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
SEPTEMBER 18, 2018

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

James Patchett, Chairman
Marlene Cintron
Brian Cook, alternate for Scott M. Stringer,
Comptroller of The City of New York
Barry Dinerstein, alternate for Marisa Lago
the Chair of the City Planning Commission 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
Shanel Thomas
Betty Woo, alternate for Zachary W. Carter, Esq.,
Corporation Counsel of The City of New York

The following directors were not present:

Khary Cuffe
Albert De Leon
Andrea Feirstein
Robert Santos

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 and Alex Deland from Katten Muchin Rosenman LLP, (5) Seth Bryant from Bryant Rabbino LLP, (6) John Ravalli and Raymond Tassielli from the City's Department of Finance and (7) other members of the public.

James Patchett, President of NYCEDC and Chairman of the New York City Industrial Development Agency (the "Agency" or "NYCIDA"), convened the meeting of the Board of Directors of NYCIDA at 9:10 a.m., at which point a quorum was present.

1. Adoption of the Minutes of the July 24, 2018 Board of Directors Meeting

Mr. Patchett asked if there were any comments or questions relating to the minutes of the July 24, 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 July 31, 2018 (Unaudited)

Carol Ann Butler, Assistant Vice President of NYCEDC, presented the Agency's Financial Statements for the one-month period ending July 31, 2018 (Unaudited). Ms. Butler reported the following. For the month of July, the Agency recognized revenues in the amount of $418,000, which came from project finance fees from one transaction. The Agency recognized revenues derived from compliance, application, post-closing, recapture and termination fees in the amount of $80,000 for the one-month period. The Agency recognized operating expenses, largely consisting of the monthly management fee, in the amount of $364,000 for the one-month period ending in July 31, 2018. The Agency spent $857,000 in special costs largely relating to the Workforce One project.

3. Audited Financial Statements for Fiscal Year Ended June 30, 2018

Spencer Hobson, an Executive Vice President of NYCEDC and Treasurer of the Agency, and Fred D'Ascoli, Controller for NYCEDC and Assistant Treasurer of the Agency, presented for review and approval the Agency's Audited Financial Statements for the Fiscal Year ended June 30, 2018.

On behalf of the Audit Committee, Ms. Thomas stated that the Audit Committee was satisfied with the Agency's Audited Financial Statements and recommended the approval thereof by the Board.

4. Annual Investment Report for Fiscal Year Ended June 30, 2018

Mr. Hobson and Mr. D'Ascoli presented for review and approval the Agency's Annual Investment Report for the Fiscal Year ended June 30, 2018.

On behalf of the Audit Committee, Ms. Thomas stated that the Audit Committee was satisfied with the Annual Investment Report and recommended the approval thereof by the Board.

There being no comments or questions, a motion to approve the Agency's Audited Financial Statements for the Fiscal Year ended June 30, 2018 attached hereto as Exhibit A, as submitted, and the Agency's Annual Investment Report for the Fiscal Year ended June 30, 2018 attached hereto as Exhibit B, as submitted, were made, seconded and unanimously approved.

5. Performance Measurements Report

Krishna Omolade, an Assistant Vice President of NYCEDC and Deputy Executive Director of the Agency, presented the Agency's performance measurements report.

There being no comments or questions, a motion to approve the performance measurements report attached hereto as Exhibit C, as submitted, was made, seconded and unanimously approved.

6. Board Performance Self-Evaluation Survey Results

Emily Marcus, a Project Manager for NYCEDC, presented the results of the Board's annual Self-Evaluation Survey (the "Survey"). Ms. Marcus stated that eight out of thirteen Board members took the Survey.

On behalf of the Governance Committee, Ms. Woo stated that most of the results from the Survey were favorable. the questions which elicited the largest number of "disagree" responses were questions five and thirteen. The Governance Committee wasn't sure if this was because, out of the twelve board members, five have been just recently appointed in the past year. The committee discussed whether there should be an orientation for new board members to get them familiar with how the Agency works, what is to be expected, and the mission statement. These topics would be relevant to the subject of question five, which addresses how performance contributes to accomplishing the mission, and question thirteen, which addresses oversight of Agency staff. The committee also discussed whether there should be an opportunity to discuss some of the projects before the actual meeting. Ms. Woo stated that overall the results were favorable.

7. 37TH Arcade Co. LLC & 247 West 37TH Street Associates LLC; 327 West 36TH ST. LLC

Kyle Brandon, a Project Manager for NYCEDC, presented for review and adoption an Industrial Incentive Program inducement and authorization resolution for the benefit of 37TH Arcade Co. LLC and 247 West 37TH Street Associates LLC, an associated deviation from the Agency's Uniform Tax Exemption Policy ("UTEP"), payment of legal fees to Nixon Peabody LLP as project counsel for all NYCIDA Garment Center transactions that close by March 1, 2019, and recommended the Board adopt a SEQRA determination that the proposed project is a Type II action and therefore no further environmental review is required. Mr. Brandon described the project and its benefits, as reflected in Exhibit D. Mr. Brandon also presented for review and adoption an Industrial Incentive Program inducement and authorization resolution for the benefit of 327 West 36TH ST. LLC, an associated deviation from the Agency's UTEP, payment of legal fees to Nixon Peabody LLP as project counsel for all NYCIDA Garment Center transactions that close by March 1, 2019, and recommended the Board adopt a SEQRA determination that the proposed project is a Type II action and therefore no further environmental review is required. Mr. Brandon described the project and its benefits, as reflected in Exhibit E.

In response to a question from Mr. Piverger, Mr. Omolade stated that Agency staff are requesting a deviation from UTEP in order to waive the typical minimum investment requirement from the sponsor for this project because these projects are designed to retain existing fashion manufacturing companies, unlike expansion or growth projects. Mr. Omolade explained that one of the challenges for building owners is that when they make a significant investment in their building there is the temptation to increase rents in order to recoup their investment. The goal of this program is to keep rents low so that fashion manufacturing companies can stay in these buildings, which is the reason for waiving the sponsor's minimum investment requirement. Mr. Patchett stated that typically there is a rent cap associated with these projects, which Mr. Omolade stated is $35 for these projects. Mr. Patchett stated that the rent cap is a critical component, and is not typically part of an Agency transaction. Agency staff have been working for a long time to put together a comprehensive package to support the garment manufacturing district in Manhattan (the "Garment Center") because it's been hemorrhaging garment manufacturing jobs for decades. It's been a very steep slope downward and Agency staff continue to believe that this area should be a center for garment manufacturing and fashion for the future and that Agency staff have worked very closely with the Manhattan Borough President, Gail Brewer, as well as Speaker Corey Johnson to come up with a strategy for addressing these issues in the Garment Center. The package includes adjustments to the zoning and some specific preservation efforts, as well as an attempt to procure a building that would serve as a hub for garment manufacturing. Mr. Patchett explained that, collectively, Agency staff think that this package is very compelling and that our core objective here is to get these buildings locked in to preservation for the longest possible term with reasonable rents. Agency staff had to compromise to get people to accomplish this because their alternative is to convert the spaces to non-manufacturing and that's not the desired outcome. Agency staff worked incredibly hard, pounding the pavement, literally going door-to-door asking for folks about their interest and worked closely with a lot of landlords who are primarily single, not large building owners, with some exceptions. Mr. Patchett concluded that these owners are families that have owned these buildings for a long time so it's an extensive effort to work closely with them and come up with a solution to preserve this area, and Agency staff believe that it is critical to the success of the Garment Center in the long run.

In response to a question from Ms. Thomas, Mr. Patchett stated that Agency staff are requesting that the Agency pay the companies' legal fees in the interest of the broader preservation objectives in the Garment Center. These are exceptions to our ordinary policy but Agency staff thought it was warranted. In response to a question from Mr. Cook, Mr. Omolade stated that since these projects are not related to expansion or growth, their financial statements are not included. Financial statements typically are included for projects to demonstrate that the companies have the financial capacity to make their planned investment but because these projects do not involve capital investments Agency staff did not include financial statements. Mr. Omolade stated that Agency staff plan on continuing this practice for future Garment Center projects. Ms. Cintron thanked Agency staff for their work on this project and for thinking outside of the box and for providing a lot of flexibility. Ms. Cintron stated that since this is a brand new animal for the Agency that it should monitor the project

very closely with a one, three and five year report focusing on how many people are actually being employed and giving the Board the opportunity to see the effect going forward. Mr. Patchett responded that the compliance with this program is essential to its success so Agency staff will monitor it very closely and that Agency staff would be happy to report back in a year on the progress and go from there in terms of future updates.

There being no further comments or questions, a motion to approve the inducement and authorization resolution attached hereto as Exhibit F for the benefit of 37TH Arcade Co. LLC and 247 West 37TH Street Associates LLC, the associated deviation from UTEP, the Garment Center legal fee waiver and the SEQRA determination, and the inducement and authorization resolution attached hereto as Exhibit G for the benefit of 327 West 36TH ST. LLC, the associated deviation from UTEP, the Garment Center legal fee waiver and the SEQRA determination was made, seconded and unanimously approved.

8. MPM Enterprises Bedford, Inc.

Jenny Osman, a Project Manager for NYCEDC, presented for review and adoption a Food Retail Expansion to Support Health ("FRESH") Program authorizing resolution for the benefit of MPM Enterprises Bedford, Inc. Ms. Osman described the project and its benefits, as reflected in Exhibit H.

Mr. Patchett stated that in the interest of full disclosure this project is located about seven blocks from his home. While this is not technically a conflict he just wanted everyone to be aware of that so that we have full disclosure. In response to a question from Mr. Cook, Ms. Osman stated that this project was induced in November 2016 and needed more time to close on their financing portion of the project. Mr. Piverger stated that he would like to get more clarity going forward on the types of produce that are provided for FRESH Program projects. Mr. Piverger stated that in other neighborhoods with stores such as Whole Foods and Trader Joe's there is a variety of produce and organic produce so he would like to know what's actually being provided in the Bronx and in other parts of the City. Ms. Osman stated that five hundred square feet must be dedicated to fresh produce. Mr. Piverger stated that he understands this requirement but questioned the difference between "fresh" and "organic" as possibly meaning the same or two different things. Mr. Patchett stated that the goal of the program is to ensure that there's produce whether organic or not. Organic products are also more expensive so it's unclear whether it would make sense to require organic produce. Agency staff can provide the Board with more information later this fiscal year and Agency staff conduct regular site visits to many of the Agency's FRESH Program project sites. Mr. Cook stated that it would be helpful for the City's Department of Health to talk to the Board about some of the benefits of FRESH Programs to the City since they manage similar programs. Mr. Patchett stated that Agency staff can arrange for that. In response to a question from Ms. Cintron, Ms. Osman stated that the owner is Bedford Market and it's a new banner but created by the store owners who own and operate Union Market, which has five locations in the City.

There being no further comments or questions, a motion to approve the authorizing resolution attached hereto as Exhibit I for the benefit of MPM Enterprises Bedford, Inc. was made, seconded and unanimously approved.

10. Accelerated Sales Tax Exemption Program Proposal

Ms. Osman presented for review and approval a program proposal for the Accelerated Sales Tax Exemption program ("A-STEP"). Ms. Osman described the program and its benefits as reflected in Exhibit J.

In response to a question from Ms. Cintron, Ms. Osman stated that breweries and distilleries fall within the manufacturing definition. In response to a question from Mr. Cook, Ms. Osman stated that Agency staff can provide the Board with regular updates on the total dollars and jobs in order to monitor the program. Mr. Patchett stated that the Agency staff will provide the Board with these updates. In response to a question from Mr. Cook, Ms. Osman stated that the City's Department of Health and Mental Hygiene runs a program called Shop Healthy, which encourages community members to help or support their local small food retailers, bodegas, and corner stores in stocking healthier food. Ms. Osman stated that they also work with bodega owners, supermarket owners, corner storeowners and they have a set of guidelines for how to make their offerings healthier using their store observation form and suggestion points. Ms. Osman stated that Agency staff would use their store observation form to observe what the store is currently offering, and the state of their produce if they're serving or selling produce. Ms. Osman stated that there's a two-year compliance period and that if a manufacturing business applies for an A-STEP and closes after two years that no longer falls under our wheel house. In the same way, if after two years a retail store stops stocking healthy options the compliance period has passed.

Eric Clement, a Senior Vice President of NYCEDC, stated that part of the reason that Agency staff wanted to extend A-STEP to smaller food retailers is because there have been studies that suggest that a majority of constituents within the five boroughs actually buy most of their food at the local bodega. Not too many people have super markets near them so Agency staff wanted to extend the reach of what the Agency can do and try to provide these benefits to these smaller retailers so that everyone can have access to these healthier types of products. Mr. Patchett stated that this program is basically a smaller benefit for a smaller impact that has a broader reach to more people on more corners where they actually shop as opposed to the large-scale grocery transactions. Mr. Cook stated that the previous program had a two-year compliance period and that Agency staff should know not just whether A-STEP participants were in compliance but that they stayed in compliance. Mr. Patchett stated that Agency staff can wrap that information into the comprehensive report and present it to the Board.

There being no further comments or questions, a motion to approve the resolution attached hereto as Exhibit K was made, seconded and unanimously approved.

11. 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 9:47 a.m.

Arthur Hauser
Assistant Secretary

Dated: 11/7/18
New York, New York

Exhibit A

FINANCIAL STATEMENTS

New York City Industrial Development Agency
(A Component Unit of the City of New York)
Years Ended June 30, 2018 and 2017
With Report of Independent Auditors

New York City Industrial Development Agency
(A Component Unit of the City of New York)

Financial Statements and Supplemental Information

Years Ended June 30, 2018 and 2017

Contents

I. Financial Section

II. Government Auditing Standards Section

I. Financial Section

Report of Independent Auditors

The Management and the Board of Directors
New York City Industrial Development Agency

Report on the Financial Statements

We have audited the accompanying financial statements of the New York City Industrial Development Agency (the "Agency"), a component unit of the City of New York, as of and for the years ended June 30, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of June 30, 2018 and 2017, and the changes in its financial position and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Required Supplementary Information

U.S. generally accepted accounting principles require that management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's basic financial statements. The combining statement of net position is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining statement of net position is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the combining statement of net position is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated June 30, 2018, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Agency's internal control over financial reporting and compliance.

, 2018

New York City Industrial Development Agency
(A Component Unit of the City of New York)

Management's Discussion and Analysis

June 30, 2018

This section of the New York City Industrial Development Agency ("IDA" or the "Agency") annual financial report presents our discussion and analysis of financial performance during the fiscal year that ended on June 30, 2018. Please read it in conjunction with the financial statements and accompanying notes, which follow this section.

2018 Financial Highlights

- Current assets increased $22.5 million (or 50%)
- Current liabilities increased $4.8 million (or 3%)
- Operating revenues increased $2.1 million (or 86%)
- Operating expenses decreased $0.06 million (or 2%)
- Operating income increased $2.2 million (or > 100%)
- Non-operating expenses decreased $4.0 million (or 59%), but still outpaced operating income resulting in the unrestricted net position decreasing $1.6 million (or 4%)

Overview of the Financial Statements

This annual financial report consists of three parts: Management's Discussion and Analysis (this section), basic financial statements, and supplemental information. IDA is considered a component unit of the City of New York (the "City") for financial reporting purposes, and is a public benefit corporation established by the laws of the State of New York (the "State"). IDA was established in 1974 to actively promote, retain, attract, encourage, and develop an economically sound commerce and industry base to prevent unemployment and economic deterioration in the City.

IDA is a self-supporting entity and follows enterprise fund reporting. Enterprise fund statements offer short-term and long-term financial information about the Agency's activities. The Agency operates in a manner similar to a private business.

New York City Industrial Development Agency
(A Component Unit of the City of New York)

Management's Discussion and Analysis

June 30, 2018

Financial Analysis of the Agency:

Net Position – The following table summarizes IDA's financial position at June 30, 2018, 2017, and 2016 and the percentage changes between June 30, 2018, 2017 and 2016 *($ in thousands)*:

				% Change	
	2018	**2017**	**2016**	**2018–2017**	**2017–2016**
Current assets	**$ 67,758**	$ 45,267	$ 45,781	**50%**	**(1)%**
Non-current assets	**1,780,700**	1,830,224	1,857,201	**(3)**	**(1)**
Total assets	**1,848,458**	1,875,491	1,902,982	**(1)**	**(1)**
Deferred outflows of resources	**7,392**	12,404	18,517	**(40)**	**(33)**
Current liabilities	**176,492**	171,684	161,691	**3**	**6**
Non-current liabilities	**1,642,250**	1,677,480	1,713,216	**(2)**	**(2)**
Total liabilities	**1,818,742**	1,849,164	1,874,907	**(2)**	**(1)**
Total net position	**$ 37,108**	$ 38,731	$ 46,592	**(4)%**	**(17)%**

Fiscal Year 2018 Activities:

Current assets increased by $22.5 million or 50% as a result of the shift in our investment strategy from long-term to short-term investments during fiscal year 2018. In addition, the secured interest on assets was also reclassified to a current asset during fiscal year 2018 from a noncurrent asset classification during fiscal year 2017.

Deferred outflows of resources decreased by $5.0 million or 40% due to the favorable market conditions relating to the interest rate swap instruments of the Series 2006 CPI Bonds (Yankee Stadium Project). The CPI Bonds are special limited obligations of the Agency.

Total current liabilities increased by $4.8 million or 3% mainly due to an increase of the accreted interest payable of $6.4 million, relating to the PILOT Revenue Bonds Series 2009A (Yankee Stadium Project). This increase was counteracted by a decrease in $1.6 million of various current liabilities.

Total non-current liabilities decreased by $35.2 million or 2% mainly due to the principal payments made to the bondholders of the stadia bonds.

