



MINUTES OF A SPECIAL MEETING  
OF  
THE REAL ESTATE AND FINANCE COMMITTEE  
OF  
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION  
September 19, 2025

A special 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”), called at the direction of the President of NYCEDC, was held on Friday, September 19, 2025, in Conference Room 14A (*The Battery*), on the 14<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.  
Betty Woo

Members of NYCEDC staff also were present in person and by Zoom.

The meeting was chaired by Mr. O’Sullivan and called to order at 12:04 p.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 June 11, 2025 Special Meeting of the Committee

It was moved that the minutes of the June 11, 2025 special meeting of the Committee be approved, as submitted. Such a motion was seconded and unanimously approved.

2. BioBAT Sublease Amendment & Organizational Restructuring

At this time, Jamie Horton, a Senior Vice President of NYCEDC, and Hazel Balaban, a Vice President of NYCEDC, presented a proposed restructuring of BioBAT, Inc. (“BioBAT”), a not-for-profit corporation created in 2006 by NYCEDC and The Research Foundation of the State University of New York (“SUNY RF”) to facilitate the redevelopment of a portion of the Brooklyn Army Terminal (“BAT”) into a bioscience/life science facility, which restructuring would entail the withdrawal of NYCEDC as a

member of BioBat. In addition, the existing sublease between NYCEDC and BioBAT for space at BAT would be amended. First, Mr. Horton summarized the history of BioBAT, and stated that NYCEDC was both landlord and a Member of BioBAT. He also summarized the sublease agreement between NYCEDC and BioBAT that was executed in 2009 and amended in 2019 (as amended, the "Sublease"), which 2019 amendment drastically downsized BioBAT's premises and sought to reset the relationship around more realistic leasing milestones. Next, he discussed the leasing struggles of BioBAT that continued and the assistance efforts of NYCEDC and SUNY RF that ultimately proved fruitless, as BioBAT lost several of its tenants and failed to meet its first leasing requirement under the 2019 amendment. Mr. Horton then summarized the base principles of the current proposed BioBAT restructuring that NYCEDC and the State University of New York ("SUNY") leadership worked together to develop, which included: (1) moving to a standard landlord-tenant relationship; (2) rightsizing BioBAT's premises for its operations and market demand; (3) modifying the Sublease and BioBAT, Inc; and (4) NYCEDC providing for restoring building infrastructure at BAT.

Ms. Balaban and Mr. Horton then summarized the business terms for the key transaction documents to be executed by NYCEDC as part of the proposed restructuring, including: (i) a Surrender Agreement or other agreement pursuant to which BioBAT shall surrender the dock level, 1<sup>st</sup> and 3<sup>rd</sup> floors, and adjacent garage of its current premises located in the southern portion of Building A of BAT; (ii) an amendment to the Sublease (the "Amended & Restated Sublease") to reflect a more standard landlord-tenant relationship for the remaining space; and (iii) a reconstitution agreement (the "Reconstitution Agreement") pursuant to which, among other things, NYCEDC shall withdraw as a Member of BioBAT, and NYCEDC and SUNY RF shall agree on amended by-laws and an amendment to the certificate of incorporation to reflect the currently proposed corporate structure of BioBAT. In addition, NYCEDC will waive any claim to all BioBat assets, including approximately \$3.4 million of cash on hand.

At this time, Ms. Balaban presented a proposal for NYCEDC to amend the Sublease between BioBAT and NYCEDC and to enter into the Surrender Agreement, the Reconstitution Agreement, and any related agreements and transactions needed to implement the proposed modified BioBAT project, all on substantially the terms set forth in Exhibit A hereto.

In answer to a question from Mr. McSpiritt, Ms. Balaban stated that the proposed capital work was needed for consolidating the space and that it involved HVAC ducts and things of that nature that ran through other floors and needed to be rerouted. In answer to a question from Mr. O'Sullivan, Ms. Balaban stated that purpose of the capital work was basically to make the remaining stack tenantable, and that it also involved improvements such as raising ceiling heights. In answer to a second question from Mr. O'Sullivan, Ms. Balaban stated that the plan for the space that NYCEDC would be getting back was partially for BATWorks. In answer to a third question from Mr. O'Sullivan, Ms. Balaban stated that Interstate Environmental Commission was the only tenant currently in the BioBAT space. In answer to another question from Mr. O'Sullivan, Ms. Balaban explained that NYCEDC decided on the proposed restructuring

because an entity related to SUNY RF had been very successful at the Downstate Incubator, that NYCEDC felt there was an opportunity for BioBAT to be successful and continue the work it had been doing at BAT, and that it was also beneficial to NYCEDC as a landlord to have a tenant for 44,000 square feet at BAT. Mr. Horton added that another key part of the proposal was having a security deposit associated with the BioBAT space.

In answer to a question from Ms. Woo, Ms. Balaban stated that the sublease terms of the other tenants at BAT were shorter than the proposed modified term of 10 years with two 5-year renewal options for BioBAT. In answer to a question from Ms. Carethers, Ms. Balaban explained that the proposed restructuring allowed NYCEDC to take back the ground floor and third floor space at BAT and to move forward with some of the reconfiguration work it needed to do in order to fully tenant the rest of the stack. In answer to a second question from Ms. Woo, Mr. Horton stated that the BioBAT assets that were involved included the cash on hand and existing fit-out equipment.

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 Resolution section of Exhibit A hereto. Such motion was seconded and unanimously approved.

### 3. Seward Park Disposition (Parcel 9)

At this time, John Raymond, a Vice President of NYCEDC, presented a proposal for NYCEDC (i) to purchase from The City of New York (the “City”) Block 353, Lot 44 on the Tax Map of the Borough of Manhattan (“Parcel 9”) – Parcel 9 is one of nine parcels that make up the overall Seward Park project site (the “Project Site”), is approximately 20,365 square feet, and is occupied by a vacant one-story structure with approximately 20,616 square feet – and to subsequently sell Parcel 9 to Delancey Street Associates LLC or an affiliated entity (the “Developer”) on substantially the terms previously approved by NYCEDC’s Board of Directors, modified substantially as described in Exhibit B hereto, and (ii) to execute and deliver any other documents, agreements or instruments necessary and appropriate to accomplish the foregoing transactions, all to provide for the development of Parcel 9, on substantially the terms set forth in Exhibit B hereto.

In answer to a question from Ms. Carethers, Mr. Raymond stated that NYCEDC had seen a site plan and projected renderings for Parcel 9, and that the Developer was planning to have approximately 22,000 square feet of street-level retail. In answer to a question from Mr. O’Sullivan, Mr. Raymond stated that the original program from the 2017 approval was contemplated to be approximately 103 or 104 units, that it was a similar-sized building, and that the reason for now capping it at 99 units was because of the recently adopted New York State Real Property Tax Law Section 485-x, known as the Affordable Neighborhoods for New Yorkers Tax Incentive program (“485-x”). In answer to a second question from Ms. Carethers, Mr. Raymond stated that the 50% affordability requirement was for the entire Project Site (i.e. for all 9 of the Seward Park project sites combined). Additionally, he explained that currently there were 996 units

constructed across Essex Crossing not including Parcel 9, that the aim was to try to maintain the balance throughout the program once all the sites were completed, and that this was why NYCEDC added additional affordable units than what was required.

