



New York City Economic Development Corporation

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
June 27, 2018

A regular meeting of the Directors of New York City Economic Development Corporation ("NYCEDC") was held, pursuant to notice by an Assistant Secretary, on Wednesday, June 27, 2018, at NYCEDC's offices at 110 William Street, in Conference Rooms 4A and 4B, New York, New York.

The following Directors of NYCEDC were present:

Cheryl Adolph
Shirley Aldebol (by conference telephone)
Wilton Cedeno
Marlene Cintron (by conference telephone)
Lorraine Cortes-Vazquez (by conference telephone)
Mitchell Draizin
Robert Englert (by conference telephone)
Fred Heller (by conference telephone)
Joshua Levin
Tanya Levy-Odom (by conference telephone)
James McSpirtt
Gail Mellow (by conference telephone)
Melva Miller (by conference telephone)
Patrick J. O'Sullivan, Jr.
Mark Patricof (by conference telephone)
Betty Woo
Kathryn Wylde

Members of NYCEDC staff and members of the public also were present.

The meeting was chaired by James Patchett, President of NYCEDC, and called to order at 8:35 a.m. Meredith Jones, 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 that may be contained in the Exhibits attached hereto.)

1. Approval of the Minutes of the May 9, 2018 Regular Meeting of the Board of Directors

There being no questions or comments with respect to the minutes of the May 9, 2018 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.

Ms. Cortez-Vazquez joined the meeting at this time.

2. Report of NYCEDC's President

At this time, Mr. Patchett discussed some of NYCEDC's recent activities. He first summarized the progress on a few of NYCEDC's projects that are focused on growing jobs, including the South Brooklyn Marine Terminal, the Brooklyn Army Terminal's opening of 500,000 square feet of new space, and a plan to save Manhattan's Garment District jobs. Mr. Patchett then highlighted a number of projects that will contribute to NYCEDC's goal of investing in neighborhoods, noting the upcoming launch of two new NYC Ferry routes, the upcoming new master planning process for Sunnyside Yard, and the successful passage through the public approvals process for the Edenwald YMCA project in the Bronx. Lastly, Mr. Patchett discussed the recent progress of several internal initiatives at NYCEDC.

In answer to a question from Ms. Wylde, Mr. Patchett stated that Amazon was still in the process of selecting the location of its second headquarters, and that it was NYCEDC's understanding that New York City was among the cities still being considered. Mr. Patchett then pointed out that Johnson & Johnson had recently opened its life sciences innovation lab in New York City, and that this was a great addition for the City's economy.

At this time, Ms. Cintron left the meeting.

3. Election of Member of Legal Affairs Committee

Mark Silversmith, a Special Counsel of NYCEDC, presented a proposal for the election of Mitchell Draizin to serve on the Legal Affairs Committee of the Board of Directors of NYCEDC.

A motion was then made to elect Mitchell Draizin as a member of the Legal Affairs Committee of NYCEDC's Board of Directors. Such motion was seconded and unanimously approved.

Ms. Cintron rejoined the meeting at this time.

4. Budget Information

Robin Hickey, a Vice President of NYCEDC, presented the proposed approval of budget information about NYCEDC in the form set forth in Attachment A to Exhibit A hereto, which budget information would be submitted to certain governmental officials and a government office. Also, attached to Exhibit A hereto as Attachment B is a copy of NYCEDC's budget information set forth in its standard format.

The Public Authorities Accountability Act of 2005 as amended requires NYCEDC to submit to the Mayor, the City's Comptroller, the City Council Speaker and New York State's Authorities Budget Office ("ABO") budget information on operations and capital construction setting forth the estimated receipts and expenditures for the next fiscal year and the current fiscal year, and the actual receipts and expenditures for the last completed fiscal year. ABO has designated the form in which the budget information is to be submitted and such form requires the inclusion of estimated information for additional years. The submission is for information purposes and the submission must be in the form submitted to NYCEDC's Directors.

Ms. Hickey then summarized NYCEDC's operations and capital budgets.

At this time, Mr. Patchett noted that NYCEDC does not include in its budget projections of certain one-time revenue events, such as when a lessor exercises a purchase option, because such events cannot be foreseen, and that this was the reason for the revenue bump from the projections to the actuals for Fiscal Year 2018.

