



MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS
OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
March 18, 2020

A special meeting of the Board of Directors of New York City Economic Development Corporation (“NYCEDC”), called at the direction of the President of NYCEDC, was held telephonically, pursuant to notice by an Assistant Secretary, on Wednesday, March 18, 2020..

The following Directors of NYCEDC were present by conference telephone:

Cheryl Adolph
Shirley Aldebol
Wilton Cedeno
Marlene Cintron
Lorraine Cortes-Vazquez
Mitchell Draizin
Robert Englert
William Floyd
Matthew Hiltzik
Tanya Levy-Odom
Pedram Mahdavi (as alternate for Vicki Been)
James McSpirtt
Melva Miller
Patrick J. O’Sullivan, Jr.
James Patchett
Mark Russo
Michael Schlein
Timothy Wilkins
Betty Woo
Kathryn Wylde

Members of NYCEDC staff also were present.

The meeting was called to order at 8:34 a.m. Meredith Jones, Executive Vice President, General Counsel and Secretary of NYCEDC, served as secretary of the duly constituted meeting, at which a quorum was present. (Attached hereto as Attachment 1 is a definition sheet that contains the definitions of certain frequently used terms contained in the Exhibits attached hereto.)

1. Approval of the Minutes of the February 5, 2020 Regular Meeting of the Board of Directors

There being no questions or comments with respect to the minutes of the February 5, 2020 regular meeting of the Board of Directors, as submitted, a motion was made to approve such minutes, as submitted. Such motion was seconded and unanimously approved.

2. Report of NYCEDC's President

At this time, Mr. Patchett gave his report as President of NYCEDC. Mr. Patchett first noted that the agenda for this meeting was put together prior to the events of the last two weeks, and that the focus of NYCEDC going forward would be primarily on COVID-19 and related matters. He then discussed what NYCEDC was doing to assist the City of New York (the "City") in this crisis, noting that matters that NYCEDC had been working on included helping the City with emergency triage, providing policy input on the various restrictions that were put in place and the balancing of business and health implications, and working on long term recovery plans. He also discussed staffing off and on site.

In answer to a question from Mr. Schlein, Mr. Patchett stated that no one at NYCEDC had tested positive for the virus thus far, and that NYCEDC had a policy in place for the likely event that someone would test positive. In answer to a question, Mr. Patchett stated that NYCEDC had not yet reduced NYC Ferry service. Ms. Cintron then expressed the importance of ensuring that the City receives the appropriate proportion of federal relief funding to help businesses at all levels that were and would be in dire need of assistance. In answer to another question from Ms. Cintron, Mr. Patchett explained that the impact of COVID-19 had evolved in the time since the small business grants program of the New York City Department of Small Business Services ("SBS") was created, and that NYCEDC was trying to help provide SBS with assistance in program creation.

In answer to a question from Mr. Floyd, Mr. Patchett suggested that he and Mr. Floyd further discuss the various ways that the City could utilize the executive orders and other responsive measures employed in California, and particularly in the San Francisco Bay area, to guide potential future measures to be taken by the City and to benefit from California's experiences to date with respect to COVID-19.

Ms. Wylde left the meeting at this time.

3. Tenant Relief

Julie Stein, a Senior Vice President of NYCEDC, presented a proposal for NYCEDC to provide relief to tenants and subtenants of property owned or leased by NYCEDC that were adversely impacted by COVID-19, on substantially the terms set forth in Exhibit A hereto.

At this time, Ms. Stein noted that given the uncertainty of the business environment, NYCEDC may come back to the Board for a 3-month extension to provide for additional tenant relief. In answer to a question from Mr. McSpiritt, Mr. Patchett stated that when NYCEDC came back to the Board for the extension, it would provide to the Directors a report on the effect of the currently proposed tenant relief.

A motion was made to authorize the matter set forth for authorization in the Proposed Resolution section of Exhibit A hereto. Such motion was seconded and unanimously approved.