In answer to a question from Mr. McSpiritt, Mr. Raymond stated that 485-x required 80% area median income ("AMI"), and that there would be 80% AMI units at the Project Site. He added that if you totalled all the affordable units across the Project Site, inclusive of those required for Site 9 by 485-x, there would be a shortage in affordable vs market units at the Project Site unless you added 6 affordable units at Site 9, which was done. The additional 6 units will be at 130% AMI. In answer to another question from Mr. O'Sullivan, Mr. Raymond stated that there was no New York City Department of Housing Preservation and Development subsidy for the project. At this time, following a question from Mr. McSpiritt regarding the appraisal for Parcel 9, a discussion ensued among Mr. Raymond, PJ Berg, an Executive Vice President of NYCEDC, and the Committee members regarding the appraisal, the challenges involved in valuating Parcel 9, and the ultimately agreed upon purchase price. Mr. Berg explained that the difficulty involved in negotiating and arriving at a purchase price for this site was due to several factors, which included (1) the appraiser's inability to fully understand the 485-x program because it was very new, (2) the fact that the Parcel 9 units were slightly larger than standard units, and (3) the complexity of building around the MTA. Mr. Berg then explained requirements under the 485-x program. He then further noted that an additional complicating factor was that an appraisal looks at comps, and that there were little-to-no comps for the site in this changed regulatory environment.

In answer to a question from Mr. McSpiritt, Mr. Berg stated that the first floor of the building would be occupied by retail as well as the residential lobby. In answer to another question from Mr. McSpiritt, Mr. Berg stated that the MTA would pay for the subway displaced space. He added that this site did not benefit for zoning accessibility. In answer to an additional question from Mr. McSpiritt, Mr. Raymond stated that Parcel 9 would not have any community facility space, but that approximately 64,000 square feet of such space was included elsewhere in the Project Site. In answer to a question from Ms. Carethers, Mr. Raymond stated that Parcel 10 of the Project Site was very small and would have 9 market rate condos. In answer to another question from Ms. Carethers, Mr. Raymond stated that Parcels 8, 9 and 10 were the NYCEDC sites, and that Parcel 8 was 100% senior affordable housing.

In answer to another question from Mr. McSpiritt, Mr. Berg explained that NYCEDC had a purchase contract with the Developer and that the Developer had done a lot of pre-development work for the site since 2013 – that it developed plans for a potential building, then for a revised building, and now for a further revised building, that it had a deep relationship with the MTA about this particular subway station, and that it owned a lot of architectural work for the site – and that to go back to square one would therefore be a costly endeavor. Mr. Raymond then added that a lot of the preliminary design work had been done and MTA had reviewed that work, and that this transaction had been able to advance to this point because so much of that work had been done with the MTA.

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 Resolution section of Exhibit B hereto. Such motion was seconded and approved. Mr. O'Sullivan recused himself from voting on this item.

4. Adjournment

There being no further business to come before the meeting, the meeting of the Committee was adjourned at 12:40 p.m.

\_\_\_\_\_  
Assistant Secretary

Dated: \_\_\_\_\_  
New York, New York

DRAFT

**EXHIBIT A**

**BIOBAT SUBLEASE AMENDMENT & ORGANIZATIONAL RESTRUCTURING**  
**Board of Directors Meeting**  
**September 30, 2025**

**Project Description:**

BioBAT, Inc. ("BioBAT") is a not-for-profit corporation created by NYCEDC and The Research Foundation of the State University of New York ("SUNY RF") in 2006 to facilitate the redevelopment of a portion of BAT into a bioscience/life science facility (the "Project"). The Board previously approved the terms for a sublease to BioBAT for space at BAT for sublease and build out. A sublease was executed as of November 13, 2009, and commenced on May 22, 2012 (the "Sublease"). As the Project changed over the years, the Board approved changes to the Sublease, the last approved changes being in February 2019 (the "2019 Amendment"). As the Project has continued to face obstacles finding tenants, SUNY RF and NYCEDC have decided to restructure BioBAT and amend the Sublease to clarify the relationship between the organizations and have NYCEDC withdraw as a Member from the corporation. It is recommended that the Project, Sublease, and not-for-profit corporate entity (the "BioBAT Entity") be modified to effectuate this plan. The more substantial proposed changes include the following:

- Sublease
  - o The Sublease be amended to reflect a more standard landlord-tenant relationship
  - o The space being subleased be downsized to a single floor
  - o Reduction of term
  - o Fixed rent schedule with no performance measures
  - o A defined capital contribution by NYCEDC to complete base building fit out and decouple the BioBAT space from other common spaces within Building A at BAT
- BioBAT Entity
  - o Withdrawal of NYCEDC as a Member
  - o Resignation of NYCEDC-appointed Directors on the BioBAT Board of Directors
  - o NYCEDC no longer being involved with the operations of BioBAT or its Board.

**Borough:** Brooklyn

**Lessor:** The City of New York

**Lessee and Sublessor:** NYCEDC

**Sublessee:** BioBAT

**Type of Contracts:** Amendment to Sublease which may be in an Amended and Restated Sublease, Surrender Agreement, and Reconstitution Agreement

## **Current Sublease Terms**

**Subleased Property:** Subleased property (the "2019 Premises") consists of approximately 206,400 square feet ("sf") located in the southern portion of Building A of BAT (including space for supporting mechanical systems) on the dock level and first through third floors and the adjacent garage.

**Sublease Term:** Expires no later than January 30, 2085, representing one day less than the total term remaining under the lease agreement between the City and NYCEDC.

**Use:** The premises are to be used primarily as a bioscience/life science facility. Uses may include, without limitation, commercial, academic, manufacturing, laboratory, research, training center and related product development uses and office space, and related uses such as for mechanical systems, electrical and parking. A small portion of the facility may be used for a pre-kindergarten.

### **Milestones:**

- Subleasing milestones were provided

### **Rent Payments:**

- **Base Rent**
  - \$11.00 per sf of sub-subleased space per lease year from the proceeds of the sub-subleased rent ("Deferred Rent"), such amount to be increased annually by 2%.
  - Deferred Rent is only payable if there are Net Proceeds (hereinafter defined) for any lease year. If there are Net Proceeds for any lease year, then up to 25% of the Net Proceeds shall be used to pay any unpaid Deferred Rent for such lease year and any prior year.
  - "Net Proceeds" for any lease year means the amount, if any, by which gross receipts from sub-subleased space exceed permitted expenses for such lease year.
- **Common Area Charges**
  - \$5.00 per sf which is leased prior to completing a specified leasing milestone (75,000 sf of sub-sub leased space within 5 years), with 2% escalation per year.
  - \$7.00 per sf which is leased after completing the specified leasing milestone, with 2% escalation per year.
- **Shared Costs**
  - BioBAT is responsible for 33% of the cost for operating certain components within Building A shared by NYCEDC and BioBAT (such as mechanical/electrical systems and water/plumbing service).
- **Fees**
  - Management Fee of 3% of all rent paid under any sub-sublease.
  - Construction Management Fee of 5% of the cost of construction work performed by or for BioBAT, and 2% of the cost of construction work performed by or for any sub-sub lessee.

## **Proposed Modifications to Sublease**

**Modified Subleased Property:** BioBAT shall surrender (i) the dock level, 1st, and 3rd floors, and adjacent garage together consisting of approximately 162,400 sf of the 2019 Premises. Therefore, only approximately 44,000 sf, consisting of the 2nd floor, shall remain in the leasehold interest (the "New Premises"). BioBat and NYCEDC may enter into a Surrender Agreement related to such surrender. Although BioBAT will not be leasing roof space, it will have access to some roof space for its mechanical systems.