Fiscal Year 2017 Activities:

Current assets decreased by $0.5 million or 1% due to the return of funds to companies that were held pending compliance with the Agency agreements during fiscal year 2017.

Deferred outflows of resources decreased by $6.1 million or 33% due to the favorable market conditions relating to the interest rate swap instruments of the Series 2006 CPI Bonds (Yankee Stadium Project). The CPI Bonds are special limited obligations of the Agency.

Total current liabilities increased by $10.0 million or 6% mainly due to an increase of the accreted interest payable of $7.6 million, relating to the PILOT Revenue Bonds Series 2009A (Yankee Stadium Project).

Total non-current liabilities decreased by $35.7 million or 2% mainly due to the principal payments made to the bondholders of the Stadia Bonds.

Operating Activities

The Agency assists industrial and commercial participants through a "straight lease" transactional structure which provides tax benefits to participants to incentivize the acquisition and capital improvement of their facilities. The Agency may also assist participants in obtaining long-term, low-cost financing for capital assets through a financing transaction, which includes the issuance of double and triple tax-exempt bonds. Whether the Agency enters into a straight lease or issues tax-exempt bonds, the Agency may provide one or more of the following tax benefits: exemption from mortgage recording tax; payments in lieu of real property taxes ("PILOTs") that are less than full taxes; and exemption from City and State sales and use taxes as applied to construction materials and machinery and equipment. During the years ended June 30, 2018 and 2017, IDA did not issue any tax-exempt bonds.

During fiscal years 2007 and 2009, in connection with the construction and financing of the new Yankee Stadium and Citi field ("Stadia Projects"), the Agency issued Tax-Exempt PILOT Revenue Bonds, Taxable Rental Revenue Bonds, Taxable Installment Purchase Bonds and Taxable Lease Revenue Bonds. The Taxable Bonds are special limited obligations of the Agency and are payable solely from revenues derived from the Lease Agreement with Yankee Stadium, LLC and the Lease Agreement and Installment Sales Agreement with Queens Ballpark Company, LLC.

Since the Tax-Exempt PILOT Bonds were issued to finance the construction of the stadia and the Agency is the legal owner of the stadia, the Tax-Exempt PILOT Revenue Bonds have been recorded in the Agency's books and records. The PILOT Bonds are special limited obligations of the Agency payable solely from PILOT Revenues derived from PILOT payments made by Yankee Stadium, LLC and Queens Ballpark Company, LLC and as such have no financial impact on the Agency's overall financial position or results of operations. Additional information about the Agency's debt is presented in Note 5 to the financial statements.

The Agency charges various program fees that may include application fees, financing fees, legal fees and compliance fees. In certain circumstances, the Agency may also charge servicing fees on any recapture of benefits from companies defaulting on their compliance requirements for IDA benefits.

New York City Industrial Development Agency
(A Component Unit of the City of New York)

Management's Discussion and Analysis

June 30, 2018

The following table summarizes IDA's changes in net position for fiscal years 2018, 2017, and 2016 and the percentage changes between June 30, 2018, 2017, and 2016 *($ in thousands)*:

				% Change	
	2018	**2017**	**2016**	**2018–2017**	**2017–2016**
Operating revenues:					
Fee income	**$ 4,016**	$ 1,956	$ 3,585	**>100%**	**(45)%**
Other income	**619**	530	230	**17**	**130**
Total operating revenues	**4,635**	2,486	3,815	**86**	**(35)**
Operating expenses:					
Management fees	**3,300**	3,300	4,052	–	**(19)**
Other expenses	**156**	216	135	**(28)**	**60**
Total operating expenses	**3,456**	3,516	4,187	**(2)**	**(16)**
Operating income (loss)	**1,179**	(1,030)	(372)	**214**	**177**
Non-operating revenues (expenses):					
Earnings on investments	**370**	200	230	**85**	**(13)**
Special project costs	**(3,172)**	(7,031)	(2,980)	**(55)**	**136**
PILOT lease income	**92,688**	96,431	94,067	**(4)**	**3**
PILOT investment income	**3,142**	2,892	2,963	**9**	**(2)**
Bond interest expense	**(95,830)**	(99,323)	(97,030)	**(4)**	**2**
Total non-operating revenues (expenses)	**(2,802)**	(6,831)	(2,750)	**(59)**	**148**
Change in net position	**(1,623)**	(7,861)	(3,122)	**79**	**(152)**
Beginning net position	**38,731**	46,592	49,714	**(17)**	**(6)**
Ending net position	**$ 37,108**	$ 38,731	$ 46,592	**(4)%**	**(17)%**

Fiscal Year 2018 Activities:

The Agency's net position decreased by $1.6 million or 4% largely due to special project costs of $3.2 million which outpaced operating income of $1.2 million during 2018.

Fee income increased by $2.1 million or 105%. This is primarily a result of the increase in project finance fees of $2.2 million due to the increased number of industrial incentive closings during fiscal year 2018.

Other operating income increased by $0.09 million or 17%. This is a result of a general increase in income from ten benefit recapture events during fiscal year 2018.

Total operating expenses decreased by $0.06 million or 2% due to a decrease in consulting and public hearing expenses during fiscal 2018.

Operating income increased by $2.2 million or 214% during fiscal year 2018 due to the increase in the number of transactional closings resulting in an increase in the collection of project finance fees.

Special project costs decreased overall by $3.9 million or 55% during fiscal year 2018, largely as a result of a $2.7 million decrease in costs related to the FutureWorks NYC project.

Fiscal Year 2017 Activities:

Fee income decreased by $1.6 million or 45%. This is primarily a result of the decrease in project finance fees relating to the decreased number of industrial incentive closings during fiscal year 2017.

Other operating income increased by $0.3 million or 130%. This is a result of a general increase in income from benefit recaptures during fiscal year 2017.

Total operating expenses decreased by $0.7 million or 16% due to the decrease in the management fee charged by New York City Economic Development Corp. ("NYCEDC"). This is a result of bond transactions and related administrative costs being undertaken by Build NYC ("BNYC"), a local development corporation organized to assist entities in obtaining tax-exempt and taxable bond financing, rather than by the Agency.

Special project costs increased overall by $4.1 million or 136% during fiscal year 2017, largely as a result of $4.7 million in costs related to the FutureWorks NYC project, which was approved by the Board on September 20, 2016.

The Agency's net position decreased by $7.9 million or 17% due to the general decrease in project finance fees income and an increase in special project costs during 2017.

Contacting the Agency's Financial Management

This financial report is designed to provide our customers, clients and creditors with a general overview of the Agency's finances and to demonstrate the Agency's accountability for the resources at its disposal. If you have any questions about this report or need additional financial information, contact the Chief Financial Officer, New York City Industrial Development Agency, 110 William Street, New York, NY 10038.

New York City Industrial Development Agency
(A Component Unit of the City of New York)

Statements of Net Position

(in thousands)

	June 30 2018	June 30 2017
Assets		
Current assets:		
Cash and cash equivalents *(Note 3)*	**$ 8,408**	$ 2,092
Investments *(Note 3)*	**17,659**	12,456
Restricted cash *(Note 3)*	**3,054**	3,111
Fees receivable, net of allowance for doubtful accounts of $8 and $24, respectively	**443**	503
Secured interest on assets *(Note 1)*	**10,450**	–
PILOT lease receivable, net – stadia projects *(Note 7)*	**27,744**	27,105
Total current assets	**67,758**	45,267
Non-current assets:		
Investments (*Note 3*)	**3,004**	17,810
Restricted cash and cash equivalents– stadia projects (*Note 3*)	**40,001**	65,809
Restricted investments – stadia projects (*Note 3*)	**85,025**	85,586
Secured interest on assets *(Note 1)*	–	10,450
PILOT lease receivable, net – stadia projects (*Note 7*)	**1,652,670**	1,650,569
Total non-current assets	**1,780,700**	1,830,224
Total assets	**1,848,458**	1,875,491
Deferred outflows of resources		
Derivative instrument – interest rate swap *(Note 6)*	**7,392**	12,404
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	**884**	1,598
Due to New York City Economic Development Corporation	**1,278**	2,235
Bonds payable – current – stadia projects	**27,744**	27,105
Interest payable on bonds – stadia projects	**142,837**	136,888
Unearned revenues	**695**	747
Other liabilities	**3,054**	3,111
Total current liabilities	**176,492**	171,684
Non-current liabilities:		
Bonds payable, net – stadia projects (*Note 5*)	**1,634,858**	1,665,076
Derivative instrument – interest rate swap *(Note 6)*	**7,392**	12,404
Total non-current liabilities	**1,642,250**	1,677,480
Total liabilities	**1,818,742**	1,849,164
Net position – unrestricted	**$ 37,108**	$ 38,731

See accompanying notes.

New York City Industrial Development Agency
(A Component Unit of the City of New York)

Statements of Revenues, Expenses and Changes in Net Position

(in thousands)

	Year Ended June 30	
	2018	2017
Operating revenues:		
Fee income *(Note 2)*	**$ 4,016**	$ 1,956
Recapture and other related benefits *(Note 2)*	**584**	437
Other income *(Note 2)*	**35**	93
Total operating revenues	**4,635**	2,486
Operating expenses:		
Management fees *(Note 4)*	**3,300**	3,300
Accounting fees	**64**	61
Consulting fees	**–**	40
Public hearing expenses	**29**	46
Marketing/advertising	**4**	6
Other expenses	**59**	63
Total operating expenses	**3,456**	3,516
Operating income (loss)	**1,179**	(1,030)
Non-operating revenues (expenses):		
Investment income	**370**	200
Special project costs *(Note 8)*	**(3,172)**	(7,031)
PILOT lease income – stadia projects	**92,688**	96,431
PILOT investment income – stadia projects	**3,142**	2,892
Bond interest expense – stadia projects	**(95,830)**	(99,323)
Total non-operating revenues (expenses)	**(2,802)**	(6,831)
Change in net position	**(1,623)**	(7,861)
Net position, unrestricted, beginning of year	**38,731**	46,592
Net position, unrestricted, end of year	**$ 37,108**	$ 38,731

See accompanying notes.

New York City Industrial Development Agency
(A Component Unit of the City of New York)

Statements of Cash Flows
(in thousands)

	Year Ended June 30 2018	2017
Operating activities		
Financing and other fees	**$ 4,006**	$ 2,012
Other income	**23**	35
Management fees paid	**(3,300)**	(3,300)
Consulting fees paid	–	(40)
Accounting fees paid	–	(42)
Public hearing fees paid	**(31)**	(38)
Marketing fees paid	**(2)**	(5)
Miscellaneous expenses paid	**(2)**	(4)
Funds held pending compliance with agreements	**27**	43
Return of funds held pending compliance with agreements	**(85)**	(616)
Recapture benefits and other penalties received	**4,509**	6,462
Payment to NYC and other agencies of recaptured benefits	**(3,895)**	(6,513)
Payment to EDC for contingency fees	**(54)**	(35)
Land sale proceeds	–	54
Net cash provided by (used in) operating activities	**1,196**	(1,987)
Investing activities		
Sale of investments	**116,223**	168,038
Purchase of investments	**(106,059)**	(166,369)
Net receipts from investment agreement termination	**311**	96
Investment income	**3,143**	2,892
Interest income	**370**	3
Net cash provided by investing activities	**13,988**	4,660
Capital and related financing activities		
Interest payments on outstanding bonds	**(80,162)**	(80,140)
Bond principal redemption	**(32,970)**	(31,650)
Swap payments received	**4,835**	4,427
Swap payments made	**(7,058)**	(7,594)
Bond fees	**(4,104)**	(6,039)
PILOT revenue	**89,636**	113,151
Net cash used in capital and related financing activities	**(29,823)**	(7,845)
Non-capital financing activities		
Special projects costs paid	**(4,910)**	(4,141)
Net cash used in non-capital financing activities	**(4,910)**	(4,141)
Net decrease in cash and cash equivalents	**(19,549)**	(9,313)
Cash and cash equivalents at beginning of year	**71,012**	80,325
Cash and cash equivalents at end of year	**$ 51,463**	$ 71,012

New York City Industrial Development Agency
(A Component Unit of the City of New York)

Statements of Cash Flows (continued)

(in thousands)

	Year Ended June 30	
	2018	2017
Reconciliation of operating income to net cash provided by operating activities		
Operating income (loss)	**$ 1,179**	$ (1,030)
Adjustments to reconcile operating (loss) income to net cash provided by operating activities:		
Provision for bad debt	–	12
Changes in operating assets and liabilities:		
Fees receivable	**60**	(122)
Accounts payable and accrued expenses	**(1)**	27
Due to NYC Economic Development Corp.	**66**	7
Other liabilities	**(57)**	(978)
Unearned revenues	**(52)**	97
Net cash provided by (used in) operating activities	**$ 1,196**	$ (1,987)
Supplemental disclosures of non-cash activities:		
Unrealized gain (loss) on investments	**$ 70**	$ (126)

See accompanying notes.

1. Background and Organization

The New York City Industrial Development Agency ("IDA" or the "Agency"), a component unit of the City of New York (the "City") for financial reporting purposes of the City, is a public benefit corporation of the State of New York (the "State"). IDA was established in 1974 to actively promote, retain, attract, encourage and develop an economically sound commerce and industry base to prevent unemployment and economic deterioration in the City.

The Agency is governed by a Board of Directors, which establishes official policies and reviews and approves applications for financial assistance. Its membership is prescribed by statute and includes a public official and mayoral appointees.

To support the activities of the Board of Directors, the Agency annually enters into a contract with the New York City Economic Development Corp. ("NYCEDC"), a not-for-profit corporation and a component unit of the City, organized to administer economic development programs which foster business expansion in the City. Under the terms set forth in the NYCEDC and IDA Agreement, NYCEDC is to provide IDA with all the professional, administrative and technical assistance it needs to accomplish its objectives.

The Agency assists industrial and commercial organizations through "straight lease" transactional structures. The straight lease provides tax benefits to the participating organizations (the "Beneficiaries") to incentivize the acquisition and capital improvement of their facilities. The Agency may also assist Beneficiaries in obtaining long-term, low-cost financing for capital assets through a financing transaction (the "Financing Transaction"), which includes the issuance of double and triple tax-exempt industrial development bonds ("IDBs"). The Beneficiaries, in addition to satisfying legal requirements under the Agency's governing laws, must meet certain economic development criteria, the most important of which is job creation and/or retention. Whether the Agency enters into a straight lease or issues IDBs, the Agency may provide one or more of the following tax benefits: exemption from mortgage recording tax; payments in lieu of real property taxes ("PILOT") that are less than full taxes; and exemption from City and State sales and use taxes as applied to construction materials and machinery and equipment. For more detailed information, please refer to the following website: https://www.nycedc.com/nycida/financial-public-documents.

1. Background and Organization (continued)

The IDBs are special non-recourse conduit debt obligations of the Agency which are payable solely from the rents and revenues provided for in the lease ("Financing Lease") to the Beneficiary. The IDBs are secured by a collateral interest in the Financing Lease, the Beneficiary's project property and, in certain circumstances, by guarantees from the Beneficiary's principals or affiliates or other forms of additional security. Both the IDBs and certain provisions of the Financing Lease are administered by an independent bond trustee appointed by the Agency.

When the Agency issues IDBs, the proceeds of the IDB financing are conveyed to an independent bond trustee for disbursement to the Beneficiary. The Beneficiary simultaneously sells and then leases back, the project or other collateral from the Agency for a nominal sum and the Agency in turn leases the property or other collateral back to the Beneficiary for a period concurrent with the maturity of the related IDB or the term of the tax benefits. Rental payments are calculated to be sufficient to meet the debt service obligation on the IDB. The Financing Lease includes a bargain purchase option, which allows the Beneficiary to cancel the lease or, in those transactions in which the Beneficiary sold the property to the Agency, repurchase the property, for a nominal sum upon expiration of the Financing Lease and after satisfaction of all terms thereof.

The total conduit debt obligations outstanding totaled $3.06 billion and $3.29 billion for the years ended June 30, 2018 and 2017, respectively. For more detailed information, please refer to the following website: https://www.nycedc.com/nycida/financial-public-documents.

Due to the fact that (1) the IDBs are non-recourse conduit debt obligations to the Agency, (2) the Agency assigns its interest in the Financing Lease as collateral, and (3) the Agency has no substantive obligations under the Financing Lease (other than to convey back the project property at the end of the IDB term, and to issue IDBs in those projects where subsequent issuance is contemplated), the Agency has, in effect, none of the risks and rewards of the Financing Lease and related IDB financing. Accordingly, with the exception of certain fees derived from the Financing Transaction, the Financing Transaction itself is given no accounting recognition in the accompanying financial statements.

In addition to IDB financing, the Agency also issued Tax-Exempt PILOT Revenue Bonds, Taxable Rental Revenue Bonds, Taxable Installment Purchase Bonds and Taxable Lease Revenue Bonds in connection with the construction of the new Yankee Stadium and Citi Field (the "Stadia Projects"). Yankee Stadium, LLC, a Delaware limited liability company, and Queens Ballpark, LLC, a New York limited liability company, undertook the design, development, acquisition and construction of the Stadia Projects. The Taxable Bonds are special limited obligations of the Agency and are payable solely from revenues derived from a Lease Agreement with Yankee Stadium, LLC and a Lease Agreement and Installment Sales Agreement with Queens Ballpark Company, LLC.

1. Background and Organization (continued)

The Tax-Exempt PILOT Bonds are special limited obligations of the Agency payable solely from PILOT Revenues derived from PILOTs made by Yankee Stadium, LLC and Queens Ballpark Company, LLC. However, since the Tax-Exempt PILOT Bonds were issued to finance the construction of the Stadia and because the Agency is the legal owner of the Stadia, the Tax Exempt PILOT Bonds have been recorded in the Agency's books and records.

