

MINUTES OF THE  
MEETING OF THE BOARD OF DIRECTORS  
OF  
NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY  
HELD AT THE 110 WILLIAM STREET OFFICES OF  
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION  
APRIL 10, 2018

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

Brian Cook, alternate for Scott M. Stringer,  
Comptroller of The City of New York  
Albert De Leon  
Barry Dinerstein, alternate for Marisa Lago  
the Chair of the City Planning Commission of The City of New York  
Kevin Doyle  
Anthony Ferreri  
Betty Woo, alternate for Zachary W. Carter, Esq.,  
Corporation Counsel of The City of New York  
Jacques-Philippe Piverger  
Robert Santos  
Shanel Thomas

The following directors were not present:

James Patchett, Chairman  
Marlene Cintron  
Andrea Feirstein  
Carl Rodrigues, alternate for Alicia Glen,  
Deputy Mayor for Housing and Economic Development of The City of New York

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 from Katten Muchin Rosenman LLP, (5) Seth Bryant from Bryant Rabbino LLP, and (6) other members of the public.

Eric Clement, a Senior Vice President of NYCEDC, convened the meeting of the Board of Directors of New York City Industrial Development Agency (the “Agency” or “NYCIDA”) at 9:00 a.m., at which point a quorum was present.

1. Adoption of the Minutes of the February 13, 2018 Board of Directors Meeting

Mr. Clement asked if there were any comments or questions relating to the minutes of the February 13, 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 February 28, 2018 (Unaudited)

Carol Ann Butler, Assistant Vice President of NYCEDC, presented the Agency's Financial Statements for the eight-month period ending February 28, 2018 (Unaudited). Ms. Butler reported the following. For the month of February, the Agency recognized revenues in the amount of \$1,900,000, which came from project finance fees from twelve transactions. The Agency recognized revenues derived from compliance, application, post-closing and recapture fees in the amount of \$1,400,000 for the year-to-date. The Agency recognized operating expenses, largely consisting of the monthly management fee, in the amount of \$2,300,000 for the eight-month period ending February 28<sup>th</sup>. The Agency spent \$2,000,000 in special costs largely relating to the Futureworks NYC program.

3. Fiscal Year 2019 Budget

Krishna Omolade, an Assistant Vice President for NYCEDC, presented for review and approval the Agency's Fiscal Year 2019 Budget (the "Budget"). Mr. Omolade stated that the purpose of the presentation was to obtain approval by the Board of the Budget as required under the Public Authorities Accountability Act. Mr. Omolade presented figures in respect of the Agency's actual and projected revenues and expenses and provided comparisons against previous fiscal years attached hereto as Exhibit A.

There being no further questions, a motion to approve the Budget attached hereto as Exhibit A, as submitted, was made, seconded and unanimously approved.

4. Governance Committee Member Appointment

Anne Shutkin, Vice President of NYCEDC and Executive Director of the Agency, presented for review and adoption a resolution to appoint Betty Woo as a member of the Agency's Governance Committee and as a member and Chairperson of the Agency's Settlement Committee. A motion was made to adopt the resolution. The motion was seconded and unanimously approved.

5. Hi-Tech Metals, Inc.

Emily Marcus, a Project Manager for NYCEDC, presented for review and adoption an Industrial Incentive Program inducement resolution for the benefit of Hi-Tech Metals, Inc., an associated deviation from the Agency's Uniform Tax Exemption Policy ("UTEP") and recommended the adoption of a SEQRA negative declaration that the project would not have a

significant adverse effect on the environment. Ms. Marcus described the project and its benefits, as reflected in Exhibit B.

In response to a question from Ms. Thomas, Ms. Marcus stated that the company will purchase the property in which it currently operates. In response to a question from Mr. Cook, Ms. Marcus stated that the company is willing to comply with the expected minimum wage increase.

There being no further comments or questions, a motion to approve the inducement resolution attached hereto as Exhibit C for the benefit of Hi-Tech Metals, Inc., the associated deviation from UTEP, and the SEQRA determination was made, seconded and unanimously approved.

6. Tapps Supermarkets, Inc.

Mr. Omolade presented for review and adoption a FRESH Program inducement and authorizing resolution for the benefit of Tapps Supermarkets, Inc. and recommended the adoption of a SEQRA negative declaration that the project would not have a significant adverse effect on the environment. Mr. Omolade described the project and its benefits, as reflected in Exhibit D.

In response to a question from Mr. Cook, Mr. Omolade stated that in FY15 the company acquired three Food Emporium supermarkets that were part of the A&P supermarket chain which was affected by The Great Atlantic & Pacific Tea Company Inc.'s bankruptcy filing and so the cost of acquiring those supermarkets was a contributor to the company's FY15 deficits.

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

7. JMDH Real Estate Offices, LLC

Mr. Omolade presented for review and adoption a Commercial Project amending inducement and authorizing resolution for the benefit of JMDH Real Estate Offices, LLC, an associated deviation from the Agency's UTEP and recommended the adoption of a SEQRA negative declaration that the project would not have a significant adverse effect on the environment. Ms. Omolade described the project and its benefits, as reflected in Exhibit F.

There being no comments or questions, a motion to approve the amending inducement and authorizing resolution, the associated deviation from UTEP, and the SEQRA determination attached hereto as Exhibit G for the benefit of JMDH Real Estate Offices, LLC was made, seconded and unanimously approved.

8. OTSAR Early Childhood Center

Michael Waller, a Senior Project Manager for NYCEDC, presented for OTSAR Early Childhood Center a post-closing resolution to approve any necessary amendments to the project documents needed for an assignment and assumption by OTSAR Family Services, Inc. of all rights, payments, obligations and liabilities and to change the project scope in order to align the project facility's operations with the company's operations and the expansion of administrative offices. Mr. Waller described the project and its benefits, as reflected in Exhibit H.

There being no comments or questions, the motion to adopt the post-closing resolution attached hereto as Exhibit I for the benefit of OTSAR Early Childhood Center was made, seconded and unanimously approved.

9. Services Contract Proposal for Audit & Tax Reporting Services

Fred D'Ascoli, Controller of NYCEDC and Assistant Treasurer of the Agency, presented for review and approval a proposal for a services contract with Ernst & Young LLP ("E&Y") in an amount of up to \$296,164 to provide audit services for the Fiscal Years ending June 30, 2018 through 2021 (the "Audit Contract"). Mr. D'Ascoli described the project and its benefits, as reflected in Exhibit J.

In response to a question from Mr. Piverger, Mr. D'Ascoli stated that E&Y's bid was the third highest out of the seven submissions. Mr. D'Ascoli stated that due to the aggressive negotiating tactics of Spencer Hobson, NYCEDC staff and E&Y were able to arrive at a very reasonable price of a 10% increase that includes additional functionality. Mr. De Leon stated that E&Y has also been open about sharing information with the audit committee in a teaching or educating capacity. Mr. D'Ascoli stated that one of the advantages of E&Y is that they have a very deep bench and a broad base of talent available. Mr. D'Ascoli stated that any of the big four firms would have the same kind of bench strength and E&Y was the only big-four firm that applied for this particular contract. Mr. D'Ascoli stated that Agency staff tapped into E&Y's expertise for subject-matter experts in a wide variety of areas including education of board members and some other aspects that they have facilitated without any cost to NYCEDC. Mr. De Leon stated that E&Y has been rotating staff so that their staff are constantly learning from working with new clients and also so that the current staff doesn't get into a rut with what they're doing. Mr. D'Ascoli stated that this past year E&Y provided a new staff and that not a single person had come from the previous engagement. Mr. D'Ascoli stated that the partner assigned to this engagement has only been on the job for two years and that this year he is

training a new partner that will take over for him next year as a mandatory rotation that is required by the Public Authorities Accountability Act.

There being no further comments or questions, a motion to approve the services contract with E&Y as described in Exhibit J 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 9:30 a.m.

Arthur Hauser  
Assistant Secretary

Dated: 5/24/18  
New York, New York

**Exhibit A**

**NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY  
FISCAL YEAR 2019 BUDGET**

	<b>FY 2017 Actual</b>	<b>FY 2018 Budget</b>	<b>FY 2018 Projected Year-End Actual</b>	<b>FY 2019 Budget</b>	<b>FY 2020 Budget</b>	<b>FY 2021 Budget</b>	<b>FY 2022 Budget</b>
<b>REVENUES</b>							
Financing Fees*	825,293	2,513,570	2,938,759	3,155,311	3,449,689	3,715,404	4,221,951
Application Fees	170,000	130,000	75,000	142,630	153,305	161,445	169,585
Compliance Fees**	843,621	970,980	822,706	847,387	872,809	898,993	925,963
Post-Closing Fees	117,500		105,000	108,150	110,313	112,519	114,770
Investment Income	199,995	129,808	247,208	220,929	223,448	226,248	231,716
Other Income	529,961	300,000	486,076	300,000	300,000	300,000	300,000
<b>TOTAL REVENUES</b>	<b>2,686,370</b>	<b>4,044,358</b>	<b>4,674,748</b>	<b>4,774,407</b>	<b>5,109,563</b>	<b>5,414,608</b>	<b>5,963,984</b>
<b>EXPENSES</b>							
Contract Fee	3,300,000	3,300,000	3,300,000	4,356,000	4,491,000	4,761,000	5,031,000
Audit and Accounting Fees	101,222	85,760	101,222	79,676	81,270	82,895	84,553
Outreach / Marketing	6,049	25,000	2,988	25,000	25,000	25,000	25,000
Public Notice Fees	45,733	52,677	24,975	34,327	38,904	43,481	48,058
Miscellaneous Expenses	63,429	35,471	71,493	47,120	47,183	47,249	47,316
<b>TOTAL EXPENSES</b>	<b>3,516,433</b>	<b>3,498,908</b>	<b>3,500,678</b>	<b>4,542,123</b>	<b>4,683,357</b>	<b>4,959,624</b>	<b>5,235,927</b>
<b>OPERATING EXCESS/(DEFICIT) FROM IDA OPERATIONS</b>	<b>(830,063)</b>	<b>545,450</b>	<b>1,174,070</b>	<b>232,284</b>	<b>426,206</b>	<b>454,984</b>	<b>728,057</b>
<b>Contract Purchases</b>							
Contract Purchases/Special Projects***	7,031,172	6,451,186	3,990,821	2,968,440	168,440	168,440	168,440
<b>NET OPERATING EXCESS/(DEFICIT)</b>	<b>(7,861,235)</b>	<b>(5,905,736)</b>	<b>(2,816,751)</b>	<b>(2,736,156)</b>	<b>257,766</b>	<b>286,543</b>	<b>559,617</b>

**NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY  
NET ASSETS**

Unrestricted Net Assets (Beginning)	46,591,762	40,782,568	38,730,527	35,913,776	22,727,620	22,985,386	23,271,929
Operating Excess/(Deficit)	(7,861,235)	(5,905,736)	(2,816,751)	(2,736,156)	257,766	286,543	559,617
Asset Increase	-	-	-	-	-	-	-
Asset Decrease	-	-	-	(10,450,000)	-	-	-
<b>UNRESTRICTED NET ASSETS (ENDING)</b>	<b>38,730,527</b>	<b>34,876,832</b>	<b>35,913,776</b>	<b>22,727,620</b>	<b>22,985,386</b>	<b>23,271,929</b>	<b>23,831,546</b>

\* FY18 projected year-end financing fees are based on 14 transactions. FY19 financing fees are based on 15 transactions.

\*\* FY 2018 Budget did not include a separate line item for post-closing fees.

\*\*\* Pursuant to various Board approved agreements between the Agency and NYCEDC, the Agency is committed to fund various projects being performed by NYCEDC related to the City's economic and industrial development projects and initiatives.

**NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY**  
**BUDGETED REVENUES, EXPENDITURES, AND CHANGES IN CURRENT NET ASSETS**  
(Office of the State Comptroller's Submission Format)

	Last Year (Actual) 2017	Current Year (Estimated) 2018	Next Year (Adopted)* 2019	Proposed 2020	Proposed 2021	Proposed 2022
<b><u>REVENUE &amp; FINANCIAL SOURCES</u></b>						
<b>Operating Revenues</b>						
Charges for services	1,956,414	3,941,465	4,253,478	4,586,115	4,888,361	5,432,268
Other operating revenues	529,961	486,076	300,000	300,000	300,000	300,000
<b>Nonoperating Revenues</b>						
Investment earnings	199,995	247,208	220,929	223,448	226,248	231,716
<b>Total Revenues &amp; Financing Sources</b>	<b>2,686,370</b>	<b>4,674,748</b>	<b>4,774,407</b>	<b>5,109,563</b>	<b>5,414,608</b>	<b>5,963,984</b>
<b><u>EXPENDITURES</u></b>						
<b>Operating Expenditures</b>						
Professional services contracts	10,547,605	7,491,499	7,510,563	4,851,797	5,128,065	5,404,367
<b>Total Expenditures</b>	<b>10,547,605</b>	<b>7,491,499</b>	<b>7,510,563</b>	<b>4,851,797</b>	<b>5,128,065</b>	<b>5,404,367</b>
<b>Excess (deficiency) of revenues and capital contributions over expenditures</b>	<b>(7,861,235)</b>	<b>(2,816,751)</b>	<b>(2,736,156)</b>	<b>257,766</b>	<b>286,543</b>	<b>559,617</b>

\* The FY2019 budget will be presented to the Board of Directors on April 10, 2018.

**Exhibit B**

### Project Summary

Hi-Tech Metals, Inc., a New York corporation that specializes in steel and architectural metal fabrication for custom metalwork projects throughout the tristate area (the “Company”), together with an affiliated real estate holding company, seek financial assistance in connection with the acquisition, renovation, furnishing and equipping of an existing approximately 36,400 square foot building located on an approximately 37,000 square foot parcel of land located in Maspeth (the “Facility”). The Facility will be owned and operated by the Company as a steel and architectural metal fabrication production center (the “Project”). The total Project cost is approximately \$6,877,000.

### Project Location

59-20 56<sup>th</sup> Avenue  
Maspeth, New York 11378

### Actions Requested

- Inducement Resolution for an Industrial Program transaction.
- Approval of deviation from UTEP.
- Adopt a negative declaration for this project. The proposed project will not have a significant adverse effect on the environment.

### Anticipated Closing

Spring 2019

### Impact Summary

Employment	
Jobs at Application:	114
Jobs to be Created at Project Location (Year 3)	10
<b>Total Jobs (full-time equivalents)</b>	<b>124</b>
<b>Project Average Hourly Wage (excluding principals)</b>	<b>\$22.75</b>
<b>Highest Wage/Lowest Wage</b>	<b>\$42.86/\$12.25</b>

Estimated City Tax Revenues	
Impact of Operations (NPV 25 years at 6.25%)	\$18,722,428
One-Time Impact of Renovation	\$49,147
<b>Total impact of operations and renovation</b>	<b>\$18,771,575</b>
<b>Additional benefit from jobs to be created</b>	<b>\$492,936</b>

Estimated Cost of Benefits Requested: New York City	
Building Tax Exemption (NPV, 25 years)	\$2,659,954
Land Tax Abatement (NPV, 15 years)	\$306,918
MRT Benefit	\$56,550
Sales Tax Exemption	\$29,025
Agency Financing Fee	(\$82,000)
<b>Total Value of Benefits provided by Agency</b>	<b>\$2,969,947</b>
Available As-of-Right Benefits (ICAP)	\$1,776,550
Agency Benefits In Excess of As-of-Right Benefits	\$1,193,397

## Hi-Tech Metals, Inc.

<b>Costs of Benefits Per Job</b>	
Estimated Total Cost of Benefits per Job	\$9,624
Estimated City Tax Revenue per Job	\$155,359

<b>Estimated Cost of Benefits Requested: New York State</b>	
MRT Benefit	\$30,450
Sales Tax Exemption	\$28,219
<b>Total Cost to NYS</b>	<b>\$58,669</b>

## Sources and Uses

Sources	Total Amount	Percent of Total Financing
Commercial Loans	\$3,480,000	50%
Small Business Administration	\$2,520,000	37%
Equity	\$877,000	13%
<b>Total</b>	<b>\$6,877,000</b>	<b>100%</b>

Uses	Total Amount	Percent of Total Costs
Land & Building Acquisition	\$6,006,000	87%
Fixed Tenant Improvements	\$380,000	6%
Furnishings & Equipment	\$370,000	5%
Fees	\$121,000	2%
<b>Total</b>	<b>\$6,877,000</b>	<b>100%</b>

## Fees

	Paid At Closing	On-Going Fees (NPV, 25 Years)
Agency Fee	\$82,500	
Project Counsel	\$25,000	
Annual Agency Fee	\$1,000	\$12,485
Total	\$108,500	\$12,485
<b>Total Fees</b>	<b>\$120,985</b>	

## Financing and Benefits Summary

It is anticipated that the Company will use a commercial loan from Bank of America, a second commercial loan from the Small Business Administration and Company funds to finance the Project. Commitment letters from the third party financing partners will be provided prior to seeking Agency Board authorization. The financial assistance proposed to be conferred by the Agency will consist of exemption of City and State mortgage recording taxes, exemption from City and State sales and use taxes and payments in lieu of City real property taxes. The Project will receive an adjusted property tax benefits schedule that will consist of building tax stabilization for 25 years and land tax abatement for the first 10 years (with an additional 5-year phase-out period). This modified benefits package was offered to the Company based on the scope and scale of proposed improvements to project land.

## **Hi-Tech Metals, Inc.**

### **Company Performance and Projections**

Hi-Tech Metals, Inc. was founded in 1991 and has experienced steady growth since this time. As a result, the Company has relocated many times into larger rental facilities within Maspeth that can accommodate additional employees and the larger scale machinery required for increased custom metalwork production. In 2002, the Company relocated their entire operation into a 21,000 square foot facility, and in 2012 they also began leasing the adjacent property, both of which they continue to lease today and the latter of which is the Project Facility. Since 2002, Company employment has grown from 10 employees to 114.

### **Inducement**

- I. The Project involves the industrial manufacturing industry, which the Agency seeks to retain and foster.
- II. The Project will retain 114 and create 10 additional permanent private-sector jobs.
- III. Without assistance from the Agency, the Company has stated that it likely would not pursue this project in New York City and would relocate its operations to New Jersey.

### **UTEP Considerations**

The Agency finds that the Project meets one or more considerations from Section I-B of the Agency's Uniform Tax Exemption Policy ("UTEP"), including the following:

- I. The Project will create and retain permanent private-sector jobs.
- II. Financial assistance is required to induce the Project.
- III. The Project involves the industrial manufacturing industry, which the Agency seeks to retain and foster.

### **Deviation from UTEP**

Under the UTEP, projects seeking Agency benefits are required to make investments of at least \$1 million specific to project land improvements. A deviation from UTEP is required because although the Company is making investments totaling \$750,000 in project improvements, of which \$380,000 are attributable to project land. The Agency believes that a deviation from the UTEP is justified because the Project will help retain a longstanding industrial manufacturer, as well as the 114 good-paying jobs that it provides, within Maspeth, Queens. The Project represents a significant commitment by the Company to continue operating within the City, whereas many of its direct local competitors have already relocated from the City to elsewhere within the tristate region to reduce real estate costs. With Agency assistance, the Company will be able to acquire the Facility without being significantly financially burdened, and as a result will make building improvements and large-scale machinery purchases.

### **Applicant Summary**

Hi-Tech Metals, Inc. was founded in 1991 in Maspeth by three long-time friends, Manny Velis, Chris Doulou and Guiliano Valentino. The Company operates as a steel and architectural metals fabricator, producing aluminum, stainless steel, copper and bronze for custom architectural metalwork projects that include building entrances, stairways, mezzanines, railings, storefront, unique partitions, lighting covers and any other custom-made required metalwork. The Company services customers across the tristate area and their metalwork products can be found in a variety of buildings, including sports arenas, hospitals, offices, malls, subway stations and airports.

#### **Guiliano Valentino, Founder and Secretary**

As a founding member, Mr. Valentino has been integrally involved with every aspect of Company growth and development. Besides working in production and strategic planning, he handles all financial and administrative duties. He holds a Bachelor of Arts from St. John's University.

### **Employee Benefits**

The Company provides healthcare, on-the-job training, access to an employee fitness center and employer contributions for retirement plans.

**Hi-Tech Metals, Inc.**

**Recapture**

Pursuant to UTEP, all benefits subject to recapture for a 10-year period.

**SEQRA Determination**

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 Agency staff.

**Due Diligence**

The Agency conducted a background investigation of the Company and found no derogatory information.

<b>Compliance Check:</b>	Not Applicable
<b>Living Wage:</b>	Compliant
<b>Paid Sick Leave:</b>	Compliant
<b>Affordable Care Act:</b>	ACA Coverage Offered
<b>Bank Account:</b>	TD Bank
<b>Bank Check:</b>	Relationships are reported to be satisfactory.
<b>Supplier Checks:</b>	Relationships are reported to be satisfactory.
<b>Customer Checks:</b>	Relationships are reported to be satisfactory.
<b>Vendex Check:</b>	No derogatory information was found.
<b>Accountant:</b>	Scott Hagaman Leaf Saltzman 450 7 <sup>th</sup> Avenue New York, New York 10123
<b>Consultant/Advisor:</b>	Rob Morel City One Associates, Inc. 2440 Broadway, Suite 245 New York, New York 10024
<b>Community Board:</b>	Queens, CB #5

Mr. Emily Marcus  
**New York City IDA / EDC**  
110 William St.  
New York, NY 10038

December 28, 2017

Dear Ms. Marcus:

Our Company specializes in the fabrication of custom architectural metals utilizing state-of-the-art machinery for their aluminum, stainless steel, copper and bronze metalwork projects.

Our business was started by 2 of my neighborhood high school friends in 1991 with less than 7 employees. After numerous expansions and one major relocation the company now has over 114 highly paid manufacturing employees. The company has been leasing approximately 65,000 ft.<sup>2</sup> in 2 buildings in Maspeth Queens. Our current lease allows us to acquire the larger of the 2 buildings. The company would greatly benefit by owning the roof over our heads; we could safely improve the property, install state-of-the-art production machinery and increase the efficiency of their factory with no landlord pulling the lease out from under us or raising our rent exorbitantly.

But Hi-Tech needs the assistance of the IDA to make this large capital expenditure cost effective. Our industry is extremely competitive as all our competitors have relocated to other locations taking advantage of cheaper real estate and operating costs, as well as larger facilities. One of our major competitors operates in Josloff, New Jersey other smaller fabricators are sprinkled throughout New Jersey and other states in the Midwest and in the South. We are operating at capacity and the only way to remain in New York City is to have site control and upgrade our machinery and our facility, so we can manufacture a higher end product more efficiently and expand into different lines of production. Without the help of the New York City IDA in securing a 25-year property tax abatement and the energy discounts, we could not go forward with this project.

One of those options is to relocate our facility to New Jersey, with the cost of real estate is 50% cheaper than Maspeth or the Bronx. We have looked at a 47,000 ft.<sup>2</sup> industrial manufacturing building which has heavy power in Ridgefield Park New Jersey for less than \$5 million. Another property in Linden, New Jersey with over 70,000 ft.<sup>2</sup> available could be purchased for \$6 million.

We cannot consider the purchase of our building nor the significant upgrade to our current facility without the assistance of the New York City IDA. We hope that the IDA will approve our project, so we can remain in Queens and

continue to expand operations in New York City. I thank you for considering our request.

