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 19, 2017

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

James Patchett, Chairman
Brian Cook, alternate for Scott M. Stringer,
Comptroller of The City of New York
Albert De Leon
Barry Dinerstein, alternate for Marisa Lago
the Chair of the City Planning Commission of The City of New York
James McSpiritt, alternate for Zachary W. Carter, Esq.,
Corporation Counsel of The City of New York
Jaques-Philippe Piverger
Carl Rodrigues, alternate for Alicia Glen,
Deputy Mayor for Housing and Economic Development of The City of New York
Robert Santos
Shanel Thomas

The following directors were not present:

Marlene Cintron
Kevin Doyle
Anthony Ferreri
Andrea Feirstein

Also present were (1) members of New York City Economic Development Corporation ("NYCEDC") staff and interns, (2) Scott Singer from Nixon Peabody LLP, (3), Seth Bryant from Bryant Rabbino LLP, (4) Arthur Cohen from Hawkins Delafield & Wood LLP, (5) Patricia Mollica and Alex Deland from Katten Muchin Rosenman LLP, (6) John Ravalli 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 9:00 a.m., at which point a quorum was present.

1. Adoption of the Minutes of the July 25, 2017 Board of Directors Meeting

Mr. Patchett asked if there were any comments or questions relating to the minutes of the July 25, 2017 Board of Directors meeting. There were no comments or questions; a motion to approve such minutes was made, seconded and unanimously approved.

2. Financial Statements for July 31, 2017 (Unaudited)

Carol Ann Butler, Assistant Vice President of NYCEDC, presented the Agency's Financial Statements for the eleven month period ending July 31, 2017 (Unaudited). Ms. Butler reported the following. For the month of July, the Agency recognized revenues in the amount of $108,000, which came from project finance fees from one closing. The Agency recognized revenues derived from compliance, application, post-closing, recapture and termination fees in the amount of $193,000 for the month of July. The Agency recognized operating expenses, largely consisting of the monthly management fee, in the amount of $285,000 for the month of July.

3. Audited Financial Statements for Fiscal Year Ended June 30, 2017

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, 2017.

On behalf of the Audit Committee, Mr. De Leon 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, 2017

Mr. Hobson and Mr. D'Ascoli presented for review and approval the Agency's Annual Investment Report for the Fiscal Year ended June 30, 2017.

On behalf of the Audit Committee, Mr. De Leon 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, 2017 attached hereto as Exhibit A, as submitted, and the Agency's Annual Investment Report for the Fiscal Year ended June 30, 2017 attached hereto as Exhibit B, as submitted, were made, seconded and unanimously approved.

5. Officer Appointment

Mr. Patchett presented for review and adoption a resolution to appoint Anne Shutkin as Executive Director of the Agency. A motion was made to adopt the resolution. The motion was seconded and unanimously approved.

6. Audit Committee Appointment

Anne Shutkin, Vice President of NYCEDC and Executive Director of the Agency presented for review and adoption a resolution to appoint Shanel Thomas as a member of the Audit Committee of the Agency. A motion was made to adopt the resolution. The motion was seconded and unanimously approved.

7. Performance Measurements Report

Ms. Shutkin 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.

8. Board Performance Self-Evaluation Survey Results

Ms. Shutkin presented the results of the Board's annual Self-Evaluation Survey (the "Survey"). Ms. Shutkin stated that eight out of thirteen Board members took the Survey.

On behalf of the Governance Committee, Mr. Santos stated that he would like to thank Agency staff for meeting with them and listening to their suggestions. Mr. Santos stated that the Governance Committee met several weeks prior to discuss the results of the survey. Mr. Santos stated that there was a slight drop off in the number of respondents so the survey will be made available earlier next year to give board members more time to respond. Mr. Santos also stated that overall the responses were positive and that ideally next year there will be more responses that will be equally positive. Mr. McSpiritt stated that the Governance Committee was pleased with the results. Mr. McSpiritt stated that the change in the schedule of the questionnaire and the timing may assist in improving the response rates.

9. Aetna Life Insurance Company

Krishna Omolade, a Senior Project Manager for NYCEDC, presented for review and adoption a Commercial Growth Program inducement and authorizing resolution for the benefit of Aetna Life Insurance Company ("Aetna") 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. Omolade described the project and its benefits, as reflected in Exhibit D.

In response to a question from Mr. McSpiritt, Mr. Patchett stated that as part of the project 50 out of 250 jobs would be sourced through the Agency's HireNYC programs and partnerships with New York City residents who are not traditional Aetna employees, which was very important to Agency staff and essential to the project. In response to a question from Mr. Cook, Mr. Omolade stated that building service workers would be hired at the project site, which would be operated by Vornado Realty Trust.

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

10. SDCL Progress Co-gen LLC

Mr. Omolade presented for review and adoption an Industrial Incentive Program inducement resolution for the benefit of SDCL Progress Co-gen LLC and recommended the adoption of a SEQRA negative declaration that the project would not have a significant adverse effect on the environment. Mr. Omolade described the project and its benefits, as reflected in Exhibit F.

Mr. Patchett stated that the significance of this project is much more on the environmental front than on the jobs front. Mr. Patchett stated that Agency staff support this project since it will enhance the Empire State Building's energy independence and set an example for future projects in the City's efforts to meet the mayor's greenhouse gas goals. In response to a question from Mr. McSpiritt, Mr. Omolade stated that the project utilizes an expansion of existing technology to a large scale, which will offset the energy usage of large commercial office buildings and reduce greenhouse gas emissions.

There being no comments or questions, a motion to approve the inducement resolution and SEQRA determination attached hereto as Exhibit G for the benefit of SDCL Progress Co-gen LLC was made, seconded and unanimously approved.

11. A & J Supermarket Corp.

Tida Infahsaeng, an Assistant Vice President for NYCEDC, presented for review and adoption a FRESH Program authorizing resolution for the benefit of A & J Supermarket Corp. Ms. Infahsaeng described the project and its benefits, as reflected in Exhibit H.

There being no further comments or questions, a motion to approve the authorizing resolution attached hereto as Exhibit I for the benefit of A & J Supermarket Corp. was made, seconded and unanimously approved.

12. BR-2012 Realty LLC

Edgar Avalos, a Project Manager for NYCEDC, presented for review and adoption an Industrial Incentive Program authorizing resolution for the benefit of BR-2012 Realty LLC. Mr. Avalos described the project and its benefits, as reflected in Exhibit J.

In response to a question from Mr. Cook, Mr. Avalos stated that the company is prepared to pay its employees the projected minimum wage of $15 per hour once implemented. In response to a question from Mr. Piverger, Ms. Shutkin stated that the company's employees have access to a 401K retirement plan and that Agency staff will find out if the company will match its employees' contributions to that plan. In response to a question from Mr. Dinerstein, Mr. Avalos stated that the project site is not contaminated.

There being no comments or questions, a motion to approve the authorizing resolution attached hereto as Exhibit K for the benefit of BR-2012 Realty LLC was made, seconded and unanimously approved.

13. Tristate Plumbing Services Corp.

Ms. Infahsaeng presented for review and adoption an Industrial Incentive Program authorizing resolution for the benefit of Tristate Plumbing Services Corp. Ms. Infahsaeng described the project and its benefits, as reflected in Exhibit L.

In response to a question from Mr. Cook, Ms. Infahsaeng stated that the company is prepared to pay its employees the projected minimum wage of $15 per hour once implemented.

There being no comments or questions, a motion to approve the authorizing resolution attached hereto as Exhibit M for the benefit of Tristate Plumbing Services Corp. was made, seconded and unanimously approved.

14. 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 9:38 a.m.

Arthur Hauser
Assistant Secretary

Dated: 10/26/17
New York, New York

Exhibit A

FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

New York City Industrial Development Agency
(A Component Unit of The City of New York)
Years Ended June 30, 2017 and 2016
With Report of Independent Auditors

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

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

Financial Statements and Supplemental Information

Years Ended June 30, 2017 and 2016

Contents

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

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, 2017 and 2016, 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, 2017 and 2016, 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, 2017, 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.

June 30, 2016

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

Management's Discussion and Analysis

June 30, 2017

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, 2017. Please read it in conjunction with the financial statements and accompanying notes, which follow this section.

2017 Financial Highlights

- Current assets decreased $0.5 million (or 1%)
- Current liabilities increased $10.0 million (or 6%)
- Unrestricted net position decreased $7.9 million (or 17%)
- Operating revenues decreased $1.3 million (or 35%)
- Operating expenses decreased $0.7 million (or 16%)
- Operating loss increased $0.7 million (or 177%)
- Non-operating expenses increased $4.1 million (or 148%)

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.

Financial Analysis of the Agency

Net Position – The following table summarizes IDA's financial position at June 30, 2017, 2016, and 2015 and the percentage changes between June 30, 2017, 2016 and 2015 *($ in thousands)*:

				% Change	
	2017	**2016**	**2015**	**2017–2016**	**2016–2015**
Current assets	**$ 45,267**	$ 45,781	$ 71,479	**(1)%**	(36)%
Non-current assets	**1,830,224**	1,857,201	1,851,839	**(1)**	**-**
Total assets	**1,875,491**	1,902,982	1,923,318	**(1)**	(1)
Deferred outflows of resources	**12,404**	18,517	18,317	**(33)**	1
Current liabilities	**171,684**	161,691	149,939	**6**	8
Non-current liabilities	**1,677,480**	1,713,216	1,741,982	**(2)**	(2)
Total liabilities	**1,849,164**	1,874,907	1,891,921	**(1)**	(1)
Total net position	**$ 38,731**	$ 46,592	$ 49,714	**(17)%**	(6)%

Fiscal Year 2017 Activities:

Current assets decreased by $0.5 million or 1% as a result of a decrease in restricted cash by returning funds to companies pending compliance with 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.

Fiscal Year 2016 Activities:

Current assets decreased by $25.7 million or 36% as a result of converting short-term investments to long-term investments.

Deferred outflows of resources increased by $0.2 million or 1% due to the 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 $11.8 million or 8% mainly due to an increase of the accreted interest payable of $9.4 million relating to the PILOT Revenue Bonds Series 2009A (Yankee Stadium Project).

Total non-current liabilities decreased by $28.8 million or 2% 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" 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 (the "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 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, 2017 and 2016, 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 Citifield ("Stadia Projects"), the Agency issued Tax-Exempt Payment in lieu of Taxes ("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 also charges servicing fees on any recapture of benefits from companies defaulting on their compliance requirements for IDA benefits.

The following table summarizes IDA's changes in net position for fiscal years 2017, 2016, and 2015 and the percentage changes between June 30, 2017, 2016, and 2015 *($ in thousands)*:

				% Change	
	2017	**2016**	**2015**	**2017–2016**	**2016–2015**
Operating revenues:					
Fee income	**$ 1,956**	$ 3,585	$ 6,345	**(45)%**	(43)%
Other income	**530**	230	430	**130**	(47)
Total operating revenues	**2,486**	3,815	6,775	**(35)**	(44)
Operating expenses:					
Management fees	**3,300**	4,052	4,552	**(19)**	(11)
Other expenses	**216**	135	213	**60**	(37)
Total operating expenses	**3,516**	4,187	4,765	**(16)**	(12)
Operating (loss) income	**(1,030)**	(372)	2,010	**177**	(119)
Non-operating revenues (expenses):					
Earnings on investments	**200**	230	193	**(13)**	19
Special project costs	**(7,031)**	(2,980)	(1,544)	**136**	93
PILOT lease income	**96,431**	94,067	96,200	**3**	(2)
PILOT investment income	**2,892**	2,963	2,761	**(2)**	7
Bond interest expense	**(99,323)**	(97,030)	(98,961)	**2**	(2)
Total non-operating revenues (expenses)	**(6,831)**	(2,750)	(1,351)	**148**	104
Change in net position	**(7,861)**	(3,122)	659	**(152)**	(574)
Beginning net position	**46,592**	49,714	49,055	**(6)**	1
Ending net position	**$ 38,731**	$ 46,592	$ 49,714	**(17)%**	(6)%

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 recapture benefits 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 $3.2 million in costs related to the FutureWorks NYC project, which was previously 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.

Fiscal Year 2016 Activities:

Fee income decreased by $2.8 million or 43%. This is primarily a result of the decrease in project finance fees relating to the NY Liberty Bond program in which the Agency has historically received half of the financing fees with the joint issuer, the New York Liberty Development Corp. These fees tend to vary from year to year, with little control by the Agency.

Other operating income decreased by $0.2 million or 47%. This is a result of a general decrease in income from recapture benefits during fiscal year 2016.

Total operating expenses decreased by $0.6 million or 12% 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 $1.4 million or 93%, as a result of $1,200,000 related to the Workforce1 Industrial & Transportation Career Center Satellites project during fiscal year 2016.

The Agency's net position decreased by $3.1 million or 6% due to the decrease in project finance fees collected from the NY Liberty Bond program.

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 Economic Development Corporation, 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 2017	June 30 2016
Assets		
Current assets:		
Cash and cash equivalents *(Note 3)*	**$ 2,092**	$ 5,934
Investments *(Note 3)*	**12,456**	8,957
Restricted cash *(Note 3)*	**3,111**	4,088
Fees receivable, net of allowance for doubtful accounts of $24,234 and $17,047, respectively	**503**	394
PILOT lease receivable, net *(Note 7)*	**27,105**	26,408
Total current assets	**45,267**	45,781
Non-current assets:		
Investments (*Note 3*)	**17,810**	22,417
Restricted cash and cash equivalents– stadia projects (*Note 3*)	**65,809**	70,303
Restricted investments – stadia projects (*Note 3*)	**85,586**	85,949
Secured interest on assets *(Note 1)*	**10,450**	10,450
PILOT lease receivable, net (*Note 7*)	**1,650,569**	1,668,082
Total non-current assets	**1,830,224**	1,857,201
Total assets	**1,875,491**	1,902,982
Deferred outflows of resources		
Derivative instrument – interest rate swap *(Note 6)*	**12,404**	18,517
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	**1,598**	42
Due to New York City Economic Development Corporation	**2,235**	867
Bonds payable – current	**27,105**	26,408
Interest payable on bonds	**136,888**	129,635
Unearned revenues	**747**	651
Other liabilities	**3,111**	4,088
Total current liabilities	**171,684**	161,691
Non-current liabilities:		
Bonds payable, net (*Note 5*)	**1,665,076**	1,694,699
Derivative instrument – interest rate swap *(Note 6)*	**12,404**	18,517
Total non-current liabilities	**1,677,480**	1,713,216
Total liabilities	**1,849,164**	1,874,907
Net position – unrestricted	**$ 38,731**	$ 46,592

See accompanying notes.

