



New York City Economic Development Corporation

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
May 9, 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, May 9, 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
William Candelaria
Hector Cordero-Guzman (by conference telephone)
Lorraine Cortes-Vazquez (by conference telephone)
Mitchell Draizin (by conference telephone)
Robert Englert (by conference telephone)
William Floyd
Fred Heller (by conference telephone)
Matthew Hiltzik (by conference telephone)
Joshua Levin
Tanya Levy-Odom (by conference telephone)
David Lichtenstein (by conference telephone)
James McSpirtt
Melva Miller (by conference telephone)
Patrick J. O'Sullivan, Jr.
Mark Patricof (by conference telephone)
Carl Rodrigues (as alternate for Alicia Glen)
Mark Russo (by conference telephone)
Michael Schlein
Matthew Washington
Betty Woo
Kathryn Wylde

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

The meeting was chaired by Michael Schlein, Chairperson 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 November 9, 2017 Regular Meeting of the Board of Directors

There being no questions or comments with respect to the minutes of the November 9, 2017 regular meeting of the Board of Directors, as submitted, a motion was made to approve such minutes, as submitted. Such motion was seconded and approved.

Messrs. Candelaria, Heller, Hiltzik, Levin, Rodrigues and Washington joined the meeting.

2. Report of NYCEDC's President

At this time, James Patchett, President of NYCEDC, discussed some of NYCEDC's recent activities. Mr. Patchett first noted that NYCEDC remained focused on making sure that the City's current jobs were accessible and better-paying, as well as on building and diversifying jobs and the City's economy. Mr. Patchett then highlighted the recent progress of a few of NYCEDC's key projects, including the work of NYCEDC's NYC Ferry team to launch two new routes in the Bronx and on the Lower East Side of Manhattan later this summer.

In answer to a question from Mr. Schlein, Mr. Patchett stated that the Mayor had committed to investing \$300 million over the next five years for building waterfront infrastructure and purchasing vessels for NYC Ferry. He added that NYCEDC's current estimate of approximately 9 million riders for the system's first year was nearly double its initial projections and that the City, therefore, was investing to ensure that the demand would continue to be served. In answer to a second question from Mr. Schlein, Mr. Patchett stated that the money was to serve the existing and planned ferry routes, and that NYCEDC would begin studying the possibilities for further expansion after the launch of the two currently planned new routes. In answer to a question from Ms. Wylde, Mr. Patchett stated that the per-ride subsidy was an operating subsidy, and that it did not include capital costs. He further stated that NYCEDC's initial deal with the City was that NYCEDC would initially cover the ferry system's operating costs. In answer to a question from Mr. Floyd, Mr. Patchett explained that NYCEDC worked with the Metropolitan Transportation Authority ("MTA") to secure a federal grant to provide mitigation related to the L-train shutdown, and that NYCEDC was working to help MTA determine the level of waterway service it will need during that shutdown period.

There was then a few minutes break in the Board meeting at 8:54 a.m. in order to hold the meeting of the Members of NYCEDC.

3. Election of Officer

Under NYCEDC's Bylaws, the Board shall elect such Senior Vice Presidents as it may from time to time determine. At this time, Mr. Patchett proposed that Eric Clement

be elected as a Senior Vice President. It was indicated that a description of certain responsibilities of Senior Vice Presidents may be found in Article IV of the Bylaws. It was anticipated that Mr. Clement would lead NYCEDC's Strategic Investments Group and would also perform such other duties as may be assigned to him by NYCEDC's President. Mr. Patchett then summarized the background of Mr. Clement.

A motion was made to elect Eric Clement as a Senior Vice President of NYCEDC. Such motion was seconded and unanimously approved. The position of Eric Clement as an officer would be conditioned upon the continuance of his employment by NYCEDC.

4. Election of Member of Committees

Mr. Schlein presented a proposal to elect an additional Director, Betty Woo, to serve on the Audit Committee, Executive Committee and Real Estate and Finance Committee and as a member and Chairperson of the Legal Affairs Committee of the Board of Directors of NYCEDC. Betty Woo was recently appointed as Chief of the Economic Development Division of the New York City Law Department and as a Member of NYCEDC. James McSpiritt had resigned as a member and Chairperson of the Legal Affairs Committee.

A motion was made to elect Betty Woo as a member of the Audit Committee, Executive Committee and Real Estate and Finance Committee, and as a member and Chairperson of the Legal Affairs Committee, of NYCEDC's Board of Directors. Such motion was seconded and unanimously approved.

Ms. Levy-Odom joined the meeting at this time.

5. Audit Services Contract

Raafat Osman, a Vice President and Deputy Controller of NYCEDC, presented a proposed contract with Ernst & Young LLP ("E&Y") to provide for audit and tax related services for NYCEDC, on substantially the terms set forth in Exhibit A hereto.