Sincerely,

Guiliano Valentino, Partner

**Exhibit C**

Resolution inducing the financing of a manufacturing facility for  
Hi-Tech Metals, Inc. and an affiliated real estate holding company,  
as an Industrial Incentive (Straight-Lease) Transaction

WHEREAS, the New York City Industrial Development Agency (the “Agency”) is authorized under the laws of the State of New York, and in particular the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended, and Chapter 1082 of the 1974 Laws of New York, as amended (collectively, the “Act”), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial and research facilities and thereby advance the job opportunities, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living; and

WHEREAS, Hi-Tech Metals, Inc. (the “Applicant”) has entered into negotiations with officials of the Agency for the acquisition, renovation, furnishing and equipping of an existing industrial facility (the “Facility”), consisting of the acquisition, renovation, furnishing and equipping of an existing approximately 36,400 square foot building located on an approximately 37,000 square foot parcel of land located at 59-20 56th Avenue, Maspeth, New York, all for use by the Applicant in its operations as a fabricator of steel and architectural metals, for lease to the Agency by a real estate holding company, or another affiliate of the Applicant to be formed (the “Company”), and sublease by the Agency to the Company for subsequent sub-sublease in whole to the Applicant, and having a total project cost of approximately \$6,877,000 (the “Project”); and

WHEREAS, the Applicant has submitted a Project Application (the “Application”) to the Agency 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 based in Maspeth, New York and currently has 114 full-time employees within The City of New York (the “City”); that the Applicant is currently operating at capacity; that the Project will allow the Applicant to purchase a currently leased facility, assume site control over its facility and future expansion, and maximize its production capability with the purchase of more efficient based fabricating machinery; that the Applicant has looked at alternate sites in Ridgewood Park, New Jersey and Linden, New Jersey but would prefer to remain in the City; that the Agency’s financial assistance will allow the Applicant to expand into different lines of production; that the Applicant expects to employ approximately 10 additional full time equivalent employees within the three years following the completion of the Project; and that without the Agency’s financial assistance, the Applicant could not proceed with the Project; and

WHEREAS, based upon the Application, the Agency hereby determines that Agency financial assistance and related benefits in the form of a straight-lease transaction between the Agency and the Applicant and the Company are necessary to induce the Applicant to remain and expand its operations in the City; and

WHEREAS, the Project should not be delayed by the requirement of determining the details of a straight-lease transaction, which cannot be immediately accomplished, and the

Applicant intends to apply its own equity for a portion of the costs of the Project and to enter into loan commitments with a bank or banks which will provide funds to the Applicant and the Company in the form of loans to finance a portion of the costs of the Project; and

WHEREAS, in order to provide financial assistance to the Applicant and the Company for the Project, the Agency intends to grant the Applicant and the Company financial assistance through a straight-lease transaction in the form of real property tax abatements, sales tax exemptions and mortgage recording tax exemptions, all pursuant to the Act;

NOW, THEREFORE, NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY HEREBY RESOLVES AS FOLLOWS:

Section 1. The Agency hereby determines that the Project and the provision by the Agency of financial assistance to the Applicant and the Company pursuant to the Act in the form of a straight-lease transaction will promote and is authorized by and will be in furtherance of the policy of the State of New York as set forth in the Act and hereby authorizes the Applicant and the Company to proceed with the Project. The Agency further determines that

(a) the Project shall not result in the removal of any facility or plant of the Applicant or the Company or any other occupant or user of the Facility from outside of the City (but within the State of New York) to within the City or in the abandonment of one or more facilities or plants of the Applicant or the Company or any other occupant or user of the Facility located within the State of New York (but outside of the City);

(b) no funds of the Agency shall be used in connection with the Project for the purpose of preventing the establishment of an industrial or manufacturing plant or for the purpose of advertising or promotional materials which depict elected or appointed government officials in either print or electronic media, nor shall any funds of the Agency be given in connection with the Project to any group or organization which is attempting to prevent the establishment of an industrial or manufacturing plant within the State of New York; and

(c) not more than one-third of the total Project cost is in respect of facilities or property primarily used in making retail sales of goods or services to customers who personally visit such facilities within the meaning of Section 862 of the New York General Municipal Law.

Section 2. To accomplish the purposes of the Act and to provide financial assistance to the Applicant and the Company for the Project, a straight-lease transaction is hereby authorized subject to the provisions of this Resolution.

Section 3. The Agency hereby authorizes the Applicant and the Company to proceed with the Project as herein authorized. The Applicant and the Company are authorized to proceed with the Project on behalf of the Agency as set forth in this Resolution; provided, however, that it is acknowledged and agreed by the Applicant and the Company that (i) nominal leasehold title to or other interest of the Agency in the Facility shall be in the Agency for purposes of granting financial assistance, and (ii) the Applicant and the Company are hereby

constituted the agents for the Agency solely for the purpose of effecting the Project, and the Agency shall have no personal liability for any such action taken by the Applicant or the Company for such purpose.

Section 4. The officers of the Agency and other appropriate officials of the Agency and its agents and employees are hereby authorized and directed to take whatever steps may be necessary to cooperate with the Applicant and the Company to assist in the Project.

Section 5. The officers of the Agency are hereby designated the authorized representatives of the Agency, 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.

Section 6. Any expenses incurred by the Agency with respect to the Project shall be paid by the Applicant and the Company. By acceptance hereof, the Applicant agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees and agents and hold the Agency 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 Agency in good faith with respect to the Project.

Section 7. This Resolution is subject to approval based on an investigative report with respect to the Applicant and the Company. The provisions of this Resolution shall continue to be effective for one year from the date hereof, whereupon the Agency may, at its option, terminate the effectiveness of this Resolution (except with respect to the matters contained in Section 6 hereof).

Section 8. The Agency, 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 Agency's review of information provided by the Applicant and such other information as the Agency has deemed necessary and appropriate to make this determination.

The Agency 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:

- (1) the Project would not result in a substantial adverse change in existing traffic, air quality, or noise levels. The Project is allowing an existing facility to remain in its current location;
- (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 continued use of the building is compliant with existing zoning and consistent with existing land use;

(5) the Project would not involve subsurface disturbance and therefore has no potential to result in significant adverse impacts related to hazardous materials; and

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

Section 9. In connection with the Project, the Agency intends to grant the Applicant and the Company real property tax abatements, sales tax exemptions and mortgage recording tax exemptions. In connection with the Project, each of the Applicant and the Company covenants and agrees to comply, and to cause each of their respective contractors, subcontractors, agents, persons or entities to comply, with the requirements of General Municipal Law Sections 875(1) and (3), as such provisions may be amended from time to time.

The Applicant and the Company each acknowledge and agree that pursuant to General Municipal Law Section 875(3) the Agency shall have the right to recover, recapture, receive, or otherwise obtain from the Applicant and/or the Company New York State sales or use tax savings taken or purported to be taken by the Applicant or the Company, and any agent or any other person or entity acting on behalf of the Applicant or the Company, to which the Applicant or the Company is not entitled or which are in excess of the maximum sales or use tax exemption amount authorized in Section 10 of this Resolution or which are for property or services not authorized or taken in cases where the Applicant or the Company, or any agent or any other person or entity acting on behalf of the Applicant or the Company, failed to comply with a material term or condition to use property or services in the manner required by this Resolution or any agreements entered into among the Agency, the Applicant, the Company and/or any agent or any other person or entity acting on behalf of the Applicant or the Company. The Applicant and the Company shall, and shall require each agent and any other person or entity acting on behalf of the Applicant and/or the Company, to cooperate with the Agency in its efforts to recover, recapture, receive, or otherwise obtain such New York State sales or use tax savings and shall promptly pay over any such amounts to the Agency that it requests. The failure to pay over such amounts to the Agency shall be grounds for the Commissioner of the New York State Department of Taxation and Finance (the "Commissioner") to assess and determine New York State sales or use taxes due from the Applicant and/or the Company under Article Twenty-Eight of the New York State Tax Law, together with any relevant penalties and interest due on such amounts.

The Applicant and the Company are hereby notified (provided that such notification is not a covenant or obligation and does not create a duty on the part of the Agency to the Applicant or the Company or any other party) that the Agency is subject to certain requirements under the General Municipal Law, including the following:

(i) In accordance with General Municipal Law Section 875(3)(c), if the Agency recovers, recaptures, receives, or otherwise obtains, any amount of New York State sales or use tax savings from the Applicant, the Company, any agent or other person or entity, the Agency shall, within thirty days of coming into possession of such amount, remit it to the Commissioner, together with such information and report that the Commissioner deems necessary to administer payment over of such amount. The Agency shall join the Commissioner as a party in any action or proceeding that the Agency commences to recover, recapture, obtain, or otherwise seek the return of, New York State sales or use tax savings from Applicant or the Company or any other agent, person or entity.

(ii) In accordance with General Municipal Law Section 875(3)(d), the Agency shall prepare an annual compliance report detailing its terms and conditions described in General Municipal Law Section 875(3)(a) and its activities and efforts to recover, recapture, receive, or otherwise obtain State sales or user tax savings described in General Municipal Law Section 875(3)(b), together with such other information as the Commissioner and the New York State Commissioner of Economic Development may require. Such report shall be filed with the Commissioner, the Director of the Division of the Budget of The State of New York, the New York State Commissioner of Economic Development, the New York State Comptroller, the Council of the City of New York, and may be included with the annual financial statement required by General Municipal Law Section 859(1)(b). Such report shall be filed regardless of whether the Agency is required to file such financial statement described by General Municipal Law Section 859(1)(b). The failure to file or substantially complete such report shall be deemed to be the failure to file or substantially complete the statement required by such General Municipal Law Section 859(1)(b), and the consequences shall be the same as provided in General Municipal Law Section 859(1)(e).

The foregoing requirements of this Section 9 shall apply to any amounts of New York State sales or use tax savings that the Agency recovers, recaptures, receives, or otherwise obtains, regardless of whether the Agency, the Applicant, the Company or any agent or other person or entity acting on behalf of the Applicant or the Company characterizes such benefits recovered, recaptured, received, or otherwise obtained, as a penalty or liquidated or contract damages or otherwise. The foregoing requirements shall also apply to any interest or penalty that the Agency imposes on any such amounts or that are imposed on such amounts by operation of law or by judicial order or otherwise. Any such amounts or payments that the Agency recovers, recaptures, receives, or otherwise obtains, together with any interest or penalties thereon, shall be deemed to be New York State sales or use taxes and the Agency shall receive any such amounts or payments, whether as a result of court action or otherwise, as trustee for and on account of New York State.

Section 10. In connection with the Project, the Agency intends to grant the Applicant and the Company real property tax abatements, sales and use tax exemptions in an amount not to exceed \$57,244 and mortgage recording tax exemptions.

This Resolution shall take effect immediately.

ADOPTED: April 10, 2018

Accepted: \_\_\_\_\_, 2018

HI-TECH METALS, INC.

By: \_\_\_\_\_

Name:

Title:

**Exhibit D**

**Project Summary**

Tapps Supermarkets, Inc. (the “Applicant”) and a to-be-formed affiliated real estate holding company (the “Company”) seek financial assistance in connection with the construction, furnishing, and equipping of a new approximately 19,900 square foot condominium (the “Project”) as part of a new approximately 118,000 square foot building located on an approximately 27,500 square foot parcel of land located at 575 Grand Street, Brooklyn, New York (the “Facility”). The Project will be owned by the Company and operated by the Applicant as a FRESH Program supermarket. Based on a review of the Project, Agency staff has concluded that the Project is likely to be completed within two years of the closing date.

**Project Location**

575 Grand Street  
Brooklyn, NY 11211

**Actions Requested**

- Inducement and Authorizing Resolution for a FRESH transaction.
- Adopt a negative declaration for this project, no significant adverse environmental impacts.

