



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

A meeting of the Real Estate and Finance Committee (the "Committee") of the Board of Directors (the "Board") of New York City Economic Development Corporation ("NYCEDC"), was held on Wednesday, October 23, 2024, in Conference Room 13B (*Sunset Park*), on the 13<sup>th</sup> Floor at the offices of NYCEDC at One Liberty Plaza, New York, New York.

The following members of the Committee were present:

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

Members of NYCEDC staff also were present.

The meeting was chaired by Mr. O'Sullivan and called to order at 9:05 a.m. Meredith Jones, an Executive Vice President, General Counsel and Secretary of NYCEDC, served as secretary of the duly constituted meeting, at which a quorum was present.

1. Approval of the Minutes of the September 11, 2024 Meeting of the Committee

It was moved that the minutes of the September 11, 2024 meeting of the Committee be approved, as submitted. Such a motion was seconded and approved. Ms. Woo abstained from voting on the minutes.

2. Retail Space Leases at St. George Ferry Terminal and Whitehall Ferry Terminal

William Zheng, a Senior Associate of NYCEDC, presented a proposal for (i) NYCEDC, as landlord, to enter into retail space sublease agreements with (1) H.E. MGMT at Staten Island Ferry Inc. ("H.E. MGMT") for Unit 107A at St. George Ferry Terminal ("St. George") in Staten Island, (2) Harborshop Ventures Inc. ("Harborshop")

for Unit SG1 at St. George in Staten Island, and (3) Streamline News Inc. ("Streamline News") for Unit WH1 at Whitehall Ferry Terminal ("Whitehall") in Manhattan, and (ii) the exercise of the option periods by the subtenants and NYCEDC entering into any related agreements, all on substantially the terms set forth in Exhibit A hereto.

In answer to a question from Mr. Russo, Mr. Zheng stated that the previous tenants in these spaces were primarily food and beverage related businesses, similar to the proposed new tenants. In answer to a second question from Mr. Russo, Mr. Zheng explained that the retail spaces at St. George were complex, that leasing these spaces would be a big step towards creating a better ferry experience, and that success for these spaces would tie-in to the success of the North Shore Action Plan and other efforts outside of the terminal. In answer to a third question from Mr. Russo, Mr. Zheng stated that the exercise of options for the 5-year renewal terms was up to the tenants.

In answer to a question from Ms. Carethers, Mr. Zheng stated that Harborshop and Streamline News would be first-time tenants, and that H.E. MGMT was a long-time tenant at both St. George and Whitehall. In answer to a question from Mr. McSpirtt, Mr. Zheng stated that H.E. MGMT's proposed rent seemed to be above market. In answer to a question from Mr. Russo, Mr. Zheng stated that NYCEDC had negotiated the numbers for each of these spaces and that both NYCEDC and the tenants were comfortable with them. In answer to a question from Ms. Woo, Mr. Zheng stated that H.E. MGMT was a current tenant at St. George and familiar with the market there. In answer to a question from Mr. O'Sullivan, Mr. Zheng stated that H.E. MGMT had been a tenant for at least 10 years. In answer to a question from Mr. Russo, Mr. Zheng explained that H.E. MGMT would be taking on additional space, and that this was not a renewal of its existing space. In answer to a question from Ms. Carethers, Mr. Zheng stated that each of the tenants would be handling the fit-out and taking on the full cost of the fit-out. In answer to a question from Mr. O'Sullivan, Mr. Zheng stated that there was a rolling request for proposals for other vacant spaces, and that NYCEDC would continue to evaluate the incoming proposals responding to such RFP.

A motion then was made that the Committee recommend that the Board of Directors approve the matters set forth for approval in the Proposed Resolution section of Exhibit A hereto. Such motion was seconded and unanimously approved.

