MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
August 12, 2020

A regular meeting of the Board of Directors of New York City Economic Development Corporation (“NYCEDC”) was held telephonically, pursuant to notice by an Assistant Secretary, on Wednesday, August 12, 2020.

The following Directors of NYCEDC were present by conference telephone:

Cheryl Adolph  
William Candelaria  
Wilton Cedeno  
Marlene Cintron  
Hector Cordero-Guzman  
Lorraine Cortes-Vazquez  
Mitchell Draizin  
Robert Englert  
William Floyd  
Matthew Hiltzik  
Tanya Levy-Odom  
David Lichtenstein  
Kapil Longani  
Pedram Mahdavi (as alternate for Vicki Been)  
James McSpiritt  
Melva Miller  
Patrick J. O’Sullivan, Jr.  
James Patchett  
Michael Schlein  
Charles Tebele  
Matthew Washington  
Timothy Wilkins  
Betty Woo  
Kathryn Wylde

Members of NYCEDC staff also were present.

The meeting was called to order at 8:37 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 June 24, 2020 Regular Meeting of the Board of Directors**

   There being no questions or comments with respect to the minutes of the June 24, 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.

   Mr. Cordero-Guzman joined the meeting during the below President’s Report.

2. **Report of NYCEDC’s President**

   At this time, Mr. Patchett gave his report as President of NYCEDC. He stated that NYCEDC had been particularly focused on the COVID-19 health front, trying to ensure local availability and a pipeline for test kits and personal protective equipment (“PPE”), that this part of NYCEDC’s work was mostly wrapping up, and that NYCEDC and many of its partners were positioned to ramp up production of PPE again if the need should arise. He further explained that, among other activities, NYCEDC was now working to support the City’s testing and tracing efforts, assisting the New York City Department of Education (“DOE”) with its efforts to reopen schools and set up additional child care, and working to support local businesses.

   Mr. Patchett then discussed NYCEDC’s continued focus on certain projects that were not COVID-19 related and other activities at NYCEDC properties, such as a summer drive-in film series and a bike building co-op for first responders at the Brooklyn Army Terminal.

   In answer to a question from Ms. Cintron, Mr. Patchett explained that NYCEDC’s role with respect to test kits and PPE was to facilitate the purchase of materials and to set up supply chains, and that many of the established production lines were still selling to other places and creating jobs. Many of the businesses were returning to their usual work. In answer to a question from Mr. Cedeno, Mr. Patchett stated that NYCEDC’s role in assisting DOE with its efforts to reopen schools mostly involved real estate issues. In answer to a question from Mr. Wilkins, Mr. Patchett discussed aspects of the City’s economic reopening and some of the many elements that will need to be examined in order to ensure that the City improves when it reopens, rather than merely returning to business as usual. In answer to a question from Mr. Schlein, Mr. Patchett discussed some of the efforts that NYCEDC made to foster a sense of positivity and connectivity among staff during this difficult period.

3. **Amendment to Sublease with Our World Neighborhood Charter School**

   Eric Rivera, a Senior Associate of NYCEDC, presented a proposal for NYCEDC to enter into an amendment(s) to its sublease (the “Sublease”) with Our World
Neighborhood Charter School ("OWN") for property located at 36-12 35th Avenue in Astoria, Queens (the "Premises"), which Premises includes an approximately 43,500 square foot building and an approximately 4,000 square foot playground, to extend the Sublease term which would allow for the continued use of the Premises by OWN as a charter elementary school educating children in grades kindergarten through five, including a film curriculum, and for OWN to expend a minimum of $800,000 on capital improvements, on substantially the terms set forth in Exhibit A hereto.

In answer to a question from Mr. Lichtenstein, Mr. Rivera stated that OWN would submit information annually on its film curriculum. In answer to a question from Mr. McSpiritt, Mr. Rivera stated that the term of a New York State authorization to operate a charter school was typically a 5 year term. In answer to a question from Ms. Miller, Mr. Rivera stated that OWN had a relationship with Kaufman Astoria Studios ("Kaufman"). He further noted that NYCEDC had reached out to Kaufman, which indicated it believed that the Premises should be kept as a school.

A motion was made (i) to approve the matters set forth for approval in the Proposed Resolutions section of Exhibit A hereto and (ii) to resolve that there was no reasonable alternative to the proposed Sublease amendment(s) that would achieve the same purpose as such transfer. Such motion was seconded and unanimously approved.

4. 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.

5. 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 9:08 a.m.

__________________________________________
Assistant Secretary

Dated: ________________________________
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
AMENDMENT TO SUBLEASE WITH OUR WORLD NEIGHBORHOOD
CHARTER SCHOOL
Board of Directors Meeting
August 12, 2020

OVERVIEW: NYCEDC proposes to enter into an amendment to a sublease with Our World Neighborhood Charter School (“OWN”) to extend its term substantially as described below.

LESSOR: The City of New York

LESSEE AND SUBLESSOR: NYCEDC

SUBLESSEE: OWN

SITE LOCATION AND DESCRIPTION: The subleased property is located at 36-12 35th Avenue in Astoria, Queens (Block 640, Lot 24) (the “Premises”). The Premises includes a building that is approximately 43,500 square feet and a playground that is approximately 4,000 square feet. The property is within the former Army Pictorial Center, now known as the Astoria Studios Historic District (“ASHD”).

