

MINUTES OF THE MEETING  
OF THE BOARD OF DIRECTORS  
OF  
NEW YORK CITY LAND DEVELOPMENT CORPORATION  
February 7, 2013

A meeting of the Board of Directors of New York City Land Development Corporation ("NYCLDC") was held on Thursday, February 7, 2013, at 260 Broadway, New York, New York.

The following members of the Board of Directors were present:

Robert Goldrich  
William Heinzen  
Jeffrey Mandel  
Kim Vaccari  
Betty Woo

Also present were members of the staff of New York City Economic Development Corporation ("NYCEDC").

Mark Silversmith, Secretary of NYCLDC, served as secretary of the meeting. (Attached hereto as Attachment 1 is a definition sheet that contains the definitions of certain frequently used terms that may be contained in the Exhibit attached hereto.)

1. Approval of the Minutes of the December 19, 2012 Meeting of the Board of Directors

There were no questions or comments with respect to the minutes of the December 19, 2012 Board of Directors meeting, as submitted. A motion to approve such minutes, as submitted, was made, seconded and unanimously adopted.

2. Property Sale to Flushing Commons, LLC

Mr. Silversmith presented proposed terms for (i) the purchase by NYCLDC from the City of property identified as Block 4978, Lot 25 in Queens (the "Site") and (ii) the sale of the Site to NYCEDC for resale to Flushing Commons, LLC or an affiliated entity, on substantially the terms set forth in Exhibit A hereto.

A motion was made to approve the matters set forth for approval in the Proposed Resolutions in Exhibit A hereto. Such motion was seconded and unanimously approved. In addition, the Board of Directors adopted a resolution that there is no reasonable alternative to the proposed transfer to NYCEDC that will achieve the same purpose as the transfer.

3. Investment Report

On behalf of Spencer Hobson, Treasurer of NYCLDC, Mr. Silversmith delivered NYCLDC's investment report for the quarter ended December 31, 2012, stating that NYCLDC had no investments in such quarter.

In answer to Mr. Mandel, Meredith Jones, General Counsel, Executive Vice President and Secretary of NYCEDC, stated that NYCLDC had assets, including a contract with NYCEDC.

4. Report on Enforcement Actions

Pursuant to a requirement in an NYCEDC annual contract with the City, Mr. Silversmith stated that in the past three months NYCLDC had closed on a lease and a property sale and that there were no defaults or enforcement actions taken with regard to those transactions. With regard to the lease, it had been assigned and NYCLDC was not responsible for administration of the lease. The property sale had been to NYCEDC, which had sold the property.

5. Mission Statement and Performance Measurement

Mr. Silversmith proposed that NYCLDC continue with its existing mission statement and use the performance measurement set forth in Exhibit B hereto.

A motion was made to adopt the resolution set forth in Exhibit B. The motion was seconded and unanimously approved.

6. Adjournment

There being no further business to come before the meeting, the meeting of the Board of Directors was adjourned.

Mark Silversmith  
Secretary

Dated: February 12, 2013  
New York, New York

## Attachment 1

### DEFINITIONS

Apple.....	Apple Industrial Development Corp.
BAT.....	Brooklyn Army Terminal
Bovis.....	Bovis Lend Lease LMB, Inc.
CEQR.....	City Environmental Quality Review process
City DEP.....	New York City Department of Environmental Protection
City DOT.....	New York City Department of Transportation
City Parks.....	New York City Department of Parks and Recreation
City Planning.....	New York City Department of City Planning or City Planning Commission
CM.....	A construction manager
CM Contract.....	A construction management contract
DCAS.....	New York City Department of Citywide Administrative Services
EIS.....	Environmental Impact Statement
ESDC.....	New York State Urban Development Corporation d/b/a Empire State Development Corporation
FM.....	A facilities manager
FM/CM Contract.....	A facilities management/construction management contract
Funding Source Agreements.....	Any agreements necessary to obtain funds for the Project
HPD.....	New York City Department of Housing Preservation and Development
Hudson Meridian.....	Hudson Meridian Construction Group LLC
Hunter Roberts.....	Hunter Roberts Construction Group, L.L.C.
IDA.....	New York City Industrial Development Agency
IDA Agreement.....	Agreement with IDA pursuant to which IDA retains NYCEDC to accomplish all or part of the Project and reimburses NYCEDC for the costs of the work
LiRo.....	LiRo Program and Construction Management, PE P.C.
LMDC.....	Lower Manhattan Development Corporation
MOU.....	A memorandum of understanding
NYCEDC.....	New York City Economic Development Corporation, survivor of a November 1, 2012 merger of a local development corporation (the "LDC") named New York Economic Development Corporation with and into New York City Economic Growth Corporation. References to NYCEDC prior to such merger are references to the LDC.
NYCLDC.....	New York City Land Development Corporation
OMB.....	New York City Office of Management and Budget
Port Authority.....	The Port Authority of New York and New Jersey
RFP.....	Request for Proposals
Sanitation.....	New York City Department of Sanitation
SBS.....	New York City Department of Small Business Services
SEQR.....	State Environmental Quality Review process

