**APPENDIX K-2 – FORM TERM SHEET, PROJECT SPECIFIC TERMS (FEE SALE)**

**Contract of Sale and Deed Term Sheet**

This non-binding term sheet (the “Term Sheet”) sets forth the proposed terms to be negotiated  between the New York City Economic Development Corporation (“NYCEDC” or “Seller”) and [\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_] (the “Developer” or “Purchaser”), (collectively, the “Parties”), for the Contract of Sale (the “Contract”) and the Deed (the “Deed”) of an approximately 10,000 square foot (“SF”) parcel of land owned by the City of New York (the “City”) located at the corner of Little West 12th Street and 10th Avenue in the Meatpacking District of Manhattan (the “Site”) for the development of mixed-income housing and retail space (the “Project”).

This Term Sheet is intended solely as a basis for non-exclusive discussions and is not intended to be, nor does it create or give rise to any contractual or other legally binding or enforceable rights, obligations or liabilities of any kind on the part of the Parties, the City or New York City Land Development Corporation (“NYCLDC”). The terms set forth herein do not include and should not be construed as including all material terms and conditions to be set forth in a final Contract or Deed subject to all necessary review and approvals. The Parties shall keep this Term Sheet and its terms and conditions confidential except to the extent of disclosure required by applicable law or legal process. All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Gansevoort Square Mixed-Income Housing Request for Proposals.

**Contract Terms**

It is anticipated that the Contract, subject to all applicable approvals and conditions, will include, without limitation, the terms below, and will be entered into by the Developer and EDC.

