

MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
OF  
NEW YORK CITY LAND DEVELOPMENT CORPORATION  
March 26, 2020

A regular meeting of the Board of Directors of New York City Land Development Corporation (“NYCLDC”) was held telephonically, pursuant to a notice by the Secretary, on Thursday, March 26, 2020.

The following members of the Board of Directors were present by conference telephone:

Kim Bryan  
Jodi Callender  
Jenneh Kaikai  
Pedram Mahdavi

Mr. Mahdavi chaired the meeting. Also present telephonically were Fred D’Ascoli, President of NYCLDC, Mark Silversmith, Secretary of NYCLDC, who served as secretary of the duly constituted meeting, at which a quorum was present, Hester Muis, an Executive Vice President of New York City Economic Development Corporation (“NYCEDC”), Byung Lee, a Vice President of NYCEDC, Douglas Land, a Senior Associate of NYCEDC, and Jaan Kangur, a Senior Paralegal of NYCEDC. The meeting was called to order at 2:06 p.m. (Attached hereto as Attachment 1 is a definition sheet that contains the definitions of certain frequently used terms contained in the Exhibit attached hereto.)

1. Approval of the Minutes of the November 8, 2019 Regular Meeting of the Board of Directors

There were no questions or comments with respect to the minutes of the November 8, 2019 Board of Directors regular meeting, as submitted. A motion to approve such minutes, as submitted, was made, seconded and unanimously approved.

2. Election of Committees Member and Chairperson

At this time, it was proposed that Jenneh Kaikai, a recently appointed Member and Director of NYCLDC, be elected to be a member of the Audit Committee and Governance Committee of the Board of Directors in place of Jon Cohen, and that Pedram Mahdavi, a member of those committees, be elected as chairperson of those committees, in place of Jon Cohen. Jon Cohen recently resigned as a Director of NYCLDC.

A motion then was made to elect Jenneh Kaikai to be a member of the Audit Committee and Governance Committee of the Board of Directors of NYCLDC and Pedram Mahdavi to be chairperson of those committees. Such motion was seconded

and unanimously approved.

3. Long Term Ground Leases to Bronx Point Owner, LLC

Mr. Land presented a proposal for NYCLDC to (i) lease from The City of New York (the "City") through one or more leases Block 2356, part of Lot 2 and a de-mapped portion of East 150<sup>th</sup> Street (the "Phase I Leasehold Area"), and Block 2356, part of Lot 2 (the "Phase II Leasehold Area"), on the Tax Map of the Borough of the Bronx (together, the "Leasehold Areas"), (ii) assign such leases to Bronx Point Owner, LLC or one or more affiliated entities, such as L+M Development Partners and/or Type A Projects (whichever, the "Developer"), and/or to an affiliated housing development fund corporation or other entity whose purpose is to facilitate affordable housing and/or obtain financing for the proposed project on the Leasehold Areas (a "Financing Entity"), and (iii) enter into any related agreements and documents and consents to effectuate the transaction, to provide for a mixed-use development at the Leasehold Areas, on substantially the terms set forth in Exhibit A hereto.

In answer to a question from Mr. Mahdavi, Mr. Land stated that in terms of capital costs there was a separate fundraising effort by the Universal Hip Hop Museum (the "Museum") to pay for the interior fit-out for its proposed facility . In answer to a question from Ms. Kaikai, Mr. Land explained the construction financing for the cost of the core and shell. In answer to a question from Ms. Callender, Mr. Land explained that the short term focus was on financing the cost of the core and shell, and that the Developer had at one point agreed to provide a bridge loan if there was a financing gap for the fit-out. Ms. Lee added that a lot of the funds that the Museum was raising were City and State funds, that NYCEDC was not aware of any issues with the raising of those funds to date, and that to the extent that any such issues were to arise NYCEDC would address them.

At this time, Ms. Muis discussed that this was foremost an affordable housing project, and that if the Museum could not raise funds for the fit out and fell out of the project a substitute reasonably acceptable to NYCEDC would have to be found.

A motion was made to approve the matters set forth for approval in the Proposed Resolutions section of Exhibit A hereto and to resolve that there was no reasonable alternative to the proposed transfer to the Developer and/or a Financing Entity that would achieve the same purpose as the transfer. Such motion was seconded and unanimously approved.

4. Adjournment

There being no further business to come before the meeting, pursuant to a motion made, seconded and unanimously approved the meeting of the Board of Directors was adjourned at 2:19 p.m.

