

Build NYC Resource Corporation Finance Committee Discussion

The Finance Committee convened on November 1st, 2017 to discuss the following projects:

- Cooke Center for Learning and Development, Inc.
- Siach Yitzchok
- Power Station @ BerkleeNYC

Finance Committee Members: Barry Dinerstein, Andrea Feirstein, and Jacques-Philippe Piverger
Build NYC Staff Members: Lily Berticevich, Kyle Brandon, Jihyeun Byeon, Emily Marcus, Krishna Omolade, Anne Shutkin

Start: 11:00 AM
End: 11:30 AM

Cooke Center for Learning and Development, Inc.

Cooke School and Institute (f.k.a. Cooke Center for Learning and Development, Inc.) (the “School”) is an independent coeducational school serving special needs students from kindergarten through twelfth grade. The School is seeking approximately \$44,000,000 in tax-exempt revenue bonds (the “Bonds”), the proceeds of which, together with other funds of the School, will be used to finance the (1) demolition of an existing building located on an approximately 18,257 square feet lot at 1713-1727 Madison Avenue, New York, NY 10029, (2) construction, equipping, and furnishing of an approximately 67,000-square-foot building (the “Facility”), (3) capitalized interest on the Bonds, and (4) certain costs related to the issuance of the Bonds and other costs relating to the Facility. The School will own and operate the Facility to provide educational services for special-needs students from kindergarten through twelfth grade.

Mr. Dinerstein asked if the School receives tuition payment from private or public sources.

Ms. Berticevich responded that most of the tuition is paid by private sources. Parents that are unable to pay receive payments from government sources on their behalf.

Mr. Dinerstein asked if children attending the School apply for admittance or if they are assigned to attend the School.

Staff responded that they would provide additional information about children attending the School.

Mr. Dinerstein asked if there is a funding commitment from the City.

Ms. Berticevich responded that the City is required to pay tuition expenses for parents that are unable to pay tuition up front.

Mr. Dinerstein asked if the School has a good reputation.

Ms. Berticevich responded that the School has a good reputation.

Mr. Piverger asked for information about the School's revenues over time.

Mr. Omolade responded that the School's revenue has increased. Ms. Berticevich responded that the project will enable the School to save \$2 million annually through consolidating it's a significant amount of their operations into the Facility.

The committee recommended the Project to seek authorization at the November 8th Board meeting

Siach Yitzchok

Siach Yitzchok (the "School"), a corporation formed under the New York Religious Corporations Law, operates a private boys' elementary school located at 915 Dinsmore Ave, 1513-1519 Central Avenue, 1525 Central Avenue and 802 Hicksville Road, Far Rockaway, New York. The School seeks approximately \$7,000,000 in tax-exempt revenue bonds (the "Bonds") in order to (1) finance the construction and equipping of an approximately 38,000 square foot four-story building located on an approximately 10,000 square foot parcel of land located at 1045 Beach 9th Street, Far Rockaway, New York (the "Facility") and (2) pay for certain costs related to the issuance of the Bonds. The Facility will be owned and operated by the School as a private elementary school serving boys in kindergarten through grade 8.

Mr. Dinerstein asked if the School will make space at the Facility available to the public.

Mr. Brandon responded that the School will make space available to the public.

Mr. Dinerstein asked if the Facility is in a rezoning area.

Staff responded that they would provide additional information on if the School is in a rezoning area.

Mr. Dinerstein asked for the School's debt service coverage ratio.

Mr. Brandon responded that it is 1.27x.

Mr. Dinerstein asked for the term of the Bonds.

Mr. Brandon responded that the term of the Bonds is 30 years.

The committee recommended the Project to seek authorization at the November 8th Board meeting

Power Station at BerkleeNYC

The project seeks Build NYC board authorization of the execution and delivery of a \$3,000,000 services contract with NYCEDC in accordance with a Funding Agreement between NYCEDC and Berklee College of Music, Inc. (the "College"), pursuant to which NYCEDC will administer funds for the College to renovate and refurbish the Power Station building, a well-known music studio located in midtown Manhattan (the "Project").

Ms. Feirstein asked for information on the source of revenue for the Project

Mr. Dinerstein asked for information about the Build NYC fund balance.

Staff responded that they would provide additional information on the Build NYC fund balance.

Mr. Dinerstein asked why the New York City Industrial Development Agency (NYCIDA) is not providing funding for the Project.

Ms. Shutkin responded that the College is a not-for-profit organization and the NYCIDA is prohibited by statute from providing grants for not-for-profit organizations.

Mr. Dinerstein asked for information on how the funding to be provided by Build NYC will be used.

Ms. Byeon responded that the funding will be used to purchase equipment.

Mr. Dinerstein asked if Build NYC is the source of all necessary funding for the Project.

Ms. Byeon responded that in addition to Build NYC, the Mayor's Office for Media and Entertainment is also providing \$3,000,000 in funding for the Project.

Mr. Dinerstein asked for information on the length of the restrictive declaration on the Project.

Ms. Byeon responded that the restrictive declaration will be coextensive with the lease term. The lease term is for 10 years with an option to extend the lease term for an additional 20 years.

Ms. Feirstein asked for information on the previous projects that Build NYC has previously provided grants for.

Ms. Shutkin responded that Build NYC has previously provided funding for the Advanced Manufacturing Technology Grant and Nonprofit Real Estate Lecture Series Consultant.

Ms. Feirstein asked for the criteria for Build NYC to provide grants.

Ms. Shutkin responded that the main criteria is alignment with the Build NYC mission and ability to cover current commitments and any new obligation with a comfortable margin.

Mr. Dinerstein asked for the total Project cost.

Mr. Byeon responded that the total Project cost is \$12,000,000.

The committee recommended the Project to seek authorization at the November 8th Board meeting

Additional information

Cooke Center for Learning and Development, Inc.

- Parents choose to send their kids to this private school because they are not able to receive adequate educational services for special needs children at nearby public schools. There is a high demand for Cooke's services and the school has a healthy waitlist for enrollment.

- Cooke's revenues have steadily increased over the past 10 years due to both their steadily increasing student enrollment and annual increases in tuition. As noted above the school has a waitlist for enrollment which provides greater assurance of its ability to continue to increase revenue in the future.

Siach Yitzchok

- The school is not in the Far Rockaway rezoning area.

Power Station @ Berkleenyc:

- Build NYC's current fund balance is about \$11 million.