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| 1. **Developer** | | The Developer will consist of the following:  [name of entity or individual, % equity owned]  [name of entity or individual, % equity owned] | |
| 1. **Site** | | The Site, measuring approximately 10,000 SF in total, is anticipated to consist of 1) a portion of Block 644, Lot 1 (“Lot 1 Housing Site Parcel”) on the tax map of Manhattan which is owned by the City and is under the jurisdiction of the Department of Small Business Services, and 2) a portion (“10th Avenue City Parcel”) of 10th Avenue currently owned in fee by the State of New York which is anticipated to be transferred to the City and de-mapped (the “Anticipated De-Mapped Area”). See Appendix A of this Term Sheet for the anticipated site plan for Block 644 bound by Little West 12th Street, Washington Street, Gansevoort Street and 10th Avenue which shows in red the approximate location and configuration of the Site. | |
| 1. **Developer Accepts Site “As-Is”** | | Developer agrees to accept the Site “as is” and shall represent that Developer is fully familiar with the physical condition of the Site, title status, etc.  Developer is solely responsible for the cost of any due diligence it elects to undertake. | |
| 1. **Development Program** | | The Developer’s Proposal including the proposed development program (together with changes approved by NYCEDC) will be attached to the Contract as preliminary specifications. The proposed development program must comply with all laws and approvals, including but not limited to land use approvals, relevant zoning, and any requirements set forth through permits  Developer agrees to the following programmatic requirements of the Project:   Ground Floor   1. Retail of approximately [insert X] SF that activates the ground floor on Little West 12th Street and 10th Avenue frontages through high-quality neighborhood retail, enhances the streetscape and public realm, provides amenities to residents and visitors to the area, and meets the everyday needs of residents, New Yorkers and visitors to the area’s local attractions.   Residential   1. Developer shall build at least [insert ZSF] total residential ZSF. 2. Developer shall designate [insert X%] of the total residential units as affordable residential units. 3. Residential development program must comply with the City’s Mandatory Inclusionary Housing (“MIH”) program as determined through the City’s Uniform Land Use Review Procedure. 4. Residential development program must comply with New York State Real Property Tax Law § 485-x affordability requirements. 5. 25% of total residential units shall have a weighted average Area Median Income (“AMI”) not to exceed 60%, adjusted for family size (the “485-x Base Case”). 6. In addition to the 485-x Base Case, Developer shall designate an additional [insert %] of total residential units as affordable residential units, with a weighted average of 120% AMI (the “Additional Affordability Component”, and together with the 485-x Base Case, the “Affordable Residential Units”). 7. The Affordable Residential Units must be permanently affordable; 8. One or more regulatory agreement(s) with the NYC Department of Housing Preservation and Development (“HPD”) and/or restrictive declaration(s), as applicable, will govern the Affordable Residential Units. 9. Prior to initial occupancy, the Affordable Residential Units must be entered into the New York State Rent Stabilization system at rents specified in the applicable regulatory agreement(s) and/or restrictive declaration(s). 10. Program:  |  |  |  |  | | --- | --- | --- | --- | |  | **ZSF** | **GSF** | **RSF** | | **Residential** |  |  |  | | **Retail** |  |  |  | | **Other [insert use]** |  |  |  |     Unit Mix:   |  |  |  | | --- | --- | --- | |  | **Unit Count** | | | **Market Rate** |  | | | **Affordable** |  | | | **[40%] AMI** |  | | | **[60%] AMI** |  | | | **[80%] AMI** |  | | | **[100%] AMI** |  | | | **[120%] AMI** |  | | | **Other [insert %]** |  |  | |  | **Market** | **Affordable** | | **Studio** |  |  | | **One Bedroom** |  |  | | **Two Bedroom** |  |  | | **Three Bedroom** |  |  |     Program by Square Feet:   |  |  |  | | --- | --- | --- | |  | RSF | | | Market Rate |  | | | Affordable Floor Area |  | | | [40%] AMI |  | | | [60%] AMI |  | | | [80%] AMI |  | | | [100%] AMI |  | | | [120%] AMI |  |  | | Other [insert %] |  |  | |  | **Market** | **Affordable** | | Studio |  |  | | One Bedroom |  |  | | Two Bedroom |  |  | | Three Bedroom |  |  | | |
| 1. **Design Coordination** | | Developer will be responsible for coordinating with the Adjacent Museum Developer on the design of the facades facing the Proposed Open Space up to 23 feet from grade as specified in the Design Principles. | |