During fiscal year 2016, the Agency paid for a security interest in the amount of $10.45 million in certain eligible equipment at the Fresh Direct facility, located in the Harlem River Yards, relating to the December 19, 2013 straight-lease transaction for the benefit of Fresh Direct LLC. The Agency will hold the security interest until the completion of project work by December 1, 2018, after which the Agency will terminate its security interest in the acquired equipment assets.

2. Summary of Significant Accounting Policies

Basis of Accounting

IDA is classified as an "enterprise fund," as defined by the Governmental Accounting Standards Board ("GASB"), and as such, the financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the US ("GAAP").

In accordance with GAAP, revenues are recognized in the period in which they are earned and expenses are recognized in the period in which they are incurred.

Cash Equivalents

The Agency considers all highly liquid investments purchased with original maturities of 90 days or less to be cash equivalents.

Investments

Investments held by the Agency are recorded at fair value.

2. Summary of Significant Accounting Policies (continued)

Upcoming Accounting Pronouncements

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Provisions of this Statement are effective for fiscal years beginning after December 15, 2019. The Agency is evaluating the impact this standard will have on its financial statements.

In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The provisions of this statement are effective for fiscal years beginning after June 15, 2018. The Agency is evaluating the impact this standard may have on the Agency's financial statements.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. Provisions of this Statement are effective for fiscal years beginning after December 15, 2019. The Agency does not anticipate any standard related impact on its financial statements.

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. Provisions of this Statement are effective for fiscal years beginning after December 15, 2018. The Agency does not anticipate any related impact on its financial statements.

2. Summary of Significant Accounting Policies (continued)

Revenue and Expense Classification

Operating revenues consists of fee income from application fees, financing fees and compliance monitoring fees. Fees are recognized as earned. Compliance monitoring fees are received annually, in advance and deferred and amortized into income as earned.

Other operating income represents administrative fees and amounts, primarily penalties, associated with the recapture of IDA benefits remitted by certain beneficiaries. Recaptured IDA benefits represent the difference between the full tax amount and the amounts actually paid by beneficiaries and result from a beneficiary's violation of an IDA agreement.

Recaptured benefits were recorded net of amounts due to the City and the State. The related recapture benefits that were due to the City were recorded as other liabilities until such time as they were disbursed to the City. For the year ended June 30, 2018, IDA remitted $3.9 million to the City and other agencies relating to these recapture benefits, of which $1.4 million was for the City. For the year ended June 30, 2017, IDA remitted $6.5 million to the City and other agencies relating to these recapture benefits, of which $2.6 million was for the City. IDA's operating expenses include management fees and other administrative expenses. All other revenues and expenses not described above are considered non-operating.

Bond Premium, Discount, and Other Bond Related Costs

Discount and premium on bonds are deferred and amortized to interest expense using a method approximating the effective interest method. Bond related costs are expensed in the period incurred.

3. Deposits and Investments

Deposits

At year-end, IDA's unrestricted bank balance was approximately $4.0 million. Of this amount, $0.3 million was covered by the Federal Depository Insurance Corporation ("FDIC") and $3.7 million was collateralized with securities held by the pledging financial institution.

The Non-Stadia Projects restricted bank balance was approximately $3.0 million. Of this amount, $0.3 million was insured by the FDIC and $2.7 million was collateralized with securities held by the pledging financial institution.

3. Deposits and Investments (continued)

Investments

As of June 30, 2018 and 2017, the Agency had the following investments *(in thousands)*: Investments maturities are shown for June 30, 2018 only.

	Fair Value		2018 Investment Maturities (In Years)	
	2018	2017	**Less Than 1**	**1 to 2**
Money Market	**$ 4,377**	$ 794	**$ 4,377**	**$ –**
Federal National Mort. Assn. Notes	**6,819**	6,790	**6,819**	**–**
Federal Home Loan Mort. Corp. Notes	**5,190**	17,375	**5,190**	**–**
Federal Home Loan Bank Notes	**5,810**	3,795	**2,806**	**3,004**
Federal Farm Credit Bank	**1,245**	1,246	**1,245**	**–**
US Treasury Note	**1,499**	–	**1,499**	**–**
Certificates of Deposit (over 90 days)	**100**	1,059	**100**	**–**
Total	**25,040**	31,059	**$ 22,036**	**$ 3,004**
Less: cash equivalents	**(4,377)**	(794)		
Total unrestricted investments	**$ 20,663**	$ 30,265		

Fair Value Measurement – Fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into these levels. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Money Market Funds, categorized as Level 1, are valued at the unadjusted prices quoted in active principal markets for identical assets. US Agencies securities, categorized as Level 2, are valued based on models using observable inputs. Certificates of deposit are valued at cost.

IDA's investment policy permits the Agency to invest in obligations of the United States of America, where the payment of principal and interest is guaranteed, or in obligations guaranteed by agencies of the United States of America. Other investments include certificates of deposit, and time deposits. All investments are either insured or registered and held by the Agency or its agent in the Agency's name.

Interest Rate Risk: The Agency has a formal investment policy which limits investment maturities to a maximum of two years from the date of purchase as a means of managing its exposure to fair value losses arising from increasing interest rates.

3. Deposits and Investments (continued)

Credit Risk: It is the Agency's policy to limit its investments in debt securities to obligations of the United States of America and its agencies, and obligations of the State of New York. As of June 30, 2018, the Agency's investments in Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and US Treasury Note were rated AA+ by Standard & Poor's, Aaa by Moody's and AAA by Fitch Ratings.

Custodial Credit Risk: For investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the Agency will not be able to recover the value of its investments that are in the possession of the outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured or not registered in the name of the Agency and are held by either the counterparty or the counterparty's trust department or agent, but not in the Agency's name.

The Agency manages credit risk by limiting its custodial exposure to highly rated institutions and/or requiring high quality collateral to be held by the counterparty.

Concentration of Credit Risk: The Agency places no limit on the amount the Agency may invest in any United States of America government backed securities. The following table shows investments that represent 5% or more of total investments *($ in thousands)*:

	Dollar Amount and Percentage of Total Investments			
Issuer	**June 30, 2018**		**June 30, 2017**	
Federal Home Loan Mortgage Corp.	**$ 5,190**	**25.12%**	$ 17,375	57.41%
Federal Home Mortgage Assn.	**6,819**	**33.00**	6,790	22.44
Federal Home Loan Bank	**5,810**	**28.12**	3,795	12.54
US Treasury Note	**1,499**	**7.25**	–	–
Federal Farm Credit Bank	**1,245**	**6.03**	–	–

Restricted Funds Held in Trust – Stadia Projects

Restricted cash, cash equivalents and investments, related to the Stadia Projects, are segregated and designated for purposes of the debt reserve fund and to pay future bond interest and principal payments. These investments are managed by an external investment portfolio manager. Qualified investments, as defined in the bond agreements, are technically made under the direction of the Agency.

3. Deposits and Investments (continued)

Under the bond agreements, the Agency does not have any obligation to make further contributions to the Stadia Projects. Accordingly, the Agency's financial responsibility will not exceed the amounts currently on deposit in the managed investment portfolio. Therefore, the Agency's obligation is not affected by various risks which include credit risk, interest rate risk and concentration of credit risk. In addition, the restricted investments are not required to be administered in accordance with the Agency's or New York State investment guidelines. IDA's restricted bank balance for the Stadia Projects was $12.1 million as of June 30, 2018. The restricted cash equivalents and restricted investments for the Stadia Projects were $27.9 million and $85.0 million, respectively, as of June 30, 2018.

4. Management Fees and Other Charges

To support the activities of the IDA, the Agency annually enters into a contract with the NYCEDC. Under the terms set forth in the NYCEDC and IDA agreement, NYCEDC is to provide IDA with all the professional, administrative and technical assistance it needs to accomplish its objectives. The fixed annual fee for these services is based on an agreement between NYCEDC and the Agency. Such fees amounted to $3.3 million for the years ended June 30, 2018 and 2017.

5. Bonds Payable

The changes in outstanding Series 2006 and Series 2009 Tax Exempt PILOT Bonds for the years ended June 30, 2018 and 2017 are summarized as follows *(in thousands)*:

2018:

Description	Bonds Outstanding June 30, 2017	New Bond Issuances	Matured/ Called/ Redeemed	Bonds Outstanding June 30, 2018	Amount Due Within One Year
Queens Baseball Stadium Project:					
Series 2006 PILOT Bonds, 3.6% to 5%, due 2046	**$ 497,205**	$ –	$ 7,700	**$ 489,505**	$ 8,105
Series 2009 PILOT Bonds, 4.0% to 6.50%, due 2046	**76,260**	–	935	**75,325**	985
Yankee Stadium Project:					
Series 2006 PILOT Revenue Bonds, 3.6% to 5%, due 2046	**662,670**	–	–	**662,670**	–
Series 2006 CPI Bonds, 3.2% to 3.5%, due 2027	**171,335**	–	14,195	**157,140**	14,765
Series 2009 Capital Appreciation Bonds, 4.03% to 7.90%, due 2047	**44,725**	–	4,275	**40,450**	3,889
Series 2009 Current Interest Term Bonds, 7.00%, due 2049	**191,960**	–	–	**191,960**	–
Total	**1,644,155**	$ –	$ 27,105	**$ 1,617,050**	$ 27,744
Net premium (discount)	**48,026**			**45,552**	
Bonds payable, net	**$ 1,692,181**			**$ 1,662,602**	

2017:

Description	Bonds Outstanding June 30, 2016	New Bond Issuances	Matured/ Called/ Redeemed	Bonds Outstanding June 30, 2017	Amount Due Within One Year
Queens Baseball Stadium Project:					
Series 2006 PILOT Bonds, 3.6% to 5%, due 2046	$ 504,540	$ –	$ 7,335	$ 497,205	$ 7,700
Series 2009 PILOT Bonds, 4.0% to 6.50%, due 2046	77,150	–	890	76,260	935
Yankee Stadium Project:					
Series 2006 PILOT Revenue Bonds, 3.6% to 5%, due 2046	662,670	–	–	662,670	–
Series 2006 CPI Bonds, 3.2% to 3.5%, due 2027	184,985	–	13,650	171,335	14,195
Series 2009 Capital Appreciation Bonds, 4.03% to 7.90%, due 2047	49,258	–	4,533	44,725	4,275
Series 2009 Current Interest Term Bonds, 7.00%, due 2049	191,960	–	–	191,960	–
Total	1,670,563	$ –	$ 26,408	$ 1,644,155	$ 27,105
Net premium (discount)	50,544			48,026	
Bonds payable, net	$ 1,721,107			$ 1,692,181	

5. Bonds Payable (continued)

Queens Baseball Stadium Project

On August 22, 2006, IDA issued Tax Exempt PILOT Bonds (Queens Baseball Stadium Project) Series 2006 in the amount of $547.4 million (the "PILOT Bonds") for the purpose of financing the design, development, acquisition, construction, and equipping of a Major League Baseball Stadium to be used by the New York Mets professional baseball team, the improvement of certain parking facilities, and the demolition of Shea Stadium (collectively the "Project"), funding the capitalized interest funds, to purchase debt service reserve credit facilities, and to pay for bond issuance costs. The PILOT Bonds are special limited obligations of IDA payable solely from and secured by PILOT revenues made by Queens Ballpark Company, L.L.C. pursuant to the PILOT Agreement dated August 1, 2006, and certain funds and accounts held under the PILOT Bonds Indenture. Payment of the principal and interest on the PILOT Bonds is insured by an insurance policy from Ambac Assurance Corporation. No other funds or assets of IDA are pledged towards the payment of such bonds. The original issue premium of $20.6 million is being amortized over the life of the Series 2006 bonds.

At June 30, 2018 and 2017, $489.5 million and $497.2 million, respectively, of the Series 2006 Bonds remained outstanding. The Series 2006 Bonds bear interest at fixed rates to the maturity thereof, payable semiannually each January 1 and July 1, commencing January 1, 2007.

On February 5, 2009, IDA issued additional PILOT Bonds Series 2009 in the amount of $82.3 million for the Project (see Note 7), funding the capitalized interest funds, to purchase debt service reserve credit facilities, and to pay for bond issuance costs. The PILOT Bonds are special limited obligations of IDA payable solely from and secured by PILOT revenues made by Queens Ballpark Company, L.L.C. pursuant to the PILOT Agreement dated August 1, 2006, and certain funds and accounts held under the PILOT Bonds Indenture. Payment of the principal and interest on the PILOT Bonds is insured by an insurance policy from Assured Guaranty Corp. No other funds or assets of IDA are pledged towards the payment of such bonds. The original issue discount of $1.2 million is being amortized over the life of the Series 2009 bonds.

5. Bonds Payable (continued)

At June 30, 2018 and 2017, $75.3 million and $76.3 million, respectively, of the Series 2009 Bonds remained outstanding. The Series 2009 Bonds bear interest at fixed rates to the maturity thereof, payable semiannually each January 1 and July 1, commencing July 1, 2009.

Yankee Stadium Project

On August 22, 2006, IDA issued Tax Exempt PILOT Revenue Bonds (Yankee Stadium Project) Series 2006 in the amount of $942.6 million, which consist of the PILOT Revenue Bonds and the CPI Bonds in the amount of $744.4 million and $198.1 million, respectively, for the purpose of paying a portion of the design, development, acquisition, construction, and fitting out of a Major League Baseball Stadium located in the Bronx, New York to be used by the New York Yankees Major League Baseball team and to pay for various bond issuance costs. The PILOT Revenue Bonds are special limited obligations of IDA payable solely from and secured by PILOT revenues made by Yankee Stadium LLC pursuant to the PILOT Agreement dated August 1, 2006, and certain funds and accounts held under the PILOT Bonds Indenture. Payment of principal and interest on the PILOT Revenue Bonds maturing on September 1, 2009, March 1, 2010 through and including March 1, 2015, March 1, 2023, March 1, 2024, March 1, 2036, and certain related bonds maturing on March 1, 2046 is insured by an insurance policy from MBIA Insurance Corporation. Payment of principal and interest on the PILOT Revenue Bonds maturing on March 1, 2016 through and including March 1, 2022, March 1, 2025 through and including March 1, 2028, March 1, 2031, March 1, 2039, and certain bonds maturing on March 1, 2046 is insured by an insurance policy from Financial Guaranty Insurance Company. No other funds or assets of IDA are pledged towards the payment of such bonds.

The original issue premium of $23.6 million is being amortized over the life of the Series 2006 bonds.

The CPI Bonds will pay interest to the bondholders on the first business day of each month beginning October 2, 2006 with funds provided by Goldman Sachs Capital Markets LP ("GSCM") according to the Swap agreement between IDA and GSCM, dated August 16, 2006. On September 21, 2008, Goldman Sachs Bank USA became the successor to GSCM. Funds from the IDA capitalized interest account will be used to reimburse Goldman Sachs Bank USA at the fixed swap interest rates every March 1 and September 1, beginning March 1, 2007. The average fixed swap interest rates for the years ended June 30, 2018 and 2017 were 4.12% and 4.10%, respectively, due to the bond redemption during the fiscal year 2018. The average

5. Bonds Payable (continued)

CPI Swap interest rates for the years ended June 30, 2018 and 2017 were 2.90% and 2.54%, respectively.

Interest on the Series 2006 PILOT Revenue bonds, excluding the CPI Bonds, are payable on March 1 and September 1, in each year, beginning March 1, 2007. At June 30, 2018 and 2017, $819.8 million and $834.0 million, respectively, of the Series 2006 Revenue Bonds remained outstanding.

On February 5, 2009, IDA issued additional Tax Exempt PILOT Revenue Bonds (Yankee Stadium Project) Series 2009 in the amount of $259.0 million, which consist of the PILOT Capital Appreciation Bonds and the PILOT Current Interest Term Bonds in the amount of $67.0 million and $192.0 million, respectively, for the Yankees Stadium Project. The PILOT Revenue Bonds are special limited obligations of IDA payable solely from and secured by PILOT revenues made by Yankee Stadium LLC pursuant to the PILOT Agreement dated August 1, 2006 and certain funds and accounts held under the PILOT Bonds Indenture. Payment of the principal and interest on the PILOT Bonds is insured by an insurance policy from Assured Guaranty Corp. No other funds or assets of IDA are pledged towards the payment of such bonds. The original issue premium of $31.3 million is being amortized over the life of the Series 2009 bonds.

At June 30, 2018 and 2017, $232.4 million and $236.7 million, respectively, of the Series 2009 Bonds remained outstanding. The Series 2009 Capital Appreciation Bonds accrete interest, payable only upon maturity or prior redemption. The Series 2009 Current Interest Term Bonds bear interest at a fixed rate of 7.0% to the maturity thereof, payable each September 1 and March 1, commencing September 1, 2009.

