the issuance of the Bonds, including, if necessary, funding a debt service reserve fund and paying fees relating to credit enhancement (i, ii, iii, and iv collectively, the “Project”). The Facility will be owned and operated by the Borrower as an athletic facility, supporting its students in kindergarten through 12th grade.

Mr. Peers asked if there was an estimate of the savings to be captured from this project. Mr. Taecker-Wyss confirmed that the School would be able to capture savings but that he would need to confirm a dollar amount.

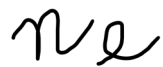
Mr. Brindisi asked if this project would require the borrower to be subject to Build NYC’s private school policy. Mr. Schumer confirmed that this would be the case, but that staff would need to confer with counsel with respect to the geography of the borrower’s existing transactions with Build NYC.

Mr. Brindisi asked why the School’s capital campaign was not included in the project pro forma. Mr. Taecker-Wyss explained that the pro forma was intentionally structured to exclude the capital campaign, as repayment of the bonds were not being financed through the capital campaign or interest. Mr. Schumer stated that the borrower would be relying on their endowment as the primary source of repayment.

Mr. Brindisi noted that he could not find the bridge loan amount in the project pro forma. Mr. Taecker-Wyss stated that it would be fully reimbursed through the capital campaign and was therefore not included in the pro forma.

Mr. Brindisi asked about the assumptions in the project pro forma. Mr. Schumer stated that the pro forma inflated the amount of issuance for conservative estimates and that the actual amounts of the bonds would be smaller.

With no additional questions, the Committee recommended the Project to seek authorization at the January 28th Board meeting.



Noah Schumer
Deputy Executive Director, Build NYC