In answer to a question from Ms. Adolph, Ms. Hickey explained the differences between the PAAA reporting format and the standard format used by NYCEDC.

A motion was made to approve the budget information about NYCEDC in the form set forth in Attachment A to Exhibit A hereto. Such motion was seconded and unanimously approved.

5. Disposition of 383 Gold Street, Brooklyn

George Bergamo, an Assistant Vice President of NYCEDC, presented a proposal for NYCEDC (i) to purchase from The City of New York (the "City") Block 2060, Lot 8 on the Tax Map of the Borough of Brooklyn (the "Site"), and subsequently to sell the Site to 385 Gold Property Investors IIA, LLC or an affiliated entity, and (ii) to enter into and provide any related agreements, documents and consents to effectuate this project, on substantially the terms set forth in Exhibit B hereto.

Mr. Patchett noted that the project's commercial component was a part of NYCEDC's efforts to deliver more commercial office development in downtown Brooklyn. In answer to a question, Mr. Patchett stated that this transaction would allow the developer to build additional commercial space.

In answer to an additional question, Mr. Bergamo explained that the public benefit that NYCEDC focused on with this transaction was to ensure that the open space would remain open space in perpetuity and would be properly maintained by the developer. Mr. Bergamo stated that the Site was small and that the only site that could receive development rights from it was the adjacent site. In answer to a question from Mr. Levin, Mr. Bergamo stated that the owner of the property would be obligated to maintain the open space.

At this time, Ms. Adolph left the meeting.

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

At this time, Ms. Mellow joined the meeting.

6. 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 substantially on the terms described above.

7. 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 approximately 9:00 a.m.


Assistant Secretary

Dated: August 8, 2018
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
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

**BUDGET INFORMATION
Board of Directors Meeting
June 27, 2018**

SUBJECT: The approval and submission of budget information about NYCEDC

PROPOSED RESOLUTION: To approve budget information about NYCEDC in the form attached hereto as Attachment A

BACKGROUND: The Public Authorities Accountability Act of 2005 (the "Act") as amended requires NYCEDC to submit to the Mayor, the City's Comptroller, the City Council Speaker and New York State's Authorities Budget Office ("ABO"), budget information on operations and capital construction setting forth the estimated receipts and expenditures for the next fiscal year and the current fiscal year, and the actual receipts and expenditures for the last completed fiscal year. ABO has designated the form in which the budget information is to be submitted and such form requires the inclusion of estimated information for additional years. The submission is for information purposes and the submission must be in the form submitted to NYCEDC's Directors.

Attached hereto is Attachment A, which sets forth the budget information in the form in which it will be submitted pursuant to the Act. Attached hereto as Attachment B is a copy of NYCEDC's budget information set forth in its standard format.

STAFF: Spencer Hobson, Executive Vice President and Treasurer
Elizabeth Verostek, Senior Vice President, Finance
Robin Hickey, Vice President, Budget

