



MINUTES OF A SPECIAL MEETING  
OF THE LEGAL AFFAIRS COMMITTEE  
OF  
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION  
September 2, 2020

A special meeting of the Legal Affairs Committee (the "Committee") of the Board of Directors of New York City Economic Development Corporation ("NYCEDC") was held telephonically, pursuant to notice by the Secretary, on Wednesday, September 2, 2020.

The following members of the Committee were present by conference telephone:

Cheryl Adolph  
Matthew Hiltzik  
Betty Woo

Members of NYCEDC staff also were present.

The meeting was chaired by Ms. Woo and called to order at 1:37 p.m. Meredith Jones, General Counsel, an Executive Vice President 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 April 6, 2020 Legal Affairs Committee Special Meeting

There being no questions or comments with respect to the minutes of the April 6, 2020 special Committee meeting, a motion was made to approve such minutes, as submitted. Such motion was seconded and unanimously approved.

2. Ground Lease Default

Richard Palumbo, a Senior Counsel of NYCEDC, presented a proposed agreement with Baker & Hostetler LLP ("Baker & Hostetler") for the provision of on-call outside legal counsel services in connection with the Sunstone Hotel ("Sunstone") ground lease in Times Square (i.e. the Times Square Hilton) and related matters, on substantially the terms set forth in Exhibit A hereto.

At this time, Mr. Palumbo provided some background and explained that NYCEDC wanted to obtain advice with respect to, and assistance in, Sunstone's default under the ground lease, Sunstone's proposal to give the leasehold mortgagee a deed in lieu of foreclosure, and related labor law issues.

In answer to a question from Mr. Hiltzik, Mr. Palumbo explained that a base rent reset to fair market value was due in May, 2020, but that Sunstone indicated that it would be unable to pay PILOT equal to real estate taxes and the reset base rent, even without COVID-related issues that had resulted in the hotel closing. In answer to a question from Ms. Adolph, Ms. Jones stated that historically NYCEDC generally did not utilize outside counsel for labor advice, and that this matter involved a union labor-related matter with issues involving a collective bargaining agreement. Ms. Jones then pointed out that Baker & Hostetler was chosen through the use of a small purchase procurement. At this time, Ms. Woo stated that the New York City Law Department approved the rates and retention of Baker & Hostetler for this matter.

It was moved that the Committee authorize NYCEDC to enter into a legal retainer agreement with Baker & Hostetler, substantially as described in Exhibit A hereto. The motion was seconded and unanimously approved.

3. Adjournment

There being no further business to come before the meeting, pursuant to a motion made, seconded and unanimously approved the meeting of the Committee was adjourned at 1:45 p.m.

Mark Silversmith  
Mark Silversmith (Mar 19, 2021 13:33 EDT)

Assistant Secretary

Dated: 03/19/2021  
Brooklyn, New York

**EXHIBIT A**

**GROUND LEASE DEFAULT**  
**Legal Affairs Committee Meeting**  
**September 2, 2020**

**Project:** Provision of on-call outside legal counsel services in connection with the Sunstone Hotel ground lease (i.e., the Times Square Hilton) in Times Square and related matters

**Contractor:** Baker & Hostetler LLP (“Baker”)

**Agreement to be Approved:** A legal retainer agreement with Baker for Project services (the “Agreement”)

**Procurement Method:** A small purchase

**Amount to be Approved:** Up to \$15,000

**Source of Funds:** NYCEDC’s programmatic budget

**Scope:** Advice with respect to, and assistance in, Sunstone’s default under the ground lease, Sunstone’s proposal to give the leasehold mortgagee a deed in lieu of foreclosure, and related labor law issues.

Payments for services related to specific transactions will be made to Baker based on an hourly rate billing, ranging from \$550 for partners; \$450 for of counsel and senior associates with 6 years and up; \$350 for associates with 3-5 years of experience; \$175 for associates with 1-2 years and paralegals.

The Agreement will also provide for payment for certain out-of-pocket expenses.

Pursuant to its role under NYCEDC’s annual contracts with the City, the City’s Law Department has approved the retention of Baker and its quoted fee structure for the Project.

**Proposed Resolution:** To authorize the President and any empowered officer to enter into the Agreement, substantially as described herein

**Staff:** Meredith Jones, General Counsel, Executive Vice President and Secretary,  
Legal  
Richard Palumbo, Senior Counsel, Legal