NEW YORK STATE OF OPPORTUNITY. Empire State New Market Corporation

A Subsidiary of Empire State Development

EMPIRE STATE NEW MARKET CORPORATION

At the offices of the
New York State Urban Development Corporation
d/b/a Empire State Development
5 Grand Central East (655 Third Avenue)
2nd Floor Conference Room B
New York, New York 10017

Meeting of the Directors
Wednesday
September 9, 2026 – 11:00 a.m.

AGENDA

I. CORPORATE ACTION

A. Approval of the Minutes of July 15, 2026, Directors' Meeting

II. FOR CONSIDERATION

A. Queens (New York City Region – Queens County) – New Markets Tax Credit Sub-Allocation to provide financing for the construction of a new 139,000 square foot multi-service community facility.

Authorization to Adopt the Proposed General Project Plan ("GPP"); Sub-Allocate New Markets Tax Credits ("NMTCs") to an Empire State New Market Corporation ("ESNMC") Subsidiary; Close the NMTC Transaction; and Take ALL Related Actions.

Item I. A.

EMPIRE STATE NEW MARKET CORPORATION
Meeting of the Directors
Held at the Offices of:
Empire State Development
5 Grand Central East (655 Third Avenue)
2nd Floor Conference Room B
New York, NY 10017

With videoconferencing to:

Empire State Development – Albany Office
625 Broadway
8th Floor Conference Room
Albany, New York 12245

Empire State Development – Western New York Regional Office
95 Perry Street
5th Floor Conference Room
Buffalo, NY 14203

Empire State Development – Mid-Hudson Regional Office
33 Airport Center Drive – Suite 201
New Windson, NY 12553

AND

Empire State Development – Capital Region Office
Hedley Park Place
433 River Street – Suite 1003
Troy, NY 12180

July 15, 2026

MINUTES

In Attendance

Directors:	Kevin Younis, Acting Chair (Via Videoconference)
	Edwin Lee – Voting Director
	Linda Malava – Voting Director (Via Videoconference)
	Karen Utz – Voting Director (Via Videoconference)
	Michael Yevoli – Voting Director (Via Videoconference)
ESNMC Staff:	Matthew Acocella – Associate Counsel, Legal (via telephone)
	Yvonne Cooper – Acting Corporate Secretary
	Brendan Healy – Vice President

Jonevan Hornsby – President

ESD Staff:
Sebastian Barrie – Program Analyst, NMTC
Tiffany Bowie – Senior Director, Financial Reporting and Accounts Payable
Nicholas MdDonnell – Director, NMTC
Florence Moses – Director, Subsidiary Finance
Debbie Royce – Corporate Secretary

The meeting of the Empire State New Market Corporation ("ESNMC" or the "Corporation") was called to order at approximately 3:00 p.m.

Before proceeding with the meeting Acting Chair Younis welcomed three new members to the board. Linda Malave, the Regional Director for the Mid-Hudson regional office; Karen Utz, the Regional Director for the Western New York regional office; and Michael Yevoli, the Regional Director for the Capital Region regional office.

Acting Chair Younis noted for the record that the meeting will be webcast and the public had been given the opportunity to comment on the meeting's Agenda items by submitting their written comments by 12:00 p.m. on July 14th and no comments were received.

Acting Chair Younis then stated that the Directors had received the relevant written materials in advance of the meeting and were free to ask questions at any time.

Before beginning with the substantive portion of the meeting, Acting Chair Younis asked the Directors whether anyone had any potential conflict of interest regarding any of the items on the proposed Agenda. He asked, if so, that the appropriate disclosure be made on the

record to ensure that the Director is recused from any discussion or vote regarding such item(s). No comments were noted.

Acting Chair Younis then called for a motion to approve the Minutes of the March 16, 2025 Directors' Meeting. There being no changes or corrections, upon motion duly made and seconded, the following resolution was unanimously adopted:

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE MARCH 16, 2025 MEETING OF THE DIRECTORS OF THE EMPIRE STATE NEW MARKET CORPORATION

RESOLVED, that the Minutes of the meeting of the Corporation held on March 16, 2025, as presented to this meeting, are hereby approved and all actions taken by the Directors present at such meeting, as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Corporation.

* * *

Acting Chair Younis then called on Jonevan Hornsby, President of ESNMC, to present the first item on the Agenda, the adoption of the proposed General Project Plan ("GPP") as it relates to the Harvest Prime Project, for the Directors' consideration.

Mr. Hornsby explained that the Directors were being asked to approve a request to allocate up to $14 million in Federal New Market Tax Credits ("NMTCs") for the purpose of enabling the subsidiary Community Development Entities ("CDE") to make loans to a borrower to finance the purchase of equipment, inventory, and working capital to upgrade infrastructure and modernize a 30,000 square-foot food distribution facility for Harvest Prime, a New York based wholesale food distribution business focused on acquiring, stabilizing, and modernizing essential food supply infrastructure that services rural and economically distressed communities throughout New York State.