**Anticipated Closing**

June 2018

**Impact Summary**

<b>Employment</b>	
Jobs at Application:	25.5
Jobs to be Created at Project Location (Year 3):	6.0
<b>Total Jobs (full-time equivalents)</b>	<b>31.5</b>
<b>Projected Average Hourly Wage (excluding principals)</b>	<b>\$18.48</b>
<b>Highest Wage/Lowest Wage</b>	<b>\$35.00/\$15.00</b>

<b>Estimated City Tax Revenues</b>	
Impact of Operations (NPV 25 years at 6.25%)	\$5,860,995
One-Time Impact of Renovation	421,779
<b>Total impact of operations and renovation</b>	<b>\$6,282,774</b>
<b>Additional benefit from jobs to be created</b>	<b>\$326,375</b>

<b>Estimated Cost of Benefits Requested: New York City</b>	
Building Tax Exemption (NPV, 25 years)	\$3,684,238
Land Tax Abatement (NPV, 25 years)	\$141,269
Sales Tax Exemption	\$237,420
Agency Financing Fee	(\$82,590)
<b>Total Value of Benefits provided by Agency</b>	<b>\$3,980,337</b>
Available As-of-Right Benefits (ICAP)	\$2,489,362
Agency Benefits In Excess of As-of-Right Benefits	\$1,490,975

<b>Costs of Benefits Per Job</b>	
Estimated Total Cost of Benefits per Job	\$47,333
Estimated City Tax Revenue per Job	\$209,814

## Tapps Supermarkets, Inc.

Estimated Cost of Benefits Requested: New York State	
Sales Tax Exemption	\$230,825
<b>Total Cost to NYS</b>	<b>\$230,825</b>

### Sources and Uses

Sources	Total Amount	Percent of Total Financing
Company Equity	\$6,801,075	100%
<b>Total</b>	<b>\$6,801,075</b>	<b>100%</b>

Uses	Total Amount	Percent of Total Costs
Hard Costs	\$4,680,000	68.8%
Furnishings & Equipment	\$2,000,000	29.4%
Fees and Closing Costs	\$121,075	1.7%
<b>Total</b>	<b>\$6,801,075</b>	<b>100%</b>

### Fees

	Paid At Closing	On-Going Fees (NPV, 25 Years)
Agency Fee	\$82,590	
Project Counsel	25,000	
Annual Agency Fee	1,000	12,485
<b>Total</b>	<b>108,590</b>	<b>12,485</b>
<b>Total Fees</b>	<b>\$121,075</b>	

### Financing and Benefits Summary

The Project will be financed using Applicant funds. The Applicant's financial statements demonstrate solid financial capacity to execute the Project. The financial assistance proposed to be conferred by the Agency will consist of payments in lieu of City real property taxes and exemption from City and State sales and use taxes.

### Company Performance and Projections

The Applicant owns and operates seven supermarkets throughout New York City. At the Project location, Key Food, the operating partner for the supermarket, has been operating since 1947. As the neighborhood where the supermarket is located has changed, this Key Food location has continued to meet the needs of lower-income residents by accepting SNAP and WIC. However, the store is now outdated and has not been operating at full capacity for the last year. The new grocery store will be constructed on the ground floor and cellar of a 6-story inclusionary housing project, allowing the Applicant and Key Food to continue serving the neighborhood with accessible grocery products. The Project will result in a modern store that is 50% larger than the existing facility and enable the location to offer a greater variety of produce and fresh food.

### Inducement

- I. City policy, as set forth by the Food Retail Expansion to Support Health (FRESH) program, aims to promote the establishment and retention of neighborhood grocery stores in underserved communities.
- II. Without the proposed financial assistance from the Agency, the Company would be unable to convert the Facility into a supermarket at this scale, which is required to meet the neighborhood demand for grocery retail.

## **Tapps Supermarkets, Inc.**

### **UTEP Considerations**

The Agency finds that the Project meets one or more considerations from Section I-B of the Agency's Uniform Tax Exemption Policy ("UTEP"), including the following:

- The Project involves the grocery retail industry which the Agency seeks to retain and foster;
- Financial assistance is required to induce the Project;
- The Project is likely to be completed in a timely manner.

### **Applicant Summary**

Tapps Supermarkets, Inc. is a family-owned supermarket operator that operates seven supermarkets throughout Manhattan and Brooklyn. Their stores are operated under Key Food Cooperative Banners (Key Food, The Food Emporium, Ernest and Klein, and Amish Market).

#### **Paul Conte, President**

Mr. Conte has been President of Tapps Supermarkets, Inc. since 2003. Prior to which, he held several positions such as Director of Store Operations, Buyer and Store Supervisor, and Store Manager. Both he and his brother Pasquale Conte worked at the store during their teenage years. He has been a member of Key Food Coop's Grocery Ad Committee, Gross Profit Committee, Deli Committee, and is now on their Board of Directors due to his expansive knowledge of, and experience in, the industry.

#### **Pasquale Conte, Chief Finance Officer and Vice President**

Before taking his current role as CFO and Vice President of Tapps Supermarkets, Inc., he had been in the roles of Controller, Cash Manager, Deli Supervisor, Front End Manager, Deli Manager, and Deli Clerk. He now manages pension operations, human resources, cash control, auditory function, and overall operations of the supermarkets. He received a degree in Business Management from St. Johns University.

### **Employee Benefits**

Employee benefits include contributions to retirement plans for full time employees. Healthcare is offered to all full-time employees. In addition, 20 employees at the Tapps Supermarket on 575 Grand Street belong to the union Local 338 which offers medical, dental, optical, prescription and hospitalization benefits to its members with minimal co-payments as well as pension.

### **Recapture**

Pursuant to UTEP, all benefits subject to recapture for a 10-year period.

### **SEQRA Determination**

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 Agency staff.

### **Due Diligence**

The Agency conducted a background investigation of the Applicant and its principals and found no derogatory information.

<b>Compliance Check:</b>	Not Applicable
<b>Living Wage:</b>	Exempt
<b>Paid Sick Leave:</b>	Compliant
<b>Affordable Care Act:</b>	ACA Coverage Offered

**Tapps Supermarkets, Inc.**

**Bank Account:** Signature Bank

**Bank Check:** Relationships are reported to be satisfactory.

**Supplier Checks:** Relationships are reported to be satisfactory.

**Customer Checks:** Not Applicable.

**Unions:** Relationships are reported to be satisfactory.

**Vendex Check:** No derogatory information was found.

**Attorney:** Steven Polivy, Esq.  
Akerman, LLP  
666 5<sup>th</sup> Avenue, 20<sup>th</sup> Floor  
New York, NY 10103

**Accountant:** David Ostrow  
60 Crossways Park Drive West, Suite 301  
Woodbury, NY 11797

**Consultant/Advisor:** Wendy Rossi  
Akerman, LLP  
666 5<sup>th</sup> Avenue, 20<sup>th</sup> Floor  
New York, NY 10103

**Community Board:** Brooklyn, CB #1



## TAPPS SUPERMARKETS, INC.

575 Grand Street, Brooklyn, NY 11211  
Tel: (718) 782-1222 • Fax: (718) 782-1333

December 12, 2017

New York City Industrial Development Agency  
110 William Street  
New York, NY 10038  
Attn: Mac Thayer

Re: Fresh Application: Tapps Supermarkets, Inc.  
575 Grand Street, Brooklyn, NY 11211  
Brooklyn; Block: 2780; Lot: 1 & 31-38

Dear Mac,

We are requesting assistance from the New York City Industrial Development Agency (the "Agency"), through the FRESH program, in the form of real property tax relief on the land and improvements, sales tax exemption on the purchase of construction materials, capital purchases of equipment, fixtures and furnishings and energy benefits, in connection with our proposed lease of approximately 19,900 s.f.; comprised of approximately 11,700 s.f. on the ground floor and 8,200 s.f. in the cellar, to be occupied by TAPPS Supermarket, Inc. in a mixed-use development located at 575 Grand Street, Brooklyn, New York. The building will be a 6-story tower with 98,000 s.f. of inclusionary housing and apartments subject to the Affordable New York program, 25,500 s.f. of accessory parking and 6,000 s.f. of additional ground floor retail space.

The Key Food, which is the operating partner for the supermarket, is a neighborhood supermarket of approximately 13,550 s.f., currently operating on Lot 1. This neighborhood market has been in business since the early part of the twentieth century, first as a butcher shop, and then opening as a general grocer in 1947. The adjacent lots, 31-38, are currently improved as a parking lot to serve the customers of the supermarket.

Over the past ten years, or so, this neighborhood has gentrified and Key Food is the only local grocer in the area specifically meeting the needs of the less affluent residents of the area, accepting SNAP and WIC, and carrying many more mainstream and less expensive brands of foods than other neighborhood stores. It is vital to our business plan that we can benefit from the deferral in the imposition of real estate taxes attributable to the new building that would be afforded to our supermarket under the FRESH program. If the supermarket were going to be taxed conventionally, we would not be able to operate at the new building.

The neighborhood will continue to need a local grocer; one that can provide affordable healthy fruits, vegetables and meats to the residents of the area. With the benefits afforded by the Agency under FRESH program, TAPPS Supermarkets can reopen a larger grocery in its original location, and be better able to serve the neighborhood it has long been a part of, with expanded retail space for general food products intended for home preparation, consumption and utilization, expanding the perishable foods sections including dairy, fresh meats, poultry, fish and frozen foods, and with added capacity to provide fresh produce to the neighborhood.

Thank you for considering our application for FRESH benefits as a necessary element of keeping a local grocer in this neighborhood.

Sincerely,

A handwritten signature in black ink, appearing to be "J. [unclear]".

43565974;2

**Exhibit E**

**RESOLUTION INDUCING THE FINANCING OF A COMMERCIAL FACILITY FOR THE BENEFIT OF TAPPS SUPERMARKETS, INC. AS A STRAIGHT-LEASE TRANSACTION AND AUTHORIZING THE EXECUTION AND DELIVERY OF AGREEMENTS IN CONNECTION THEREWITH**

**WHEREAS**, the New York City Industrial Development Agency, New York, New York (the “Agency”) is authorized under the laws of the State of New York, and in particular the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended, and Chapter 1082 of the 1974 Laws of New York, as amended (collectively, the “Act”), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial and research facilities and thereby advance the job opportunities, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living; and

**WHEREAS**, Tapps Supermarkets, Inc. (the “Applicant”), has entered into negotiations with officials of the Agency for the construction, furnishing, and equipping of a new 19,900 square foot condominium as part of a new 118,000 square foot building located on a 27,500 square foot parcel of land located at 575 Grand Street, Brooklyn, NY 11211 (the “Facility”), all for the use by the Applicant as a supermarket, for lease to the Agency by an affiliated real estate holding company to be formed (the “Company”), and sublease by the Agency to the Company for subsequent sub-sublease in whole to the Applicant, and having an approximate total project cost of approximately \$6,801,075 (the “Project”); and

**WHEREAS**, the Applicant has submitted an application with respect to the Project (the “Application”) to the Agency 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 and the Project will meet all requirements of the City’s Food Retail Expansion to Support Health Program (“FRESH”); that the Applicant is currently located in The City of New York (the “City”); THE Applicant employ 25.5 full time equivalent employees and expects to employ a total of approximately 31.5 full time equivalent employees in the City within the three years following the completion of the Project; that the Applicant must obtain Agency financial assistance in the form of a straight-lease transaction to enable the Applicant to proceed with the Project and thereby establish and expand its operations in the City; and that, based upon the financial assistance provided through the Agency, the Applicant desire to proceed with the Project and establish and expand its operations in the City; and

**WHEREAS**, the Agency held a public hearing with respect to the Project on February 8, 2018; and

**WHEREAS**, based upon the Application, the Agency hereby determines that Agency financial assistance and related benefits in the form of a straight-lease transaction between the Agency and the Applicant and the Company are necessary to induce the Applicant to expand its operations and proceed with the Project; and

**WHEREAS**, in order to provide financial assistance to the Applicant and the Company for the Project, the Agency intends to grant the Applicant and the Company financial assistance through a straight-lease transaction in the form of real property tax abatements and sales tax exemptions all pursuant to the Act;

**NOW, THEREFORE, NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY  
HEREBY RESOLVES AS FOLLOWS:**

**Section 1.** The Agency hereby determines that the Project and the provision by the Agency of financial assistance to the Applicant and the Company pursuant to the Act in the form of a straight-lease transaction will promote and is authorized by and will be in furtherance of the policy of the State of New York as set forth in the Act and hereby authorizes the Applicant and the Company to proceed with the Project. The Agency further determines that:

(a) the Project shall not result in the removal of any facility or plant of the Applicant or the Company or any other occupant or user of the Facility from outside of the City (but within the State of New York) to within the City or in the abandonment of one or more facilities or plants of the Applicant or the Company or any other occupant or user of the Facility located within the State of New York (but outside of the City);

(b) no funds of the Agency shall be used in connection with the Project for the purpose of preventing the establishment of an industrial or manufacturing plant or for the purpose of advertising or promotional materials which depict elected or appointed government officials in either print or electronic media, nor shall any funds of the Agency be given in connection with the Project to any group or organization which is attempting to prevent the establishment of an industrial or manufacturing plant within the State of New York; and

(c) the Project is located in a “highly distressed area” within the meaning of Section 854 subdivision 18 of the New York General Municipal Law and will be used to make retail sales pursuant to and within the meaning of Section 862(2)(b)(ii) of the Act.