**Modified Term:** Ten years from commencement, with two 5-year renewal options.

**Reconfiguration Work:** NYCEDC to undertake capital improvement work required to re-configure the New Premises by decoupling the New Premises from other common elements at BAT and rerouting building systems ("Reconfiguration Work Phase 1"), and completing the whiteboxing of an approximately 12,000 sf unoccupied portion of the New Premises ("Reconfiguration Work Phase 2") (collectively, the "Reconfiguration Work"). NYCEDC is to fund up to \$5,000,000 for the Reconfiguration Work. It is anticipated that NYCEDC will undertake such work through one of the construction managers with which it has a contract using funds approved for such contract by NYCEDC's Board of Directors or Executive Committee.

### **Modified Payments:**

- **Security Deposit:** Equivalent to 12 months Base Rent
- **Base Rent** – \$15 per sf for years 1-5, \$20 per sf for years 6-10. Base rent shall be reset at the beginning of each renewal option period based on a fair market rental appraisal.
- **Common Area Maintenance** – \$5.75 per sf for 44,000 sf for common facilities maintenance.
- **Escalations** – 3% per year for Base Rent and common area maintenance.
- **Rent Abatement Period** – Until twelve months after the completion date of Reconfiguration Work Phase 1. Should Reconfiguration Work Phase 2 not be completed prior to the conclusion of the abatement period, no rent will be owed on the 12,000 sf of unoccupied space until Reconfiguration Work Phase 2 is completed.

**Performance Measures, Milestones, Shared Costs and Fees:** Eliminated

**Use:** Unchanged, though there probably will not be any space used for a pre-kindergarten

## **Proposed Modifications to BioBAT Entity**

### **Current BioBAT Members and Directors:**

NYCEDC and SUNY RF are the Members of BioBAT. BioBAT has 10 Directors, 4 of whom are chosen by each of NYCEDC and SUNY RF and 2 of whom are jointly chosen. The 4 Directors currently chosen by NYCEDC are employees of NYCEDC.

### **Modified BioBAT Members and Directors:**

Pursuant to a Reconstitution Agreement, NYCEDC will withdraw as a Member of BioBAT. It will no longer be involved with the operations of BioBAT and its Board.

### **Additional Conditions for BioBAT Entity Restructuring:**

As part of the BioBAT Entity restructuring, NYCEDC and SUNY RF in the Reconstitution Agreement shall agree on amended by-laws and an amendment to the certificate of incorporation to reflect the currently proposed corporate structure, and shall receive audited financial statements and a memo from outside counsel confirming that there are no restrictions related to existing or past grants. In addition, NYCEDC no longer shall have any potential claim to BioBAT's assets, including approximately \$3,400,000 of cash on hand.

**Proposed Resolution:** The approval for NYCEDC to amend the Sublease between BioBAT and NYCEDC and to enter into the Surrender Agreement, the Reconstitution Agreement, and any related agreements and transactions, substantially as described herein

**NYCEDC Staff:** Jamie Horton, Senior Vice President, President's Office  
Hazel Balaban, Vice President, Asset Management  
Coco Mong, Associate, President's Office  
Rick Elbaum, Senior Counsel, Legal

**EXHIBIT B**

**SEWARD PARK DISPOSITION (PARCEL 9)**  
**Board of Directors Meeting**  
**September 30, 2025**

**Project Background:**

NYCEDC proposes to amend the terms of the proposed disposition of Parcel 9 (Block 353, Lot 44 on the Tax Map of the Borough of Manhattan) of the Seward Park project site, substantially as described below. Parcel 9 is located in Community Board District No. 3.

Parcel 9 has approximately 400 feet of frontage on Essex Street, approximately 45 feet of frontage on Delancey Street, approximately 20 feet of frontage on Rivington Street, and extends approximately 70 feet into the block in the center of the lot. Parcel 9 (the “Site”) is approximately 20,365 square feet and is occupied by a vacant one-story structure with approximately 20,616 square feet. The structure formerly hosted the approximately 15,000 square feet of market space for Essex Street Market. The balance was dedicated to small retailers. Essex Street Market was relocated to a condo within the mixed-use building built on Parcel 2 of the overall Seward Park project in 2019. The Essex-Delancey subway station occupies below-grade space at the Site, and an active escalator on the Site continues to serve as egress from the station.

Parcel 9 spans two zoning districts: a C4-A zoning district (approximately 12,585 square feet) and a C6-2A zoning district (approximately 6,780 square feet).

On January 9, 2013, NYCEDC and HPD released an RFP for the sale of Parcel 1, Parcel 8, Parcel 9, and Parcel 10 (together with Parcels 1, 8 and 9, the “NYCEDC Parcels”); Parcel 2, Parcel 3, Parcel 4, Parcel 5, and Parcel 6 (together with Parcels 2, 3, 4, and 5, the “HPD Parcels”) on the Tax Map of the Borough of Manhattan. All nine parcels together comprise the “Project Site” and are approximately shown on **Appendix A: Project Site Map**.

The Project Site contained approximately six acres of underdeveloped land. The RFP sought proposals to

develop an approximately 1.65 million square-foot vibrant, mixed-use development project that includes mixed-income residential, commercial, and community facilities, a locally-oriented, publicly-accessible open space, and a new and expanded Essex Street Market (the “Project”).

Respondents to the RFP were required to substantially integrate the parameters from the Project’s ULURP approval (the “ULURP Approval”). The ULURP Approval allows for a ratio of approximately 60% housing to 40% commercial space. It required the Project to create approximately 1,000 residential units of which 50% must be market rate units and 50% must be affordable units available to a range of incomes.

Delancey Street Associates LLC or an affiliated entity (the “Developer”), was selected pursuant to the RFP. The Developer is a joint venture of L+M Development Partners LLC, BFC Partners, L.P. and Taconic Investment Partners LLC and/or affiliates of such entities. A summary of the other qualified offers received in response to the RFP as they existed at approximately the original time of the contract signing with the Developer are summarized in **Appendix B** hereto.

**Previous Board Approvals:**

On November 7, 2013, NYCEDC’s Board approved and authorized NYCEDC’s purchase of the NYCEDC Parcels from the City and NYCEDC’s sale of the NYCEDC Parcels to the Developer. The other portions of the Project Site were to be sold directly by HPD to the Developer. NYCEDC, HPD and the Developer have already closed on the sale of Parcels 1, 2, 3, 4, 5, 6, 8. Parcels 9 and 10 (collectively known as the “Remaining NYCEDC Parcels”) have not been disposed of due to market conditions and remain in City ownership.

On May 10, 2017, NYCEDC’s Board approved and authorized NYCEDC’s purchase of the Remaining NYCEDC Parcels (along with Parcel 8) from the City and NYCEDC’s sale of the Remaining NYCEDC Parcels (along with Parcel 8) to the Developer on substantially the terms approved by NYCEDC’s Board

of Directors on November 7, 2013, modified substantially as provided to the Board on May 10. NYCEDC's Board also approved and authorized the payment of proceeds by NYCEDC and the execution and delivery by NYCEDC of any other documents, agreements or instruments necessary and appropriate to accomplish the foregoing transactions.