| 1. **Security Deposit** | | Upon execution of the Contract, Developer shall make a payment of $500,000 to NYCEDC as a one-time deposit (“Security Deposit”). NYCEDC will hold the Security Deposit in escrow; upon closing of the sale (the “Closing”), the Security Deposit will be credited against the Purchase Price (as defined below). The Security Deposit will only be refundable to the extent that the Security Deposit exceeds the Purchase Price or upon a default under the Contract by NYCEDC. | |
| 1. **NYCEDC Administrative Fee** | | Upon execution of the Contract, the Developer shall pay one-time, non-refundable payment to NYCEDC in an amount equal $250,000 (the “NYCEDC Administrative Fee”).  The NYCEDC Administrative Fee will not be credited against the Purchase Price or any other costs incurred by the Developer.  The NYCEDC Administrative Fee will be deemed earned as of the date of the execution and delivery of the Contract and in no event whatsoever shall Developer be entitled to a refund of the NYCEDC Administrative Fee. | |
| 1. **Public Subsidy** | | Under the terms of the RFP, Developer’s proposed financing may not rely on competitive sources of financing from any Federal, State, or City governments, including but not limited to 4% or 9% Low Income Housing Tax Credits (LIHTC) or any other competitive program offered by NYSHFA, NYSHCR, NYCHDC, or HPD. | |
| 1. **Environmental Review** | | Developer acknowledges that it is anticipated that there will be a single environmental review for the Project on the Site and the anticipated developments on the Adjacent Site. The Developer will lead the preparation of all materials required for environmental review and be the lead applicant. The Developer and/or their consultants will be responsible for preparing and submitting all materials associated with the environmental review process. The Developer acknowledges that it shall engage a reputable environmental engineer or consultant, subject to the review and approval of the Adjacent Museum Developer, which shall not be unreasonably withheld. It is anticipated that, following their receipt of Developer’s request, the Adjacent Museum Developer and Adjacent Parks Developer will provide the Developer with necessary materials and information regarding the Proposed Museum Space and Proposed M&O Space required for environmental review. It is the responsibility of the Developer to coordinate efforts with the Adjacent Museum Developer and Adjacent Parks Developer to prepare the environmental review submission and the Developer agrees to work cooperatively and in good faith with Adjacent Museum Developer and/or its consultants and the Adjacent Parks Developer and/or its consultants to prepare and submit materials and information required for the environmental review through completion of the same. Developer agrees to attend weekly ULURP and environmental review coordination meetings with NYCEDC, Adjacent Museum Developer, and Adjacent Parks Developer.  Developer will pay for the environmental engineer and/or consultant, any applicable environmental review costs incurred, and any other fees incurred in connection with the environmental review. The Adjacent Museum Developer will pay for its proportionate share of the environmental review costs, calculated as the ratio of the floor area of the Proposed Museum Space to the sum of the floor area of the Proposed Museum Space and the floor area of the Project (such proportion, the “ER Cost Ratio”).  All environmental review fees are non-refundable. | |
| 1. **ULURP** | | Developer acknowledges that all of Manhattan Block 644 bound by Little West 12th Street, Washington Street, Gansevoort Street and 10th Avenue is anticipated to be rezoned as part of a single, coordinated ULURP. It is required for all uses on the block to be as-of-right under the proposed zoning district.  The Adjacent Museum Developer will be responsible for the preparation and submission of the ULURP application and related documentation. Within 30 days of Developer selection, Developer, Adjacent Museum Developer, and Adjacent Parks Developer will coordinate on ULURP timeline and deliverables. Developer agrees to attend weekly ULURP and environmental review coordination meetings with NYCEDC, Adjacent Museum Developer, and Adjacent Parks Developer. Developer agrees to cooperate, particularly with respect to the sharing of necessary information and materials in a timely manner, with NYCEDC, the Adjacent Museum Developer and/or their consultants, and the Adjacent Parks Developer and/or their consultants in preparing the land use application and obtaining ULURP approval in a timely manner.  Developer will reimburse the Adjacent Museum Developer for 50% of ULURP costs associated with the Project, including any application fees. Notwithstanding the foregoing, the Developer shall be solely responsible for any supplemental fee for large projects charged by the Department of City Planning in connection with the processing of the ULURP applications, and costs of any studies relating to potential school, daycare, or other studies required only due to the presence of residential uses in the Project.  The Developer shall share the obligations required pursuant to any mapping agreement associated with the de-mapping application with the Adjacent Museum Developer, and any costs of those obligations shall be shared such that the Adjacent Museum Developer shall be responsible for its proportionate share according to the ER Cost Ratio. | |