4. Election of Officers

Under NYCEDC's Bylaws, the Board shall elect such Executive Vice Presidents as it may from time to time determine. At this time, Mr. Patchett proposed that Fred D'Ascoli be promoted from being a Senior Vice President and Assistant Treasurer and be elected as an Executive Vice President, Lindsay Greene be elected as an Executive Vice President, and Elizabeth Verostek be promoted from being a Senior Vice President and be elected as an Executive Vice President. A description of certain responsibilities of Executive Vice Presidents may be found in Article IV of the Bylaws. It was anticipated that Mr. D'Ascoli would act as Chief Financial Officer, Ms. Greene would act as Chief Strategy Officer, and Ms. Verostek would act as Deputy Chief Financial Officer. Each shall perform such duties as are assigned to him/her by NYCEDC's President. Mr. Patchett noted that these elections were necessitated by recent departures, and he then summarized the backgrounds of Mr. D'Ascoli, Ms. Greene and Ms. Verostek.

A motion was made to elect Fred D'Ascoli as an Executive Vice President (in place of his being a Senior Vice President and Assistant Treasurer) of NYCEDC, Lindsay Greene as an Executive Vice President of NYCEDC, and Elizabeth Verostek as an Executive Vice President (in place of her being a Senior Vice President) of NYCEDC. Such motion was seconded and unanimously approved. The position of each of Fred D'Ascoli, Lindsay Greene and Elizabeth Verostek as an officer shall be conditioned upon the continuance of his or her employment by NYCEDC.

5. Election of Member of Committee

At this time, Mr. Patchett proposed to elect Cheryl Adolph, a Director of NYCEDC, to serve as a member of the Legal Affairs Committee of the Board of Directors of NYCEDC, to replace Patrick O'Sullivan, Jr., who had recently resigned as a member of the Legal Affairs Committee.

A motion was made to elect Cheryl Adolph as a member of the Legal Affairs Committee of NYCEDC's Board of Directors. Such motion was seconded and unanimously approved.

6. Lease for Port Authority Bus Terminal Fresh Market

Megha Chopra, an Assistant Vice President of NYCEDC, presented a proposal for NYCEDC (i) to enter into a lease agreement with The Port Authority of New York and New Jersey (the “Port Authority”) for an approximately 5,900 square foot retail space on the ground floor of the south building at the Port Authority Bus Terminal (“PABT”) in Manhattan, (ii) to make payments, and (iii) to enter into ancillary related documents, all to provide for the promotion, management and operation of a multi-vendor retail market at PABT, on substantially the terms set forth in Exhibit B hereto.

In answer to a question from Mr. Mahdavi, Ms. Chopra stated that this market at the PABT would have a footprint similar to other markets in NYCEDC’s portfolio. Mr. Patchett then pointed out that this project was planned long before the COVID-19 crisis and that this and many other of NYCEDC’s undertakings may therefore need to be reevaluated when life returned to a more normal state. In answer to a question from Ms. Cintron, Mr. Patchett stated that NYCEDC and the Port Authority had not yet signed a lease for this project.

A motion was made to approve the matters set forth for approval in the Proposed Resolution section of Exhibit B hereto. Such motion was seconded and approved. Mr. O’Sullivan recused himself from voting on this item.

7. Long Term Ground Leases to Bronx Point Owner, LLC

Douglas Land, a Senior Associate of NYCEDC, presented a proposal for New York City Land Development Corporation to (i) lease from The City of New York (the “City”) through one or more leases Block 2356, part of Lot 2 and a de-mapped portion of East 150th Street (the “Phase I Leasehold Area”), and Block 2356, part of Lot 2 (the “Phase II Leasehold Area”), on the Tax Map of the Borough of the Bronx (together, the “Leasehold Areas”), (ii) assign such leases to Bronx Point Owner, LLC or one or more affiliated entities, such as L+M Development Partners and/or Type A Projects (whichever, the “Developer”), and/or to an affiliated housing development fund corporation or other entity whose purpose is to facilitate affordable housing and/or obtain financing for the proposed project on the Leaseholds (a “Financing Entity”), and (iii) enter into any related agreements and documents and consents to effectuate the transaction, to provide for a mixed-use development at the Leasehold Areas, on substantially the terms set forth in Exhibit C hereto.