**New Contract Terms:**

In July 2025, NYCEDC and the Developer agreed, subject to NYCEDC Board approval, to amend the existing purchase price and development program for Parcel 9 while maintaining the overall Project Site-wide requirement of 50% market rate and 50% affordable residential units. Parcel 9 will include 26 affordable units (20 at 80% AMI; 6 at 130% AMI) and 72 market rate units See **Appendix C: Programming Change** for more detail. Parcel 9 will also include approximately 22,000 square feet of retail space and an ADA-compliant MTA subway entrance.

Parcel 9 is anticipated to close on September 30, 2026 (the "Scheduled Closing Date"). Construction on Parcel 9 will commence no later than 6 months from closing and be completed within 48 months from commencement of construction. In addition to unavoidable delays, the Developer may extend the Scheduled Closing Date up to 18 months, and the construction commencement date and/or the construction completion date up to 36 months, less any months utilized for a closing date extension, subject to notice and payment of an extension fee.

Due to unforeseen market conditions and a change to real property tax incentives (421-a) since the time of the previous Board authorization in May 2017, the Developer was unable to close on Parcel 9 by the original contract date. Taking into account the changed market conditions and tax incentives and the increased space needed by the MTA for delivery of a new MTA subway entrance at the Site, NYCEDC and the Developer negotiated a revised purchase price and closing date, and worked with MTA and Developer to agree on milestone(s) pertaining to the subway entrance at the Site.

**Amount to be Approved:** The total cash consideration to be paid by the Developer for Parcel 9, is \$7,000,000 (the “Purchase Price”) instead of the previously approved \$35,700,000.

Parcel 9 will be conveyed by the City to NYCEDC for \$1.

**Appraised Value:** An appraisal for highest and best use completed in September 2025 estimated the fair market value of the fee simple interest in Parcel 9 as \$31,600,000 (this appraisal did not take into account NYCEDC’s proposed restricted use and the contemplated MTA entrance at the Site). The appraisal estimated the fair market value of the Site with use restricted to NYCEDC’s contemplated program at \$9,800,000.

**M/WBE Goal:** MBE-20%; WBE 15%

**Purpose of Disposition & Benefits to Public:** Developer will construct on Parcel 9 a total of 99 units, with 26 affordable units: 20 affordable units to ensure compliance with 485-x, and 6 additional affordable units beyond the minimum 485-x program requirement, all of which will be regulated under a separate agreement with HPD.

Subject to unavoidable delays, Developer is to commence construction on Parcel 9 no later than 6 months from closing (the “Construction Commencement Date”) and substantially complete construction of the project by 48 months after the Construction Commencement Date. The Developer shall have an option to extend those dates as described earlier.

**Public Approvals:** In accordance with New York State General Municipal Law Section 695, designation by HPD of the Developer and/or NYCEDC as a “qualified and eligible sponsor” and authorization by the City of the disposition of a Parcel to the Developer or to NYCEDC for reconveyance to the Developer are required prior to closing.

**Proposed Resolution:** The Board of Directors approves and authorizes (1) NYCEDC’s purchase of Parcel 9 from the City and

NYCEDC's sale of Parcel 9 to the Developer on substantially the terms approved by NYCEDC's Board of Directors on November 7, 2013 and May 10, 2017, modified substantially as described herein and (2) the execution and delivery by NYCEDC of any other documents, agreements or instruments necessary and appropriate to accomplish the foregoing transactions, substantially as described herein.

The Board of Directors further resolves that there is no reasonable alternative to the proposed below market transfer of Parcel 9 to the Developer that would achieve the same purpose as the transfer.

**Relevant Staff:**

PJ Berg, Executive Vice President, Real Estate Transaction Services  
Lauren Wolf, Senior Vice President, Real Estate Transaction Services  
John Raymond, Vice President, Real Estate Transaction Services  
Sacha Sellam, Assistant Vice President, Real Estate Transaction Services  
Dewin Vasquez, Associate, Real Estate Transaction Services  
Karyn Monat, Senior Counsel, Legal

**Project Code:**

1014

## Appendix A: Project Site Map



- 1: 236 Broome Street
- 2: 80 Essex Street/85 Norfolk Street
- 3: 135-147 Delancey Street
- 4: 153-163 Delancey Street
- 5: 394-406 Grand Street
- 6: 178 Broome Street
- 8: 140 Essex Street
- 9: 116 Delancey Street
- 10: 121 Stanton Street

**Appendix B: Summary of Qualified Responses to the RFP**

<b>PARTIAL SITE PROPOSALS</b>		
<b>Respondent</b>	<b>Parcels Included in Proposal</b>	<b>Total Cash Consideration Offered as of Contract Signing</b>
Essex Market Partners	1, 2, 8, 9, 10	\$57.5 M
Kery LLC	1, 2, 6, 8, 9, 10	\$39 M
<b>FULL SITE PROPOSALS</b>		
<b>Respondent</b>	<b>Parcels Included in Proposal</b>	<b>Total Cash Consideration Offered as of Contract Signing</b>
AvalonBay/Equity One/Jonathan Rose Companies	All	\$120 M
Connecting Delancey	All	\$124 M
Essex Street Associates, LLC	All	\$180 M
Forest City Ratner Companies/WE Live Essex VE	All	\$111 M
LES Partners	All	\$122 M

**Appendix C : Programming Change**

<b>2017 Approved</b>	Site	<b>Parcel 9</b>
	Purchase Price	\$35,700,000
	Total Units	92
	Affordability	47%
	Unit Type	Rental

<b>Proposed New Program</b>	Purchase Price	\$7,000,000
	Total Units	99
	Affordability	26% for Site 9, although affordability for overall Project Site remains at 50%
	Unit Type	Rental



**LONG TERM GROUND LEASE TO QUEENS DEVELOPMENT GROUP, LLC**  
**Board of Directors Meeting**  
**November 13, 2025**

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

**LESSEE/  
LEASE ASSIGNOR:** NYCLDC

**LEASE ASSIGNEE:** The lease assignee will either be (i) Queens Development Group, LLC (“QDG”), or an affiliated entity (whichever, the “Developer”) and/or (ii) an affiliated housing development fund corporation (“HDFC”) or other entity whose purpose is to facilitate affordable housing and/or obtain financing for the proposed project (the “Financing Entity”). If the Financing Entity, or the Financing Entity and the Developer, is the Lease assignee, the Developer will be the beneficial owner of the leasehold interest. The Developer is controlled directly or indirectly by the Related Companies and Sterling Equities and/or their affiliates.

**SITE  
LOCATION:** Block 1833, Lot 140 (the “Site”)  
Willets Point  
Borough of Queens  
Community Board #7

**SITE  
DESCRIPTION:** The Site is approximately 16,112 square feet. The Site is owned by the City and is currently vacant. The Site is depicted in Attachment A.

**BACKGROUND:** The City has envisioned the redevelopment of Willets Point over several mayoral administrations. The Willets Point and Flushing Meadows Corona Park area had been historically known as the ‘Valley of Ashes’ due to their serving as a coal ash dump during the early 20<sup>th</sup> century. Though the coal ash was removed from the entire area and the larger Flushing Meadows Corona Park area was developed for the 1939 World’s Fair, the area known as Willets Point was never fully developed. In the mid-20<sup>th</sup> century, the Willets Point area evolved into primarily a neighborhood of automobile chop shops consisting of one-story metal structures and lacking basic infrastructure such as sanitary sewers.