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

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	
	2017	2016
Operating revenues:		
Fee income *(Note 2)*	**$ 1,956**	$ 3,585
Recapture and other related benefits *(Note 2)*	**437**	187
Other income *(Note 2)*	**93**	43
Total operating revenues	**2,486**	3,815
Operating expenses:		
Management fees *(Note 4)*	**3,300**	4,052
Accounting fees	**61**	60
Consulting fees	**40**	–
Public hearing expenses	**46**	32
Marketing/advertising	**6**	4
Other expenses	**63**	39
Total operating expenses	**3,516**	4,187
Operating (loss) income	**(1,030)**	(372)
Non-operating revenues (expenses):		
Investment income	**200**	230
Special project costs *(Note 8)*	**(7,031)**	(2,980)
PILOT lease income	**96,431**	94,067
PILOT investment income	**2,892**	2,963
Bond interest expense	**(99,323)**	(97,030)
Total non-operating revenues (expenses)	**(6,831)**	(2,750)
Change in net position	**(7,861)**	(3,122)
Net position, unrestricted, beginning of year	**46,592**	49,714
Net position, unrestricted, end of year	**$ 38,731**	$ 46,592

See accompanying notes.

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

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	
	2017	2016
Operating activities		
Financing and other fees	**$ 2,012**	$ 3,560
Other income	**35**	40
Management fees paid	**(3,300)**	(4,052)
Consulting fees paid	**(40)**	–
Accounting fees paid	**(42)**	(59)
Public hearing fees paid	**(38)**	(35)
Marketing fees paid	**(5)**	(4)
Miscellaneous expenses paid	**(4)**	(14)
Funds held pending compliance with agreements	**43**	316
Return of funds held pending compliance with agreements	**(616)**	–
Recapture benefits and other penalties received	**6,462**	2,637
Payment to NYC and other agencies of recaptured benefits	**(6,513)**	(2,051)
Payment to EDC for contingency fees	**(35)**	(16)
Land sale proceeds	**54**	–
Net cash provided by operating activities	**(1,987)**	322
Investing activities		
Sale of investments	**168,038**	199,338
Purchase of investments	**(166,369)**	(182,938)
Net receipts from investment agreement termination	**96**	367
Investment income	**2,892**	2,963
Interest income	**3**	2
Purchase of secured interest on assets	**–**	(10,450)
Net cash provided by (used in) investing activities	**4,660**	9,282
Capital and related financing activities		
Interest payments on outstanding bonds	**(80,140)**	(78,411)
Bond principal redemption	**(31,650)**	(29,290)
Swap payments received	**4,427**	2,359
Swap payments made	**(7,594)**	(8,101)
Bond fees	**(6,039)**	(2,308)
PILOT revenue	**113,151**	118,028
Net cash provided by (used in) capital and related financing activities	**(7,845)**	2,277
Non-capital financing activities		
Special projects costs paid	**(4,141)**	(2,508)
Net cash used in non-capital financing activities	**(4,141)**	(2,508)
Net increase (decrease) in cash and cash equivalents	**(9,313)**	9,373
Cash and cash equivalents at beginning of year	**80,325**	70,952
Cash and cash equivalents at end of year	**$ 71,012**	$ 80,325

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

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 2017	2016
Reconciliation of operating income to net cash provided by operating activities		
Operating (loss) income	**$ (1,030)**	$ (372)
Adjustments to reconcile operating (loss) income to net cash provided by operating activities:		
Provision for bad debt	**12**	10
Changes in operating assets and liabilities:		
Fees receivable	**(122)**	(351)
Accounts payable and accrued expenses	**27**	(20)
Due to NYC Economic Development Corp.	**7**	13
Other liabilities	**(978)**	716
Unearned revenues	**97**	326
Net cash provided by operating activities	**$ (1,987)**	$ 322
Supplemental disclosures of non-cash activities:		
Unrealized loss on investments	**$ (126)**	$ (145)

See accompanying notes.

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

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 requests 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. These services include comprehensive financial management, processing and presentation of projects to the Board of Directors and project compliance monitoring.

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.

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 Financing Lease to the Beneficiary. The IDBs are secured by a collateral interest in the Financing Lease, the Beneficiary's project property and leases and, in certain circumstances, by guarantees from the Beneficiary or from its 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 concurrently conveys 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"). The Financing Lease includes a bargain purchase option, which allows the Beneficiary to 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 $3.29 billion and $4.69 billion for the years ended June 30, 2017 and 2016, respectively.

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

1. Background and Organization (continued)

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 and as such have no financial impact on the Agency's overall financial position or results of operations and, accordingly, are given no accounting recognition in the accompanying financial statements.

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 assets of equipment.

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.

2. Summary of Significant Accounting Policies (continued)

Investments

Investments held by the Agency are measured at fair value pursuant to GASB issued Statement No. 72, *Fair Value Measurement and Application.* The hierarchy is based on the evaluation inputs used to measure the fair value of the asset. 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.

Upcoming Accounting Pronouncements

In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, postemployment benefits (pensions and other postemployment) benefits, fair value measurement and application, and goodwill. The provisions of this statement are effective for fiscal years beginning after June 15, 2017. The Agency is evaluating the impact this standard will have on the Agency's financial statements.

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 will evaluate the impact this standard will have on its financial statements.

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 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.

2. Summary of Significant Accounting Policies (continued)

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, 2017, IDA remitted $6.5 million to the City and other agencies relating to these recapture benefits, of which $2.6 million was solely for the City. For the year ended June 30, 2016, IDA remitted $2.0 million to the City and other agencies relating to these recapture benefits, of which $1.5 million was solely 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 $1.3 million. Of this amount, $0.3 million was covered by the Federal Depository Insurance Corporation ("FDIC") and $1.0 million was collateralized with securities held by the pledging financial institution.

The Non-Stadia Projects restricted bank balance was $3.1 million. Of this amount, $0.4 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, 2017 and 2016, the Agency had the following investments *(in thousands)*: Investments maturities are shown for June 30, 2017 only.

	Fair Value		2017 Investment Maturities (In Years)	
	2017	2016	**Less Than 1**	**1 to 2**
Money Market	**$ 794**	$ 4,388	**$ 794**	**$ –**
Federal National Mort. Assn. Notes	**6,790**	–	**–**	**6,790**
Federal Home Loan Mort. Corp. Notes	**17,375**	14,375	**10,397**	**6,978**
Federal Home Loan Bank Notes	**3,795**	6,032	**999**	**2,796**
Federal Farm Credit Bank	**1,246**	6,782	**–**	**1,246**
Certificates of Deposit (over 90 days)	**1,059**	4,185	**1,059**	**–**
Total	**31,059**	35,762	**$13,249**	**$ 17,810**
Less: cash equivalents	**(794)**	(4,388)		
Total unrestricted investments	**$ 30,265**	$ 31,374		

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 (money market). All investments are either FDIC 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, 2017, the Agency's investments in Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank and Federal Home Loan Mortgage Corporation 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 and are not registered in the name of the Agency.

The Agency manages credit risk by limiting its custodial exposure to highly rated institutions and/or requiring high quality collateral 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, 2017**		**June 30, 2016**	
Federal Home Loan Mortgage Corp.	**$ 17,375**	**57.41%**	$ 14,375	45.82%
Federal Home Mortgage Assn.	**6,790**	**22.44**	–	–
Federal Home Loan Bank	**3,795**	**12.54**	6,032	19.23
Federal Farm Credit Bank	–	–	6,782	21.62

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.

3. Deposits and Investments (continued)

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 $12.3 million as of June 30, 2017. The restricted cash equivalents and restricted investments for the Stadia Projects were $53.4 million and $85.6 million, respectively, as of June 30, 2017.

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. These services include comprehensive financial management, processing and presentation of projects to the Board of Directors, and project compliance monitoring.

The fixed annual fee for these services is based on an agreement between NYCEDC and the Agency. Such fees amounted to $3.3 million and $4.1 million for the years ended June 30, 2017 and 2016, respectively. The decrease in the management fee is a result of bond transactions and related administrative costs being undertaken by Build NYC Resource Corporation, ("Build NYC"), a local development corporation organized to assist entities in obtaining tax-exempt and taxable bond financing, rather than by the Agency.

5. Bonds Payable

The changes in outstanding Series 2006 and Series 2009 Tax Exempt PILOT Bonds for the years ended June 30, 2017 and 2016 are summarized as follows *(in thousands)*:

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**	

2016:

Description	Bonds Outstanding June 30, 2015	New Bond Issuances	Matured/ Called/ Redeemed	Bonds Outstanding June 30, 2016	Amount Due Within One Year
Queens Baseball Stadium Project:					
Series 2006 PILOT Bonds, 3.6% to 5%, due 2046	$ 511,555	$ –	$ 7,015	$ 504,540	$ 7,335
Series 2009 PILOT Bonds, 4.0% to 6.50%, due 2046	78,000	–	850	77,150	890
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	198,120	–	13,135	184,985	13,650
Series 2009 Capital Appreciation Bonds, 4.03% to 7.90%, due 2047	53,486	–	4,228	49,258	4,533
Series 2009 Current Interest Term Bonds, 7.00%, due 2049	191,960	–	–	191,960	–
Total	1,695,791	$ –	$ 25,228	1,670,563	$ 26,408
Net premium (discount)	53,102			50,544	
Bonds payable, net	$ 1,748,893			$ 1,721,107	

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, 2017 and 2016, $497.2 million and $504.5 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 Tax Exempt PILOT Bonds (Queens Baseball Stadium Project) Series 2009 in the amount of $82.3 million (the "PILOT Bonds") for the purpose of financing the completion 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") (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, 2017 and 2016, $76.3 million and $77.2 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, 2017 and 2016 were 4.10% and 3.97%, respectively, due to the bond redemption during the fiscal year 2017. The average

5. Bonds Payable (continued)

CPI Swap interest rates for the years ended June 30, 2017 and 2016 were 2.54% and 1.33%, 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, 2017 and 2016, $834.0 million and $847.7 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 purpose of completion 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 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, 2017 and 2016, $236.7 million and $241.2 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
2018	$ 27,105	$ 94,387	$ 121,492
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
2023–2027	167,787	410,265	578,052
2028–2032	207,064	355,053	562,117
2033–2037	263,484	287,694	551,178
2038–2042	335,808	207,226	543,034
2043–2047	389,367	106,063	495,430
2048–2049	137,836	11,418	149,254
Total	$ 1,644,155	$ 1,832,883	$ 3,477,038

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, 2017. 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 3.03% on June 30, 2017, 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**
2018	$ 14,195	$ 5,199	$ 1,860	$ 21,254
2019	14,765	4,784	1,713	21,262
2020	15,360	4,346	1,558	21,264
2021	15,995	3,887	1,395	21,277
2022	16,655	3,404	1,224	21,283
2023–2027	94,365	8,952	3,232	106,549
Total	$ 171,335	$ 30,572	$ 10,982	$ 212,889

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 $12.4 million and $18.5 million at June 30, 2017 and 2016, 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 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, 2017:

Swap Effective Date	Swap Termination Date	Fixed Rate Paid	Variable Rate Received	Outstanding Notional Amounts	Counterparty ***
8/22/2006	3/1/2018	3.960	CPI Rate**	$14,195,000	Goldman Sachs Bank USA
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 fair value balance and notional amounts of derivative instruments are within Level 2 category of the fair value hierarchy. The changes in fair value of such derivative instruments for the year ended as reported in the 2017 financial statements are as follows *(in thousands)*:

Change in Fair Value		Fair Value at June 30, 2017		Notional
Classification	**Amount**	**Classification**	**Amount**	**Amount**
Deferred inflow of resources	$ 234	Debt	$ (292)	$ 14,195
Deferred inflow of resources	286	Debt	(517)	14,765
Deferred inflow of resources	359	Debt	(712)	15,360
Deferred inflow of resources	451	Debt	(905)	15,995
Deferred inflow of resources	542	Debt	(1,110)	16,655
Deferred inflow of resources	627	Debt	(1,327)	17,350
Deferred inflow of resources	712	Debt	(1,546)	18,075
Deferred inflow of resources	794	Debt	(1,772)	18,835
Deferred inflow of resources	862	Debt	(1,992)	19,630
Deferred inflow of resources	923	Debt	(2,231)	20,475
	$ 6,113		$ (12,404)	

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, 2017, 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, 2017 remains constant over the life of the leases.