ATTACHMENT A

NYC ECONOMIC DEVELOPMENT CORPORATION
 BUDGETED REVENUES, EXPENDITURES, AND CHANGES IN CURRENT NET ASSETS

	Last Year (Actual) 2017	Current Year (Estimated) 2018	Next Year (Adopted) 2019	Proposed 2020	Proposed 2021	Proposed 2022
REVENUE & FINANCIAL SOURCES						
Operating Revenues						
Charges for services	11,494,306	9,176,819	9,999,326	9,680,924	9,593,474	10,043,160
Rental & financing income	179,145,612	233,151,143	204,184,291	274,107,510	231,137,803	247,916,670
Other operating revenues	37,290,145	46,277,990	31,491,462	77,141,468	23,164,237	38,271,730
Nonoperating Revenues						
Investment earnings	1,535,916	3,250,000	1,420,285	1,462,894	1,506,780	1,551,984
Municipal subsidies/grants	450,527,239	450,125,521	542,758,115	593,841,428	530,508,440	534,378,601
Insurance Proceeds	-	-	-	-	-	-
Reimbursable Grants- Superstorm Sandy	3,890,437	51,478	-	-	-	-
Total Revenues & Financing Sources	683,883,653	742,032,951	789,853,499	956,234,222	795,910,734	832,162,145
EXPENDITURES						
Operating Expenditures						
Salaries and wages	61,734,711	75,000,000	73,542,988	74,538,208	77,532,441	80,046,825
Professional services contracts	547,854,141	584,899,240	699,612,915	800,754,554	672,870,221	663,604,594
Other operating expenditures	65,384,833	62,870,259	69,783,717	98,818,001	70,270,080	84,439,483
Nonoperating Expenditures						
Emergency repairs- Superstorm Sandy	2,760,903	96,345	-	-	-	-
Other non-operating expenditures	38,808	(80,679)	-	-	-	-
Total Expenditures	677,753,396	722,885,165	842,939,620	974,110,762	820,672,722	828,690,902
Excess (deficiency) of revenues and capital contributions over expenditures	6,130,257	19,447,786	(53,086,121)	(17,876,539)	(24,761,988)	3,471,243

ATTACHMENT B

NYC ECONOMIC DEVELOPMENT CORPORATION
FISCAL YEAR 2018 BUDGET

	FY 2017 Actual	FY 2018 Budget Adopted	FY 2018 Est. Year-End	Projected FY 2019 Budget	Projected FY 2020 Budget	Projected FY 2021 Budget	Projected FY 2022 Budget
REVENUES:							
Real Estate Sales, net	7,182,991	18,433,239	8,556,175	16,400,823	58,368,172	5,712,664	19,675,243
Property Rentals	179,145,612	201,020,445	233,151,143	204,184,291	274,107,510	231,137,803	247,916,670
Grants from City, State, Federal, Private	450,527,239	572,252,532	450,125,521	542,758,115	593,641,428	530,508,440	534,378,601
Fee Income	11,494,306	9,274,744	9,176,819	9,989,326	9,680,924	9,593,474	10,043,160
Other Income	30,107,154	34,752,793	37,721,815	15,090,658	18,773,295	17,451,573	18,596,488
TOTAL OPERATING REVENUES	676,457,301	835,733,753	738,731,473	788,433,214	954,771,329	784,403,954	830,610,161
EXPENSES:							
Project Costs	112,288,703	155,506,590	98,285,232	120,439,246	154,182,709	89,260,539	74,396,853
Program Costs	348,827,023	450,428,929	362,574,488	425,634,524	425,653,560	425,673,167	425,693,362
Property Rentals & Related Operating Expenses	86,756,415	119,064,289	124,029,521	153,539,145	220,918,285	157,936,516	163,514,379
Personnel Services	61,734,711	65,039,106	75,000,000	73,542,988	74,538,208	77,532,441	80,646,825
Office Rent	8,716,727	8,520,000	8,520,000	9,030,336	13,723,525	13,723,525	13,723,525
Contract and Other Expenses	42,489,642	38,442,322	38,442,322	39,313,962	59,049,479	30,018,781	43,694,640
Other General & Admin. Expenses	14,158,464	19,856,923	15,707,937	21,439,419	26,044,997	26,527,753	27,021,318
TOTAL OPERATING EXPENSES	674,953,685	856,858,159	722,569,459	842,939,620	974,110,762	820,672,722	828,690,902
OPERATING INCOME	3,503,616	(21,124,405)	16,161,974	(54,506,406)	(19,339,433)	(28,268,768)	1,919,259
NON-OPERATING REVENUES							
Income from Investments	1,535,916	1,000,000	3,250,000	1,420,285	1,462,894	1,506,780	1,551,984
Insurance Proceeds							
Reimbursable Grants- Superstorm Sandy	3,890,437		51,478				
Emergency repairs- Superstorm Sandy	(2,760,903)		(96,345)				
Non-Operating Income (Expense)	(38,808)		80,679				
TOTAL CHANGE IN NET ASSETS	6,130,257	(20,124,405)	19,347,766	(53,086,121)	(17,876,539)	(24,761,988)	3,471,243
Beginning Net Assets	428,239,140	435,773,977	432,369,397	415,649,571	362,563,450	344,686,911	319,924,923
NET ASSETS AS OF 06/30	432,369,397	415,649,571	451,817,163	362,563,450	344,686,911	319,924,923	323,396,166

Exhibit B

DISPOSITION OF 383 GOLD STREET, BROOKLYN
Board of Directors Meeting
June 27, 2018

PURCHASER: 385 Gold Property Investors IIA, LLC or an affiliated entity (the "Purchaser"). 385 Gold Property Investors IIA, LLC is an affiliate of Savanna Capital Partners, LLC.