Mr. Candelaria, Chairperson of the Audit Committee of NYCEDC, stated that the Audit Committee had reviewed the proposal for the reappointment of E&Y and was comfortable that E&Y's rotation of audit partners and its internal controls to ensure that there was an independent process were satisfactory. Mr. Candelaria added that E&Y had done an exceptional job over the last few years and that the Audit Committee recommended that NYCEDC reappoint E&Y. In answer to a question from Ms. Adolph, Mr. Osman stated that E&Y had been engaged for approximately 20 years, but that the Public Authorities Accountability Act (the "PAAA") required that the engagement partner rotate every five years. Mr. Osman added that last year the entire audit team was new, except for the engagement partner, and that NYCEDC therefore had a fresh set of eyes looking at its financials.

A motion was made to authorize the matter set forth for authorization in the Proposed Resolution section of Exhibit A hereto. Such motion was seconded and unanimously approved.

At this time, Mr. Draizin joined the meeting, and Mr. O'Sullivan recused himself from voting on the remaining meeting items and left the room.

6. Long Term Ground Leases to Bedford Courts LLC

Maxwell Padden, an Assistant Vice President of NYCEDC, presented a proposal (A) for New York City Land Development Corporation ("NYCLDC") to (i) lease from The City of New York (the "City") Block 1274, Lot 1 on the Tax Map of the Borough of Brooklyn (the "Site") pursuant to two or more leases, (ii) assign such leases to (a) Bedford Courts LLC or an affiliated entity (the "Developer") and/or (b) a housing development fund corporation or other entity (the "Financing Entity") whose purpose is to facilitate affordable housing and/or obtain financing for the project on the Site, which project consists of the proposed demolition of components of existing structures and construction of an approximately 535,000 gross square foot mixed-use development on the Site (the "Project"), and (iii) enter into any related agreements and documents and consents to effectuate the Project, and (B) to the extent that City Capital Budget funds allocated to the Project are provided through NYCEDC, approval on a sole source basis, for NYCEDC to enter into one or more funding agreements with the Developer, the Financing Entity, and/or other appropriate entity, on substantially the terms set forth in Exhibit B hereto.

In answer to a question from Ms. Wylde, Mr. Padden stated that the predevelopment agreement that NYCEDC entered into with the Developer, which was in the process of being amended, had certain timelines and that the transaction was anticipated to close by December of 2018. Mr. Patchett added that there would be a default under the agreement if the transaction failed to close by June of 2019 unless NYCEDC extended the date.

In answer to a question from Mr. Washington, Mr. Padden explained that the New York City Department of Housing Preservation and Development and the New York City Housing Development Corporation would be supporting the project, and that this was how NYCEDC increased the number of affordable housing units. Mr. Padden further noted that approximately 110 units would be permanently affordable pursuant to the City's Mandatory Inclusionary Housing program and that the initial term for affordability for the remaining units was expected to be between 30-40 years, though he added that the majority of the remaining units could continue to be affordable beyond the initial term as the lessee refinanced its debt. In answer to another question from Mr. Washington, Mr. Padden stated that at the end of 30-40 years the ground lease would trigger a fair market value ("FMV") reappraisal that would be lower if the developer continued with the affordable program.

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 was no

reasonable alternative to the proposed transfer to the Developer and/or the Financing Entity that would achieve the same purpose as the transfer. Such motion was seconded and approved. Mr. O'Sullivan had recused himself from voting on this item.

Mr. Hiltzik left the meeting at this time.

7. Sublease for Suite 201, 19 Fulton Street, South Street Seaport

Matthew Kwatinetz, an Executive Vice President of NYCEDC, presented a proposal for NYCEDC to enter into a sublease of Suite 201 at 19 Fulton Street, Manhattan, consisting of approximately 3,900 square feet, on substantially the terms set forth in Exhibit C hereto.

Mr. Patchett stated that this office space would be used by the NYC Ferry team so that it could operate in close proximity to Pier 11.

A motion was made to approve the matter set forth for approval in the Proposed Resolution section of Exhibit C hereto. Such motion was seconded and approved. Mr. O'Sullivan had recused himself from voting on this item.

8. Sublease for South Brooklyn Marine Terminal

Allison Dees, a Senior Associate of NYCEDC, presented a proposal for NYCEDC to enter into a sublease with an entity (the "Subtenant") formed and controlled by an affiliate of Red Hook Container Terminal, LLC and an affiliate of Bush Terminal Holdings LP, the owner of two entities that own properties known as Industry City, for Block 662, Lot 136 and portions of Block 662, Lots 1, 130 and 155 on the Tax Map of the Borough of Brooklyn (the "SBMT Site"), which SBMT Site contains the 35th Street Pier, the 39th Street Pier and an open upland area and some adjacent land under water at the South Brooklyn Marine Terminal ("SBMT") in Sunset Park, Brooklyn, all on substantially the terms set forth in Exhibit D hereto.

