MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
August 8, 2023

A regular meeting of the Board of Directors (the "Board") of New York City Economic Development Corporation ("NYCEDC") was held, pursuant to notice by an Assistant Secretary, on Tuesday, August 8, 2023, in Conference Center A/B, on the 14th Floor at the offices of NYCEDC at One Liberty Plaza, New York, New York.

The following Directors of NYCEDC were present:

Shirley Aldebol (by Zoom)
Margaret Anadu (by Zoom)
Nate Bliss (as alternate for Maria Torres-Springer)
Paula Roy Carethers (by Zoom)
Eric Clement
Costa Constantinides (by Zoom)
Paul Fernandes
William Floyd (by Zoom)
Adam Friedman (by Zoom)
Matthew Hiltzik (by Zoom)
Andrew Kimball
DeWayne Louis (by Zoom)
James McSpiritt
Morris Missry (by Zoom)
Janet Peguero (by Zoom)
Joseph Shamie (by Zoom)
Jeff Thamkittikasem (by Zoom)
Elizabeth Velez
Betty Woo
Kathryn Wylde (by Zoom)

Members of NYCEDC staff also were present.

The meeting was called to order at 8:39 a.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. (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 13, 2023 Regular Meeting of the Board of Directors

There being no questions or comments with respect to the minutes of the June 13, 2023 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.

2. Report of NYCEDC's President

At this time, Mr. Kimball noted that his report as President of NYCEDC, summarizing recent events and milestones for some of NYCEDC's key projects and initiatives, had been provided to the Directors with the materials for the meeting. He then discussed the Economic Snapshot report that NYCEDC was producing each month, highlighted some of the notable metrics from the current month's edition, and encouraged the Directors to sign up to receive the monthly Economic Snapshot. Lastly, Mr. Kimball highlighted several initiatives that NYCEDC was moving aggressively on.

3. Election of Member of Executive Committee

A motion was made to elect Paula Roy Carethers to serve as a member of the Executive Committee of NYCEDC's Board of Directors. Such motion was seconded and unanimously approved.

4. Election of Officers

Under NYCEDC's Bylaws, the Board shall elect such Senior Vice Presidents as it may from time to time determine. At this time, Mr. Kimball proposed that each of Nse Esema and David Lowin be elected as a Senior Vice President of NYCEDC.

A description of certain responsibilities of Senior Vice Presidents may be found in Article IV of NYCEDC's Bylaws. It was anticipated that Nse Esema would oversee the Green Economy Department in NYCEDC's Initiatives Division, and that David Lowin would oversee the Development Department in NYCEDC's Asset Management Division. Ms. Esema and Mr. Lowin shall perform such duties as are assigned to them by NYCEDC's President. Mr. Kimball then summarized the backgrounds of Ms. Esema and Mr. Lowin.

A motion was made to elect each of Nse Esema and David Lowin as a Senior Vice President of NYCEDC. Such motion was seconded and unanimously approved. The position of each of Nse Esema and David Lowin as an officer shall be conditioned upon the continuance of her or his employment by NYCEDC.

5. <u>NYC Ferry Service Operator</u>

At this time, James Wong, an Executive Vice President of NYCEDC, and Franny Civitano and Matt Petric, each a Vice President of NYCEDC, presented a proposal for the President and any empowered officer of NYCEDC (i) to enter into an agreement (the “Operating Agreement”) between NYCEDC and the selected operator, HNY Ferry II LLC (the “Operator,” or “Hornblower”), to operate NYC Ferry (“NYCF”), (ii) to enter into any ancillary agreements (the “NYCF Ancillary Agreements”) as necessary to effectuate the Operating Agreement, including (a) agreements between NYC Ferry Fleet LLC, a subsidiary of NYCEDC, and the Operator for the Operator to operate each of the NYCF vessels pursuant to a bareboat charter, and (b) two non-exclusive occupancy homeport permits: one at each of (1) Pier C at the Brooklyn Navy Yard (“Pier C” and generally, a “Homeport”) and (2) Pier 11 in Atlantic Basin/Red Hook (a Homeport, also known specifically as “Homeport II”) for the storage and maintenance of the NYCF vessels, and (iii) to take any actions and make payments necessary to effectuate the purposes of the Operating Agreement and the NYCF Ancillary Agreements, all to provide for continued NYCF services, all on substantially the terms set forth in Exhibit A hereto.

In answer to a question from Mr. Friedman, Ms. Civitano explained that NYCEDC launched a pilot earlier in 2023 that expanded the NYCF discount program to all Harbor School students, which would continue in the next school year and that the intention was that the discount program would be expanded to all New York City high school students. In answer to a question from Mr. Missry, Mr. Wong explained that NYCEDC had negotiated line-by-line within the pro forma submitted by each respondent to the request or proposals (“RFP”) for the agreement with the goal of getting as close to real cost as possible, and that NYCEDC felt that it arrived at a very good deal with the Operator. In answer to a second question from Mr. Missry, Mr. Wong stated that NYCF ridership over the last year was approximately 6.6 million, and that NYCEDC believed there was still room to expand ridership and revenue capacity in various ways. In answer to a third question from Mr. Missry, Mr. Wong stated that in its selection NYCEDC sought an operator that could both operate the service and increase ridership, and that Hornblower already had a strong marketing presence and was continuing to build on that through various additional marketing efforts, such as social media campaigns, planning to hire a full-time NYCHA coordinator, and on-the-ground community outreach to prospective riders.