Mr. Hornsby further explained that Harvest Prime currently serves as the cornerstone of the regional food supply chain in which it preforms the essential function of ensuring that affordable, high-quality nutritional resources remain accessible to the underserved rural populations and low-income neighborhoods of New York State.

Mr. Hornsby noted that Harvest Prime connects farms and food producers with commercial customers with fresh fruits, vegetables, prime meats and seafood, locally grown farm products, specialty and gourmet foods, and dairy and grocery essentials. Some of its customers include small retailers, independent grocers, restaurants, schools, healthcare providers, and non-profit institutions.

Mr. Hornsby noted that Harvest Prime is a holding company of two food distribution companies, Antonucci Wholesale Foods, LLC and Syracuse Banana, LLC; and that Harvest Prime was purchased in September of 2025 and the owners are investing in technology, equipment, and infrastructure to modernize and grow the business.

Mr. Hornsby noted that Antonucci Wholesale Foods operates two sites, one in Gloversville, New York, and the other in Athens, New York.

Mr. Hornsby explained that the financing will allow the business to make various upgrades and invest in inventory and other working capital needs to allow the company to grow and respond to the increased market demand. By upgrading this facility post-acquisition,

Harvest Prime plans to secure the long-term viability and vital link in the regional food supply chain and, by strengthening cold chain reliability and logistics performance, the project will continue to support food access, price stability, and service continuity.

Mr. Hornsby noted that the proposed financing is recommended for multiple reasons: The investment is generally consistent with ESNMC's strategy proposed to the Community Development Financing Institute ("CDFI") Fund; the project fits well with this strategy as it will create and retain quality and accessible jobs and allow ESMN to provide up to $14 million of NMTC allocation to finance non-real estate uses. And the project is expected to create 46 jobs and retain 121 permanent full-time jobs for a total of 167 full-time jobs all of which are available to people without a college degree or those who face other barriers.

Following the full presentation, Acting Chair Younis called for questions or comments from the Directors. Hearing none, and upon motion duly made and seconded, the following Resolution was unanimously adopted:

> EMPIRE STATE NEW MARKET CORPORATION – New Markets Tax Credit Sub-Allocation to provide financing for equipment, inventory and working capital to grow a food distribution center in Gloversville, New York – Authorization to Adopt the Proposed General Project Plan (the "GPP"); Authorization to Sub-Allocate New Markets Tax Credits ("NMTCs"); Perform Certain Acts in Connection with the Sub-Allocation of NMTCs to an ESNMC Subsidiary CDE; Close the NMTC Transaction and Take All Related Actions

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WHEREAS, Empire State New Market Corporation, a New York corporation (the "Corporation"), has been certified by the Community Development Financial Institutions Fund (the "CDFI Fund") as a "qualified community development entity" (a "CDE"), as such term is defined in Section 45D of the Internal Revenue Code of 1986, as amended (the "Code"), the Treasury Regulations and the related guidance, and the Corporation has entered into an Allocation Agreement (the "Allocation Agreement"), with the CDFI Fund in connection with a calendar year 2023 allocation of NMTCs under Section 45D of the Code (the "Allocation");

WHEREAS, the Corporation desires to sub-allocate to ESNMC Subsidiary CDE XXI, LLC, a New York limited liability company, or another subsidiary CDE of the Corporation (the “Subsidiary CDE"), up to $14,000,000 in NMTC authority from the Corporation's Allocation (the "Sub-Allocation") in connection with the proposed investment to a Portion of Business of Antonucci Wholesale Foods LLC to finance the purchase of equipment and inventory, as well as working capital to stabilize and grow a 30,000 SF food distribution center in Gloversville, New York (the "Project") as described in the GPP;

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the UDC Act, the proposed GPP for the Project submitted to this meeting, together with such changes therein as the President of the Corporation or his designee(s) may deem appropriate, a copy of which GPP, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, the President of the Corporation or his designee(s) be, and each of them hereby is, authorized to cause the Corporation to make to the Subsidiary CDE, the Sub-Allocation for the purposes of making NMTC financing available to the Project described in the GPP, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President of the Corporation or his designee(s) may deem appropriate, and be it further

RESOLVED, that pursuant to Section 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), there are no families or individuals to be displaced from the location of the Project; and be it further

RESOLVED, that the President of the Corporation or his designee(s) be, subsequent to the making of the Sub-Allocation, and each of them hereby is, authorized to cause the Corporation to take such actions and make such modifications to the terms of the Sub-Allocation as he or she may deem necessary or appropriate in the administration of the Allocation; and be it further

RESOLVED, that the President or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation acting in its own capacity, or as managing member of the Subsidiary CDE, to negotiate, issue, execute and deliver any and all transaction documents and instruments, including but not limited to, operating agreement(s), loan and security agreements, indemnity agreement(s), fee agreements, asset management agreements, bank accounts, account control agreements, disbursement agreements, and any other security agreements, financing statements, notices, requests, demands, directions, consents, approvals, waivers, acceptances, appointments, applications, certificates, agreements, supplements, amendments, further assurances or other instruments or communications (collectively, the "Transaction Documents"), and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions, including such modifications to the terms of the transaction as he or she may deem necessary or appropriate and reasonably consistent with the GPP. Any actions previously taken by the Corporation in furtherance of the GPP are hereby ratified and approved.