*Mark Silversmith*

Mark Silversmith (May 12, 2020)

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Secretary

Dated: May 7, 2020  
New York, New York

**ATTACHMENT 1**

**DEFINITIONS**

Apple .....	Apple Industrial Development Corp.
Armand .....	Armand Corporation d/b/a Armand of New York
BAT .....	Brooklyn Army Terminal
Bovis .....	Bovis Lend Lease LMB, Inc.
CDBG .....	Federal Community Development Block Grant
CDBG-DR Funds .....	Federal Community Development Block Grant-Disaster Recovery Program funds
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
FEMA .....	Federal Emergency Management Agency
FM .....	A facilities manager
FM/CM Contract .....	A facilities management/construction management contract
Funding Source Agreement .....	Any agreement necessary to obtain funds for the Project, including IDA Agreements
Gilbane.....	Gilbane Building Company
HDC .....	New York City Housing Development Corporation
HPD .....	New York City Department of Housing Preservation and Development
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
McKissack .....	The McKissack Group, Inc. d/b/a McKissack & McKissack

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.
NYCHA .....	New York City Housing Authority
NYCLDC .....	New York City Land Development Corporation
Noble Strategy .....	Noble Strategy NY Inc.
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
SEMO .....	New York State Emergency Management Office
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**

**LONG TERM GROUND LEASES TO BRONX POINT OWNER, LLC  
Board of Directors Meeting  
March 26, 2020**

**OVERVIEW:**

In 2009, the City Council adopted the Lower Concourse Rezoning to revitalize an approximately 30-block district (to the south of the hereinafter defined Site) at the lower end of Grand Concourse and transform the waning industrial waterfront area into a mixed-use, mixed-income district by bringing much-needed housing to a neighborhood where zoning previously did not allow for residential development. In 2017, the City Council adopted the Lower Concourse North Rezoning (which includes the Site) to facilitate new open space and mixed use development.

NYCEDC, in partnership with HPD, released a Request for Expression of Interest (the "RFEI") in 2016 for the long-term lease and redevelopment of the Lower Concourse North site (a portion of the Site), an approximately 136,000 square foot parcel in the South Bronx (the "Phase I Leasehold Area" and the "Phase II Leasehold Area" as defined below). In 2017, a joint venture between L+M Development Partners ("L+M") and Type A Projects, whose proposal includes a mixed-use development including affordable housing, retail and community facility space, was selected. It is anticipated that the City (as lessor) and NYCLDC (as lessee) will enter into one or more long term leases for each of the Phase I Leasehold Area and the Phase II Leasehold Area (together for the Phase I Leasehold, the "Phase I lease", and for the Phase II Leasehold, the "Phase II lease"), which leases will be assigned for development of the Leasehold Areas substantially as described herein. A publicly accessible open space including a public walkway (together, the "Esplanade") will also be developed in connection with this project.

**LESSOR:**

The City of New York (the "City")

**LESSEE/  
LEASE ASSIGNOR:**

NYCLDC

**LEASE ASSIGNEE:**

The leases will be assigned to (i) Bronx Point Owner, LLC or one or more affiliated entities, such as L+M and/or Type A Projects (whichever, the "Developer") and/or (ii) an affiliated housing development fund corporation or other entity whose purpose is to facilitate affordable housing and/or obtain financing for the proposed project on the Leaseholds (a "Financing Entity"). If a Financing Entity is the lease assignee, the Developer will be the beneficial owner of the leasehold interest. Bronx Point Owner, LLC is

controlled directly or indirectly by L+M and Type A Projects.

L+M is controlled directly or indirectly by Ron Moelis.

Type A Projects is controlled directly or indirectly by Annie Tirschwell and Jill Crawford.

**SITE  
LOCATION:**

Block 2356, Lot 2; Block 2539, p/o Lot 2; and a demapped portion of East 150<sup>th</sup> Street in the Bronx (the “Site”)

Borough of Bronx Community Board No. 4

**SITE  
DESCRIPTION:**

The Site consists of (i) Block 2356, p/o Lot 2 and a de-mapped portion of East 150<sup>th</sup> Street (the “Phase I Leasehold Area”); (ii) Block 2356, p/o Lot 2 (the “Phase II Leasehold Area”); and (iii) a waterfront portion of Block 2539, Lot 2, and a waterfront de-mapped portion of East 150<sup>th</sup> Street (the “Esplanade Area”). The Phase I Leasehold Area and Phase II Leasehold Area are together referred to as the “Leaseholds” herein.