Skanska.....	Skanska USA Building Inc.
State DEC.....	New York State Department of Environmental Conservation
State DOS.....	New York State Department of State
State DOT.....	New York State Department of Transportation
State Parks.....	New York State Office of Parks, Recreation and Historic Preservation
Tishman.....	Tishman Construction Corporation of New York
Turner.....	Turner Construction Company
ULURP.....	Uniform Land Use Review Procedure

**Exhibit A**

**NEW YORK CITY LAND DEVELOPMENT CORPORATION**

**PROPERTY SALE TO FLUSHING COMMONS, LLC  
Board of Directors Meeting  
February 7, 2013**

**OVERVIEW:**

The City proposes to sell the Site (defined below) to NYCLDC. NYCLDC will sell the Site to NYCEDC and NYCEDC will sell the Site to Flushing Commons, LLC or an affiliated entity (the "Purchaser"). NYCLDC is obligated by the City to transfer the Site it acquires to NYCEDC. These acquisitions and dispositions will permit the project described below to be undertaken by the Purchaser for the purposes described below. The benefits to the public of the transfer to NYCEDC are those that will result from the project undertaken by the Purchaser. NYCLDC will purchase the Site from the City for \$1 and will sell the Site to NYCEDC for \$1.

A description of the Purchaser, the proposed project to be undertaken by the Purchaser, the amount being paid to NYCEDC and other matters related to the Site, dispositions and project are set forth below.

The terms of the proposed sale from NYCEDC to the Purchaser are substantially as follows:

**PURCHASER:**

The Purchaser (defined above)

Flushing Commons, LLC is a joint venture between the Rockefeller Group Development Corporation and TDC Development and Construction Group ("TDC")

**SITE  
LOCATION:**

Block 4978, Lot 25 (the "Site")  
Borough of Queens  
Community Board No. 7

**SITE  
DESCRIPTION/  
BACKGROUND:**

The Site is an approximately 211,000 square foot parcel in the heart of Downtown Flushing, Queens that has been used as an approximately 1,100 space municipal parking lot since the 1940s. Over the years, there have been numerous failed attempts to redevelop the Site by both community groups and private developers. The most notable effort was a mixed-use proposal in the late 1980s by the Zeckendorf organization known as "Flushing Center," which failed due to community opposition. After that failure, the community

formed a coalition to propose its own mixed-use project. However, the project never moved forward.

In 2002, then Deputy Mayor Doctoroff organized the Downtown Flushing Task Force, a group of diverse citizens from the Flushing community, including Community Board representatives, local business leaders, local and state elected officials, and City and State technical agencies. After a year-long community planning process, the Task Force made a series of recommendations for reducing barriers to growth, promoting private investment, and improving the area's quality of life. One of the Task Force's key recommendations was to issue an RFP for the redevelopment of the Site as a high quality mixed-use development.

**PROJECT DESCRIPTION/  
PURPOSE OF TRANSFER/  
BENEFITS TO PUBLIC:**

On February 2, 2004, NYCEDC issued an RFP for the sale and redevelopment of the Site as a high-quality, mixed-use development with certain guidelines formed from community feedback to the Downtown Flushing Task Force.

On April 20, 2004, NYCEDC received 14 responses to the RFP of which 13 submitted financial offers. After an extensive RFP review process including numerous meetings with the Queens Department of City Planning, local elected officials, Flushing Business Improvement District and representatives from the Community Board, the Purchaser was conditionally designated in May 2005 and entered into a contract of sale with NYCEDC in June 2009. The Purchaser was selected as the developer for the Site because its proposal offered: (i) the most attractive mixed-use program with residential, hotel, retail and community space as well as the largest square footage of parking; (ii) a project with the highest return to the City; (iii) the most willingness to engage with the community and respond to its needs; and (iv) a consistent design that was most responsive to the project's stated goals. TDC, one of the partners in Flushing Commons LLC, also had significant holdings in the immediate neighborhood, which it was actively developing at that time. This gave NYCEDC and the community confidence that this was a developer that was interested in Flushing. The Purchaser's original proposed purchase price pursuant to the RFP was \$50,000,000. This was reduced to \$20,000,000 due to the addition of various public benefits to the project. A summary of the other original offers received is attached hereto as Attachment A. They were based on the

project as it existed before the addition of many public benefits.

Between designation in May 2005 and contract signing in June 2009, the Purchaser spent years engaging with the local community, local elected officials, the Department of City Planning, the City and NYCEDC to address various community concerns, design changes and a high inflationary construction cost environment. The time was also spent preparing an environmental review document which had to be significantly revised when the City required the Purchaser to include the then new Willets Point project into its analysis.

