



MINUTES OF THE MEETING OF THE
REAL ESTATE AND FINANCE COMMITTEE
OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
October 26, 2020

A meeting of the Real Estate and Finance Committee (the "Committee") of the Board of Directors (the "Board") of New York City Economic Development Corporation ("NYCEDC") was held telephonically on Monday, October 26, 2020.

The following members of the Committee were present telephonically:

William Candelaria
Mitch Draizin
James McSpirtt
Patrick J. O'Sullivan, Jr.
Betty Woo

Members of NYCEDC staff also were present.

The meeting was chaired by Mr. O'Sullivan and called to order at 2:03 p.m. Meredith Jones, an Executive Vice President, General Counsel and Secretary of NYCEDC, served as secretary of the duly constituted meeting, at which a quorum was present.

1. Approval of the Minutes of the September 15, 2020 Committee Meeting

It was moved that the minutes of the September 15, 2020 meeting of the Committee be approved, as submitted. Such a motion was seconded and unanimously approved.

2. Tenant Relief

Julie Stein, a Senior Vice President of NYCEDC, presented a proposal to amend previous Board authorizations in order to provide authorization for NYCEDC to provide up to 15 months (instead of the previously authorized 9 months) of relief to (i) tenants, subtenants, permittees and other occupants of property owned or leased by NYCEDC that have been adversely impacted by COVID-19, and (ii) entities and persons that have a charter or lease of NYCEDC-owned vessels from NYCEDC that have experienced hardship related to COVID-19, on substantially the terms set forth in Exhibit A hereto.

Ms. Stein noted that the authorization granted by the Board on September 30,

2020 would expire in the time between the November and February Board meetings, thereby creating a gap between authorizations, and that NYCEDC therefore was returning to the Board at this time for further authorization to cover that gap and extend the relief authorization through the spring. In answer to a question from Mr. O'Sullivan, Ms. Stein explained that NYCEDC initially chose to seek authorization for three month periods but was now requesting authorization for an additional six months period because it had a clearer sense of the trajectory and expected that the need for relief would remain at least through then.

A motion was made that the Committee recommend that the Board of Directors approve the matters set forth for approval in the Proposed Resolution section of Exhibit A hereto. Such motion was seconded and unanimously approved.

3. Update on Long Term Ground Leases to Bronx Point Owner, LLC

At this time, Douglas Land, a Senior Associate of NYCEDC, presented an update on the Long Term Ground Leases to Bronx Point Owner, LLC item that the Board approved at its March 18, 2020 meeting. Mr. Land summarized the Board's previous approval of leases for a two phase mixed-use development to Bronx Point Owner, LLC or one or more affiliated entities, such as L+M Development Partners and/or Type A Projects (the "Developer"), and/or an affiliated housing development fund corporation or other entity whose purpose is to facilitate affordable housing and/or obtain financing for the proposed project. Mr. Land then described the components that the Developer initially anticipated would be part of the Phase I project development and noted that while the Phase I project remained substantially as outlined in the Board Item, that some components had changed, as described in Exhibit B hereto. Mr. Land explained that the cinema portion of the Phase I project was deemed no longer financially viable due to the COVID-19 pandemic and would not be included in the project, and that the Developer was targeting an even deeper level of affordable housing than previously.

In answer to a question from Mr. O'Sullivan, Mr. Land explained that the cinema was part of the podium at the base of the building in the original Phase I design, but that in light of the change in Phase I the architect redesigned the building and collapsed the podium in the design, thereby eliminating the space that would have housed the cinema. In answer to a second question from Mr. O'Sullivan, Mr. Land stated that the architectural changes resulted in a smaller overall design, but that there was no substantial change to the economics of the project because of the changes that were incorporated.

This update was presented to the Committee for informational purposes only, and no vote was required for this item.

4. Adjournment

There being no further business to come before the meeting, the meeting of the Committee was adjourned at 2:15 p.m.

Assistant Secretary

Dated: _____
Brooklyn, New York

DRAFT

EXHIBIT A

TENANT RELIEF
Board of Directors Meeting
November 11, 2020

PROJECT: Providing relief to tenants, subtenants, permittees and other occupants of property owned or leased by NYCEDC, and to entities and persons that have a charter or lease of NYCEDC-owned vessels from NYCEDC, that are adversely impacted by COVID-19

In September 2020, NYCEDC's Board authorized NYCEDC to provide up to nine months of relief with regard to rent, fees, charges and other occupancy payments owed to NYCEDC by (1) tenants, subtenants, permittees and other occupants of property owned or leased by NYCEDC that experienced hardship related to COVID-19 (including the up to three month relief period previously authorized in March 2020 and the additional three month relief period previously authorized in June 2020) or (2) entities and persons that have a charter or lease for NYCEDC-owned vessels from NYCEDC that have experienced hardship related to COVID-19. NYCEDC is seeking to increase the length of the period with regard to which such a person or entity may be given relief to up to a total of fifteen months.

