



MINUTES OF THE MEETING
OF
THE REAL ESTATE AND FINANCE COMMITTEE
OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
April 16, 2025

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, April 16, 2025, in Conference Room 14A (*The Battery*), on the 14th Floor at the offices of NYCEDC at One Liberty Plaza, New York, New York.

The following members of the Committee were present:

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 October 23, 2024 Meeting of the Committee

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

Mr. O’Sullivan then noted that he was recusing himself from voting on the subsequent SPARC Kips Bay item and left the meeting.

2. SPARC Kips Bay: Disposition to City University of New York (“CUNY”)

At this time, Brandon Baylor, a Vice President of NYCEDC, summarized the overall SPARC Kips Bay project, which will be located on an approximately four-acre block, between 25th and 26th Streets and between First Avenue and FDR Drive (such block, the “SPARC Site”), in Manhattan, for the development of a state-of-the-art life

sciences campus with more than 2 million square feet of new public health, educational, workforce development, and life science facilities ("SPARC Kips Bay"), as well as a new public plaza ("SPARC Square") and other sitewide improvements and infrastructure at the Brookdale Campus of CUNY's Hunter College (the "Brookdale Campus"), all to support the continued growth of the life sciences and healthcare industries in New York City through the construction of new facilities and the cultivation of New York City's talent pipeline in these industries.

Mr. Baylor then presented a proposal for New York City Land Development Corporation ("NYCLDC") to (i) enter into a lease (the "Lease") from The City of New York for Block 962, part of Lot 100 on the Tax Map of the Borough of Manhattan (the "Site") on the eastern portion of the SPARC Site, (ii) assign such Lease to CUNY, and (iii) enter into any related agreements and documents and consents, to enable the demolition of the existing Brookdale Campus and the ground up construction of a new modern educational facility on the Site (the "Project"), which Project facility will include the co-location of several CUNY schools focused on public health and health care (the "CUNY Premises"), as well as a public high school focused on health and life science pathways (the "DOE Premises"), all on substantially the terms set forth in Exhibit A hereto. He stated that an appraisal was currently being conducted to determine the value of the Site and it was anticipated that it would be completed by the time of the April 30 Board meeting.

In answer to a question from Mr. Russo, Mr. Baylor stated that currently it was not known which specific CUNY colleges would use the Site, but that it was known that they will be focused on healthcare. In answer to a second question from Mr. Russo, Mr. Baylor stated that a Design, Demolition and Construction Agreement between CUNY and NYCEDC (the "DDC Agreement") had previously been approved, which provided for certain construction related work, and that the current proposal being considered by the Committee was for the lease of the Site to CUNY. In answer to a third question from Mr. Russo, Mr. Baylor stated Project completion was currently envisioned to be in 2030.

In answer to a question from Mr. McSpiritt, Raven Anderson, a Senior Vice President of NYCEDC, stated that the current proposal was for the Board's approval of the lease of the entire Site to CUNY, and that CUNY would then enter into a sublease for the DOE Premises. He further explained that CUNY had been in discussions for the DOE Premises for a long time on the deal points but that the parties were not yet in full agreement, and that NYCEDC would not execute the Lease with CUNY until the agreement for the DOE Premises was reached. In answer to a question from Ms. Woo, Mr. Anderson stated that it was a requirement of the Lease that there be a sublease for the DOE Premises. In answer to a second question from Ms. Woo, Mr. Anderson stated that it was NYCEDC's understanding that CUNY's board previously approved the sublease, and that no other CUNY board action was needed for such sublease. In answer to a question from Mr. McSpiritt, Mr. Anderson explained that NYCEDC would design and construct the DOE Premises with New York City School Construction Authority funds. In answer to a question from Ms. Woo, Caroline Nguyen, a Senior Counsel of NYCEDC, stated that NYCEDC expected to return to the Executive

Committee separately for approval of the construction management contract for construction of the DOE Premises.

In answer to questions from Mr. McSpirtt and Ms. Carethers, Mr. Anderson explained that CUNY would not need to do subleases with its own affiliated colleges, although it had long been established which schools would likely be using the space, and that this provided CUNY with some flexibility, but that CUNY would need to have a sublease for the DOE Premises. In answer to a second question from Ms. Carethers, Mr. Anderson stated that CUNY would be responsible for any capital improvements over the term of the Lease after the construction of the facility. In answer to a question from Mr. McSpirtt, Mr. Anderson stated that NYCEDC would be constructing a facility that would then be CUNY's for the life of the Lease. In answer to a question from Mr. Russo, Mr. Anderson stated that NYCEDC believed that this would be additional space for the schools coming into the CUNY Premises, but that such schools were vacating some existing spaces as well.