Since contract of sale signing in June 2009, the Purchaser (1) undertook the work necessary for ULURP and the project was certified into ULURP and granted ULURP approval in 2010 and (2) has been working on obtaining financing and advancing design drawings into construction drawings in anticipation of a 2013 closing. The 2009 contract allowed for a 2013 closing because at the time of execution uncertainty existed in terms of when the real estate market would recover.

The project will be built in two phases.

Phase 1, which will consist of 3 buildings that will contain not less than (i) approximately 160,000 gross square feet of residential space, (ii) approximately 250,000 gross square feet of commercial space, which will be a mix of office, hotel and/or retail, (iii) an approximately 62,000 gross square feet facility for the YMCA, and (iv) 982 parking spaces in an underground garage (the "South Garage"), and approximately 1.5 acres of public open space. 618 temporary surface parking spaces will also be provided until the commencement of Phase 2 construction.

If the closing occurs as anticipated by June 2013, the Purchaser will be required to commence construction of Phase 1 by October 31, 2013 and complete the construction by March 31, 2018.

Phase 2, which will be comprised of 2 buildings, will consist of not less than 250,000 gross square feet of a mix of uses compliant with zoning and a sufficient number of parking spaces in an underground garage such that the total number of parking spaces, when combined with the South Garage parking spaces, will total 1,600. The Purchaser will be required to commence construction of Phase 2 no later than 9 years after the completion of Phase 1.

In addition to the benefits to the public from the proposed project resulting from the creation of new residential space and additional jobs, due to the public/private nature of the proposed project there are certain other requirements that will be imposed on the Purchaser that will provide additional benefits to the public.

Open Space: Purchaser will provide a minimum of 60,000 square feet of public open space to be landscaped and utilized as a town square and walkways for Flushing. This space will be principally located in the southwest quadrant of the project site and will have frontage on, or have access to, 138<sup>th</sup> Street and 39<sup>th</sup> Avenue. It is anticipated that this space will include outdoor seating areas, a water feature, and a venue for public performances. The Purchaser will be responsible for the maintenance and security of this open space.

Parking Spaces above Zoning Requirement: Purchaser is required to construct a total of 1,600 parking spaces on-site which is 847 more spaces than what would otherwise be required by zoning for the proposed uses. This was negotiated with the City and community during the RFP and ULURP process and is memorialized in the special permit approved in ULURP.

Temporary Parking: During Phase 1 construction, an interim parking plan will be implemented to mitigate the loss of the existing municipal parking. The Purchaser will provide approximately 1,144 public parking spaces on the Site at all times during the Phase 1 construction process and will be responsible for all capital and operating costs associated therewith.

Public Parking Rates: A restrictive declaration or deed covenant will regulate the maximum rate charged by the Purchaser for short-term parking from the closing date through three years after completion of the construction of the 1,600 parking spaces.

Community Space: The Purchaser will convey approximately 62,000 gross square feet of building space to the YMCA or an affiliated entity for use as a recreational facility which the Purchaser will construct. The Purchaser will contribute \$25,000,000 for the construction thereof.



The development may be condominiumized. It is anticipated that the YMCA space will be a separate condominium unit. In addition, due to the challenges of financing the underground garages (which are significantly larger than what would otherwise be required as accessory parking under the Zoning Resolution), the Purchaser may sell its interest in the garages, possibly as condominium units, upon substantial completion, with reasonable approval of NYCEDC. Office and market rate housing units may also be sold as condominium units.

The City has indicated that \$2,000,000 will be spent on small business assistance due to the disruption of the construction of the project, probably using funds from the sale of the Site. If those funds are expended through NYCEDC, Executive Committee approval will be sought for such expenditure at a later date.

**EMPLOYMENT:**

It is anticipated that the proposed project on the Site will create approximately 3,088 construction jobs and 1,096 new full-time jobs

**PURCHASE PRICE:**

The Purchaser's purchase price for the Site is \$20,000,000, all cash (the "Purchase Price").

**APPRAISED VALUE:**

Pursuant to an appraisal dated January 15, 2013, the appraised value of the Site for highest and best use based on comparable sales analysis is \$123,000,000 and the appraised value taking into account all of the project's restrictions and community benefits based on a residual land value analysis is \$19,690,000. The difference in values is largely attributable to the following as stated in the appraisal:

1. The approximately 62,000 square feet being provided to the YMCA for which the Purchaser is contributing \$25,000,000 towards the construction thereof.
2. 847 parking spaces are required to be provided above the zoning requirement. The additional cost of constructing these parking spaces is estimated at approximately \$100,000 per parking space for a total of approximately \$85,000,000 based on construction cost estimates performed by Tishman Construction and Hunter Roberts Construction Group, L.L.C. for the Purchaser. NYCEDC staff has also independently examined these costs estimates against other similar projects.