In answer to a question from Ms. Wylde, Alex Brady, a Vice President of NYCEDC, stated that an Industry City related entity was providing capital as well as a financial guarantee behind the deal, and that Industry City's interest was in making sure that it had the best operator as its new neighbor. Mr. Patchett noted that Industry City saw potential for synergies with its operations in terms of shipping goods that were potentially produced at Industry City. Matt Kwatinetz, an Executive Vice President of NYCEDC stated that no long term parking solution was contemplated for Industry City at SBMT, and that Industry City was looking into other possible solutions. In answer to a question from Mr. Floyd, Mr. Brady stated that NYCEDC saw a possible opportunity at SBMT to capture some of the jobs and economic activity related to wind turbines and the offshore wind industry, and that possible functions could include an operations and maintenance base, as well as some manufacturing of equipment components.

Mr. Patchett then noted that it was important to NYCEDC to have Industry City involved in the project providing financial backing behind the transaction and as an entity that had a stake in the community. In answer to a question from Mr. Washington,

Mr. Brady and Mr. Kwatinetz explained that several factors contributed to the reduction of FMV in the appraisal of the SBMT Site for the proposed uses: first, the highest and best use appraisal did not consider the restrictions of maritime dependent use under the master lease, which was a significant lowering of value from general manufacturing uses; second, NYCEDC put a lot of safeguards in the deal that impacted the overall value of the premises; and, lastly, the flexibility that was worked in for introducing other options at SBMT in the future, as well as the subtenant's capital investment that was being put into the property, further impacted the value. Mr. Kwatinetz stated that maritime dependent uses were worth less than other uses and that to maintain maritime dependent uses you could not lease for highest and best use value. Ms. Jones added that the PAAA required NYCEDC to state the highest and best use appraisal to the Board, but that to better inform the Board NYCEDC traditionally would ask appraisers to also state the effect of restrictions and policy goals on an appraisal in order to get an appraisal showing value given the actual proposed use. Mr. Patchett also noted that NYCEDC needed to be proactively thinking about maximizing all means of transportation for moving freight and cargo in order to reduce the use of trucks for moving goods in and out of the City.

At this time, Mr. Levin pointed out that the Office of the Brooklyn Borough President wholeheartedly supported this project and was confident that the community would be very comfortable with the outcome of the project. In answer to a question from Mr. Draizin, Mr. Brady stated that \$5 million in liquidity was required to be kept inside the entity that was the sublessee of the SBMT Site, and that additionally an Industry City related entity was guaranteeing that commitment of the sublessee.

A motion was made (i) to approve the matter set forth for approval in the Proposed Resolutions section of Exhibit D hereto and (ii) to resolve that there was no reasonable alternative to the proposed sublease that would achieve the same purpose as the proposed sublease. Such motion was seconded and approved. Mr. O'Sullivan had recused himself from voting on this item. Ms. Wylde left the meeting prior to the vote but indicated her support for the transaction before she left.

9. Report on Investments for the Three-Month Period Ended March 31, 2018

A report on NYCEDC's investments for the three-month period ended March 31, 2018 was provided (Exhibit E hereto) to the Board of Directors for informational purposes. There was no presentation with regard to this report.

10. 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.

11. Adjournment

There being no further business to come before the meeting, the meeting of the Board of Directors was adjourned at 9:30 a.m.

Mark Silverman
Assistant Secretary

Dated: June 27, 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

AUDIT SERVICES CONTRACT
Board of Directors Meeting
May 9, 2018

Project: Audit and tax related services for NYCEDC

Consultant: Ernst & Young LLP ("E&Y")

Agreement to be Approved: Contract with E&Y for audit and tax related services (the "Audit Contract")

Procurement Method: RFP sent to 81 accounting firms selected from the City Comptroller's pre-qualified certified public accountant list and publicly advertised in the City Record. NYCEDC staff evaluated the submitted proposals using principally the following criteria: the firm's experience in providing similar audit services, the quality of the firm's approach to audit and tax services, the composition and relative experience of the audit team, the firm's proposed fees, and the overall quality of the proposal.

Amount to be Approved: Up to \$1,522,153 to compensate E&Y for the contract services, which includes a contingency to enable E&Y to perform additional Project services that may be required

Source of the Funds: NYCEDC's programmatic budget

Scope:

- For fiscal years ending June 30, 2018 through 2021: audit of the financial statements of NYCEDC, a public purpose fund and schedules of investments; preparation of CHAR500 and supporting 990 forms; audit the financial statements of an OPEB Trust; preparation of management letters, if needed, detailing the auditor's control findings and recommendations
- Audit of the NYCEDC retirement savings plans for the calendar years ending December 31, 2017 to 2020; and
- Performance of other audit and tax related services, as needed.

Proposed Resolution: To authorize the President and any empowered officer to enter into the Audit Contract substantially as described herein

Staff: Fred D'Ascoli, Senior Vice President and Controller
Raafat Osman, Vice President and Deputy Controller

Exhibit B

**LONG TERM GROUND LEASES TO BEDFORD COURTS LLC
Board of Directors Meeting
May 9, 2018**

NOTE: This disposition will take place through two or more ground leases.