A motion was made to approve the matters set forth for approval in the Proposed Resolutions section of Exhibit C hereto and to resolve that there is no reasonable alternative to the proposed transfer to the Developer and/or a Financing Entity that will achieve the same purpose as the transfer. Such motion was seconded and approved. Ms. Aldebol recused herself, and Mr. O’Sullivan recused himself, from voting on this item.

8. Approval

With respect to the approved items set forth above, it was understood that authorization and approval of such matters included authorization for the President and other empowered officers to execute the necessary legal instruments, and for the President and other empowered officers to take such further actions as are or were necessary, desirable or required, to implement such matters substantially on the terms described above.

9. COVID-19 DISCUSSION

At this time, in answer to a question from Mr. Cedeno, Mr. Patchett stated that NYCEDC had been communicating a lot with its biolab partners regarding vaccine development, as well as serving as a liaison between those partners and the New York City Office of Emergency Management and the Mayor's office to help get outside expertise on health issues. Discussion then ensued regarding ways that the Directors could be helpful and provide support. In answer to a question from Mr. Wilkins, Mr. Patchett explained that several key supply chains had maintained continuity thus far. In answer to a question from Mr. Schlein, Mr. Patchett stated that keeping the Hunts Point market working while also maintaining social distancing and other safety measures was certainly challenging, but that health precautions were being taken in Hunts Point and at this point there were no major problems.

10. Adjournment

There being no further business to come before the meeting, pursuant to a motion made, seconded and unanimously approved the meeting of the Board of Directors was adjourned at 9:33 a.m.

Mark Silversmith

Mark Silversmith (May 12, 2020)

Assistant Secretary

Dated: May 6, 2020

New York, New York

ATTACHMENT 1

DEFINITIONS

Apple	Apple Industrial Development Corp.
Armand	Armand Corporation d/b/a Armand of New York
BAT	Brooklyn Army Terminal
Bovis	Bovis Lend Lease LMB, Inc.
CDBG	Federal Community Development Block Grant
CDBG-DR Funds	Federal Community Development Block Grant-Disaster Recovery Program funds
CEQR	City Environmental Quality Review process
City DEP	New York City Department of Environmental Protection
City DOT	New York City Department of Transportation
City Parks	New York City Department of Parks and Recreation
City Planning	New York City Department of City Planning or City Planning Commission
CM	A construction manager
CM Contract	A construction management contract
DCAS	New York City Department of Citywide Administrative Services
EIS	Environmental Impact Statement
ESDC	New York State Urban Development Corporation d/b/a Empire State Development Corporation
FEMA	Federal Emergency Management Agency
FM	A facilities manager
FM/CM Contract	A facilities management/construction management contract
Funding Source Agreement	Any agreement necessary to obtain funds for the Project, including IDA Agreements
Gilbane.....	Gilbane Building Company
HDC	New York City Housing Development Corporation
HPD	New York City Department of Housing Preservation and Development
Hunter Roberts	Hunter Roberts Construction Group, L.L.C.
IDA	New York City Industrial Development Agency
IDA Agreement	Agreement with IDA pursuant to which IDA retains NYCEDC to accomplish all or part of the Project and reimburses NYCEDC for the costs of the work
LiRo	LiRo Program and Construction Management, PE P.C.
LMDC	Lower Manhattan Development Corporation
McKissack	The McKissack Group, Inc. d/b/a McKissack & McKissack

MOU	A memorandum of understanding
NYCEDC	New York City Economic Development Corporation, survivor of a November 1, 2012 merger of a local development corporation (the “LDC”) named New York Economic Development Corporation with and into New York City Economic Growth Corporation. References to NYCEDC prior to such merger are references to the LDC.
NYCHA	New York City Housing Authority
NYCLDC	New York City Land Development Corporation
Noble Strategy	Noble Strategy NY Inc.
OMB	New York City Office of Management and Budget
Port Authority	The Port Authority of New York and New Jersey
RFP	Request for Proposals
Sanitation	New York City Department of Sanitation
SBS	New York City Department of Small Business Services
SEMO	New York State Emergency Management Office
SEQR	State Environmental Quality Review process
Skanska	Skanska USA Building Inc.
State DEC	New York State Department of Environmental Conservation
State DOS	New York State Department of State
State DOT	New York State Department of Transportation
State Parks	New York State Office of Parks, Recreation and Historic Preservation
Tishman	Tishman Construction Corporation of New York
Turner	Turner Construction Company
ULURP	Uniform Land Use Review Procedure