In answer to a question from Mr. McSpirtt, Mr. Anderson stated that NYCEDC hoped to start the initial deconstruction by the end of 2025. In answer to a question from Ms. Woo, Mr. Anderson stated that the Site would need to be vacated by no later than the end of 2025 for NYCEDC to meet the anticipated 2030 completion date. In answer to questions from Ms. Woo, Mr. Baylor explained that after the first 15 years of CUNY's Lease it could use the CUNY Premises for any use allowed by its educational statute, except that it could not be used for new headquarters or administrative offices without landlord's consent and that CUNY would have to make Payments in Lieu of Taxes ("PILOT") if it so used the Site. In answer to another question from Ms. Carethers, Mr. Baylor stated that he believed that NYCEDC was allowing CUNY-affiliated entities to be considered as part of CUNY such that they could take over the space, but that such scenario would be subject to the use requirements. In answer to another question from Mr. Russo, Mr. Baylor stated that NYCEDC anticipated having an appraisal of the Site by the next Board meeting. In answer to another question from Ms. Carethers, Mr. Baylor explained that there would be a commencement date and an effective date, that the commencement date would be when the Lease was executed, and that the effective date would be when the building was transferred. In answer to another question from Ms. Woo, Mr. Anderson stated that a substantial completion date was referenced in the Lease and described in the DDC Agreement, but it was stated that he did believe there was a penalty for not meeting that date. In answer to another question from Mr. Russo, Mr. Anderson stated that the construction was part of the overall SPARC project, which also includes the deconstruction, and that Skanska USA Building Inc. would be doing the construction.

A motion then was made that the Committee recommend that the Board of Directors of NYCEDC approve the matters set forth for approval in the Proposed Resolutions section of Exhibit A hereto. Such motion was seconded and approved. Ms. Woo abstained from voting on this matter at this time, and Mr. O'Sullivan had recused himself from voting on this matter prior to leaving the meeting earlier.

3. 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 9:25 a.m.

Mark Silverman

Assistant Secretary

Dated: June 11, 2025
New York, New York

EXHIBIT A

SPARC KIPS BAY: DISPOSITION TO CITY UNIVERSITY OF NEW YORK
Board of Directors Meeting
April 30, 2025

LESSOR: The City of New York (the “City”)

**LESSEE/
LEASE ASSIGNOR:** NYCLDC

LEASE ASSIGNEE: City University of New York (“CUNY”)

SITE LOCATION: Block 962, p/o Lot 100 (the “Site”)
Borough of Manhattan
Community Board 6

SITE DESCRIPTION: The Site is located on the eastern portion of an approximately four-acre block, between 25th and 26th Streets and between First Avenue and FDR Drive (such block, the “SPARC Site”). The SPARC Site is currently used as an educational facility and is home to the Brookdale Campus of CUNY’s Hunter College (the “Brookdale Campus”). The Site is approximately depicted in Attachment A and is approximately 63,800 square feet.

BACKGROUND: On October 13, 2022, CUNY, the State of New York (the “State”), the City, and NYCEDC entered into a Memorandum of Understanding. The Memorandum, as further refined by a Master Plan released to the public on November 17, 2023, outlined a plan whereby the City, NYCEDC, the State, and CUNY would create and incentivize the development of a state-of-the-art life sciences campus with more than 2 million square feet of new public health, educational, workforce development, and life science facilities (“SPARC Kips Bay”), as well as a new public plaza (“SPARC Square”) and other sitewide improvements and infrastructure at the Brookdale Campus. SPARC Kips Bay, including approximate depictions of SPARC Square and the Site, is illustrated in Attachment B.

SPARC Kips Bay and SPARC Square represent a historic level of investment between the City and the State of approximately \$1.6 billion to create a first-of-its-kind innovation, jobs, and education center all in one block. It will support the continued growth of the life sciences and healthcare industries in New York City through the

construction of new facilities and the cultivation of New York City's talent pipeline in these industries.

CUNY currently remains in possession of the Brookdale Campus under an expired 2015 license, and intends to execute the Lease (as defined herein) concurrent with the sale of 524 East 74th Street from City University Construction Fund (an affiliate of CUNY) to NYCEDC. NYCEDC plans to RFP the East 74th Street property for development following the sale.

PROJECT DESCRIPTION:

Under the first phase of SPARC Kips Bay, NYCEDC will, among other things, undertake the demolition of the existing Brookdale Campus and oversee the design and ground up construction of a new modern educational facility on the Site (the "Project"). The Project facility will include the co-location of several CUNY schools focused on public health and health care (the "CUNY Premises"), as well as a public high school focused on health and life science pathways (the "DOE Premises").