SITE LOCATION: Block 2060, Lot 8 (the "Site")
Borough of Brooklyn
Community Board No. 2
383 Gold Street

SITE DESCRIPTION: The Site is an approximately 2,651 square foot parcel, zoned C6-6 with approximately 39,764 buildable square feet of development rights. Currently, the Site is an open space. The Site is depicted in Attachment A.

PROJECT DESCRIPTION: The existing open space on the Site will be redeveloped and maintained by the Purchaser as an open space (the "Open Space") in accordance with (a) open space plans approved by NYCEDC, HPD and City Planning and (b) a Declaration of Development and Public Access (the "Public Access Agreement") that will be recorded against the Site. Additionally, Purchaser intends to utilize the Site's development rights on the lots adjacent to the Site (also shown in Attachment A), which Purchaser also owns (the "Adjacent Property"). The Adjacent Property was purchased by the Purchaser through a private transaction.

Purchaser will construct a new building (the "New Building") on the Adjacent Property of approximately 310,065 square feet of "floor area". It is expected that the New Building will be used for the construction of a commercial office building. Purchaser also has the option to pursue a mixed-use residential (compliant with the City's Mandatory Inclusionary Housing program ("MIH")) and commercial building. Purchaser and its successors and assignees shall be responsible for maintaining the Open Space in perpetuity.

It is expected that Purchaser shall have commenced construction of the New Building within twenty-four (24) months from the date of the closing, subject to force majeure delays. Purchaser has the right to purchase a one-time, twelve (12) month extension of the construction commencement deadline for \$195,000.

It is expected that Purchaser will complete construction of the New Building, defined as obtaining a temporary certificate of occupancy, within thirty-six (36) months of the commencement of construction, subject to force majeure delays. Purchaser has the right to purchase a one-time, twelve (12) month extension of the construction completion deadline for \$408,500.

Purchaser shall complete construction of the Open Space no later than six (6) months after completion of the New Building, subject to force majeure delays. Purchaser shall then operate and maintain the open space in accordance with the terms in the Public Access Agreement, and will ensure that it remains open to the public in perpetuity.

Purchaser shall have the right to transfer the Site or an interest therein but all construction and maintenance requirements shall apply to the then owner of the Site.

The existing urban renewal plan requires that the Site be maintained as open space until 2044 and the City wishes to preserve the Site as open space in perpetuity. Given this, the only entity that would be willing to buy and maintain the Site would be the owner of the Adjacent Property which could use the development rights of the Site. An RFP, therefore, was not undertaken to dispose of the Site.

**PURPOSE OF
DISPOSITION/
BENEFIT TO THE
PUBLIC:**

The disposition of the Site will provide for the renovation and ongoing maintenance and operation of the open space on the Site, as well as support the development of the adjacent New Building that will activate the streetscape and deliver residential housing pursuant to MIH and/or commercial space, which will provide space for new jobs in Downtown Brooklyn.

**PURCHASE
PRICE:**

NYCEDC will purchase the Site for \$1 from the City. NYCEDC will then sell the Site to Purchaser for consideration equal to \$3,890,065 (all cash) plus the value of (i) the renovation of the Open Space and (ii) the extension of the maintenance obligation from 2044 to perpetuity.

**APPRAISED
VALUE:**

Pursuant to a 2018 appraisal, the estimated fair market value of the fee simple interest of the Site is approximately \$3,100,000.

**EXISTING
ZONING:**

The Site is located within the Special Downtown Brooklyn District, which was established through a rezoning in 2004 to support housing and economic development opportunities and to build upon Downtown Brooklyn's strengths as a major multimodal transportation hub.

