

The Compliance Department at the New York City Industrial Development Agency (NYCIDA) works collaboratively with stakeholders to help ensure the success of our Projects. It does so by educating Project representatives, monitoring Project milestones, and collecting Project information for public reports required by State and Local laws.

### **Education**

Each NYCIDA Project is assigned a Compliance Project Manager. If you are unsure who your Compliance Project Manager is, please call the Compliance Hotline at (212) 312-3963 or email [ComplianceReporting@nycedc.com](mailto:ComplianceReporting@nycedc.com).

We are here to help! Please contact your Compliance Project Manager if you have any questions about your Project. The Compliance Project Manager will meet with your Project's representative to discuss and review the requirements contained in the Lease Agreement. By proactively educating Project representatives about these requirements, issues that could impair a Project's success are frequently avoided. In addition, the Compliance Project Manager serves as the Project's point-of-contact for all Project-related questions for the life of the Project.

### **Monitoring**

While each Project has unique requirements, there several areas that Compliance is required to monitor:

- *Employment & Benefit Reporting* – On an annual basis, Compliance sends Projects an Employment and Benefit Report that collects information about employment at the Project location and benefits received by the Project. This report is typically due every August 1.
  - See Section 8.16(b) of the Agency Lease Agreement.
- *Construction Milestones* – Compliance is responsible for verifying that construction requirements contained in the Lease Agreement are met. In the event that delays develop, Compliance will work with your Project to discuss and if possible adjust any deadlines included in the Lease Agreement. Your Project's Completion Deadline, if applicable, will be specifically assigned in the Agreement. A Project Completion Certificate, with all of the required attachments, must be submitted by this date, or your Project's Completion Date must be extended upon a formal request and a payment of a fee.
  - See Section 3.3, 8.14(g), and Exhibit G of the Agency Lease Agreement.
- *Insurance* – Compliance works with Projects to make sure that the required level of insurance is maintained. At your Project's closing, an insurance certificate evidencing the required levels of insurance will be submitted to NYCIDA. We require that you maintain this level of insurance throughout the life of your Project and will request updated insurance certificates as needed. In addition, any construction performed at the Facility may trigger additional insurance requirements. Please contact us when you anticipate that construction will be performed.
  - See Section 8.1 of the Agency Lease Agreement.
- *FRESH Certificate [if applicable]* – In order to confirm that Projects continue to meet the requirements of the FRESH Program, Projects must submit to Compliance a certificate that certifies the Facility as a FRESH Food Store every August 1.
  - See Section 8.16(i) & Exhibit J of the Agency Lease Agreement.

- *Tenants* – Project Agreements contain restrictions on leasing to third parties. Compliance monitors these restrictions and manages the tenant approval process. NYCIDA approval is required before any portion of the Facility can be subleased to entities that are not explicitly listed as preapproved subtenants in the Agency Lease Agreement. In addition, all Projects are required to submit an annual Subtenant Occupancy Survey, which is typically due on February 1.
  - See Section 8.9 of the Agency Lease Agreement.
- *PILOT [if applicable]* – Compliance monitors the PILOT payments owed by Projects and any changes to a Project's scope that may affect its PILOT obligations. PILOT payments are made semi-annually and are due seven business days prior to July 1 and January 1. The New York City Department of Finance is responsible for determining your PILOT payments.
  - See Sections 5.1 of the Agency Lease Agreement.
- *Sales Tax Exemption [if applicable]* – The purchase of Exempt Property in conjunction with the Project is not subject to sales tax. Please contact us prior to making purchases of Exempt Property for instructions on how to make use of the Sales Tax Exemption.
  - See Section 5.2 & Exhibit H of the Agency Lease Agreement.
- *ST-340 [if applicable]* – Annual report of sales and use tax exemptions (original sent to New York State Department of Taxation and Finance, copy sent to Agency) due February 28<sup>th</sup> of each year the exemption is valid.
  - See Section 8.16(c)
- *ST60 [if applicable]* – Within five (5) Business Days following any appointment of an agent in connection with the use of the Sales Tax Letter, the Lessee shall submit Form ST-60 (with attachments) to the Agency as provided.
  - See Annex B of Exhibit H (Form of Sales Tax Letter)
- *Field Visits* – Field Visits are performed to monitor Project milestones, verify reported information, and meet with Project representatives face-to-face to discuss any questions that may be surrounding the Project. Compliance staff that requests a visit typically would need a representative to escort them throughout the premises. If possible we will give advance notice.
- *Recapture* – The benefits your Project receives are subject to repayment on the occurrence of certain defined Recapture Events within the Recapture Period. Recapture Events include but are not limited to: failing to complete the required instruction by the Completion Date, subleasing to third parties without NYCIDA consent, ceasing operations, and selling the Facility.
  - See Section 5.4 of the Agency Lease Agreement.
- *Administrative Fees* – An Annual Administrative Fee is due every July 1<sup>st</sup>. This fee may be adjusted periodically by NYCIDA's Board of Directors.
  - See Section 8.3 of the Agency Lease Agreement.
- *Late Delivery Fees [if applicable]* – Failure to submit certain documents required under your agreement or requested by NYCIDA will result in the imposition of a \$10/day late fee. The

fee starts to accrue on the day following the day that the document was due on. We make every effort to avoid the imposition of Late Delivery Fees by proactively reminding Projects of upcoming deadlines. Please do not ignore emails or mailings from the Compliance team.

- See Section 9.8 of the Agency Lease Agreement.

### **Public Reports**

Compliance is also responsible for reporting publicly certain information about Projects, as required by State and Local law. This information typically is centered on the employment at a Project location and the benefits received by a Project. Because this information is publicly reported, it is critical that Projects work with Compliance to provide accurate data in a timely fashion.