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Acting Chair Younis called on Mr. Hornsby to present the next item on the Agenda, approval of the General Project Plan as it relates to the Walgreens project, for the Directors' consideration.

Mr. Hornsby explained that the Directors were being asked to approve an allocation of up to $14 million in Federal NMTCs for the purpose of enabling the subsidiary CDE to make loans to a borrower to finance equipment, inventory, and working capital for three Walgreens pharmacies identified as at risk of closure in underserved, economically distressed rural communities in Johnstown, Liberty and Norwich, New York, and to delegate authority to the President of ESNMC and his designee to take any and all actions with respect such allocation of NMTC's, the final terms of all transaction documents, and closing the transaction.

Mr. Hornby further explained that for 125 years, Walgreens, which began as a single corner pharmacy in 1901 and has since grown into one of the nation's leading retail pharmacy providers, has been a trusted presence in communities across the country.

Mr. Hornsby noted that due to a nationwide restructuring following its transition to private ownership in 2025, Walgreens has announced plans to close approximately 1,200 stores, including those located in Johnstown, Liberty, and Norwich. These locations serve communities with a disproportionally high percentage of low-income residents and government-pay patients.

Mr. Hornsby noted that this financing will support the equipment, inventory, and working capital necessary to maintain operations at these locations, which are critical to the health and well-being of the communities they serve.

Mr. Hornsby further noted that, collectively, the project is expected to serve more than 372,000 individuals annually, which is approximately 58 percent of the community that is low-income, while creating and retaining 47 jobs and preserving essential healthcare access in those rural communities. The project is also expected to retain an estimated 30 accessible jobs that will be available to people without college degrees or who face other barriers to employment.

Mr. Hornsby noted that the proposed financing is recommended for multiple reasons: The project fits well with ESNMC's strategy proposed to the CDFI Fund as it will retain quality and accessible jobs, and provide goods and services, including health services and healthcare access; allow ESNMC to provide up to $14 million to finance non-real estate uses; and is located in a non-metropolitan community.

Acting Chair Younis then called for any questions or comments from the Directors. Hearing none, and upon motion duly made and seconded, the following Resolution was unanimously adopted:

> EMPIRE STATE NEW MARKET CORPORATION – New Markets Tax Credit Sub-Allocation to provide financing for equipment, inventory, and working capital for three (3) rural Walgreens locations in Johnstown, Liberty and Norwich, New York – Authorization to Adopt the Proposed General Project Plan (the "GPP"); Authorization to Sub-Allocate New Markets Tax Credits ("NMTCs"); Perform Certain Acts in Connection with the Sub-Allocation of NMTCs to an ESNMC Subsidiary CDE; Close the NMTC Transaction and Take All Related Actions

WHEREAS, Empire State New Market Corporation, a New York corporation (the “Corporation”), has been certified by the Community Development Financial Institutions Fund (the "CDFI Fund") as a "qualified community development entity" (a "CDE"), as such term is defined in Section 45D of the Internal Revenue Code of 1986, as amended (the "Code"), the Treasury Regulations and the related guidance, and the Corporation has entered into an Allocation Agreement (the “Allocation Agreement"), with the CDFI Fund in connection with a calendar year 2023 allocation of NMTCs under Section 45D of the Code (the “Allocation");

WHEREAS, the Corporation desires to sub-allocate to ESNMC Subsidiary CDE XXIII, LLC, a New York limited liability company, or another subsidiary CDE of the Corporation (the “Subsidiary CDE"), up to $14,000,000 in NMTC authority from the Corporation's Allocation (the "Sub-Allocation") in connection with the proposed investment to a for-profit entity, Walgreens Eastern Co. Inc., to finance equipment, inventory, and working capital in three (3) Walgreens locations across rural New York (the "Project") as described in the GPP;

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the UDC Act, the proposed GPP for the Project submitted to this meeting, together with such changes therein as the President of the Corporation or his designee(s) may deem appropriate, a copy of which GPP, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, the President of the Corporation or his designee(s) be, and each of them hereby is, authorized to cause the Corporation to make to the Subsidiary CDE, the Sub-Allocation for the purposes of making NMTC financing available to the Project described in the GPP, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President of the Corporation or his designee(s) may deem appropriate, and be it further

RESOLVED, that pursuant to Section 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), there are no families or individuals to be displaced from the location of the Project; and be it further

RESOLVED, that the President of the Corporation or his designee(s) be, subsequent to the making of the Sub-Allocation, and each of them hereby is, authorized to cause the Corporation to take such actions and make such modifications to the terms of the Sub-Allocation as he or she may deem necessary or appropriate in the administration of the Allocation; and be it further

RESOLVED, that the President or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation acting in its own capacity, or as managing member of the Subsidiary CDE, to negotiate, issue, execute and deliver any and all transaction documents and instruments, including but not limited to, operating agreement(s), loan and security agreements, indemnity agreement(s), fee agreements, asset management agreements, bank accounts, account control agreements, disbursement agreements, and any other security agreements, financing statements, notices, requests, demands, directions, consents, approvals,

waivers, acceptances, appointments, applications, certificates, agreements, supplements, amendments, further assurances or other instruments or communications (collectively, the "Transaction Documents"), and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions, including such modifications to the terms of the transaction as he or she may deem necessary or appropriate and reasonably consistent with the GPP. Any actions previously taken by the Corporation in furtherance of the GPP are hereby ratified and approved.

