

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
FEBRUARY 13, 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
Anthony Ferreri
James McSpirtt, alternate for Zachary W. Carter, Esq.,
Corporation Counsel of The City of New York
Jacques-Philippe Piverger
Carl Rodrigues, alternate for Alicia Glen,
Deputy Mayor for Housing and Economic Development of The City of New York
Robert Santos
Shanel Thomas

The following directors were not present:

James Patchett, Chairman
Marlene Cintron
Kevin Doyle
Andrea Feirstein

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) Alex Deland from Katten Muchin Rosenman LLP, (5) Seth Bryant from Bryant Rabbino LLP, (6) Susan Herlihy from the New York City Department of Finance, and (7) 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 December 12, 2017 Board of Directors Meeting

Mr. Clement asked if there were any comments or questions relating to the minutes of the December 12, 2017 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 December 31, 2017 (Unaudited)

Carol Ann Butler, Assistant Vice President of NYCEDC, presented the Agency's Financial Statements for the six-month period ending December 31, 2017 (Unaudited). Ms. Butler reported the following. For the month of December, the Agency recognized revenues in the amount of \$1,600,000, which came from project finance fees from eight transactions. The Agency recognized revenues derived from compliance, application, post-closing, recapture and termination fees in the amount of \$1,000,000 for the year-to-date. The Agency recognized operating expenses, largely consisting of the monthly management fee, in the amount of \$1,700,000 for the six-month period ending December 31st. The Agency spent \$1,400,000 in special costs largely relating to the Futureworks NYC program.

3. Officer Appointment

Anne Shutkin, Vice President of NYCEDC and Executive Director of the Agency, presented for review and adoption a resolution to appoint Krishna Omolade as Deputy Executive Director of the Agency. A motion was made to adopt the resolution. The motion was seconded and unanimously approved.

4. Officer Appointment

Ms. Shutkin presented for review and adoption a resolution to appoint Emily Marcus as an Assistant Secretary of the Agency. A motion was made to adopt the resolution. The motion was seconded and unanimously approved.

5. Baco Enterprises, Inc.

Edgar Avalos, a Project Manager for NYCEDC, presented for review and adoption an Industrial Incentive Program inducement resolution for the benefit of Baco Enterprises, 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. Mr. Avalos described the project and its benefits, as reflected in Exhibit A.

In response to a question from Mr. Cook, Mr. Avalos stated that the company is prepared to comply with the New York State minimum wage requirements. In response to a question from Mr. Piverger, Ms. Shutkin stated that Agency staff distinguish between applicants who are and who are not serious about moving to New Jersey which is almost always cheaper

in terms of the cost of operation and property value and taxes. In response to a question from Mr. De Leon, Ms. Shutkin stated that this project would allow the company to manufacture more parts and materials in their facility instead of importing parts from out-of-state or overseas.

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

6. 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 9:17 a.m.


Assistant Secretary

Dated: 3/30/18
New York, New York

Exhibit A

Project Summary

Baco Enterprises, Inc., a New York corporation (the “Company”) specializes in steel fabrication and provides materials for the New York City subway system, bridges, and various buildings throughout the metropolitan area. The Company seeks financial assistance in connection with the acquisition, renovation, and equipping of a 10,000 square foot building located on an approximately 10,000 square foot parcel of land at 627-631 Tiffany Street, Bronx, New York 10474 (the “Facility”), to be used primarily in support of the Company’s fabrication of anchor bolts. The acquisition will allow the Company to relocate its anchor bolt business out of its current headquarters to support the Company’s growth and expansion. The Facility will be owned by an affiliated real estate holding company, and operated by the Company as a steel fabrication center (the “Project”). The total Project cost is approximately \$3,725,275. The Project is expected to be completed by June 2020.

Current Locations

1190 Longwood Avenue
Bronx, New York 10474

630 Worthen Street
Bronx, New York 10474

Project Location

627-631 Tiffany Street
Bronx, New York 10474

Actions Requested

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

Anticipated Closing

Summer 2018

Impact Summary

Employment	
Jobs to be Relocated to Project Location:	10
Jobs to be Created at Project Location (Year 3):	6
Total Jobs (full-time equivalents)	16
Projected Average Hourly Wage (excluding principals)	\$17.50
Highest Wage/Lowest Wage	\$87.00 / \$13.00

Estimated City Tax Revenues	
Impact of Operations (NPV 25 years at 6.25%)	\$2,496,526
One-Time Impact of Renovation	49,911
Total impact of operations and renovation	\$2,546,437
Additional benefit from jobs to be created	\$305,622

Baco Enterprises, Inc.