5. Bonds Payable (continued)

Required debt payments for the next five years and thereafter are as follows for the Stadia Projects *(in thousands)*:

Year Ended June 30,	Principal	Interest	Total
2019	$ 27,744	$ 92,744	$ 120,488
2020	28,462	91,066	119,528
2021	29,296	89,357	118,653
2022	30,202	87,610	117,812
2023	31,198	85,818	117,016
2024–2028	174,254	400,234	574,488
2029–2033	217,052	342,627	559,679
2034–2038	276,623	272,698	549,321
2039–2043	352,763	188,926	541,689
2044–2048	378,226	84,092	462,318
2049	71,230	3,324	74,554
Total	$ 1,617,050	$ 1,738,496	$ 3,355,546

5. Bonds Payable (continued)

Swap Payments and Associated Debt

The table that follows represents debt service payments on the CPI Bonds, plus the net swap payments associated with those bonds, as of June 30, 2018. The below amounts are included in the above required debt payment table. Although interest rates on variable rate debt change over time, the calculations included in the table below are based on the assumption that the average variable rate of 3.30% on June 30, 2018, remains constant over the life of the bonds *(in thousands)*:

	CPI Bonds		Fixed	
Year Ended June 30	Principal Maturities	CPI Interest	Interest Rate Swaps, Net	Total
2019	$ 14,765	$ 5,197	$ 1,300	$ 21,262
2020	15,360	4,721	1,184	21,265
2021	15,995	4,221	1,061	21,277
2022	16,655	3,696	932	21,283
2023	17,350	3,146	796	21,292
2024–2027	77,015	6,571	1,671	85,257
Total	$ 157,140	$ 27,552	$ 6,944	$ 191,636

6. Derivative Instruments

Objectives of the Swaps

In connection with the issuance of the Series 2006 Tax Exempt PILOT Bonds maturing annually beginning on March 1, 2016 through and including March 1, 2027 (the "CPI Bonds") currently outstanding under the Yankee Stadium Project, IDA has entered into a swap agreement to hedge the changes in the swap interest rates and associated cash flows of the CPI Bonds. Based on the consistency of the terms of the swap and the CPI Bonds, the swap is a hedging instrument using the consistent critical terms method.

6. Derivative Instruments (continued)

In accordance with GASB No. 53, *Accounting and Financial Reporting for Derivative Instruments*, the fair value of the derivative instrument liability and the corresponding deferred outflow of resources were $7.4 million and $12.4 million at June 30, 2018 and 2017, respectively.

Terms, Fair Values, and Credit Risk

The Agency pays a fixed interest rate on the notional amount that represents the principal amount of the related bonds. As noted under the "Basis Risk" paragraph further in this note, the counterparty will be paying the Agency a floating interest rate on the notional amount of the swap which is expected to result in an amount that is equal to the variable interest payments to be made by the Agency to the Bondholders of the related CPI Bonds. At times, the payments due from the counterparty and the Agency will be netted and only one net payment will be made from one party to the other, but this will not change the Agency's obligation to make the variable interest payments to the Bondholders of the related CPI Bonds. IDA will be exposed to variable rates if the counterparty to the swap defaults or if the swap is terminated; however IDA's recourse with respect to the swap liability is only to the extent that the IDA receives a PILOT payment from the Yankees.

6. Derivative Instruments (continued)

The following table displays the terms of the Agency's hedging derivative instruments outstanding at June 30, 2018:

Swap Effective Date	Swap Termination Date	Fixed Rate Paid	Variable Rate Received	Outstanding Notional Amounts	Counterparty ***
8/22/2006	3/1/2019	4.010	CPI Rate**	$14,765,000	Goldman Sachs Bank USA
8/22/2006	3/1/2020	4.050	CPI Rate**	$15,360,000	Goldman Sachs Bank USA
8/22/2006	3/1/2021	4.090	CPI Rate**	$15,995,000	Goldman Sachs Bank USA
8/22/2006	3/1/2022	4.120	CPI Rate**	$16,655,000	Goldman Sachs Bank USA
8/22/2006	3/1/2023	4.140	CPI Rate**	$17,350,000	Goldman Sachs Bank USA
8/22/2006	3/1/2024	4.160	CPI Rate**	$18,075,000	Goldman Sachs Bank USA
8/22/2006	3/1/2025	4.180	CPI Rate**	$18,835,000	Goldman Sachs Bank USA
8/22/2006	3/1/2026	4.190	CPI Rate**	$19,630,000	Goldman Sachs Bank USA
8/22/2006	3/1/2027	4.210	CPI Rate**	$20,475,000	Goldman Sachs Bank USA

** The Consumer Price Index for purposes of the CPI Bonds is the Non-revised Index of Consumer Prices for All Urban Consumers (CPI-U) before seasonal adjustment (CPI), published monthly by the Bureau of Labor Statistics of the U.S. Department of Labor (BLS) and reported on Bloomberg CPURNSA.

*** On September 21, 2008, Goldman Sachs Bank USA became the successor to GSCM.

6. Derivative Instruments (continued)

The changes in fair value of such derivative instruments for the year ended as reported in the 2018 financial statements are as follows *(in thousands)*:

Change in Fair Value		Fair Value at June 30, 2018		Notional
Classification	Amount	Classification	Amount	Amount
Deferred inflow of resources	304	Debt	(213)	14,765
Deferred inflow of resources	330	Debt	(382)	15,360
Deferred inflow of resources	379	Debt	(526)	15,995
Deferred inflow of resources	449	Debt	(661)	16,655
Deferred inflow of resources	525	Debt	(802)	17,350
Deferred inflow of resources	593	Debt	(953)	18,075
Deferred inflow of resources	656	Debt	(1,116)	18,835
Deferred inflow of resources	715	Debt	(1,277)	19,630
Deferred inflow of resources	769	Debt	(1,462)	20,475
	$ 4,720		$ (7,392)	

Credit Risk

The swap agreements contain collateral agreements with the counterparty. The counterparty only posts collateral if (i) the rating of Goldman Sachs Bank falls to BBB+ or Baa1 or below from either of Moody's or S&P and (ii) the market value of the swap transactions covered by the credit support annex is in favor of the Agency in an amount that exceeds the threshold amount and the minimum transfer amount. Collateral that is posted can be cash, treasuries or agencies (FNMA, GNMA and FHLMC). This protects the Agency by mitigating the credit risk inherent in the swap. As of June 30, 2018, Goldman Sachs Bank USA is rated A+ by Standard and Poor's, A1 by Moody's, and A+ by Fitch Ratings. Additionally, the Agency is only obligated to pay as the counterparty to the extent of the receipt of PILOT revenues from Yankee Stadium LLC.

6. Derivative Instruments (continued)

Basis Risk

Basis risk exists to the extent the Agency's variable rate bond coupon payments do not exactly equal the index on the swap. The floating rate that the Agency is entitled to receive under the swap agreement is expected to be identical to the floating rate payable by the Agency with respect to the CPI Bonds.

Interest Rate Risk

IDA's interest rate swaps serve to guard against a rise in variable interest rates associated with its outstanding variable rate bonds.

Termination Risk

The Agency retains the right to terminate any swap agreement at the market value prior to its scheduled termination date. The Agency has termination risk under the contract as defined in the swap documents and has purchased termination payment insurance on certain swap contracts, which acts as a buffer against a portion of potential termination payments if a termination event was to occur. As long as the swap insurer maintains at least a minimal rating as defined in the swap documents, the insurance policy will allow the Agency to avoid termination due to a decline in the credit rating of Agency bonds. If at the time of termination, the swap has a negative fair value, the Agency would be liable to the counterparty to the extent PILOTs are available, for a payment equal to the swap's fair value.

7. PILOT Lease Receivable, Net

IDA has entered into various direct financing lease agreements with two commercial entities (Queens Ballpark Company, LLC and Yankee Stadium, LLC) relating to the issuance of PILOT Bonds payable. The PILOT Bonds were used to finance the previously noted Stadia Projects. The lease agreements provide for basic rental payments by the tenants to IDA in an amount equal to the debt service on the bonds. Pursuant to the terms of the agreements, the debt service on these bonds are payable solely from scheduled rental payments, and IDA has no legal obligation to make any debt service payments on the bonds. Although variable interest rates will change over time, the calculations included in the tables below are based on the assumption that the variable rate on June 30, 2018 remains constant over the life of the leases.

7. PILOT Lease Receivable, Net (continued)

At June 30, 2018 and 2017, the outstanding leases and the receivable amounts were as follows *(in thousands)*:

	2018	2017
Queens Stadium Project, through 2046	**$ 1,064,410**	$ 1,083,801
Yankee Baseball Stadium Project, through 2049	**2,218,139**	2,287,734
Aggregate lease receivable – gross	**3,282,549**	3,371,535
Less: deferred interest	**(1,602,135)**	(1,693,861)
Aggregate lease receivable – net	**$ 1,680,414**	$ 1,677,674

The aggregate lease receipts due through 2023 and thereafter are as follows *(in thousands)*:

	Queens Stadium	Yankee Stadium	Total
2019	$ 43,950	$ 84,237	$ 128,187
2020	44,000	84,233	128,233
2021	44,000	84,233	128,233
2022	44,000	84,237	128,237
2023	44,050	84,238	128,288
2024–2028	220,900	321,174	542,074
2029–2033	222,000	321,177	543,177
2034–2038	223,500	321,179	544,679
2039–2043	225,500	321,178	546,678
2044–2048	113,650	394,675	508,325
2049	–	81,464	81,464
	1,225,550	2,182,025	3,407,575
Less: restricted funds related to Stadia Projects			(125,026)
			$ 3,282,549

7. PILOT Lease Receivable, Net (continued)

Lease payment receivable activity for the years ended June 30, 2018 and 2017, was as follows *(in thousands)*:

	Beginning Balance July 1, 2017	Additions	Reductions	Ending Balance June 30, 2018
Gross receivable	**$ 3,371,535**	**$ –**	$ (88,986)	**$ 3,282,549**
Less: deferred interest	**1,693,861**	**–**	(91,726)	**1,602,135**
Net receivable	**$ 1,677,674**	**$ –**	$ 2,740	**$ 1,680,414**

	Beginning Balance July 1, 2016	Additions	Reductions	Ending Balance June 30, 2017
Gross receivable	**$ 3,481,501**	**$ –**	$ (109,966)	**$ 3,371,535**
Less: deferred interest	**1,787,011**	**–**	(93,150)	**1,693,861**
Net receivable	**$ 1,694,490**	**$ –**	$ (16,816)	**$ 1,677,674**

8. Commitments

Pursuant to various approved agreements between IDA and NYCEDC, IDA was committed to fund projects being performed by NYCEDC related to the City's commerce and industrial development (the "special project commitments"). The total special project commitments under these agreements amounted to approximately $14.0 million with an outstanding obligation at June 30, 2018, of approximately $2.0 million.

The Project Commitments, related approval dates, original and outstanding commitment balances are as follows *(in thousands)*:

Project	Approval Date	Total Commitment	Life-to-date Expenditures	Current Total De-Obligate	Outstanding Commitment
Hunts Point Peninsula/Vision Plan	07/29/03	$ 795	$ 776	$ –	$ 19
Hunts Point Food Distribution Center, Development Feasibility Studies	12/11/07	700	488	–	212
New York's Next Top Makers	01/08/13	930	907	23	–
Downtown Jamaica Workspace	12/10/13	250	80	–	170
Industrial Growth Initiative – Phase IV	01/13/15	310	256	54	–
Living Lab Network – Phase I	04/14/15	600	456	–	144
Workforce1 Industrial & Transportation Career Center Satellites	06/09/15	1,600	814	786	–
North Brooklyn Industrial Business Zone Land Use Framework	12/8/15	500	499	1	–
FutureWorks NYC / Advanced Manufacturing Network Centers	5/12/15	8,295	6,802	–	1,493
Best for NYC	3/8/16	–	4	(4)	–
		$ 13,980	$ 11,082	$ 860	$ 2,038

For the years ended June 30, 2018 and 2017, $3.2 million and $7.0 million, respectively, have been incurred by the Agency related to the above projects and are included in special project costs on the accompanying statements of revenue, expenses and changes in net position.

9. Contingencies

IDA, and in certain situations as co-defendant with the City and/or NYCEDC, is involved in personal injury, environmental claims, and other miscellaneous claims and lawsuits. In many of these matters there is liability coverage insuring the IDA and the IDA's clients are, in any case, obligated to indemnify IDA. IDA is unable to predict the outcome of each of these matters but believes that the IDA has meritorious defenses or positions with respect thereto. It is management's opinion that, except for the matters noted below, the ultimate resolution of these matters will not be material to the Agency.

Management believes that the following matter could have a material adverse effect on IDA's operations:

By letters dated January 7, 2009, December 2, 2009, and a Consent Order dated May 22, 2013, the New York State Department of Environmental Conservation ("DEC") has notified IDA that DEC will seek contribution from IDA in connection with the remediation, respectively, of three sites in Brooklyn, one site in Long Island City, and another site in Queens that are or were used by clients to which IDA has provided financial assistance. If IDA is found to have liability, IDA would be entitled to indemnification from these clients. However, IDA believes that the remediation costs will be substantial and would exceed the clients' ability to meet their indemnity obligations.

IDA is unable to predict the outcome of the matters described above, but believes it has meritorious defenses with respect thereto.

10. Risk Management

IDA is exposed to various risks of loss-related torts; theft of, damage to, and destruction of assets; and natural disasters. IDA requires all beneficiaries to purchase and maintain commercial insurance coverage for these risks and name the IDA as additional insured. Settled claims resulting from these risks have not exceeded commercial insurance coverage provided by the beneficiaries in any of the past fiscal years.

Supplemental Information

NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY
(a component unit of the City of New York)
Statements of Net Position
(in thousands)

		Restricted				
	Unrestricted	Queens Baseball Stadium Project	Yankee Baseball Stadium Project	Total Restricted	June 30, 2018	June 30, 2017
Assets						
Current Assets:						
Cash and cash equivalents	$ 8,408	$ -	$ -	$ -	$ 8,408	$ 2,092
Investments (Note 5)	17,659	-	-	-	17,659	12,456
Restricted cash (Note 5)	3,054	-	-	-	3,054	3,111
Fees receivable, net of allowance for doubtful accounts of $8 and $24, respectively	443	-	-	-	443	503
Secured interest on assets	10,450	-	-	-	10,450	-
PILOT lease receivable, net	-	9,090	18,654	27,744	27,744	27,105
Total current assets	40,014	9,090	18,654	27,744	67,758	45,267
Non-current assets:						
Investments	3,004	-	-	-	3,004	17,810
Restricted cash and cash equivalents-stadia projects	-	26,650	13,351	40,001	40,001	65,809
Restricted investments - stadia projects	-	-	85,025	85,025	85,025	85,586
Secured interest on assets	-	-	-	-	-	10,450
PILOT lease receivable, net	-	554,682	1,097,988	1,652,670	1,652,670	1,650,569
Total non-current assets	3,004	581,332	1,196,364	1,777,696	1,780,700	1,830,224
Total assets	43,018	590,422	1,215,018	1,805,440	1,848,458	1,875,491
Deferred outflows of resources						
Derivative instrument - interest rate swap	-	-	7,392	7,392	7,392	12,404
Liabilities						
Current liabilities:						
Accounts payable and accrued expenses	884	-	-	-	884	1,598
Due to NYC Economic Development Corp.	1,278	-	-	-	1,278	2,235
Bonds payable - current	-	9,090	18,654	27,744	27,744	27,105
Interest payable on bonds	-	14,532	128,306	142,838	142,838	136,888
Unearned revenues	695	-	-	-	695	747
Other liabilities	3,054	-	-	-	3,054	3,111
Total current liabilities	5,911	23,622	146,960	170,582	176,493	171,684
Non-current liabilities						
Bonds payable, net	-	566,800	1,068,058	1,634,858	1,634,858	1,665,076
Derivative instrument-interest rate swap	-	-	7,392	7,392	7,392	12,404
Total non-current liabilities	-	566,800	1,075,450	1,642,250	1,642,250	1,677,480
Total liabilitites	5,911	590,422	1,222,410	1,812,832	1,818,743	1,849,164
Net position - unrestricted	**$ 37,107**	**$ -**	**$ -**	**$ -**	**$ 37,107**	**$ 38,731**

See accompanying notes.

II. Government Auditing Standards Section

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*

The Management and the Board of Directors
New York City Industrial Development Agency

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the New York City Industrial Development Agency (the "Agency"), a component unit of the City of New York, which comprise the statement of net position as of June 30, 2018, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 30, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

, 2018

Annual Report for New York City Industrial Development Agency

Fiscal Year Ending: 06/30/2018

Run Date: 09/11/2018
Status: UNSUBMITTED
Certified Date: N/A

Summary Financial Information

SUMMARY STATEMENT OF NET ASSETS

			Amount
Assets			
Current Assets			
	Cash and cash equivalents		$11,461,652.00
	Investments		$17,658,788.00
	Receivables, net		$28,187,555.00
	Other assets		$10,450,000.00
	Total Current Assets		$67,757,995.00
Noncurrent Assets			
	Restricted cash and investments		$128,030,167.00
	Long-term receivables, net		$1,652,669,835.00
	Other assets		$7,391,957.00
	Capital Assets		
		Land and other nondepreciable property	$0.00
		Buildings and equipment	$0.00
		Infrastructure	$0.00
		Accumulated depreciation	$0.00
		Net Capital Assets	$0.00
	Total Noncurrent Assets		$1,788,091,959.00
Total Assets			$1,855,849,954.00
Liabilities			
Current Liabilities			
	Accounts payable		$1,964.00
	Pension contribution payable		$0.00
	Other post-employment benefits		$0.00
	Accrued liabilities		$881,828.00
	Deferred revenues		$694,962.00
	Bonds and notes payable		$27,743,883.00
	Other long-term obligations due within one year		$147,169,082.00
	Total Current Liabilities		$176,491,719.00
Noncurrent Liabilities			

	Pension contribution payable		$0.00
	Other post-employment benefits		$0.00
	Bonds and notes payable		$1,634,858,146.00
	Long Term Leases		$0.00
	Other long-term obligations		$7,391,957.00
	Total Noncurrent Liabilities		$1,642,250,103.00
Total Liabilities			$1,818,741,822.00
Net Asset (Deficit)			
Net Assets			
	Invested in capital assets, net of related debt		$0.00
	Restricted		$0.00
	Unrestricted		$0.00
	Total Net Assets		$0.00

SUMMARY STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS

			Amount
Operating Revenues			
	Charges for services		$4,015,764.00
	Rental & financing income		$0.00
	Other operating revenues		$619,375.00
	Total Operating Revenue		$4,635,139.00
Operating Expenses			
	Salaries and wages		$0.00
	Other employee benefits		$0.00
	Professional services contracts		$3,364,350.00
	Supplies and materials		$0.00
	Depreciation & amortization		$0.00
	Other operating expenses		$91,704.00
	Total Operating Expenses		$3,456,054.00
Operating Income (Loss)			$1,179,085.00
Nonoperating Revenues			
	Investment earnings		$369,898.00
	State subsidies/grants		$0.00
	Federal subsidies/grants		$0.00

	Municipal subsidies/grants		$0.00
	Public authority subsidies		$0.00
	Other nonoperating revenues		$0.00
	Total Nonoperating Revenue		$369,898.00
Nonoperating Expenses			
	Interest and other financing charges		$0.00
	Subsidies to other public authorities		$0.00
	Grants and donations		$0.00
	Other nonoperating expenses		$3,171,378.00
	Total Nonoperating Expenses		$3,171,378.00
	Income (Loss) Before Contributions		($1,622,395.00)
Capital Contributions			$0.00
Change in net assets			($1,622,395.00)
Net assets (deficit) beginning of year			$38,730,527.00
Other net assets changes			$0.00
Net assets (deficit) at end of year			$37,108,132.00

Exhibit B

NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY
INVESTMENT REPORT

Board of Directors Meeting, September 18, 2018

WHEREAS, the Public Authorities Law requires public authorities to annually prepare and approve an investment report, which shall include the public authority's comprehensive investment guidelines, amendments to such guidelines since the last investment report, an explanation of the investment guidelines and amendments, the results of the annual independent audit, the investment income record of the public authority and a list of the total fees, commissions or other charges paid to each investment banker, broker, agent, dealer and adviser rendering investment associated services to the public authority since the last investment report.