In answer to a question from Mr. Shamie, Mr. Petric summarized the revenue growth and ridership growth of the NYC Ferry system, and he noted that Hornblower was selected because it presented the strongest plan to keep driving that ridership growth into the future. In answer to a second question from Mr. Shamie, Mr. Petric explained that because NYCF was able to increase ridership by about 23% despite the fare increase, NYCEDC concluded that the fare increase may not have had a substantial impact on ridership. Mr. Wong additionally noted that NYCEDC was also experimenting and trying to be more innovative in the service offerings of NYC Ferry in order to help drive revenue, and that the new Rockaway Reserve offering was an example of that. In answer to a question from Mr. Clement, Mr. Petric stated that for the

$125 million in farebox revenue that NYCEDC was projected to retain, the assumptions on ridership growth were 5% per year.

In answer to a question from Ms. Velez, Ms. Civitano summarized the annual survey that NYCEDC conducted each year for NYCF, as well as the Net Promoter Score survey conducted by the Operator for which NYCF received a high score. In answer to a second question from Ms. Velez, Mr. Wong stated that there were 4 respondents to the RFP. At this time, Mr. Bliss and Mr. Kimball each congratulated the NYCF team on their work in negotiating this new agreement.

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

6. Presentation on *Willets Point: Investing in the World's Borough – Housing is the Goal*

At this time, Mikelle Adgate, a Senior Vice President of NYCEDC, gave a presentation to the Directors on *Willets Point: Investing in the World's Borough*. Ms. Adgate summarized the administration's broad vision for Willets Point, Queens, and the profound opportunity to transform New York City by building a new dynamic neighborhood. She then summarized the history of Willets Point, from 2002 to the present, and outlined the Mayor's vision for building this new neighborhood and providing for housing and economic growth, with a new soccer stadium, affordable housing, a public school, open space, a hotel, and neighborhood-serving retail. Lastly, Ms. Adgate discussed the project's two phases, timing, and development partners, and additional details and aspects of the plan for Willets Point.

In answer to a question from Ms. Velez, Mr. Kimball stated that the project infrastructure and remediation work that was currently in process was being overseen by NYCEDC through funding agreements with Queens Development Group, LLC ("QDG"), the development group building the affordable housing.

7. Long Term Ground Lease to Queens Development Group, LLC

At this time, PJ Berg, a Senior Vice President of NYCEDC, presented a proposal for New York City Land Development Corporation ("NYCLDC") (i) to enter into a lease (the "Lease") for Block 1833, Lots 120, 130, 135 and possibly 112 on the Tax Map of the Borough of Queens (the "Site") from the City of New York (the "City"), (ii) to assign such Lease to (a) QDG or an affiliated entity (whichever, the "Developer") and/or (b) an affiliated housing development fund corporation or other entity whose purpose is to facilitate affordable housing and/or obtain financing for the proposed project (the "Financing Entity"), and (iii) to enter into any related agreements and documents and consents and amendments to effectuate the Project, substantially as hereinafter defined, all to provide for development of the Site by the Developer into two 12-story, mixed-use buildings comprising approximately 859,409 gross square feet ("GSF") as well as open space, which development is expected to include (a) approximately 717,571 GSF of affordable housing, (b) approximately 24,311 GSF of commercial space, (c) approximately 2,210 GSF of community facility space, (d) approximately 91,901 GSF of parking space (approximately 323 spaces), and (e) approximately 38,881 square feet of open space (including Lot 112) (collectively, the "Project"), all on substantially the terms set forth in Exhibit B hereto. The Project is a component of the first phase of development of Willets Point ("Phase 1").

In answer to a question from Ms. Velez, Mr. Berg explained that the regulatory period referred to in Exhibit B was going to be subject to negotiation between the New York City Department of Housing Preservation and Development and the private development partners, and that the regulatory period had not yet been determined at this point in time. In answer to a question from Mr. Louis, Mr. Berg stated that all of the housing units were intended to be rentals. In answer to a question from Mr. Constantinides, Mr. Berg stated that it was still a bit early to speak in specifics in terms of area median income ("AMI"), but that NYCEDC could confidently say that the AMIs would run from very low income to moderate income, and that there would be a set-aside for homeless units.

In answer to a question from Ms. Aldebol, Mr. Berg stated that nearly 3,000 construction jobs, and 149 permanent jobs, were expected to be created by the Phase 1 work. He additionally noted that this was predominantly a housing project, and that the permanent jobs would therefore mainly be building service jobs, as well as jobs for retail that would be in the base of the buildings. In answer to a question from Mr. Clement, Mr. Berg stated that there was no projection for the Payment in Lieu of Taxes ("PILOT") at this time, and that the PILOT would be assessed by the New York City Department of Finance as if it was a private site and then deductions and credits would be applied mirroring the programs the developer would otherwise qualify for. In answer to a question from Ms. Velez, Mr. Kimball explained that, while not the subject of the requested approval, the soccer stadium at Willets Point was expected to have a project labor agreement and that such agreement was currently being negotiated, that the public infrastructure was anticipated to be subject to prevailing wage requirements, and that the 100% affordable housing would be open shop, as was the case with almost all 100% affordable housing in the City.

A motion was made (i) to approve the matters set forth for approval in the Proposed Resolutions section of Exhibit B hereto, and (ii) to resolve that there is no reasonable alternative to the proposed transfer to the Developer and/or a Financing Entity that will achieve the same purpose as the transfer. Such motion was seconded and unanimously approved.

8. 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 on substantially the terms described above.