3. Amendments to Lease and Non-Disturbance and Consent Agreement for South Brooklyn Marine Terminal

Romulo Garza, a Vice President of NYCEDC, presented a proposal for NYCEDC (i) (a) to amend the Amended and Restated Agreement of Lease (the "A&R Lease"), which A&R Lease is a sublease under a lease that was entered into between The City of New York (the "City") and NYCEDC and was executed with SSBMT, L.P. ("SSBMT" or "Tenant"), (b) to amend the existing Non-Disturbance and Consent Agreement (the "NDA") with an entity ("SBMT Asset LLC") that is currently 100% owned by Equinor US Holdings Inc. ("Equinor"), with regard to a sub-sublease SBMT Asset LLC has from Tenant, and (c) to enter into any related funding agreement and ancillary agreements, all for the South Brooklyn Marine Terminal ("SBMT") in Sunset Park, Brooklyn (the

"Site"), and (ii) to enter into any other needed agreements related thereto, on substantially the terms set forth in Exhibit B hereto.

In answer to two questions from Mr. Russo, Mr. Garza stated that the rationale behind lowering the liquidity requirement as set forth in Exhibit B was that while Equinor was posting a \$1 billion guaranty to Tenant under a guaranty agreement, that the liquidity requirements for SSBMT would be waived, and that it was not funded. In answer to a question from Mr. O'Sullivan, Mr. Garza stated that SSBMT, NYCEDC's tenant, was the beneficiary of the \$1 billion guaranty for the lease obligations. In answer to a question from Mr. McSpiritt, Mr. Garza explained that the guaranty was running from Equinor and British Petroleum ("BP"), but that the agreement was being amended to remove BP and that the guaranty would ultimately run from the Norwegian parent of Equinor. In answer to a question from Mr. McSpiritt, Mr. Garza stated that the guaranty included all obligations under the lease, which included rent and other lease obligations, as well as some building obligations. In answer to a third question from Mr. Russo, Mr. Garza stated that such guaranty was previously provided by SSBMT. In answer to another question from Mr. Russo, Mr. Garza stated that NYCEDC was not concerned by the exit of BP, and that it was better for NYCEDC because Equinor was an entity committed to the offshore wind business. In answer to a third question from Mr. McSpiritt, Mr. Garza stated that Equinor was located in Oslo, Norway, and that Equinor's U.S. operations were based in Stamford, Connecticut.

In answer to a second question from Mr. O'Sullivan, Mr. Garza explained that Equinor currently had an \$861 million contract with a Skanska entity. ("Skanska") to build the port improvements, and that NYCEDC expected investments by Equinor on the Site to total approximately \$1 billion. In answer to another question from Mr. Russo, Mr. Garza stated that Equinor currently had large office space at Industry City in Brooklyn. In answer to additional questions from Mr. McSpiritt, Mr. Garza stated that completion of the port construction was expected in early 2027, and he then explained that when the Empire Wind 1 project was terminated it became clear that Equinor would need to fill the terminal with other users, and that if certain additional users come onto the Site SBMT Asset LLC would be required to pay a success fee. At this time, a discussion ensued amongst the Committee members and Mr. Garza regarding the success fee, how it worked, whose burden it was, and when it would be collected. Mr. Garza explained that the success fee was collectible under certain conditions, that it was intended to be a burden on NYCEDC's tenant rather than on the ultimate user, and that it was drawn out of profits if above \$10 million. In answer to another question from Mr. Russo, Mr. Garza stated that NYCEDC anticipated that there would be possibly 3 or 4 such additional projects.

In answer to another question from Mr. O'Sullivan, Mr. Garza explained that the cap on the completion guaranty was expected to be based on the value of the contract between Skanska and Equinor, which currently was \$861 million. He added that such cap would be tied to the Skanska guarantee, which was a guaranteed maximum price ("GMP") for Skanska. In answer to an additional question from Mr. O'Sullivan, Mr. Garza stated that the cap on the completion guaranty would likely contain language covering overruns, but that essentially NYCEDC committed to a cap at the current value

of the Skanska contract. At this time, Giacomo Landi, a Senior Vice President of NYCEDC, noted that NYCEDC also had a guaranty on the lease payments on the underlying concession. In answer to another question from Ms. Woo, Mr. Garza explained that with respect to the \$85 million of additional capital funding for eligible scope items, the thinking was that the City Capital would be protected and that by being used towards the end of the project there was less risk of the developer walking away. He added that NYCEDC envisioned that parts of the O&M facility as well as the 35<sup>th</sup> Street Pier would be some of those eligible scope items, but that NYCEDC was still working with Equinor to determine what those items will actually be.