On November 16, 2016, the Site and the Adjacent Property received ULURP approval for a rezoning to C6-6. The zoning allows up to 9 FAR of residential and up to 15 FAR of commercial.

**PUBLIC
APPROVALS:**

It is anticipated that the approval for the terms of the transaction pursuant to Section 507(2)(d) of the New York State General Municipal Law will be obtained in August or September of 2018.

**PROPOSED
RESOLUTION:**

Approval (i) for NYCEDC to purchase the Site from the City and sell the Site to the Purchaser substantially as described herein, and (ii) for NYCEDC to enter into and provide any related agreements, documents and consents to effectuate the project substantially as described herein.

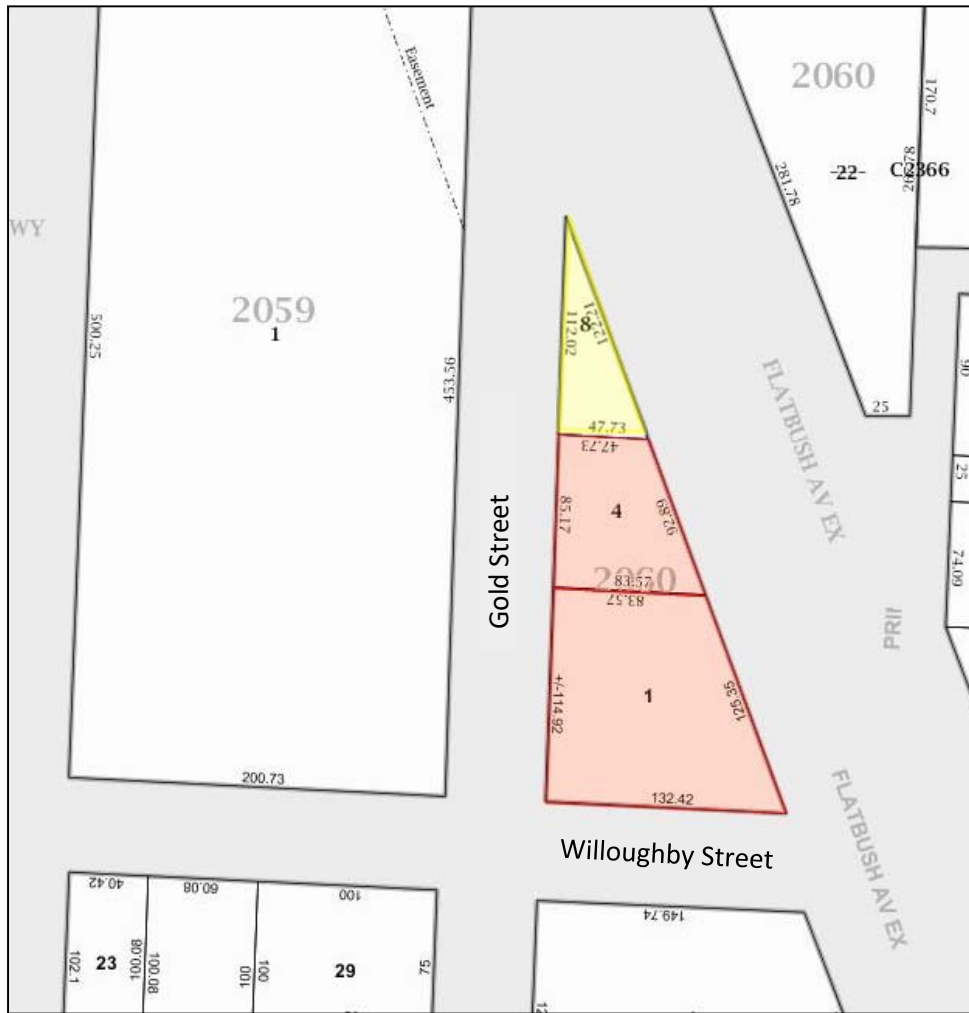
**NYCEDC
PROJECT CODE:**

6036

STAFF:

George Bergamo, Assistant Vice President, Real Estate Transactions
Sunitha Amalraj, Senior Vice President, Real Estate Transactions
Anne Sherman, Counsel, Legal

Attachment A: Site Location Map



- The Site**
- Adjacent Property**