9. 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 9:39 a.m.

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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

EXHIBIT A

NYC FERRY SERVICE OPERATOR
Board of Directors Meeting
August 8, 2023

Project Description:	NYC Ferry ("NYCF") services
Borough:	Citywide
Type of Contracts:	Operating agreement and related agreements
Amounts to be Approved:	Up to $405,000,000 over a five-year term to be paid under the operating agreement. May be offset by NYCF projected revenues to NYCEDC of approximately $160,000,000. See detailed breakdown below. If NYCEDC exercises one or more of its renewal options for the operating agreement, it will obtain the approval of the Board or Executive Committee of the amount to be paid for the renewal period.
Type of Funds:	NYCEDC programmatic budget funds, City Capital Budget funds, City Tax Levy funds
Procurement Method:	An RFP, using the competitive sealed proposals method of procurement

Agreements to be Approved:

- The agreement between NYCEDC and the selected operator (the "Operator") to operate NYC Ferry (the "Operating Agreement")
- Any ancillary agreements (the "NYCF Ancillary Agreements") as necessary to effectuate the Operating Agreement, including:
  - Agreements between NYC Ferry Fleet LLC, a subsidiary of NYCEDC, and the Operator for the Operator to operate NYCF vessels pursuant to a bareboat charter ("Bareboat Charters").
  - Two non-exclusive occupancy homeport permits: One at each of (1) Pier C at the Brooklyn Navy Yard ("Pier C" and generally, a "Homeport") and (2) Pier 11 in Atlantic Basin/Red Hook (a Homeport, also known specifically as "Homeport II") for the storage and maintenance of the NYCF vessels ("Vessels").

Background: The current NYCF operating agreement expires on September 30, 2023. On September 7, 2022, NYCEDC released an RFP for a new NYCF operating agreement. In early May of 2023, NYCEDC contingently selected the Operator.

NYCEDC operates or maintains certain NYCF landing sites pursuant to MOUs or permits with City Parks, City DOT, SBS, the Roosevelt Island Operating Corporation, Brooklyn Bridge Park Corporation and State Parks. These agreements are expected to continue and do not require amendment as a result of the proposed Operating Agreement. The Operator enters into agreements with the owners of landing sites for the use of each landing site.

Scope of Work:

NYCEDC proposes to enter into the Operating Agreement with the Operator, with a term beginning on October 1, 2023 (the "Commencement Date") for an initial term of five (5) years (the "Term"), with the option of two (2) three-year renewal periods at NYCEDC's sole discretion. The Operator's parent company will provide a guaranty in connection with certain obligations under the Operating Agreement.

The following is a summary of key terms of the Operating Agreement:

<u>Start-up Services</u>

The Operator is required to perform start-up services in the period between the Operating Agreement's execution date (the "Effective Date") and the commencement of services on the Commencement Date, to prepare for the delivery of services under the Operating Agreement (the "Services"). NYCEDC will pay the Operator to complete these actions, including a one-time fee for the inspections of Pier C and the NYCF fleet and the costs associated with the development of reporting and submittals procedures.

<u>Service Plan</u>

The Operator is required to operate NYCF in accordance with a service plan, which shall be updated at NYCEDC's reasonable discretion. The ferry and shuttle service routes currently operated in connection with NYCF and that the Operator will operate upon the Commencement Date, are shown in Appendix A ("Routes" or each a "Route"). NYCEDC retains the right to set and change the service plan, including by adding or removing Routes or landing sites ("Landings").

<u>Vessels, Landings, and Homeports</u>

The Operator is responsible for operating and maintaining the NYCEDC-owned NYCF fleet. NYCEDC is responsible for maintenance of Landings unless they are maintained by another entity. The Operator must obtain all relevant permissions to access the Landings prior to performing the services. NYCEDC will provide the Operator access to Homeports through the non-exclusive Homeport permits referenced above. The Operator is responsible for routine maintenance and repair of certain facility systems and equipment at each Homeport (the "Homeport Services") and will be compensated through an annual overhead fee for Homeport Services, as described below.

Staffing

The Operator is responsible for hiring, training, and management of all necessary staff necessary to perform the Services.

The Operator will strive to meet 15% participation by M/WBE subcontractors in connection with the Services and will submit quarterly progress update to NYCEDC. The Operator will also develop a robust workforce development program by participating in the HireNYC Program, implementing a diversity, equity, and inclusion and career development and promotion plan, engaging with the City's Department of Education, CUNY and SUNY schools, and providing a minimum of ten (10) NYCF internships/apprenticeships per calendar year.

Fares and Ticketing

NYCEDC sets all fares for the Services. The Operator is required to collect all fares and implement any fare changes at NYCEDC's direction. The Operator will reconcile and remit all fare revenues that it receives to NYCEDC.

As of and from the Commencement Date, the Operator is responsible for maintaining a pre-paid ticketing collection system, which allows passengers to purchase a ticket from a ticket vending machine ("TVM"), the NYCF mobile application ("App"), or an upland agent using a mobile point of sale unit that is validated by the Operator's crew at the point of boarding.

NYCEDC is exploring opportunities to collaborate with the Metropolitan Transportation Authority ("MTA") to expand the MTA's contactless open-loop transit fare payment system to NYCF. Under the Operating Agreement, if such system is implemented: 1) the Operator's ticketing scope will be reduced, and NYCEDC will direct the Operator to remove all relevant ticketing equipment, as appropriate, and 2) the Operator's compensation will be reduced to reflect the change in ticketing scope. The overall amount authorized for the Operating Agreement will not be reduced as a result of this.