In 2002, the Downtown Flushing Task Force convened to develop a planning strategy for the growth of Downtown

Flushing, the Flushing River waterfront, and Willets Point. Building upon this strategy, in 2008, approximately 63-acres bound by Seaver Way (126<sup>th</sup> Street), Northern Boulevard, Block 1833, Lot 1 to the west of Flushing Creek, and Roosevelt Avenue were rezoned, established as the Special Willets Point District (“SWPD”), and designated as an Urban Renewal Area. The City commenced purchasing properties from private landowners within Willets Point that would be part of future land assemblages.

NYCEDC released an RFP in 2011 for development proposals, and in 2012 QDG was selected. QDG’s initial proposal included development of a portion of the SWPD, and the parking lots of Citi Field (“Willets West”), which parking lots are mapped parkland. SWPD was to have been a mixed-use neighborhood featuring office, retail, hotel, a school, open space, and 2,500 units of housing, 35% of which was to have been affordable. Willets West was to have been developed as a retail mall. The Willets West component was challenged in court, and in 2017, was ruled to be a use inconsistent with the legislation that provided for the construction of Citi Field and its precursor Shea Stadium on parkland. Since Willets West was to have financially supported development of the entire plan, redevelopment was postponed.

On February 5, 2018, NYCEDC entered into a Pre-Development Agreement with QDG for Phase 1 of the Willets Point development (the “Phase 1 Development”), which was amended as of March 5, 2021, and further amended as of November 21, 2023. In July 2021, infrastructure work for the Phase 1 Development and remediation work on both the Phase 1 premises and the majority of the Phase 2 premises commenced, with the remediation work completed in 2024 and the Phase 1 infrastructure work expected to be completed in 2026. On November 21, 2023, the City entered into a ground lease with (i) Willets Point I Housing Development Fund Corporation (“Legal Tenant”), as nominee for an affiliate of QDG which is the beneficial tenant (the “Beneficial Tenant”) and (ii) the Beneficial Tenant, for development of the first 881 units of planned affordable housing, for which construction commenced in December 2023 and is anticipated to be complete in 2026.

**PROJECT DESCRIPTION:**

As part of the Phase 1 Development, the Site will be developed by the Developer into one, 12-story senior affordable rental apartment building comprising approximately 184,359 gross square feet (the "Project"). The development is expected to include (i) approximately 181,506 gross square feet of senior affordable housing, and (ii) approximately 2,853 gross square feet of community facility space. Subject to unavoidable delays, the Developer is to commence construction of the Project within 120 days of the Lease effective date and substantially complete construction of the Project by 42 months after the construction commencement date.

The Developer shall deliver approximately 220 senior affordable rental apartment units, which will include a homeless set-aside and units affordable to households earning up to 60% AMI.

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

It is anticipated that the disposition of the Site will transform underutilized City-owned land that has historically been a contaminated area into a mixed-use development that provides for affordable housing and community facility uses.

**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 such Lease to the Developer and/or the Financing Entity and that NYCEDC will administer the Lease on behalf of the City.

The term of the Lease will be 99 years.

The annual base rent will be \$1 during the period that the rents of the housing units on the Site are regulated pursuant to an agreement related to affordable housing with HPD. Upon termination or expiration of the regulatory period, and every 25 years thereafter, the annual base rent will be based on an appraisal of the fair market value of the Site for the uses permitted under the Lease, with periodic escalations.

The Lease assignee will make payments in lieu of taxes ("PILOT") in amounts equal to the real property taxes that would be assessed and levied against the Site if the owner of the Site was not the City except that PILOT will reflect (i) any as-of -right exemptions, abatements, credits or other

reductions that the Developer or the Financing Entity would be entitled to if it was the owner of the Site, and (ii) to the extent that any portion of the Project is being used for a regulated affordable housing use, a discretionary abatement in line with abatements for projects encumbered by a regulatory agreement under then-applicable laws, regulations, policies, and/or programs.

**APPRAISED  
VALUE:**

An independent appraisal of the Site was commissioned in August 2025. The appraisal valued the fair market annual rent for the Site at \$0, accounting for the specific development requirements and restrictions pertaining to the use and transfer of the Site. The appraisal also valued the highest and best use fair market annual rental value of the Site at \$847,000.

**EXISTING  
ZONING:**

The Site is zoned C4-4 within the SWPD.

**PUBLIC  
APPROVALS:**

On September 24, 2008 (Calendar No. 17) City Planning approved the disposition and rezoning of the Site, as part of the Willets Point Urban Renewal Area.

Pursuant to Section 384(b)(4) of the City Charter, the proposed disposition of the Site was approved by the Queens Borough Board on May 10, 2021. The proposed disposition must obtain Mayoral Authorization prior to the execution of the Lease.

The Project design is subject to review and approval by the Public Design Commission (“PDC”). The Project received final stage Approval from PDC on February 12, 2024.

**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 the Developer and/or Financing Entity, substantially as described herein, and (iii) enter into any related agreements and documents and consents and amendments 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 the Developer and/or Financing Entity that will achieve the same purpose as the transfer.

**NYCEDC**

**PROJECT CODE:** 1906

**NYCEDC STAFF:** PJ Berg, Executive Vice President, Real Estate Transaction Services  
John Raymond, Vice President, Real Estate Transaction Services  
Maria Lombera, Senior Associate, Real Estate Transaction Services  
Sharmaine Belton, Senior Associate, Real Estate Transaction Services  
Judy Fensterman, Assistant General Counsel, Legal

Attachment A

Site Location Map



	Project Site
	Phase 1 Boundary



**BATWORKS (f/k/a CLIMATE INNOVATION HUB) MANAGEMENT AGREEMENT**  
**Board of Directors Meeting**  
**November 13, 2025**

**Project Description:**

NYCEDC released the Climate Innovation Hub RFP in April 2024 (the “Hub RFP”). The Hub RFP sought consortiums to develop a hub that will anchor a growing ecosystem along New York Harbor for new climate technologists, entrepreneurs and talent working to develop, pilot, and deploy new solutions to combat the effects of climate change (“BATWorks” or the “Hub”, formerly known as the “Climate Innovation Hub”). BATWorks is expected to occupy approximately 200,000 square feet at BAT Building A (Ground Floor, Floors 7 and 8, and a portion of the roof) and is expected to provide services for business development, incubation and research commercialization, serving approximately 150 startups over 10 years and offering workforce development opportunities. This new space will be a world-class facility enabling emerging market innovators, small companies, and growth-stage and commercialization-stage companies to build and rapidly prototype products, carry out product research and development and draw upon needed resources in the fit-for-purpose space.

The Hub RFP contemplated that NYCEDC would procure operators to operate BATWorks and manage its programming. NYCEDC has selected a team led by Los Angeles Cleantech Incubator (“LACI” or the “Climate Innovation Operator”) to lead programming, and Cambridge Innovation Center (“CIC” or “Manager”) to lead the management and operation, of BATWorks.

NYCEDC has been allocated \$100 million of City Capital Budget funds for the design, construction and fit out of BATWorks. NYCEDC will manage the design and construction of the improvements through a CM, with input from CIC and LACI. NYCEDC has already received Board or Executive Committee approval for the following agreements which are being used to deliver the Hub:

- Arup US, Inc. (“Arup”) Design Agreement.
  - Arup is under contract with NYCEDC under an on-call design retainer contract. Under this contract Arup is delivering base building design services for the Hub space at BAT. CIC has been retained as a sub-consultant under this agreement to perform market assessment services to better inform the scope of Hub improvements.
- Perkins & Will Architects, P.C. (“Perkins & Will”) Design Contract (Approved by the Executive Committee April 30, 2025)
  - Up to \$6.4M for design services for BATWorks which will be led by Perkins & Will with a set of specialty sub-consultants. CIC is retained as a design subconsultant under this agreement. Design is to be followed by approximately two years of construction.