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The Acting Chair then called on Mr. Hornsby to present the last item on the Agenda related to a contract amendment for the Directors' consideration.

Mr. Hornsby explained that the Directors were being asked to approve a contract amendment with CohnReznick, LLP, which provides accounting services to ESNMC in connection with its current allocations and potential future allocations of Federal New Market Tex Credits and the deployment thereof.

Mr. Hornsby noted that ESNMC requires its accountants to have experience in the NMTC program in order to operate the program and given the success in securing NMTC allocation awards from the CDFI fund and closing numerous NMTC transactions, the volume and complexity of accounting work required for ESNMC and its subsidiary CDEs has increased significantly.

Lastly, Mr. Hornsby noted that the Directors were being asked to make a determination of responsibility with respect to the contract, and authorize the contract amendment with CohnReznick, LLP in an amount not to exceed an additional $1 million for a new total contract amount of $1.5 million.

Following the full presentation, Acting Chair Younis called for any questions or comments from the Directors. Hearing none, and upon motion duly made and seconded, the following Resolution was unanimously adopted:

EMPIRE STATE NEW MARKET CORPORATION – Accounting Services - Authorization to Amend a Contract with CohnReznick LLP to Provide Accounting Services to the Corporation and to Take Related Actions

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BE IT RESOLVED, that upon the basis of the materials presented to this meeting (the "Materials"), a copy of which is hereby ordered filed with the records of the Corporation, the Corporation hereby finds CohnReznick LLP to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to amend a contract with CohnReznick LLP for an additional amount not to exceed one million dollars ($1,000,000) and a total contract amount not to exceed $1,500,000 for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

RESOLVED, that the President of the Corporation or his designee(s) be, and each of them hereby is, authorized to take such action and execute such documents as may be necessary or appropriate to carry out the foregoing resolution.

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There being no further business, the meeting was adjourned at 3:15 p.m.

Respectfully submitted,

Yvonne M. Cooper
Acting Corporate Secretary

Item II. A.

NEW YORK STATE OF OPPORTUNITY. Empire State New Market Corporation

A Subsidiary of Empire State Development

FOR CONSIDERATION
September 9, 2026

TO:	The Directors
FROM:	Jonevan Hornsby
SUBJECT:	Queens (New York City Region – Queens County) – New Markets Tax Credit Sub-Allocation to provide financing for the construction of a new 139,000 square foot multi-service community facility.
REQUEST FOR:	Authorization to Adopt the Proposed General Project Plan (”GPP”); Sub-Allocate New Markets Tax Credits ("NMTCs") to an Empire State New Market Corporation (“ESNMC”) Subsidiary; Close the NMTC Transaction; and Take All Related Actions

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General Project Plan

I. Project Summary

Project Sponsor:	The Sponsor is Variety Boys & Girls Club of Queens, Inc. (“VBGCQ” or the “Project Sponsor”).
Borrower:	ESNMC Subsidiary CDE XXIV, LLC, a New York limited liability company, or another subsidiary CDE (as defined below) of ESNMC (the “Subsidiary CDE"), is expected to make loans to a borrower, which loans are expected to qualify as qualified low-income community investments (“QLICIs”, each a “QLICI”) as defined under the NMTC rules and regulations (further described below). The borrower for the project is expected to be VBGC NMTC LLC (the “Borrower”). The Borrower is expected to be a qualified active low-income community business (“QALICB”) as a portion of the business of the Project Sponsor under the NMTC rules and regulations.
ESNMC* Request:	Approval (1) to allocate up to $7,500,000 in federal NMTCs for the purpose of enabling the Subsidiary CDE to make loans to the Borrower to finance the Project (as defined below), and (2) to delegate authority to the President of ESNMC and his designee(s) to take any and all actions with respect to such allocation of NMTCs, the final terms of all transaction documents, and closing the transaction.

*ESNMC is a subsidiary of the New York State Urban Development Corporation d/b/a Empire State Development (“ESD”).

Project Location: The Project is located at 21-12 30th Road, Queens, NY 11102 (the "Project Property").

Proposed Project: The Subsidiary CDE will make loans to the Borrower to finance the construction of a new 139,000 square foot multi-service community facility that will include a new Boys & Girls Club, a charter school for grades 9 – 12, mental health services, and retail space (the "Project"). The Project is part of a larger redevelopment, and ground-up construction of a mixed-use 14-story condominium building with 235 affordable rental units on the top 10 floors, and the multi-service community facility on the first four (4) floors. The residential space will be financed separately.