In the event the MTA's system is not implemented on NYCF, NYCEDC may direct the Operator, at any time in the first four years of the Term, to upgrade all TVMs and implement an open loop ticketing system itself as a "Special Project" (see below).

New-Build Vessels

NYCEDC may request, no more than once per calendar year, that the Operator either directly or indirectly build new vessels for NYCEDC to be used in connection with the Services. NYCEDC also reserves the right to acquire additional vessels outside this Agreement that are not engaged in passenger service, like a crew service vessel, which it may direct the Operator to operate and maintain to support the Services. If vessels of a different make or configuration than are currently used are put into use, it is understood that fees related to such vessels will be negotiated.

Special Projects

NYCEDC may direct the Operator to manage, oversee, or participate in special projects ("Special Projects") that fall outside the service plan and within the Operator's area of expertise or experience. They may include, for example, new-feature deployments at Landings and modifications to Vessels outside of the maintenance obligations. If additional funds are needed for these Special Projects, approval of the Board or the Executive Committee will be sought.

Marketing and Community Engagement

The Operator is responsible for promoting the NYCF brand through comprehensive marketing and public relation campaigns. The Operator must obtain NYCEDC's approval of all marketing materials before they are published.

Any artwork or content developed for the website for NYCF, including trademarks, tradenames, service marks, etc., shall be considered "work-made-for-hire" and, hence, property of NYCEDC.

The Operator must also develop a robust community engagement plan, including a minimum number of in-person events and partnerships, community canvassing, and workforce development events, and submit to NYCEDC detailed monthly reporting on past and future outreach efforts.

Reporting

The Operator is required to deliver to NYCEDC over 60 reports across key areas of the Services at various intervals. The Operator must also maintain a proprietary, web-based portal (the "Dashboard") and provide NYCEDC with access to real-time service performance data and visualizations, such as real-time read-only access to its dispatching system, ridership tracking, and Vessel maintenance software. The Dashboard and its associated data are considered work product and the property of NYCEDC. All component datasets used to create the Dashboard information will separately be sent to NYCEDC.

Key Performance Indicators

The Operator's performance will be evaluated monthly through substantially the following Key Performance Indicators ("KPIs"):

1) **On-time performance,** measured by a Vessel's arrival at its designated stop no earlier than 1 minute before and departure no later than 5 minutes after the scheduled arrival and departure times.
2) **Completed trip percentage,** measured by the percentage of trips that are completed in accordance with the service plan.

3) **Preventative Maintenance**, measured by the Operator's adherence to the Preventative Maintenance schedule provided in the Vessel Maintenance Plan.
4) **Passenger Satisfaction**, measured by a Net Promoter Score.
5) **Tech Up-time**, measured by the number of stops for which NYCEDC has received complete data through the GPS/AIS tracking system that logs and displays arrival and departure times.

The Operator is required to meet a minimum target ("Minimum Target") and an incentive target ("Incentive Target") for each KPI. If the Operator fails to meet the Minimum Target, it must deliver to NYCEDC a plan to remedy its performance within a specified timeline. If the Operator satisfies the Incentive Target for each KPI, it will be eligible for an Incentive Payment, described below.

Termination

NYCEDC may terminate the Operating Agreement due to 1) the Operator's failure to perform the Services and remedy such failure during a specified period, 2) the termination or suspension of funding by the City, and 3) NYCEDC or the City's determination that it is in NYCEDC's best interest to terminate the Operating Agreement. The Operator may terminate if NYCEDC fails to pay the Operator and such failure continues for 30 days or more with no reasonable attempt to remedy.

Key Financial Elements:

The following comprise the key financial terms of the Operating Agreement:

Vessel Operations Fee

NYCEDC will pay the Operator a Vessel Operations Fee, which is a fixed hourly fee most closely related to the costs of the onboard labor required to run a Vessel (including fringe, OT, training, etc.). It is calculated monthly based on the number of hours a Vessel is in service ("Vessel Service Hours" or "VSH") and the vessel class ("Vessel Class") and staffing level assigned to each Vessel.

NYCEDC estimates a total of approximately $95,000,000 in Vessel Operations Fees throughout the Term.

Maintenance Fees

The Operator will be compensated for all planned and unplanned maintenance of Vessels through 1) a fixed, annual maintenance fee calculated on a per Vessel basis and 2) a fixed, hourly maintenance fee determined per Vessel Class and VSH operated. At the start of each 12-month period from July 1 to June 30 ("Service Year"), beginning on July 1, 2024, the maintenance multipliers will be subject to a 2% increase ("Annual Maintenance Cost Escalator"), in addition to the Annual Inflation Adjustment described below, to account for increased costs related to an aging fleet.

NYCEDC estimates a total of approximately $120,000,000 in Maintenance Fees throughout the Term.

All major Vessel overhauls or projects outside of these maintenance obligations will be paid separately through the Special Projects mechanism, described above.

Fuel

NYCEDC will compensate the Operator directly, with no additional markup, for fuel. It is anticipated that NYCEDC will continue to use a fuel hedging program independent of the Operating Agreement to reduce NYCEDC's exposure to volatile and potentially rising fuel costs. NYCEDC estimates that total fuel costs throughout the Term will total approximately $55,000,000

Overhead Fees

Overhead Fee

The Overhead Fee is a fixed, negotiated fee paid each month based on an anticipated annual service level of 83,000 VSH per year. If NYCEDC chooses to scale service 10% below or 10% above the baseline VSH, the Overhead Fee will be adjusted on a per hour difference beyond that threshold. The Overhead Fee will never be reduced by more than half.

The Overhead Fee covers costs for central staff (dispatchers, port engineers and port captains, finance, marketing, etc.), other-than-personnel expenses like supplies, technology, and subcontractors, and insurance.

Homeport Overhead Fee

NYCEDC will compensate the Operator a fixed amount annually for the daily maintenance and operations of certain Homeport systems it regularly operates to service the Vessels, for example the fuel systems, travel lift, and the Vessel waste management system.

NYCEDC estimates a total of approximately $90,000,000 in Overhead-related Fees throughout the Term.

Other

Direct Reimbursements (Non-Fuel)

NYCEDC will compensate the Operator directly, with no additional markup, for some services and items including Landing fees, temporary office space, signage (print and delivery), and shuttle services, among others.

Upland Agent Fee

The Operator is required to staff certain Landings with upland agents to perform customer service and queue management functions, and NYCEDC may direct the Operator to increase or decrease that staffing level. NYCEDC will compensate the Operator for each hour an upland agent is staffed at a Landing using a negotiated rate.

Operator Incentive Payment

The Operator is eligible to receive an Incentive Payment of up to 10% of the gross Farebox Revenue each month based on its ability to achieve all the Incentive Targets of the KPIs, described above. If the Operator fails to achieve any single Incentive Target during a month, it will not receive any monthly Incentive Payment for that month.

NYCEDC estimates that these fees will cost approximately $45,000,000 throughout the Term.

Annual Inflation Adjustment

The Vessel-related Operations Fees, the Overhead Fees, and Upland Agent Fees will increase each Service Year, with the first increase July 1, 2024, according to the amount listed on the U.S. Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U) for the New York-Newark-Jersey City metropolitan area, provided that the annual increase shall not exceed 3.2%.

Contract-Generated Revenue Opportunities

As stated above, NYCEDC will retain all Farebox Revenue. Based on ridership projections and the current fare policy, NYCEDC projects to receive approximately $125,000,000 throughout the Term.

The Operating Agreement requires the Operator to carry out certain revenue-generating activities including, but not limited to, procuring a system-name sponsorship, selling onboard and digital advertising, social media promotions, concessions, and film/TV/photography shoots. The Operator is required to split gross revenues from all revenue-generating activities based on agreed upon rates between NYCEDC and the Operator. NYCEDC anticipates it will receive approximately $35,000,000 in non-Farebox revenue over the course of the Term.

Estimated Amounts of Expenses and Revenues:

A total of up to $405,000,000 is being approved for expenses throughout the Term. The estimated amounts for each component of the expenses and of revenue to NYCEDC from NYCF are summarized below (though the actual amount of each component may vary):

Estimated Expenses		
	Vessel Operations Fee	$95,000,000
	Maintenance Fees	$120,000,000
	Fuel	$55,000,000
	Overhead Fees	$90,000,000
	Other	$45,000,000
Total Expenses		**$405,000,000**
Estimated Revenue		
	Farebox Revenues	($125,000,000)
	Other Revenues	($35,000,000)
Total Revenues		**($160,000,000)**
Net Operator Expenses		**$245,000,000**

Insurance and Indemnification

The Operator is required to obtain insurance for the Operating Agreement in accordance with the minimum requirements set by NYCEDC. NYCEDC will pay the Operator for its insurance costs through the Overhead Fee.

The Operator will additionally indemnify, defend, and hold harmless NYCEDC and the City and their respective officials and employees against any claims, damages, etc. arising out of or related to any of the Operator's operations under the Operating Agreement.