**Section 2.** To accomplish the purposes of the Act and to provide financial assistance to the Applicant and the Company for the Project, a straight-lease transaction is hereby authorized subject to the provisions of this Resolution.

**Section 3.** The Agency authorizes the Applicant and the Company to proceed with the Project as herein authorized. The Applicant and the Company are authorized to proceed with the Project on behalf of the Agency in accordance with this Resolution, the Company Lease Agreement and the Agency Lease Agreement; provided, however, that it is acknowledged and agreed by the Applicant and the Company that (i) nominal leasehold title to or other interest of the Agency in the Facility shall be for purposes of granting financial assistance, and (ii) the Applicant and the Company are hereby constituted the agents for the Agency solely for the purpose of effecting the Project and neither the Agency nor any of its members, directors, officers, employees or agents (other than the Applicant, as aforesaid) shall have personal liability for any such action taken by the Applicant or the Company or any director, officer, employee, agent or affiliate of either, for such purpose.

**Section 4.** The execution and delivery of a Company Lease Agreement and an Agency Lease Agreement (each document referenced in this Section 4 being, collectively, the “Agency Documents”), each being substantively the same as approved by the Agency for prior transactions, is hereby authorized. The Chairman, Vice Chairman, Executive Director, Deputy Executive Director and General Counsel of the Agency are each hereby authorized to execute, acknowledge and deliver each such Agency Document. The execution and delivery of each such agreement by one of said officers shall be conclusive evidence of due authorization and approval.

**Section 5.** The officers of the Agency are hereby designated the authorized representatives of the Agency, 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 Agency recognizes that due to the unusual complexities of the transaction 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 Agency herein. The Agency hereby authorizes the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or General Counsel to approve modifications to the terms approved hereby which do not affect the intent and substance of this Resolution.

**Section 6.** The officers of the Agency and other appropriate officials of the Agency and its agents and employees are hereby authorized and directed to take whatever steps may be necessary to cooperate with the Applicant and the Company to assist in the Project.

**Section 7.** Any costs and expenses incurred by the Agency with respect to the Project and the financial assistance contemplated by this Resolution shall be paid by the Applicant, whether or not the Applicant proceeds with the financing of the Project as contemplated herein or financial assistance by the Agency to the Applicant, through the straight lease transaction between the Agency and the Applicant, is provided as herein authorized (other than by the sole fault of the Agency). By acceptance hereof, the Applicant agrees to pay such costs and expenses and further agrees to indemnify the Agency, its members, directors, officers, employees and agents and hold the Agency and such persons harmless against claims for any loss, liability, damage or injury or cost or expense incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Project and the financing thereof.

**Section 8.** This Resolution is subject to the approval of a private investigative report with respect to the Applicant and the Company. The provisions of this Resolution shall continue to be effective until one year from the date hereof whereupon the Agency may, at its option, terminate the effectiveness of this Resolution (except with respect to the matters contained in Section 7 hereof) unless prior to the expiration of such year the Agency shall by subsequent resolution extend the effective period of this Resolution.

**Section 9.** All covenants, stipulations, obligations and agreements of the Agency contained in this Resolution and contained in the Agency Documents shall be deemed to be the covenants, stipulations, obligations and agreements of the Agency to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Agency 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 Agency or the members thereof by the provisions of this Resolution or any of the Agency Documents shall be exercised or performed by the Agency 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 Agency Document shall be deemed to be a covenant, stipulation, obligation or agreement of any member, director, officer, agent or employee of the Agency in his or her individual capacity thereof and neither the members nor the directors of the Agency nor any officer executing any Agency Document shall be liable personally for any amounts payable thereunder or arising from claims thereon or be subject to any personal liability or accountability by reason of the execution and delivery or acceptance thereof.

**Section 10.** The Agency, 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 Agency's review of information provided by the Applicant and such other information as the Agency has deemed necessary and appropriate to make this determination.

The Agency hereby determines 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:

- (a) The proposed Project would not result in a substantial adverse change in existing traffic, air quality, or noise levels;
- (b) The proposed Project would not result in significant adverse impacts on cultural, archaeological, architectural, or aesthetic resources or the existing neighborhood;
- (c) The proposed Project would not result in significant adverse impacts to natural resources, critical habitats, or water quality;
- (d) The proposed Project would not result in a change in existing zoning or land use. The proposed supermarket use is compliant with existing zoning;
- (e) The proposed Project involves a condo unit in a mixed-use building to be constructed as-of-right and would not require subsurface disturbance to implement. No adverse impacts related to hazardous materials are expected from the proposed project; and
- (f) No other significant effects upon the environment that would require the preparation of an Environmental Impact Statement are foreseeable.

**Section 11.** The Chairperson, the Vice Chairperson, the Secretary, the Assistant Secretary, the Executive Director and the Deputy Executive Director and the General Counsel of the Agency, and any member of the Agency, are hereby designated the authorized representatives of the Agency and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits, agreements 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 and the Agency Documents.

**Section 12.** In connection with the Project, the Applicant and Company covenant and agree to comply, and to cause each of their respective contractors, subcontractors, agents, persons or entities to comply, with the requirements of General Municipal Law Sections 875(1) and (3), as such provisions may be amended from time to time.

(a) The Applicant and Company covenant and agree that pursuant to General Municipal Law Section 875(3) the Agency shall have the right to recover, recapture, receive, or otherwise obtain from the Company New York State sales or use tax savings taken or purported to be taken by the Applicant and the Company, and any agent or any other person or entity acting on behalf of the Applicant and the Company, to which the Company is not entitled or which are in excess of the maximum sales or use tax exemption amount authorized in Section 13 of this Resolution or which are for property or services not authorized or taken in cases where the Applicant and the Company, or any agent or any other person or entity acting on behalf of the Applicant and the Company, failed to comply with a material term or condition to use property or services in the manner required by this Resolution or any agreements entered into among the Agency, the Applicant and the Company and/or any agent or any other person or entity acting on behalf of the Applicant and the Company. The Applicant and the Company shall, and shall require each agent and any other person or entity acting on behalf of the Applicant and the Company, to cooperate with the Agency in its efforts to recover, recapture, receive, or otherwise obtain such New York State sales or use tax savings and shall promptly pay over any such amounts to the Agency that it

requests. The failure to pay over such amounts to the Agency shall be grounds for the Commissioner of the New York State Department of Taxation and Finance (the “Commissioner”) to assess and determine New York State sales or use taxes due from the Company under Article Twenty-Eight of the New York State Tax Law, together with any relevant penalties and interest due on such amounts.

(b) The Applicant and the Company are hereby notified (provided that such notification is not a covenant or obligation and does not create a duty on the part of the Agency to the Company or any other party) that the Agency is subject to certain requirements under the General Municipal Law, including the following:

(i) In accordance with General Municipal Law Section 875(3)(c), if the Agency recovers, recaptures, receives, or otherwise obtains, any amount of New York State sales or use tax savings from the Applicant and the Company, any agent or other person or entity, the Agency shall, within thirty days of coming into possession of such amount, remit it to the Commissioner, together with such information and report that the Commissioner deems necessary to administer payment over of such amount. The Agency shall join the Commissioner as a party in any action or proceeding that the Agency commences to recover, recapture, obtain, or otherwise seek the return of, New York State sales or use tax savings from the Company or any other agent, person or entity.

(ii) In accordance with General Municipal Law Section 875(3)(d), the Agency shall prepare an annual compliance report detailing its terms and conditions described in General Municipal Law Section 875(3)(a) and its activities and efforts to recover, recapture, receive, or otherwise obtain State sales or user tax savings described in General Municipal Law Section 875(3)(b), together with such other information as the Commissioner and the New York State Commissioner of Economic Development may require. Such report shall be filed with the Commissioner, the Director of the Division of the Budget of The State of New York, the New York State Commissioner of Economic Development, the New York State Comptroller, the Council of the City of New York, and may be included with the annual financial statement required by General Municipal Law Section 859(1)(b). Such report shall be filed regardless of whether the Agency is required to file such financial statement described by General Municipal Law Section 859(1)(b). The failure to file or substantially complete such report shall be deemed to be the failure to file or substantially complete the statement required by such General Municipal Law Section 859(1)(b), and the consequences shall be the same as provided in General Municipal Law Section 859(1)(e).

(iii) The foregoing requirements of this Section 12 shall apply to any amounts of New York State sales or use tax savings that the Agency recovers, recaptures, receives, or otherwise obtains, regardless of whether the Agency, the Applicant or the Company or any agent or other person or entity acting on behalf of the Applicant or the Company characterizes such benefits recovered, recaptured, received, or otherwise obtained, as a penalty or liquidated or contract damages or otherwise. The foregoing requirements shall also apply to any interest or penalty that the Agency imposes on any such amounts or that are imposed on such amounts by operation of law or by judicial order or otherwise. Any such amounts or payments that the Agency recovers, recaptures, receives, or otherwise obtains, together with any interest or penalties thereon, shall be deemed to be New York State sales or use taxes and the Agency shall receive any such amounts or payments,

whether as a result of court action or otherwise, as trustee for and on account of New York State.

**Section 13.** In connection with the Project, the Agency intends to grant the Applicant and the Company sales tax exemptions in an amount not to exceed \$468,245 and real property tax exemptions.

**Section 14.** This Resolution shall take effect immediately.

**ADOPTED:** April 10, 2018

**ACCEPTED:** \_\_\_\_\_, 2018

**TAPPS SUPERMARKETS, INC.**

By: \_\_\_\_\_  
Name:  
Title:

**Exhibit F**

### Project Summary

JMDH Real Estate Offices, LLC (“JMDH”) and Jetro Holdings LLC, a Delaware limited liability company and an affiliate of JRD Unico Inc. (collectively, “Jetro”) seek financial assistance in connection with the acquisition of an approximately 120,000 square foot parcel of land, the construction, furnishing and equipping of an approximately 72,500 square foot building and the construction of a 300-space parking garage structure to be located on Block 4127, Lot 20 and Block 4148, Lot 78 in College Point, Queens (the “Facility”). The Facility will be owned by JMDH and serve as the corporate worldwide headquarters for the wholesale warehouse operations conducted under the name of Jetro Cash & Carry or Restaurant Depot (the “Project”). Based on a review of the Project, Agency staff has concluded that the Project is likely to be completed within three years of the closing date.

### Current Location

1534 132<sup>nd</sup> Street  
 College Point, Queens, New York 11356

### Project Location

17-22 Whitestone Expressway and  
 15th Avenue between 141st and 142nd Streets  
 College Point, New York 11357

### Prior Action

Inducement and Authorizing Resolution approved July 26, 2016

### Actions Requested

- Amending Inducement and Authorizing Resolution for a Commercial Project transaction.
- Approval of deviation from UTEP.
- Adopt a negative declaration for this project. The proposed project will not have a significant adverse effect on the environment.