NOW, THEREFORE, BE IT RESOLVED THAT, the Board of Directors of New York City Industrial Development Agency hereby approves the Investment Report for the fiscal year ended June 30, 2018 annexed hereto (including all attachments, schedules and exhibits thereto).

NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY
INVESTMENT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Comprehensive Investment Guidelines Policy

Attached hereto as Schedule I is the Comprehensive Investment Guidelines Policy of the New York City Industrial Development Agency (the "Agency"), as approved by the Agency's Board of Directors on June 12, 2018 (the "Investment Policy"). The Investment Policy approved by the Agency's Board of Directors on June 12, 2018 did not contain any substantive amendments as compared to the Investment Policy approved by the Agency's Board of Directors on June 13, 2017.

Investment Objectives

By way of summary, the investment objectives set forth in the Investment Policy are as follows: preservation of capital; maintenance of liquidity; maximization of return; and compliance with law.

Annual Independent Audit

The results of the annual independent audit (including the independent accountant's audit report) for the fiscal year ended June 30, 2018 are attached hereto as Schedule II.

Investment Income Record

Investment income from interest earned on bank accounts, certificates of deposits and securities was $369,898 for the fiscal year ended June 30, 2018.

Fees, Commissions and Other Charges

The Agency did not pay any fees, commissions or other charges to an investment banker, broker, agent, dealer or advisor during the fiscal year ended June 30, 2018.

<u>SCHEDULE I</u>
INVESTMENT POLICY

Attached.

NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY
COMPREHENSIVE INVESTMENT GUIDELINES POLICY
Adopted June 13, 2006; as amended through June 12, 2018

I. PURPOSE

The purpose of this Policy is to establish procedures and guidelines regarding the investing, monitoring and reporting of funds of the New York City Industrial Development Agency (the "Agency").

II. GENERAL PROVISIONS

A. Scope of Policy

This Policy applies to the funds of the Agency which, for purposes of this Policy and the guidelines stated herein, consist of all moneys and other financial resources available for deposit and investment by the Agency on its own behalf and for its own account (collectively, the "Funds"). As defined herein, "Funds" shall not include the proceeds of bonds issued by the Agency as financial assistance in connection with a project under the General Municipal Law (as such terms are defined in the General Municipal Law).

B. Investment Objectives

The Funds shall be managed to accomplish the following objectives:

1. *Preservation of Principal* – The single most important objective of the Agency's investment program is the preservation of the principal of the Funds.
2. *Maintenance of Liquidity* – The Funds shall be managed in such a manner that assures that funds are available as needed to meet immediate and/or future operating requirements of the Agency.
3. *Maximize Return* – The Funds shall be managed in such a fashion as to maximize income through the purchase of Permitted Investments (hereinafter defined), taking into account the other investment objectives.
4. *Compliance with law* – The Funds shall be managed in compliance with Sections 10, 11 and 858-a(3) of the General Municipal Law of the State of New York (respectively, the "GML" and the "State").

III. IMPLEMENTATION

Under the direction of the Chief Financial Officer of the Agency, the Treasurer of the Agency and any Assistant Treasurer of the Agency (respectively, the "Chief Financial Officer," the "Treasurer," and an "Assistant Treasurer") shall be responsible for the implementation of the Agency's investment program and the establishment of investment procedures and a system of controls to regulate the activities of subordinate staff, consistent with this Policy. The Treasurer

or an Assistant Treasurer shall additionally have the authority to invest the Funds of the Agency and shall invest prudently and in accordance with the requirements of this Policy.

IV. AUTHORIZED DEPOSITS

A. Authorized Institutions for Deposit

In accordance with relevant provisions of the General Municipal Law, the Board of Directors must designate one or more banks or trust companies for the deposit of Funds ("Designated Institution(s)"), and shall additionally specify the maximum amount of Funds which may be deposited in each such Designated Institution.

Accordingly: I. the Board of Directors hereby designates as the Designated Institutions, those banks and/or trust companies that, from time to time, the City of New York shall have designated, or shall have been permitted to designate, for the deposit of the City's funds; II. the Board of Directors hereby determines and specifies that each account of the Agency at any such Designated Institution, shall be subject to a maximum deposit amount and that such amount shall be, for purposes of day-to-day operations, no greater than two million dollars, and for purposes of extraordinary receipts having a deposit duration of no longer than two business days, no greater than ten million dollars.

B. Deposits; Responsibility for Making Deposits

The Agency shall cause Funds potentially needed for immediate expenditure to be deposited at Designated Institutions in accounts that permit nearly immediate withdrawal ("Deposit Accounts"). The Chief Financial Officer, the Treasurer, an Assistant Treasurer, or any other officer of the Agency authorized to have custody of the Funds, shall be responsible for depositing the Funds in accordance with this Section IV.

C. Collateral

In the event that the Funds on deposit in any one Deposit Account exceed the amount that is insurable by the Federal Deposit Insurance Act, as now or hereafter amended, such excess shall be secured by collateral in accordance with the requirements of GML Section 10(3).

V. AUTHORIZED TEMPORARY INVESTMENTS

A. Responsibility for Temporary Investments

In accordance with relevant provisions of the General Municipal Law, the Board of Directors may delegate the authority to temporarily invest such portion of the Funds as are not needed for immediate expenditure. Accordingly, the Board of Directors hereby delegates to the Chief Financial Officer and, if under the direction of the Chief Financial Officer, to the Treasurer and any Assistant Treasurer, the authority to temporarily invest such portion of the Funds not needed for immediate expenditure; *provided,* such investments are made in accordance with the requirements of relevant provisions of the General Municipal Law.

B. Permitted Temporary Investments

Permitted temporary investments for the Funds are the investments permitted under Section 11 of the GML (The securities purchased as temporary investments for the Funds are hereinafter referred to as the "Securities.")

C. Requirements

The Agency shall instruct its Agents (as such term is defined in Subdivision XI of this Policy) to obtain competitive quotes for each purchase or sale of Securities, other than governmental Securities, when such transaction equals or exceeds $2,500,000 in amount.

All Securities of the Agency shall be purchased, sold, payable, paid, redeemed, delivered, registered, inscribed, held in custody, and co-mingled or not co-mingled in accordance with the requirements and limitations of the GML.

The Treasurer shall maintain, or cause to be maintained, proper books and records of all Securities held by or for the Agency and for all transactions pertinent thereto. Such books and records shall at least identify the Security, the fund for which held, and the place where kept; and the entries made therein shall show the competitive quotes obtained therefor, the date of sale or other disposition, and the amount realized therefrom.

VI. WRITTEN CONTRACTS

The Agency shall enter into written contracts pursuant to which investments are made which conform with the requirements of this Policy and Section 2925.3(c) of the Public Authorities Law unless the Board of Directors determines by resolution that a written contract containing such provisions is not practical or that there is not a regular business practice of written contracts containing such provisions with respect to a specific investment or transaction, in which case the Board of Directors shall adopt procedures covering such investment or transaction.

VII. DIVERSIFICATION

The investment portfolio for the Funds shall be structured diversely to reduce the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer or a specific type of security. The maximum percentage of the total portfolio permitted for the indicated category of security is as follows:

SECURITIES	MAXIMUM
Time deposits and certificates of deposit permitted under the GML provided same are secured by *eligible securities* as defined under the GML	45%
Obligations of the USA; obligations of agencies of the USA if guaranteed by the USA	100%
Obligations of New York State	40%

VIII. MAXIMUM MATURITY

Maintenance of adequate liquidity to meet the cash flow needs of the Agency is essential. Accordingly, the Agency's portfolio of Permitted Investments will be structured in a manner that ensures sufficient cash is available to meet anticipated liquidity needs. Selection of investment maturities must be consistent with cash requirements in order to avoid the forced sale of securities prior to maturity.

For purposes of this Policy, assets of the portfolio shall be segregated into two categories based on expected liquidity needs and purposes – Cash Equivalents and Investments. Assets categorized as Cash Equivalents will be invested in Permitted Investments maturing in ninety (90) days or less or in Deposit Accounts. Assets categorized as Investments will be invested in Permitted Investments with a stated maturity of no more than two (2) years from the date of purchase.

IX. MONITORING AND ADJUSTING THE INVESTMENT PORTFOLIO

Those responsible for the day-to-day management of the Agency's portfolio of Permitted Investments will routinely monitor the contents of the portfolio, the available markets and the relative values of competing instruments, and will adjust the portfolio as necessary to meet the requirements and goals of this Policy. It is recognized and understood that the non-speculative active management of portfolio holdings may cause a loss on the sale of an owned investment.

X. INTERNAL CONTROLS

Under the direction of the Chief Financial Officer, the Treasurer or an Assistant Treasurer, shall establish and be responsible for monitoring a system of internal controls governing the administration and management of the portfolio. Such controls shall be designed to prevent and control losses of the portfolio funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by any personnel.

XI. ELIGIBLE BROKERS, AGENTS, DEALERS, INVESTMENT ADVISORS, INVESTMENT BANKERS AND CUSTODIANS.

The following are the standards for the qualifications of brokers, agents, dealers, investment advisors, investment bankers and custodians:

A. Brokers, Agents, Dealers

The categories of firms listed below are the categories from which the Agency may select firms to purchase and sell Securities (as selected an "Agent"). Factors to be considered by the Agency in selecting Agents from these categories shall include the following: size and capitalization; quality and reliability; prior experience generally and prior experience with the Agency specifically; and level of expertise for the transactions contemplated.

1. any bank or trust company organized and/or licensed under the laws of the USA which is authorized to do business in NYS;
2. any bank or trust company organized and/or licensed under the laws of any state of the USA which is authorized to do business in NYS;
3. any broker-dealer licensed and/or permitted to provide services under federal law and, when necessary, qualified to do business in NYS

B. Investment Advisors

In addition to the requirements set forth in "A" preceding, any Agent selected by the Agency to be an investment advisor shall be registered with the SEC under the Investment Advisors Act of 1940.

C. Investment Bankers

In addition to the requirements set forth in "A" preceding, any Agent selected by the Agency to serve as a senior managing underwriter for negotiated sales must be registered with the SEC.

D. Custodians

In addition to the requirements set forth in "A" preceding, any Agent selected by the Agency to be a custodian shall have capital and surplus of not less than $50,000,000.

XII. REPORTING

A. Quarterly

Under the direction of the Chief Financial Officer, the Treasurer or an Assistant Treasurer, shall prepare and deliver to the Board of Directors once for each quarter of the Agency's fiscal year a report setting forth a summary of new investments made during that quarter, the inventory

of existing investments and the selection of investment bankers, brokers, agents, dealers, investment advisors and auditors.

B. Annually

1. *Audit* – the Agency's independent accountants shall conduct an annual audit of the Agency's investments for each fiscal year of the Agency, the results of which shall be made available to the Board of Directors at the time of its annual review and approval of these Guidelines.

2. *Investment Report* – Annually, the Treasurer or an Assistant Treasurer, under the direction of the Chief Financial Officer, shall prepare and the Board of Directors shall review and approve an Investment Report, which shall include:

   a. This Policy and amendments thereto since the last report;
   b. An explanation of this Policy and any amendments made since the last report;
   c. The independent audit report required by paragraph 1 above;
   d. The investment income record of the Agency for the fiscal year; and
   e. A list of fees, commissions or other charges paid to each investment banker, broker, agent, dealer and advisor rendering investment associated services to the Agency since the last report.

   The Investment Report shall be submitted to the Mayor and the Comptroller of the City of New York and to the New York State Department of Audit and Control. Copies of the report shall also be made available to the public upon reasonable request.

XIII. APPLICABILITY

Nothing contained in this Policy shall be deemed to alter, affect the validity of, modify the terms of or impair any contract or agreement for the investment of the Funds, made or entered into in violation of, or without compliance with, the provisions of this Policy.

XIV. CONFLICT OF LAW

In the event that any portion of this Policy is in conflict with any State, City or federal law, that law will prevail.

XV. PRIOR POLICIES

This Policy, when originally adopted on June 13, 2006, superseded the *Deposit and Investment Policy* that the Board of Directors adopted at its meeting held on July 9, 1996. This Policy does not supersede, in any relevant part, the amended By-Laws of the Agency.

XVI. AUTOMATIC AMENDMENT

This Policy shall be deemed automatically amended to conform with enactments that amend or succeed any of GML Sections 10, 11 or 858-a(3).

XVII. MWBEs

The Agency shall seek to encourage participation by minority and women-owned business enterprises (i.e., "MWBEs") in providing financial services to the Agency.

SCHEDULE II
RESULTS OF ANNUAL INDEPENDENT AUDIT

Attached.

SCHEDULE OF INVESTMENTS

New York City Industrial Development Agency
(A Component Unit of the City of New York)
Years Ended June 30, 2018 and 2017
With Report of Independent Auditors

New York City Industrial Development Agency
(A Component Unit of the City of New York)

Schedule of Investments

Years Ended June 30, 2018 and 2017

Contents

Report of Independent Auditors

The Management and the Board of Directors
New York City Industrial Development Agency

Report on the Schedule of Investments

We have audited the accompanying Schedule of Investments for the New York City Industrial Development Agency (the "Agency"), a component unit of the City of New York, as of June 30, 2018 and 2017, and the related notes.

Management's Responsibility for the Financial Schedule

Management is responsible for the preparation and fair presentation of the Schedule of Investments in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedule of Investments that is free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Schedule of Investments based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule of Investments is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule of Investments. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Schedule of Investments, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Schedule of Investments in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Schedule of Investments.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Schedule of Investments referred to above presents fairly, in all material respects, the investments of the Agency as of June 30, 2018 and 2017, in conformity with U.S. generally accepted accounting principles.

Report on the Financial Statements as of June 30, 2018 and 2017

We have audited, in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards*, the financial statements of the Agency as of and for the years ended June 30, 2018 and 2017, and our report thereon dated _____, 2018, expressed an unmodified opinion on those financial statements.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated _____, 2018, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters with respect to the Schedule of Investments. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Agency's internal control over financial reporting and compliance with respect to the Schedule of Investments.

_____, 2018

New York City Industrial Development Agency
(A Component Unit of the City of New York)

Schedule of Investments
(In Thousands of Dollars)

	June 30	
	2018	**2017**
Investments		
Unrestricted	**$ 25,040**	$ 31,059
Restricted Funds Held in Account – Stadia Projects	**112,884**	139,063
Total investments	**$ 137,924**	$ 170,122

The accompanying notes are an integral part of this statement.

New York City Industrial Development Agency
(A Component Unit of the City of New York)

Notes to Schedule of Investments

June 30, 2018

1. Background and Organization

The New York City Industrial Development Agency ("IDA" or the "Agency"), a component unit of the City of New York (the "City") for financial reporting purposes of the City, is a public benefit corporation of the State of New York (the "State"). IDA was established in 1974 to actively promote, retain, attract, encourage and develop an economically sound commerce and industry base to prevent unemployment and economic deterioration in the City.

The Agency assists industrial and commercial organizations through "straight lease" structures. The straight lease provides tax benefits to the participating organizations (the "Beneficiaries") to incentivize the acquisition and capital improvement of their facilities. The Agency may also assist Beneficiaries in obtaining long-term, low-cost financing for capital assets through a financing transaction (the "Financing Transaction"), which includes the issuance of double and triple tax-exempt industrial development bonds ("IDBs"). The Beneficiaries, in addition to satisfying legal requirements under the Agency's governing laws, must meet certain economic development criteria, the most important of which is job creation and/or retention. Whether the Agency enters into a straight lease or issues IDBs, the Agency may provide one or more of the following tax benefits: exemption from mortgage recording tax; payments in lieu of real property taxes ("PILOT") that are less than full taxes; and exemption from City and State sales and use taxes as applied to construction materials and machinery and equipment.

When the Agency issues IDBs, the proceeds of the IDB financing are conveyed to an independent bond trustee for disbursement to the Beneficiary. The Beneficiary concurrently leases, and formerly sold, the project or other collateral to the Agency for a nominal sum and the Agency in turn leases the property or other collateral back to the Beneficiary for a period concurrent with the maturity of the related IDB or the term of the tax benefits. Rental payments are calculated to be sufficient to meet the debt service obligation on the IDB. The Financing Lease includes a bargain purchase option, which allows the Beneficiary to cancel the lease or, in those transactions in which the Beneficiary sold the property to the Agency, repurchase the property, for a nominal sum upon expiration of the Financing Lease and after satisfaction of all terms thereof.