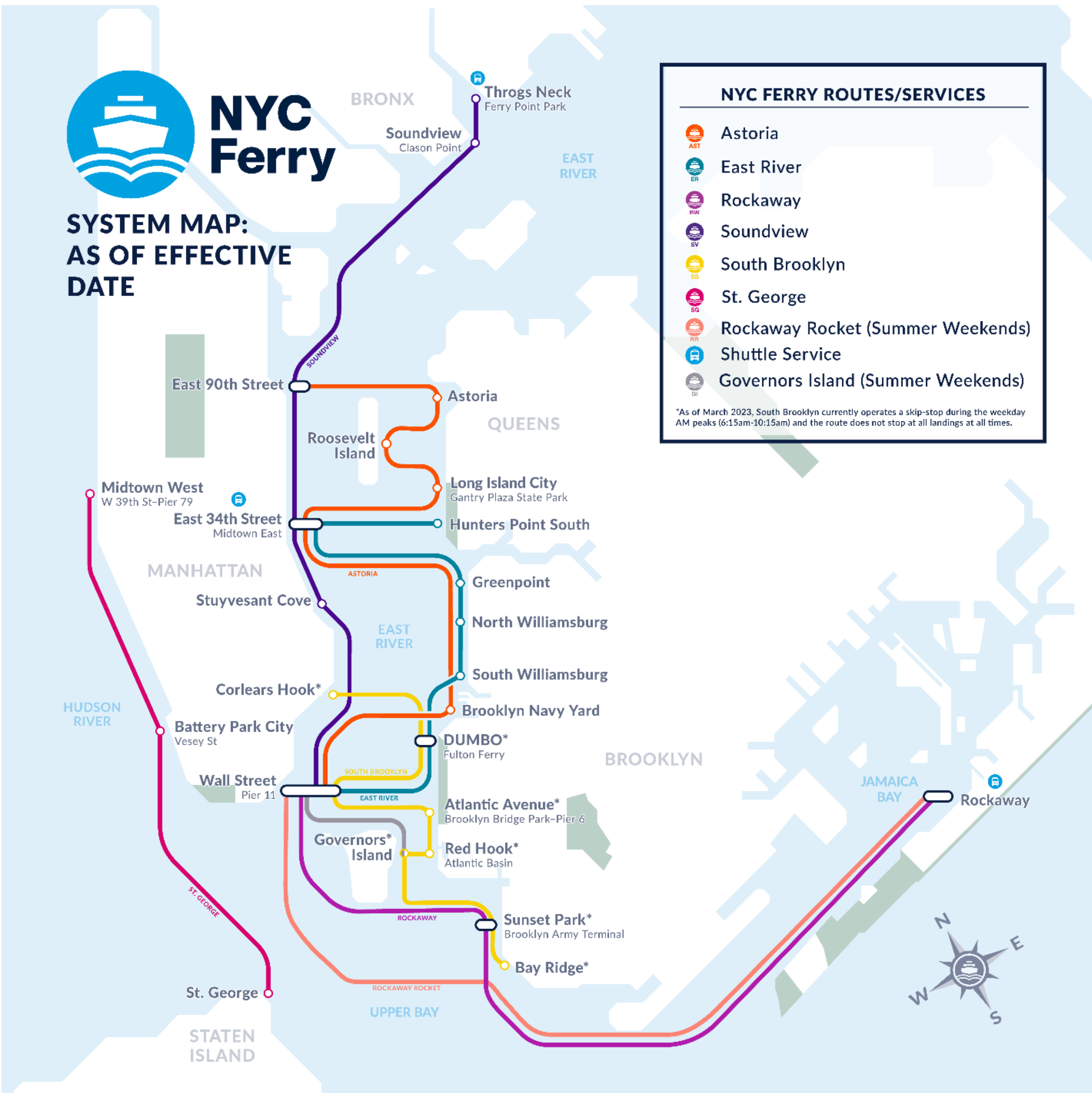
Proposed Resolution: To authorize the President and any empowered officer to enter into the Operating Agreement and the NYCF Ancillary Agreements, substantially as described herein and to take any actions and make payments necessary to effectuate the purposes of such agreements, substantially as described herein

Relevant Staff: James Wong, Executive Vice President, NYC Ferry
Franny Civitano, Vice President, NYC Ferry
Matt Petric, Vice President, NYC Ferry
Niko Martecchini, Vice President, NYC Ferry
Katie Hermann, Senior Counsel, Legal

Project Code: 6154

Appendix A

Figure 1 – NYCF Route Map



SHUTTLE BUS ROUTE MAPS

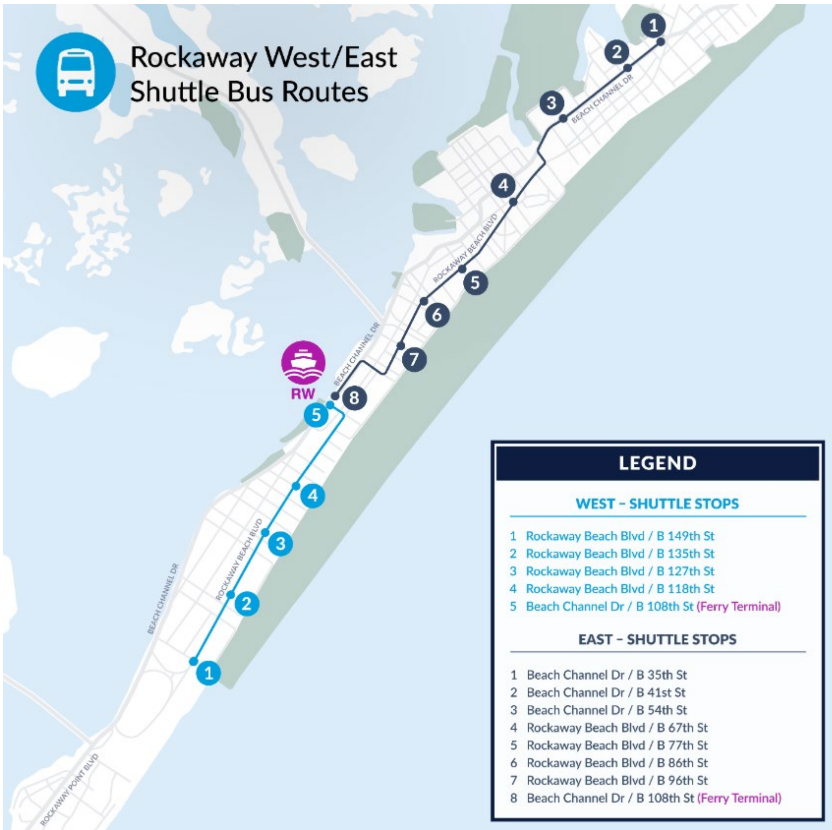
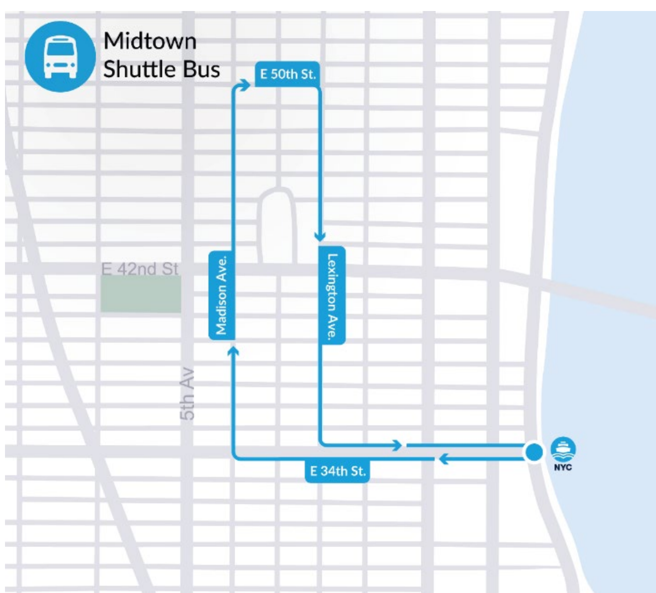