- LACI Services Agreement (Approved by the Board June 17, 2025)
  - Up to \$4.5M for the administration of climate innovation programming at BATWorks over its 5 year term, from July 2025 through July 2030.
- Suffolk Construction Company, Inc. (“Suffolk”) (Approved by the Board September 30, 2025)
  - Suffolk is under contract with NYCEDC as one of the Asset Management on-call CM retainer contracts for which an additional \$500M of total funding was approved at the September 30, 2025 Board meeting. Suffolk was selected from these retainers to act as CM for the BATWorks capital project that will utilize approximately \$100M in City Capital Budget funding. Suffolk was selected for its expertise building similarly high-performing spaces and for its role delivering base building improvements at BAT.

At this time, approval is being sought for a management agreement with CIC NYC Innovation Services LLC, a single purpose entity created by CIC, pursuant to which it will serve as BATWorks’ real estate operator and manager (the “Management Agreement”). The manager will be responsible for working with NYCEDC to design the space for its innovation function, partner with LACI to develop industry specializations for the Hub, marketing and tenanting the space, and day-to-day management of BATWorks once it is open.

### **About CIC**

CIC has designed and managed over 1.5 million square feet of innovation shared workspaces across 9 cities globally. It creates environments and programming that foster growth and connection and specialize in lab and office facilities. CIC co-founded the world’s largest specialized startup facilities for life sciences (LabCentral), robotics (MassRobotics), and offshore wind (CIC Providence). In 25 years, CIC has served over 11,200 companies and its affiliates’ member companies have raised nearly \$40B in venture capital.

While CIC will operate the entirety of the Ground, 7<sup>th</sup> and 8<sup>th</sup> floors at BATWorks, the lab and office space that CIC will administer for its clients will be located primarily on the 7<sup>th</sup> and 8<sup>th</sup> floors while LACI will primarily utilize classroom, prototyping and amenity spaces for programming on the Ground Floor. CIC’s operating model is to provide short-term licenses to companies looking to use the space they operate. As such CIC will enter into licenses and other use agreements with BATWorks clients. These clients will utilize both individual space like dedicated offices and labs as well as shared amenities like co-working, prototyping and event spaces.

**Borough:** Brooklyn

**Type of Contract:** Management Agreement and any needed Funding Source Agreements

**Amount To Be Approved:** Up to \$8,500,000

**Type of Funds:** NYCEDC programmatic budget funds, City Tax Levy, and IDA programmatic funds may be used

**Procurement Method:** Public RFP

**Agreement to Be Approved:** Management Agreement with CIC NYC Innovation Services LLC to provide operation and management services at the Hub

**M/WBE Goals:** N/A

**Term of Agreement:** Up to approximately 30 years, inclusive of all renewals and extensions. The term will be inclusive of the following pre and post-opening periods:

- **Pre-Launch Period:** The period of time from execution of the Management Agreement to the start of the Pre-opening Period. This is expected to cover CY 2026.
- **Pre-Opening Period:** The period of time from the end of the Pre-Launch Period to the opening and operations commencement date of the Hub (the “Hub Opening Date”).
- **Operating Period:** Fifteen (15) years from the Hub Opening Date, with two (2) renewal options of five (5) years each. Total maximum Operating Period is 25 years from the Opening Date (or 25 Operating Years). Renewals shall be automatic so long as there is no ongoing default under the Management Agreement.

**Scope of Work:** This scope of work covers all phases of the Project, substantially as outlined below.

During the Pre-Launch Period, Manager shall partner with the Climate Innovation Operator to host and facilitate events, market space to potential tenants and users, undertake sales and marketing activities, hire key staff, and establish administrative infrastructure.

During the Pre-Opening Period, Manager shall undertake the required actions to prepare the Hub for opening and commencement of operations, including without limitation, recruiting, hiring, training, travel, establishing payroll, marketing, and planning a launch event.

After the Hub is open, Manager is responsible for the operation and management of the Hub, including but not limited to strategic and operational management, obtaining

clients to use the space, event management, facility operations, vendor management, community building, programming coordination, and financial management.

**NYCEDC Operational Funding:**

Per the approval requested herein, NYCEDC will provide up to \$8,500,000 in operational funding to fund all or a portion of Manager’s operating expenses during: (i) the Pre-Launch Period, (ii) Pre-Opening Period, (ii) the Operating Period before the Hub reaches financial stabilization, and (iv) in the event of termination, to fund wind-down expenses. The Hub is expected to reach financial stabilization after the first five years of operation (CY 2026 through CY 2031), but this timeline may be extended if necessary. NYCEDC expects to provide up to \$6,000,000 in the aggregate to cover Manager’s operating expenses prior to Hub stabilization, a portion of which may be put in a cash reserve fund. However, NYCEDC may increase the aggregate amount up to \$7,500,000 in its sole discretion. NYCEDC will make up to \$1,000,000 available to fund expenses associated with winding down Hub operations should Manager be terminated.

**Hub Clients and Revenues and Expenses:**

Manager is responsible for securing Hub clients who will occupy the Hub through licenses and other use agreements. These uses are expected to generate the majority of revenue generated by the Hub. Manager is responsible for Hub financial performance and will collect all revenues and income generated directly by the Hub for the benefit of NYCEDC (the “Gross Revenues”). Such Gross Revenues will include any revenues attributable to use agreements, licenses, or similar space agreements at the Hub, events held at the Hub, operating grants, sponsorships, and investment revenues from cash reserves that may be used to offset operating expenses incurred by Manager to operate the space. Operating expenses include management fees, salaries and benefits, selling & advertising, utilities, consumables costs, repairs, among other costs.

NYCEDC will have approval of the operating budget for Operating Years 1-3 and any Operating Year when Manager does not expect to make a minimum net income distribution to NYCEDC (as further described under Manager Compensation and Obligations to NYCEDC below, the “Minimum NID Threshold”).

Net income after all operating expenses are paid will be distributed according to the following schedule (“Net Income Distributions” or “NIDs”):

<b>Annual Net Income Range</b> (through Operating Year 5)	<b>NYCEDC Share of Net Income Distribution</b>	<b>Manager Share of Net Income Distribution</b>
\$1 - \$1,900,000	100%	0%
\$1,900,001 - \$3,400,000	80%	20%
Greater than \$3,400,000	60%	40%

Net income ranges increase 3% per year after operating year 5.

## **Manager Compensation and Obligations to NYCEDC**

Manager will be compensated through a Base Management Fee and Net Income Distribution Share. Manager's annual Base Management Fee will be the greater of \$350,000 or 5% of Gross Revenues, escalating 3% annually. Base Management Fee will be paid as part of operating expenses i.e. before calculation of net income distributions.

Manager is required to make Net Income Distributions to NYCEDC equal to or greater than the Minimum NID Threshold beginning in Operating Year 4. The Minimum NID Threshold schedule is:

- Year 4: \$560,000
- Year 5: \$1,200,000
- Following year 5, Minimum NID Threshold escalates at 3% per year through end of Term

The above schedule amounts may be reduced as a result of the amount of space useable by clients as a result of the final design of the Hub.