| 1. **Other Public Approvals** | | In coordination with NYCEDC, Developer shall obtain required approvals as well as New York City Charter 384(b)4 approval for the Site only. | |
| 1. **Pre-Closing Obligations** | | The Developer must complete the following obligations including but not limited to:   1. No later than 30 days following the execution of the Contract, obtain a title report and survey of the Site; 2. No later than 60 days following the execution of the Contract, deliver to NYCEDC, and Adjacent Museum Developer as required, Project information necessary for ULURP, including without limitation, site plans, elevations, sections, massing diagrams; 3. No later than 180 days following the execution of the Contract, submit to NYCEDC a Schematic Design Package (including floor plans, circulation plans, major systems plans, and construction staging plans); 4. Obtain all relevant discretionary public approvals and determinations required for the Project, and cooperate with the Adjacent Museum Developer to obtain such approvals and determinations, by the Closing Date (as defined herein), and assist and cooperate with all matters in connection with any approvals, determinations and certifications for which NYCEDC and/or any governmental authorities apply, facilitate, coordinate or process; 5. Complete due diligence, if applicable, by the Closing Date (as defined herein); 6. Submit a proposed draft of any condominium declaration, by laws and other applicable condominium documents to NYCEDC, if applicable, no later than 90 days prior to the Closing Date (as defined herein), for review and approval; and 7. Pay fees in accordance with Sections 9 and 10 above. | |
| 1. **Tax Lot Subdivision** | | It is anticipated that Developer will be responsible, at its sole cost and expense and as directed by NYCEDC, for a tax lot subdivision of Block 644, Lot 1 and the Anticipated De-Mapped Area, and a tax lot merger of the Lot 1 Housing Site Parcel and the 10th Avenue City Parcel in order to effectuate the Project. It is anticipated that Developer will be required to file an application for a permit for demolition prior to ULURP approval. Developer agrees to work cooperatively and in good faith with Adjacent Museum Developer and its consultants. | |
| 1. **Select Closing Conditions** | | Closing conditions must be met by the Closing Date and include, but are not limited to:   1. Closing simultaneously on all construction financing in an amount which, together with other sources, is sufficient to fulfill the obligations under the Contract; 2. Evidence satisfactory to NYCEDC that all sources of financing and equity in the form of executed term sheets and statements of the availability of dedicated funds certified by the appropriate officer of Developer have been irrevocably committed and are available in sufficient amounts to fulfill all obligations under the Contract; 3. Posting a completion bond or guaranty that complies with requirements as specified in the Contract; 4. Executed HPD regulatory agreement(s), as applicable; 5. Receipt of all approvals and permits needed to commence construction; 6. Receipt of all approvals including ULURP, City Charter Section 384(b)(4), and approval from NYCEDC and NYCLDC boards; 7. A Public Authorities Accountability Act notice; and 8. Provision of M/WBE participation plan to NYCEDC for review and approval reflecting a minimum goal of 25% of hard and soft costs of the design and construction of the Project. | |
| 1. **Appraisal** | | Developer shall pay for all appraisal fees in connection with the Project including appraisals procured by NYCEDC and/or the City, which shall be paid for in advance within 10 days of request by NYCEDC. | |
| 1. **Closing Date** | | 12 months following execution of the Contract (the “Closing Date”) with two six-month paid extensions for $25,000 each.  If the Closing Date is not met, the Contract will automatically terminate and there will be no disposition of any part of the Site to Developer. | |
| 1. **Assignment and Transfer** | | No assignment or transfer of the Contract is permitted without prior written approval of Seller. | |