A motion then was made that the Committee recommend that the Board of Directors approve the matters set forth for approval in the Proposed Resolution section of Exhibit B hereto. Such motion was seconded and unanimously approved.

4. Adjournment

There being no further business to come before the meeting, pursuant to a motion made, seconded and unanimously approved the meeting of the Committee was adjourned at 9:27 a.m.

  
Assistant Secretary

Dated: April 16, 2025  
New York, New York

**EXHIBIT A**

**RETAIL SPACE LEASES AT ST. GEORGE FERRY TERMINAL AND  
WHITEHALL FERRY TERMINAL  
Board of Directors Meeting  
November 7, 2024**

**PROJECT  
OVERVIEW:**

The City of New York (the "City"), by and through City DOT, is the owner of the St. George Ferry Terminal and Whitehall Ferry Terminal as well as the Staten Island Ferryboats. The City leases portions of the Ferry Terminals and the Ferryboats to NYCEDC for retail purposes.

Currently, there are 6 vacant retail spaces at St. George Ferry Terminal and 1 vacant retail space at Whitehall Ferry Terminal. In order to fill these vacancies, NYCEDC issued an RFP for retail space leasing opportunities on March 21, 2024. The RFP sought respondents offering food or retail services that comply with applicable zoning and regulations. NYCEDC received a total of 16 responses. After evaluation of the responses, NYCEDC proposes to enter into subleases with prospective tenants to occupy 2 of the available vacant retail spaces at St. George Ferry Terminal and one vacant space at Whitehall Ferry Terminal.

Each selected subtenant will enter into a sublease agreement with NYCEDC for its space. The initial term will be for 10 years with two renewal terms for an additional five years each, at the discretion of NYCEDC and City DOT, for an entire maximum term of 20 years.

NYCEDC proposes to enter into sublease agreements substantially as described below.

**AGREEMENT OF SUBLEASE FOR UNIT 107A AT ST. GEORGE FERRY TERMINAL**

**Sublessor:** NYCEDC

**Sublessee:** H.E. MGMT at Staten Island Ferry Inc.

**Property:** Unit 107A (approximately 1,120 square feet) at St. George Ferry Terminal in Staten Island

**Base Rent:** Base rent will be \$252,000 (\$225/SF \* 1,120 SF). After the first year, base rent shall increase 3% annually during the initial term and any option periods.

**Uses:** Operation of a fast-food restaurant

**Appraised**

**Value:** An independent appraisal of the premises was commissioned in February 2024. The appraisal valued the fair market annual rent for the premises at \$64/SF on a modified net lease with 3% annual escalations

**AGREEMENT OF SUBLEASE FOR UNIT SG1 AT ST. GEORGE FERRY TERMINAL**

**Lessor:** NYCEDC

**Lessee:** Harborshop Ventures Inc.

**Property:** Unit SG1 (approximately 2,504 square feet) at St. George Terminal in Staten Island

**Base Rent:** Base rent will be \$156,000 ( $\$62.30/\text{SF} \times 2,504 \text{ SF}$ ). After the first year, base rent shall increase 3% annually during the initial term and any option periods.

**Uses:** Operation of a convenience store with fresh food and alcohol offerings

**Appraised**

**Value:** An independent appraisal of the premises was commissioned in February 2024. The appraisal valued the fair market annual rent for the premises at \$60/SF on a modified net lease with 3% annual escalations

**AGREEMENT OF SUBLEASE FOR UNIT WH1 AT WHITEHALL FERRY TERMINAL**

**Sublessor:** NYCEDC

**Sublessee:** Streamline News Inc.

**Property:** Unit WH1 (approximately 442 square feet) at Whitehall Ferry Terminal in Manhattan

**Base Rent:** Base rent will be \$108,000 ( $\$244.34/\text{SF} \times 442 \text{ SF}$ ). After the first year, base rent shall increase 3% annually during the initial term and any option periods.