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

**LESSEE/
LEASE ASSIGNOR:** NYCLDC

LEASE ASSIGNEE: The lease assignee (for each lease) will either be (i) Bedford Courts LLC or an affiliated entity (the "Developer") or (ii) a housing development fund corporation or other entity whose purpose is to facilitate affordable housing and/or obtain financing for the proposed project on the Site (the "Financing Entity"). If the Financing Entity is the lease assignee, the Developer will be the beneficial owner of the leasehold interest.

Bedford Courts LLC is controlled directly or indirectly by Donald Capoccia, Joseph Ferrara, Brandon Baron and Winthrop Wharton.

**SITE
LOCATION:** Block 1274, Lot 1 (the "Site")
1555 Bedford Avenue
Borough of Brooklyn
Community Board No. 9

**SITE
DESCRIPTION:** The Site, located at the intersection of Bedford Avenue and Union Street, in Crown Heights, Brooklyn, spans approximately 122,000 lot square feet and includes four improved but non-operational structures which together comprise the Bedford Union Armory. The Site is approximately depicted in Attachment A.

BACKGROUND: The Bedford Union Armory was first constructed between 1904 and 1908 and initially housed the Troop C Cavalry Unit, an official militia formed in

1895. Military uses continued at the Site, most recently by the New York National Guard, until the armory was decommissioned in 2011. The State of New York, having determined that military use of the Site was no longer necessary, relinquished it to the City, effective as of December 2013.

Anticipating the City's impending control of the Site, NYCEDC released an RFP in October 2013 for the disposition and redevelopment of the Site, and ultimately selected the Developer as the successful respondent in November 2015. Respondents to the RFP and a brief summary of their proposals are listed in Attachment B.

**PROJECT
DESCRIPTION:**

The Developer proposes to demolish components of existing structures on the Site and to construct an approximately 535,000 gross square foot ("GSF") mixed-use development comprised of (i) an approximately 60,000 GSF recreational facility, (ii) an approximately 5,000 GSF auditorium facility, (iii) commercial and community facilities totaling approximately 45,000 GSF, (iv) approximately 415 residential rental units, and (v) approximately 118 parking spots (collectively, the "Project"). The Project may also include a small retail component.

The residential component of the Project will span two buildings, and will include a total of approximately 250 affordable units, of which approximately 109 units will be permanently affordable pursuant to the City's Mandatory Inclusionary Housing program ("MIH"). The other approximately 141 affordable units will remain affordable for at least the period of time (the "Regulatory Period") set by HPD and New York City Housing Development Corporation ("HDC") pursuant to a project agreement with the Developer. Affordable units will be spread across multiple income bands, but on average are anticipated to be affordable to families earning at or below approximately 51% of the Area Median Income.

The recreational facility is expected to include three basketball courts, a 25-meter swimming pool, a multi-sport field, and various fitness rooms. Once stabilized,

the Developer will be required to provide the community with at least \$1,250,000 in annual community benefits (escalating at 3% per annum), consisting of discounted access and programming for local residents and organizations as well as discounted office rent for non-profit organizations. The Developer will also be incentivized to provide additional community benefits in return for a rent credit, substantially as provided for below.

It is anticipated that the Project may close in phases over a period of approximately six to twelve months. Project construction is anticipated to commence shortly after the first closing, and, subject to force majeure events, is anticipated to be completed within two and a half years.

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

It is anticipated that the disposition of the Site will transform an underutilized City-owned asset into a mixed-use development that provides for affordable housing and substantial community and recreational facility space.

LEASE TERMS:

It is anticipated that the City (as Lessor) and NYCLDC (as Lessee) will enter into two or more long term leases for the Site. It is further anticipated that NYCLDC will then assign each such lease to a lease assignee. The community, recreational, auditorium, a portion of commercial facilities and any retail facilities (together, the "Commercial Development") are expected to be governed by a single lease, while the remaining Project elements (the "Residential Development") will be governed by one or more separate leases.

The proposed annual base rent for the Commercial Development is \$500,000 per annum during the construction phase. At substantial completion, annual base rent will reset to \$2,000,000, escalating at 3% per annum, subject to periodic adjustments based on independent reappraisals. In addition, the Commercial Development lease establishes the above described minimum requirement of community benefits and

incentivizes the Developer to deliver additional community benefits, offering \$1 in base rent credit for every \$1 of community benefit delivered, capped at 87.5% of base rent each year.

The Residential Development will be leased to Developer for nominal consideration. At the end of the Regulatory Period, the base rent may be adjusted to appraised value (as then restricted).

Developer will also make payments in lieu of taxes ("PILOT") in amounts equal to the real property taxes that would be assessed and levied against the Project if Developer were the owner of the Site, provided that PILOT will reflect any abatements, exemptions, or credits for which the Project or Developer qualifies.