Manager may receive offsets to Minimum NID Thresholds in exchange for discounted memberships or access to specialized facilities to the Climate Innovation Operator, community organizations, and other Hub users delivering on policy priorities. Any offsets must be approved by NYCEDC.

Manager is required to pay Common Area Charges on floors 7 and 8 beginning in Operating Year 4. Common Area Charges will be determined prior to Hub opening.

## **NYCEDC Termination Rights**

NYCEDC may terminate the Management Agreement with Manager should the operating reserve be completely exhausted or if Manager fails to make required NIDs for two consecutive years. If NYCEDC terminates the Management Agreement, Manager will have up to 180 days to wind down operations and transfer operations to a subsequent space manager selected by NYCEDC.

**Proposed Resolution:** To authorize the President and any empowered officer to enter into the Management Agreement, any needed Funding Source Agreements and any required ancillary agreements on terms substantially as described herein

**Relevant Staff:** William Young, Assistant Vice President, Innovation Industries  
Jamie Horton, Senior Vice President, Special Projects & Business Operations  
Ali Kokot, Assistant Vice President, Green Economy  
Izzy Cohn, Senior Counsel, Legal



**HUNTS POINT PRODUCE MARKET REDEVELOPMENT**  
**Board of Directors Meeting**  
**November 13, 2025**

**Background:**

The Hunts Point Produce Market (the “Produce Market”) is located in the Hunts Point neighborhood of the Borough of the Bronx and operates within the broader Hunts Point Food Distribution Center (the “FDC”). The FDC, including the Produce Market, is owned by The City of New York (the “City”). The Produce Market is the largest produce market in the United States and relocated to the FDC in 1967, where it operates today with approximately 2,000 full-time equivalent employees.

The FDC plays a vital role in New York City’s food supply chain, distributing approximately 4.5 billion pounds of food annually, about half of which is distributed throughout New York City. About 12 percent of all food in New York City goes through FDC, including about 25 percent of produce, 35 percent of meat and 45 percent of fish.

The Produce Market is operated by the Hunts Point Terminal Produce Cooperative Association, Inc. (the “Cooperative”), a New York cooperative corporation comprised of approximately 25 members, including 3rd and 4th generation businesses. The Cooperative leases the Produce Market premises from the City pursuant to a lease (the “Existing Lease”) expiring on May 31, 2031.

At nearly 60 years old, the existing facility serving the Produce Market (the “Existing Facility”) has exceeded its useful life and is functionally obsolete, requiring comprehensive redevelopment. Bordered by Halleck Street to the west and Food Center Drive to the south, the Existing Facility comprises four buildings spread across approximately 77 acres. Due to a lack of sufficient cold storage space, the Existing Facility requires an additional up to 1,000 diesel-powered transport refrigeration units (“TRUs”) to support wholesale produce operations. In addition to insufficient refrigerated warehouse space, the Existing Facility is challenged by an inefficient layout, limited ceiling height, outdated and poor circulation that results in truck congestion, and a burdensome rail connection. These conditions have limited the Cooperative’s ability to grow business and resulted in negative impacts on the local area, including poor air quality and heavy traffic.

**Project Description:**

On August 12, 2024, NYCEDC and the Cooperative entered into a letter agreement (the “Letter”), outlining preliminary points of agreement for the replacement of the Existing Facility with a state-of-the-art, fully electric intermodal facility across two new buildings (the “New Facility”), along with improvements to sitewide access

and circulation and rail infrastructure (together, the “Project”).

Expanded refrigeration warehouse space with increased ceiling heights and a modern racking system in the New Facility will expand pallet capacity, increase operational efficiency, and eliminate the need for on-site diesel-powered TRUs, currently used for permanent storage. The Project will also deliver improved traffic circulation and rail infrastructure, subsurface utility interconnections, electric vehicle and truck chargers, office and administrative space, and maintenance and waste management facilities, among other features.

The Project budget is approximately \$635 million, of which approximately \$14.5 million is being utilized for Project related expenses pursuant to previous Board and Executive Committee authorizations for expenditures under existing retainers, including a CM Contract, a civil engineering retainer and an environmental review retainer (approximately \$12 million), contracts with Ernst & Young Infrastructure Advisors, LLC (\$1 million) and Nixon Peabody LLP (\$1 million) and expenditures for indicative and definitive ratings from S&P Global Ratings acting through Standard & Poor's Financial Services LLC and an indicative rating from Moody's Investors Service, Inc. . Approximately \$601 million will be spent pursuant to the Design-Build Contract, as defined below. Approximately \$2.5 million will be paid on a sole source basis to the two entities of the Design-Build Shortlist, as defined below, that are not awarded the Design-Build Contract. Approximately \$5 million will fund on a sole source basis the cost of tenant representation services to be obtained by the Cooperative. Approximately \$2 million will be used on a sole source basis to pay fees to Ernst & Young Infrastructure Advisors, LLC and Nixon Peabody LLP in excess of those previously approved, financing and legal fees of the U.S. Department of Transportation (“USDOT”) related to the RRIF Loan, as defined below, and miscellaneous expenses necessary to effectuate the Project. Finally, approximately \$10 million will be reserved as owner's contingency to fund on a sole source basis overages for any of the aforementioned Project costs. The \$635 million Project budget does not include fees for annual surveillance or monitoring of the credit rating for the life of the loan previously approved by the Executive Committee.

\$405 million in funding is committed to the Project, including: (i) \$130 million in City Capital Budget funds, (ii) \$130 million from the State of New York, and (iii) \$145 million in federal grants, including \$110 million from USDOT's Infrastructure for Rebuilding America program. The City is the grantee of the federal and New York State grants and will advance funding to NYCEDC and subsequently be reimbursed by the respective grantors. The balance of

approximately \$230 million is anticipated to be funded with a Railroad Rehabilitation and Improvement Financing loan (the “RRIF Loan”) from USDOT. NYCEDC is fronting certain of the Project expenses with the anticipation that it will be reimbursed from the above indicated sources.

The RRIF Loan will be secured by a rent pledge from a new long-term lease between the City and the Cooperative for the New Facility (the “New Lease”), together with a pledge of lease revenue from certain City-owned assets, as described below. The New Lease will be on an absolute net basis with a lease term of 40 years. The City will enter into the New Lease pursuant to Section 1301.2 of the Charter of the City of New York.

**Project  
Construction:**

Procurement of the design-build firm for the Project commenced on March 18, 2025, with NYCEDC’s release of a request for qualifications (the “Design-Build RFQ”) as the first stage of an RFP process under the Competitive Sealed Proposals method of procurement under NYCEDC’s annual contracts with the City. The Design-Build RFQ was publicly advertised and specified a maximum contract price and set forth the basis of design for the Project. On June 6, 2025, NYCEDC selected the following design-build firms to be included on a shortlist for the final stage of the RFP procurement (the “Design-Build Shortlist”):

- ARCO DB Companies, Inc.
- A joint venture between Aurora Contractors, LLC and Primus Builders, Inc.
- A joint venture between Pavarini McGovern, LLC and LiRo Program and Construction Management, PE P.C. (d/b/a LiRo-Hill)

On August 4, 2025, NYCEDC released an RFP (the “Design-Build RFP”) to the Design-Build Shortlist. Design-Build RFP proposals from the Design-Build Shortlist are scheduled to be received on November 12, 2025. To facilitate Project construction, NYCEDC will enter into a contract (the “Design-Build Contract”) with the selected design-build firm. Authorization is being sought for NYCEDC to enter into the Design-Build Contract with one of the Design-Build Shortlist firms approved for the Design-Build Contract by the President or another authorized signatory of NYCEDC.