**.Uses:** Operation of a convenience store with alcohol offerings

**Appraised****Value:**

An independent appraisal of the premises was commissioned in February 2024. The appraisal valued the fair market annual rent for the premises at \$165/SF on a modified net lease with 3% annual escalations

**PROPOSED**

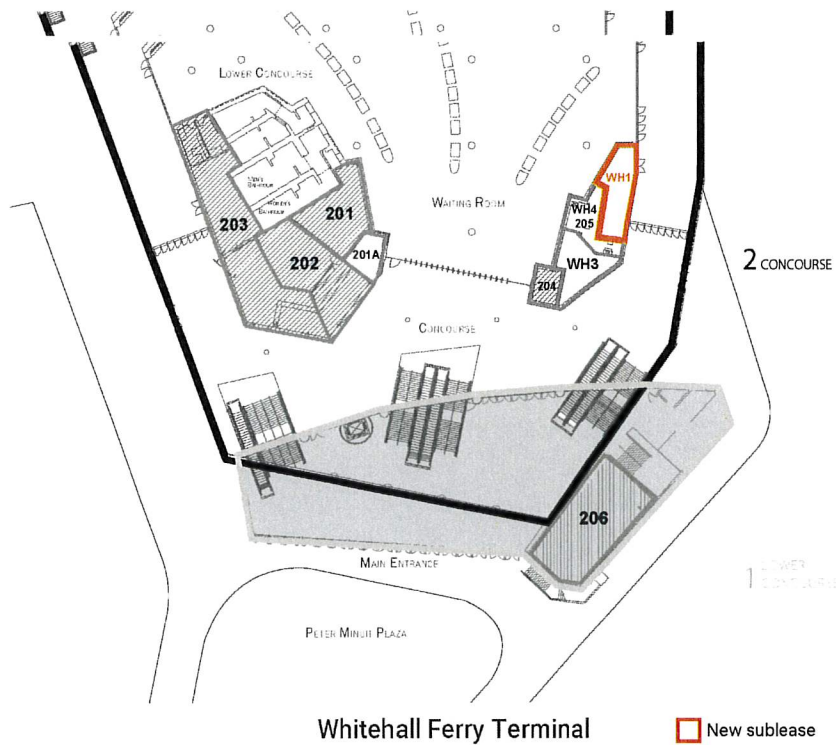
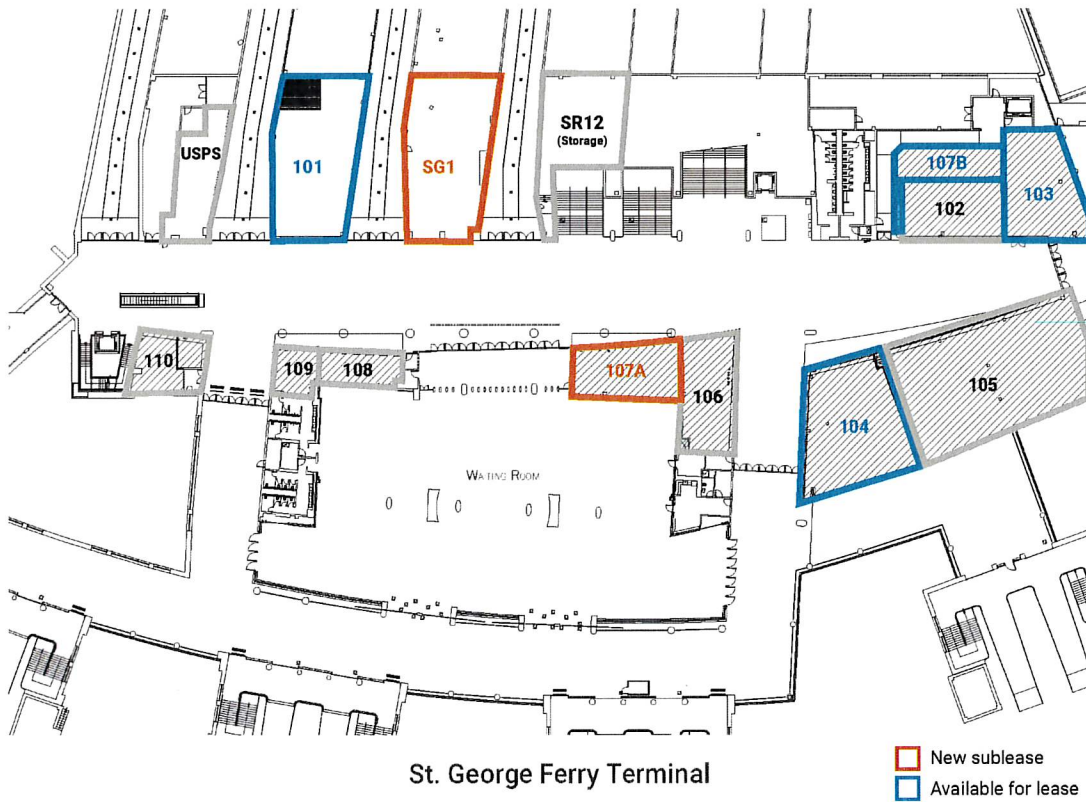
**RESOLUTION:** The approval of NYCEDC, as landlord, to enter into sublease agreements with (1) H.E. MGMT at Staten Island Ferry Inc., (2) Harborshop Ventures Inc., and (3) Streamline News Inc., substantially as described above, and, subject to the approval of the President or another authorized signatory of NYCEDC, the approval of the exercise of the option periods by the subtenants and NYCEDC entering into any related agreement

