

**Build NYC Resource Corporation  
Finance Committee Discussion**

The Finance Committee convened on September 18, 2024, to discuss the following projects:

- The Young Men's and Young Women's Hebrew Association
- Bay Ridge Preparatory School Amendment

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

Build NYC and NYCEDC Staff Members: Emily Marcus Falda, Noah Schumer, Michael Parella, Weston Rich, Sophie King, Joseph Taecker-Wyss, Leyla Arcasoy, and Coco Mong

Start: 9:30 AM

End: 9:46 AM

**The Young Men's and Young Women's Hebrew Association**

The Young Men's and Young Women's Hebrew Association, d/b/a The 92<sup>nd</sup> Street Y ("92NY"), 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"). 92NY is a community and cultural center that offers programming in the performing and visual arts, literature and culture, adult and children's education, health and fitness, and Jewish life. 92NY is seeking approximately \$60,000,000 in tax-exempt qualified 501(c)(3) bonds issued pursuant to section 145 of the Code (the "Bonds"). Proceeds of the Bonds, together with other funds available to 92NY, will be used as part of a plan of finance: to (i) refinance the approximately \$4,000,000 outstanding principal balance of a taxable loan, the proceeds of which were used to finance a portion of the cost of renovating two interconnected buildings comprising an aggregate approximately 266,728 square foot twelve-floor facility plus roof located on an approximately 30,723 square foot parcel of land located at 1381 and 1395 Lexington Avenue, New York, New York (the "Facility"); (ii) finance the cost of effecting key infrastructure needs of the Facility including (a) the renovation of multi-purpose rooms, early childhood and administrative facilities, the art center, the senior center, the center for Jewish life, and building operations, including improved layouts, new finishes, acoustic updates, and new energy-efficient lighting; (b) the repair and upgrade of the Facility façade, upgrades to the central fire alarm systems, conversion of building heating from steam to hot water, new HVAC and electrical power distribution, elevator modernization and upgrades to information technology, audiovisual and security systems; (c) Facility accessibility upgrades; (d) relocation of the Facility entrance on Lexington Avenue, sidewalk renovation at the new building entrance, and new ramps; and (e) protective Facility design measures; and (iii) pay for certain costs related to the issuance of the Bonds. 92NY will continue to own and operate the Facility as a community and cultural center.

*Mr. Peers asked for additional information on the Borrower's pledge collection, to which Ms. King responded that the organization has a very high collection rate on pledges and expects that the vast majority will be received according to the pledge schedule and payments. She also explained that the donor pool represents 70 donors across different backgrounds.*

*Mr. Eaddy asked for more context on a specific line item shown in the pro forma. Ms. King explained that this line item represented net assets which were released from restriction to fund operating program expenses. Mr. Eaddy also asked about a specific line item shown in the financial statements, to which Ms. King explained that it represented net assets released only for capital expenditures and are therefore not included in the operating budget.*

*Mr. Eaddy also asked if the Borrower was currently paying interest on the taxable loan to be refunded as part of the proceeds of the bonds, and if that information could be pointed to in the pro forma. Ms. King responded that she would follow up with the Borrower and confer with the Finance Committee accordingly.*

*With no additional questions, the Committee recommended the Project to seek authorization at the September 24<sup>th</sup> Board meeting.*

#### **Bay Ridge Preparatory School Amendment**

Bay Ridge Preparatory School (the "School" or "Bay Ridge Prep"), 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"), a private co-educational, college preparatory school that provides an education for students in kindergarten through Grade 12, is seeking \$29,850,000 in tax-exempt bonds (the "Bonds"). As part of a plan of financing, proceeds from the Bonds will be used to: (i) refinance the \$17,000,000 outstanding principal balance of a taxable loan that was funded in the same original amount of \$17,000,000, the proceeds of which were used to (1) finance the acquisition of an approximately 1,890 square foot building located on an approximately 4,700 square foot parcel of land located at 7503 Shore Road, Brooklyn, New York 11209 ("Facility 1") and an approximately 25,000 square foot building located on an approximately 22,000 square foot parcel of land located at 7509 Shore Road, Brooklyn, New York 11209 ("Facility 2"), (2) finance a portion of the cost of the renovation of Facility 2 and (3) refinance existing indebtedness of the School which financed the purchase of an approximately 21,000 square foot building located on an approximately 10,940 square foot parcel of land located at 8101 Ridge Blvd, Brooklyn, New York 11209 ("Facility 3"); (ii) finance the cost of constructing, developing, and equipping Facility 1 into a an approximately 7,300 square foot facility; (iii) finance the remaining cost of developing, converting, furnishing, and equipping Facility 2; (iv) fund debt service reserve fund(s), if any; (v) fund capitalized interest; and (vi) pay for certain costs related to the issuance of the Bonds ((i-vi) collectively, the "Project"). The School will operate Facility 1 as its gymnasium and event center, which will serve 380 students in kindergarten through Grade 12 and will serve as a large gathering space for student and alumni activities. Renovations to Facility 1 will include the demolition of the current structure and construction of the new gymnasium facility. The School will operate Facility 2 as its Upper School, which will serve approximately 200 students in Grades 9 through 12. Renovations to Facility 2 will include the conversion of the current structure into a three-story educational facility, including classrooms, science labs, common areas, and private outdoor spaces as well as improvements to make the facility energy efficient. The School will continue to operate Facility 3 as the Lower and Middle School, which serves approximately 170 students in kindergarten through Grade 8.

On July 23, 2024, the Corporation's Board of Directors approved an Authorizing Resolution for the Project. Subsequent to the adoption of the Authorizing Resolution, the Project's financing structure changed significantly. Originally, the Bonds were expected to be issued in two tax-exempt series in the same aggregate amount of \$29,850,000. The Series 2024A Bonds were expected to be issued in the amount of \$17,000,000 and expected to be directly purchased by ConnectOne Bank to refinance an existing term loan with ConnectOne Bank. The Series 2024B Bonds were expected to be issued in the aggregate amount of \$12,850,000 for a term of 30 years pursuant to a limited public offering with Stifel, Nicolaus & Company, Inc. acting as the underwriter. The financing terms have changed to a limited public offering on financing terms described above.

*Ms. Baer asked why the Board was being asked to approve a new SEQRA determination. Ms. Arcasoy explained that the SEQRA determination remained unchanged since the project was originally presented to the Board, and that the Board was being asked to readopt the same SEQRA determinations as part of an administrative measure to provide the school with the full terms of the amended resolution.*

*With no additional questions, the Committee recommended the Project to seek amending authorization at the September 24<sup>th</sup> Board meeting.*

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**Noah Schumer**  
**Deputy Executive Director, Build NYC**