Estimated Cost of Benefits Requested: New York City	
Building Tax Exemption (NPV, 25 years)	\$1,413,815
Land Tax Abatement (NPV, 25 years)	\$155,713
MRT Benefit	\$29,656
Sales Tax Exemption	\$33,750
Agency Financing Fee	(49,275)
Total Value of Benefits provided by Agency	\$1,583,659
Available As-of-Right Benefits (ICAP)	\$1,119,849
Agency Benefits In Excess of As-of-Right Benefits	\$463,810

Costs of Benefits Per Job	
Estimated Net Cost of NYCIDA Benefits per Total Jobs	\$28,988
Estimated Net City Tax Revenue per Total Job	\$178,254

Estimated Cost of Benefits Requested: New York State	
MRT Benefit	\$15,969
Sales Tax Exemption	\$32,813
Total Cost to NYS	\$48,782

Sources and Uses

Sources	Total Amount	Percent of Total Financing
Commercial Loans	\$3,285,000	88%
Equity	\$440,275	12%
Total	\$3,725,275	100%

Uses	Total Amount	Percent of Total Costs
Land & Building Acquisition	\$2,750,000	73.8%
Construction Hard Costs	\$500,000	13.4%
Furnishings & Equipment	\$400,000	10.7%
Closing Costs	\$75,275	2.1%
Total	\$3,725,275	100%

Fees

	Paid at Closing	On-Going Fees (NPV, 25 Years)
Agency Fee	\$49,275	
Project Counsel	25,000	
Annual Agency Fee	1,000	12,485
Total	75,275	12,485
Total Fees	\$87,760	

Financing and Benefits Summary

The Company will use a commercial loan of approximately \$1,825,000 from Bank of America, a second commercial loan of approximately \$1,460,000 from the Small Business Administration, and approximately \$440,275 in

Baco Enterprises, Inc.

Company funds to finance the Project. Commitment letters from the third party financing parties will be provided prior to seeking Agency Board authorization. The financial assistance proposed to be conferred by the Agency will consist of payments in lieu of City real property taxes, exemption of City and State mortgage recording taxes and exemption from City and State sales and use taxes.

Company Performance and Projections

Over the last 40 years, the Company has occupied various buildings in the Bronx for its growing operations. The Company completed its largest expansion to date with the help of the Agency, when it acquired its current 22,000 square foot headquarters in 2001. In 2014, also with the assistance of the Agency, the Company acquired an additional approximately 7,500 square foot building. The Company continues to grow and, since 2001, has grown to 92 employees. The Project represents a significant expansion of the Company's existing anchor bolt business, which are used for infrastructure projects, and construction and industrial applications. The new space will allow the Company to relocate its anchor bolt business from its current headquarters to support its growth and expansion, and enable it to rely less on imported parts, improving quality control.

Inducement

- I. Without the proposed financial assistance provided by the Agency, the Company has stated that it would not be able to move forward with the Project.
- II. In order to meet growing demand and keep its facilities from relocating out of New York City to New Jersey, the Company is seeking Agency assistance.

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 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

The UTEP requires that to be eligible for benefits under the Industrial Program, a company make at least \$1,000,000 in improvements on the project land. A deviation from UTEP is therefore necessary because the Company is making improvements valued at approximately \$975,275.

Applicant Summary

The Company was founded in 1981 by Barry L. Cohen and operates as a bolt manufacturing and steel fabrication company in the South Bronx. Mr. Cohen manages and operates the business along with his two sons David and Brian. The Company is a distributor of fasteners and acts as a steel service center and miscellaneous steel fabricator for the greater metropolitan region. The Company's anchor bolt business produces various types of bolts, which have been used for New York City bridges such as the Kosciuszko Bridge, the New York City subway system, skyscrapers and buildings throughout the metropolitan area, and La Guardia and JFK airports.

Barry L. Cohen, President

Barry L. Cohen is the founder and current President of the Company. Barry is in charge of all business operations, including financing, administration, and strategic planning. He attended the State University of New York at Buffalo where he obtained a B.A.

Baco Enterprises, Inc.

David Cohen, Vice President of Operations

David Cohen is the Vice President of Operations of the Company. David has been working with the Company for over five years and is in charge of employee management, product knowledge, sales, and operations. He attended the University of Buffalo where he obtained a B.A. in Philosophy.

Brian Cohen, Vice President

Brian Cohen is currently a Vice President of the Company. Brian has been with the Company for over five years. Brian is currently in charge customer relations, and quality control.

Employee Benefits

The Company provides all of its full-time employees with healthcare coverage, including dental and vision plans, and access to a 401(k) plan to which the Company contributes.

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 its principals and found no derogatory information.

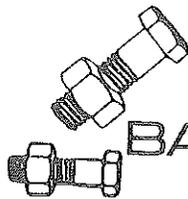
Compliance Check:	Compliant
Living Wage:	Compliant
Paid Sick Leave:	Compliant
Affordable Care Act:	ACA Coverage Offered
Bank Account:	Bank of America
Bank Check:	Relationships are reported to be satisfactory.
Supplier Checks:	Relationships are reported to be satisfactory.
Customer Checks:	Relationships are reported to be satisfactory.
Unions:	Not applicable
Vendex Check:	No derogatory information was found.
Attorney:	Jeff Diamond, Esq. Marcus Rosenberg and Diamond 488 Madison Avenue New York, New York 10022

Baco Enterprises, Inc.