PROPOSED EXTENSION TERM: Ten years (October 1, 2020 – September 30, 2030), with a five year optional extension (October 1, 2030 – September 30, 2035)

BASE RENT: Initial Extension Term:

The base rent for the first sublease year of the extension term shall be $522,000. Escalations will be as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Escalation</th>
<th>Rent/Yr</th>
<th>Rent/SF Building Space/Yr</th>
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<tbody>
<tr>
<td>1</td>
<td>0.00%</td>
<td>$522,000.00</td>
<td>$12.00</td>
</tr>
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<td>2</td>
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<td>$558,030.40</td>
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<tr>
<td>5</td>
<td>2.75%</td>
<td>$573,376.23</td>
<td>$13.18</td>
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<td>6</td>
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<td>7</td>
<td>3.00%</td>
<td>$608,294.85</td>
<td>$13.98</td>
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<tr>
<td>8</td>
<td>3.00%</td>
<td>$626,543.69</td>
<td>$14.40</td>
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<tr>
<td>9</td>
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<td>$645,340.00</td>
<td>$14.84</td>
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<tr>
<td>10</td>
<td>3.00%</td>
<td>$664,700.20</td>
<td>$15.28</td>
</tr>
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</table>
The base rent for the first year of the sublease extension is approximately $12 per square foot of building space, which is approximately $.50 per square foot less than the appraised value. Among the reasons for charging less than the appraised value is that OWN has committed to make $800,000 in capital improvements to the Premises (which is equal to approximately $1.84 per square foot for each square foot of building space for each of the 10 years of the initial extension term.)

Optional 5 Year Extension Term:

A new appraisal with appraiser and scope of appraisal to be agreed upon by OWN and NYCEDC will be conducted to determine the FMV of the Premises for the optional 5 year extension term commencing October 1, 2030 (which appraisal may take into account the restrictions in the deed for the Premises from the United States described below). Base rent for Year 11 shall be set at the higher of (1) the new appraised value per square foot of building space (reduced as described in the next paragraph) or (2) a 15% increase from the previous year’s base rent. Base rent for each year thereafter shall increase by three percent.

In calculating base rent, the amount of the reduction in the appraised value for Year 11 described in the above paragraph will be (a) the annual amount of amortization (per square foot of building space) of NYCEDC approved and verified capital improvements undertaken by OWN during the initial 10 year extension term of the Sublease if such amount was amortized over ten years, minus (b) $.50 per square foot of building space.

Minimum payments for Years 2030 – 2035 are as follow:

<table>
<thead>
<tr>
<th>Year</th>
<th>Escalation</th>
<th>Rent/Yr</th>
<th>Rent/SF Building Space/Yr</th>
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<tr>
<td>4</td>
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<td>$835,286.24</td>
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<tr>
<td>5</td>
<td>3.00%</td>
<td>$860,344.82</td>
<td>$19.78</td>
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</tbody>
</table>

USE: Charter elementary school educating children in grades kindergarten through five.
CAPITAL IMPROVEMENTS: OWN has committed to no less than $800,000 in capital improvements over the initial 10 year term of the sublease extension.

APPRAISED VALUE: Based upon a 2020 appraisal, the annual fair market rental value of a sublease for the Premises for highest and best use subject to a film related deed restriction mandated in the February 17, 1982 deed from the United States of America to the City further outlined below, is $543,750 or approximately $12.50/sf of building space (rounded up to $545,000).

PROJECT DESCRIPTION: By deed dated February 17, 1982, the United States of America conveyed to the City certain parcels (“Parcels”), including the Premises, located in the ASHD. The City leases the Parcels to NYCEDC through 2099. The Parcels are subject to a deed restriction which requires tenants to be involved with a film related use.

OWN is a New York City publicly-funded charter that has invested over $3,500,000 in the Premises. OWN also operates a nearby middle school for grades six through eight. At the two locations, OWN educates a total of over 700 children.

As of October 1, 2000, NYCEDC entered into an Agreement of Lease (the “Sublease”) for the Premises for a term of 10 years with one five-year renewal period, which Sublease, as amended, was further amended and assigned by the then sublessee to OWN in 2007. The Sublease was extended by 5 years as of October 1, 2015, following an RFP for the Premises.

On December 31, 2019, NYCEDC released a new RFP for the sublease of the Premises and received one response—from OWN (other respondents withdrew after a fuller understanding of RFP requirements). Rather than enter into a new sublease for the Premises, NYCEDC proposes to amend the current Sublease to extend its term. OWN proposed to continue its current use of the Premises including its film curriculum and to expend at a minimum $800,000 on capital improvements.

OWN will reimburse NYCEDC $17,450 for appraisal costs and costs of a building conditions report associated with the RFP for the Premises.
With the extension of the Sublease, OWN will be able to carry out its current charter term, plan for the next one and be able to finance its committed improvements. The Sublease provides and will continue to provide that the Sublease may be terminated in the event that OWN no longer has charter school accreditation.

**PURPOSE OF DISPOSITION/BENEFIT TO THE PUBLIC:**
In addition to contributing to overall economic activity and increasing tax revenues, the proposed Sublease extension(s) will retain permanent jobs in New York and allow OWN to educate approximately 500 students.

**ZONING:**
M1-5 (subject to deed restriction for film-related use)

**PUBLIC APPROVALS:**
No public approvals required

**PROPOSED RESOLUTIONS:**
The approval of amendment(s) to the Sublease between NYCEDC and OWN to permit extensions of the Sublease substantially as described above.

The Board of Directors further resolves that there is no reasonable alternative to the proposed Sublease amendment(s) that will achieve the same purpose as such transfer.

**NYCEDC PROJECT CODE:**
5297

**STAFF:**
Susan Goldfinger, Senior Vice President, Real Estate Transaction Services
Eric Rivera, Senior Associate, Real Estate Transaction Services
Darryl Connelly, Senior Vice President, Asset Management
Jinquan Liang, Assistant Vice President, Asset Management
Randi Cohen, Senior Counsel, Legal
Attachment A – Aerial Map

Site Location

Borough: Queens
Neighborhood: Astoria
Block: 640 Lot: 24
Community Board: 1

NYCEDC MGIS <7/24/12>