7. PILOT Lease Receivable, Net (continued)

At June 30, 2017 and 2016, the outstanding leases and the receivable amounts were as follows *(in thousands)*:

	2017	2016
Queens Stadium Project, through 2046	**$ 1,083,801**	$ 1,119,483
Yankee Baseball Stadium Project, through 2049	**2,287,734**	2,362,018
Aggregate lease receivable – gross	**3,371,535**	3,481,501
Less: deferred interest	**(1,693,861)**	(1,787,011)
Aggregate lease receivable – net	**$ 1,677,674**	$ 1,694,490

The aggregate lease receipts due through 2022 and thereafter are as follows *(in thousands)*:

	Queens Stadium	Yankee Stadium	Total
2018	$ 43,900	$ 84,235	$ 128,135
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
2023–2027	220,700	321,179	541,879
2028–2032	221,750	321,173	542,923
2033–2037	223,150	321,180	544,330
2038–2042	225,100	321,179	546,279
2043–2047	158,900	384,665	543,565
2048–2050	–	162,929	162,929
	1,269,450	2,253,480	3,522,930
Less: restricted funds related to stadia projects			(151,395)
			$ 3,371,535

7. PILOT Lease Receivable, Net (continued)

Lease payment receivable activity for the years ended June 30, 2017 and 2016, was as follows *(in thousands)*:

	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**

	Beginning Balance July 1, 2015	Additions	Reductions	Ending Balance June 30, 2016
Gross receivable	**$ 3,600,352**	**$ –**	$ (118,851)	**$ 3,481,501**
Less: deferred interest	**1,881,534**	**–**	(94,523)	**1,787,011**
Net receivable	**$ 1,718,818**	**$ –**	$ (24,328)	**$ 1,694,490**

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 $23.1 million with an outstanding obligation at June 30, 2017, of approximately $6.1 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	$ 731	$ –	$ 64
Willets Point Development Strategy	03/13/07	3,954	3,486	468	–
Hunts Point Food Distribution Center, Development Feasibility Studies	12/11/07	700	478	–	222
Lower Manhattan Business Expansion Competition	07/26/11	950	430	520	–
Harlem Incubator	02/14/12	500	220	280	–
New York's Next Top Makers	01/08/13	930	907	–	23
Staten Island Incubator	04/09/13	250	250	–	–
LINK: Progress Networks	06/11/13	620	615	5	–
LINK: Fast Track Entrepreneurship Program	06/11/13	930	482	448	–
Downtown Jamaica Workspace	12/10/13	250	–	–	250
Industrial Growth Initiative – Phase IV	01/13/15	310	256	–	54
Living Lab Network – Phase I	04/14/15	600	312	–	288
Workforce1 Industrial & Transportation Career Center Satellites	06/09/15	3,200	1,529	71	1,600
Neighborhood Retail Strategy Survey	7/21/15	50	50	–	–
Food Supply Chain Study	12/8/15	300	–	300	–
North Brooklyn Industrial Business Zone Land Use Framework	12/8/15	500	498	–	2
FutureWorks NYC / Advanced Manufacturing Network Centers	12/8/15	8,295	4,728	–	3,567
		$ 23,134	$ 14,972	$ 2,092	$ 6,070

For the years ended June 30, 2017 and 2016, $7.0 million and $3.0 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 matters 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; errors and omissions; 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			June 30,	
	Unrestricted	Queens Baseball Stadium Project	Yankee Baseball Stadium Project	Total Restricted	2017	2016
Assets						
Current Assets:						
Cash and cash equivalents	$ 2,092	$ -	$ -	$ -	$ 2,092	$ 5,934
Investments (Note 5)	12,456	-	-	-	12,456	8,957
Restricted cash (Note 5)	3,111	-	-	-	3,111	4,088
Fees receivable, net of allowance for doubtful accoun of $24,234 and $17,047, respectively	503	-	-	-	503	394
PILOT lease receivable, net	-	8,635	18,470	27,105	27,105	26,408
Total current assets	18,162	8,635	18,470	27,105	45,267	45,781
Non-current assets:						
Investments	17,810	-	-	-	17,810	22,417
Restricted cash and cash equivalents-stadia projects	-	45,389	20,420	65,809	65,809	70,303
Restricted investments -stadia projects		-	85,586	85,586	85,586	85,949
Secured interest on assets	10,450	-	-	-	10,450	10,450
PILOT lease receivable, net	-	545,899	1,104,670	1,650,569	1,650,569	1,668,082
Total non-current assets	28,260	591,288	1,210,676	1,801,964	1,830,224	1,857,201
Total assets	46,422	599,923	1,229,146	1,829,069	1,875,491	1,902,982
Deferred outflows of resources						
Derivative instrument - interest rate swap	-	-	12,404	12,404	12,404	18,517
Liabilities						
Current liabilities:						
Accounts payable and accrued expenses	1,598	-	-	-	1,598	42
Due to NYC Economic Development Corp.	2,235	-	-	-	2,235	867
Bonds payable - current	-	8,635	18,470	27,105	27,105	26,408
Interest payable on bonds	-	14,748	122,140	136,888	136,888	127,404
Unearned revenues	747	-	-	-	747	651
Other liabilities	3,111	-	-	-	3,111	4,088
Total current liabilities	7,691	23,383	140,610	163,993	171,684	159,460
Non-current liabilities						
Bonds payable, net	-	576,540	1,088,536	1,665,076	1,665,076	1,694,699
Derivative instrument-interest rate swap	-	-	12,404	12,404	12,404	18,517
Total non-current liabilities	-	576,540	1,100,940	1,677,480	1,677,480	1,713,216
Total liabilitites	7,691	599,923	1,241,550	1,841,473	1,849,164	1,872,676
Net position - unrestricted	**$ 38,731**	**$ -**	**$ -**	**$ -**	**$ 38,731**	**$ 48,823**

See accompanying notes.

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

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, 2016, 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, 2016.

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.

June 30, 2016

Summary Financial Information

SUMMARY STATEMENT OF NET ASSETS

Assets	
Current Assets	
Cash and cash equivalents	$5,203,100
Investments	$12,455,599
Receivables, net	$27,608,597
Other assets	$0
Total Current Assets	$45,267,296
Noncurrent Assets	
Restricted cash and investments	$169,204,923
Long-term receivables, net	$1,650,568,841
Other assets	$22,853,519
Capital Assets	
Land and other nondepreciable property	$0
Buildings and equipment	$0
Infrastructure	$0
Accumulated depreciation	$0
Net Capital Assets	$0
Total Noncurrent Assets	$1,842,627,283
Total Assets	**$1,887,894,579**

Summary Financial Information

SUMMARY STATEMENT OF NET ASSETS

Liabilities	
Current Liabilities	
Accounts payable	$7,619
Pension contribution payable	$0
Other post-employment benefits	$0
Accrued liabilities	$1,590,207
Deferred revenues	$747,558
Bonds and notes payable	$27,105,125
Other long-term obligations due within one year	$142,233,894
Total Current Liabilities	$171,684,403
Noncurrent Liabilities	
Pension contribution payable	$0
Other post-employment benefits	$0
Bonds and notes payable	$1,665,076,130
Long Term Leases	$0
Other long-term obligations	$12,403,519
Total Noncurrent Liabilities	$1,677,479,649
Total Liabilities	**$1,849,164,052**
Net Asset (Deficit)	
Net Asset	
Invested in capital assets, net of related debt	$0
Restricted	$0
Unrestricted	$38,730,527
Total Net Assets	**$38,730,527**

Summary Financial Information

SUMMARY STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS

Operating Revenues	
Charges for services	$1,956,414
Rental & financing income	$0
Other operating revenues	$529,961
Total Operating Revenue	**$2,486,375**
Operating Expenses	
Salaries and wages	$0
Other employee benefits	$0
Professional services contracts	$3,401,222
Supplies and materials	$0
Depreciation & amortization	$0
Other operating expenses	$115,211
Total Operating Expenses	$3,516,433
Operating Income (Loss)	**($1,030,058)**
Nonoperating Revenues	
Investment earnings	$199,995
State subsidies/grants	$0
Federal subsidies/grants	$0
Municipal subsidies/grants	$0
Public authority subsidies	$0
Other nonoperating revenues	$0
Total Nonoperating Revenue	**$199,995**

Summary Financial Information

SUMMARY STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS

Nonoperating Expenses	
Interest and other financing charges	$0
Subsidies to other public authorities	$0
Grants and donations	$0
Other nonoperating expenses	$7,031,172
Total Nonoperating Expenses	**$7,031,172**
Income (Loss) Before Contributions	**($7,861,235)**
Capital Contributions	$0
Change in net assets	($7,861,235)
Net assets (deficit) beginning of year	$46,591,762
Other net assets changes	$0
Net assets (deficit) at end of year	**$38,730,527**

Exhibit B

NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY
INVESTMENT REPORT

Board of Directors Meeting, September 19, 2017

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, 2017 annexed hereto (including all attachments, schedules and exhibits thereto).

NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY
INVESTMENT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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 13, 2017 (the "Investment Policy"). The Investment Policy approved by the Agency's Board of Directors on June 13, 2017 did not contain any substantive amendments as compared to the Investment Policy approved by the Agency's Board of Directors on June 14, 2016.

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, 2017 are attached hereto as Schedule II.

Investment Income Record

Investment income from interest earned on bank accounts, certificates of deposits and securities was $199,995 for the fiscal year ended June 30, 2017.

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, 2017.

<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 13, 2017

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.

<u>SCHEDULE II</u>
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, 2017 and 2016
With Report of Independent Auditors

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

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

Schedule of Investments

Years Ended June 30, 2017 and 2016

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, 2017 and 2016, 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, 2017 and 2016, in conformity with U.S. generally accepted accounting principles.

Report on the Financial Statements as of June 30, 2017 and 2016

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, 2017 and 2016, and our report thereon dated _____, 2017, 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 _____, 2017, 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.

_____, 2017

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

Schedule of Investments
(In Thousands of Dollars)

	June 30	
	2017	**2016**
Investments		
Unrestricted	**$ 31,059**	$ 35,762
Restricted Funds Held in Account – Stadia Projects	**139,063**	137,118
Total investments	**$ 170,122**	$ 172,880

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, 2017

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, commercial and not-for-profit organizations 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 participating organizations (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. In addition, the Agency assists participants through "straight lease" structures. The straight lease provides tax benefits to the participants to incentivize the acquisition and capital improvement of their facilities. Whether the Agency issues IDBs or merely enters into a straight lease, 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 conveys 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"). The Financing Lease includes a bargain purchase option, which allows the Beneficiary to repurchase the property for a nominal sum upon expiration of the Financing Lease and after satisfaction of all terms thereof.

The IDBs are special nonrecourse conduit debt obligations of the Agency which are payable solely from the rents and revenues provided for in the Financing Lease to the Beneficiary. The IDBs are secured by a collateral interest in the Financing Lease, the Beneficiary's Property and leases and, in certain circumstances, by guarantees from the Beneficiary or from its principals or affiliates or other forms of additional security. Both the IDBs and certain provisions of the Financing Lease are administered by independent bond trustees appointed by the Agency.

1. Background and Organization (continued)

Due to the fact that (1) the IDBs are nonrecourse conduit debt obligations to the Agency, (2) the Agency assigns its interest in the Financing Lease as collateral and (3) since 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 as a result of the Financing Transaction, the Financing Transaction itself is given no accounting recognition in the 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 public officials 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 the Lease Agreement with Yankee Stadium, LLC and the Lease Agreement and Installment Sales Agreement with Queens Ballpark Company, LLC and, accordingly, are given no accounting recognition in the financial statements.

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, 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.

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 cash equivalents and restricted investments for the stadia projects were $53,477,289 and $85,585,812, respectively, as of June 30, 2017.

3. Investments

As of June 30, 2017 and 2016, the Agency had the following investments. Investment maturities are shown for June 30, 2017, only (dollars in thousands).

	Fair Value		2017 Investment Maturities (In Years)	
	2017	**2016**	**Less Than 1**	**1 to 2**
Money Market	**$ 794**	$ 4,388	**$ 794**	**$ –**
Federal National Mort. Assn. Notes	**6,790**	–	**–**	**6,790**
Federal Home Loan Mort. Corp. Notes	**17,375**	14,375	**10,397**	**6,978**
Federal Home Loan Bank Notes	**3,795**	6,032	**999**	**2,796**
Federal Farm Credit Bank	**1,246**	6,782	**–**	**1,246**
Certificates of Deposit (over 90 days)	**1,059**	4,185	**1,059**	**–**
Total	**31,059**	35,762	**$ 13,249**	**$ 17,810**
Less: cash equivalents	**(794)**	(4,388)		
Total unrestricted investments	**$ 30,265**	31,374		

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, 2017, the Agency's investments in Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank and Federal Home Loan Mortgage Corporation 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 custodial credit risk by limiting its investments 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, 2017**		**June 30, 2016**	
Federal Home Loan Mortgage Corp.	**$ 17,375**	**57.41%**	$ 14,375	45.82%
Federal National Home Mortgage Assn.	**6,790**	**22.44**	–	–
Federal Home Loan Bank	**3,795**	**12.54**	6,032	19.23
Federal Farm Credit Bank	–	–	6,782	21.62

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, 2017, and the related notes to the Schedule of Investments, and have issued our report thereon dated _____, 2017.

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.

_____, 2017

Exhibit C

NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY
Performance Measurements Report
Board of Directors Meeting
September 19, 2017

WHEREAS, the Public Authorities Law requires the New York City Industrial Development Agency (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 13, 2017, the Board adopted the performance measurements listed in the Performance Measurements Report for the fiscal year ending June 30, 2017 (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 2017

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	FY17 7/1/16-6/30/17	FY16 7/1/15-6/30/16
Number of Contracts Closed	7	14
Amount of Private Investment Leveraged	$104,079,304	$942,234,904
Total net City tax revenues generated in connection with closed contracts	$58,267,187	$312,628,341
Projected three-year job growth in connection with closed contracts	252	3,639
Current total jobs reported by projects closed in FY2014*, compared to total jobs reported at time of application for such projects	2,663/131 (+2,532)**	1,498/131 (+1367)
Current total jobs reported by projects closed in FY2014*, compared to three-year total job growth projections stated in the applications for such projects	2,663/3448 (-784.5)**	1,498/523 (+975)
Square footage of buildings/improvements receiving benefits	907,901	2,648,739
Number of projects that received a field visit	117	120
% of projects that received a field visit	32.50%	30.45%
% of projects in good standing	99%	99%

* Does not include projects which terminated prior to FY2017.
** Does not include a large commercial developer project that closed during FY2014. The developer project has a projected tenant employment of 8400 full-time equivalent jobs to be created by 2025. The construction of the project is scheduled to complete in March 2022. Also excludes large straight-lease project that closed during FY2014. The straight-lease project has a projected employment of 764 full-time equivalent jobs to be created by 2021. The construction of the project is scheduled to be complete in December 2018.