It is anticipated that NYCEDC will design and construct (i) the building containing the CUNY Premises and the DOE Premises and (ii) the CUNY Premises with approximately \$475,000,000 of funds from the State and approximately \$475,900,000 of City Capital Budget funds pursuant to a Design, Demolition, and Construction Agreement to be entered into between CUNY and NYCEDC (the "DDC Agreement"). It is anticipated that State funds for the above construction, as well as for any capital improvements to the Site during the term of the Lease, will be provided through the issuance of tax-exempt obligations by the Dormitory Authority of the State of New York (the "CUNY Tax Exempt Premises Bonds").

It is anticipated that NYCEDC will design and construct the DOE Premises with approximately \$200,000,000 of City Capital Budget funds provided by the New York City School Construction Authority ("SCA") pursuant to a Memorandum of Understanding among DOE, SCA, and NYCEDC (the "SCA MOU").

PURPOSE OF THE DISPOSITION/BENEFIT TO THE PUBLIC:

It is anticipated that the disposition of the Site will help transform the Brookdale Campus into a first-of-its-kind life sciences hub for education, workforce, and industry – all within a single block. By delivering new facilities for multiple CUNY

public health, healthcare, and other degree programs and establishing a New York City Public Schools high school focused on health and life science pathways, the Project will strengthen career pathways in health and life sciences for New York City students.

LEASE TERMS:

It is anticipated that the City (as Lessor) and NYCLDC (as Lessee) will enter into a lease for the Site (the "Lease"). It is further anticipated that NYCLDC will then assign the Lease to CUNY for nominal consideration and that NYCEDC will administer the Lease on behalf of the City.

The term of the Lease will be 99 years from the date the CUNY Premises and the DOE Premises are delivered substantially complete pursuant to the DDC Agreement and the SCA MOU, respectively.

The annual rent will be \$1. The Lease assignee will not make any payments in lieu of taxes so long as CUNY and DOE use the Site for uses related to public education use. For the first 15 years, the CUNY Premises shall be used primarily for the operation of academic programs and the DOE Premises shall be used as a public high school.

The Lease assignee shall, simultaneously with the execution of the Lease, enter into a sublease or other agreement with New York City Department of Education ("DOE") for the DOE Premises.

It is anticipated that the Lease will provide that upon termination of the Lease by Lessor, under certain circumstances the Lessor will make a termination payment in an amount equal to the then outstanding balance of the CUNY Tax Exempt Premises Bonds attributable to the Site leased to CUNY that was financed with the proceeds of the CUNY Tax Exempt Premises Bonds. .

APPRAISED VALUE:

An independent appraisal of the Site was commissioned in April 2025. The appraisal valued the fair market annual rent for the Site at \$[] if it would house the currently anticipated CUNY Premises and DOE Premises. The appraisal also valued the highest and best fair market annual rental value of the Site at \$[], taking into account zoning and existing site conditions.

EXISTING ZONING:

The SPARC Site (including the Site) is zoned C6-4 and has received approval for special permits pursuant to ZR 74-171

and ZR 74-901.

PUBLIC APPROVALS:

The disposition and rezoning of the SPARC Site (including the Site) was recommended for approval by Manhattan Community Board 6 on September 11, 2024 and by the Manhattan Borough President on October 30, 2024, and approved by the New York City Planning Commission on December 16, 2024 and the New York City Council on February 13, 2025.

Pursuant to Section 384(b)(4) of the City Charter, the proposed lease of the Site (i) was approved by the Manhattan Borough Board on March 20, 2025, and (ii) is anticipated to obtain Mayoral authorization in May 2025.

The Project design is subject to review and approval by the Public Design Commission.

RELATED APPROVALS:

In connection with the Project, on May 1, 2024, the NYCEDC Board (i) authorized entry into the DDC Agreement and approved up to \$475,900,000 of City Capital Budget funds for work pursuant to the DDC Agreement, and (ii) approved that NYCEDC acquire the property at 524 East 74th Street from City University Construction Fund.

PROPOSED RESOLUTIONS:

Approval for NYCLDC to (i) enter into the Lease for the Site from the City substantially as described herein, (ii) assign such Lease to CUNY, and (iii) enter into any related agreements and documents and consents to effectuate the Project substantially as described herein.