Accountant: Howard Levy
Baco Enterprises, Inc.
1190 Longwood Avenue
Bronx, New York 10474

Consultant/Advisor: Rob Morel
City One Associates
2440 Broadway
New York, New York 10024

Community Board: Bronx, CB02



BACO ENTERPRISES Inc.

"Miscellaneous Steel Fasteners & Hardware"



Mr. Edgar Avalos
New York City IDA / EDC
110 William St.
New York, NY 10038

1190 LONGWOOD AVE. • P.O. Box 740487
BRONX, NEW YORK 10474
718-589-6225 1-800-622-BACO (2226)
FAX 718-991-6647

Dear Mr. Avalos,

Baco Enterprises Inc. is a fabricator and bolt manufacturer operating in South Bronx with over 90 highly paid employees producing steel for bridges, the New York City subway system, skyscrapers and buildings throughout New York City tristate area. A visit to the Longwood Avenue facility show's a bevy of activity as steel beams, plates and rods are moved from one location to the next, to be worked on at different production stations. It is truly a site to behold.

The company has looked at acquiring a single larger 100,000 square-foot plus production facility to become more efficient but the staggering cost of acquisition — over \$25 million for the last property that came market — is prohibitive. So the company must expand as different smaller properties come on the market.

Management has determined that the prime business driver of the company -- steel fabrication-- needs to expand, and the only way to do so is to free up space in their 1190 Longwood Ave. facility by relocating some of the ancillary operations taking up room there. Consequently, the company decided to relocate the anchor bolt business which occupies 4000+ ft.² of Longwood Avenue saving valuable space for steel fabrication.

There is not much industrial real estate available in the Bronx and the company started looking to relocate this Anchor Division to New Jersey. The real estate prices in Jersey were less than 50% of the cost of Bronx property. As management was mulling a partial relocation of some of Baco's operations, the property at Tiffany Street became available and the company entered into negotiations with the seller. The benefits to Baco will be twofold: it will allow the Anchor Bolt business to expand significantly and secondly, will also allow the steel fabrication business to expand and become more efficient.

We hope the IDA will help us acquire and renovate the Tiffany project site helping us to continue increasing our employment in the Bronx. It is conceivable that the Anchor Division will have 15 employees over the next 7 years. Our industry is highly competitive with many competitors operating in low cost areas- and not in one of the largest urban *cities* of the world with all its associated operating challenges.

We hope that the IDA will approve our project, so the Anchor Division can remain in the Bronx and continue to expand operations in New York City. I thank you for considering our request.

Sincerely,

Barry L. Cohen

1/12/18

Exhibit B

Resolution inducing the financing of a manufacturing facility for
Baco Enterprises, Inc. as a Straight-Lease Transaction

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, Baco Enterprises, Inc., a New York corporation (the “Applicant”), has entered into negotiations with officials of the Agency for the acquisition, renovation, and equipping of a manufacturing facility (the “Facility”), consisting of an approximately 10,000 square foot building located on an approximately 10,000 square foot parcel of land located at 627-631 Tiffany Street, Bronx, New York, all for the use by the Applicant for the manufacturing of anchor bolts, for lease to the Agency by a real estate holding company (the “Company”) to be formed and affiliated with the Applicant, 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 \$3,725,275 (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’s headquarters and anchor bolt division is currently located at 1190 Longwood Avenue, Bronx, New York (the “Longwood Facility”), and employs approximately 92 full-time equivalent employees within The City of New York (the “City”); the Applicant desires to expand its steel fabrication business at the Longwood Facility and relocate its anchor bolt division; that the Applicant has investigated alternative facilities located in New Jersey but would prefer to remain within the City; that the Applicant expects to employ approximately 6 additional full-time equivalent employees 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 remain and expand its operations in the City; and that, based upon the financial assistance provided through the Agency, the Applicant desires to proceed with the Project and remain and expand its 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 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 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 limited mortgage recording tax exemption, 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. 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 existing building is currently occupied by an industrial use and the Project is not expected to substantially increase the amount of traffic to/from the project site.
- (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 proposed use would be as-of-right under zoning.
- (5) The proposed installation of equipment and renovations to the interior of the building would not require subsurface disturbance and are not expected to result in any adverse impacts related to hazardous materials.
- (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, 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 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.

(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 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 \$66,563 and limited mortgage recording tax exemptions.

Section 11. This Resolution shall take effect immediately.

ADOPTED: February 13, 2018

Accepted: February __, 2018

BACO ENTERPRISES, INC.

By: _____
Name:
Title: