



MINUTES OF THE MEETING OF THE
REAL ESTATE AND FINANCE COMMITTEE
OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
April 23, 2024

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 on Tuesday, April 23, 2024, in Conference Room 14A, on the 14th Floor at the offices of NYCEDC at One Liberty Plaza, New York, New York.

The following members of the Committee were present by Zoom:

Paula Roy Carethers
Mitch Draizin
James McSpiritt
Patrick J. O'Sullivan, Jr.
Mark E. Russo
Betty Woo

Members of NYCEDC staff also were present.

The meeting was chaired by Mr. O'Sullivan and called to order at 2:20 p.m. Mark Silversmith, a Special Counsel and Assistant Secretary of NYCEDC, served as secretary of the duly constituted meeting, at which a quorum was present.

1. Approval of the Minutes of the January 23, 2024 Committee Meeting

It was moved that the minutes of the January 23, 2024 meeting of the Committee be approved, as submitted. Such a motion was seconded and unanimously approved.

2. Brooklyn Army Terminal Sublease for Community Solar Project

Jackie Ting, a Senior Associate of NYCEDC, presented a proposal for NYCEDC to enter into a sublease (the "Sublease") for approximately 80,000 square feet of space on the roof of Building B at Brooklyn Army Terminal ("BAT") with Sunset Park Solar LLC ("SPS") for the purposes of constructing and installing a solar photovoltaic system (the "Solar PV System") to deliver solar energy to Consolidated Edison Company of New York, Inc. ("ConEd") and financial benefits to subscribers of the Solar PV System program, on substantially the terms set forth in Exhibit A hereto.

In answer to a question from Ms. Woo, Ms. Ting stated that only subscribers in two Sunset Park zip codes (i.e. 11220 and 11232) would count towards the rent credits,

but that others outside of those zip codes were also eligible to subscribe. In answer to a question from Mr. O'Sullivan, Ms. Ting stated that the total development cost for SPS was estimated to be approximately \$2.72 million. In answer to a second question from Mr. O'Sullivan, Ms. Ting explained that NYCEDC had the option to terminate and buy out the Sublease at the end of sublease years 10, 15 and 20, that the termination payment amounts were determined a few years ago during negotiations, and that the parties were reviewing those amounts as they approach a closing for the Sublease to determine whether any changes were needed. In answer to a third question from Mr. O'Sullivan, Ms. Ting stated that the Termination and Buy-out of Sublease chart (i.e. Attachment B to this proposed item) would likely remain unchanged. In answer to a question from Mr. Russo, Ms. Ting stated that the total direct savings to subscribers was expected to be more than \$1 million over the initial sublease term, that this translated to roughly \$220 annually per household, and that it was expected that approximately 210 subscribers would be supported.

A motion then was made that the Committee recommend that the Board of Directors approve the matter set forth for approval in the Proposed Resolution section of Exhibit A hereto and further resolve that there is no reasonable alternative to the proposed Sublease that will achieve the same purpose as the transfer. Such motion was seconded and unanimously approved.

At this time, Mr. O'Sullivan recused himself from voting on the subsequent matters set forth in Section 3 below. Mr. O'Sullivan then left the meeting.

3. Property Acquisition of 524 East 74th Street from City University Construction Fund, and SPARC Kips Bay Design, Demolition and Construction Agreement with City University of New York

Brandon Baylor, an Assistant Vice President of NYCEDC, presented a proposal for NYCEDC (i) to acquire Block 1485, Lot 115 on the Tax Map of the Borough of Manhattan (the "Property"), which Property is located at 524 East 74th Street (a/k/a 525 East 73rd Street), from City University Construction Fund ("CUCF"), an affiliate of the City University of New York ("CUNY"), and to enter into related agreements and make related expenditures, and (ii) to enter into a maintenance agreement (the "Maintenance Agreement") with Memorial Hospital for Cancer and Allied Diseases (a/k/a Memorial Sloan-Kettering Cancer Center) ("MSK") regarding (a) maintenance of the Property following NYCEDC's acquisition of the Property including NYCEDC's agreement to take on the obligation to dewater the existing foundation on the Property costing approximately \$100,000 per month and (b) removing a temporary wall installed by an affiliate of MSK on its building adjacent to the Property and undertake certain improvements that will be necessary in the event a building is built on the Property adjacent to the MSK building (which improvements will be undertaken by the developer of the building on the Property), on substantially the terms set forth in Exhibit B hereto.

Mr. Baylor then presented an additional proposal for NYCEDC to enter into a Design, Demolition and Construction Agreement (the "DDC Agreement") with CUNY whereby CUNY will hire NYCEDC to (i) undertake demolition on the existing roughly

four-acre block, located between 25th and 26th Streets and between First Avenue and FDR Drive, in Manhattan, on a site currently known as the Brookdale Campus of Hunter College (the "Brookdale Campus") and (ii) procure, oversee and administer (a) the design and ground up construction of an approximately 530,000 square foot state-of-the-art higher education facility for CUNY (the "CUNY Building") on the eastern portion of the campus, which will include academic programming, a library, study spaces, a cafeteria and an auditorium (as well as the operating systems serving the CUNY Building, which may be housed in such building or in the new public high school on the campus, pending design plans), and (b) certain other sitewide improvements and infrastructure for the campus, on substantially the terms set forth in Exhibit C hereto.

In answer to a question from Mr. McSpiritt, Raven Anderson, a Senior Vice President of NYCEDC, stated that conversations with MSK indicated that the foundation on the Property should be useable and therefore additive in value, but that NYCEDC would not know for certain until it conducted further investigations. In answer to a second question from Mr. McSpiritt, Mr. Anderson explained that as part of the DDC Agreement CUNY would have to vacate the Brookdale Campus in 2025, that CUNY was in negotiations for interim swing space to be leased in Midtown for the Hunter College facilities that were currently at the Brookdale Campus, and that it was NYCEDC's understanding that CUNY was far along in its lease negotiations. In answer to a third question from Mr. McSpiritt, Mr. Anderson stated that the dormitory space at the Brookdale Campus was not part of the swing space lease, that CUNY needed and was developing a permanent solution for the relocation of those dorms, and that CUNY anticipated soon making public its plans for relocating those dorm uses.

A motion was then made that the Committee recommend that the Board of Directors approve the matters set forth for approval in the Proposed Resolutions section of Exhibit B hereto and in the Proposed Resolution section of Exhibit C hereto. Such motion was seconded and approved. Mr. O'Sullivan had recused himself from voting on these matters and was not present at the meeting while they were discussed.

4. 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 2:45 p.m.


Assistant Secretary

Dated: June 10, 2024
New York, New York

EXHIBIT A

**BROOKLYN ARMY TERMINAL
SUBLEASE FOR COMMUNITY SOLAR PROJECT
Board of Directors Meeting
May 1, 2024**

OVERVIEW

NYCEDC is proposing to enter into a sublease for approximately 80,000 square feet of space on the roof of Building B at BAT with Sunset Park Solar LLC (“SPS”) for the purposes of constructing and installing a solar photovoltaic system (the “Solar PV System”) to deliver solar energy to ConEd and financial benefits to subscribers of the Solar PV System program. SPS will install, manage and maintain the Solar PV System.

The Solar PV System will generate energy which will be delivered to ConEd in exchange for credits equal to up to 25% of the estimated worth of the delivered solar energy. These credits will be applied to the electric charges of subscribers to the Solar PV System that are customers of ConEd (in effect providing a discount to the subscribers). The balance of the worth of the generated solar energy will be paid to SPS.

This proposal follows delays in implementing the Solar PV program that was approved by the Board in 2018, that arose when the original project team faced challenges. The proposal involves a modified team and sublease terms and achieves the goals of the original BAT Community Solar RFP. The responsive RFP respondents and their initial proposals are set forth in Attachment A.

The terms of the proposed sublease are substantially as follows:

SUBLESSOR:

NYCEDC, which leases BAT from The City of New York.

SUBLEESSEE:

SPS, the proposed sublessee entity, is currently indirectly owned by (i) UPROSE, Inc. (“UPROSE”), (ii) Ingenuity Power, LLC and (iii) Solar Investment Management Company LLC.

SITE:

Approximately 80,000 square feet of rooftop space on Building B at BAT (the “Site”).

SUBLEASE

TERM:

The initial term of the sublease shall be up to 25 years.

NYCEDC shall have options to terminate and buy out the sublease at the end of sublease years 10, 15, and 20 at a price as indicated in Attachment B. If NYCEDC exercises its option to buy out the

sublease, NYCEDC will retain the Solar PV System, or, at NYCEDC's sole discretion, SPS will remove it from the Site.

SPS shall have two 5-year options to renew the sublease.

BASE RENT: The base rent will initially be \$47,000 per year and will increase by one percent each year. The annual base rent during each renewal term shall initially be the greater of (i) the fair market value of the Site at the commencement of the renewal term, and (ii) 140 percent of the base rent in the sublease year prior to commencement of the renewal term, and will increase by one percent each year.

RENT CREDIT: A rent credit will be provided based on the proportion of subscriptions that are both in Sunset Park zip codes 11220 and 11232 and are to residential and industrial subscribers and subscribers that are houses of worship, non-profits, and retail stores with less than 10,000 rentable square feet

The table below outlines the amount of the rent credit which is based on the percentage of subscriptions that fall within the above specified areas/subscribers within Sunset Park (the "Qualified Subscription Percentage").

Qualified Subscription Percentage	Rent Credit
0-19%	0% of Base Rent
20-49%	(Annual Base Rent) x (Qualified Subscription Percentage) x (2.0)
50-100%	100% of Base Rent

APPRAISED VALUE: An appraisal conducted by Weitzman Associates, LLC dated October 15, 2023, values the Site at \$0.80 to \$1.00 per square foot. It identifies solar panel systems or urban farming as the highest and best use for roof space, ranging from 50,000 to 140,000 square feet, which aligns with the scope of the Project.

PURPOSE OF DISPOSITION/ BENEFIT TO THE PUBLIC: The project enables members of the Sunset Park community and neighboring communities to access the economic benefits of renewable energy from a system installed on City-owned property. Subscribers to the Solar PV System will receive discounts of up to 25 percent on their electricity costs, estimated to save them up to

\$1,235,000 during the initial sublease term. Additionally, subject to ongoing negotiations, approximately \$985,000 of the project's revenue received by UPROSE or its subsidiary may be used to fund community-developed priorities, primarily expected to be community-owned solar projects and other beneficial community Just Transition projects, i.e. projects that are climate related and are regenerative and inclusive.

**PROPOSED
RESOLUTION:**

The approval of NYCEDC entering into a sublease with Sunset Park Solar LLC, substantially as described herein

The Board of Directors further resolves that there is no reasonable alternative to the proposed sublease that will achieve the same purpose as the transfer.

NYCEDC STAFF: Jackie Ting, Senior Associate, Asset Management
Hazel Balaban, Vice President, Asset Management
Christine Paglialunga, Vice President, Asset Management
Sabrina Lippman, Senior Vice President, Asset Management
Deborah Bindler, Senior I Counsel, Legal

Attachment A: Initial Proposals of Responsive Respondents

RESPONSES INVOLVING BELOW NAMED ENTITIES AND OTHERS	PROPOSED FOOTPRINT	PROPOSED RENT	PROPOSED RENT / SF
Co-Op Power, Inc.	80,000	\$21,000	\$0.26 ¹
Fifth Avenue Committee, Inc.	80,000	\$27,500	\$0.34 ²
UGE USA Inc.	87,000	\$40,200	\$0.46 ³
OnForce Solar, Inc.	20,000	\$17,304	\$0.87 ⁴
Sunlight General Capital	58,000	\$32,000	\$0.55 ⁵

¹ Final and best offer was \$0.59

² Final and best offer was \$0.36

³ Final and best offer was \$0.46

⁴ Final and best offer not obtained

⁵ Final and best offer not obtained

Attachment B: Termination and Buy-out of Sublease

Lease Year	Termination Payment Amount
10	\$861,218
15	\$663,696
20	\$417,465

EXHIBIT B

**PROPERTY ACQUISITION OF 524 EAST 74th STREET
FROM CITY UNIVERSITY CONSTRUCTION FUND
Board of Directors Meeting
May 1, 2024**

OVERVIEW: NYCEDC proposes to re-acquire certain property from City University Construction Fund (“CUCF”), an affiliate of the City University of New York (“CUNY”), which was sold by NYCEDC to CUCF in 2015.

SELLER: CUCF
555 West 57th Street, 16th Floor
Manhattan

PURCHASER: NYCEDC

PROPERTY LOCATION: Block 1485, Lot 115
524 East 74th Street (a/k/a 525 East 73rd Street)
Manhattan (the “Property”)(approximately depicted in Attachment A)
Manhattan Community District 8

PROPERTY DESCRIPTION: The Property is located between East 73rd Street and East 74th Street and between York Avenue and FDR Drive and is an approximately 26,564 square foot parcel of land. The Property is partially improved with foundation work.

BACKGROUND: In 2012, CUNY and The City of New York (the “City”) entered into an agreement (the “Agreement”, as amended, the “2012 Agreement”) outlining a process with respect to the disposition of four CUNY properties, including the Brookdale Campus of Hunter College located at 425 East 25th Street in Manhattan (the “Brookdale Campus”), the Master of Fine Arts Building of Hunter College located at 450 West 41st Street in Manhattan (the “MFA Building”) and the North Hall Building of John Jay College located at 445 West 59th Street in Manhattan (the “North Hall Building”). The 2012 Agreement provided that the City was to convey, through NYCEDC, a fee interest in the Property to CUNY (or CUCF) in exchange for CUNY causing the Dormitory Authority of the State of New York (“DASNY”) to relinquish title to the Brookdale Campus to the State of New York (the “State”) and the State to subsequently transfer title to the City.

Under the 2012 Agreement, the City and CUNY agreed, among other things, that: (a) CUNY and/or CUCF would construct a

new Hunter College building at the Property and CUNY was to relocate its operations from the Brookdale Campus to the Property, and (b) the City would allocate \$100,000,000 in capital funds anticipated to be used for (1) the construction of the foundation at the Property, (2) the dewatering of the foundation at the Property, (3) the defeasance of the DASNY bonds related to the acquisition of the Brookdale Campus, and (4) capital improvements to a building at LaGuardia Community College to be used by CUNY as interim swing space before it relocated to the Property.

NYCEDC, as seller, and Memorial Hospital for Cancer and Allied Diseases (a/k/a Memorial Sloan-Kettering Cancer Center) (“MSK”) and CUCF, collectively, as purchaser, then entered into a Contract of Sale for the transfer of property referred to herein as the Property to CUNY (and the current Lot 15 to MSK) in exchange for CUNY causing the transfer of title to the Brookdale Campus to the City as described above (and MSK paying NYCEDC \$215,000,000). On March 30, 2015, the State conveyed all right, title, and interest in the Brookdale Campus to the City (the “2015 Brookdale Purchase”). On March 30, 2015, NYCEDC conveyed fee title of the Property to CUCF through a deed (the “2015 E. 73rd St Sale”) that required CUCF, as purchaser, to construct an approximately 215,000 square foot facility for use in connection with CUNY’s core business operations primarily as an education and/or research facility and to complete construction by March 30, 2025. As part of the 2015 Brookdale Purchase, the City provided \$20,831,677.24 to defease DASNY bonds related to the Brookdale Campus.

On March 30, 2015, the City also entered into a license agreement with CUNY for its continued use and occupancy of the Brookdale Campus through August 31, 2017 (the “2015 Brookdale License”). MSK and CUCF also entered into a Site Development Agreement on March 30, 2015 (the “Site Development Agreement”) pursuant to which MSK completed foundation work on the Property on behalf of CUCF costing \$27,750,000 (the “Foundation Costs”), which amount was to be reimbursed by CUNY. However, since CUNY failed to relinquish title to the MFA Building to the City which was a precondition to CUNY obtaining the funds allocated by the City for Foundation Costs pursuant to the 2012 Agreement, CUCF did not pay the Foundation Costs to MSK. In 2023, MSK sued CUNY and CUCF for the Foundation Costs. Since CUCF’s construction of the new building on the Property was never performed (other than the construction of the foundation by MSK), CUNY never relocated to the Property and has remained in occupancy at the Brookdale Campus beyond the expiration date of the 2015 Brookdale License.

PURCHASE PRICE:

In consideration for the purchase of the Property by NYCEDC, approximately \$43,060,557 will be expended by NYCEDC on various matters and subject to adjustment substantially as described below.

SITE VALUATION:

On September 28, 2012, the NYCEDC Board approved the sale of property then known as Block 1485, Lot 15 (the Property and the current Lot 15) to CUCF and MSK for \$215,000,000 plus the revesting of title to Manhattan Block 962, part of Lot 100 (a/k/a the Brookdale Campus) to the City valued at \$180,000,000. When the NYCEDC Board approved the sale, the combined property was valued at \$253,000,000 per a September 19, 2011 appraisal.

Concurrent with the closing of the sale on March 30, 2015, the then Lot 15 was subdivided into the current Lot 15 (owned by MSK) and Lot 115 (the Property that is the subject of this Board Item) and separate deeds were delivered to MSK and CUCF for the properties. Lot 115 includes roughly one third (1/3) of the available FAR of the combined property. A simple pro rata division of the valuation therefore leads to a valuation of Lot 115 of approximately \$84,333,333 in 2011 dollars. This value roughly aligns with NYCEDC's current conservative internal valuation of Lot 115.

PURPOSE OF ACQUISITION / BENEFITS TO THE PUBLIC:

On October 13, 2022, CUNY, the State, the City, and NYCEDC entered into a Memorandum of Understanding (the, "2022 MOU"). The 2022 MOU, as further refined by the Master Plan released to the public on November 17, 2023, outlined a plan whereby the City, NYCEDC, the State and CUNY would create and incentivize the development of a new life sciences campus ("SPARC Kips Bay") with more than 2 million square feet of new public health, educational, workforce development and life sciences facilities at the former Brookdale Campus. Under the first phase of this plan, NYCEDC will undertake the demolition of the existing Brookdale Campus and will oversee site preparation and infrastructure work and the design and construction of facilities on the eastern portion of the campus, which will include the co-location of several CUNY schools focused on public health and health care, including the Hunter College School of Nursing and School of Health Professions, the CUNY Graduate School of Public Health & Health Policy and the Borough of Manhattan Community College, as well as a health-and-science-focused public high school.

The Hunter College School of Nursing was originally planned to be located at the Property, pursuant to the 2012 Agreement. However, as part of the 2022 MOU, in consideration for the City's and State's agreement to fund the development of a new building at SPARC Kips Bay to house the Hunter College School of Nursing and the other CUNY schools described above, CUNY agreed to direct CUCF to re-convey the Property to NYCEDC.

To carry out the plan outlined in the 2022 MOU, it is anticipated that NYCEDC, the City, CUNY and/or CUCF will agree to unwind the 2015 E. 73rd Street Sale and related transactions as follows:

- (i) CUCF and NYCEDC will execute a Purchase and Sale Agreement for NYCEDC to acquire the Property as is from CUCF (and CUCF will convey title to the Property to NYCEDC);
- (ii) The City and CUNY will execute a Termination of the 2012 Agreement (and the City will execute Waivers and Releases of Reversionary Interests with respect the MFA Building and the North Hall Building);
- (iii) The City and CUNY will execute a Letter Agreement terminating the 2015 Brookdale License and waiving liquidated damages thereunder;
- (iv) The City and CUNY will execute a new Brookdale License permitting CUNY to use and occupy the Brookdale Campus through August 31, 2025;
- (v) MSK, CUCF and CUNY will execute a MSK Payment and Termination Agreement with respect to the Site Development Agreement;
- (vi) MSK and NYCEDC will execute a maintenance agreement (the "Maintenance Agreement") regarding (a) maintenance of the Property following NYCEDC's acquisition of the Property including NYCEDC's agreement to take on the obligation to dewater the existing foundation on the Property costing approximately \$100,000 per month and (b) removing a temporary wall installed by an affiliate of MSK on its building adjacent to the Property and undertake certain improvements that will be necessary in the event a building is built on the Property adjacent to the MSK building (which

improvements will be undertaken by the developer of the building on the Property);

- (vii) As consideration for the purchase of the Property from CUCF, approximately \$43,060,557 of City Capital Budget funds are anticipated to be expended by NYCEDC in connection with the acquisition of the Property by NYCEDC from CUCF, which amount may vary based on the final amount of the below described expenses. Such funds will be utilized (a) to reimburse MSK for the Foundation Costs, (b) to pay DASNY to defease DASNY bonds issued for CUNY's pre-development costs related to the intended development of the Property, (c) to pay CUCF for other pre-development and dewatering costs incurred to date and (d) for title insurance costs and escrow services. It is estimated that dewatering costs will be \$100,000 per month until closing, which may increase the \$43,060,557 currently anticipated to be expended..

After transfer of the fee interest in the Property to NYCEDC, NYCEDC plans to RFP the Property for development. Under existing approvals, uses of the Property are restricted to "health care, education, or scientific research facilities, including accessory uses." Accessory uses include commercial, retail, recreational and infrastructural uses accessory to the restricted uses listed above. Project size will be no greater than 262,500 zoning square feet.

EXISTING ZONING:

The Property is located in a C1-9 zoning district.

ENVIRONMENTAL MATTERS:

There currently are no known environmental issues at the Property. There was groundwater contamination from underground petroleum storage tanks that was remediated and closed out by the NYS Department of Environmental Conservation on December 21, 2016.

PROPOSED RESOLUTIONS:

1. Approval for NYCEDC to acquire the Property and enter into related agreements and make related expenditures, substantially as described herein.
2. Approval for NYCEDC to enter into the Maintenance Agreement with MSK following acquisition of the Property substantially as described herein.

NYCEDC

PROJECT CODE:

4759

NYCEDC STAFF:

Raven Anderson, Senior Vice President, Real Estate
Transaction Services

Brandon Baylor, Assistant Vice President, Real Estate
Transaction Services

Sacha Sellam, Senior Associate Real Estate Transaction
Services

Karyn Monat, Senior Counsel, Legal Department

Attachment A



Location Map



Aerial View of Site

EXHIBIT C

**SPARC KIPS BAY DESIGN, DEMOLITION AND CONSTRUCTION AGREEMENT
WITH CITY UNIVERSITY OF NEW YORK
Board of Directors Meeting
May 1, 2024**

SPARC Kips Bay Overview: On October 13, 2022, the City University of New York (“CUNY”), the State of New York (the “State”), The City of New York (the “City”), and NYCEDC entered into a Memorandum of Understanding (the “2022 MOU”). The 2022 MOU, as further refined by a Master Plan released to the public on November 17, 2023, outlined a plan whereby the City, NYCEDC, the State and CUNY would create and incentivize the development of a state-of-the-art life sciences campus with more than 2 million square feet of new public health, educational, workforce development and life science facilities (“SPARC Kips Bay” or the “campus”), as well as a new public plaza (“SPARC Square”) and other sitewide improvements and infrastructure (collectively, the “Project”).

SPARC Kips Bay represents a historic level of investment between the City and the State of approximately \$1.6 billion. Located on a roughly four-acre block, between 25th and 26th Streets and between First Avenue and FDR Drive, on a site currently known as the Brookdale Campus of Hunter College (the “Brookdale Campus”), SPARC Kips Bay will be a first-of-its-kind innovation, jobs, and education center. It will further New York City’s role as a global leader in creating and attracting accessible jobs in the life sciences sector including ~\$42 billion in economic impact to the City over the next 30 years, and approximately 12,000 jobs, including 3,100 permanent science jobs.