Project Type: The Project is the construction of a new state-of-the-art community facility that, upon completion, will serve over 16,000 underserved youth, making it the largest Boys & Girls Club facility in the United States. This investment addresses ESNMC's goals of (i) creating quality jobs that provide living wages and benefits and are accessible to people without four-year college degrees or who face other barriers to entry; and (ii) increasing access to essential goods and services in underserved, low-income communities.

Alignment with Priorities: This investment aligns with the following ESNMC priorities and focus areas in the NMTC allocation application submitted to the Community Development Financial Institutions ("CDFI") Fund and the related allocation received by ESNMC:

(1) Finance projects that provide critical goods and services to Low-Income Communities ("LICs"): The Project provides essential community services including education, youth engagement, workforce training, and mental health services to Low-Income People and Low-Income Community Residents.

(2) Invest in projects that create quality jobs: The Project is expected to create and retain 114 permanent full-time jobs.

(3) Highly Distressed Area: The Project site is located in the Queens census tract #36081007900 corresponding to the street address 21-12 30th Road, Queens, NY 11102. This census tract qualifies as a Low-Income Community and an area of severe distress based on the following criteria:
   a. It has a family median income of 79%, which is lower than the minimum threshold of 80%.
   b. It has a Poverty Rate of 23%, which is higher than the minimum threshold of 20%.
   c. It has an Unemployment Rate of 7.80%, which is 1.44 times the national average.
   d. It is located in a Federally designated Opportunity Zone.

II. Project Cost and Financing Sources

The table below outlines the approximate amount of NMTC Allocation targeted to the Borrower and the expected Project uses and financing sources, which will be finalized, reviewed, and approved by ESNMC prior to closing. The sources include approximately $7.2 million in QLICI loans from ESNMC; $32.4 million in QLICI loans from additional CDEs (Nonprofit Finance Fund, The Community Builders, TD Bank, and New York Regional Center), a CDFI direct loan, bridge loan to bridge the reimbursable grants, capital campaign funds, direct disbursement grants, and Federal Investment Tax Credits. The CDFI direct loan and bridge loan are provided by a consortium of CDFIs.

Targeted NMTC Allocation	**$40,500,000**
Targeted ESNMC NMTC Allocation	**$7,500,000**

Project Sources	**Total**	**%**
ESNMC's Loans[(1)]	$7,200,000	7%
Other CDE Loans	$32,360,000	31%
Campaign Funds	$5,987,445	6%
Grants/Contributions	$16,852,779	16%
Federal ITC/Con Ed Clean Heat	$7,183,261	7%
CDFI Direct Loan	$35,000,000	33%
Total Sources	**$104,583,485**	**100%**

Project Uses	**Total**	**%**
Construction Costs	$82,132,446	78%
Soft Costs	$13,107,296	13%
Financing Costs	$915,000	1%
Carrying Costs	$660,018	1%
NMTC Closing Costs/CDE Reserves	$7,768,725	7%
Total Uses	**$104,583,485**	**100%**

(1) These funds are indirectly sourced partially from equity from TDCDC (as defined below), who will be the NMTC investor, and Sponsor Equity.

III. Project Description

A. Borrower

Industry: The Project Sponsor, which is the sole member of the Borrower and the lessee of the Project, is a civic and youth organization.

Sponsor History: VBGCQ is a non-profit 501(c)(3) organization that has served the Queens community for over 50 years. The organization provides a variety of services including after-school programming, summer camps, academic support and enrichment opportunities for children and teens in underserved, low-income communities.

Ownership — The Borrower, VBGC NMTC LLC, an affiliate of VBGCQ, is a newly formed limited liability company. The Project Sponsor is the sole member. MVBGC Builders LLC, a New York limited liability company ("MVBGC"), will be the non-member manager of the Borrower until the later of (i) completion of construction of the Project and (ii) the release of Mega Group Development LLC, a New York limited liability company ("Mega"), and its affiliates from guarantees entered into in connection with the Project (the "Manager Resignation Conditions"). Upon satisfaction of the Manager Resignation Conditions, MVBGC will resign as manager of the Borrower and the Project Sponsor will be the manager of the Borrower.

Market: Located in Queens, New York, within the New York City Region, the Project, once completed, will provide youth engagement/support, education, workforce training and mental health services to underserved youth and their families in the local community.

The new Boys and Girls Club facility will be the largest in the country. The Project will be located within one mile of four public housing communities including the underserved communities of Queensbridge Houses, Ravenswood Houses, and Astoria Houses. The largest of these communities is Queensbridge Houses with 3,142 apartments in Long Island City, which is the largest public housing development in the entire United States. Over 70% of VBGCQ's current membership lives in one of the four public housing areas**.**

ESD Involvement: New York State legislation requires ESD to select and prioritize projects demonstrating certain goals or benefits and approve the Project as an ESD project. In accordance therewith, on September 17, 2026, the ESD board of directors will be requested to separately approve the Project.

