

**Build NYC Resource Corporation  
Finance Committee Meeting**

The Finance Committee convened on March 18, 2026, to discuss the following project(s):

- AECI 2970 Third Avenue, LLC
- Brooklyn Friends School

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

Build NYC and NYCEDC Staff Members: Brinda Ganguly, Emily Marcus, Noah Schumer, Michael Parella, Weston Rich, Sophie King, Leyla Arcasoy, Tami Ajibade

Start: 4:05 PM

End: 4:31 PM

**AECI 2970 Third Avenue, LLC:**

AECI 2970 Third Avenue, LLC is a New York limited liability company and a disregarded entity for federal income tax purposes (the “Borrower”) whose sole member is Friends of AECI Charter Schools, Inc. (“Friends”), 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”). Friends provides real estate and fundraising support to AECI Charter Schools Network (the “Education Corporation”), a New York not-for-profit education corporation exempt from federal taxation pursuant to Section 501(c)(3) of the Code, which operates two public charter schools, one of which is the New York City Charter High School for Architecture, Engineering & Construction Industries (“AECI I”). The Borrower is seeking approximately \$61,000,000 in tax-exempt and/or taxable bonds (the “Bonds”). The tax-exempt bonds will be issued as part of a plan of finance of qualified 501(c)(3) bonds under Section 145 of the Code. Proceeds of the Bonds will be used to finance: (i) the acquisition by the Borrower of an approximately 13,975 square foot parcel of land located at 2968-2970 Third Avenue, Bronx, New York (the “Land”); (ii) the construction by a developer of a new approximately 51,250 square foot condominium unit in a mixed-use building on the Land (the “Facility”); (iii) capitalized interest on the Bonds; (iv) a debt service reserve fund or other reserve funds; and (v) certain costs related to the issuance of the Bonds ((i-v) collectively, the “Project”). The Facility will be owned by the Borrower and leased to the Education Corporation, which will operate the Facility as a public charter school for AECI I serving up to approximately 875 students in Grades 6-12.

*Mr. Eaddy asked for clarification regarding the allocation of approximately 51,000 square feet for the school facility and an approximately 5,000 square foot commercial condominium unit. Mr. Rich explained that Barone Management is the current property owner and will serve as the seller, but will also retain and operate the new commercial condominium unit. Mr. Rich noted that this structure was a business term agreed upon between the School and Barone prior to engaging with Build NYC. As part of the agreement, certain retail uses that would be incompatible with or ineligible for a school will be excluded.*

*Mr. Eaddy asked about the prior use of the commercial space. Mr. Rich stated that the ground floor was previously used for retail and was last occupied in 2016 by a discount electronics and furniture store. Mr. Eaddy confirmed with Mr. Rich that the transaction would include a development agreement and an associated fee would be paid by Barone to the School to lease and operate the retail space.*

*Mr. Brindisi asked for clarification regarding right-of-use assets on the statement of financial position. Mr. Rich explained that these relate to how lease renewal extensions are being recorded. Mr. Brindisi further asked why the proportion of lease liabilities was significantly lower than the right-of-use assets in fiscal year 2025. Mr. Rich stated that this was likely due to accounting principles and that he would review the matter and follow up.*

*Mr. Brindisi asked why the network had a significant negative amount for standard activities in Fiscal Year 2025. Mr. Rich explained that the amount has slightly improved and represents an anomaly. He noted that historically the network has been cash-positive at the end of each year and that the 2025 variance reflects increased investment activity, particularly related to personnel costs.*

*There was further discussion among Mr. Rich, Mr. Brindisi, and Mr. Schumer regarding the network's cash position in Fiscal Year 2023.*

*Mr. Rich clarified that while the network reported positive net cash provided by operating activities in 2023, it also incurred significant capital expenditures related to real estate improvements. These expenditures were reflected on the financial statements as purchases of property and equipment and totaled over \$1 million, which was higher than in the past two years, during which capital expenditures were approximately \$500,000 annually. Mr. Rich indicated that these expenditures were attributable to additional investments in leased facilities.*