The IDBs are special non-recourse conduit debt obligations of the Agency which are payable solely from the rents and revenues provided for in the lease ("Financing Lease") to the Beneficiary. The IDBs are secured by a collateral interest in the Financing Lease, the Beneficiary's project property and, in certain circumstances, by guarantees from the Beneficiary's principals or affiliates or other forms of additional security. Both the IDBs and

certain provisions of the Financing Lease are administered by an independent bond trustee appointed by the Agency. Due to the facts that (1) the IDBs are non-recourse conduit debt obligations to the Agency, (2) the Agency assigns its interest in the Financing Lease as collateral, and (3) the Agency has no substantive obligations under the Financing Lease (other than to convey back the project property at the end of the IDB term, and to issue IDBs in those projects where subsequent issuance is contemplated), the Agency has, in effect, none of the risks and rewards of the Financing Lease and related IDB financing. Accordingly, with the exception of certain fees derived from the Financing Transaction, the Financing Transaction itself is given no accounting recognition in the accompanying financial statements.

The Agency is governed by a Board of Directors, which establishes official policies and reviews and approves requests for financial assistance. Its membership is prescribed by statute and includes a public official and mayoral appointees.

In addition to IDB financing, the Agency also issued Tax-Exempt PILOT Revenue Bonds, Taxable Rental Revenue Bonds, Taxable Installment Purchase Bonds and Taxable Lease Revenue Bonds in connection with the construction of the new Yankee Stadium and Citi Field (the "Stadia Projects"). Yankee Stadium, LLC, a Delaware limited liability company, and Queens Ballpark, LLC, a New York limited liability company, undertook the design, development, acquisition and construction of the Stadia Projects. The Taxable Bonds are special limited obligations of the Agency and are payable solely from revenues derived from a Lease Agreement with Yankee Stadium, LLC and a Lease Agreement and Installment Sales Agreement with Queens Ballpark Company, LLC.

The Tax-Exempt PILOT Bonds are special limited obligations of the Agency payable solely from PILOT Revenues derived from PILOTs made by Yankee Stadium, LLC and Queens Ballpark Company, LLC. However, since the Tax-Exempt PILOT Bonds were issued to finance the construction of the Stadia and because the Agency is the legal owner of the Stadia, the Tax Exempt PILOT Bonds have been recorded in the Agency's books and records.

2. Summary of Significant Accounting Policies

Investments

Investments held by IDA are measured at fair value pursuant to GASB issued Statement No. 72, *Fair Value Measurement and Application*. Money Market Funds, categorized as Level 1 inputs, are valued at the unadjusted prices that are quoted in active principal markets for identical assets. US Agencies securities, categorized as Level 2, are valued on models using observable inputs. Certificates of deposit, which are valued at cost.

Restricted Funds Held in Trust – Stadia Projects

Restricted cash, cash equivalents and investments, related to the Stadia Projects, are segregated and designated for purposes of the debt reserve fund and to pay future bond interest and principal payments. These investments are managed by an external investment portfolio manager. Qualified investments, as defined in the bond agreements, are made under the direction of the Agency. Under the bond agreements, the Agency does not have any obligation to make further contributions to the Stadium Construction Funds. Accordingly, the Agency's financial responsibility will not exceed the amounts currently on deposit in the managed investment portfolio. Therefore, the Agency's obligation is not affected by various risks which include credit risk, interest rate risk and concentration of credit risk. In addition, the restricted investments are not required to be administered in accordance with the Agency's or New York State investment guidelines. IDA's restricted bank balance for the Stadia Projects was $12.1 million as of June 30, 2018. The restricted cash equivalents and restricted investments for the Stadia Projects were $27.9 million and $85.0 million, respectively, as of June 30, 2018.

3. Investments

As of June 30, 2018 and 2017, the Agency had the following investments. Investment maturities are shown for June 30, 2018, only (dollars in thousands).

	Fair Value		2018 Investment Maturities (In Years)	
	2018	**2017**	**Less Than 1**	**1 to 2**
Money Market	**$ 4,377**	$ 794	**$ 4,377**	**$ –**
Federal National Mort. Assn. Notes	**6,819**	6,790	**6,819**	**–**
Federal Home Loan Mort. Corp. Notes	**5,190**	17,375	**5,190**	**–**
Federal Home Loan Bank Notes	**5,810**	3,795	**2,806**	**3,004**
Federal Farm Credit Bank	**1,245**	1,246	**1,245**	**–**
US Treasury Note	**1,499**	–	**1,499**	**–**
Certificates of Deposit (over 90 days)	**100**	1,059	**100**	**–**
Total	**25,040**	31,059	**$ 22,036**	**$ 3,004**
Less: cash equivalents	**(4,377)**	(794)		
Total unrestricted investments	**$ 20,663**	30,265		

IDA's investment policy permits the Agency to invest in obligations of the United States of America, where the payment of principal and interest is guaranteed, or in obligations guaranteed by agencies of the United States of America. Other investments include certificates of deposit, and time deposits. All investments are either insured or registered and held by the Agency or its agent in the Agency's name.

Interest Rate Risk: The Agency has a formal investment policy, which limits investment maturities to a maximum of two years from the date of purchase as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk: It is the Agency's policy to limit its investments in debt securities to obligations of the United States of America and its agencies, and obligations of the State of New York. As of June 30, 2018, the Agency's investments in Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank and Federal Home Loan Mortgage Corporation, US Treasury Note were rated AA+ by Standard & Poor's, Aaa by Moody's and AAA by Fitch Ratings.

3. Investments (continued)

Custodial Credit Risk: For investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the Agency will not be able to recover the value of its investments that are in the possession of the outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured and are not registered in the name of the Agency.

The Agency manages this credit risk by limiting its custodial exposure to highly rated institutions and/or requiring high quality collateral be held by the counterparty in the name of the Agency.

Concentration of Credit Risk: The Agency places no limit on the amount the Agency may invest in any United States of America government backed securities. The following table shows investments that represent 5% or more of total investments (dollars in thousands):

	Dollar Amount and Percentage of Total Investments			
Issuer	**June 30, 2018**		**June 30, 2017**	
Federal Home Loan Mortgage Corp.	**$ 5,190**	**25.12%**	$ 17,375	57.41%
Federal National Home Mortgage Assn.	**6,819**	**33.00**	6,790	22.44
Federal Home Loan Bank	**5,810**	**28.12**	3,795	12.54
US Treasury Note	**1,499**	**7.25**	–	–
Federal Farm Credit Bank	**1,245**	**6.03**	–	–

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Schedule of Investments Performed in Accordance with *Government Auditing Standards*

The Management and the Board of Directors
New York City Industrial Development Agency

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Schedule of Investments of the New York City Industrial Development Agency (the "Agency"), a component unit of the City of New York, as of June 30, 2018, and the related notes to the Schedule of Investments, and have issued our report thereon dated _____, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the Schedule of Investments, we considered the Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Schedule of Investments, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's Schedule of Investments will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's Schedule of Investments are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and investment policies established by the Agency and the New York State Comptroller investment guideline requirements as presented in Section 201.3(c) of the *Accounting, Reporting and Supervision Requirements for Public Authorities*, noncompliance with which could have a direct and material effect on the determination of Schedule of Investments amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

_____, 2018

Exhibit C

NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY
Performance Measurements Report
Board of Directors Meeting
September 18, 2018

WHEREAS, the Public Authorities Law requires the New York City Industrial Development Agency ("IDA" or the "Agency") to publish a self-evaluation report based on performance measurements adopted by the Board of Directors of the Agency (the "Board") and to submit such report to the New York State Authorities Budget Office (the "ABO").

WHEREAS, on June 12, 2018, the Board adopted the performance measurements listed in the Performance Measurements Report for the fiscal year ending June 30, 2018 (attached as Attachment A) (the "Performance Measurements Report").

RESOLVED, that the Board hereby acknowledges that it has reviewed the Performance Measurements Report and hereby approves the Performance Measurements Report.

RESOLVED, that the Board hereby directs the Officers of the Agency to publish the Performance Measurements Report on the Agency's website and to submit the Performance Measurements Report to the ABO and to any other required persons or entities in accordance with the Public Authorities Law.

ATTACHMENT A

Performance Measurements Report for Fiscal Year 2018

Name of Public Authority:
New York City Industrial Development Agency

Public Authority's Mission Statement:
The mission of the New York City Industrial Development Agency (IDA) is to encourage economic development throughout the five boroughs, and to assist in the retention of existing jobs, and the creation and attraction of new ones.

List of Performance Measurements:

Performance Measurements	**FY2018 7/1/17 – 6/30/18**	**FY2017 7/1/16 – 6/30/17**
Number of Contracts Closed	14	7
Amount of Private Investment Leveraged	$7,412,378,506	$104,079,304
Total net City tax revenues generated in connection with closed contracts[1]	$2,355,056,650	$58,267,187
Project three-year job growth in connection with closed contracts	15,201	252
Current total jobs reported by projects that commenced operations in FY 2015[2] as compared to total jobs reported at the time of application for such projects	667/31 (+636)	708/261 (+447)
Current total jobs reported by projects that commenced operations in FY 2015[3] as compared to the three-year total job growth projections stated in applications for such projects	667/278 (+389)	708/375 (+333)
Square footage of buildings/improvements receiving benefits[4]	6,167,349	907,901
Number of projects that received a field visit	98	117
% of projects that received a field visit	29.78%	32.50%
% of projects in good standing[5]	95%	97%

[1] Represents projected net city tax revenues through contract maturity.

[2] Excludes projects which terminated prior to FY 2018 and includes projects that closed in FY 2015 but commenced all project operations prior to the closing date.

[3] Excludes projects which terminated prior to FY 2018 and includes projects that closed in FY 2015 but commenced all project operations prior to the closing date.

[4] Represents contracts which closed during Fiscal Year.

[5] Defined as those projects that did not receive a Notice of Event of Default by the end of the Fiscal Year.

Exhibit D

Project Summary

37th Arcade Co. LLC and 247 West 37th Street Associates LLC (collectively the "Companies") are New York limited liability companies engaged in the maintenance, operation and leasing of real property. The Companies seek financial assistance in connection with the retention of up to approximately 100,000 square feet of fashion manufacturing space across two buildings in the Garment District of Manhattan (the "Garment Center"): (i) an approximately 232,458 gross square foot building on an approximately 14,900 square foot parcel of land located at 307 West 36th Street, New York, New York, and (ii) an approximately 214,130 gross square foot building on an approximately 14,812 square foot parcel of land located at 247 West 37th Street, New York, New York (collectively, the "Facilities"). The Facilities are owned and operated by the Companies and up to approximately 100,000 square feet therein is expected to be leased by the Companies to industrial tenants for fashion manufacturing.

Project Locations

307 West 36th Street
New York, NY 10018

247 West 37th Street
New York, NY 10018

Action Requested

- Inducement and Authorizing Resolution for an Industrial Program transaction.
- Adopt a SEQRA determination that the proposed Project is a Type II action and therefore no further environmental review is required.
- Approve a deviation from UTEP.
- Approve the Agency's payment of legal fees for Garment Center transactions.

Anticipated Closing

Fall 2018

Impact Summary

Employment		
Total Fashion Manufacturer Jobs (full-time equivalents)		**169[1]**
Projected Average Hourly Wage (excluding principals)	**$**	**41.23[2]**

Estimated City Tax Revenues	
Impact of Operations (NPV 15 years at 6.25%)	$31,566,796
Total impact of operations and renovation	$31,566,796

Estimated Cost of Benefits Requested: New York City	
Building Tax Exemption (NPV, 25 years)	$17,069,613
Project Counsel Fees	55,000
Total Cost to NYC	**$17,118,613**

[1] Estimate based on industry statistics for square feet per job.
[2] Estimate based on industry statistics.

Costs of Net Benefits Per Job	
Estimated Net Cost of NYCIDA Benefits per Total Jobs	$101,293
Estimated Net City Tax Revenue per Total Jobs	$186,785

Industry Performance and Projections

The Garment Center has been a central part of the apparel production and fashion industry in the United States and internationally for more than a century. Although it has evolved considerably in its size and composition, the area continues to serve as the center of the fashion industry, characterized by an interrelated network of businesses and firms, which include design, manufacturing, showroom, retail, management, and marketing companies.

Over the last several decades, apparel production employment has significantly declined in New York City, as it has nationally, due to major global macroeconomic changes and technological advances impacting the industry. In 1986, apparel manufacturing companies employed approximately 25,200 employees and occupied approximately 9.2 million square feet of space, as compared to approximately 4,400 workers occupying 1.4 million square feet of space in 2017. Despite this decline, fashion production remains a critical component of New York City's fashion industry, supporting innovation and design by providing local designers with specialized products, prototyping, and time-sensitive orders for New York Fashion Week and other major events.

The tax incentives to be provided by the Agency are vital to the economic sustainability of the fashion manufacturers and their long-term presence at the Facility. Otherwise, increased demand for office space would result in increased rent charged to fashion manufacturers and they likely would no longer be able to afford to remain in the Garment Center.

Inducement

I. Based on historical trends in the garment industry, it is anticipated that global market forces would continue to shape and redefine the industry. Without further action, it is likely that the number of establishments and people working in fashion manufacturing would decline, and fashion manufacturing firms would continue to either scale back operations, relocate to more affordable areas in the City or elsewhere, or close entirely.

II. The Company has asserted that without assistance from the Agency, the Project would not occur, resulting in the displacement of fashion manufacturers.

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 seeks to retain jobs and business activity centered on fashion manufacturing – a critical component of New York City's industrial profile, which the City seeks to retain and foster.

Applicant Summary

Eric Gural, Property Owner

Eric Gural is a third-generation leader of Newmark Holdings. Newmark Holdings is the parent company to the Companies, which are real estate holding companies. Newmark Holdings portfolio comprises more than 40 commercial properties in New York, New Jersey, Connecticut and Virginia. Mr. Gural is a trustee of the New York Chapter of the Nature Conservancy and a board member of the Garment Center Business Improvement District and the Union Square Partnership.

Deviation from UTEP

Under the UTEP, projects seeking Agency benefits under the Industrial Program are required to make capital investments of at least $1,000,000. A deviation from UTEP is necessary because the Company is seeking Industrial

Program benefits for a project that does not meet the minimally required capital investment. Additionally, the recapture period has also been reduced from 10 years to 5 years.

Payment of Legal Fees

The Agency will pay legal services fees to Nixon Peabody LLP as Project Counsel for all NYCIDA Garment Center transactions, including this transaction. The fixed fee will be $55,000 per transaction, payable at closing, for transactions that close by March 1, 2019. For any transactions that fail to close, the fee will be based on hourly billing rates (plus disbursements), up to a maximum of $55,000.

Employee Benefits

The Companies provide health insurance, vacation time, and on-the-job training to all employees.

Recapture

Pursuant to deviation from UTEP, all benefits subject to recapture for a 5-year period.

SEQRA Determination

Adopt a SEQRA determination that the proposed Project is a Type II action and therefore no further environmental review is required.

Due Diligence

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

Compliance Check:	Not applicable
Living Wage:	Compliant
Paid Sick Leave:	Compliant
Affordable Care Act:	Compliant
Bank Account:	Capital One, Apple
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:	Service Employees International Union, Local 32BJ
Vendex Check:	No derogatory information was found.
Applicant Contact Person:	Eric Gural GFP Real Estate 125 Park Avenue New York, NY 10017
Community Board:	Manhattan, CB 4 and CB 5

GFP
REAL ESTATE
SINCE 1952

GFP Real Estate
135 Park Avenue
New York, NY 10017

T (212) 372 . 2091
W gfpre.com

September 30, 2018

Mr. Kyle Brandon
New York City Economic Development Agency
110 William Street
New York, NY 10038

Dear Mr. Brandon,

This letter is being delivered by 37th Arcade Co. LLC and 247 West 37th Street Associates LLC (the "Applicant") in connection with the Applicant's application to the New York City Industrial Development Agency (the "NYCIDA") for financial assistance pursuant to the NYCIDA tax incentives programs. The Applicant is seeking tax incentive benefits for the building(s) owned and operated by the Applicant at 307 West 36th Street, New York, NY 10018 and 247 West 37th Street, New York NY 10018 (the "Project").

The Project consists of the preservation of fashion manufacturing space in the Garment District of Manhattan (the "Garment Center") by offering long-term leases with fixed rent caps to fashion manufacturers. The Project will thus enable fashion manufacturers to maintain a presence in the Garment Center and thereby support the broader fashion ecosystem in New York City by providing real estate stability to fashion manufacturers – a critical component of NYC's fashion industry.

The tax incentive benefits for which the Applicant has applied to the NYCIDA are vital to the economic sustainability and long-term presence of the fashion manufacturers at the Project facility in the Garment Center. Without the financial assistance, the Applicant could not proceed with the Project, as real estate pressures would require gross rental rates in excess of the imposed fixed rent caps, a considerable impediment to retaining fashion manufacturers who would otherwise seek out more affordable space outside New York City or end operations altogether.

Sincerely,

Eric Gural

Exhibit E

NYCIDA
New York City Industrial Development Agency

INDUSTRIAL PROGRAM PROPOSAL
327 WEST 36TH ST. LLC
MEETING OF SEPTEMBER 18, 2018

Project Summary

327 West 36th St. LLC (the "Company") is a New York limited liability company engaged in the maintenance, operation and leasing of real property. The Company seeks financial assistance in connection with the retention of up to approximately 100,000 square feet of fashion manufacturing space in an approximately 115,000 gross square foot building on an approximately 10,000 square foot parcel of land, located at 327 West 36th Street, New York, New York (the "Facility"), in the Garment District of Manhattan (the "Garment Center"). The Facility is owned and operated by the Company and up to approximately 100,000 square feet therein is expected to be leased by the Company to industrial tenants for fashion manufacturing.

