

MINUTES OF A REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
OF  
NEW YORK CITY LAND DEVELOPMENT CORPORATION  
April 28, 2023

A regular meeting of the Board of Directors (the "Board") of New York City Land Development Corporation ("NYCLDC"), was held, pursuant to notice by the Secretary, on Friday, April 28, 2023, in Conference Room 13F, on the 13<sup>th</sup> Floor at the offices of New York City Economic Development Corporation ("NYCEDC") at One Liberty Plaza, New York, New York.

The following members of the Board of Directors were present:

Nate Bliss  
Kim Bryan (by Zoom)  
Fred D'Ascoli (by Zoom)

The meeting was chaired by Mr. Bliss, Chairperson of NYCLDC. Also present were Mark Silversmith, Secretary of NYCLDC, who served as secretary of the duly constituted meeting, at which a quorum was present, Spencer Hobson, an Executive Vice President and Treasurer of NYCLDC (by Zoom), Amy Chan, an Assistant Treasurer of NYCLDC (by Zoom), Leslie Escobar, an Assistant Treasurer of NYCLDC (by Zoom), Bryan Schwartz, a Vice President of NYCEDC (by Zoom), Nuri Ansari, an Assistant Vice President of NYCEDC (by Zoom), Malia Teske, an Assistant Vice President of NYCEDC, Sean Freas, a Vice President of NYCEDC (by Zoom), Jaan Kangur, a Senior Paralegal of NYCEDC, and Kimberly Hancy, a Partner of Ernst & Young LLP ("EY") (by Zoom). The meeting was called to order at 2:41 p.m.

1. Approval of the Minutes of the November 16, 2022 Regular Meeting of the Board of Directors

There were no questions or comments with respect to the minutes of the November 16, 2022 Board of Directors meeting, as submitted. A motion to approve such minutes, as submitted, was made, seconded and unanimously adopted.

2. Budget Information

At this time, Mr. Schwartz proposed that the Board approve budget information about NYCLDC (in the form set forth in Attachment A to Exhibit A hereto) and approve its submission to certain government officials and a governmental office. Mr. Schwartz then summarized the budget information.

The Public Authorities Accountability Act of 2005 as amended requires NYCLDC to submit to New York City's (the "City"'s) Mayor, the City's Comptroller, the City Council Speaker and New York State's (the "State"'s) Authorities Budget Office ("ABO") budget

information on operations and capital construction setting forth the estimated receipts and expenditures for the next fiscal year and the current fiscal year, and the actual receipts and expenditures for the last completed fiscal year. ABO has designated the form in which the budget information is to be submitted and such form requires the inclusion of estimated information for additional years. The submission is for informational purposes and the submission must be in the form submitted to NYCLDC's Directors. The submitted Attachment A to Exhibit A will also be accessible to the State Comptroller's Office.

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

3. Coney Island Amusements: City Thunderbolt Lease and Amendment to City Lease, Central Amusement International, Inc 7<sup>th</sup> Amendment to Lease, and Vodou Food Corp. (Denos) 2<sup>nd</sup> Amendment to Lease

At this time, Ms. Teske presented a proposal for (i) NYCLDC, as tenant, to enter into a new Coney Island lease (the "New Thunderbolt Lease") with the City for certain property located at Block 7074, Lot 190 on the Tax Map of the Borough of Brooklyn, which property is primarily used as the site of the Thunderbolt rollercoaster, (ii) NYCLDC to assign to NYCEDC the interest of NYCLDC as tenant under the New Thunderbolt Lease, and (iii) NYCLDC to enter into and provide any related agreements and documents and consents to effectuate these transactions, all on substantially the terms set forth in Exhibit B hereto.

A motion was made (i) to approve the matters set forth for approval in the Proposed Resolution section of Exhibit B hereto and (ii) to resolve that there is no reasonable alternative to the proposed transfer of the New Thunderbolt Lease to NYCEDC that will achieve the same purpose as the transfer to NYCEDC. 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 2:50 p.m.

Mark Silversmith  
Secretary

Dated: August 9, 2023  
New York, New York

**EXHIBIT A**

**NEW YORK CITY LAND DEVELOPMENT CORPORATION**

**BUDGET INFORMATION  
Board of Directors Meeting  
April 28, 2023**

WHEREAS, the Public Authorities Accountability Act of 2005 as amended (the "PAAA") includes New York City Land Development Corporation ("NYCLDC") in its definition of a local authority; and

WHEREAS, the PAAA requires NYCLDC to submit to the Mayor, New York City's Comptroller, the New York City Council Speaker and New York State's Authorities Budget Office ("ABO"), budget information on operations and capital construction setting forth the estimated receipts and expenditures for the next fiscal year and the current fiscal year, and the actual receipts and expenditures for the last completed fiscal year; and

WHEREAS, ABO has designated the form in which the budget information is to be submitted and such form requires the inclusion of estimated information for additional years; and

WHEREAS, the submission is for informational purposes and the submission must be in the form submitted to NYCLDC's Directors and the submitted information will also be accessible to the State Comptroller's office; and

WHEREAS, attached hereto as Attachment A is budget information in the form in which it will be submitted pursuant to the PAAA;

NOW, THEREFORE, RESOLVED that the Board approves the budget information about NYCLDC in the form attached hereto as Attachment A and its submission pursuant to the PAAA as described above.