The Phase I Leasehold Area is approximately 108,000 square feet. The Phase II Leasehold Area is approximately 28,000 square feet. The Esplanade, which will measure approximately 55,000 square feet, is anticipated to be in the jurisdiction of City Parks upon construction completion.

The Site is roughly bounded by Mill Pond Park to the north, Exterior Street to the east (beneath the elevated Major Deegan Expressway), East 149<sup>th</sup> Street (not accessible to vehicular traffic) to the south, and the Harlem River to the west. East 149<sup>th</sup> Street feeds onto the 145<sup>th</sup> Street Bridge to Manhattan at the Site’s southern boundary. The Oak Point Rail Link runs parallel to the western boundary of the Site on a viaduct located over the Harlem River.

The Site was historically used for industrial purposes and was first developed in 1891. The Site is currently vacant.

The Site is approximately depicted in Attachment A.

**BACKGROUND:**

Initially, the Phase I lease will be entered into. If within three years of substantial completion of the project on the Phase I Leasehold (the “Phase I Project”), the City decides to move forward with a project on the Phase II Leasehold (the “Phase II Project”) substantially as set forth in the Developer’s RFEI proposal (which is in substance as stated herein) and the Lease Assignee of the Phase I Project lease is not in default, the City/NYCEDC shall offer the Developer a Right of First Offer (the “ROFO”) to develop the Phase II Project substantially as set forth in



the RFEI proposal and project commitment with approved modifications. If the ROFO is accepted, the Phase II Leasehold Area will be leased through the Phase II lease to NYCLDC, which Phase II lease will be assigned to Bronx Point Owner, LLC or one or more affiliated entities or a Financing Entity. If a Financing Entity is the Lease Assignee of the Phase II lease, Bronx Point Owner, LLC or one or more affiliated entities will be the beneficial owner of the leasehold interest.

**PROJECT  
DESCRIPTION:**

For the Phase I Project, the Developer shall build a mixed-use development totaling approximately 641,400 gross square feet ("GSF"), including: approximately 450,500 GSF of affordable housing; an approximately 61,300 GSF cinema or other entertainment facility approved by NYCEDC; an approximately 50,600 GSF Universal Hip Hop Museum or other cultural facility approved by NYCEDC; an approximately 7,300 GSF community facility; approximately 11,300 GSF of other retail; and a publicly-accessible comfort station

The Developer anticipates delivering approximately 540 affordable housing units spread across multiple income bands with an anticipated range from 27% to 90% of Area Median Income. It is expected that 100% of the residential units will be affordable for the term of the Phase I lease.

For the Phase II Project, the assignee of the Phase II lease shall build a mixed used development that it is anticipated will include approximately 271 residential units that will be affordable for the term of the Phase II lease, approximately 22,000 GSF of community facility space and approximately 11,500 GSF of commercial space

In the Phase II Project, it is anticipated that the distribution of income restricted units will maximize units at the deepest levels of affordability. At least 20% of total housing units available will be available at rents affordable to households earning no more than 30% of AMI, inclusive of housing for formerly homeless households.

Simultaneously with the development of the Phase I Project, the Developer also shall develop the Esplanade along the waterfront portion of the Site, as required by the Special Harlem River Waterfront District Expansion zoning ordinance, and certain improvements to portions of Mill Pond Park. The Esplanade, which will not be subject to the Leaseholds and will remain City owned, will be constructed by the Developer and funded by the City.

The Leaseholds may be developed using a condominium structure.

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

It is anticipated that the disposition of the Leaseholds and construction of the Esplanade will transform a vacant and underutilized City-owned asset into a mixed-use development that provides affordable housing, community and cultural facility uses, and the creation of new publicly accessible open space.

**LEASE TERMS:**

It is anticipated that the City (as lessor) and NYCLDC (as lessee) will first enter into long term leases for the Phase I Leasehold Area and Phase II Leasehold Area. It is further anticipated that NYCLDC will then assign such leases to a Lease Assignee entity as listed above.

The total lease term for the Phase I Leasehold Area will be a maximum of 99 years (including renewal terms, if any). The annual base rent will be \$1 throughout the term of a regulatory agreement with HPD and others governing the affordable housing on the Phase I Leasehold Area. If the regulatory agreement terminates before the end of the Phase I lease, base rent will be based on the fair market value of the Phase I Leasehold Area for its then permitted use. Each year of the Phase I lease, the tenant will make a participation payment in the annual sum of twenty percent (20%) of net cash flow and capital proceeds for the commercial and retail components. It is also anticipated that the Lease Assignee will also pay an annual administrative fee to the City or NYCEDC in the amount of \$10,000.