EXHIBIT A

TENANT RELIEF
Board of Directors Meeting
March 18, 2020

PROJECT: Providing relief to tenants and subtenants of property owned or leased by NYCEDC that are adversely impacted by COVID-19

To combat and slow down the spread of COVID-19, the City of New York has been encouraging social distancing. As of March 15, 2020, Mayor Bill de Blasio shut public schools through April 20, 2020. The mayor also signed an Executive Order limiting restaurants, bars and cafes to food take-out and delivery and ordering nightclubs, movie theaters, small theater houses, and concert venues to close, effective March 17. Social distancing and these closures have significant negative impacts on the abilities of businesses to continue to function in their normal capacities, maintain supply chains and cash flow, and pay business expenses, including rent. NYCEDC anticipates COVID-19-related financial hardship impacting tenants and subtenants on properties that NYCEDC manages through master leases on certain properties or owns. NYCEDC has already received multiple requests for rent relief from tenants, who note hardship from event shutdowns, restaurant closures, and supply chain challenges, among others; one manufacturing tenant even noted already laying off 90% of its 100 workers earlier this week. NYCEDC anticipates additional requests when April 2020 bills are issued on or about March 20, 2020.

PROPOSED RESOLUTION: To authorize the President and any empowered officer to reduce, release and/or waive any rent, fee, charge or other occupancy payment owed to NYCEDC under a lease, sublease, permit or other occupancy agreement or arrangement in which NYCEDC is the lessor, sublessor, permittor or is otherwise the grantee of occupancy rights, by up to 100% for a period of up to three months.

NYCEDC STAFF: Winthrop Hoyt, Senior Vice President, Asset Management
Julie Stein, Senior Vice President, Asset Management
Rachel Loeb, Executive Vice President

EXHIBIT B

LEASE FOR PORT AUTHORITY BUS TERMINAL FRESH MARKET
Board of Directors Meeting
March 18, 2020

OVERVIEW: In March 2019, NYCEDC responded to a Request for Expression of Interest (an “RFEI”) issued by the Port Authority for a market developer and operator to promote, manage and operate an approximately 5,900 square foot retail market at the Port Authority Bus Terminal (“PABT”) in Manhattan. The Port Authority selected NYCEDC as the successful respondent. PABT’s location, diverse commuter base, and active retail climate make it an ideal venue for a new public market. The Port Authority will provide new code-compliant turn-key construction and installation of tenant improvements in accordance with input provided by NYCEDC on design, plans and specifications. Cost of construction will be shared by both parties with the final apportioned costs contingent upon the construction completion date.

In connection with the market, NYCEDC proposes to enter into a lease (the “Lease”) for an approximately 5,900 square foot retail space on the ground floor of the south building at PABT.

LEASE TERMS

LANDLORD: Port Authority

TENANT: NYCEDC

TERM: Five years plus one option to extend the term for an additional five year period.

BASE RENT: Base rent is to commence at \$70,000 per year (i.e. approximately \$11.86 per square foot). Base rent will commence after the first of the following to occur: (a) the market is open for operation or (b) 18 months from and including the Lease commencement date. On each anniversary of the rent commencement date, the rent will increase two percent (2%) per year.

PARTICIPATION

RENT: A percentage of every dollar earned by Tenant above \$750,000 in rent collected from vendors each year, based on the amount of Landlord’s Contribution (defined below), as set forth below.

Landlord's Contribution	Participation Payment of rent in excess of \$750,000
\$3,500,000	50%
\$3,250,000 - \$3,499,999	46%
\$3,000,000 - \$3,249,999	43%
\$2,750,000 - \$2,999,999	39%
\$2,250,000 - \$2,749,999	32%
\$1,750,000 - \$2,249,999	25%
\$1,000,000 - \$1,749,999	14%

USE:

A multi-vendor market offering items that will primarily include, but not be limited to, fruits and vegetables, baked goods, limited grocery items, fish, cheeses, meats and some prepared food. In addition, the market may serve as a venue for NYC Public Markets promotional events and programming and sell a small assortment of non-food merchandise including those promoting NYC Public Markets.