### Anticipated Closing

May 2018

### Impact Summary

Employment	
Jobs at Application:	215.5
Jobs to be Created at Project Location (Year 3):	6.0
<b>Total Jobs (full-time equivalents)</b>	<b>221.5</b>
<b>Projected Average Hourly Wage (excluding principals)</b>	<b>\$ 19.65</b>
<b>Highest Wage/Lowest Wage</b>	<b>\$ 39.00/\$15.00</b>

Estimated City Tax Revenues	
Impact of Operations (NPV 25 years at 6.25%)	\$56,565,809
One-Time Impact of Renovation	2,472,187
<b>Total impact of operations and renovation</b>	<b>\$59,037,996</b>
<b>Additional benefit from jobs to be created</b>	<b>\$405,937</b>

Estimated Cost of Benefits Requested: New York City	
Building Tax Exemption (NPV, 25 years)	\$31,064,701
Land Tax Abatement (NPV, 25 years)	\$1,294,892
MRT Benefit	\$650,000
Sales Tax Exemption	\$1,304,940
Agency Financing Fee	(\$422,588)
<b>Total Value of Benefits provided by Agency</b>	<b>\$33,891,945</b>
Available As-of-Right Benefits (ICAP)	\$16,420,086
Agency Benefits In Excess of As-of-Right Benefits	\$17,471,859

## JMDH Real Estate Offices, LLC

<b>Costs of Net City Benefits</b>	
Estimated Net Cost of NYCIDA Benefits per Job	\$78,880
Estimated Net City Tax Revenue per Job	\$268,370

  

<b>Estimated Cost of Benefits Requested: New York State</b>	
MRT Benefit	\$350,000
Sales Tax Exemption	\$1,268,692
<b>Total Cost to NYS</b>	<b>\$1,618,692</b>

## Sources and Uses

Sources	Total Amount	Percent of Total Financing
Company Funds	\$57,050,000	100%
<b>Total</b>	<b>\$57,050,000</b>	<b>100%</b>

Uses	Total Amount	Percent of Total Costs
Land Costs	\$12,500,000	21.9%
Hard Costs	35,000,000	61.3%
Soft Costs	2,600,000	4.6%
Furnishings & Equipment	3,000,000	5.3%
Fees, Capitalized Interest & Contingencies	3,950,000	6.9%
<b>Total</b>	<b>\$57,050,000</b>	<b>100%</b>

## Fees

	Paid at Closing	On-Going Fees (NPV, 25 Years)
Agency Fee	\$422,588	
Project Counsel	Hourly	
Annual Agency Fee	1,250	15,607
<b>Total</b>	<b>423,838</b>	<b>15,607</b>
<b>Total Fees</b>	<b>\$439,444</b>	

## Financing and Benefits Summary

Jetro will initially use its own funds to finance the Project costs. The financial statements of Jetro demonstrate solid financial capacity to execute the Project. The financial assistance proposed to be conferred by the Agency will consist of payments in lieu of City real property taxes, a mortgage recording tax deferral, and exemption from City and State sales and use taxes. After the Project has completed construction in late 2020, Jetro intends to refinance 75% of the Project costs, at which time Jetro will utilize the mortgage recording tax benefit. Since the Project was approved by the Agency in July 2016, the Project budget increased due to delays in permitting and an increase in the cost of raw materials. The Project was previously budgeted as \$46,000,000. As a result of this increase the value of the mortgage recording tax benefit will increase from the previously estimated value of \$966,000 to \$1,000,000 and the value of the sales tax benefit will increase from the previously estimated value of \$2,096,941 to \$2,573,632.

## **JMDH Real Estate Offices, LLC**

### **Company Performance and Projections**

Jetro owns 126 Jetro Cash & Carry and Restaurant Depot warehouse buying club locations nationwide – including 5 in New York City - and opens an average of five new locations annually. Jetro Cash & Carry and Restaurant Depot are established resources for low-cost, wholesale food products and food service supplies essential to local businesses throughout New York City and nationwide. Over the past three years, gross profits have increased an average of 11%, and net income an average of 18%. Despite this rapid expansion, Jetro’s corporate headquarters has been located in the mezzanine area of the College Point Restaurant Depot since 1996 when only nine warehouses were open. The Project location will help to retain current staff within the College Point neighborhood and accommodate long-term growth. Staff at the corporate headquarters will include buying and logistics, accounting, information technology, marketing, human resources and executive teams. As a result of this Project, Jetro is committing to pursue best efforts to open at least 2 additional Cash & Carry or Restaurant Depot locations in the City within the next five years.

### **Inducement**

- I. Jetro has grown rapidly both in the New York City metro area and across 33 states. Jetro needs the Facility to continue to operate efficiently and accommodate future growth of additional Cash & Carry and Restaurant Depot locations within New York City and nationwide.
- II. Jetro has explored relocating its headquarters to another state, including New Jersey and Connecticut, where it is less expensive to acquire land and construct a suitable headquarters.
- III. Jetro needs a new Facility to house appropriately scaled corporate headquarter operations.

### **UTEP Considerations**

The Agency finds that the Project meets one or more considerations from Section I-B of the Agency’s Uniform Tax Exemption Policy (“UTEP”), including the following:

- I. The Project will retain 215.5 full-time equivalent permanent private-sector jobs and create an additional 6 in the next 3 years.
- II. The Project is likely to be completed in a timely manner.
- III. The Project involves the wholesale food distribution and food service industries, which the Agency seeks to retain and foster.

### **Deviation from UTEP**

A deviation from the Third Amended and Restated Uniform Tax Exemption Policy adopted on August 3<sup>rd</sup> 2010 is necessary because Jetro is seeking Industrial Incentive Program benefits for a Commercial Project.

### **Applicant Summary**

Jetro owns Jetro Cash & Carry and Restaurant Depot warehouse buying club locations nationwide. Jetro Cash & Carry was founded in Queens in 1976 to support the independent grocery retail trade and soon after expanded operations to California, New Jersey, Miami and Philadelphia. Restaurant Depot was also founded in Queens to service small food service businesses such as independent restaurants or small caterers. In 1994, Jetro Cash & Carry and Restaurant Depot formed a joint venture and launched four additional locations; subsequently Jetro Cash & Carry purchased Restaurant Depot in 1997 to efficiently leverage each company’s strengths and establish new locations nationwide. Jetro is a leading source of wholesale food products and restaurant supplies in New York City with five Jetro Cash & Carry and Restaurant Depot locations in the Bronx, Brooklyn, and Queens. As of 2018, there were more than 126 Jetro Cash & Carry and Restaurant Depot locations across 33 states with an average of five new locations opening each year.

### **Stanley Fleishman, Chief Executive Officer**

Since 1992 Mr. Fleishman has been Chief Executive Officer of JRD Holdings Inc., an affiliated company with identical shareholders to those of JRD Unico, Inc. From 1987 to 1992, he served as Vice President and Chief

## **JMDH Real Estate Offices, LLC**

Financial Officer of JRD Holdings, Inc. Mr. Fleishman is the former CEO of Dion Stores, a non-food discount chain in South Africa that has since been acquired by Walmart.

### **Richard Kirschner, President**

Mr. Kirschner has been President of JRD Holdings Inc. since 2005. From 1992 through 2005, he served as Chief Operating Officer and Chief Financial Officer of JRD Holdings Inc. Before joining the Company, Mr. Kirschner was Chief Financial Officer at Bereford, LLC.

### **Brian Emmert, Chief Financial Officer**

Mr. Emmert has been Chief Financial Officer and Secretary and Treasurer of JRD Holdings Inc. since 1998. He is a Certified Public Account and previously worked as a senior manager at Anchin, Block & Anchin LLP.

## **Employee Benefits**

Jetro provides full-time employees with health insurance, paid personal and vacation days, retirement plan contributions, life insurance and disability insurance. Employees of Jetro Cash & Carry and Restaurant Depot are members of the United Food and Commercial Workers Local 2013 and the International Longshoreman's Association Local 1814.

## **Recapture**

Pursuant to UTEP, all benefits subject to recapture for a 10-year period.

## **SEQRA Determination**

No significant adverse environmental impacts, and the 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 Agency staff.

## **Due Diligence**

The Agency conducted a background investigation of Jetro and its principals and found no derogatory information.

<b>Compliance Check:</b>	Satisfactory
<b>Living Wage:</b>	Compliant
<b>Paid Sick Leave:</b>	Compliant
<b>Affordable Care Act:</b>	ACA Coverage Offered
<b>Bank Account:</b>	JP Morgan Chase, Capital One Bank (USA), N.A.
<b>Bank Check:</b>	Relationships are reported to be satisfactory.
<b>Supplier Checks:</b>	Relationships are reported to be satisfactory.
<b>Customer Checks:</b>	Not Applicable
<b>Unions:</b>	Relationships are reported to be satisfactory.
<b>Vendex Check:</b>	No derogatory information was found.

**JMDH Real Estate Offices, LLC**

**Attorney:** Steven V. Polivy, Esq.  
Akerman LLP  
666 Fifth Avenue  
New York, New York 10103

**Accountant:** Anthony Passaretti  
PricewaterhouseCoopers  
401 Broadhollow Road  
Melville, New York 11747

**Community Board:** Queens, CB #7



WHERE RESTAURANTS SHOP

15-24, 132<sup>nd</sup> Street, College Point, NY, 11356  
(718) 559-4205, fax (718) 463-8058

February 22, 2018

Edgar Avalos, Project Manager  
New York City Industrial Development Agency  
110 William Street  
New York, New York 10038

**Re: Jetro Cash & Carry Enterprises, LLC - College Point Corporate Headquarters Project  
Application for IDA Benefits**

Dear Edgar,

We are updating our request for assistance from the New York City Industrial Development Agency in the form of exemption from sales tax on construction materials and facility equipment, exemption from mortgage recording tax, real property tax relief on the land and improvements and energy benefits, in connection with our proposed construction of a new worldwide headquarters. As explained in our May 2016 letter (see attached) we plan to relocate our existing corporate headquarters personnel, currently located above our College Point warehouse to the new facility, to be built on vacant land a few blocks away. We will invest approximately \$57 Million on this new building project and the support of the IDA is critical (and appreciated) in making the project viable. The alternative would be to use this capital to buy or build a building elsewhere in the Tri State area, outside of New York City, where land is available on a far less costly basis. The project has been delayed due to complications in getting building permits which we now have. Our team are now on site and are starting the site preparation for the project.

Our May 2016 letter provides background on the history and growth of Jetro Cash & Carry and its sister company, Restaurant Depot. Jetro Cash & Carry has four facilities within New York City, located in Brooklyn, Bronx and Queens. Restaurant Depot has a two New York City locations in Maspeth, Queens and combined with a Jetro Cash & Carry in the Bronx, but has a number of facilities in the New York Metro area, along with an extensive presence in Northern New Jersey. We have a stable, high quality workforce in Queens and would like to stay in the area provided the economics work.

Our business model allows our customers, primarily small local businesses, to compete with out-of-state chains who buy in mass volume at large, negotiated corporate discount rates.

Our business, and the businesses we serve, are a critical component to both the local and national economies. Restaurant-industry sales represent 4% of the US GDP, and the overall economic impact of the restaurant industry is expected to exceed \$1.8 trillion for 2015. The majority of our customers have fewer than 20 employees. They have neither the purchasing power, nor the physical space, to purchase in the

same way as the large chains. Serving their needs serves the needs of the communities in which we have our facilities. Many of the businesses we serve are minority or women-owned and the restaurant and food service industries are traditionally recognized as a sector in which many people have their first jobs.

The corporate offices have occupied the office area above the College Point warehouse since 1996, and has grown to occupy space spread out over 2 owned buildings and one leased facility. The total square footage occupied is approximately 45,000 inefficient sq. ft. which houses our Buying & Logistics teams, Accounting, Information Technology, Marketing, HR, and executive teams. When we first occupied the office area above the warehouse, we had 9 cash & carry warehouses and have since grown to 125. We have outgrown the space and at the same time, our cash & carry business below the offices has also grown which makes demands on available parking.