Exhibit D

New York City
Industrial Development Agency

COMMERCIAL GROWTH PROGRAM PROPOSAL
AETNA LIFE INSURANCE COMPANY
MEETING OF SEPTEMBER 19, 2017

Project Summary

Aetna Life Insurance Company, a Connecticut corporation (the "Applicant") and Aetna Corporate Services LLC, a Delaware limited liability company (the "Company") are subsidiaries of Aetna Inc., (the "Aetna Inc." and, together with the Applicant and Company, collectively, "Aetna"), a publicly-traded health care benefits company that provides insurance and health care services for individuals, companies, doctors and health care practitioners, and hospitals. The Applicant seeks financial assistance in connection with the renovation, furnishing and equipping (the "Project") of approximately 145,741 square feet of office space leased by the Applicant (the "Facility") in an approximately 168,328 square foot commercial building (the "Building") under construction on an approximately 12,298 square foot parcel of land located at 61 9th Avenue, New York, New York 10011 (the "Premises"). The Premises is owned by G.D.C.L. Holdings LLC, an affiliate of Vornado Realty Trust. The Facility will serve as the corporate headquarters for Aetna Inc. It is anticipated that the total cost of the Project will be approximately $84,900,000. Based on a review of the Project, Agency staff has concluded that it is likely to be completed within two years of the closing date.

Current Location

151 Farmington Avenue RW61
Hartford, Connecticut 06156

Project Location

61 9th Avenue
New York, New York

Actions Requested

- Inducement and Authorizing Resolution for a Commercial Growth Program transaction.
- Adopt a SEQRA determination that the proposed Project is a Type II action and therefore no further environmental review is required.

Anticipated Closing

November 2017

Impact Summary

Employment	
Jobs at Application:	0
Jobs to be Created at Project Location (Year 3):	250
Total Jobs (full-time equivalents)	**250**
Projected Average Hourly Wage (excluding principals)	**$60.31**
Highest Wage/Lowest Wage	**$216.71/16.89**

Estimated City Tax Revenues	
Impact of Operations (NPV 13 years at 6.25%)	$23,607,438
One-Time Impact of Renovation	4,820,364
Total impact of operations and renovation	**$28,427,802**
Additional benefit from jobs to be created	**$50,954,628**

Estimated Cost of Benefits Requested: New York City	
Property Tax Abatement (NPV, 10 years at 6.25%)	$3,636,845
Sales Tax Exemption	2,535,212
Agency Financing Fee	(936,500)
Total Cost to NYC Net of Financing Fee	**$5,235,557**
Available As-of-Right Benefits (ICAP)	$0
Agency Benefits In Excess of As-of-Right Benefits	$5,235,557

Aetna Life Insurance Company

Costs of Net City Benefits Per Job	
Estimated Net Cost of NYCIDA Benefits per Total Jobs	$20,942
Estimated Net City Tax Revenue per Total Jobs	$317,530

Estimated Cost of Benefits Requested: New York State	
Sales Tax Exemption	$2,464,788
Total Cost to NYS	**$2,464,788**

Sources and Uses

Sources	Total Amount	Percent of Total Financing
Company Funds	$ 84,900,000	100%
Total	**$ 84,900,000**	**100%**

Uses	Total Amount	Percent of Total Costs
Fixed Tenant Improvements	$ 67,400,000	79%
Furnishings and Equipment	11,300,000	13%
Soft Costs	6,200,000	8%
Total	**$ 84,900,000**	**100%**

Fees

	Paid At Closing	On-Going Fees (NPV, 13 Years)
Agency Fee	$ 936,500	
Project Counsel	Hourly	
Annual Agency Fee	25,000	218,120
Total	937,750	
Total Fees	**$ 961,500**	

Financing and Benefits Summary

The Project will be funded by Aetna's internal funds. The financial assistance proposed to be conferred by the Agency will consist of a credit of $500,000 per year for ten years to be applied to real property taxes applicable to the Facility, and an exemption from City and State sales and use taxes not to exceed $5,000,000 to renovate, furnish, and equip the Facility. Aetna will make PILOT payments equal to its proportionate share of actual property taxes less the PILOT Credit. A portion of the sales and use tax exemption is conferred as a $3,000 credit for each employee relocated to the Project. In addition, Aetna is expected to receive approximately $782,000 in energy cost savings through the Business Incentive Rate program administered by the Consolidated Edison Company.

Company Performance and Projections

The Project will enable Aetna to establish its corporate headquarters in New York City and contribute to the City's vibrant health care and technology ecosystem. The Facility will include an innovation lab that will identify and develop new programs and initiatives in preventative care. Upon the completion of the Project, Aetna Inc. will be the seventh largest publicly traded company headquartered in the City. The Building is expected to be completed in the second quarter of 2018, and Aetna expects to complete the Project by the fourth quarter of 2018. The Building is expected to include a ground floor retail use that will not receive financial assistance from the Agency. After completion of the Project, Aetna anticipates relocating and/or hiring 250 full-time equivalent employees over

the next three years and maintaining such equipment at the Facility until June 30, 2030 (the "Term"). Aetna Inc. will also commit to maintain its headquarters in New York City during the Term.

Inducement

I. Aetna needs a new headquarters to accommodate its evolving business model and future growth.
II. Aetna has explored relocating its headquarters to another state, including Massachusetts, where it is less expensive to construct a suitable headquarters.
III. Aetna needs a new property to house appropriately scaled corporate headquarters operations.

UTEP Considerations

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

I. The Project will create permanent private-sector jobs.
II. The Project will generate approximately $84,900,000 in private-sector investment.
III. The Project is likely to be completed in a timely manner.

Applicant Summary

Aetna Inc. was founded in 1853 in Hartford Connecticut. Today they are the one of the largest health care benefits companies in the world. Aetna's nearly 50,000 employees serve an estimated 44.9 million people across the United States and around the world. Aetna offers a variety of health related insurance products including medical, pharmacy, dental, and behavioral health insurance. Aetna has been at the forefront of using technology and data to improve health outcomes of its customers such as creating personalized care plans for the chronically ill, the use of telemedicine that allows patients to virtually connect with health care professionals, and apps and wearable technology to help customers keep track of their health. Through its foundation Aetna has contributed over $334 million in grants and sponsorships to organizations focused on improving access to healthy food, strengthening underserved communities, and reducing racial and ethnic disparities in the health care industry.

Mark Bertolini, Chairman and Chief Executive Officer

Mr. Bertolini is the Chairman and Chief Executive Officer of the Company and Aetna Inc. He has served as Chief Executive Officer since 2010 and Chairman since 2011. Mr. Bertolini first joined the Company in 2003 as head of Specialty Products. From 2007 through 2014, Mr. Bertolini was President of Aetna Inc. Mr. Bertolini held executive positions at Cigna, NYLCare Health Plans, and SelectCare, Inc. Mr. Bertolini has a Bachelor's Degree in business administration and finance from Wayne State University and a Masters of Business Administration from Cornell University.

Karen Lynch, President

Ms. Lynch is the President of Aetna Inc. and has served in this position since 2015. Ms. Lynch is the first woman to serve as President in Aetna Inc.'s 164-year history. Ms. Lynch joined Aetna Inc. in 2012 as executive vice president and head of Specialty Products. Prior to joining Aetna Ms. Lynch held executive positions at Cigna and Magellan Health Services. Ms. Lynch has a Bachelor's degree in Accounting from Boston College and a Masters in Business Administration from Boston University. In 2015, Ms. Lynch received an honorary doctorate degree of humane letters from Becker College in Massachusetts.

Employee Benefits

Company employees will receive medical, dental and vision coverage; contributions to a retirement plan; and tuition, student loan repayment, and adoption assistance.

Aetna Life Insurance Company

Recapture

Pursuant to UTEP, all benefits are subject to negotiated recapture requirements during the Term.

SEQRA Determination

Type II Action, which, if implemented, will not result in significant adverse environmental impacts. The completed Environmental Assessment Form for this project has been reviewed and signed by Agency staff.

Due Diligence

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

Compliance Check:	Not applicable
Living Wage:	Compliant
Paid Sick Leave:	Compliant
Affordable Care Act:	ACA Coverage Offered
Bank Account:	U.S. Bank
Bank Check:	Relationships are reported to be satisfactory.
Supplier Checks:	Not applicable
Customer Checks:	Not applicable
Unions:	Not applicable
Vendex Check:	No derogatory information was found.
Attorney:	Robert Stillman Aetna Life Insurance Company 151 Farmington Avenue Hartford, Connecticut 06156
Accountant:	Jerry Bellizzi Aetna Life Insurance Company 151 Farmington Avenue Hartford, Connecticut 06156
Community Board:	Manhattan, CB #4

July 24, 2017

New York City Industrial Development Agency
c/o Mr. Jeffrey Lee
Senior Vice President, Strategic Investments Group
New York City Economic Development Corporation
110 William Street
New York, NY 10038

Re: Project X

Dear Mr. Lee:

This letter is being delivered by Aetna Life Insurance Company, (the "Applicant"), a subsidiary of Aetna Inc. (together, along with other affiliated entities, "Aetna") 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 incentive programs. The Applicant is seeking tax incentive benefits for the capital investments to the Project property and relocated and newly hired employees related to the Project.

The Project is anticipated to include total capital expenditures (including construction, furniture/fixtures, design costs, etc.) of up to $85M in a ~145,000 retail square foot, Class A development at the intersection of 9th Avenue and 15th Street. The Project's location will ultimately house 250 relocated and newly hired employees and serve as Aetna's corporate headquarters upon estimated completion in October 2018. We anticipate significant economic benefits for the City in the form of increased tax collections from direct and indirect employment, purchases and frequently visiting employees, vendors and customers. Furthermore, we anticipate significant economic and social benefits for the local community in the form of increased retail sales revenue and additional community involvement.

The tax incentive benefits for which the Applicant has applied to the NYCIDA are vital to the economic feasibility of the Project. The City's ongoing support and commitment to provide financial assistance for some Project costs (including capital improvements and human capital related costs) has been an important factor for Aetna in choosing NYC as the Project location given higher costs than alternative locations.

The Applicant looks forward to working closely with the NYCIDA and other City agencies in developing and implementing the Project.

Sincerely,

Brian M. O'Linn
Assistant Vice President

Exhibit E

Resolution inducing the undertaking of a commercial facility for Aetna Inc. 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, Aetna Life Insurance Company (the "Applicant") and Aetna Corporate Services LLC (the "Company") have entered into negotiations with officials of the Agency for the renovation, furnishing and equipping of a commercial facility (the "Facility"), consisting of the renovation, furnishing and/or equipping of approximately 145,741 square feet of office space leased by the Applicant from 61 Ninth Avenue Development LLC (the "Landlord") in an approximately 168,328 square foot commercial building (the "Building") under construction on an approximately 12,298 square foot parcel of land (the "Land"; and, collectively with the Building, the "Landlord Facility") located at 61 9th Avenue, New York, New York 10011, all for the use by Aetna Inc. ("Aetna"), the parent of the Applicant and the Company, as its corporate hedquarters, for lease to the Agency by the Applicant and sublease by the Agency to the Applicant, and having an approximate total project cost of approximately $84,900,000 (the "Project"); and

WHEREAS, the Applicant has submitted a Project Application (the "Application") to the Agency to initiate the accomplishment of the above; and

WHEREAS, the Application sets forth certain information with respect to the Applicant, the Company, Aetna and the Project, including the following: that Aetna is currently located in Hartford, Connecticut; that Aetna has investigated alternative facilities located in Massachusetts; that the Applicant, the Company and Aetna expect to re-locate and/or employ approximately 250 full time equivalent employees within the three years following the completion of the Project; that the Applicant, the Company and Aetna must obtain Agency financial assistance in the form of a straight-lease transaction to enable the Applicant, the Company and Aetna to proceed with the Project and thereby locate Aetna's corporate headquarters operations in the City; and that, based upon the financial assistance provided through the Agency, the Applicant, the Company and Aetna desire to proceed with the Project and locate Aetna's corporate headquarters operations in the City; and

WHEREAS, based upon the Application, the Agency hereby determines that Agency financial assistance and related benefits in the form of a straight-lease transactions between the Agency and the Applicant and between the Agency and the Landlord are necessary to induce Aetna to locate its corporate headquarters in the City; and

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

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

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

Section 4. The execution and delivery of a Landlord Company Lease from the Landlord to the Agency leasing the Landlord Facility to the Agency, a Landlord Lease Agreement from the Agency to the Landlord subleasing the Landlord Facility to the Landlord, 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"), the execution and delivery of a Project Agreement among the Agency, the Applicant, the Company and Aetna (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, the Company and Aetna to assist in the Project.

Section 6. All covenants, stipulations, obligations and agreements of the Agency contained in this Resolution and contained in the Agency Documents shall be deemed to be the covenants, stipulations, obligations and agreements of the Agency to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Agency and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Agency or the members thereof by the provisions of this Resolution or the Agency Documents shall be exercised or performed by the Agency or by such members, officers, board or body as may be required by law to exercise such powers and to perform such duties.

No covenant, stipulation, obligation or agreement herein contained or contained in the Agency Documents shall be deemed to be a covenant, stipulation, obligation or agreement of any member, director, officer, agent or employee of the Agency in his or her individual capacity and neither the members nor the directors of the Agency nor any officer executing any Agency Document shall be liable personally for any amounts payable thereunder or arising from claims thereon or be subject to any personal liability or accountability by reason of the execution and delivery or acceptance thereof.