*Mr. Brindisi asked whether the network was confident that it would return to a positive cash position in Fiscal Year 2026. Mr. Rich responded that the charter network has been operating since 2008 and has a long track record of ending each year cash-positive. Mr. Rich further noted that the network is preparing for a significant middle-school expansion, which is expected to generate additional revenue through increased per-pupil funding and rental reimbursement.*

*Mr. Brindisi asked how increased personnel costs were related to the Chief Executive Officer. Mr. Rich explained that these costs reflect how network-level expenditures are allocated, noting that executive and other network leadership costs had been reclassified under personnel expenses. Mr. Peers asked why this accounting shift occurred. Mr. Rich stated that he was not certain and would follow up.*

*With no additional questions, the Committee recommended the Project seek authorization at the March 24th Board meeting.*

**Brooklyn Friends School:**

Brooklyn Friends School, as borrower (the "Borrower"), a New York not-for-profit education corporation exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), is seeking approximately \$34,000,000 in tax-exempt and/or taxable bonds (the "Bonds"). The Borrower is an independent, college preparatory Quaker school serving approximately 700 students from two years old to Grade 12. 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: (i) refinance the approximately \$17,000,000 outstanding principal balance of a 2024 term loan with a commercial bank that was funded in the original principal amount of \$17,000,000, the proceeds of which were used to finance the acquisition of an approximately 27,275 square foot facility on an approximately 5,695 square foot parcel of land being Tax Block 140 Lot 101, known by the street address of 383-393 Pearl Street a/k/a 19-23 Willoughby Street, Brooklyn, New York (the "Pearl Street Ancillary Facility"); (ii) refinance the approximately \$10,287,415 outstanding principal balance of a 2014 mortgage loan with a commercial bank that was funded in the original principal amount of \$14,000,000, the proceeds of which were used to finance the renovation, furnishing, and equipping of approximately 44,353 square feet of leased space within an approximately 978,544 square foot facility on an approximately 69,875 square foot parcel of land being Tax Block 147 Lot 4, known by the street address of 116 Lawrence Street a/k/a 351 Jay Street, Brooklyn, New York (the "Lawrence Street Facility"); (iii) finance the renovation, furnishing, and equipping of the Pearl Street Ancillary Facility; and (iv) pay for certain costs related to the issuance of the Bonds ((i-iv) collectively, the "Project"). The Pearl Street Ancillary Facility is expected to support the Borrower's academic programs and include performing arts and other multi-use spaces to be used by all grade levels. The Borrower operates the Lawrence Street Facility as a private school serving approximately 177 students in Grades 9 to 12.

*Mr. Brindisi asked why the school is using direct placement with Connect One Bank instead of City National Bank or TD Bank, the other banks with which it had spoken about this transaction. Mr. Rich stated that the choice was based on the review of term sheets with DA Davidson, its financial advisor.*

*Mr. Brindisi asked why total expenses decreased from Fiscal Year 2025 to the projected Fiscal Year 2026. Mr. Rich explained that the decrease is due to differences between historical financial statements and forward-looking projections, noting that certain non-cash items included in Fiscal Year 2025 expenses are not reflected in the projections for Fiscal Year 2026. Mr. Rich clarified that this was not the result of a reduction in underlying operating expenses. Mr. Brindisi requested additional information to better understand which non-cash items were excluded from the projected expenses.*

*Ms. Baer asked whether the Deputy Mayor's Office for Economic Justice had provided an opinion on the projects scheduled for the Build NYC March Board meeting. Ms. Marcus stated that Build NYC staff would be meeting with City Planning the following day and noted that staff had briefed Edie Sharp, Chief of Staff to Deputy Mayor for Economic Justice and a newly appointed board member, on the meeting agenda.*

*With no additional questions, the Committee recommended the Project seek authorization at the March 24th Board meeting.*

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