PROJECT BUDGET:

The total projected costs for the build out of the market are approximately \$7 million (the "Tenant Improvements"). Port Authority will be responsible for managing the design and for doing the actual buildout of the Tenant Improvements. NYCEDC will contribute a minimum of \$3.5 million towards the design and construction of the Tenant Improvements. Provided that the construction costs over \$3.5 million and construction is completed by no later than 21 months from the Lease commencement date (extended by delays other than Tenant delays), Port Authority will contribute a minimum of \$1 million and a maximum of \$3.5 million towards the design and construction of the Tenant Improvements. All Port Authority contributions in excess of \$1 million will be contingent on and determined by the achievement of construction milestones, outlined below in the "Performance Based Tenant Improvement Allowance". If the total cost for the Tenant Improvements is less than \$3.5 million, Port Authority is entitled to 90% of the difference between \$3.5 million and the actual (lesser) amount spent by NYCEDC on Tenant Improvements in the form of additional rent over the term of the Lease.

PERFORMANCE BASED TENANT IMPROVEMENT ALLOWANCE:

The Port Authority shall contribute a Tenant Improvement Allowance ("Landlord's Contribution") in the amount stated below, depending on when both construction completion and opening of the market have occurred ("Contribution Milestones"):

Date Contribution Milestones Occur	Landlord's Contribution
Prior to March 1, 2021	\$3,500,000
March 1 – March 31, 2021	\$3,250,000
April 1 – April 30, 2021	\$3,000,000
May 1 – May 31, 2021	\$2,750,000
June 1 – June 30, 2021	\$2,250,000
July 1 – July 31, 2021	\$1,750,000
August 1, 2021 to 21 months after the Lease commencement date	\$1,000,000

Port Authority will commit to complete design of the Tenant Improvements by 4 months from the Lease commencement date (subject to delays caused by Tenant) and construction of the Tenant Improvements within 8.5 months from complete construction drawings being available and the pre-construction meeting with NYCEDC. The 4 months and 8.5 months deadlines will be extended on a day-for-day basis for each day of delay to those dates that is caused by Tenant.

To the extent that design of the Tenant Improvements is completed, or the pre-construction meeting with NYCEDC is held, after 4 months from the Lease commencement date or construction of the Tenant Improvements is delayed beyond 8.5 months from complete construction drawings being made available and the pre-construction meeting with NYCEDC, then, for delays not caused by Tenant, each of the dates in the table above will be extended by the amount of such delay.

If Tenant delays push construction completion to a date that is more than 18 months from the Lease commencement date, Tenant shall pay monthly extension fees (\$6,000 for first extension, \$8,000 for the second and \$10,000 for the third). If Tenant delays push construction completion to a date that is more than 21 months from the Lease commencement date, then this will be an event of default and the Lease will be terminated.

FLOW OF FUNDS: NYCEDC will deposit funds into an account, which the Port Authority will draw down on to fund payments for the Tenant Improvements. NYCEDC will be responsible for cost overruns.

The funds will be from NYCEDC programmatic budget funds, including possibly funds provided to NYCEDC by the developer of Essex Crossing for improvements to public markets.

TERMINATION

RIGHT: The Port Authority has the right to terminate the Lease, without cause, at any time, on 30 days' notice to NYCEDC. In such event, if NYCEDC is not in default it will be reimbursed for the unamortized portion of its investment in the design and construction of the Tenant Improvements.

PUBLIC BENEFIT: NYCEDC will promote the market within PABT as a part of NYCEDC's city-wide markets portfolio. NYCEDC will leverage the central location of PABT, its shoppers, commuters and local residents to create a vibrant and bustling city-wide destination. This new public market will also provide access to affordable, healthy and diverse food options. Additionally, NYCEDC will serve to connect the public market and vendors to the surrounding community through unique events, programming and partnerships with local community stakeholders.