A modern integrated office in College Point would provide both existing and future employees with a state of the art workplace for the long term. The expanded facility will include all possible energy savings technologies, minimizing its environmental impact and energy use in the area, e.g. "R" factors in the walls and roof. Relocation a few blocks down the road can be staggered at our convenience without recruiting a new work force and without terminating anyone due to relocation to New Jersey, for example. It ensures continuous employment and ongoing economic activity in the area. In summary, our project accomplishes the following:

- Keeps our well paid high quality corporate staff team in College Point in one consolidated location.
- Reduces the parking shortage and improves the traffic flow at our existing College Point facility by relocating the office employees who do not need to be on site at the College Point Jetro warehouse.
- While the project is more about job retention than growth, we expect an increase in employment at the new building. We anticipate growing employment by 10 FTE's over 7 years.
- Improves Jetro/Restaurant Depot's ability to keep growing across the USA. Our plans are to continue to add new locations across the USA, and during 2018 we expect to open 7-8 new cash & carry facilities around the country.
- Develops vacant land into an economically active facility.

We are proud of our business and the positive impact we have on our customers and communities. We thank you for your consideration of our application and look forward to continuing our long relationship of working together with the City.

Sincerely,



Stanley Fleishman  
Executive Chairman

cc: Richard Kirschner, Mr. Steve Polivy

**Exhibit G**

Resolution amending a prior resolution inducing the financing of a facility for JMDH Real Estate Offices, LLC and its affiliate Jetro Holdings LLC, as a Straight-Lease Transaction, and authorizing and approving the execution and delivery of agreements in connection therewith

WHEREAS, New York City Industrial Development Agency (the “Agency”) is authorized under the laws of the State of New York, and in particular the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended, and Chapter 1082 of the 1974 Laws of New York, as amended (collectively, the “Act”), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial and research facilities and thereby advance the job opportunities, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living; and

WHEREAS, JMDH Real Estate Offices, LLC (the “Applicant”), has entered into negotiations with officials of the Agency for the acquisition, construction, furnishing and equipping of a commercial office facility (the “Facility”), consisting of the acquisition of an approximately 120,000 square foot vacant parcel of land located at 17-22 Whitestone Expressway and 15th Avenue between 141st and 142nd Streets, College Point, New York, and the construction, furnishing and equipping thereon of an approximately 72,500 square foot building and the construction of a 300-space parking structure, for the use by Jetro Holdings LLC, a holding company affiliated with the Applicant (the “Company”) as the corporate worldwide headquarters for Jetro Cash & Carry and Restaurant Depot’s wholesale grocery and restaurant supply operations, for lease to the Agency by the Applicant, and sublease by the Agency to the Applicant for subsequent sub-sublease in whole to the Company, and having an approximate total project cost of approximately \$57,050,000 (the “Project”); and

WHEREAS, on July 26, 2016 the Agency adopted an inducement and authorizing resolution for the Project (the “Prior Resolution”), in which it was stated that the estimated cost of the Project was \$46,00,000, and the Applicant has since advised the Agency that the cost of the Project is now approximately \$57,050,000 due to delays in permitting and an increase in the cost of raw materials; and

WHEREAS, the Applicant and the Company have submitted a revised Project Application (the “Application”) to the Agency 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 Company’s corporate headquarters is currently located at 1534 132nd Street, College Point, New York; that the Company and its affiliates employ approximately 215.5 full time equivalent employees at its existing corporate headquarters; that the Company has outgrown its current corporate headquarters which consists of three separate buildings; that the Project will enable the Company to provide a better environment for its existing employees and customers by consolidating operations and alleviating parking shortages; that the Project will allow for expansion and more efficient operations; that the Company has investigated alternative facilities located in New Jersey but

would prefer to remain within the The City of New York (the “City”); that the Company expects to employ approximately 6 additional full time equivalent employees within the three years following the completion of the Project; that the Applicant and the Company must obtain Agency financial assistance in the form of a straight-lease transaction to enable the Applicant and the Company to proceed with the Project and thereby remain and expand their operations in the City; and that, based upon the financial assistance provided through the Agency, the Applicant and the Company desire to proceed with the Project and remain and expand their operations in the City; and

WHEREAS, based upon the Application, the Agency hereby determines that Agency financial assistance and related benefits in the form of a straight-lease transaction between the Agency and the Applicant and the Company are necessary to induce the Applicant and the Company to remain and expand their operations in the City; and

WHEREAS, in order to finance a portion of the costs of the Project, the Applicant and the Company will initially use approximately \$57,050,000 of their own funds (the “Equity Contribution”), and will subsequently enter into a loan arrangement with a financial institution to be approved by a certificate of determination of an Agency officer (the “Lender”), pursuant to which the Lender will lend funds to the Company and the Applicant to refinance a portion of the Equity Contribution, and the Agency and the Applicant will grant a mortgage or mortgages on the Facility to the Lender (the “Lender Mortgage”); and

WHEREAS, for purposes of refinancing from time to time the indebtedness secured by the Lender Mortgage (the “Original Mortgage Indebtedness”) (whether such refinancing is in an amount equal to or greater than the outstanding principal balance of the Original Mortgage Indebtedness), the Applicant or the Company may from time to time desire to enter into new mortgage arrangements, including, but not limited to, consolidation with mortgages granted subsequent to the Lender Mortgage, and therefore the Applicant or the Company may request the Agency to enter into the mortgage instruments required for such new mortgage arrangements (the “Refinancing Mortgage(s)”); and

WHEREAS, in order to provide financial assistance to the Applicant and the Company for the Project, the Agency intends to grant the Applicant and the Company financial assistance through a straight-lease transaction in the form of real property tax abatements, sales tax exemptions and mortgage recording tax deferrals all pursuant to the Act;

NOW, THEREFORE, NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY HEREBY RESOLVES AS FOLLOWS:

Section 1. The Agency hereby determines that the Project and the provision by the Agency of financial assistance to the Applicant and the Company pursuant to the Act in the form of a straight-lease transaction will promote and is authorized by and will be in furtherance of the policy of the State of New York as set forth in the Act and hereby authorizes the Applicant and the Company to proceed with the Project. The Agency further determines that

(a) the Project shall not result in the removal of any facility or plant of the Applicant or the Company or any other occupant or user of the Facility from outside

of the City (but within the State of New York) to within the City or in the abandonment of one or more facilities or plants of the Applicant or the Company or any other occupant or user of the Facility located within the State of New York (but outside of the City);

(b) no funds of the Agency shall be used in connection with the Project for the purpose of preventing the establishment of an industrial or manufacturing plant or for the purpose of advertising or promotional materials which depict elected or appointed government officials in either print or electronic media, nor shall any funds of the Agency be given in connection with the Project to any group or organization which is attempting to prevent the establishment of an industrial or manufacturing plant within the State of New York; and

(c) not more than one-third of the total Project cost is in respect of facilities or property primarily used in making retail sales of goods or services to customers who personally visit such facilities within the meaning of Section 862 of the New York General Municipal Law.

Section 2. To accomplish the purposes of the Act and to provide financial assistance to the Applicant and the Company for the Project, a straight-lease transaction is hereby authorized subject to the provisions of this Resolution and the Lease Agreement hereinafter authorized.

Section 3. The Agency hereby authorizes the Applicant and the Company to proceed with the Project as herein authorized. The Applicant and the Company are authorized to proceed with the Project on behalf of the Agency as set forth in this Resolution; provided, however, that it is acknowledged and agreed by the Applicant and the Company that (i) nominal leasehold title to or other interest of the Agency in the Facility shall be in the Agency for purposes of granting financial assistance, and (ii) the Applicant and the Company are hereby constituted the agents for the Agency solely for the purpose of effecting the Project, and the Agency shall have no personal liability for any such action taken by the Applicant or the Company for such purpose.

Section 4. The execution and delivery of a Company Lease Agreement from the Applicant leasing the Facility to the Agency, an Agency Lease Agreement from the Agency subleasing the Facility to the Applicant (the "Lease Agreement") (for sub-sublease to the Company), a Sales Tax Agent Authorization Letter from the Agency to the Company, the Lender Mortgage, the Refinancing Mortgages and the acceptance of a Guaranty Agreement from the Company and the Applicant and one or more affiliates of the Company in favor of the Agency (the "Guaranty Agreement") (each document referenced in this Section 4 being, collectively, the "Agency Documents"), each being substantively the same as approved by the Agency for prior transactions, is hereby authorized. The Chairman, Vice Chairman, Executive Director, Deputy Executive Director and General Counsel of the Agency are each hereby authorized to execute, acknowledge and deliver each such Agency Document. The execution and delivery of each such agreement by one of said officers shall be conclusive evidence of due authorization and approval.

Section 5. The officers of the Agency and other appropriate officials of the Agency and its agents and employees are hereby authorized and directed to take whatever steps may be necessary to cooperate with the Applicant and the Company to assist in the Project.

Section 6. All covenants, stipulations, obligations and agreements of the Agency contained in this Resolution and contained in the Agency Documents shall be deemed to be the covenants, stipulations, obligations and agreements of the Agency to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Agency 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 Agency or the members thereof by the provisions of this Resolution or the Agency Documents shall be exercised or performed by the Agency 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 the Agency Documents shall be deemed to be a covenant, stipulation, obligation or agreement of any member, director, officer, agent or employee of the Agency in his or her individual capacity and neither the members nor the directors of the Agency nor any officer executing any Agency Document shall be liable personally for any amounts payable thereunder or arising from claims thereon or be subject to any personal liability or accountability by reason of the execution and delivery or acceptance thereof.

Section 7. The officers of the Agency are hereby designated the authorized representatives of the Agency, 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 Agency recognizes that due to the unusual complexities of the transaction 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 Agency herein. The Agency hereby authorizes the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or General Counsel 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 a certificate of determination of an Agency officer.

Section 8. Any expenses incurred by the Agency with respect to the Project shall be paid by the Applicant and the Company. By acceptance hereof, the Applicant agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees and agents and hold the Agency 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 Agency in good faith with respect to the Project.

Section 9. This Resolution is subject to approval based on an investigative report with respect to the Applicant and the Company. The provisions of this Resolution shall continue to be effective for one year from the date hereof, whereupon the Agency may, at its

option, terminate the effectiveness of this Resolution (except with respect to the matters contained in Section 8 hereof).

Section 10. The Agency reconfirms its findings under Section 10 of the Prior Resolution with respect to the State Environmental Quality Review Act.

Section 11. In connection with the Project, each of the Applicant and the Company covenants and agrees to comply, and to cause each of their respective contractors, subcontractors, agents, persons or entities to comply, with the requirements of General Municipal Law Sections 875(1) and (3), as such provisions may be amended from time to time.

(1) The Applicant and the Company each acknowledge and agree that pursuant to General Municipal Law Section 875(3) the Agency shall have the right to recover, recapture, receive, or otherwise obtain from the Applicant and/or the Company New York State sales or use tax savings taken or purported to be taken by the Applicant or the Company, and any agent or any other person or entity acting on behalf of the Applicant or the Company, to which the Applicant or the Company is not entitled or which are in excess of the maximum sales or use tax exemption amount authorized in Section 12 of this Resolution or which are for property or services not authorized or taken in cases where the Applicant or the Company, or any agent or any other person or entity acting on behalf of the Applicant or the Company, failed to comply with a material term or condition to use property or services in the manner required by this Resolution or any agreements entered into among the Agency, the Applicant, the Company and/or any agent or any other person or entity acting on behalf of the Applicant or the Company. The Applicant and the Company shall, and shall require each agent and any other person or entity acting on behalf of the Applicant and/or the Company, to cooperate with the Agency in its efforts to recover, recapture, receive, or otherwise obtain such New York State sales or use tax savings and shall promptly pay over any such amounts to the Agency that it requests. The failure to pay over such amounts to the Agency shall be grounds for the Commissioner of the New York State Department of Taxation and Finance (the "Commissioner") to assess and determine New York State sales or use taxes due from the Applicant and/or the Company under Article Twenty-Eight of the New York State Tax Law, together with any relevant penalties and interest due on such amounts.