ESD Support: The Project has been recommended for an award of up to $3.0 million through the Regional Economic Development Council Initiative.

B. <u>The Project</u>

Activity: As noted above, the Subsidiary CDE will make QLICI loans to the Borrower for the construction of a 139,000 square foot state-of-the-art multi-purpose community facility.

Results: The following are important outcomes that are expected to be achieved:

<u>Estimated Job Creation</u>: The Project is expected to create 94 and retain 20 permanent full-time equivalent ("FTE") jobs, for a total of 114 FTEs.

Quality Jobs/Benefits Offered to Employees: The Project estimates that 63% of the permanent FTE jobs that will be created and retained will be paid above the New York-Newark-Jersey City Metropolitan Statistical Area's MIT Living Wage of $31.50/hr (the "Living Wage"), and approximately 66% of the jobs will receive comprehensive benefits including health insurance, dental insurance, and 401k.

Quality Construction Jobs: The Project estimates the creation of 140 FTE temporary construction jobs, 50% of which will be quality construction jobs, exceeding the Living Wage.

Job Accessibility to the Low-Income Community: The Project is expected to create 108 Accessible FTE jobs (95%) that are available to people without a college degree or who face other barriers to employment (prior criminal record, veterans, workers with disabilities, non-native English speaking).

The Project estimates the creation of 119 Accessible FTE temporary construction jobs (85% of total) that require less than a 4-year degree.

Community Goods and Services: The Project will create a multi-service community center and will deliver significant community services to local youth primarily with education, career/workforce training, youth engagement, and mental health support. These services will be provdied by VBGCQ, the Renaissance Charter School, and the Institute for Community Living and will serve 16,747 people annually (76% LIPs). The programming and larger development are in response to community engagement since 2014.

Sponsor Contact: Costa Constantinides
costa@varietyboysandgirlsclub.org

Project Team:		
	Origination	Jonevan Hornsby
	Project Management	Brendan Healey
	Contractor & Supplier Diversity	Ami Shipley
	Finance	Jonevan Hornsby
	Environmental	Soo Kang

Statutory Basis
And Findings: Section 45D of the Internal Revenue Code, Section 10 (g) and Sections 12 and 16 (2) of the New York State Urban Development Corporation Act of 1968, as amended (the "UDC Act"). As noted below, the NMTC program, enacted in 2000, offers a non-refundable tax credit intended to encourage private capital investment in low-income communities. The Project will comply with all applicable NMTC program requirements. ESD is required

to approve the Project (and is scheduled to do so at a meeting to be held on September 17, 2026) and ESNMC will comply with applicable federal tax laws and consummate the transaction. ESNMC is making certain findings as part of its approval of the Project.

IV. NMTC Program Background and ESNMC Role

The NMTC program, enacted in 2000, offers a non-refundable tax credit intended to encourage private capital investment in low-income communities. The U.S. Department of the Treasury's Community Development Financial Institutions Fund (the "CDFI Fund") allocates NMTCs under a competitive application process. Investors who make qualified equity investments ("QEIs") in community development entities ("CDEs") reduce their federal income tax liability by claiming the NMTC.

CDEs, such as ESNMC, the CDE that is controlled by ESD, apply to the CDFI Fund for an allocation of NMTCs. After an award of NMTC allocation, the CDE uses subsidiary CDEs to attract private equity investors who make QEIs in the subsidiary CDEs in order to claim the NMTCs. The subsidiary CDE then makes loans or equity investments in qualified businesses that are located in low-income communities. These loans and/or equity investments are made on better rates and terms than market.

The tax credit value is 39% of the cost of the QEI and is claimed over a seven-year credit allowance period. In each of the first three years, the investor receives a credit equal to 5% of the total amount paid for the stock or capital interest in the subsidiary CDE at the time of purchase. For the final four years, the value of the credit is 6% annually. Investors must retain their interest in a QEI throughout the seven-year period.

By federal law, any CDE must be a domestic corporation or partnership that must go through a certification process to obtain its status. Partnerships and limited liability companies ("LLCs") (that are treated as corporations or partnerships for federal income tax purposes) are the preferred subsidiary to structure NMTC projects. ESNMC has created certified subsidiary CDEs as LLCs and has sub-allocated and will sub-allocate its NMTCs to one of these LLCs for each project.

Through the NMTC program, $91 billion in NMTCs have been awarded to CDEs across the country since inception.

ESNMC has received six NMTC allocations to date totaling $300 million, including four consecutive awards in the 2021, 2022, 2023, and 2024-2025 allocation rounds. ESNMC will use $7.5 million in allocation from its 2022 award for the Project ("Allocation").

V. Overall Structure of NMTC Project Transaction

The Project will be structured as follows: TD Community Development Corporation ("TDCDC") (the "NMTC Tax Credit Investor") will make an equity investment in the approximate amount of $12,636,000 (the "NMTC Equity") in a special purpose fund (the "Fund") wholly-owned (directly or indirectly) by the NMTC Tax Credit Investor and formed for the purpose of this transaction. Variety Local Development Corporation will be the Leverage Lender for this transaction and will provide approximately $28,311,500 in leverage debt to the Fund (the "Fund Loan").