Project Location

327 West 36th Street
New York, NY 10018

Actions Requested

- Inducement and Authorizing Resolution for an Industrial Incentive Program transaction.
- Adopt a SEQRA determination that the proposed Project is a Type II action and therefore no further environmental review is required.
- Approve a deviation from UTEP.
- Approve the Agency's payment of legal fees for Garment Center transactions.

Anticipated Closing

Fall 2018

Impact Summary

Employment Information	
Total Fashion Manufacturer Jobs (full-time equivalents)	**222[1]**
Projected Average Hourly Wage	**$40.79[2]**

Estimated City Tax Revenues	
Impact of Operations (NPV 15 years at 6.25%)	$32,143,824
Total impact of operations	$32,143,824

Estimated Cost of Benefits Requested: New York City	
Building Tax Exemption (NPV, 15 years)	$4,424,716
Project Counsel Fees	$55,000
Total Cost to NYC	**$4,479,716**
Costs of Net Benefits Per Job	
Estimated Net Cost of NYCIDA Benefits per Total Jobs	$20,178
Estimated Net City Tax Revenue per Total Jobs	$144,792

[1] Estimate based on industry statistics for square feet per job.
[2] Estimate based on industry statistics.

Industry and Market Performance and Projections

The Garment Center has been a central part of the apparel production and fashion industry in the United States and internationally for more than a century. Although it has changed considerably in its size and composition, the area continues to serve as the center of the fashion industry, characterized by an interrelated network of businesses and firms, which include design, manufacturing, showroom, retail, management, and marketing companies.

Over the last several decades, apparel production employment has significantly declined in New York City, as it has nationally, due to major global macroeconomic changes and technological advances impacting the industry. In 1986, apparel manufacturing companies employed approximately 25,200 employees and occupied approximately 9.2 million square feet of space, as compared to approximately 4,400 workers occupying 1.4 million square feet of space in 2017. Despite this decline, fashion production remains a critical component of New York City's fashion industry, supporting innovation and design by providing local designers with specialized products, prototyping, and time-sensitive orders for New York Fashion Week and other major events.

The tax incentives to be provided by the Agency are vital to the economic sustainability of the fashion manufacturers and their long-term presence at the Facility. Otherwise, increased demand for office space would result in increased rent charged to fashion manufacturers and they likely would no longer be able to afford to remain in the Garment Center.

Inducement

I. Based on historical trends in the garment industry, it is anticipated that global market forces would continue to shape and redefine the industry. Without further action, it is likely that the number of establishments and people working in fashion manufacturing would decline, and fashion manufacturing firms would continue to either scale back operations, relocate to more affordable areas in the City or elsewhere, or close entirely.

II. The Company has asserted that without assistance from the Agency, the Project would not occur, resulting in the displacement of fashion manufacturers.

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 seeks to retain jobs and business activity centered on fashion manufacturing – a critical component of New York City's industrial profile, which the City seeks to retain and foster.

Applicant Summary

Morton Frucht, Property Owner

Morton Frucht, a licensed real estate broker since December 1991, owns and operates M. Frucht Real Estate Services, Inc. as a property management business. Mr. Frucht owns and manages properties in the five boroughs and New Jersey. These properties consist of multifamily, office, mixed use, and retail spaces.

In 1990, the LLC, of which Mr. Frucht is a member, acquired the Facility. In the 28 years since acquisition, Mr. Frucht has been the sole manager and caretaker of the Facility. Approximately 90% of the Facility's tenants are wholesalers and/or manufacturers of products related to the fashion manufacturing industry.

Deviation from UTEP

Under the UTEP, projects seeking Agency benefits under the Industrial Program are required to make capital investments of at least $1,000,000. A deviation from UTEP is necessary because the Company is seeking Industrial Program benefits for a project that does not meet the minimally required capital investment. Additionally, the recapture period has also been reduced from 10 years to 5 years.

327 West 36th St. LLC

Payment of Legal Fees

The Agency will pay legal services fees to Nixon Peabody LLP as Project Counsel for all NYCIDA Garment Center transactions, including this transaction. The fixed fee will be $55,000 per transaction, payable at closing, for transactions that close by March 1, 2019. For any transactions that fail to close, the fee will be based on hourly billing rates (plus disbursements), up to a maximum of $55,000.

Employee Benefits

The Facility employs a superintendent and two porters, each of whom receives health insurance, vacation time, and on-the-job training.

Recapture

Pursuant to deviation from UTEP, all benefits subject to recapture for a 5-year period.

SEQRA Determination

Adopt a SEQRA determination that the proposed Project is a Type II action and therefore no further environmental review is required.

Due Diligence

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

Compliance Check:	Not Applicable
Living Wage:	Compliant
Paid Sick Leave:	Compliant
Affordable Care Act:	Compliant
Bank Account:	Chase Bank
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:	Service Employees International Union, Local 32BJ.
Vendex Check:	No derogatory information was found.
Applicant Contact Person:	Morton Frucht 327 West 36th Street LLC 2083 East 13th Street Brooklyn, NY 11229
Community Board:	Manhattan, CB 4

327 WEST 36th ST. LLC

2083 East 13th Street • Brooklyn, NY 11229
(718) 376-3868 • Fax (718) 376-2143

September 5, 2018

Mr. Kyle Brandon
New York City Economic Development Agency
110 William Street
New York, NY 10038

Dear Mr. Brandon,

This letter is being delivered by 327 West 36th Street LLC (the "Applicant") in connection with the Applicant's application to the New York City Industrial Development Agency (the "NYCIDA") for financial assistance pursuant to the NYCIDA tax incentives programs. The Applicant is seeking tax incentive benefits for the building(s) owned and operated by the Applicant at 327 West 36th Street (the "Project").

The Project consists of the preservation of fashion manufacturing space in the Garment District of Manhattan (the "Garment Center") by offering long-term leases with fixed rent caps to fashion manufacturers. The Project will thus enable fashion manufacturers to maintain a presence in the Garment Center and thereby support the broader fashion ecosystem in New York City by providing real estate stability to fashion manufacturers – a critical component of NYC's fashion industry.

The tax incentive benefits for which the Applicant has applied to the NYCIDA are vital to the economic sustainability and long-term presence of the fashion manufacturers at the Project facility in the Garment Center. Without the financial assistance, the Applicant could not proceed with the Project, as real estate pressures would require gross rental rates in excess of the imposed fixed rent caps, a considerable impediment to retaining fashion manufacturers who would otherwise seek out more affordable space outside New York City or end operations altogether.

Sincerely,

Morton Frucht
Member LLC

Exhibit F

Resolution inducing the financing of industrial facilities for 37th Arcade Co. LLC and 247 West 37th Street Associates 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, 37th Arcade Co. LLC ("37th Arcade") and 247 West 37th Street Associates LLC ("247 West 37th Street Associates"; and, together with 37th Arcade, the "Applicants"), have entered into negotiations with officials of the Agency in connection with the retention of up to approximately 100,000 square feet of fashion manufacturing space in the Garment District of Manhattan (the "Garment District") within (i) an approximately 232,458 square foot building on an approximately 14,900 square foot parcel of land located at 307 West 36th Street, New York, New York (the "West 36th Street Facility"), and (ii) an approximately 214,130 square foot building on an approximately 14,812 square foot parcel of land located at 247 West 37th Street, New York, New York (the "West 37th Street Facility"; and, together with the West 36th Street Facility, the "Facilities"), for lease to the Agency by the Applicants, and sublease by the Agency to the Applicants for subsequent sub-sublease to industrial tenants for fashion manufacturing (the "Project"); and

WHEREAS, the Applicants have each submitted a Project Application (the "Applications") to the Agency to initiate the accomplishment of the above; and

WHEREAS, the Applications set forth certain information with respect to the Applicants and the Project, including the following: that the Applicants are located in the Special Garment Center District in Manhattan, which was established under the NYC Zoning Resolution to maintain the viability of apparel production in the Garment District and slow the conversion of manufacturing space into office space; that apparel production employment has significantly declined in the City due to major global and macroeconomic changes over the last several decades; that the Project is expected to provide up to 100,000 square feet of space to fashion manufacturers at the Facilities at below market rents; that the financial assistance to be conferred by the Agency is vital to the economic sustainability of fashion manufacturers and their long-term presence at the Facilities; that without the Agency's financial assistance it is likely apparel manufacturing would continue to decline in terms of the number of establishments and in total employment in the Garment District, and that apparel manufacturing firms such as those at the Facilities would continue to either scale back operations, relocate to more affordable areas in the City or elsewhere, or close entirely; and that without the Agency's financial assistance, the Applicants could not proceed with the Project, resulting in the displacement of fashion manufacturers due to gross rental rates in excess of current market rents; and

WHEREAS, based upon the Applications, the Agency hereby determines that Agency financial assistance and related benefits in the form of a straight-lease transaction between the Agency and the Applicants are necessary to induce the Applicants to retain fashion manufacturing space in the City; and

WHEREAS, in order to provide financial assistance to the Applicants for the Project, the Agency intends to grant the Applicants financial assistance through a straight-lease transaction in the form of real property tax abatements 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 Applicants 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 Applicants 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 Applicants or any other occupant or user of the Facilities 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 Applicants or any other occupant or user of the Facilities 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 Applicants for the Project, a straight-lease transaction is hereby authorized subject to the provisions of this Resolution.

Section 3. The Agency hereby authorizes the Applicants to proceed with the Project as herein authorized. The Applicants 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 Applicants that (i) nominal leasehold title to or other interest of the Agency in the Facilities shall be in the Agency for purposes of granting financial assistance, and (ii) the

Applicants 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 Applicants for such purpose.

Section 4. The execution and delivery of a Company Lease Agreement from 37th Arcade leasing the West 36th Street Facility to the Agency, an Agency Lease Agreement from the Agency subleasing the West 36th Street Facility to 37th Arcade (for sub-sublease to fashion manufacturers), a Company Lease Agreement from 247 West 37th Street Associates leasing the West 37th Street Facility to the Agency, an Agency Lease Agreement from the Agency subleasing the West 37th Street Facility to 247 West 37th Street Associates (for sub-sublease to fashion manufacturers) and the acceptance of a Guaranty Agreement from the Applicants and the Applicants' owners and/or principals in favor of the Agency (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 Applicants 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 Applicants; provided, however, that fees of Project Counsel related to the initial straight-lease transaction closing shall be paid by the Agency. By acceptance hereof, the Applicants agree 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 Applicants. 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, 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 Applicants and such other information as the Agency has deemed necessary and appropriate to make this determination.

The Agency has determined that the proposed action is a Type II action, pursuant to 6 NYCRR Part 617.5(c)(20), "routine or continuing agency administration and management…" which would not result in adverse environmental impacts requiring the preparation of an Environmental Impact Statement.

Section 11. In connection with the Project, the Agency intends to grant the Applicants real property tax abatements.

Section 12. This Resolution shall take effect immediately

ADOPTED: September 18, 2018

Accepted: _____ __, 2018

37TH ARCADE CO. LLC

By:_____
Name:
Title:

247 WEST 37TH STREET ASSOCIATES LLC

By:_____
Name:
Title:

Exhibit G

Resolution inducing the financing of an industrial facility for 327 West 36th St. 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, 327 West 36th St. LLC (the "Applicant"), has entered into negotiations with officials of the Agency in connection with the retention of up to approximately 100,000 square feet of fashion manufacturing space in the Garment District of Manhattan (the "Garment District") within an approximately 115,000 square foot building on an approximately 10,000 square foot parcel of land located at 327 West 36th Street, New York, New York (the "Facility"), for lease to the Agency by the Applicant, and sublease by the Agency to the Applicant for subsequent sub-sublease to industrial tenants for fashion manufacturing (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 located in the Special Garment Center District in Manhattan, which was established under the NYC Zoning Resolution to maintain the viability of apparel production in the Garment District and slow the conversion of manufacturing space into office space; that currently 90% of the tenants at the Facility are wholesalers and/or manufacturers of products related to the fashion manufacturing industry; that apparel production employment has significantly declined in the City due to major global and macroeconomic changes over the last several decades; that the Project is expected to provide up to 100,000 square feet of space to fashion manufacturers at the Facility at below market rents; that the financial assistance to be conferred by the Agency is vital to the economic sustainability of fashion manufacturers and their long-term presence at the Facility; that without the Agency's financial assistance it is likely apparel manufacturing would continue to decline in terms of the number of establishments and in total employment in the Garment District, and that apparel manufacturing firms such as those at the Facility would continue to either scale back operations, relocate to more affordable areas in the City or elsewhere, or close entirely; and that without the Agency's financial assistance, the Applicant could not proceed with the Project, resulting in the displacement of fashion manufacturers due to gross rental rates in excess of current market rents; 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 are necessary to induce the Applicant to retain fashion manufacturing space in the City; and

WHEREAS, in order to provide financial assistance to the Applicant for the Project, the Agency intends to grant the Applicant financial assistance through a straight-lease transaction in the form of real property tax abatements 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 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 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 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 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 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 to proceed with the Project as herein authorized. The Applicant is 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 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 is hereby constituted the agent 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 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 (for sub-sublease to fashion manufacturers) and the acceptance of a Guaranty Agreement from the Applicant and the Applicant's owners and/or principals in favor of the Agency (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 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; provided, however, that fees of Project Counsel related to the initial straight-lease transaction closing shall be paid by the Agency. 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. 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, 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 proposed action is a Type II action, pursuant to 6 NYCRR Part 617.5(c)(20), "routine or continuing agency administration and management…" which would not result in adverse environmental impacts requiring the preparation of an Environmental Impact Statement.

Section 11. In connection with the Project, the Agency intends to grant the Applicant real property tax abatements.

Section 12. This Resolution shall take effect immediately

ADOPTED: September 18, 2018

Accepted: _____ __, 2018

327 WEST 36TH ST. LLC

By:_____
Name:
Title:

Exhibit H

Project Summary

MPM Enterprises Bedford, Inc., a supermarket operating company (the "Company"), seeks financial assistance in connection with the leasing, renovation, furnishing, and equipping of an approximately 10,600 square foot retail condominium, comprised of 7,090 square feet of selling space and 3,409 square feet of storage space (the "Project"). The Project will be located within an approximately 139,439 square foot mixed use building to be located on an approximately 23,097 square feet tax lot located at 1535 Bedford Avenue in the Crown Heights neighborhood of Brooklyn (the "Facility"), and will be operated as a supermarket. The Project will create a full service supermarket operating under the new Bedford Market banner. The total Project cost is approximately $2 million. It is anticipated that the supermarket will commence operations in the summer of 2019.

Project Location

1535 Bedford Avenue
Brooklyn, New York 11216

Actions Requested

- Authorizing Resolution for a Food Retail Expansion to Support Health Program transaction.

Prior Action

- Inducement Resolution approved November 10, 2016.
- Approval of deviation from UTEP.
- Adoption of SEQRA determination that the proposed project is a Type II action and therefore no further environmental review is required.

Anticipated Closing

December 2018

Impact Summary

Employment	
Jobs at Application:	0
Jobs to be Created at Project Location (Year 3):	47.5
Total Jobs (full-time equivalents)	**47.5**
Projected Average Hourly Wage (excluding principals)	**$ 16.50**
Highest Wage/Lowest Wage	**$21.00 / $15.00**

Estimated City Tax Revenues	
Impact of Operations (NPV 25 years at 6.25%)	$1,364,374
One-Time Impact of Renovation	$102,737
Total impact of operations and renovation	**$1,467,111**
Additional benefit from jobs to be created	**$3,820,772**

MPM Enterprises Bedford, Inc.

Estimated Cost of Benefits Requested: New York City	
Building Tax Exemption (NPV, 25 years)	$838,419
Land Tax Abatement (NPV, 25 years)	$89,538
Sales Tax Exemption	$66,560
Agency Financing Fee	($19,895)
Total Value of Benefits provided by Agency	**$974,622**
Available As-of-Right Benefits (ICAP)	$345,086
Agency Benefits In Excess of As-of-Right Benefits	$629,536

Estimated Cost of Benefits Requested: New York State	
Sales Tax Exemption	$64,711
Total Cost to NYS	**$64,711**

Costs of Benefits Per Job	
Estimated Total Cost of Benefits per Job	$13,253
Estimated City Tax Revenue per Job	$111,324

Sources and Uses

Sources	Total Amount	Percent of Total Financing
Commercial Loan	$1,500,500	75%
Company Equity or Affiliate Funds	$514,000	25%
Total	**$2,014,500**	**100%**

Uses	Total Amount	Percent of Total Costs
Hard Costs	$568,000	23.5%
Soft Costs	$340,000	16.8%
Fixed Tenant Improvements	$325,500	18.4%
Furnishing & Equipment	$756,000	40%
Fees	$25,000	1.3%
Total	**$2,014,500**	**100%**

Fees

	Paid At Closing	On-Going Fees (NPV, 25 Years)
Agency Fee	$19,895	
Project Counsel	$25,000	
Annual Agency Fee	$750	9,364
Total	$45,645	9,364
Total Fees	**$55,009**	

Financing and Benefits Summary

The Company will finance the Project with a commercial loan of $1,500,500 from Chase Bank and $514,000 in company equity or affiliate loans. It is expected that the commercial loan will have a 5-year term, will bear interest at LIBOR +4.41% with 6 months of interest only and will be secured and guaranteed by affiliated supermarkets and company principals. The remainder of the project will be financed with company equity or affiliate funds. The

financial assistance proposed to be conferred by the Agency will consist of a land and building tax abatement for a period of 25 years and exemption from City and State sales and use taxes. The debt service coverage ratio, based on revenue from Company affiliates, is anticipated to be 4.16x.