Section 7. The officers of the Agency are hereby designated the authorized representatives of the Agency, and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other

documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution. The Agency recognizes that due to the unusual complexities of the transaction it may become necessary that certain of the terms approved hereby may require modifications which will not affect the intent and substance of the authorizations and approvals by the Agency herein. The Agency hereby authorizes the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or General Counsel to approve modifications to the terms approved hereby which do not affect the intent and substance of this Resolution. The approval of such modifications shall be evidenced by a certificate of determination of an Agency officer.

Section 8. Any expenses incurred by the Agency with respect to the Project shall be paid by the Applicant and/or Aetna. By acceptance hereof, the Applicant and Aetna agree to pay such expenses and further agree 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 Company and Aetna. 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)(2), 'replacement, rehabilitation or reconstruction of a structure or facility, in kind, on the same site, including upgrading buildings to meet building or fire codes…' which would not result in adverse environmental impacts requiring the preparation of an Environmental Impact Statement.

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

(1) The Applicant, the Company and Aetna each acknowledge and agree that pursuant to General Municipal Law Section 875(3) the Agency shall have the right to recover, recapture, receive, or otherwise obtain from the Applicant, the Company and/or Aetna New York State sales or use tax savings taken or purported to be taken by the Applicant, the Company or Aetna, and any agent or any other person or entity acting on behalf of the Applicant, the Company or Aetna, to which the Applicant, the Company or Aetna is not entitled or which are in

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

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

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

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

859(1)(b). The failure to file or substantially complete such report shall be deemed to be the failure to file or substantially complete the statement required by such General Municipal Law Section 859(1)(b), and the consequences shall be the same as provided in General Municipal Law Section 859(1)(e).

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

Section 12. In connection with the Project, the Agency intends to grant the Applicant, the Company and Aetna real property tax abatements and sales and use tax exemptions in an amount not to exceed $5,000,000.

Section 13. This Resolution shall take effect immediately

ADOPTED: September 19, 2017

Accepted: _____ __, 2017

AETNA LIFE INSURANCE COMPANY

By:_____
Name:
Title:

AETNA CORPORATE SERVICES LLC

By:_____
Name:
Title:

AETNA INC.

By:_____
Name:
Title:

Exhibit F

New York City
Industrial Development Agency

INDUSTRIAL INCENTIVE PROGRAM PROPOSAL
SDCL PROGRESS CO-GEN LLC
MEETING OF SEPTEMBER 19, 2017

Project Summary

SDCL Progress Co-gen LLC, a Delaware limited liability company (the "Company"); an affiliate of Sustainable Development Capital, LLC, ("Sustainable Development") a developer and manager of energy efficiency and clean energy generation projects have applied to the Agency for a straight-lease transaction. The Company seeks financial assistance in connection with the acquisition, installation and operation of a 6.6 megawatt cogeneration facility and associated equipment (the "Facility Equipment") and the associated renovation and improvement of, an approximately 15,000 square foot portion (the "Facility") of a commercial office building owned by the Empire State Realty Trust, Inc. ("ESRT") located at the Empire State Building at 350 5th Avenue New York, New York (the "Building"). The Facility Equipment will be owned and operated by the Company and used to provide electrical energy and heating for the Building and the regional power grid (the "Project"). It is anticipated that the total cost of the Project will be approximately $39,980,715. Based on a review of the Project, Agency staff has concluded that the Project is likely to be completed within two years of the closing date.

Current Location

1120 Avenue of the Americas 4th Floor
New York, New York 10036

Project Location

350 5th Avenue
New York, New York 10118

Actions Requested

- Inducement Resolution for an Industrial Incentive Program transaction.
- Adopt a negative declaration for this Project. The proposed Project will not have a significant adverse effect on the environment.

Anticipated Closing

December 2017

Impact Summary

Employment	
Jobs at Application:	0
Jobs to be Created at Project Location (Year 3):	5
Total Jobs (full-time equivalents)	**5**
Projected Average Hourly Wage (excluding principals)	**$53.11**
Highest Wage/Lowest Wage	**$54.95/$43.96**

Estimated City Tax Revenues	
Impact of Operations (NPV 15 years at 6.25%)	$13,369,852
One-Time Impact of Renovation	1,897,813
Total impact of operations and renovation	**$15,267,665**
Additional benefit from jobs to be created	**$837,136**

Estimated Cost of Benefits Requested: New York City	
Exemption on Real Estate Tax associated with Utility Equipment (NPV, 15 years)	$12,905,946
MRT Benefit	492,900
Sales Tax Exemption	908,023
Agency Financing Fee	(264,992)
Total Cost to NYC Net of Financing Fee	**$14,041,877**
Available As-of-Right Benefits (ICAP)	N/A
Agency Benefits In Excess of As-of-Right Benefits	$14,041,877

Krishna Omolade, SIG
Robert LaPalme, LGL

Nixon Peabody LLP
Project Number - 6785

Costs of Net Benefits Per Job	
Estimated Net Cost of NYCIDA Benefits per Total Jobs	$2,808,375
Estimated Net City Tax Revenue per Total Jobs	$3,220,960

Estimated Cost of Benefits Requested: New York State	
MRT Benefit	$265,408
Sales Tax Exemption	$882,801
Total Cost to NYS	**$1,148,209**

Sources and Uses

Sources	Total Amount	Percent of Total Financing
Commercial Loan	$ 30,332,298	76%
Equity	9,648,417	24%
Total	**$ 39,980,715**	**100%**

Uses	Total Amount	Percent of Total Costs
Construction Hard Costs	$ 17,619,588	44%
Construction Soft Costs	11,444,489	29%
Furnishings and Equipment	7,844,588	20%
Fees	1,685,000	4%
Debt Service Reserve Fund	1,387,050	3%
Total	**$ 39,980,715**	**100%**

Fees

	Paid at Closing	On-Going Fees (NPV, 15 Years)
Agency Fee	$ 264,992	
Project Counsel	Hourly	
Annual Agency Fee	1,250	11,944
Total	266,242	11,944
Total Fees	**$ 278,187**	

Financing and Benefits Summary

The Company will finance the construction hard and soft costs and the purchase of furnishings and equipment with a commercial loan and Company equity. The Company is seeking a commercial loan from New York Green Bank. The financial assistance proposed to be conferred by the Agency will consist of an 100% exemption from real property taxes over 15 years with respect to the Facility Equipment (utility equipment used for the generation and distribution of power is subject to real property taxes under New York State law), a mortgage recording tax deferral, and an exemption from New York City and New York State sales and use taxes.

Company Performance and Projections

The Company will enter into an Energy Services Agreement ("ESA") with ESRT, which is the owner of the Building. Under the terms of the ESA, ESRT will make performance-based service payments to the Company. The performance-based service payments are based on the electrical and thermal output of the Facility Equipment with the payment set at a discounted rate as compared with the cost of conventional electrical and heating rates. The Building is one of the largest and most significant buildings in the United States. The Building houses approximately 21,000 workers, which makes it the second largest building (by personnel count) after the Pentagon. The Building

also hosts about 4.1 million visitors at its observatory and provides broadcasting services for radio and television companies, which are critical for emergency services. The Facility Equipment will make the Building energy self-sufficient, and provide backup power in the event of an emergency. The Facility Equipment will also result in a reduction in greenhouse gas emissions and demand for electricity and heat. It is anticipated that the Facility Equipment will result in the savings of up to 1,200 tons of carbon dioxide and 6 million gallons of water annually. Finally, the Facility Equipment will reduce the Building's strain on the electricity grid, which faces challenges with meeting the City's growing demand for power.

Inducement

I. The Company has represented that it requires Agency assistance in order to purchase, install and maintain the Facility Equipment.

II. The Company has represented that absent Agency assistance and the installation of the Facility Equipment; the City will not benefit from a reduction in greenhouse gas emissions and demand for water, undermining the City's efforts to improve the environment for the benefit of New York City residents.

III. Without Agency assistance, the Company indicates that the Project would be compromised or severely scaled back.

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. Financial assistance is required to induce the Project.

II. The Project, after the provision of Financial Assistance, is financially feasible.

III. The Project will generate approximately $39,980,715 in private-sector investment.

Applicant Summary

Sustainable Development is a London-based investor and developer of energy efficiency projects and has projects in the United States, Ireland, Singapore, and the United States. It focuses on financing based on the energy savings resulting from technology such as cogeneration plants. In addition to this Project, Sustainable Development has three additional projects underway in New York City, California, and Pennsylvania.

Jonathan Maxwell, Chief Executive Officer and Chairman

Mr. Maxwell is the Chief Executive Officer and Chairman of Sustainable Development and the Company and has served in this position since 2007. As Chief Executive Officer, he has led the launch of four investment funds focused on opportunities in Ireland, Singapore, United Kingdom, and the United States. He was previously the Manager of Business Development for HSBC. Mr. Maxwell has a degree in Modern History from the University of Oxford.

Ned Davis, Chief Operating Officer and Chief Financial Officer

Mr. Davis is the Chief Operating Officer and Chief Financial Officer for Sustainable Development and oversees its New York City office. Prior to his current position Mr. Davis has held several senior positions with equity research and advisory firms including Chief Investment Officer for North River Capital LLC which is a strategic equity investment advisory firm and Managing Principal of Taconic Capital Group Inc., an equity research firm. Mr. Davis graduated with a Bachelor's degree from Williams College and a Master's in Business Administration from Harvard University.

Employee Benefits

Employees will receive health insurance, eligibility to participate in retirement plans and a profit sharing program, tuition reimbursement options, and technical training for career advancement. The Company anticipates that employees will be members of the Utility Workers Union of America.

Recapture

Pursuant to UTEP, all benefits will be subject to recapture for a 10-year period from the operations commencement date.

SEQRA Determination

Unlisted Action, which, if implemented would not result in significant adverse environmental impacts. The completed Environmental Assessment Form for this project has been reviewed and signed by Agency staff.

Due Diligence

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

Compliance Check:	Not applicable
Living Wage:	Compliant
Paid Sick Leave:	Compliant
Affordable Care Act:	ACA Coverage Offered
Bank Account:	J.P. Morgan Chase
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:	Relationships are reported to be satisfactory.
Vendex Check:	No derogatory information was found.
Attorney:	Charlotte Kim Wilson Sonsini Goodrich & Rosati 1301 Avenue of the Americas New York, New York 10019
Accountant:	Darin Siders PwC 300 Madison Avenue New York, New York 10017
Consultant:	Sean Neill Next Cycle Consulting LLC 119 8th Street Brooklyn, New York 11215
Community Board:	Manhattan, CB #5

SDCL ESB CO-Gen LLC

1120 Avenue of the Americas, 4th Floor

New York, New York 10036

August 4, 2017

Johan Salen
Executive Director
New York City Industrial Development Agency
110 William Street
New York, NY 10038

Dear Mr. Salen,

On behalf of Sustainable Development Capital LLP, I am pleased to submit the attached application for Project Financial Assistance in the form of tax benefits from NYCIDA. The project outlined in our proposal will add 6.6 megawatts of power to the Empire State Building. The new facility will be a co-generation plant, utilizing its waste heat to heat and cool the building and thereby achieve efficiencies in excess of 65%, compared with a grid average of roughly half that figure. It will reduce demand on New York City's constrained electric grid, save large volumes of both energy and water, and reduce GHG emission by ~2,000 MT CO2eq/year, the equivalent of removing 500 cars from the road. The project helps to advance the City's goals for 80% lower emissions by 2050, improved air quality, and greater resilience of its buildings.

As the economics outlined in the application indicate, the project is financially infeasible under existing conditions. New York City property tax law would treat the new plant not as a part of the building's mechanical infrastructure but as separately taxable utility property, resulting in an incremental annual tax burden that eliminates any financial incentive to build the plant. NYCIDA's support will make the project possible.

We appreciate your consideration of this project.

Sincerely,

Vassos Kyprianou
Managing Director, Sustainable Development Capital and SDCL ESB Co-Gen LLC

Exhibit G

Resolution inducing the financing of an industrial facility for SDCL Progress Co-gen LLC, an affiliate of Sustainable Development Capital, LLC as a (Straight-Lease) Transaction

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

WHEREAS, SDCL Progress Co-gen LLC (the "Applicant") an affiliate of Sustainable Development Capital, LLC (the "Developer"), have entered into negotiations with officials of the Agency for the acquisition, installation and operation of a 6.6 megawatt cogeneration facility and associated equipment (the "Facility Equipment") and the associated renovation and improvement of an approximately 15,000 square foot portion (the "Facility") of a commercial office building owned by the Empire State Realty Trust, Inc. (the "Owner") located at 350 5th Avenue New York, New York (the "Building"). The Facility will be leased by the Owner to the Applicant, and subleased by the Applicant to the Agency for subsequent sub-sublease in whole to the Applicant, and the Facility Equipment will be owned and operated by the Applicant and used to provide electrical energy and heating for the Building and the regional power grid, and having an approximate total project cost of approximately $39,980,715 (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 employs approximately 0 full time equivalent employees within The City of New York (the "City"); the Project is not financially feasible without the Agency's financial assistance; that the Applicant expects to employ approximately 5 full time equivalent employees within the three years following the completion of the Project; that the Applicant must obtain Agency financial assistance in the form of a straight-lease transaction to enable the Applicant to proceed with the Project and expand its operations in the City; and that, based upon the financial assistance provided through the Agency, the Applicant desires to proceed with the Project and expand its operations in the City; and

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

WHEREAS, the Project should not be delayed by the requirement of determining the details of a straight-lease transaction, which cannot be immediately accomplished, and the Applicant intends to apply its own equity for a portion of the costs of the Project and to enter into

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loan commitments with a bank or banks which will provide funds to the Applicant in the form of loans to finance a portion of the costs of the Project; and

WHEREAS, in order to provide financial assistance to the Applicant 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, sales tax exemptions and mortgage recording tax deferrals all pursuant to the Act;

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

Section 1. The Agency hereby determines that the Project and the provision by the Agency of financial assistance to the Applicant 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

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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 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 5. The officers of the Agency are hereby designated the authorized representatives of the Agency, and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution.