Figure 2 – Rockaway East and West Shuttle Bus Routes



LDCMT-26-13402

Figure 3 - Midtown Shuttle Bus Route

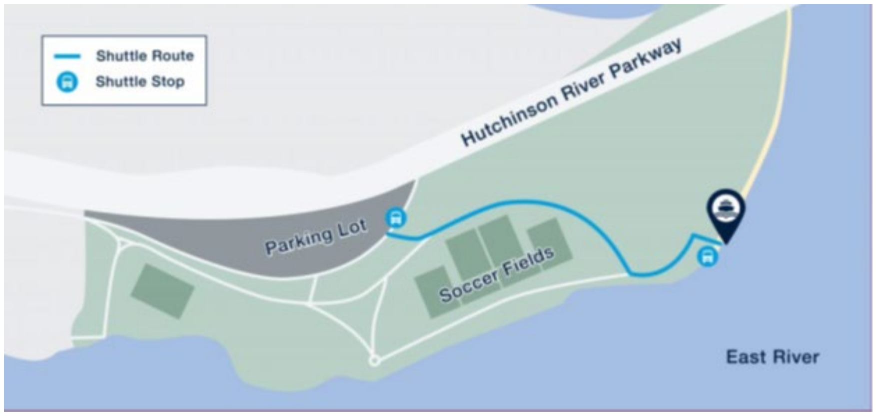


Figure 4 - Parking Lot Shuttle Route

EXHIBIT B

LONG TERM GROUND LEASE TO QUEENS DEVELOPMENT GROUP, LLC
Board of Directors Meeting
August 8, 2023

LESSOR: The City of New York (the "City")

LESSEE/ LEASE ASSIGNOR NYCLDC

LEASE ASSIGNEE: The Lease assignee will either be (i) Queens Development Group, LLC ("QDG") or an affiliated entity (whichever, the "Developer") and/or (ii) an affiliated housing development fund corporation ("HDFC") or other entity whose purpose is to facilitate affordable housing and/or obtain financing for the proposed project (the "Financing Entity"). If the Financing Entity is the Lease assignee, the Developer will be the beneficial owner of the leasehold interest. The Developer is controlled directly or indirectly by the Related Companies and Sterling Equities and/or their affiliates.

SITE LOCATION: Block 1833, Lots 120, 130, 135 and possibly 112 (the "Site")
Willets Point
Borough of Queens
Community Board #7

SITE DESCRIPTION: The Site is approximately 139,479 square feet. If Lot 112 is removed from the Site, the Site will be approximately 135,609 square feet. The Site is owned by the City and is currently vacant. The Site is approximately depicted in Attachment A.

BACKGROUND: The City has envisioned the redevelopment of Willets Point over several mayoral administrations. The Willets Point and Flushing Meadows Corona Park area had been historically known as the 'Valley of the Ashes' due to their serving as a coal ash dump during the early 20th century. Though the coal ash was removed from the entire area and the larger Flushing Meadows Corona Park area was developed for the 1939 World's Fair, the area known as Willets Point was never fully developed. In the mid-20th century, the Willets Point area evolved into primarily a neighborhood of automobile chop shops consisting of one-story metal structures and lacking basic infrastructure such as sanitary sewers.

In 2002, the Downtown Flushing Task Force convened to develop a planning strategy for the growth of Downtown Flushing, the Flushing River waterfront, and Willets Point. Building upon this strategy, in 2008, approximately 63-acres bounded by Seaver Way (126th Street), Northern Boulevard, Block 1833, Lot 1 to the west of Flushing Creek, and Roosevelt Avenue was rezoned, established as the Special Willets Point Zoning District ("SWPD"), and designated as an Urban Renewal Area. The City commenced purchasing properties from private landowners within Willets Point that would be part of future land assemblages.

NYCEDC released an RFP in 2011 for development proposals, and in 2012, the Developer was selected. QDG's initial proposal included development of the SWPD and the parking lots of Citi Field ("Willets West"), which parking lots are mapped parkland. SWPD was to have been a mixed-use neighborhood featuring office, retail, hotel, a school, open space, and 2,500 units of housing, 35% of which was to have been affordable. Willets West was to have been developed as a retail mall. The Willets West component was challenged in court, and in 2017, was ruled to be a use inconsistent with the legislation that provided for the construction of Citi Field and its precursor Shea Stadium on parkland. Since Willets West was to have financially supported development of the entire plan, redevelopment was postponed.