PROPOSED RESOLUTION: To authorize the President and any empowered officer to defer, reduce, release and/or waive up to 100% of up to fifteen months (instead of the previously authorized nine months) of any rent, fee, charge or other occupancy payment owed to NYCEDC under (1) a lease, sublease, permit or other occupancy agreement or arrangement in which NYCEDC is the lessor, sublessor or permittor or is otherwise the grantor of occupancy rights and (2) a charter or lease for NYCEDC-owned vessels from NYCEDC.

NYCEDC STAFF: Julie Stein, Senior Vice President, Asset Management
Winthrop Hoyt, Senior Vice President, Asset Management
James Wong, Senior Vice President, NYC Ferry
Ethan Wiseman, Assistant Vice President, NYC Ferry
Rachel Loeb, Executive Vice President

EXHIBIT B

UPDATE ON LONG TERM GROUND LEASES TO BRONX POINT OWNER, LLC
(No approval required - for informational purposes only)
Board of Directors Meeting
November 11, 2020

At its March 18, 2020 meeting, the NYCEDC Board approved a resolution allowing NYCLDC to (i) lease the Bronx Point Phase I Leasehold Area and Phase II Leasehold Area from the City through one or more leases substantially as described in the related March 18 Board item, and (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 (the “Developer”), and/or 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.

As further described in the March 18 Board item, the project has two phases and the leaseholds are located in the Bronx on property formerly known as Block 2356, p/o Lot 2 and a de-mapped portion of 150th Street and now known as Block 2356, Lot 2 (the “Phase I Project”) and property formerly known as Block 2356, p/o Lot 2 and now known as Block 2356, Lot 10 (the “Phase II Project”), located in Community Board District No. 4.

As part of the Phase I Project, the Developer anticipated developing a mixed-use project encompassing affordable housing, a cinema or other entertainment facility, a museum or other cultural facility, community facility space, retail space and a publicly-accessible comfort station, as well as the development of an esplanade on neighboring property. The Phase I Project remains substantively as outlined in the Board item; however, some of the components have changed.

Although initially the Phase I Project included a cinema or entertainment facility, in light of the ongoing COVID-19 pandemic, it was decided that the cinema is no longer financially viable and that it will not be included in the project. Short- and long-term concerns with the cinema include:

- Short-term: With movie theaters across the country shuttered in an effort to comply with social distancing measures, the short-term financial stability of the country’s leading theater operators has been shaken. Even cinema giants like AMC Theaters are reported to be nearing bankruptcy.
- Long-term: the explosion of streaming services, accelerated by the pandemic, has also created greater uncertainty as to the strength of the movie theater industry. There is much skepticism about the long-term viability of the industry even after social distancing measures are retired; new services like Netflix Party and Watch2gether allow viewers on different computers to stream shows together, substituting the social aspect of theater-going that many analysts expected would sustain the movie theater industry. Plus, COVID-19 has set a precedent where movie theaters no longer have an exclusive window for film releases and many quality films are going straight to streaming.

The team explored alternative uses for the cinema box and determined that it would be extremely challenging to identify an approximately 61,000 square foot replacement tenant or tenants prior to the closing, at which time we believe an executed lease for the space would be required by the financing partners. Therefore, instead of waiting to identify a new tenant once the market recovers and further delay the closing, NYCEDC proposes to move forward with a redesign without the cinema to advance the delivery of the much-needed 540+ units of affordable housing, which has always been the anchor for this project. Further, the description

of the retail non-residential spaces within the ground lease has been modified from retail to commercial to conform to the original intent for the building program.

Additionally, the affordable housing tenant income requirements will now target a deeper level of affordability using HPD's Extremely Low & Low-Income Affordability (ELLA) Program. The ELLA Program meets the affordability requirements set out in the October 2017 Points of Agreement between Deputy Mayor Glen and Speaker Mark-Viverito. With the intention of strengthening the affordability of the housing, approximately 20% of units will be at 100% of area median income, approximately 30% of units will be at 77% of area median income, approximately 20% will be at 47% of area median income, approximately 15% will be at 27% of area median income, and approximately 15% will be set aside for formerly homeless individuals.

All other aspects of the Phase I Project are materially unchanged.

The Phase I Project is expected to close in December of this calendar year.