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

NYCEDC PROJECT CODE:

10086

NYCEDC STAFF:

Christina Rausch, Executive Vice President, Real Estate Transaction Services
Raven Anderson, Senior Vice President, Real Estate Transaction Services
Brandon Baylor, Vice President, Real Estate Transaction Services
Ayda Lee, Associate, Real Estate Transaction Services
Amy Jin, Assistant Vice President, Land Use

Caroline Nguyen, Senior Counsel, Legal

Attachment A

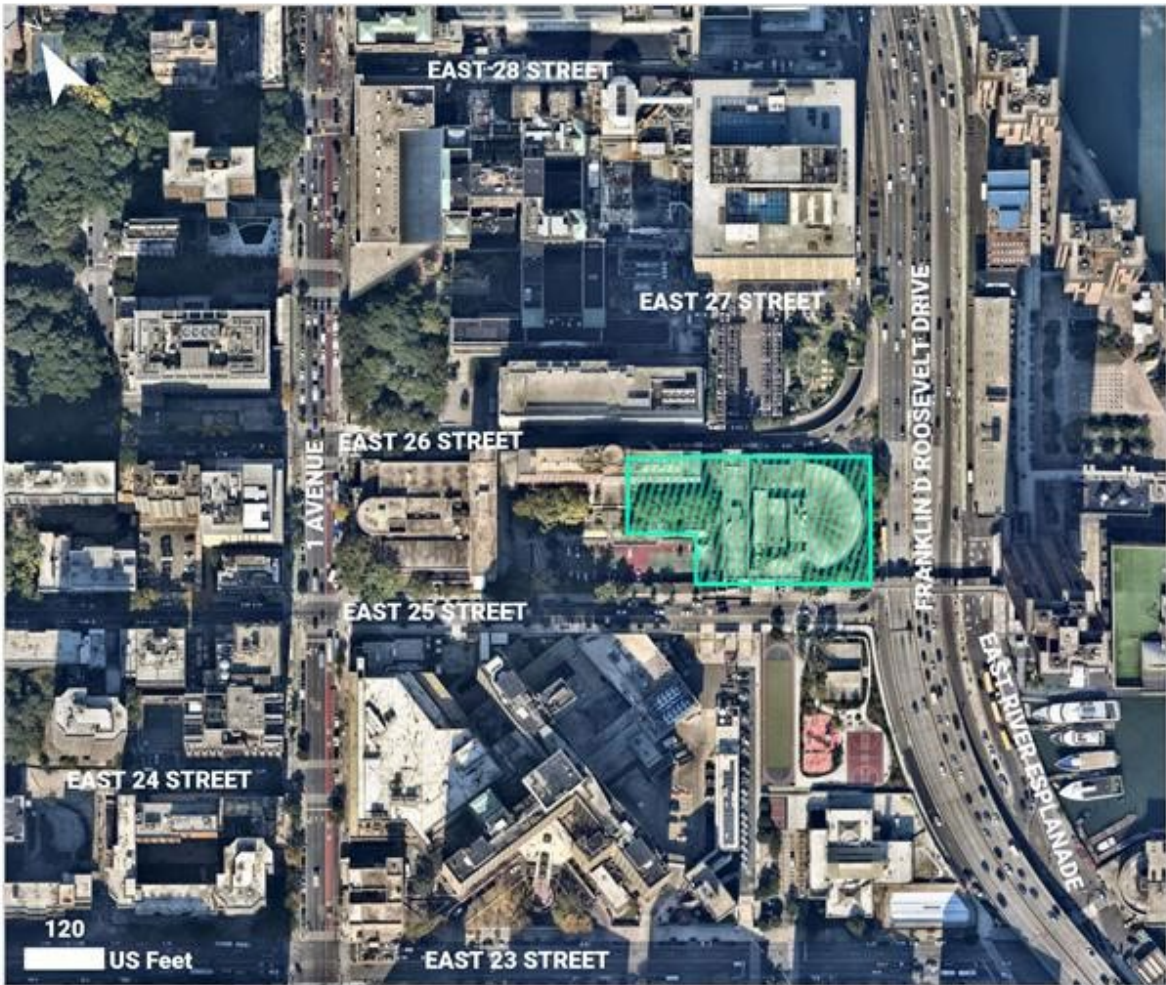
Site Location Map

SITE MAP



DISCLAIMER: THIS DRAWING HAS BEEN PREPARED IN WHOLE OR IN PART USING SECONDARY DATA. DATA ACCURACY IS LIMITED BY THE SCALE AND ACCURACY OF THE ORIGINAL SOURCES. SITE-SPECIFIC CONDITIONS SHOULD BE FIELD-VERIFIED.

NYC/EDC
NYCEDC MGIS | 3.13.2025



Attachment B

SPARC Kips Bay, including SPARC Square and the Site (illustrative)