The proceeds of the Fund Loan and the NMTC Equity will be combined by the Fund and used to pay certain transaction expenses at the Fund and to make QEIs in each of the CDEs including a QEI in the amount of $7,500,000 in the Subsidiary CDE. ESNMC will sub-allocate $7,500,000 of NMTC allocation authority from the Allocation to its Subsidiary CDE. ESNMC's Subsidiary CDE will use the proceeds of the QEI from the Fund to make loans to the Borrower in an aggregate amount equal to approximately $7,200,000 and to pay a fee to ESNMC in the aggregate amount of $300,000.

The balance of funding required by the Borrower will come from sponsor equity, grants, and debt.

The NMTC Tax Credit Investor will require the Subsidiary CDE and its managing member, ESNMC, to indemnify TDCDC from the recapture or disallowance of the NMTC caused by acts or omissions of the Subsidiary CDE and/or ESNMC, so that the NMTC Tax Credit Investor will be made whole (subject to any caps that may be negotiated) in respect to its investment even if the NMTCs are lost or recaptured.

Notwithstanding the foregoing, the structure of the overall transaction and each project is still under review and discussion and may be affected by receipt of additional documentation and further evaluation by the transaction parties.

VI. Non-Discrimination and Contractor & Supplier Diversity

Pursuant to New York State Executive Law Article 15-A and Article 3 of New York State Veterans' Services Law, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of New York State certified minority-and women-owned business enterprises (MWBEs) and service-disabled veteran-owned businesses (SDVOBs) in the performance of ESD projects. The Office of Contractor and Supplier Diversity has reviewed the project and has determined that MWBE and SDVOB participation goals will not apply to this project.

VII. Environmental Review

The New York City Department of City Planning, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the City Environmental Quality Review ("CEQR") procedures. This review found the Project to be an Unlisted Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on May 4, 2018. Staff reviewed the Negative Declaration and supporting materials and concurs. The present request for funding does not constitute an action beyond those actions already considered by the lead agency and does not require additional environmental review under the State Environmental Quality Review Act ("SEQRA"). It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

VIII. Requested Actions

The Directors are being asked to adopt, subject to the requirements of Section 16(2) of the UDC Act, the herein described General Project Plan ("GPP"), and to make a sub-allocation of up to Seven Million Five Hundred Thousand Dollars ($7,500,000) from the Allocation for the purposes set forth in the GPP. The Directors are also being asked to delegate to one or more authorized officers of ESNMC, acting in its own capacity, or as managing member of the Subsidiary CDE, the authority to determine the terms of the NMTC transaction documents and to execute such NMTC transaction documents on behalf of ESNMC and the Subsidiary CDE in connection with the closing of the NMTC transaction.

IX. Additional Submissions to Directors

Resolutions
New York State Map

September 9, 2026

EMPIRE STATE NEW MARKET CORPORATION – New Markets Tax Credit Sub-Allocation to provide financing for the construction of a multi-service community facility in Queens, New York – Authorization to Adopt the Proposed General Project Plan (the “GPP”); Authorization to Sub-Allocate New Markets Tax Credits (“NMTCs”); Perform Certain Acts in Connection with the Sub-Allocation of NMTCs to an ESNMC Subsidiary CDE; Close the NMTC Transaction and Take All Related Actions

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WHEREAS, Empire State New Market Corporation, a New York corporation (the “Corporation”), has been certified by the Community Development Financial Institutions Fund (the "CDFI Fund") as a "qualified community development entity" (a "CDE"), as such term is defined in Section 45D of the Internal Revenue Code of 1986, as amended (the "Code"), the Treasury Regulations and the related guidance, and the Corporation has entered into an Allocation Agreement (as amended, the “Allocation Agreement"), with the CDFI Fund in connection with a calendar year 2022 allocation of NMTCs under Section 45D of the Code (the “Allocation");

WHEREAS, the Corporation desires to sub-allocate to ESNMC Subsidiary CDE XXIV, LLC, a New York limited liability company, or another subsidiary CDE of the Corporation (the “Subsidiary CDE"), up to $7,500,000 in NMTC authority from the Corporation's Allocation (the "Sub-Allocation") in connection with the proposed investment to a VBGC NMTC LLC, a New York limited liability company, to finance the construction of a new 139,000 square foot multi-service community facility in Queens, New York (the "Project") as described in the GPP;

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the UDC Act, the proposed GPP for the Project submitted to this meeting, together with such changes therein as the President of the Corporation or his designee(s) may deem appropriate, a copy of which GPP, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, the President of the Corporation or his designee(s) be, and each of them hereby is, authorized to cause the Corporation to make to the Subsidiary CDE, the Sub-Allocation for the purposes of making NMTC financing available to the Project described in the GPP, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President of the Corporation or his designee(s) may deem appropriate, and be it further

RESOLVED, that pursuant to Section 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), there are no families or individuals to be displaced from the location of the Project; and be it further