Given that it is unlikely that City approval could be obtained for any sale without the aforementioned community benefits, the highest and best use price cannot realistically be obtained and thus the value taking into account all of the community benefits is all that could be expected as cash consideration for the purchase of the Site.

**EXISTING  
ZONING:**

The Site is zoned C4-4. The site plan will fully comply with all requirements of the General Large Scale Development Plan declared for the Site.

**PUBLIC  
APPROVALS:**

ULURP approval was received on July 29, 2010 and Section 384 (b)(4) Queens Borough Board approval was received on September 20, 2010.

**PROPOSED  
RESOLUTIONS:**

The approval of (1) NYCLDC's purchase of the Site from the City for \$1, (2) the sale of the Site by NYCLDC to NYCEDC for \$1 and (3) NYCLDC entering into any agreements and taking any other actions necessary for transactions substantially as described above to take place

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

**PROJECT CODE:**

1230

**Figure 1: Site Map**



Attachment A

Other Responses Received in April 2004 to the February 2004 RFP

Developer	Purchase Price	Proposed Uses
1. BFC Partners	\$20,843,044	678 residential units 200,000 sf retail 50,000 sf commercial condos 45,575 sf open space 15,750 sf youth center 7,500 sf bus center 1,700 parking spaces
2. Boymelgreen Developers	\$45,000,000	470 residential condo units 162,200 sf condo retail 302,600 sf condo office 82,764 sf open space 37,750 sf community facility 2,360 parking spaces
3. Ciampa Organization	\$58,800,000	653 residential units 102,000 sf retail 9,700 sf community space 105,000 sf open space 1,622 parking spaces
4. Downtown Flushing Community Development LLC	\$10,000,000	500 residential units 68,700 sf retail 51,525 sf office 10,000 sf community facility 19,800 sf sky garden 1,512 parking spaces
5. Edward J. Minskoff Equities, Inc.	\$50,000,000	800 residential units 328,025 sf retail 45,000-60,000 sf community facility 82,764 sf open space 1,500 parking spaces
6. Flushing Town Square Center LLC	\$82,000,000 or \$90,000,000	250 residential units 341,000-493,000 sf retail 75,000 sf office 250 hotel rooms 50,000 sf Taylor Business Institute 2,757 parking spaces

7. Related Companies LP	\$10,000,000	566 residential units 448,700 sf retail 10,800 sf community facility 43,560 sf open space 2,400 parking spaces
8. Suna/Levine Industries	\$55,000,000	720 residential units 229,400 sf retail 180 hotel rooms 8-screen cinema 112,500 sf community facility 1,558 parking spaces
9. The Mattone Group	\$25,000,000	808 residential units 364,150 sf retail/office 121,950 sf school 127,050 sf open space 2,618 parking spaces
10. Time Equities Inc.	\$21,200,000	700 residential units 150,000 sf retail 225 hotel rooms 9-screen cinema 2 acres open space 1,754 parking spaces
11. Triangle Equities Development Company, LLC	\$30,000,000	675 residential units 124,240 sf retail 18,360 sf cultural space 109,000 sf open space 1,507 parking spaces
12. Vornado/Pinnacle Group	\$75,000,000	635 residential units 358,000 sf retail 101,000 sf office 200 hotel rooms 23,400 sf community space 1,838 parking spaces
13. Two Trees Management Company	No financial offer submitted	800 residential units 128,000 sf retail 45,000 sf cinema 50,000 sf youth center 133,000 sf open space 1,483 parking spaces

**Exhibit B**

**NEW YORK CITY LAND DEVELOPMENT CORPORATION**

**MISSION STATEMENT AND MEASUREMENT**

**Board of Directors Meeting**

**February 7, 2013**

WHEREAS, the 2009 Public Authorities Reform Act requires NYCLDC to annually review its mission statement and measurements by which the performance of NYCLDC and the achievement of its goals may be evaluated; and

WHEREAS, for Fiscal Year 2013 NYCLDC proposes to continue with its existing mission statement, and to use the measurement indicated in Attachment A hereto;

NOW, THEREFORE, RESOLVED that the Board approves the mission statement and performance measure set forth in Attachment A, for use in Fiscal Year 2013

## ATTACHMENT A

### Authority Mission Statement and Performance Measurement

**Name of Public Authority:**

New York City Land Development Corporation ("NYCLDC")

**Public Authority's Mission Statement:**

The mission of NYCLDC is to encourage economic growth in each of the five boroughs of New York City by acquiring City property and disposing of it to strengthen the City's competitive position and facilitate investments that build capacity, generate prosperity and catalyze the economic vibrancy of city life as a whole.

**Date Adopted:** February 7, 2013

**Performance Goal:**

- New private investment related to sale/long-term lease of City-owned property