The initial term of each lease will be 49 years. Each lease will also provide the Developer with five options to extend the term for an additional ten years each, for a total anticipated term of 99 years per lease.

APPRAISED VALUE:

An independent appraisal was commissioned in 2017. The appraisal concluded that the fair market value of the Site was \$107,600,000 and that the initial fair market annual rent for same was \$5,900,000. These values took into account the cost of construction at the Site, but did not take into account the development requirements and restrictions pertaining to the use and transfer of the Site. A separate determination by the appraiser, which did take into account the costs of such requirements and restrictions, resulted in a negative value for both the Site and the fair market annual rent for same.

EXISTING ZONING:

The Site's zoning was recently changed from R6 to R7-2 with a C2-4 commercial overlay. The Site was designated as a new MIH area and was granted special permits to (i) create a Large Scale General Development, and (ii) modify height, parking and setback requirements.

PUBLIC APPROVALS:

A Final EIS was issued for the Project on October 19, 2017. City Planning on October 30, 2017 (Calendar No. 5) and the New York City Council on November

30, 2017 approved the disposition and rezoning of the Site to R7-2 with a C2-4 overlay and the inclusion of the Site as an MIH area together with the aforementioned special permits, pursuant to ULURP. Pursuant to Section 384(b)(4) of the City Charter, on January 23, 2018 the Brooklyn Borough Board approved the proposed disposition of the Site by the City.

**FUNDING
AGREEMENTS:**

It is anticipated that certain City Capital Budget funds will be made available for the Project. Such funds may be directed to the Project pursuant to one or more NYCEDC funding agreements.

**PROPOSED
RESOLUTIONS:**

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

To the extent that City Capital Budget funds allocated to the Project are to be provided through NYCEDC, approval, on a sole source basis, for NYCEDC to enter into one or more funding agreements with the Developer, the Financing Entity, and/or other appropriate entity.

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

**NYCEDC
PROJECT CODE:**

5616

STAFF:

Maxwell Padden, Assistant Vice President, Real Estate Transactions Services
Sara Tranter, Senior Vice President, Real Estate Transactions Services
Jeffrey Nelson, Executive Vice President, Real Estate Transactions Services
Shana Attas, Counsel, Legal

ATTACHMENT A

PROJECT LOCATION



ATTACHMENT B

INITIAL RESPONDENT PROPOSALS

Name	Proposed Project	Approximate Proposed Payment	Housing Units	Community/Recreational Center
BFC Partners Development LLC or an affiliated entity	Mixed-use building with affordable housing	\$17.6 Million	354	Sports/recreational center and community/office space
Triangle Equities, LLC or an affiliated entity	Mixed-use building with affordable housing	\$3 Million	288	Sports/recreational center and community/office space
RBH Group or an affiliated entity	Mixed-use building with affordable housing	\$20 Million	317	Sports/recreational center and community/office space
POKO Partners, LLC or an affiliated entity	Mixed-use building with affordable housing	\$3.5 Million	258	Sports/recreational center and community/office space
Steiner NYC, LLC or an affiliated entity	Mixed-use building with affordable housing and hotel	\$4 Million	172	Sports/recreational center, hotel wellness center, and community/office space
Chetrit Organization, LLC or an affiliated entity	Mixed-use building with affordable housing	\$9 Million	200	Sports/recreational center and community/office space
Academic Zone or an affiliated entity	Recreation and community building	Not Specified	0	Sports/recreational center, library, and theatre.

In accordance with commitments made to secure ULURP approval, the final proposed Project for the Site (as described in the body of this item) includes a substantial affordable housing requirement that was not contemplated at the time of RFP issuance. As a result, HPD and HDC subsidy will be provided. NYCEDC projects that are financed with HPD and HDC subsidy generally have nominal purchase prices.

Exhibit C

**SUBLEASE FOR SUITE 201, 19 FULTON STREET,
SOUTH STREET SEAPORT
Board of Directors Meeting
May 9, 2018**

PROJECT OVERVIEW: The Amended and Restated Agreement of Lease, dated as of June 27, 2013, as amended (the "Marketplace Lease"), between the City, as landlord, and South Street Seaport Limited Partnership, as tenant ("Tenant" or "SSSLP"), relates to certain premises and streets located in the South Street Seaport area of Manhattan. NYCEDC is lease administrator of the Marketplace Lease.

Pursuant to the Marketplace Lease, NYCEDC was granted the option (the "Option"), exercisable by notice to Tenant on or before September 29, 2019, to sublease a portion of the premises leased under the Marketplace Lease known as Suite 201 at 19 Fulton Street, upon substantially the terms described below.

On April 3, 2018, NYCEDC delivered notice to Tenant exercising the Option. The subleased premises will be used by NYCEDC as office space for NYCEDC's ferry team.