Section 6. Any expenses incurred by the Agency with respect to the Project shall be paid by the Applicant. By acceptance hereof, the Applicant agrees to pay such expenses and further agrees to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Project.

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

Section 8. The Agency, as lead agency, is issuing this determination pursuant to the State Environmental Quality Review Act ("SEQRA") (Article 8 of the Environmental Conservation Law) and implementing regulations contained in 6 N.Y.C.R.R. Part 617. This determination is based upon the Agency's review of information provided by the Applicant and such other information as the Agency has deemed necessary and appropriate to make this determination.

The Agency hereby determines that the Project, an unlisted action, pursuant to SEQRA and the implementing regulations, would not have a significant effect on the environment and that a Draft Environmental Impact Statement will not be prepared for the Project. The reasons supporting this determination with respect to the Project are as follows:

(1) the proposed Project would not result in a change in existing zoning or land use and would be supportive of the City's public policies related to energy efficiency;

(2) the proposed Project would not result in a substantial adverse change in existing traffic or noise levels. All of the equipment installed for the proposed Project would be located inside the existing building;

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(3) the proposed Project would not result in any significant adverse impacts on air quality. The proposed Project is considered a minor source of emissions and would be permitted by the New York State Department of Conservation State Facility Air Permit, in full compliance with relevant federal, state and local regulations;

(4) the proposed Project would not result in significant adverse impacts on cultural, archaeological, architectural or aesthetic resources or the existing neighborhood. The Empire State Building is a designated New York City Landmark and a National Historic Landmark. All of the work required to install the proposed Project will take place in mechanical and service places and is not expected to affect the landmarked building façade and street floor interior. The Project sponsor will coordinate with the New York City Landmarks Preservation Commission and would receive a Certificate of No Effect prior to beginning the installation;

(5) the proposed Project would not result in significant adverse impacts to natural resources, critical habitats or water quality;

(6) the installation of the proposed Project would not result in any significant adverse impacts related to hazardous materials; and

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

Section 9. In connection with the Project, the Applicant covenants and agrees to comply, and to cause each of their respective contractors, subcontractors, agents, persons or entities to comply, with the requirements of General Municipal Law Sections 875(1) and (3), as such provisions may be amended from time to time.

(1) The Applicant acknowledges and agrees that pursuant to General Municipal Law Section 875(3) the Agency shall have the right to recover, recapture, receive, or otherwise obtain from the Applicant New York State sales or use tax savings taken or purported to be taken by the Applicant, and any agent or any other person or entity acting on behalf of the Applicant, to which the Applicant is not entitled or which are in excess of the maximum sales or use tax exemption amount authorized in Section 10 of this Resolution or which are for property or services not authorized or taken in cases where the Applicant, or any agent or any other person or entity acting on behalf of the Applicant, failed to comply with a material term or condition to use property or services in the manner required by this Resolution or any agreements entered into among the Agency, the Applicant, and/or any agent or any other person or entity acting on behalf of the Applicant. The Applicant shall, and shall require each agent and any other person or entity acting on behalf of the 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 the

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Applicant under Article Twenty-Eight of the New York State Tax Law, together with any relevant penalties and interest due on such amounts.

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

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

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

(3) The foregoing requirements of this Section 9 shall apply to any amounts of New York State sales or use tax savings that the Agency recovers, recaptures, receives, or otherwise obtains, regardless of whether the Agency, the Applicant, or any agent or other person or entity acting on behalf of the 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.

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Section 10. In connection with the Project, the Agency intends to grant the Applicant real property tax abatements, sales and use tax exemptions in an amount not to exceed $1,790,824 and mortgage recording tax deferrals.

Section 11. This Resolution shall take effect immediately

ADOPTED: September 19, 2017

Accepted: _____ __, 2017

SDCL PROGRESS CO-GEN LLC

By:_____

Name:

Title:

Exhibit H

New York City
Industrial Development Agency

FRESH PROGRAM PROPOSAL
A & J SUPERMARKET CORP.
MEETING OF SEPTEMBER 19, 2017

Project Summary

A & J Supermarket Corp. (the "Company") and its affiliated real estate holding companies, 1635 Lex Realty Corp. and 385 Broadway Realty Corp., will own and operate a new SuperFi Emporium supermarket. The Company seeks financial assistance in connection with the acquisition, renovation, furnishing and equipping of a 12,590 square foot retail condominium unit to be developed within a 136,900 square foot mixed-use facility on a 17,661 square foot vacant parcel of land in East Harlem (the "Facility"). The Facility will be owned by 1635 Lex Realty Corp. and 385 Broadway Realty Corp. and operated by the Company as a full-service supermarket (the "Project"). The total Project cost is approximately $10.8 million. Based on a review of the Project, Agency staff has concluded that the Project is likely to be completed within two years of the closing date.

Project Location

2211-2217 Third Avenue
New York, New York 10035

Actions Requested

Authorizing Resolution for FRESH transaction.

Prior Action

Inducement Resolution, SEQRA determination and deviation from UTEP approved April 13, 2017.

Anticipated Closing

October 2017

Impact Summary

Employment	
Jobs at Application:	0
Jobs to be Created at Project Location (Year 3):	46.5
Total Jobs (full-time equivalents)	**46.5**
Projected Average Hourly Wage (excluding principals)	**$15.00**
Highest Wage/Lowest Wage	**$18.00/hr to 15.00/hr**

Estimated City Tax Revenues	
Impact of Operations (NPV 25 years at 6.25%)	$1,210,743
One-Time Impact of Renovation	35,677
Total impact of operations and renovation	**$1,246,420**
Additional benefit from jobs to be created	**$2,149,919**

Estimated Cost of Benefits Requested: New York City	
Building Tax Exemption (NPV, 25 years)	$313,203
Land Tax Abatement (NPV, 25 years)	718,261
MRT Benefit	121,875
Sales Tax Exemption	24,525
Agency Financing Fee	(110,495)
Total Cost to NYC Net of Financing Fee	**$1,067,369**
Available As-of-Right Benefits (ICAP)	$215,313
Agency Benefits In Excess of As-of-Right Benefits	$941,525
Costs of Net Benefits Per Job	

A & J Supermarket Corp.

Estimated Net Cost of NYCIDA Benefits per Total Jobs	$20,248
Estimated Net City Tax Revenue per Total Jobs	$73,040

Estimated Cost of Benefits Requested: New York State	
MRT Benefit	$65.625
Sales Tax Exemption	23,844
Total Cost to NYS	**$89,469**

Sources and Uses

Sources	Total Amount	Percent of Total Financing
Bank of Hope	$7,500,000	69%
Equity	$3,314,113	31%
Total	**$10,814,113**	**100%**

Uses	Total Amount	Percent of Total Costs
Building Acquisition	$10,000,000	92%
Hard Costs	$350,000	3%
Furnishing & Equipment	$300,000	3%
Soft Costs and Fees	$164,113	2%
Total	**$10,814,113**	**100%**

Fees

	Paid At Closing	On-Going Fees (NPV, 25 Years)
Agency Fee	$110,495	
Project Counsel	35,000	
Annual Agency Fee	1,250	15,607
Total	146,745	15,607
Total Fees	**$162,352**	

Financing and Benefits Summary

The Company will finance the Project with a SBA 7(a) loan of $5,000,000 from Bank of Hope (the "SBA 7(a) Loan"), a commercial loan of $2,500,000 from Bank of Hope (the "Commercial Loan") and approximately $3.3 million in affiliate funds. The SBA 7(a) Loan will have a 25-year term with a 25-year amortization schedule and an interest rate at Wall Street Journal Prime plus .50% adjusted quarterly (with an indicative rate of 4.75%). The Commercial Loan will have a 10-year term with a 25-year amortization schedule and an interest rate fixed at 4.5% for 5 years and Wall Street Journal Prime plus .50% for the next 5 years adjusted daily. The SBA 7(a) Loan and the Commercial Loan will be secured by a first mortgage and assignment of leases and rents on the Facility and a second mortgage and assignment of leases and rents on a property owned by 385 Broadway Realty Corp. Based on a review of Company and affiliate financial statements, staff estimates a debt service coverage ratio of 1.46x. The financial assistance proposed to be conferred by the Agency will consist of payments in lieu of City real property taxes, deferral of City and State mortgage recording taxes and exemption from City and State sales and use taxes.

A & J Supermarket Corp.

Company Performance and Projections

The Company's principals, Altagracia Reynoso and Andres Almonte, own and operate SuperFi Emporium supermarket in East Harlem. Mrs. Reynoso is a successful entrepreneur with more than thirty years of experience in grocery retail operations and real estate development in New York and New Jersey. Since 1982, Mrs. Reynoso has owned and operated five supermarkets and thirty residential and commercial properties. Mr. Almonte brings nearly 20 years of New York City grocery retail experience to the Company, including experience in each store department and general management.

The Company will finance the project with a commercial mortgage and affiliate funds. The Company's affiliates are financially sound with approximately $17 million in assets and steady revenue increases year over year. The Company is anticipating Project location revenues to increase 5% annually and net income to increase approximately 30% annually.

Applicant Summary

The Company is a newly formed woman and minority-owned supermarket company that will operate under the SuperFi Emporium banner. The Company will be a member of the America's Food Basket, a Long Island-based cooperative of mid-sized supermarkets located across New York, Connecticut, Massachusetts and Rhode Island. The mission of the Company is to be super faithful ("SuperFi") to the needs and preferences of the community, and to engage community members above and beyond typical supermarket standards. In addition to offering a diversity of affordable food options, including fresh produce, dairy, meat, seafood and healthy prepared foods, the store will host cooking demonstrations and community fundraisers and offer discounts to seniors, military personnel, police officers, firefighters and teachers. The store will participate in Supplemental Nutrition Assistance Program ("SNAP") and Special Supplemental Nutrition Program for Women, Infants and Children ("WIC"). The Company's principals, Altagracia Reynoso and Andres Almonte, are the co-owner and general manager of SuperFi Emporium supermarket on Lexington Avenue in East Harlem, a successful FRESH program participant. The Company plans to hire and train local employees for all positions using HireNYC. In 2016, The Department of City Planning approved FRESH zoning incentives for additional residential floor area ratio, to be located above the Facility.

Altagracia Reynoso, President

Altagracia Reynoso is an immigrant entrepreneur with more than thirty years of experience in grocery retail and real estate development. She and her husband, Euripides Reynoso, currently own six commercial and residential properties in New York and New Jersey and operate the SuperFi Emporium supermarket in East Harlem. Since 1982, Mrs. Reynoso has successfully started, operated, expanded and sold supermarkets operating under the Associated Supermarket banner. She has also developed and sold 30 residential and commercial properties in New York City and nearby areas of New Jersey and New York.

Andres Almonte, Secretary

Andres Almonte is the general manager of SuperFi Emporium in East Harlem and has been working with the Reynoso family grocery business for nearly 20 years. Mr. Almonte was born in the Lower East Side and has lived in East Harlem for the past 23 years. He started as a cashier in the supermarket business immediately after high school, working his way across each department and up to general manager. Mr. Almonte has served as general manager for two Associated Supermarkets and SuperFi Emporium. He was integral to the launch of SuperFi Emporium in East Harlem, having established the store's customer rewards program, facilitated WIC and SNAP enrollments and spearheaded social media and marketing initiatives.

Employee Benefits

Employee benefits include on-the-job training, free uniforms and reimbursements for additional work wear. Managers receive additional benefits, including holiday bonuses and monthly store credits.

A & J Supermarket Corp.

Recapture

Pursuant to UTEP, all benefits are 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:	Exempt
Paid Sick Leave:	Compliant
Affordable Care Act:	ACA Exempt
Bank Account:	Chase 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. Law Office of Mitchell Mund 100-15 Queens Boulevard, Suite 1 Forest Hills, New York 11375
Accountant:	Mark Slater Mund Business Services, Inc. 100-15 Queens Boulevard, Suite 1 Forest Hills, New York 11375
Community Board:	Manhattan, CB 11

A & J Supermarket Corp.

TO: NYCEDC

Date: 1/5/17

Re: Proposed Supermarket at 2211-2217 Third Ave NY, NY 10035

Dear Ms. Tida Infahsaeng:

This letter serves as the inducement letter for our FRESH Initiatives ("FRESH") application. We are excited about our supermarket project and are very motivated to work with NYCEDC to make this venture a reality. The mission of our business is embedded in the name of our supermarket, Super Fi Emporium ("Super Fi"). Super Fi stands for super fidelity, or in other words, super faithful to our community. We intend to engage our surrounding community above and beyond what other supermarket business attempted to do to date.

According to the 5/27/2010 AECOM Study, NYC Full Service Grocery Store Analysis, East Harlem South was identified as a Neighborhood Study Area and has demonstrated the need for new supermarkets in the neighborhood in which we wish to open Super Fi Emporium. As you may know, starting a business in New York City comes with significantly high barriers of entry, including but not limited to, property acquisition, high rental rates and relative high cost of employment. This is magnified further by the razor-thin margins associated with the grocery business. As a new business, the development costs are high and there are no economies of scale to help support such an initiative. FRESH is an essential component for the future success of this project.

Up until one year ago there were 3 major supermarkets within a 10-block radius. Two of those supermarkets have since closed their doors (Pathmark 125th. Street & City Fresh 116th. Street). The demand has never been greater. The developer of this project has been issued a bonus FAR to develop this site from city planning. What this means is that we will only be able to operate this location as a supermarket only. This ensures the community that this business will be here to stay for years to come.