(2) The Applicant and the Company are hereby notified (provided that such notification is not a covenant or obligation and does not create a duty on the part of the Agency to the Applicant or the Company or any other party) that the Agency is subject to certain requirements under the General Municipal Law, including the following:

(i) In accordance with General Municipal Law Section 875(3)(c), if the Agency recovers, recaptures, receives, or otherwise obtains, any amount of New York State sales or use tax savings from the Applicant, the Company, any agent or other person or entity, the Agency shall, within thirty days of coming into possession of such amount, remit it to the Commissioner, together with such information and report that the Commissioner deems necessary to administer payment over of such amount. The Agency shall join the Commissioner as a

party in any action or proceeding that the Agency commences to recover, recapture, obtain, or otherwise seek the return of, New York State sales or use tax savings from Applicant or the Company or any other agent, person or entity.

(ii) In accordance with General Municipal Law Section 875(3)(d), the Agency shall prepare an annual compliance report detailing its terms and conditions described in General Municipal Law Section 875(3)(a) and its activities and efforts to recover, recapture, receive, or otherwise obtain State sales or user tax savings described in General Municipal Law Section 875(3)(b), together with such other information as the Commissioner and the New York State Commissioner of Economic Development may require. Such report shall be filed with the Commissioner, the Director of the Division of the Budget of The State of New York, the New York State Commissioner of Economic Development, the New York State Comptroller, the Council of the City of New York, and may be included with the annual financial statement required by General Municipal Law Section 859(1)(b). Such report shall be filed regardless of whether the Agency is required to file such financial statement described by General Municipal Law Section 859(1)(b). The failure to file or substantially complete such report shall be deemed to be the failure to file or substantially complete the statement required by such General Municipal Law Section 859(1)(b), and the consequences shall be the same as provided in General Municipal Law Section 859(1)(e).

(3) The foregoing requirements of this Section 11 shall apply to any amounts of New York State sales or use tax savings that the Agency recovers, recaptures, receives, or otherwise obtains, regardless of whether the Agency, the Applicant, the Company or any agent or other person or entity acting on behalf of the Applicant or the Company characterizes such benefits recovered, recaptured, received, or otherwise obtained, as a penalty or liquidated or contract damages or otherwise. The foregoing requirements shall also apply to any interest or penalty that the Agency imposes on any such amounts or that are imposed on such amounts by operation of law or by judicial order or otherwise. Any such amounts or payments that the Agency recovers, recaptures, receives, or otherwise obtains, together with any interest or penalties thereon, shall be deemed to be New York State sales or use taxes and the Agency shall receive any such amounts or payments, whether as a result of court action or otherwise, as trustee for and on account of New York State.

Section 12. The Prior Resolution is hereby amended to reflect that (i) the estimated Project cost is approximately \$57,050,000 and not \$46,000,000, (ii) the Agency intends to grant the Applicant and the Company sales and use tax exemptions in an amount not to exceed \$2,573,632 instead of \$2,096,941 and (iii) the Agency intends to grant the Applicant and the Company a mortgage recording tax deferral in an amount not to exceed \$1,000,000. The Agency further confirms its intention within the Prior Resolution to grant the Applicant and the Company real property tax abatements in connection with the Project.

Section 13. This Resolution shall take effect immediately

ADOPTED: April 10, 2018

Accepted: \_\_\_\_\_, 2018

JMDH REAL ESTATE OFFICES, LLC

By: \_\_\_\_\_

Name:

Title:

JETRO HOLDINGS LLC

By: \_\_\_\_\_

Name:

Title:

**Exhibit H**

**Project Summary**

In February 2004, the Agency issued \$2,415,000 in triple tax-exempt special needs pooled bonds for the benefit of the OTSAR Early Childhood Center (the “Institution”) to finance a portion of costs associated with the renovation, improvement, equipping and furnishing of an approximately 11,500 square foot building located at 2324 West 13<sup>th</sup> Street, Brooklyn, NY 11223 (the “Facility”) to provide special education services to pre-school children with developmental disabilities (the “Project”).

In November 2017, the Institution ceased Facility operations and OTSAR Family Services, Inc. (“Family Services”), a separate but affiliated entity, began operations in the Facility. Family Services provides recreational services to people with developmental disabilities. The Institution is requesting an assignment and assumption by Family Services of all rights, payments, obligations and liabilities under the Project documents and an amendment of the Project scope. The amendment to the Project scope is to align Facility operations with Family Services’ operations and the expansion of administrative offices.

**Project Location**

2324 West 13th Street, Brooklyn, NY 11223

**Action Requested**

Approve amendments to the Project documents needed for an assignment and assumption by OTSAR Family Services, Inc. and the change of Project scope.

**Prior Actions**

Inducement and Authorizing Resolution approved July 29, 2003, as amended on December 9, 2003.

**Fees Paid for Amendment**

A Post-Closing fee of \$2,500 was assessed for this amendment.

**Due Diligence**

A review of the Institution’s compliance requirements with its bond documents revealed no outstanding issues.

**Exhibit I**

Resolution authorizing amendments to certain documents and approving certain matters in connection with the New York City Industrial Development Agency Civic Facility Revenue Bonds (Special Needs Facilities Pooled Program), Series 2004A-1 allocable to OTSAR Early Childhood Center, Inc.

**WHEREAS**, on February 27, 2004, the New York City Industrial Development Agency (the “Agency”) issued its Civic Facility Revenue Bonds (Special Needs Facilities Pooled Program), Series 2004A-1 in the aggregate principal amount of \$13,920,000 (the “Tax-Exempt Bonds”), and its Civic Facility Revenue Bonds (Special Needs Facilities Pooled Program), Series 2004A-2 (Federally Taxable) in the aggregate principal amount of \$760,000 (the “Federally Taxable Bonds”; together with the Tax-Exempt Bonds, the “Bonds”), pursuant to an authorizing resolution adopted by the Agency on July 29, 2003, as amended on December 9, 2003; and

**WHEREAS**, the Bonds were issued pursuant to an Indenture of Trust, dated as of February 1, 2004, as subsequently supplemented by a First Supplemental Indenture of Trust, dated as of July 26, 2012, a Second Supplemental Indenture of Trust, dated as of February 11, 2015, and by a Third Supplemental Indenture of Trust, dated as of December 1, 2015 (collectively, the “Indenture”), each between the Agency and The Bank of New York Mellon (formerly known as The Bank of New York), as trustee (the “Trustee”), for the purpose of financing or refinancing a portion of the cost of the acquisition, renovation, equipping and furnishing of certain civic facilities within The City of New York for eight not-for-profit corporations organized and existing under the laws of the State of New York (collectively, the “Participants”), including OTSAR Early Childhood Center, Inc. (“Early Childhood Center”) and OTSAR Family Services, Inc. (“Family Services”) (which is affiliated with Early Childhood Center), all for the purpose of enabling the Participants to provide services to people with developmental disabilities or other special needs; and

**WHEREAS**, a portion of the proceeds derived from the issuance of the Bonds allocable to Early Childhood Center in the aggregate amount of \$2,145,000 (the “EC’s Portion of Bonds”) were used to finance or refinance a portion of the cost of the renovation, improvement, equipping and furnishing of a civic facility located at 2324 West 13<sup>th</sup> Street, Brooklyn, New York (the “Facility”), operated by Early Childhood Center as a special education center for pre-school children with developmental disabilities (the “Original Project”); and

**WHEREAS**, Early Childhood Center subleased the Facility to the Agency pursuant to a Company Lease Agreement, dated as of February 1, 2004, between Early Childhood Center and the Agency (the “Company Lease”), and the Agency sold its subleasehold interest under the Company Lease in the Facility to Early Childhood Center pursuant to an Installment Sale Agreement, dated as of February 1, 2004, between the Agency and Early Childhood Center (the “Installment Sale Agreement”); and

**WHEREAS**, Early Childhood Center and the Agency entered into various other agreements related to the issuance of the EC’s Portion of Bonds (collectively with the Company Lease, the Installment Sale Agreement and such other related agreements, the “Transaction Documents”); and

**WHEREAS**, Early Childhood Center and Family Services have advised the Agency that (i) Early Childhood Center ceased operations at the Facility, (ii) Family Services located its administrative offices and certain of its programs to the Facility and (iii) Early Childhood Center desires to assign, and Family Services desires to assume, all rights, obligations and liabilities of Early Childhood Center arising under or related to the EC's Portion of Bonds under the Transaction Documents, and thereby modify the Original Project description under the applicable Transaction Documents (collectively, the "Assignment and Amendment"); and

**WHEREAS**, Early Childhood Center and Family Services have requested that the Agency consent to the Assignment and Amendment; and

**WHEREAS**, the Agency desires to accommodate the request as described above with the understanding that no new Agency benefits will be given to Early Childhood Center or to Family Services and that proper consents and/or waivers, as applicable, as may be required in the Indenture are delivered in connection with the Assignment and Amendment;

**NOW, THEREFORE, NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY HEREBY RESOLVES AS FOLLOWS:**

Section 1. The execution and delivery of any consents, agreements or amendments to any Transaction Documents in order to facilitate the Assignment and Amendment (the "Agency Documents"), and being substantively the same as approved by the Agency for prior transactions, are hereby authorized. The Chairman, Vice Chairman, Executive Director, Deputy Executive Director and General Counsel of the Agency are each hereby authorized to execute, acknowledge and deliver each Agency Document. The execution and delivery of each Agency Document by one of said officers shall be conclusive evidence of due authorization and approval of the Agency Documents in their final form.

Section 2. All covenants, stipulations, obligations and agreements of the Agency contained in this Resolution and contained in the Agency Documents shall be deemed to be the covenants, stipulations, obligations and agreements of the Agency to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Agency 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 Agency or the members or officers thereof by the provisions of this Resolution or the Agency Documents shall be exercised or performed by the Agency 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 the Agency Documents shall be deemed to be a covenant, stipulation, obligation or agreement of any member, director, officer, agent or employee of the Agency in his or her individual capacity and neither the members nor the directors of the Agency nor any officer executing any Amendment Document shall be liable personally for any amounts payable thereunder or arising from claims thereon or be subject to any personal liability or accountability by reason of the execution and delivery or acceptance thereof.

Section 3. The officers of the Agency are hereby designated the authorized representatives of the Agency, 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 Agency recognizes that due to the unusual complexities of the transaction 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 Agency herein. The Agency hereby authorizes the Chairman, Vice Chairman, Executive Director, Deputy Executive Director, or General Counsel 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 a certificate of determination of an Agency officer.

Section 4. This Resolution shall take effect immediately.

ADOPTED: April 10, 2018

**Exhibit J**

### **Project Summary**

NYCIDA (“the Agency”) is seeking to enter into a contract (the “Audit Contract”) with Ernst & Young LLP (“E&Y”) to provide audit services for the Fiscal Years ending June 30, 2018 through 2021. A Request for Proposals (“RFP”) was issued to engage an independent auditor (“the Auditor”) to provide the contract services. The RFP was delivered to eighty one (81) accounting firms selected from the City Comptroller’s pre-qualified certified public accountant list and was advertised in the City Record. The submitted proposals were evaluated using the following criteria: the firm’s experience in performing similar audit services, the audit methodology, composition and relative experience of the audit team, the firm’s proposed fees and the overall quality of the proposal.

After conducting interviews with the firms that submitted proposals, a committee of NYCEDC staff evaluated the proposals and ranked the firms. E&Y received the highest ranking and was determined to be the strongest firm for the award of the Audit Contract.

### **Services to be provided**

The Auditor will provide the following services:

- Audit of the Agency’s financial statements for the fiscal years ending June 30, 2018 through 2021
- A Management Letter, if required, setting the forth findings and recommendations
- Performance of other audit-related services, if needed

### **Action Requested**

Authorize the Agency to execute a service contract with the selected audit firm on the terms and for the purposes substantially as described herein.

### **Contract Value**

Up to \$296,164

### **Anticipated Execution Date**

April 2018