



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 pipe line 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. McSpirtt, 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.

Mark Silversmith
Mark Silversmith (Oct 13, 2020 11:39 EDT)

Assistant Secretary

Dated: 10/13/2020
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

**AMMENDMENT 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:

Year	Escalation	Rent/Yr	Rent/SF Building Space/Yr
1	0.00%	\$522,000.00	\$12.00
2	2.00%	\$532,440.00	\$12.24
3	2.25%	\$544,419.90	\$12.52
4	2.50%	\$558,030.40	\$12.83
5	2.75%	\$573,376.23	\$13.18
6	3.00%	\$590,577.52	\$13.58
7	3.00%	\$608,294.85	\$13.98
8	3.00%	\$626,543.69	\$14.40
9	3.00%	\$645,340.00	\$14.84
10	3.00%	\$664,700.20	\$15.28

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:

Year	Escalation	Rent/Yr	Rent/SF Building Space/Yr
1	15.00%	\$764,405.23	\$17.57
2	3.00%	\$787,337.39	\$18.10
3	3.00%	\$810,957.51	\$18.64
4	3.00%	\$835,286.24	\$19.20
5	3.00%	\$860,344.82	\$19.78

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



Site



NYCEDC MGIS <7/24/12>