Assistance from the FRESH program is vital in helping our operations reach the goals that we seek in operating a successful business that will prove to be a benefit to the community that surrounds our supermarket. We have a proven record in New York City and hope that you will assist us in achieving our goals. Thank you.

Sincerely,

Andres Almonte

T| 212.410.6733 F| 212.410.6788 • 1635 Lexington Avenue • Manhattan, NY 10029 • SUPERFIEMPORIUM.com

Exhibit I

Resolution authorizing and approving the execution and delivery of agreements in connection with a Straight-Lease Project for A & J Supermarket Corp. and its affiliates, 1635 Lex Realty Corp. and 385 Broadway Realty Corp.

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

WHEREAS, A & J Supermarket Corp. (the "Applicant") has entered into negotiations with officials of the Agency for the acquisition, renovation, furnishing and equipping of an approximately 12,590 square foot commercial facility constituting a separate commercial condominium unit (the "Facility") to be developed within a 136,900 square foot mixed-use facility (the "Project Building"), on an approximately 17,661 square foot vacant parcel of land located at 2211-2217 Third Avenue, New York, New York, all for use by the Applicant in its operations as a full service retail supermarket, for lease to the Agency by 1635 Lex Realty Corp. and/or 385 Broadway Realty Corp., each a real estate holding company, or another affiliate of the Applicant to be formed (collectively or severally, the "Company"), and sublease by the Agency to the Company for subsequent sub-sublease in whole to the Applicant, and having a total project cost of approximately $10,800,000 (the "Project"); and

WHEREAS, on April 13, 2017, 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) Bank of Hope (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 Company pursuant to which the Lender will lend approximately $2,500,000 to the Company, and the Agency and the Company will grant a mortgage on the Facility to the Lender (the "Lender Mortgage"), and (ii) the Lender or another administrator of a New York State Small Business Administration 7(a) Loan (the "SBA Lender") has agreed to enter into a loan arrangement with the Company pursuant to which the SBA Lender will lend approximately $5,000,000 to the Company, and the Agency and the Company will grant a second mortgage on the Facility to the SBA Lender (the "SBA Mortgage"); and

WHEREAS, for purposes of refinancing from time to time the indebtedness secured by the Lender Mortgage or the SBA Mortgage (the "Original Mortgage Indebtedness") (whether such refinancing is in an amount equal to or greater than the outstanding principal balance of the Original Mortgage Indebtedness), the Applicant may from time to time desire to enter into new mortgage arrangements, including but not limited to consolidation with mortgages

granted subsequent to the Lender Mortgage and the SBA Mortgage; and therefore the Applicant may request the Agency to enter into the mortgage instruments required for such new mortgage arrangements ("Refinancing Mortgage(s)"); and

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

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

Section 1. To accomplish the purposes of the Act and to provide financial assistance to the Applicant and the Company for the Project, a straight-lease transaction is hereby authorized subject to the provisions of this Resolution and the Lease Agreement hereinafter authorized.

Section 2. The execution and delivery of an Overlease Agreement from HAP Investments LLC or an affiliated real estate holding company (the "Developer") to the Agency of the Facility, a Developer Sublease Agreement from the Agency to the Developer (the Developer to thereupon sublease the Facility to the Company), a Company Lease Agreement from the Company leasing the Facility to the Agency, an Agency Lease Agreement from the Agency subleasing the Facility to the Company (the "Lease Agreement") (for sub-sublease to the Applicant), a Sales Tax Agent Authorization Letter from the Agency to the Company and the Applicant, the Lender Mortgage, the SBA Mortgage, the Refinancing Mortgages and the acceptance of a Guaranty Agreement from the Company, the Applicant and the Applicant's and the Company's owners and/or principals in favor of the Agency (the "Guaranty Agreement") (each document referenced in this Section 2 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 19, 2017

Exhibit J

New York City
Industrial Development Agency

INDUSTRIAL INCENTIVE PROGRAM PROPOSAL
BR-2012 REALTY LLC
MEETING OF SEPTEMBER 19, 2017

Project Summary

BR-2012 Realty LLC ("BR-2012"), a New York limited liability company affiliated with Bronx River Media Group LLC ("BRMG"), and with York Studios LLC ("York"), an operator of motion picture and television production facilities in New York City (BR-2012, BRMG and York, collectively, the "Company") seeks assistance in connection with the construction, furnishing and equipping of facilities consisting of five television studios and related support and shop space. The Company is looking to expand its operations by constructing, furnishing and equipping a building of approximately 170,950 square feet on a site of about four acres, which will consist of five television studios and support space necessary for television production (the "Project"). Each of the five studios will be between approximately 15,000 - 18,000 square feet; the support space will consist of four units, totaling approximately 43,000 square feet and the shop space will consist of four units, totaling approximately 32,420 square feet. The Company is increasing its operations from one studio in Queens to an additional five studios in the Bronx. The total Project cost is approximately $45,630,977 which includes approximately $42,500,000 for construction costs and approximately $3,000,000 in fees and capitalized interest.

Current Location

34-02 Laurel Hill Boulevard
Maspeth, NY 11378

Project Location

1410 Story Avenue
Bronx, New York 10473

Actions Requested

Authorizing Resolution for an Industrial Incentive Program transaction.

Prior Action (June 13, 2017)

- Board approved Inducement Resolution for an Industrial Incentive Program
- Board adopted a negative declaration for this project. The proposed Project will not have a significant adverse effect on the environment
- Board approved a deviation from UTEP

Anticipated Closing

November 2017

Impact Summary

Employment	
Jobs at Application:	1.0
Jobs to be Created at Project Location (Year 3):	23.5
Total Jobs (full-time equivalents)	**24.5**
Projected Average Hourly Wage	**$ 21.20**
Highest Wage / Lowest Wage	$109.89/hr., $13.50/hr.

Estimated City Tax Revenues	
Impact of Operations (NPV 25 years at 6.25%)	$37,839,264
One-Time Impact of Renovation	1,150,499
Total impact of operations and renovation	**$38,989,763**

Estimated Cost of Benefits Requested: New York City

BR-2012 Realty LLC

Building Tax Exemption (NPV, 25 years)	$33,347,731
Land Tax Abatement (NPV, 25 years)	$6,009
MRT Benefit	$406,250
Sales Tax Exemption	$1,222,405
Agency Financing Fee	($345,509)
Total Cost to NYC Net of Financing Fee	**$34,636,886**
Estimated Cost of Benefits per Retained Job	$34,636,886
Available As-of-Right Benefits (ICAP)	$22,925,103
Agency Benefits In Excess of As-of-Right Benefits	$11,711,783

Costs of Net Benefits Per Job	
Estimated Net Cost of NYCIDA Benefits per Total Jobs	$478,032
Estimated Net City Tax Revenue per Total Jobs	$1,591,419

Estimated Cost of Benefits Requested: New York State	
MRT Benefit	$218,750
Sales Tax Exemption	$1,188,450
Total Cost to NYS	**$1,407,200**

Sources and Uses

Sources	Total Amount	Percent of Total Financing
Commercial Loans	$25,000,000	54.7%
Company Equity	20,630,977	45.3%
Total	**$45,630,977**	**100%**
Uses	Total Amount	Percent of Total Costs
Construction Hard Costs	$ 38,806,521	85.0%
Construction Soft Costs	3,782,795	8.2%
Capitalized Interest	1,800,000	3.9%
Cost of Issuance	1,241,661	2.9%
Total	**$45,630,977**	**100%**

Fees

	Paid at Closing	On-Going Fees (NPV, 25 Years)
Agency Fee	$345,509	
Project Counsel	Hourly	
Annual Agency Fee	1,250	15,607
Total	346,759	15,607
Total Fees	**$362,366**	

BR-2012 Realty LLC

Financing and Benefits Summary

The Company will finance the project using a commercial loan (the "Loan") of $25,000,000 from Flushing Bank, to be secured in part by a first mortgage on the facility. Additionally, the Company will contribute approximately $20,630,977 in Company equity to finance the project. The Loan will have an initial 27 month draw period with an indicative fluctuating interest rate of 5.25%. The Loan will thereafter have a 10 year term with a 25 year amortization period and an indicative fixed rate of 4.875%. The financial assistance proposed to be conferred by the Agency will consist of payments in lieu of City real property taxes, deferral of City and State mortgage recording taxes and exemption from City and State sales and use taxes. The Company is expected to have a debt service coverage ratio at commencement of operations of 1.66x.

Company Performance and Projections

York was founded in 2009 by George York, and currently operates a 40,000 square foot studio facility, located at 34-02 Laurel Hill Boulevard in Maspeth, Queens. The Queens facility has been operating successfully, hosting prominent feature films such as *The Amazing Spiderman 2* and television shows such as *Elementary*. The Queens facility, which will continue its operations, helped to establish York's reputation as a reliable and professional studios operator. The rapid success of the Queens facility proves the need for expansion to the Bronx location. The Company plans to expand its operations on a 10-acre vacant site in the Bronx and to build one of the City's largest studio facilities in an economically challenged neighborhood. The Project is a large investment by the Company, representing a significant expansion of its existing operations. The Agency benefits will allow the Company to expand and continue to be competitive with other media companies in the Tri-State area.

Employee Benefits

The Company will provide all its full-time employees with healthcare coverage, including dental and vision plans, retirement plans and access to a 401(k) plan.

Recapture

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

Due Diligence

The Agency has 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:	ACA Coverage Offered
Bank Account:	Alma 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:	Not applicable

BR-2012 Realty LLC

Vendex Check:	No derogatory information was found.
Attorney:	Rygo Foss Bronx River Media Group 34-02 Laurel Hill Boulevard Maspeth, New York 11378
Accountant:	Marios Reacleous Marios Reacleous EA 2309 31st Street, Suite 2 Astoria, New York 11105
Consultant:	Sunil Aggarwal ThinkForward Financial Group 27 Whitehall Street New York, NY 10004
Community Board:	Bronx, CB09

34-02 Laurel Hill Blvd., Maspeth, NY 11378 Tel: 347-774-8500 Fax: 718-482-9301

April 30, 2015

NYC Industrial Development Agency
110 William Street
New York, NY 10038

Dear Board Members:

Bronx River Media Group LLC ("York Studios or the "Company") is pleased to submit this application and letter to the New York City Industrial Development Agency. We are requesting financial assistance for its new development project, *Bronx Media Campus*. The project will bring new investment of $40 million in Phase I of the project and another $40.0 million for Phase II. The development will take place on a 10 acre site in the Soundview Section of the Bronx,. The project is financially not feasible and not financeable without City and State benefits to reduce operating costs and improve cash flows to lenders.

Local Jobs Creation from Production Companies and the Project

- **Construction of York Studios – The Bronx will generate a total of 295 jobs.** These jobs will include 190 direct jobs and an additional 105 jobs through economic multiplier effects.
- **The Operations of York Studios – The Bronx location will generate a total of 815 jobs through studio operations and motion picture productions.** The supported jobs will include 470 direct jobs annually and an additional 345 jobs through economic multiplier effects. Impacts from operations include the employment and spending impacts from film production operations occurring at the facility, in addition to direct employees of the York Studios – Bronx location. York will hire about 25 full and part employees, paying living wages to all with health and other benefits.
- **York Studios –The Bronx ongoing operations will generate a total of $211 million in annual economic activity.** The economic activity includes $138 million in direct economic output and an additional $73 million in indirect and induced economic activity.

Serving Low Income Area;

- **Despite the population gains, the local area has not kept up with the city's growing economy.** Between 2002 and 2011, employment two-mile radius increased by only 5%, compared with a citywide gain of 17%.
- **Poverty Rate: The local residents of the surrounding area experience poverty at a far higher rate than citywide.** During the period from 2008 to 2012, the area within a one-mile radius had a poverty rate of 38% and the area within a two-mile radius had a poverty rate of 35%, both significantly higher than the average New York City rate of 19% and the Bronx County rate of 29%.
- **Median Family Income: Families living near the future studio location earn only half the median household income compared to citywide average.** In 2014, households living within a one-mile and two-mile radius of the future studio had a median income of approximately $25,300 and $26,600 respectively, compared with the citywide median household income of slightly more than $50,000 and the Bronx County median of almost $33,000.

The Company is seeking a waiver of the mortgage recording tax, sales taxes on all capitol costs and abatement of real estate taxes.

