

**VODOU FOODS CORPORATION: AMENDMENT TO LEASE FOR CONEY ISLAND
AMUSEMENT AREA
Board of Directors Meeting
February 3, 2021**

**PROJECT
OVERVIEW:**

NYCEDC proposes to amend its existing Coney Island lease (the “Lease”) with Vodou Foods Corporation (“Vodou”) to adjust the rent for calendar year 2021 and for the balance of the Lease term. The property currently leased under the Lease is located on the corner of West 12th Street and the Boardwalk in Coney Island (the “Site”) and is primarily used for amusement rides and entertainment. Due to impacts from COVID-19, NYCEDC was unable to procure an appraisal to fulfill an existing Lease provision to reset the rent at fair market value on January 1, 2021. As a result, NYCEDC proposes to amend the rent provisions of the Lease substantially as described below. Other than as provided below, the terms of the existing Lease will remain in force.

CURRENT LEASE

Lessor: NYCEDC

Lessee: Vodou

Site and Use The Site is an approximately 37,000 square foot property and is approximately depicted on the site plan attached hereto as Attachment A (referred to as “Deno’s Wonder Wheel”). A one story single tenant commercial building is located on the Boardwalk and the remaining areas of the property are utilized for amusement and food uses, including the landmark Wonder Wheel.

Lease Term: The Lease term will expire on December 31, 2027.

AMENDMENT TO LEASE

Base Rent: The Lease currently provides for an appraisal to be conducted in 2020 to determine the fair market value of the rent for the Site for the highest and best use (the “Fair Market Rent”) for 2021 and for that year the rent would be the greater of the 2020 rent or the Fair Market Rent. Thereafter, each calendar year through the end of the Lease term annual rent would be equal to the previous calendar year’s annual rent, increased by a percentage equal to the percentage increase in the Consumer Price Index the previous calendar year. Due to impacts from COVID-19, NYCEDC was unable to procure an appraisal in 2020.

As a result, NYCEDC proposes to amend the provisions of the Lease relating to rent as follows. From January 1, 2021 to December 31, 2021 annual rent will be \$238,678.50, the same as 2020 annual rent. In 2021 there will be an appraisal conducted to determine the Fair Market Rent for 2022. For the 2022 calendar year the annual rent will be the greater of the 2021 calendar year rent or the Fair Market Rent for 2022. Thereafter, each calendar year commencing as of January 1, 2023 and ending December 31, 2027, annual rent will be equal to the previous calendar year's annual rent, increased by a percentage equal to the percentage increase in the Consumer Price Index the previous calendar year.

BENEFIT TO PUBLIC:

This amendment will allow for a Fair Market Rent appraisal in calendar year 2021 and related rental increase in 2022. Maintaining 2021 annual rent under the Lease at the 2020 level will also provide the Lessee with needed rent relief in the current year after being significantly impacted by the COVID-19 pandemic, when, due to the pandemic, the Coney Island Amusement Park, including Lessee's business, was prevented from operating. Supporting Lessee's business will continue the City's goal of strengthening the historic Coney Island Amusement Park and maintaining jobs for the Coney Island community.

PROPOSED RESOLUTION:

The approval of NYCEDC entering into an amendment to the Lease substantially as described above

NYCEDC PROJECT CODE:

7874

STAFF:

Sean Freas, Assistant Vice President, Asset Management
Sabrina Lippman, Vice President, Asset Management
Winthrop Hoyt, Senior Vice President, Asset Management
Karen Lapidus, Senior Counsel, Legal

Attachment A