**RRIF Loan and  
Special Purpose  
Entity:**

A special purpose borrowing entity (“HPPM LLC”) will be formed by NYCEDC for the purpose of obtaining, and entering into the

agreements required by USDOT in connection with, the RRIF Loan (such agreements, together with agreements required by USDOT to be executed by NYCEDC in connection with the RRIF Loan, the “RRIF Loan Transaction Agreements”). NYCEDC will be the sole member of HPPM LLC.

Execution of the RRIF Loan Transaction Agreements is anticipated to occur simultaneously with execution of the Design-Build Contract and the New Lease. Authorization is being sought for NYCEDC to form HPPM LLC for the purpose of obtaining the RRIF Loan and entering into certain of the RRIF Loan Transaction Agreements and for NYCEDC to enter into certain of the RRIF Loan Transaction Agreements.

The RRIF Loan will have a term of 35 years and will be secured by a gross pledge of certain contracted lease revenues (other than payments in lieu of taxes) collected and retained by NYCEDC pursuant to the Amended and Restated Master Contract between the City and NYCEDC, dated as of June 30, 2024, as amended from time to time, and the Amended and Restated Maritime Contract between the City and NYCEDC, dated as of June 30, 2024, as amended from time to time.

The collateral for the RRIF Loan will be assigned and pledged by NYCEDC and HPPM LLC and include a (1) primary pledge of lease revenue from the New Lease (the “Primary Pledge”), as well as (2) a back-up pledge consisting of revenues from the NYCEDC-administered leases set forth below (the “Additional Pledge”):

	Tenant Name	Lease Date
FDC	Baldor Specialty Foods, Inc.	3/8/2007
	Dairyland HP LLC	4/26/2012
2 MetroTech Center	Forest City Bridge Street Associates II, LLC	3/10/1988
One Pierrepont Plaza	Forest City Pierrepont Associates, LLC	5/13/1986
Brooklyn Renaissance Plaza	Brooklyn Renaissance Plaza LLC	6/19/1987
	Brooklyn Renaissance Plaza II LLC	6/19/1987
	Brooklyn Renaissance Office/Retail LLC	6/19/1987
	Brooklyn Renaissance Garage LLC	6/19/1987
Marriott NY at Brooklyn Bridge	Brooklyn Renaissance Hotel LLC	6/19/1987

The RRIF Loan will also be secured by a debt service reserve account (the “DSRA”) equal to two (2) years of debt service on the RRIF Loan, to be funded by the Primary Pledge during the first two years of rent payment under the New Lease.

The Primary Pledge will be used to pay RRIF Loan debt service, ongoing financing fees, and other annual reserves as agreed to in the RRIF Loan Transaction Agreements. The Additional Pledge, together with the DSRA, was required to strengthen the credit profile of the borrower entity. S&P Global Ratings provided an indicative credit rating of BBB on March 28, 2025 and will provide a final rating at the time of closing. The unused Additional Pledge revenues will be released to NYCEDC on a semi-annual basis provided that debt service payments are made.

Summary terms of the RRIF Loan are as follows:

Borrower:	HPPM LLC
Lender:	USDOT
Loan Amount:	\$230,000,000
Interest Rate:	TBD – based on the 30-year treasury at RRIF Loan closing plus TBD credit spread
Term:	35 years
Security:	<ul style="list-style-type: none"> <li>▪ Primary Pledge</li> <li>▪ Additional Pledge</li> </ul>

**HPPM LLC  
Agreements  
with NYCEDC:**

To support the RRIF Loan borrowing, NYCEDC will enter into the following agreements with HPPM LLC:

- a) A services agreement between NYCEDC and HPPM LLC (the “Services Agreement”) setting forth certain services to be performed by NYCEDC on behalf of HPPM LLC, including: (i) audit and accounting, (ii) budgeting, (iii) contract management related to the RRIF Loan Agreement, grant agreements, and procurements necessary to implement the Project, (iv) lease administration for the Primary Pledge and Additional Pledge, (v) project management and other related services, (vi) legal services, and (vii) compliance services, among other additional services and assistance as may be mutually agreed upon by the parties. Pursuant to the Services Agreement, HPPM LLC shall reimburse NYCEDC for third-party fees and

expenses, including all costs incurred by NYCEDC under the Design-Build Contract.

- b) A pledge and assignment agreement between NYCEDC and HPPM LLC (the “Pledge and Assignment Agreement”) pledging and assigning to HPPM LLC lease revenues comprising the Primary Pledge and the Additional Pledge for purposes of securitizing and funding debt service and other costs for (as described above) the RRIF Loan. HPPM LLC will assign and pledge such lease revenues to a Collateral Agent for the benefit of USDOT, as lender, pursuant to a Collateral Agency Agreement.
- c) All other RRIF Loan Transaction Agreements required by USDOT, as lender, in connection with the RRIF Loan.

**DBE Requirements:** Pursuant to the anticipated federal funding, including the RRIF Loan, the Project will be subject to the Disadvantaged Business Enterprises (“DBE”) rules and policies defined in Title 49, Code of Federal Regulations, Part 26 (49 CFR Part 26).

**Agreements to be Approved:** RRIF Loan Transaction Agreements, Pledge and Assignment Agreement, Services Agreement, Design-Build Contract and other agreements to implement the Project substantially as described herein

**Amount to be Approved:** Approximately \$635,000,000 for the Project

**Type of Funds:** Anticipated to be (i) City Capital Budget and federal funds and New York State grant funds (\$405,000,000) and (ii) proceeds from the RRIF Loan (\$230,000,000). NYCEDC is fronting certain of the Project expenses with the anticipation that it will be reimbursed from the above indicated sources

**Proposed Resolution:** To authorize the President and any empowered officer (a) to (1) form HPPM LLC for the purpose of obtaining the RRIF Loan and entering into certain RRIF Loan Transaction Agreements and related purposes; (2) on behalf of NYCEDC, enter into certain RRIF Loan Transaction Agreements, including the Pledge and Assignment Agreement; and (3) on behalf of NYCEDC, enter into the Services Agreement and Design-Build Contract, substantially as described herein, and (b) to take any actions and make payments and enter into any related agreements necessary for and related to the RRIF Loan or Project and making expenditures, substantially as described herein

**Relevant Staff:** Jeanny Pak, Chief Financial Officer  
PJ Berg, Executive Vice President, Real Estate Transactions

Raven Anderson, Senior Vice President, Real Estate Transactions  
Matthew Furlong, Senior Vice President, Real Estate Transactions  
Kevin Dunlevy, Vice President, Real Estate Transactions  
Stephen Aly, Assistant Vice President, Real Estate Transactions  
Brian Larsen, Senior Vice President, Capital Program  
Naomi Ocko, Vice President, Capital Program  
Elizabeth Russell, Project Director, Capital Program  
Lisa Weingarten, Vice President, Asset Management  
Meredith Jones, General Counsel, Legal  
Robert LaPalme, Assistant General Counsel, Legal  
Judy Fensterman, Assistant General Counsel, Legal

**Project Code:** 7406 (for Design-Build)