SUBLEASE TERMS

SUBTENANT: NYCEDC

SUBLANDLORD: SSSLP

PREMISES: Suite 201 at 19 Fulton Street, Manhattan, consisting of approximately 3,900 square feet (the "Premises")

COMMENCEMENT: Approximately May 14, 2018

EXPIRATION: December 31, 2024

BASE RENT: Nominal

SECURITY DEPOSIT: \$0.00

**HVAC CHARGE AND
MISCELLANEOUS
EXPENSES:**

NYCEDC shall pay an HVAC charge of \$980.75 per month and may be responsible for utility, cleaning and miscellaneous other charges related to its use of the Premises.

**SUBTENANT'S
WORK:**

The Premises will be delivered in "as is" condition and NYCEDC will build-out required office space. It is anticipated that the total cost to NYCEDC for the build-out, IT expenses and moving costs will be approximately \$240,000.

USE:

Office use

**PROPOSED
RESOLUTION:**

Approval for NYCEDC to enter into a sublease of the Premises substantially as described above

**NYCEDC
PROJECT CODE:**

7433

STAFF:

Matthew Kwatinetz, Executive Vice President, Asset Management
Winthrop Hoyt, Vice President, Asset Management
Felix Ceballos, Assistant Vice President, Asset Management
Sarah Wagner, Senior Associate, Asset Management
Karen Lapidus, Senior Counsel, Legal

Exhibit D

**SUBLEASE FOR SOUTH BROOKLYN MARINE TERMINAL
Board of Directors Meeting
May 9, 2018**

OVERVIEW: NYCEDC is the tenant under a master lease with the City, as landlord, (the "Master Lease") for the South Brooklyn Marine Terminal ("SBMT"), a marine terminal located between 29th and 39th Streets, west of 2nd Avenue, in Sunset Park, Brooklyn. NYCEDC proposes to enter into a master sublease for a majority of the premises leased under the Master Lease. The premises proposed to be subleased contains the 35th Street Pier, the 39th Street Pier and an open upland area (together containing approximately 64.5 acres) and some adjacent land under water (together, the "Site").

The Site is identified as Block 662, Lot 136 and portions of Block 662, Lots 1, 130 and 155 on the Tax Map of the Borough of Brooklyn. The Site is approximately depicted in Attachment A.

Built during the 1960s and 1970s, SBMT has largely been used for handling bulk and break-bulk. After a period of disuse and following significant City, State and Federal investment, SBMT is now ready for reactivation. SBMT offers valuable access as an efficient gateway for New York City cargo.

The proposed master sublease is the result of an RFP for SBMT reactivation that was issued in November of 2015. Respondents to the RFP and a brief summary of their proposals are listed in Attachment B.

SUBLEASE TERMS

SUBLESSOR: NYCEDC

SUBLESSEE: The sublessee (the "Subtenant") will be an entity formed and controlled by an affiliate of Red Hook Container Terminal, LLC ("Red Hook") and an affiliate of Bush Terminal Holdings LP, the owner of two entities that own properties known as Industry City. Such Red Hook affiliate will be the operating and managing entity responsible for the day to day operations of the Subtenant and will also provide and be responsible for the stevedoring and terminal services at the Site. If Michael Stamatis, President and CEO of Red Hook, leaves Red Hook, the Subtenant shall replace him with key personnel of equivalent or better competence/training and industry experience, which substitute personnel shall be approved in NYCEDC's reasonable discretion.

TERM: The term will commence approximately at the time of sublease execution and terminate on December 31, 2054, an approximately 36 year term.

BASE RENT: Base rent is expected to commence at \$4.07M in Sublease Year 1, and shall increase at a rate of 2% per year in Sublease Years 2-5, by 2.5% in Sublease Years 6-10, and by 3% per year thereafter. Such base rent in Sublease Years 1-3 shall be subject to abatements for certain capital rehabilitation and tenant fit-out work and because portions of the Site may not be used immediately at commencement of the sublease. The level of such abatements shall vary depending on the time necessary to complete the required improvements for occupancy and use, but shall in no event be greater than 50% of the base rent in any year of the term.

PARTICIPATION RENT: Following Sublease Year 4, the Subtenant shall pay to NYCEDC rent in addition to the base rent, calculated as a percentage (from 10%-30%, depending on the income tier) of annual gross revenue received by the Subtenant.

SECURITY DEPOSIT: \$2,000,000

MINIMUM LIQUIDITY AND GUARANTY: Throughout the term of the sublease Subtenant shall maintain a minimum liquidity of \$5 million of available cash (the "Minimum Liquidity"); NYCEDC shall be permitted to verify the maintenance of such requirements on a periodic basis. Throughout the term of the sublease, a guarantor to be determined shall guarantee the Minimum Liquidity obligation.

USE: The Subtenant shall use the Site as a maritime facility, including sub-subleased, permitted or concessioned space to various commercial users, for maritime-dependent purposes and ancillary uses, such as bulk and breakbulk stevedoring, vehicle and equipment import/export, scrap metal recycling, waterborne freight warehousing, maritime freight-rail transloading and layberthing.