RESOLVED, that the President of the Corporation or his designee(s) be, subsequent to the making of the Sub-Allocation, and each of them hereby is, authorized to cause the Corporation to take

such actions and make such modifications to the terms of the Sub-Allocation as he or she may deem necessary or appropriate in the administration of the Allocation; and be it further

RESOLVED, that the President or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation acting in its own capacity, or as managing member of the Subsidiary CDE, to negotiate, issue, execute and deliver any and all transaction documents and instruments, including but not limited to, operating agreement(s), loan and security agreements, indemnity agreement(s), fee agreements, asset management agreements, bank accounts, account control agreements, disbursement agreements, and any other security agreements, financing statements, notices, requests, demands, directions, consents, approvals, waivers, acceptances, appointments, applications, certificates, agreements, supplements, amendments, further assurances or other instruments or communications (collectively, the "Transaction Documents"), and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions, including such modifications to the terms of the transaction as he or she may deem necessary or appropriate and reasonably consistent with the GPP. Any actions previously taken by the Corporation in furtherance of the GPP are hereby ratified and approved.

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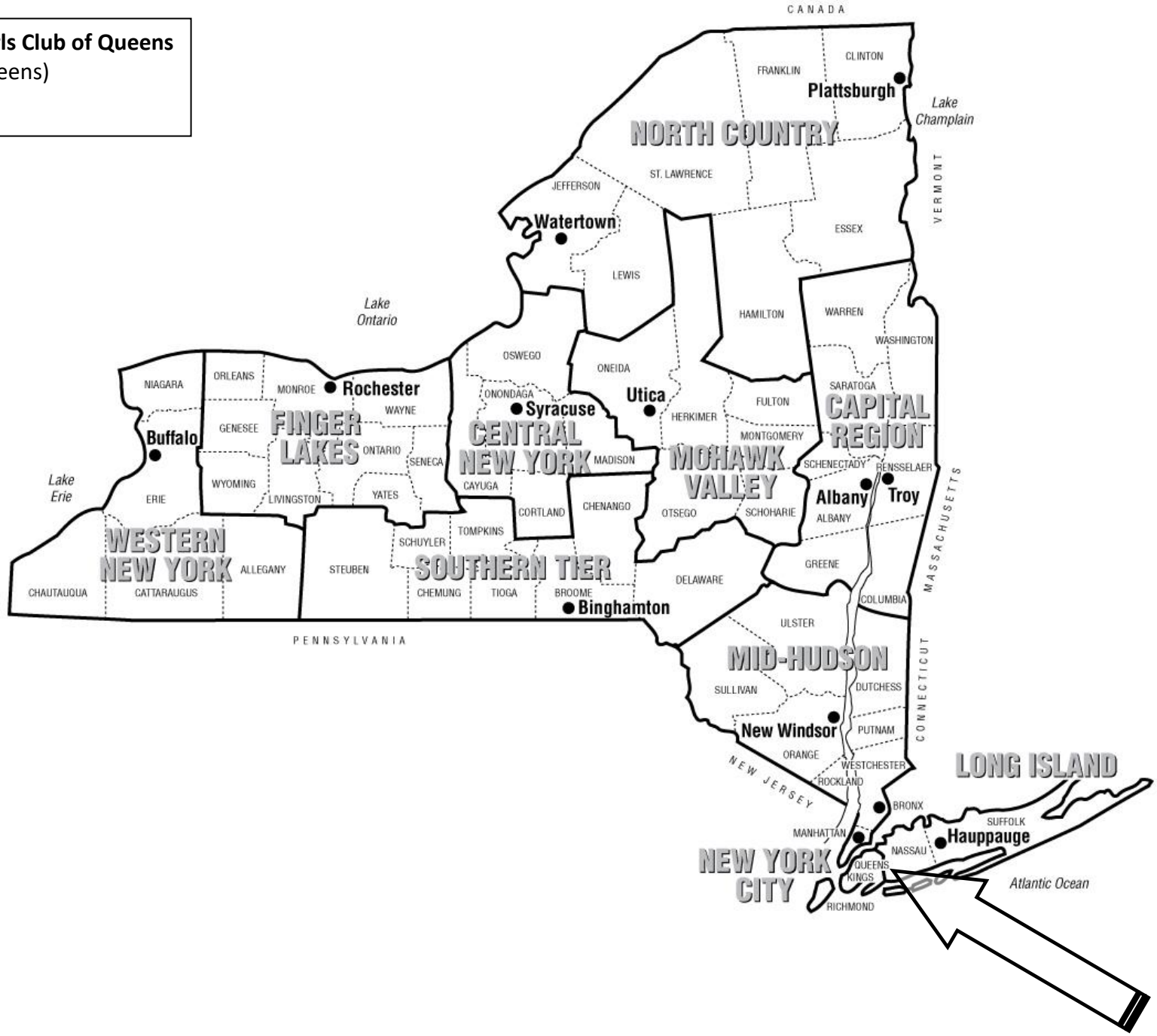
Variety Boys & Girls Club of Queens
New York City (Queens)
Queens County