**NYCEDC PROJECT CODE:** 9983

**STAFF:** Sean Freas, Vice President, Asset Management  
Alyana Roxas, Vice President, Asset Management  
William Zheng, Senior Associate, Asset Management  
Kyle Joyce, Counsel, Legal



## Attachment A: Site Location Map



**EXHIBIT B**

**AMENDMENTS TO LEASE AND NON-DISTURBANCE AND CONSENT AGREEMENT FOR  
SOUTH BROOKLYN MARINE TERMINAL  
Board of Directors Meeting  
November 7, 2024**

**OVERVIEW:**

On September 28, 2021 NYCEDC's Board of Directors resolved that NYCEDC may enter into an Amended and Restated Agreement of Lease (the "A&R Lease") and Non-Disturbance and Consent Agreement (the "NDA") for the South Brooklyn Marine Terminal ("SBMT"), a marine terminal located between 29<sup>th</sup> and 39<sup>th</sup> Streets, west of 2<sup>nd</sup> Avenue, in Sunset Park, Brooklyn (the "Site"). The A&R Lease is a sublease under a lease entered into between the City and NYCEDC and was executed as of February 28, 2022 with SSBMT, L.P. ("Tenant"). It amended and restated a sublease entered into as of September 12, 2019. The Site is being developed as an offshore wind port.

The Site is primarily 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.

NYCEDC is proposing to enter into an amendment (the "First Amendment to A&R Sublease") to modify the A&R Lease to increase the City's capital contribution to infrastructure improvements to the Site by up to an additional \$85,000,000 (including up to \$35,000,000 in funds to match a commitment by New York State prior to December 31, 2026 to also be spent on the improvements by SBMT Asset LLC or its affiliate), to a total of up to \$141,491,000, subject to obtaining approval from OMB. NYCEDC is also proposing to amend the A&R Lease to reduce the Tenant's minimum liquidity and guaranty requirement while simultaneously increasing the security deposit requirement by an equivalent amount. Additionally, NYCEDC is seeking the Board's approval to amend the existing NDA with an entity ("SBMT Asset LLC") that is currently 100% owned by Equinor US Holdings Inc. ("Equinor"), with regard to a sub-sublease SBMT Asset LLC has from Tenant. It should be noted that a portion of the sub-sublease premises principally for the substation portion of the project shall be sub-sub-sublet by SBMT Asset LLC and NYCEDC will enter into a non-disturbance agreement for such sub-sub-sublease.

NYCEDC is seeking the Board's approval to amend the A&R Lease and the NDA and for NYCEDC to enter into ancillary agreements to reflect the terms of the transaction modified substantially as described herein.