Prohibited uses include: hazardous transfer facilities and any use that is not primarily a commercial maritime use, including public passenger and ferry services.

**CARGO
VOLUME**

GUARANTEES: Subtenant has agreed to meet a minimum annual cargo volume guarantee of at least 900,000 metric tons of cargo by Sublease Year 4, and shall be required to make certain Performance Payments should these guarantees not be met. In the event that Subtenant fails to meet its performance obligations for any Sublease Year, Subtenant may issue a surrender notice to NYCEDC, providing that Subtenant shall be surrendering the sublease in 18 months' time. Failure to meet the cargo volume guarantees for any consecutive 24 month period shall be an event of default.

**SUB-
SUBLEASES:**

Major sub-subleases require NYCEDC's approval. Beginning 5 years after the Sublease Effective Date, in the event any portion of the Site has not been sub-subleased out and actively used by a sub-subtenant for a period of at least 6 months, NYCEDC may present a sub-subtenant to Subtenant for such space. Provided that such sub-subtenant is willing to pay the then-current market rent per square foot, and such sub-subtenant's use complies with the permitted uses, Subtenant shall enter into a sub-sublease with such sub-subtenant for such space.

**CONSTRUCTION
/ MAINTENANCE
OF SITE:**

NYCEDC is responsible for maintaining the waterside facilities, including existing berth depths and bulkhead conditions. Subtenant is responsible for all landside facilities, site security and keeping the berths and waterways clear and navigable at all times.

**MINIMUM
CAPITAL
INVESTMENT:**

Subtenant is required to provide a minimum of \$15M for capital investment at the Site.

**LABOR PEACE
AGREEMENT:**

Subtenant is required to provide evidence that it has entered into a labor peace agreement with a bona fide labor organization.

HIRENYC:

Subtenant will comply with the HireNYC program.

**FREIGHT
INTRODUCTION:**

In the event of City-mandated use of the Site for containerized freight by Subtenant or others, Subtenant and NYCEDC will work together to facilitate the "Freight Introduction".

NYCEDC will adjust Subtenant's obligations should the Freight Introduction, in NYCEDC's reasonable discretion, cause material impacts on Subtenant's ability to meet its financial and performance obligations. Subtenant will possibly surrender some or all of the Site if Freight Introduction occurs.

**APPRAISED
VALUE:**

An appraisal concluded that the fair market rental value of the Site in 2018 was \$20,000,000 per annum. This value did not take into account the combination of requirements and restrictions that apply to the proposed sublease. Taking into account these restrictions, the appraisal in 2018 concluded that the value of the Site was \$3,900,000 per annum.

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

NYCEDC's sublease of the Site will reactivate a crucial transportation asset in New York City, and is anticipated to add 250+ living wage jobs, and reduce city-wide roadway congestion and emissions by bringing goods by ship instead of truck.

**PROPOSED
RESOLUTIONS:**

Approval of NYCEDC to enter into a sublease with the Subtenant on substantially the above described terms

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

**NYCEDC
PROJECT CODE:** 7238

STAFF: Matthew Kwatinetz, Executive Vice President, Asset Management
Andrew Genn, Senior Vice President, Ports & Transportation
Alex Brady, Vice President, Asset Management
Allison Dees, Senior Associate, Asset Management
Tiffany Lacker, Senior Counsel, Legal

ATTACHMENT A



ATTACHMENT B
Initial Respondent Proposals

Respondent	Guaranteed Base Rent ¹	Percentage Rent	Proposed Use	Full/Partial Site	Approximate Footprint
Sustainable-SBMT (chosen)	\$3,724,840	Tiered 1%-4% (aggregate)	Marine Terminal	Full	64.5 ac
Evinco Terminals LLC	\$4,193,000	Tiered 0%-3% (aggregate)	Marine Terminal	Full	64.5 ac
Coastal Renewal LLC	\$1	Tiered 30% - 60% (annual)	Marine Terminal	Full	72 ac
ABC Select Intermodal Services Inc.	Not specified	Not specified	Lumber & Edible Oil Transload	Partial	17 ac
Atlantic Salt Inc.	\$90,000	Dockage & wharfage fees	Salt Transload and Storage	Partial	4 ac
Urban Mining Northeast, LLC	Not specified	Not specified	Recycled Glass Processing	Partial	3-4 ac.
Vane Line Bunkering, Inc.	\$827,000	N/A	Barge Berthing	Partial	2,000 LF