The Phase II lease will end no later than 99 years from commencement of the Phase I lease and it is anticipated that the annual base rent will be \$1 throughout the term of the regulatory agreement with HPD and others governing affordable housing on the Phase II Leasehold Area. If the regulatory agreement terminates before the end of the Phase II lease, it is anticipated that base rent will be based on the fair market value of the Phase II Leasehold Area for its then permitted use. If the City agrees to the rent for the Phase II Leasehold Area being substantially lower than described herein, additional NYCEDC and NYCLDC Board approval will be needed.

Renewal terms may be exercised for one or both Leaseholds. For both Leaseholds, 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 applicable project if the Lease Assignee was the owner of the leased premises, provided that PILOT will reflect any abatements, exemptions, or credits for which the project or the Lease Assignee qualifies.

The Lease Assignee of the Phase I Leasehold will also pay \$200,000 per year, inflated annually at the greater of CPI increase or 2.5%, to City Parks for maintenance and operation of the Esplanade, throughout the term of the Phase I lease with a one time option for the Lease Assignee to directly maintain the Esplanade and discontinue the maintenance and operation payments to City Parks provided that City Parks and the Lease Assignee agree on terms for such maintenance and operation by the Lease Assignee.

**APPRAISED VALUE:**

An independent appraisal for the Phase I Leasehold Area was commissioned in August 2019. The appraisal concluded that the highest and best use fair market sale value of the Phase I Leasehold Area is \$54,800,000. The appraisal concluded that the fair market value of the Phase I Leasehold Area, accounting for the specific development requirements and restrictions pertaining to the use and transfer of the Phase I Leasehold Area, is nil.

An independent appraisal for Phase II was commissioned in February 2020. The appraisal concluded that the highest and best use fair market sale value of the Phase II Leasehold Area is \$15,500,000. The appraisal concluded that the fair market value of the Phase II Leasehold Area, accounting for the specific development requirements and restrictions pertaining to the use and transfer of the Phase II Leasehold Area, is nil.

**EXISTING ZONING:**

The Site is zoned R7-2/C2-5 within a Special Mixed-Use District (MX-17). The Site was designated as a MIH area and was granted special permits (i) to create a Large-Scale General Development, and (ii) to modify height, parking and setback requirements.

**PUBLIC APPROVALS:**

The Phase I and Phase II Leasehold Areas were the subject of the approval to permit the disposition of real property through long-term ground lease for future development, in accordance with (i) ULURP under New York City Charter Section 197(c) and (ii) Mayoral and Borough Board approval in accordance with Section 384(b)(4) of the New York City Charter.

In 2017, the City Council adopted several land use actions affecting the Site, including (i) rezoning the M2-1 zoning

district to an R7-2/C2-5 zoning district and extending the Special Harlem River Waterfront District (“HRW”) to include the Site; (ii) amending the Zoning Text to create a new subdistrict (“North Subdistrict”) of the HRW and to update the Harlem River Waterfront Access Plan to include the subdistrict; (iii) establishing a Mandatory Inclusion Housing Area; (iv) disposing of real property; and (v) securing a special permit to waive any required accessory off-street parking spaces for affordable dwelling units for the mixed-use project.

The City Planning Commission approved the above discretionary actions on August 23, 2017 and the City Council approved the Lower Concourse North Project on October 17, 2017 with modifications. In addition, the Chair of the City Planning Commission issued a Chair Certification on September 14, 2018.

In 2019, the City Planning Commission and City Council approved HPD’s Urban Development Action Area (“UDAA”) designation and an Urban Development Action Area Project (“UDAAP”).

**PROPOSED  
RESOLUTIONS:**

Approval for NYCLDC to (i) lease the Phase I Leasehold Area and Phase II Leasehold Area from the City through one or more leases substantially as described herein, (ii) assign such leases to the Developer and/or a Financing Entity, substantially as described herein, and (iii) enter into any related agreements and documents and consents to effectuate the transaction 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 a Financing Entity that will achieve the same purpose as the transfer.

**NYCEDC  
PROJECT CODE:**

6534

**STAFF:**

Douglas Land, Senior Associate, Real Estate Transaction Services  
Byung Lee, Vice President, Real Estate Transaction Services  
Susan Goldfinger, Senior Vice President, Real Estate Transaction Services  
Randi Cohen, Senior Counsel, Legal

**ATTACHMENT A**  
**PROJECT LOCATION**