Company Performance and Projections

The Company's principals, Candido Paul Fernandez, Martin Nunez, and Marko Lalic, currently own and operate five supermarkets in Manhattan and Brooklyn. The Company's principals each have more than 20 years of experience in the New York City supermarket industry, having worked at all levels of the supermarket operations and across various types of stores.

The Company's affiliates now employ over 200 full-time employees across all five stores since first opening in spring 2005. The Company's affiliates demonstrate solid financial returns with approximately $7.4 million in assets. The Company is anticipating Project location sales and net income to increase 4% annually.

Applicant Summary

The Company is a newly formed supermarket company that will operate under the new Bedford Market banner. The Company's principals currently own and operate five neighborhood grocery stores in Manhattan and Brooklyn. Bedford Market will be a full-service neighborhood grocery store carrying a wide variety of quality products, including fresh produce, dairy, cheese, meat, seafood and prepared foods. The Company's principals are committed to providing fresh, healthy and delicious foods without compromising quality convenience or sustainability. Bedford Market will pilot an innovative Supplemental Nutrition Assistance Program ("SNAP") incentives program, which will increase the fruit and vegetable purchasing power of SNAP participants by offering bonus dollars for purchases made with SNAP benefits. The SNAP incentives program will be the first of its kind to be announced for a New York City supermarket. The Company will also participate in City Harvest's food rescue program amongst other local community initiatives. The Company plans to hire and train local employees for primarily full-time positions. This staffing model is unique within the supermarket industry, which typically hires majority part-time workers.

Marko Lalic, President

Marko Lalic was born in Belgrade, Yugoslavia and immigrated to the United States in 1994 at the dawn of the Balkan civil war. Upon arriving in the United States, Mr. Lalic immediately began working in the food industry for a wholesale baker. In 1996, he joined a growing small neighborhood supermarket as a clerk and in 1998 was quickly promoted to general manager of a second location. Mr. Lalic was instrumental in the development of the systems that helped the company open five stores in eight years, creating a computerized ordering and purchasing structure and integrated signage databases among other initiatives. In 2005, Mr. Lalic, Martin Nunez and Candido Paul Fernandez opened their first new neighborhood grocery store in Brooklyn. The partners have since expanded their portfolio of stores to include five small neighborhood grocery stores.

Martin Nunez, Vice President

Martin Nunez immigrated to the United States from the Dominican Republic in 1986 at the age of fourteen. While attending Seward Park High School on the Lower East Side of Manhattan Martin worked in a supermarket to help support his mother and siblings. Mr. Nunez attended John Jay College, majoring in Criminal Justice and continued to work for a local supermarket chain. In 1994, Martin began working in a small neighborhood supermarket in Manhattan and quickly climbed the corporate ladder. After only three months, he was promoted to Produce Department Head. He went on to become Assistant Store Manager in 1997, Store General Manager in 1999 and Director of Operations in 2003. In 2004, Martin left his position to pursue a new grocery store venture with Marko Lalic and Candido Paul Fernandez. The team opened its first store in 2005 and today jointly operates five small neighborhood grocery stores.

Candido Paul Fernandez, Secretary/Treasurer

Candido Paul Fernandez was born in the Dominican Republic. He immigrated to the United States in 1974 at the age of fourteen. In 1979, he purchased his first bodega in Manhattan and in 1986 his first supermarket in the Bronx. In

2004, Mr. Fernandez, alongside with Martin Nunez and Marko Lalic laid the groundwork jointly to establish a small neighborhood grocery store. Mr. Fernandez also owns and operates two other supermarkets in Manhattan.

Employee Benefits

Employee benefits include health coverage, access to a 401K plan, personal days and on-the-job training.

Recapture

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

Due Diligence

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

Compliance Check:	Satisfactory
Living Wage:	Not Applicable
Paid Sick Leave:	Compliant
Affordable Care Act:	ACA Coverage Offered
Bank Account:	Capital One Bank, N.A.
Bank Check:	Relationships are reported to be satisfactory.
Supplier Checks:	Relationships are reported to be satisfactory.
Customer Checks:	Not Applicable
Unions:	Not Applicable
Vendex Check:	No derogatory information was found.
Attorney:	Mitchell Mund, Esq. Christopher D. McDonald, Esq. Law Office of Mitchell Mund 100-15 Queens Boulevard, Suite 1 Forest Hills, New York 11375
Accountant:	Jody H. Chesnov, CPA Rosenberg & Chesnov CPA's LLP 2 West 45th Street, Suite 1208 New York, New York 10036
Community Board:	Brooklyn, CB 8

MPM ENTERPRISES BEDFORD, INC.
288 Court Street
Brooklyn, NY 11231

September 28, 2016

New York City Industrial Development Agency
c/o New York City Economic Development Corporation (NYCEDC)
110 William Street
New York, NY 10038

Re: Proposed Supermarket at 1525 Bedford Ave., Brooklyn NY

Dear Sir or Madam:

We are committed to bringing our customers healthy, delicious, and innovative food without compromising on the values that matter most to us: quality, convenience, and sustainability. With that in mind, Bedford Market will be a quality neighborhood grocery store.

We work hard to find the best products at the best value. Our shelves will be stocked with a selection of fresh, healthy and delicious produce, dairy and foods. We intend on carrying a variety of fruit and vegetables, including all natural and organic products. We look forward to providing these healthy fruit, vegetables and other foods, and other benefits to the underserved community of Crown Heights.

In addition to providing quality healthy and fresh food to local residents, this new store will benefit the local community and economy. We make it a priority to support businesses in the communities in which our stores are located by using local producers, including farmers located in the state of New York. In addition to supporting local businesses, we also support our local communities by giving to local charities, nonprofits, and schools. For example, our other stores sponsor little league teams, donate food to City Harvest, and contribute to organizations large and small, including local children's gardens.

We propose to build an approximate 7,000 square foot supermarket in the Crown Heights section of Brooklyn, which currently lacks sufficient produce and grocery choices. Crown Heights needs additional supermarkets. We believe that this proposed location with a prominent produce department, along with bakery, deli, grocery, prepared and frozen foods will be a major benefit to the Crown Heights community.

We expect that the initial build-out of the store will cost approximately $1.75 million and the cost for the initial inventory for the store will be approximately $250,000. Although there may be impacts from the changing nature of the neighborhood, we project sales to be $11,440,000.00 with a profit margin of 34 percent before expenses and taxes. We also estimate a 4 percent increase in sales year over year for the next 3 to 5 years.

As we are sure you are aware, there are high barriers to entry in starting a business in the City of New York, including high rents and high employment costs. As a new project, store development costs are substantial. As such, FRESH benefits are an essential component for the anticipated success of the project. We are counting on the Fresh Program incentives to help decide on us going forward with the build-out of the supermarket. The Real estate tax benefits and sales tax savings on equipment purchases will make a big impact on our ability to run a profitable business at this location.

Sincerely,
MPM ENTERPRISES BEDFORD, INC.

By:_____

Exhibit I

Resolution authorizing and approving the execution and delivery of agreements in connection with a Straight-Lease Project project for MPM Enterprises Bedford, Inc.

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, MPM Enterprises Bedford, Inc. (the "Applicant") has entered into negotiations with officials of the Agency for the renovation, furnishing and equipping of an approximately 10,600 square foot retail condominium (the "Facility") to be developed within an approximately 139,439 square foot mixed use building located on two tax lots to be combined into a single approximately 23,097 square feet tax lot located at 1535 Bedford Avenue, Brooklyn, New York 11216, for lease to the Agency by the Applicant, and sublease by the Agency to the Applicant, for use as a supermarket retail business, and having an approximate total project cost of approximately $2,000,000 (the "Project"); and

WHEREAS, on November 10, 2016, the Agency adopted a resolution approving the taking of preliminary action with respect to providing financial assistance in the form of a straight-lease transaction; and

WHEREAS, in order to finance a portion of the costs of the Project, (i) JPMorgan Chase Bank, N.A. (such financial institution, or any other financial institution as may be approved by a certificate of determination of an Agency officer, the "Lender") has agreed to enter into a loan arrangement with the Applicant pursuant to which the Lender will lend approximately $1,500,000 to the Applicant on a secured basis, and (ii) the Applicant or its affiliate will contribute approximately $500,000 to the total Project cost; and

WHEREAS, in order to provide financial assistance to the Applicant for the Project, the Agency intends to grant the Applicant 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. To accomplish the purposes of the Act and to provide financial assistance to the Applicant for the Project, a straight-lease transaction is hereby authorized subject to the provisions of this Resolution and the Lease Agreement hereinafter authorized.

Section 2. 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"), and the acceptance of a Guaranty Agreement from the Applicant and the Applicant's and the Applicant's owners and/or

principals in favor of the Agency (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 3. 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 4. 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 5. This Resolution shall take effect immediately

ADOPTED: September 18, 2018

Exhibit J

NYCIDA
New York City Industrial Development Agency

PROGRAM REAUTHORIZATION PROPOSAL
ACCELERATED SALES TAX EXEMPTION PROGRAM
MEETING OF SEPTEMBER 18, 2018

Project Summary

New York City Industrial Development Agency (the "Agency") seeks approval to reauthorize the Accelerated Sales Tax Exemption Program ("A-STEP" or "Program"), which was originally authorized for a one-year period as a pilot program by the Agency on May 12, 2015. For each eligible project, A-STEP will provide sales tax exemptions of up to $100,000 for the purchase, installation and maintenance of construction materials, equipment and furnishings for the purpose of upgrading, expanding, and growing a variety of small business activities.

Small businesses that seek to undertake equipment upgrades, renovations, or expansions costing approximately $1 million or less are usually not able to benefit from existing Agency programs, which require higher capital expenditure thresholds or different program requirements and involve higher closing costs. A-STEP is intended to assist smaller companies with fewer resources, enabling such businesses to invest in needed improvements with assistance from the Agency.

As described in more detail below, the Program will be focused on the following types of businesses located within highly distressed areas[1] or areas of need within the City identified by the Agency: food retail, industrial, and non-retail commercial businesses. The Program's streamlined application process, reduced fees and simplified, two-year compliance requirements will significantly reduce transaction costs, effectively encouraging the retention and growth of these smaller businesses, while supporting the development of projects that have not been able to use Agency incentives previously.

Prior Action

On May 12, 2015, the Agency approved the A-STEP Program for Fiscal Year 2016. The following projects entered into agreements with the Agency:

1. Kings County Brewers Collective, LLC, closed October 22nd, 2015
2. Chelsea Pediatric Dentistry LIC PLLC, closed March 21st, 2016
3. Zarco Contracting Inc., closed March 25th, 2016
4. Argosy Designs, Inc., closed March 31st, 2016
5. Ample Hills Holdings, Inc., closed April 18th, 2016

Program Structure

- Maximum sales tax benefit amount of $100,000 per company (including affiliated companies) per project
- The sales tax exemption will expire no later than two years from the date of the agreement with the Agency
- Companies must commence improvements within one year of signing an agreement with the Agency
- Repayment of sales tax with interest and penalties of 12% per annum or any higher amount of interest and penalties imposed by the State of New York Department of Taxation and Finance on improper uses
- Simplified benefit agreement which includes the standard required reporting procedures, covenants and indemnities
- Application fee of $500, Closing fees equal to 0.25% of the total project budget

[1] As defined in Article 18-A, Title 1, Section 854 of the General Municipal Law.

Program Parameters

The Program will focus on assisting small companies and projects that meet the following parameters:

- The proposed project must be located within a highly distressed area or an area of need within the City identified the Agency.
- The project must be for a business that is in one of the following categories:
    - A food retail business that is investing in modernization and increased retail space for healthy or fresh food, which meets threshold requirements that may include one or more of the following or similar requirements, as determined by an officer of the Agency:
        - Stocking low-sodium canned goods and canned fruit in 100% juice
        - Stocking at least two healthy snacks
        - Offering healthy sandwich and meal combos at deli counter
        - Displaying water and low-calorie drinks at eye level
        - Offering fruits and vegetables at the front of the store or at the checkout line
        - Accepting electronic benefits transfer (EBT) cards for the purchase of qualifying foods
        - Increasing fresh food and/or produce refrigerated cases
    - An industrial business
    - A non-retail, commercial business
- The Program will be available to businesses that have less than $10 million in annual revenue
- The applicant business (including affiliated companies) must not have received other Agency benefits at the same project location within five years prior to application

Action Requested

Approve the attached resolution to authorize certain officers of the Agency to execute and deliver documents and to take such other actions as are necessary to implement the Program and each project under the Program, including, but not limited to, any necessary actions to: (i) approve qualified applicants consistent with the Program parameters approved by the Agency or a duly authorized officer of the Agency; (ii) identify additional areas of need for the Program within the City for the Program; (iii) confirm that each project to be approved is a Type II action that will not have significant adverse impacts on the environment or is statutorily exempt from review under the State Environmental Quality Review Act, and (iv) adopt retail project findings if required to be made under Article 18-A, Title 1, Section 862 of the General Municipal Law.

Exhibit K

Resolution of the New York City Industrial Development Agency reauthorizing a sales tax exemption program to assist small companies with purchases of, and services associated with, construction materials, equipment and furnishings for the purpose of upgrading, expanding, and growing business activities and authorizing certain other actions

WHEREAS, New York City Industrial Development Agency (the "Agency") has found that there are significant number of food retail, industrial and non-retail commercial businesses located in highly distressed areas and other ares of need in the City that cannot afford the costs associated with current Agency programs and that require assistance to invest in needed capital improvements including equipment upgrades, expansions or renovations;

WHEREAS, in order to provide incentives for such companies to implement capital improvements including equipment upgrades, expansions or renovations, the Agency seeks provide assistance to such businesses by reauthorizing, on the terms more particularly described in the executive summary to which this resolution is attached, the Accelerated Sales Tax Exemption Program (the "Program"), a program to provide sales tax exemptions in an amount not to exceed $100,000 for each company with respect to purchases of building, construction and renovation materials, machinery and equipment, and other items of personal property and installation and associated services to such businesses for the purpose of assisting such businesses with the renovation and improvement to their properties and other capital investment;

NOW, THEREFORE, BE IT RESOLVED BY THE NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY, AS FOLLOWS:

Section 1. The execution and delivery of Agency and Lease Agreements, sale agreements to convey items purchased or leased by approved applicants as agent of the Agency and such other agreements and documents as may be necessary or desirable to provide sales and use tax exemptions to approved applicants and to implement the Program (the documents referenced in this Section 1 being, collectively, the "Agency Documents"), each being substantially in the form similar to prior agreements approved by the Agency, is hereby authorized. The Chairman, Executive Director, Deputy Executive Director and General Counsel of the Agency are hereby authorized to execute, acknowledge and deliver each such Agency Document. The execution and delivery of each such Agency Document by said officer shall be conclusive evidence of due authorization and approval.

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 thereof by the provisions of this Resolution and 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 of the Agency Documents shall be deemed to be a covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his individual capacity and neither the members of the Agency nor any officer executing the Agency Documents shall be liable personally on the Agency Documents or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 3. Pursuant to the Agency Documents, each approved applicant will be required to comply, and to cause each of its contractors, subcontractors, agents, persons or entities to comply, with the terms and conditions of Section 875(1) and (3) of Title 1, Article 18-A of the General Municipal Law, as such provisions may be amended from time to time. Each approved applicant shall be required to 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 such applicant New York State sales or use tax savings taken or purported to be taken by such applicant, and any agent or any other person or entity acting on behalf of such applicant, to which such applicant is not entitled or which are in excess of the maximum sales or use tax exemption amount authorized for the project which shall not exceed $100,000 or which are for property or services not authorized or taken in cases where such applicant, or any agent or any other person or entity acting on behalf of such applicant, failed to comply with a material term or condition to use property or services in the manner required by this Resolution or any Agency Documents or any other agreements entered into among the Agency, such applicant and/or any agent or any other person or entity acting on behalf of such applicant. Each approved applicant shall, and shall require each agent and any other person or entity acting on behalf of such applicant, 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 such applicant under Article Twenty-Eight of the New York State Tax Law, together with any relevant penalties and interest due on such amounts.

Section 4. Each approved applicant will be notified (provided that such notification is not a covenant or obligation and does not create a duty on the part of the Agency to such applicant 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 such applicant, 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 such applicant, 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 Section 4 and Section 5 of this resolution 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, any applicant, or any agent or other person or entity acting on behalf of such applicant 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 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 agreements, 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 and the Agency Documents.

Section 6. The Agency recognizes that due to the nature of the Program 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. In addition, the Agency recognizes that in order to implement the Program, authority to make the following approvals, findings and actions shall be delegated to each of the Chairman, Executive Director, Deputy Executive Director and General Counsel of Agency so that any of the foregoing officers may exercise such authority: (i) the approval of qualified applicants to the Program; (ii) the approval of additional areas of need for the Program within the City for the Program; (iii) the approval of modifications to the terms approved hereby and Program requirements for individual projects which do not affect the intent and substance of this Resolution; (iv) the confirmation that each project to be approved is a Type II action (as defined in 6 CRR-NY 617.5) that will not have significant adverse impacts upon environment or is statutorily exempt from review under the State Environmental Quality Review Act; (v) the approval of findings required to be made by the

Agency with respect to the approval of certain retail projects under Section 862, Title 1, Article 18-A of the General Muncipal Law; and (vi) the authority to execute the Agency Documents required in connection with the provision of sales tax exemption benefits described herein to approved applicants.

Section 7. This Resolution shall take effect immediately.

ADOPTED: September 18, 2018