¹ - Estimated at stabilization, year 4

Exhibit E

REPORT ON INVESTMENTS

New York City Economic Development Corporation

Three Month Period Ended March 31, 2018

New York City Economic Development Corporation Schedule of Investments

1st Quarter										
Investment Type	Total Value	Purchases	Maturities	1st Quarter		Unrealized	Total Value	Weighted	Current %	Max %
	6/30/17			Interest	Net Transfers Out		Gain/Loss			
	(A)	(B)	(C)	(D)	(E)	(F)	(A+B+C+D+E+F)			
US Gov't Agencies	213,385,792	16,181,321	(19,225,000)	(540,529)	-	653,270	210,454,854	1.09%	87.43%	100%
Certificates of Deposit	199,591	-	-	-	-	-	199,590	0.05%	0.08%	20%
Commercial Paper	22,636,381	-	-	-	-	93,770	22,730,151	1.35%	9.44%	25%
Cash Equivalents/MMF	3,737,701	3,594,957	-	-	-	-	7,332,659		3.05%	N/A
Grand Total	239,959,466	19,776,278	(19,225,000)	(540,529)		747,040	240,717,254	1.08%	100.00%	
2nd Quarter										
Investment Type	Total Value	Purchases	Maturities	2nd Quarter		Unrealized	Total Value	Weighted	Current %	Max %
	9/30/17			Interest	Net Transfers Out		Gain/Loss			
	(A)	(B)	(C)	(D)	(E)	(F)	(A+B+C+D+E+F)			
US Gov't Agencies	210,454,854	-	(40,405,000)	(567,658)	-	224,980	169,707,177	1.10%	70.41%	100%
Certificates of Deposit	199,590	-	-	-	-	-	199,592	0.05%	0.08%	20%
Commercial Paper	22,730,151	31,209,204	(5,000,000)	-	-	78,526	49,017,882	1.38%	20.34%	25%
Cash Equivalents/MMF	7,332,659	17,793,740	(3,008,721)	-	-	-	22,117,678		9.17%	N/A
Grand Total	240,717,254	49,002,944	(48,413,721)	(567,658)		303,507	241,042,328	1.06%	100.00%	
3rd Quarter										
Investment Type	Total Value	Purchases	Maturities	3rd Quarter		Unrealized	Total Value	Weighted	Current %	Max %
	12/31/17			Interest	Net Transfers Out		Gain/Loss			
	(A)	(B)	(C)	(D)	(E)	(F)	(A+B+C+D+E+F)			
US Gov't Agencies	169,707,177	32,068,894	(14,100,000)	(603,543)	-	314,212	187,386,740	1.18%	71.64%	100%
Certificates of Deposit	199,592	-	-	-	-	-	199,592	0.05%	0.08%	20%
Commercial Paper	49,017,882	16,275,055	(6,400,000)	-	-	169,436	59,062,373	1.59%	22.58%	25%
Cash Equivalents/MMF	22,117,678	132,145	(7,338,938)	-	-	-	14,910,885		5.70%	N/A
Grand Total	241,042,328	48,476,094	(27,838,938)	(603,543)		483,648	261,559,589	1.20%	100.00%	

Notes to Schedule of Investments

The accompanying schedule of investments includes the investments of the New York City Economic Development Corporation ("NYCEDC"). All investments are of a type permitted by NYCEDC's investment policy which includes obligations of the U.S. Treasury, U.S. agencies and instrumentalities, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Investor's Service, Inc. and certificates of deposit.

All investment balances as of March 31, 2018 are recorded at fair value and the portfolio consists of the following securities with maturities of seven (7) years or less (\$ in thousands):

INVESTMENT TYPE	TOTAL VALUE	%	MAXIMUM ALLOCATION
			PER POLICY
FFCB	14,521	5.55%	
FHLB	61,875	23.66%	
FHLMC	85,487	32.68%	
FNMA	25,504	9.75%	
US Gov Agencies Sub-Total	187,387	71.64%	100%
Commercial Paper	59,062	22.58%	25%
Certificates of Deposit	200	0.08%	20%
Cash Equivalent/MMF	14,911	5.70%	
Grand Investments Total	261,560	100.00%	

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from increasing interest rates, NYCEDC limits eighty percent (80%) of its investment maturities to within two years of the date of purchase. The remaining twenty percent (20%) of investment maturities may be within no more than seven (7) years from the date of purchase.

Credit Risk - It is NYCEDC's policy to limit its investments in debt securities to those rated in the highest rating category by at least two nationally recognized bond rating agencies, and other securities guaranteed by the United States Government or issued by an agency or instrumentality of the United States. As of March 31, 2018, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Farm Federal Credit Bank and Federal National Mortgage Association are Government Sponsored Enterprises and were rated AAA by Moody's Investors Services, Standard & Poor's and Fitch Ratings. Investments in commercial paper were rated A-1+ by Standard & Poor's and P-1 by Moody's. U.S. Treasury Bills have an explicit guarantee by the U.S. Government and certificates of deposit are each insured by the Federal Deposit Insurance Corporation subject to limitations set by the government.

Custodial Credit Risk – For investments, custodial credit risk is the risk that in the event of the failure of the counterparty, NYCEDC will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured and are not registered in the name of NYCEDC. NYCEDC manages

custodial credit risk by limiting its custodial exposure to highly rated financial institutions and/or requiring high quality collateral be held by the counterparty in the name of NYCEDC.