Best Regards,
Bronx River Media Group LLC

John Battista
Executive Vice President of Operations

Exhibit K

Resolution authorizing and approving the execution and delivery of agreements in connection with a Straight-Lease Project for Bronx River Media Group LLC, and its affiliates BR-2012 Realty LLC and York Studios LLC

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

WHEREAS, Bronx River Media Group LLC, a New York limited liability company ("Bronx River"), and its subsidiaries BR-2012 Realty LLC ("BR-2012") and York Studios LLC ("York Studios"), each a New York limited liability company (collectively, the "Applicants") have entered into negotiations with officials of the Agency for the construction, furnishing and equipping of facilities located at 801 Colgate Avenue and 1410 Story Avenue, Bronx, New York (the "Facilities") consisting of five television studios and related support and shop space comprising an approximately 170,950 square foot building on an approximately 4 acre site, with each of the five studios to be between approximately 15,000 - 18,000 square feet, the support space to consist of four units totaling approximately 43,000 square feet and the shop space to consist of four units totaling approximately 32,420 square feet, all for the use by the Applicants as motion picture and television production facilities, for lease to the Agency by BR-2012, and sublease by the Agency to BR-2012 for subsequent sub-sublease in whole to York Studios, and having an approximate total project cost of approximately $45,630,977 (the "Project"); and

WHEREAS, on June 13, 2017, the Agency adopted a resolution amending a prior resolution dated June 9, 2015 and 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) Flushing Bank (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 Applicants pursuant to which the Lender will lend approximately $25,000,000 to BR-2012, and the Agency and BR-2012 will grant a mortgage on the Facilities to the Lender (the "Lender Mortgage"), and (ii) the Applicants will contribute approximately $20,630,977 of their own equity (the "Equity Contribution"), and will subsequently enter into a loan arrangement with Empire State Certified Development Corporation ("ESCDC") as may be approved by a certificate of determination of the Agency, pursuant to which ESCDC will lend funds to the Applicants in such amount to refinance a portion of the Equity Contribution and BR-2012 will grant a second mortgage on the Facilities to ESCDC; and

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

WHEREAS, in order to provide financial assistance to the 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, sales and use tax exemptions and limited mortgage recording tax deferrals, 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 Applicants 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 BR-2012 leasing the Facilities to the Agency, an Agency Lease Agreement from the Agency subleasing the Facilities to BR-2012 (the "Lease Agreement") (for sub-sublease to York Studios), a Sales Tax Agent Authorization Letter from the Agency to York Studios, the Lender Mortgage and the Refinancing Mortgages and the acceptance of a Guaranty Agreement from the Applicants and the Applicants' owners and/or principals in favor of the Agency (the "Guaranty Agreement") (each document referenced in this Section 2 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 19, 2017

Exhibit L

New York City
Industrial Development Agency

INDUSTRIAL INCENTIVE PROGRAM PROPOSAL
TRISTATE PLUMBING SERVICES CORP.
MEETING OF SEPTEMBER 19, 2017

Project Summary

Tristate Plumbing Services Corp., a New York plumbing design, manufacturing and installation company (the "Company"), and a to-be-formed, affiliated, real estate holding company, are seeking financial assistance in connection with the acquisition and renovation of two existing facilities (the "Project"): 1) a 7,000 square foot industrial building located on a 12,500 square foot parcel of land located at 1421 Cromwell Avenue,; and 2) a 20,000 square foot industrial building located on a 12,500 square foot parcel of land located at 1431-1439 Cromwell Avenue in the Highbridge neighborhood of the Bronx (the "Facilities"). The Facilities will be owned by the real estate holding company and used by the Company for the fabricating, warehousing, engineering and management of plumbing products and services. It is anticipated that the total cost of the Project will be approximately $5,498,900. Based on a review of the Project, Agency staff has concluded that the Project is likely to be completed within two years of the closing date.

Current Location

336 West 37th Street, Suite 910
New York, New York 10018

Project Location

1421 and 1431-1439 Cromwell Avenue
Bronx, New York 10452

Actions Requested

- Authorizing Resolution for an Industrial Incentive Program transaction.

Prior Action

- Inducement Resolution and SEQRA determination approved July 25, 2017.

Anticipated Closing

October 2017

Impact Summary

Employment	
Jobs at Application:	109
Jobs to be Created at Project Location (Year 3):	10
Total Jobs (full-time equivalents)	**119**
Projected Average Hourly Wage (excluding principals)	**$37.80**
Highest Wage/Lowest Wage	**$84.00/hr to 14.71/hr**

Estimated City Tax Revenues	
Impact of Operations (NPV 25 years at 6.25%)	$17,700,396
One-Time Impact of Renovation	53,022
Total impact	**$17,753,418**
Additional benefit from jobs to be created	**$444,902**

Estimated Cost of Benefits Requested: New York City	
Building Tax Exemption (NPV, 25 years)	$2,425,557
Land Tax Abatement (NPV, 25 years)	301,458
MRT Benefit	78,975
Sales Tax Exemption	27,405
Agency Financing Fee	(72,900)
Total Cost to NYC Net of Financing Fee	**$2,760,495**
Estimated Cost of Benefits per Retained Job	$25,326
Available As-of-Right Benefits (ICAP)	$1,621,269
Agency Benefits in Excess of As-of-Right Benefits	$1,139,226

Tristate Plumbing Services Corp.

Costs of Net Benefits Per Job	
Estimated Net Cost of NYCIDA Benefits per Total Jobs	$9,573
Estimated Net City Tax Revenue per Total Jobs	$152,927

Estimated Cost of Benefits Requested: New York State	
MRT Benefit	$42,525
Sales Tax Exemption	$26,644
Total Cost to NYS	**$69,169**

Sources and Uses

Sources	Total Amount	Percent of Total Financing
Signature Bank Loan	$2,700,000	49%
ESCDC Loan/Signature Bank Bridge Loan	2,160,000	39%
Equity	638,900	12%
Total	**$5,498,900**	**100%**

Uses	Total Amount	Percent of Total Costs
Land & Building Acquisition	$4,500,000	82%
Hard Costs	870,000	16%
Soft Costs (Construction)	30,000	.5%
Fees	98,900	1.5%
Total	**$5,498,900**	**100%**

Fees

	Paid At Closing	On-Going Fees (NPV, 25 Years)
Agency Fee	$72,900	
Project Counsel	25,000	
Annual Agency Fee	1,000	12,485
Total	98,900	
Total Fees	**$111,385**	

Financing and Benefits Summary

The Company will finance the Project with an SBA 504 loan of $2,160,000 from Empire State Certified Development Corporation ("ESCDC 504 Loan"), a bridge loan of $2,160,000 from Signature Bank (the "Bridge Loan"), a mortgage of $2,700,000 from Signature Bank (the "Permanent Mortgage") and $638,900 in Company funds. The SBA 504 Loan will have a 20-year term with a 20-year amortization period and a fixed interest rate of 5%. The Bridge Loan will have a 6-month term with interest only payments and a Prime +1% floating rate. The Bridge Loan is an interim mortgage loan that will be fully repaid upon completion of renovations with the ESCDC 504 Loan. The Permanent Mortgage will have a 10.5-year term with a 25-year amortization period and a Prime +1% floating rate for the first 6 months. For the following five years, the rate will be reset to the 5-Year US Treasury Rate plus 275 Basis Points with a floor of 4.375%, after which the rate will be reset to the 5-year US Treasury Rate plus 275 Basis Points with a floor of the previous period's rate. Based on a review of Company and affiliate financial statements, staff estimates a debt service coverage ratio of 1.24x. The remaining renovation costs and the closing costs will be financed through Company equity. The financial assistance proposed to be conferred by the Agency will consist of payments in lieu of City real property taxes, mortgage recording tax deferral, and exemption from City and State sales and use taxes.

Company Performance and Projections

The Company was founded in 2008 by Marc and Stephanie Breslaw with two other employees. In November 2009, the Company obtained its first contract, with Aureole Restaurant in Manhattan. In the spring of 2010, the Company added two additional employees and secured contracts for Toys "R" Us and Bed Bath & Beyond. The Company has grown immensely with annual sales reaching approximately $5.4 million and a staff of 109 full-time employees. The majority of the Company's employees are members of Plumbers Local 1 Union and the Company regularly participates in Plumbers Local 1 Union's New York State Department of Labor approved apprenticeship program to hire new employees.

Today the Company provides essential plumbing design, manufacturing and installation services for retail, restaurant, office and healthcare establishments across Manhattan, Brooklyn, Queens and the Bronx. The Company's current Manhattan location is an inefficient, disjointed space that limits the Company's ability to undertake new business opportunities. The Project will enable the Company to relocate its entire operations to the Bronx, which will allow the Company to maintain its core business and expand into sectors such as healthcare and life sciences. Current operations are concentrated in Manhattan, and the Project will allow the Company to diversify and deepen its roots in the outer boroughs. With Local Law 152 requiring commercial gas piping systems inspections every 5 years, the Company anticipates steady demand for its specialized services. As a result of the Project, the Company will be able to retain its 109 majority-union employees, and expects to hire 10 new employees within three years of project completion.

Applicant Summary

Marc and Stephanie Breslaw founded the Company in October of 2008. The Breslaws had worked in the New York City plumbing industry for approximately 10 years when they decided to establish a new venture to provide plumbing design, manufacturing and installation services to local businesses. The Breslaws and two other employees operated out of a shared office space, with much of the Company's inventory being held off-site in a public mini-storage facility. The Company has since hired approximately 100 employees and is an approved plumber for major New York City real estate companies such as Vornado Realty Trust and restaurant groups such as Union Square Hospitality. The Company provides services for hundreds of offices, hotels, hospitals, restaurants and retailers across the City.

Marc Breslaw, President

In 2008 Marc Breslaw founded the Company in partnership with his wife and Chief Financial Officer, Stephanie. Mr. Breslaw has been a New York licensed plumber since 1994 and has more than 25 years of experience in commercial plumbing. He is responsible for strategic planning, sales, financial management and contract negotiations.

Stephanie Breslaw, Chief Financial Officer

Stephanie Breslaw is Chief Financial Officer of the Company and has more than 20 years of experience in the plumbing industry. She and her husband founded the Company with the assistance of two other employees. Mrs. Breslaw supervises accounting, insurance, human resources, operations and regulatory reporting.

Employee Benefits

The Company provides contributions to a retirement plan and health insurance to non-union employees. All other employees are members of the Plumbers Local 1 Union, which provides health insurance and contributions to a retirement plan.

Recapture

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

Tristate Plumbing Services Corp.

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:	ACA Coverage Offered
Bank Account:	Signature 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.
Union:	Relationships are reported to be satisfactory (Plumbers Local 1).
Vendex Check:	No derogatory information was found.
Attorney:	Sander Ash Kassovitz Benson Torres LLP 1633 Broadway New York, New York 10019
Accountant:	Issac Rabiniowicz Cobert & Schwartz, CPA 158 Linwood Place Fort Lee, New Jersey 07024
Consultant/Advisor:	Rob Morel City One Associates, Inc. 2440 Broadway, Suite 245 New York, New York 10024
Community Board:	Bronx, CB 4

Tristate Plumbing Services Corp.
336 West 37th Suite 910
New York, N.Y. 10018
May 28, 2017

Mr. Krishna Omolade
New York City Industrial Development Agency
110 William St.
New York, NY 10024

Dear Mr. Omolade,

Tristate Plumbing Services designs, fabricates and installs plumbing systems in restaurants, sporting facility, hospitals and office buildings in the tristate area. We currently employ 109 persons-- mostly union-- in incredibly inefficient space in a congested Midtown Manhattan location at 37th St. between 8th and 9th avenues in scattered offices and warehouse space. It is truly remarkable that we have grown to such a successful company in 9 short years in such difficult conditions. However, our space constraints are now seriously hampering us and we have determined to move to a larger less congested and consolidated location. We have looked in New Jersey where my wife- our Chief Operating Officer—and I live, and in the outer boroughs. We recently located a building in the Bronx and with the help of the IDA we hope to relocate our headquarters, fabrication, warehousing, estimating and project management operations there.

Our business model allows us to be quite footloose and we don't need to be so close to our clients – we have done work in Brooklyn (Industry City), Queens (St. John University), many retails sites in the Bronx (Toys R Us) and Staten Island. The costs for operating in New Jersey would be considerably cheaper than the Bronx. We saw a 26,000-sq. ft. building in Carlstadt, N.J. asking price $2.7 million which was in move in condition and was in the NJMC Redevelopment Zone, a property in Newark (it needed too much renovation work), and a 30,000-sq. foot building also in Newark that was cheap (asking $3.2million) but needed too much repair--- to site a few.

Through our business, we became aware of the Cromwell Avenue properties and though it was more expensive than the NJ properties, our banker suggested we utilize the IDA and SBA program to make it worth our while. We need the help of the IDA 25-year property tax abatement (our two sons are in the business- and maybe a third on the way) so we will be remaining in this facility for a long time. The MRT deferral, sales tax waiver, and ECSP savings will help us manage this extra debt. Without these IDA benefits, we would be forced to continue looking in NJ and elsewhere.

We hope that the New York City IDA will approve our project so we can remain in NYC and continue to expand our operations and business in The Bronx. Thank you for your consideration.

Mr. Marc Breslaw
President

Exhibit M

RESOLUTION AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF AGREEMENTS IN CONNECTION WITH A STRAIGHT-LEASE TRANSACTION FOR TRISTATE PLUMBING SERVICES CORP.

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

WHEREAS, Tristate Plumbing Services Corp. (the "Applicant"), has entered into negotiations with officials of the Agency in connection with the acquisition, renovation of two existing building: (a) an approximately 7,000 square foot industrial building on an approximately 12,500 square foot parcel of land located at 1421 Cromwell Avenue, Bronx, New York 10452; (b) an approximately 20,000 square foot building on an approximately 12,500 square foot parcel of land located at 1431-1439 Cromwell Avenue, Bronx, New York 10452 (collectively, the "Facility"), all for lease to the Agency by a real estate holding company affiliated with the Applicant (the "Company"), and sublease by the Agency to the Company for subsequent sub-sublease in whole to the Applicant, and having an approximate total project cost of approximately $5,498,000 (the "Project"); and

WHEREAS, in order to finance a portion of the costs of the Project, the Applicant and/or the Company have entered into or may enter into loan commitments with one or more commercial banks, institutional lenders or governmental entities lenders acceptable to the Applicant and the Agency (collectively, the "Lender"), which may provide funds to the Applicant and/or the Company in the form of a loan to finance a portion of the costs of the Project, and the Agency and the Applicant and/or the Company will grant one or more mortgages on the Facility to the Lender (collectively, the "Mortgage"); and

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

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

Section 1. To accomplish the purposes of the Act and to provide financial assistance to the Applicant and the Company for the Project, a straight-lease transaction is hereby authorized subject to the provisions of this Resolution and the Lease Agreement hereinafter authorized.

Section 2. The execution and delivery of a Company Lease Agreement from the Company leasing the Facility to the Agency, an Agency Lease Agreement from the Agency subleasing the Facility to the Company (the "Lease Agreement") (for sub-sublease to the Applicant), and the Mortgages (each document referenced in this Section 2 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 19, 2017