On February 5, 2018 NYCEDC entered into a Pre-Development Agreement with the Developer, which as amended as of March 5, 2021 provided for a re-envisioned project consisting of the environmental remediation of the Site in accordance with State DEC standards pursuant to the Brownfield Cleanup Program; construction of on-site and off-site infrastructure, including the replacement of a 72" trunk water main in Willets Point Boulevard, construction of sanitary and storm sewers, distribution water mains, dry utilities, streets, open space and other associated work; construction of 100% affordable residential buildings totaling approximately 1,100 housing units; and delivery of a development-ready construction pad to the New York City School Construction Authority. The Developer is performing the infrastructure and remediation work pursuant to two funding agreements with NYCEDC.

In July 2021, infrastructure and remediation work commenced – with remediation expected to be completed in 2023 and infrastructure expected to be completed in 2025.

The Site will include the first 881 of the planned housing units for Willets Point.

PROJECT DESCRIPTION:

The Site will be developed by the Developer into two, 12-story mixed-use buildings comprising approximately 859,409 gross square feet as well as open space. Each building will be sited on its own tax lot. The development is expected to include (i) approximately 717,571 gross square feet of affordable housing, (ii) approximately 24,311 gross square feet of commercial space, (iii) approximately 2,210 gross square feet of community facility space, (iv) approximately 91,901 gross square feet of parking space (approximately 323 spaces), and (v) approximately 38,881 square feet of open space (including Lot 112) (collectively, the "Project"). Subject to unavoidable delays, the Developer is to commence construction of the Project within 90 days of the Lease effective date and substantially complete construction of the Project by 36 months after the construction commencement date.

The Developer anticipates delivering approximately 881 affordable housing units, which will include a homeless set-aside and units at affordability levels ranging from very low income to moderate income.

If Lot 112 is included in the Lease, it is anticipated that at a later date the Lot 112 portion of the Site will be withdrawn from the Lease and will become part of a mapped street.

PURPOSE OF THE DISPOSITION/BENEFIT TO THE PUBLIC:

It is anticipated that the disposition of the Site will transform an underutilized City-owned asset that has historically been a contaminated area into a mixed-use development that provides for affordable housing, retail, and community facility uses.

LEASE TERMS:

It is anticipated that the City (as Lessor) and NYCLDC (as Lessee) will enter into a lease for the Site (the "Lease"). It is further anticipated that NYCLDC will then assign the Lease to the Developer or the Financing Entity and that NYCEDC will administer the Lease on behalf of the City.

The term of the Lease will be 99 years.

The annual base rent will be $1 during the period that the rents of the housing units on the Site are regulated pursuant to an agreement related to affordable housing with HPD. Upon termination or expiration of the regulatory period, and every 25 years thereafter, the annual base rent will be based on an appraisal of the fair market value of the Site for the uses permitted under the Lease, with periodic escalations.

The Lease assignee will make payments in lieu of taxes ("PILOT") in amounts equal to the real property taxes that would be assessed and levied against the Site if the owner of the Site was not the City except that PILOT will reflect (i) any as-of-right exemptions, abatements, credits, or other reductions that the Developer or the Financing Entity would be entitled to if it was the owner of the Site, and (ii) to the extent that any portion of the Project is being used for a regulated affordable housing use, a discretionary abatement in line with abatements for projects encumbered by a regulatory agreement under then-applicable laws, regulations, policies and/or programs.

APPRAISED VALUE:

An independent appraisal of the Site was commissioned in June 2023. The appraisal valued the fair market annual rent for the Site (including Lot 112) at $0, accounting for the specific development requirements and restrictions pertaining to the use and transfer of the Site. The appraisal also valued the highest and best use fair market value of the Site (including Lot 112) at $87,300,000.

Appraised values for the individual tax lots are shown in the table below for each value determination.

	Highest and Best Use	**As Restricted**
Block 1833, Lot 112	$0	$0
Block 1833, Lot 120	$0	$0
Block 1833, Lot 130	$50,800,000	$0
Block 1833, Lot 135	$36,500,000	$0
Total	**$87,300,000**	**$0**

EXISTING ZONING:

The Site is zoned C4-4 within the Willets Point Special District ("SWPD").

PUBLIC APPROVALS:

On September 24, 2008 (Calendar No. 17) City Planning approved the disposition and rezoning of the Site, as part of the Willets Point Urban Renewal Area.

Pursuant to Section 384(b)(4) of the City Charter, the proposed disposition of the Site was approved by the

Queens Borough Board on May 10, 2021. The proposed disposition is anticipated to obtain Mayoral authorization in September 2023.

The Project design is subject to review and approval by the Public Design Commission ("PDC"). The Project received Final Approval from PDC on April 24, 2023.

PROPOSED RESOLUTIONS:

Approval for NYCLDC to (i) enter into the Lease for the Site from the City substantially as described herein, (ii) assign such lease to the Developer and/or a Financing Entity, substantially as described herein, and (iii) enter into any related agreements and documents and consents and amendments to effectuate the Project substantially as described herein.

The Board of Directors further resolves that there is no reasonable alternative to the proposed transfer to the Developer and/or a Financing Entity that will achieve the same purpose as the transfer.

NYCEDC PROJECT CODE: 1906

NYCEDC STAFF:

PJ Berg, Senior Vice President, Real Estate Transaction Services
John Raymond, Vice President, Real Estate Transaction Services
Kevin Dunlevy, Assistant Vice President, Real Estate Transaction Services
Maria Lombera, Associate, Real Estate Transaction Services
Sharmaine Belton, Analyst, Real Estate Transaction Services
Judy Fensterman, Assistant General Counsel, Legal

Attachment A

Site Location Map