**END OF CONTRACT TERMS**

**Deed Terms**

It is anticipated that the Deed, subject to all applicable approvals and conditions, will include, without limitation, the terms below.

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| 1. **Site** | As defined in Contract Terms. |
| 1. **Seller:** | The New York City Economic Development Corporation  (“NYCEDC”) |
| 1. **Purchaser:** | [Developer Entity] |
| 1. **Title Issues** | The Site shall be transferred in as-is condition, subject to (not limited to) any restrictions, regulations, easements, violations, or covenants.  All costs associated with obtaining Title Insurance shall be the responsibility of the Purchaser. |
| 1. **Purchase Price** | Purchase Price shall be $1. All land value shall be used to cross-subsidize the Affordable Residential Units. |
| 1. **Taxes** | Purchaser is responsible for paying all applicable property taxes beginning at Closing.  Application to, and securing of, any applicable as-of-right property tax abatements, including but not limited to 485-x, is at Purchaser’s discretion and risk.  Purchaser shall pay all transfer taxes, mortgage recording taxes, and sales taxes imposed by the City and the State of New York in connection with the transaction contemplated herein, regardless of the involvement of the City or NYCEDC in the transaction. |
| 1. **Permitted Uses** | Purchaser will construct the Project in accordance with the Development Program and Purchaser will not make any changes to use except as approved in writing by Seller. The Affordable Residential Units shall remain permanently affordable subject to the Contract and the applicable regulatory agreement(s) and/or restrictive declaration(s). The Site shall be continuously and uninterruptedly used for the purposes described in the Deed and for no other purpose, except as approved in writing by Seller. |
| 1. **Construction Commencement** | Construction commencement shall be no later than 60 days after Closing. |
| 1. **Construction Completion** | Following Construction Commencement, Purchaser shall prosecute construction of the Project with diligence and continuity and achieve Substantial Completion, as evidenced by receipt of temporary certificate of occupancy (“TCO”) from the New York City Department of Buildings, within 36 months of Closing. Purchaser shall then diligently and in good faith pursue a final certificate of occupancy. |
| 1. **Costs and Fees** | Purchaser is responsible for all costs incurred in connection with the Project, including, but not limited to construction costs and any applicable fees associated with the MIH and 485-x programs. |
| 1. **Wages** | The minimum hourly rate of wages and supplements paid to employees for all construction work and ongoing operations of the Project shall be in compliance with NY RPTL § 485-x and any other wage and labor laws applicable to the Project. |
| 1. **Demolition** | It is anticipated that Purchaser will be responsible, at its sole cost and expense and as directed by NYCEDC, for the demolition of the Gansevoort Market located on Block 644, Lot 1. The Lessee will also be responsible for the abatement, remediation and removal of Hazardous Substances (including, without limitation lead paint) with respect to the portion of the High Line (including any supporting columns) located within or on the Lot 1Parcel and perform all such abatement, remediation and removal as required by Legal Requirements as part of the Demolition (“Demo Required Abatement”), up to a maximum cost to Lessee of $400,000 (such cap to apply to costs incurred solely in connection with the Demo Required Abatement). |
| 1. **Transfers/Assignments** | Purchaser shall not be permitted to convey the Project or any interest therein without prior approval of Seller.  This restriction shall not apply to a foreclosure or a transfer in lieu of foreclosure under a mortgage held by an Institutional Lender securing construction financing with regard to construction of the Project or a permanent "take-out" loan with regard to such construction financing. |
| 1. **Sustainability** | Project shall be compliant with applicable laws, including Local Law 97, and strive to achieve LEED Gold or comparable certification, or comply with the Enterprise Green Communities criteria with NYC Overlay 2.0. |
| 1. **Development Rights** | Seller to retain all development rights in excess of the development rights sufficient to allow Purchaser to develop the Site for the Project, and Purchaser will waive any right it may have to the status of a “party in interest.” |
| 1. **Completion Bond / Guaranty** | Purchaser shall obtain a performance or completion bond or guaranty satisfactory to the City and NYCEDC, to secure the faithful performance and completion of the Project. Any completion or performance bond must be issued by a surety company licensed or authorized to do business in New York State for 100% of the aggregate costs and expenses of the Project. If, prior to Substantial Completion, the completion bond is cancelled or otherwise ceases to be in full force and effect (other than pursuant to its terms), then, within thirty (30) days after notice of the foregoing, Purchaser shall provide a replacement bond acceptable to Seller in its sole discretion. |
| 1. **Environmental Remediation and Indemnification** | Purchaser is responsible for all costs associated with environmental remediation for the Project and shall indemnify Seller, NYCLDC and the City from any liability relating to environmental conditions of the Site. |
| 1. **M/WBE Participation** | Purchaser shall make good faith efforts to ensure participation of minority- and women-owned businesses (“M/WBEs”) meets or exceeds its participation goal of [insert %] (which shall be no less than 25%) of hard and soft costs of the design and construction Project.  Purchaser shall submit its M/WBE Participation Plan to NYCEDC for review and approval prior to Closing. |
| 1. **General Terms** | In addition to the key business terms set forth above, general provisions are subject to updates to conform to the City’s current form of deed. |

**END OF CONTRACT TERMS**

**[DEVELOPER]**

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Appendix A: Anticipated Site Plan**

**A map of a city

AI-generated content may be incorrect.**