**PROPOSED
RESOLUTION:**

Approval for NYCEDC to enter into a lease agreement with the Landlord and to make payments on substantially the above described terms and to enter into any ancillary related documents

**NYCEDC
PROJECT CODE:** 9240

STAFF: Winthrop Hoyt, Senior Vice President, Asset Management
David Hughes, Vice President, Asset Management
Megha Chopra, Assistant Vice President, Asset Management
Tiffany Lacker, Senior Counsel, Legal

EXHIBIT C

LONG TERM GROUND LEASES TO BRONX POINT OWNER, LLC
Board of Directors Meeting
March 18, 2020

OVERVIEW:

In 2009, the City Council adopted the Lower Concourse Rezoning to revitalize an approximately 30-block district (to the south of the hereinafter defined Site) at the lower end of Grand Concourse and transform the waning industrial waterfront area into a mixed-use, mixed-income district by bringing much-needed housing to a neighborhood where zoning previously did not allow for residential development. In 2017, the City Council adopted the Lower Concourse North Rezoning (which includes the Site) to facilitate new open space and mixed use development.

NYCEDC, in partnership with HPD, released a Request for Expression of Interest (the "RFEI") in 2016 for the long-term lease and redevelopment of the Lower Concourse North site (a portion of the Site), an approximately 136,000 square foot parcel in the South Bronx (the "Phase I Leasehold Area" and the "Phase II Leasehold Area" as defined below). In 2017, a joint venture between L+M Development Partners ("L+M") and Type A Projects, whose proposal includes a mixed-use development including affordable housing, retail and community facility space, was selected. It is anticipated that the City (as lessor) and NYCLDC (as lessee) will enter into one or more long term leases for each of the Phase I Leasehold Area and the Phase II Leasehold Area (together for the Phase I Leasehold, the "Phase I lease", and for the Phase II Leasehold, the "Phase II lease"), which leases will be assigned for development of the Leasehold Areas substantially as described herein. A publicly accessible open space including a public walkway (together, the "Esplanade") will also be developed in connection with this project.

LESSOR:

The City of New York (the "City")

**LESSEE/
LEASE ASSIGNOR:**

NYCLDC

LEASE ASSIGNEE:

The leases will be assigned to (i) Bronx Point Owner, LLC or one or more affiliated entities, such as L+M and/or Type A Projects (whichever, the "Developer") and/or (ii) an affiliated housing development fund corporation or other entity whose purpose is to facilitate affordable housing and/or obtain financing for the proposed project on the Leaseholds (a "Financing Entity"). If a Financing Entity is the lease assignee, the Developer will be the beneficial owner of the leasehold interest. Bronx Point Owner, LLC is controlled directly or indirectly by L+M and Type A Projects.

L+M is controlled directly or indirectly by Ron Moelis.

Type A Projects is controlled directly or indirectly by Annie Tirschwell and Jill Crawford.

**SITE
LOCATION:**

Block 2356, Lot 2; Block 2539, p/o Lot 2; and a demapped portion of East 150th Street in the Bronx (the "Site")

Borough of Bronx Community Board No. 4

**SITE
DESCRIPTION:**

The Site consists of (i) Block 2356, p/o Lot 2 and a de-mapped portion of East 150th Street (the "Phase I Leasehold Area"); (ii) Block 2356, p/o Lot 2 (the "Phase II Leasehold Area"); and (iii) a waterfront portion of Block 2539, Lot 2, and a waterfront de-mapped portion of East 150th Street (the "Esplanade Area"). The Phase I Leasehold Area and Phase II Leasehold Area are together referred to as the "Leaseholds" herein.

The Phase I Leasehold Area is approximately 108,000 square feet. The Phase II Leasehold Area is approximately 28,000 square feet. The Esplanade, which will measure approximately 55,000 square feet, is anticipated to be in the jurisdiction of City Parks upon construction completion.

The Site is roughly bounded by Mill Pond Park to the north, Exterior Street to the east (beneath the elevated Major Deegan Expressway), East 149th Street (not accessible to vehicular traffic) to the south, and the Harlem River to the west. East 149th Street feeds onto the 145th Street Bridge to Manhattan at the Site's southern boundary. The Oak Point Rail Link runs parallel to the western boundary of the Site on a viaduct located over the Harlem River.