## **MODIFIED LEASE TERMS**

### **LANDLORD CAPITAL WORK:**

Under the A&R Lease, NYCEDC agreed to make certain infrastructure improvements to the Site for an amount not to exceed \$56,491,000, with such NYCEDC capital contribution being either (i) work done by NYCEDC, including through contractors and/or (ii) made pursuant to a funding agreement that contains a mechanism for disbursement of the capital contribution to Tenant or Equinor or an affiliate of either for it to undertake the work. Under the First Amendment to A&R Sublease, the City's capital contribution to infrastructure improvements to the Site would increase by up to an additional \$85,000,000, to a total of up to \$141,491,000. The additional capital contribution is predicated on: (i) the SBMT Asset LLC sub-sublease not being terminated, (ii) a funding agreement being entered into between NYCEDC, Tenant and SBMT Asset LLC, and (iii) a completion guaranty for the infrastructure improvement plan for the Site being entered into between NYCEDC and Equinor. The additional \$85,000,000 is to only be used for capital eligible scope items scheduled to occur last. Such additional NYCEDC capital contribution shall be made pursuant to a funding agreement that contains a mechanism for disbursement of the capital contribution to Tenant or SBMT Asset LLC or an affiliate of either for the work.

### **MINIMUM LIQUIDITY, GUARANTY, & SECURITY DEPOSIT:**

Under the A&R Lease, SSBMT is required to maintain a minimum liquidity of \$5,000,000 of available cash along with a guaranty of the minimum liquidity obligation from a guarantor with a minimum net worth of \$50,000,000 and \$2,000,000 of liquid assets. Under the First Amendment to A&R Sublease, SSBMT's minimum liquidity obligation is decreased by \$2,000,000 to a new requirement of \$3,000,000 and the minimum liquidity and guaranty of the minimum liquidity requirements are of no effect as long as a guaranty by Equinor of the SSBMT Asset LLC obligations under its sub-sublease is in effect or, if there is another sub-sublease under the A&R Lease, the obligations of the sub-sublessee are guaranteed by a guarantor meeting certain financial thresholds. Under the First Amendment to A&R Sublease SSBMT will post an additional \$2,000,000 in security deposit, increasing the total security deposit to \$4,000,000.

### **NDA:**

Under the NDA, NYCEDC approved and consented to the sub-sublease from Tenant to SBMT Asset LLC. Under the amended NDA, SBMT Asset LLC will be permitted to sell off less than 50% of its equity interest in SBMT Asset LLC, and to sell off a larger equity interest subject to obtaining the consent of the President or another authorized signatory of

NYCEDC, which consent cannot be unreasonably withheld . Additionally, in the event of any other offshore wind project, that satisfies certain thresholds, at any portion of the Site, aside from the currently planned Empire Wind 1 Project, SBMT Asset LLC will pay a success fee to NYCEDC in the amount of \$10,000,000 for each such additional project.

**COMPLETION  
GUARANTY:**

In connection with the City's additional capital contribution NYCEDC will be the beneficiary of a construction completion guaranty executed by Equinor guaranteeing the completion of the infrastructure improvements of the Site no later than 4/1/2028 as such date may be adjusted from time to time in accordance with terms of the SBMT Asset LLC sub-sublease primarily as a result of unavoidable delays. A cap on the amount required to be spent under the guaranty is being negotiated but it is anticipated that the cap will initially be the estimated cost of the guaranteed work to be undertaken reduced periodically by the amounts later spent for guaranteed work that has been undertaken

**PROPOSED  
RESOLUTION:**

Approval for NYCEDC to amend the A&R Lease and the NDA and enter into any related funding agreement and ancillary agreements, substantially as described herein, and to enter into any other needed agreements related thereto.

**NYCEDC  
PROJECT CODE:** 7238

**STAFF:**

Francisco Pineda, Executive Vice President, Asset Management  
Giacomo Landi, Senior Vice President, Ports, Waterfront & Transportation  
Max Taffet, Senior Vice President, Ports, Waterfront & Transportation  
Romulo Garza, Vice President, Asset Management  
Tiffany Lacker, Senior Counsel, Legal



# ATTACHMENT A