Under the first phase of this Project, NYCEDC will undertake the demolition of the existing Brookdale Campus and will oversee site preparation and infrastructure work and the design and construction of facilities on the eastern portion of the campus, which will include the co-location of several CUNY schools focused on public health and health care, including the Hunter College School of Nursing and School of Health Professions, the CUNY Graduate School of

Public Health & Health Policy, and the Borough of Manhattan Community College, as well as a health-and-science-focused public high school. The CUNY Building (defined below) and the public high school may be housed in a combined structure or adjacent structures, pending design plans. NYCEDC's work will include delivering a flood wall, open space, a pedestrian bridge crossing the FDR Drive, and reconstruction of a portion of East 26th Street.

During a second phase of the Project, the western portion of the campus will be developed by one or more private development partners to be procured through a future public developer RFP in 2025 (anticipated to be approved through a future NYCEDC Board authorization). Such development is envisioned to house private life sciences tenants as well as a NYC Health + Hospitals outpatient care and training/simulation center, a new home for the City's Office of Chief Medical Examiner forensic pathology center and CUNY research labs.

Project Description:

As part of the first phase of this Project, it is anticipated that CUNY and NYCEDC will execute a Design, Demolition and Construction Agreement (the "DDC Agreement") whereby CUNY will hire NYCEDC to (i) undertake the demolition of the existing Brookdale Campus and (ii) procure, oversee and administer (a) the design and ground up construction of an approximately 530,000 square foot state-of-the-art higher education facility for CUNY (the "CUNY Building") on the eastern portion of the campus, which will include academic programming, a library, study spaces, a cafeteria and an auditorium (as well as the operating systems serving the CUNY Building, which may be housed in such building or in the new public high school on the campus, pending design plans), and (b) certain other sitewide improvements and infrastructure for the campus (collectively, the "Scope of Work").

CUNY currently remains in possession of the Brookdale Campus under an expired 2015 Brookdale License, but will be executing a new Brookdale License with the City concurrent with the sale of 524 East 74th Street from City University Construction

Fund (an affiliate of CUNY) to NYCEDC, which will permit CUNY to continue to use and occupy the Brookdale Campus through August 31, 2025. Pursuant to the DDC Agreement, CUNY will be required to decant, close and vacate the Brookdale Campus on or prior to August 31, 2025 in accordance with a Preliminary Decanting Plan attached to the DDC Agreement (to be finalized into a Final Decanting Plan to be agreed upon by CUNY and NYCEDC following the execution of the DDC Agreement).

It is anticipated that the City will enter into a ground lease with CUNY for the CUNY Building at SPARC Kips Bay on the terms set forth in a non-binding term sheet attached as an exhibit to the DDC Agreement. In addition, it is anticipated that the following additional agreements may be entered into in connection with the Project in the future, including (i) an amendment to the DDC Agreement or a subsequent agreement, as needed, to cover construction administration items not addressed in the DDC Agreement, if any, (ii) an operating agreement and/or other agreements governing the operation, utilities, maintenance and repair and security of the common areas of the campus (including SPARC Square), to be negotiated among the NYCEDC, CUNY, City agencies, the developer procured by NYCEDC for the western portion of the campus and/or third parties, and (iii) a separate agreement between CUNY and New York City Public Schools with respect to shared spaces, programming and operation of the combined structure or adjacent structures to be developed on the eastern portion of the campus.

Brookdale Campus Address: The Brookdale Campus is identified as Block 962, p/o Lot 1 on the Tax Map of the Borough of Manhattan and is located at 425 East 25th Street.

Amount to be Approved: Up to \$475,900,000 for work pursuant to the DDC Agreement (which includes up to \$72,500,000 authorized by the Executive Committee on March 19, 2024 for a SPARC Kips Bay design contract with Ennead Architects LLP)

Type of Funds: City Capital Budget funds

Agreement to be Approved: Design, Demolition, and Construction Agreement between CUNY and NYCEDC substantially as described herein.

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

Relevant Staff: Raven Anderson, Senior Vice President, Real Estate Transaction Services
Brandon Baylor, Assistant Vice President, Real Estate Transaction Services
Sacha Sellam, Senior Associate, Real Estate Transaction Services
Zachary Aders, Vice President, Capital Program
Karyn Monat, Senior Counsel, Legal

Project Code: 10086