The Site was historically used for industrial purposes and was first developed in 1891. The Site is currently vacant.

The Site is approximately depicted in Attachment A.

BACKGROUND:

Initially, the Phase I lease will be entered into. If within three years of substantial completion of the project on the Phase I Leasehold (the "Phase I Project"), the City decides to move forward with a project on the Phase II Leasehold (the "Phase II Project") substantially as set forth in the Developer's RFEI proposal (which is in substance as stated herein) and the Lease Assignee of the Phase I Project lease is not in default, the City/NYCEDC shall offer the Developer a Right of First Offer (the "ROFO") to develop the Phase II Project substantially as set forth in the RFEI proposal and project commitment with approved modifications. If the ROFO is accepted, the Phase II Leasehold Area will be leased through the Phase II lease

to NYCLDC, which Phase II lease will be assigned to Bronx Point Owner, LLC or one or more affiliated entities or a Financing Entity. If a Financing Entity is the Lease Assignee of the Phase II lease, Bronx Point Owner, LLC or one or more affiliated entities will be the beneficial owner of the leasehold interest.

**PROJECT
DESCRIPTION:**

For the Phase I Project, the Developer shall build a mixed-use development totaling approximately 641,400 gross square feet ("GSF"), including: approximately 450,500 GSF of affordable housing; an approximately 61,300 GSF cinema or other entertainment facility approved by NYCEDC; an approximately 50,600 GSF Universal Hip Hop Museum or other cultural facility approved by NYCEDC; an approximately 7,300 GSF community facility; approximately 11,300 GSF of other retail; and a publicly-accessible comfort station

The Developer anticipates delivering approximately 540 affordable housing units spread across multiple income bands with an anticipated range from 27% to 90% of Area Median Income. It is expected that 100% of the residential units will be affordable for the term of the Phase I lease.

For the Phase II Project, the assignee of the Phase II lease shall build a mixed used development that it is anticipated will include approximately 271 residential units that will be affordable for the term of the Phase II lease, approximately 22,000 GSF of community facility space and approximately 11,500 GSF of commercial space

In the Phase II Project, it is anticipated that the distribution of income restricted units will maximize units at the deepest levels of affordability. At least 20% of total housing units available will be available at rents affordable to households earning no more than 30% of AMI, inclusive of housing for formerly homeless households.

Simultaneously with the development of the Phase I Project, the Developer also shall develop the Esplanade along the waterfront portion of the Site, as required by the Special Harlem River Waterfront District Expansion zoning ordinance, and certain improvements to portions of Mill Pond Park. The Esplanade, which will not be subject to the Leaseholds and will remain City owned, will be constructed by the Developer and funded by the City.

The Leaseholds may be developed using a condominium structure.

**PURPOSE OF
DISPOSITION/
BENEFIT TO
THE PUBLIC:**

It is anticipated that the disposition of the Leaseholds and construction of the Esplanade will transform a vacant and underutilized City-owned asset into a mixed-use development that provides affordable housing, community and cultural facility uses, and the creation of new publicly accessible open space.

LEASE TERMS:

It is anticipated that the City (as lessor) and NYCLDC (as lessee) will first enter into long term leases for the Phase I Leasehold Area and Phase II Leasehold Area. It is further anticipated that NYCLDC will then assign such leases to a Lease Assignee entity as listed above.

The total lease term for the Phase I Leasehold Area will be a maximum of 99 years (including renewal terms, if any). The annual base rent will be \$1 throughout the term of a regulatory agreement with HPD and others governing the affordable housing on the Phase I Leasehold Area. If the regulatory agreement terminates before the end of the Phase I lease, base rent will be based on the fair market value of the Phase I Leasehold Area for its then permitted use. Each year of the Phase I lease, the tenant will make a participation payment in the annual sum of twenty percent (20%) of net cash flow and capital proceeds for the commercial and retail components. It is also anticipated that the Lease Assignee will also pay an annual administrative fee to the City or NYCEDC in the amount of \$10,000.

The Phase II lease will end no later than 99 years from commencement of the Phase I lease and it is anticipated that the annual base rent will be \$1 throughout the term of the regulatory agreement with HPD and others governing affordable housing on the Phase II Leasehold Area. If the regulatory agreement terminates before the end of the Phase II lease, it is anticipated that base rent will be based on the fair market value of the Phase II Leasehold Area for its then permitted use. If the City agrees to the rent for the Phase II Leasehold Area being substantially lower than described herein, additional NYCEDC and NYCLDC Board approval will be needed.

Renewal terms may be exercised for one or both Leaseholds. For both Leaseholds, the Lease Assignee will make payments in lieu of taxes ("PILOT") in amounts equal to the real property taxes that would be assessed and levied against the applicable project if the Lease Assignee was the owner of the leased premises, provided that

PILOT will reflect any abatements, exemptions, or credits for which the project or the Lease Assignee qualifies.

The Lease Assignee of the Phase I Leasehold will also pay \$200,000 per year, inflated annually at the greater of CPI increase or 2.5%, to City Parks for maintenance and operation of the Esplanade, throughout the term of the Phase I lease with a one time option for the Lease Assignee to directly maintain the Esplanade and discontinue the maintenance and operation payments to City Parks provided that City Parks and the Lease Assignee agree on terms for such maintenance and operation by the Lease Assignee.

APPRAISED VALUE:

An independent appraisal for the Phase I Leasehold Area was commissioned in August 2019. The appraisal concluded that the highest and best use fair market sale value of the Phase I Leasehold Area is \$54,800,000. The appraisal concluded that the fair market value of the Phase I Leasehold Area, accounting for the specific development requirements and restrictions pertaining to the use and transfer of the Phase I Leasehold Area, is nil.

An independent appraisal for Phase II was commissioned in February 2020. The appraisal concluded that the highest and best use fair market sale value of the Phase II Leasehold Area is \$15,500,000. The appraisal concluded that the fair market value of the Phase II Leasehold Area, accounting for the specific development requirements and restrictions pertaining to the use and transfer of the Phase II Leasehold Area, is nil.

EXISTING ZONING:

The Site is zoned R7-2/C2-5 within a Special Mixed-Use District (MX-17). The Site was designated as a MIH area and was granted special permits (i) to create a Large-Scale General Development, and (ii) to modify height, parking and setback requirements.

PUBLIC APPROVALS:

The Phase I and Phase II Leasehold Areas were the subject of the approval to permit the disposition of real property through long-term ground lease for future development, in accordance with (i) ULURP under New York City Charter Section 197(c) and (ii) Mayoral and Borough Board approval in accordance with Section 384(b)(4) of the New York City Charter.

In 2017, the City Council adopted several land use actions affecting the Site, including (i) rezoning the M2-1 zoning district to an R7-2/C2-5 zoning district and extending the Special Harlem River Waterfront District (“HRW”) to include the Site; (ii) amending the Zoning Text to create a

new subdistrict (“North Subdistrict”) of the HRW and to update the Harlem River Waterfront Access Plan to include the subdistrict; (iii) establishing a Mandatory Inclusion Housing Area; (iv) disposing of real property; and (v) securing a special permit to waive any required accessory off-street parking spaces for affordable dwelling units for the mixed-use project.

The City Planning Commission approved the above discretionary actions on August 23, 2017 and the City Council approved the Lower Concourse North Project on October 17, 2017 with modifications. In addition, the Chair of the City Planning Commission issued a Chair Certification on September 14, 2018.

In 2019, the City Planning Commission and City Council approved HPD’s Urban Development Action Area (“UDAA”) designation and an Urban Development Action Area Project (“UDAAP”).

**PROPOSED
RESOLUTIONS:**

Approval for NYCLDC to (i) lease the Phase I Leasehold Area and Phase II Leasehold Area from the City through one or more leases substantially as described herein, (ii) assign such leases to the Developer and/or a Financing Entity, substantially as described herein, and (iii) enter into any related agreements and documents and consents to effectuate the transaction substantially as described herein.

The Board of Directors further resolves that there is no reasonable alternative to the proposed transfer to the Developer and/or a Financing Entity that will achieve the same purpose as the transfer.

**NYCEDC
PROJECT CODE:**

6534

STAFF:

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ATTACHMENT A
PROJECT LOCATION