ATTACHMENT A

NEW YORK CITY LAND DEVELOPMENT CORPORATION  
BUDGETED REVENUES, EXPENDITURES, AND CHANGES IN CURRENT NET ASSETS

	Last Year (Actual) FY2022	Current Year (Projected) FY2023	Next Year (Adopted) FY2024	Proposed FY2025	Proposed FY2026	Proposed FY2027
<b><u>REVENUE &amp; FINANCIAL SOURCES</u></b>						
<b>Operating Revenues</b>						
Other operating revenues	2,025	2,100	2,205	2,315	2,431	2,553
<b>Total Revenues &amp; Financing Sources</b>	<b>2,025</b>	<b>2,100</b>	<b>2,205</b>	<b>2,315</b>	<b>2,431</b>	<b>2,553</b>
<b><u>EXPENDITURES</u></b>						
<b>Operating Expenditures</b>						
Other operating expenditures	2,025	2,100	2,205	2,315	2,431	2,553
<b>Total Expenditures</b>	<b>2,025</b>	<b>2,100</b>	<b>2,205</b>	<b>2,315</b>	<b>2,431</b>	<b>2,553</b>
<b>Operating Surplus (Deficit)</b>	-	-	-	-	-	-
Non Operating Revenues	-	-	-	-	-	-
Non Operating Expenses	-	-	-	-	-	-
<b>Change in Net Position</b>	-	-	-	-	-	-
<b>Beginning Net Assets</b>	<b>4,999</b>	<b>4,999</b>	<b>4,999</b>	<b>4,999</b>	<b>4,999</b>	<b>4,999</b>
<b>Ending Net Assets</b>	<b>4,999</b>	<b>4,999</b>	<b>4,999</b>	<b>4,999</b>	<b>4,999</b>	<b>4,999</b>

**EXHIBIT B**

**NEW YORK CITY LAND DEVELOPMENT CORPORATION**

**CONEY ISLAND AMUSEMENTS:  
CITY THUNDERBOLT LEASE AND AMENDMENT TO CITY LEASE,  
CENTRAL AMUSEMENT INTERNATIONAL, INC 7<sup>th</sup> AMENDMENT TO LEASE  
and  
VODOU FOOD CORP. (DENOS) 2<sup>nd</sup> AMENDMENT TO LEASE  
Board of Directors Meeting**

**April 28, 2023**

**PROJECT**

**OVERVIEW:**

NYCEDC currently leases certain properties in Coney Island. They are:

- a lease (the “*Current Thunderbolt Lease*”) with the City for property in Coney Island that is primarily used as the site of the Thunderbolt rollercoaster (the “*Thunderbolt*”), the term of which lease ends on December 31, 2027
- a lease (“*City Lease*”) with the City, dated as of April 30, 2021, for certain property in Coney Island
- a lease (the “*CAI Lease*”) with Central Amusement International, Inc. (“*CAI*”), which includes property covered by the City Lease and Current Thunderbolt Lease and NYCEDC owned property and is primarily used as the site of Luna Park and for other amusement and entertainment operations
- a lease (the “*Denos Lease*”) with Vodou Food Corp. (“*Denos*”), which is for NYCEDC owned property and is primarily used as a portion of the site of the Wonder Wheel and other amusement and entertainment operations

NYCEDC proposes to:

- assume the interest of NYCLDC as tenant under a new lease NYCLDC proposes to enter into with the City for the Thunderbolt site (the “*NewThunderbolt Lease*”) for a ten year period from January 1, 2028 through December 31, 2037 (the “*Extension Term*”). (NYCLDC is obligated by the City to transfer sites it leases to NYCEDC or to another person or entity as directed by NYCEDC. The proposed lease and assignment will permit the project described below to be undertaken by CAI for the purposes described below. The benefits to the public of the assignment to NYCEDC are those that will result from the project undertaken by CAI.)
- extend the term of the City Lease for the Extension Term
- extend the term of the CAI Lease for the Extension Term
- extend the term of the Denos Lease for the Extension Term
- enter into an agreement or MOU with City Parks to provide for payments to City Parks in connection with the Denos Lease

Amusement parks experienced prolonged State and City mandated closures and faced disproportionate impacts from the COVID-19 pandemic. CAI and Denos chose to continue investing in the Coney Island amusement district with the construction of new amusement rides and other entertainment options during the shutdown. The entrance into the New Thunderbolt Lease and the extension of the term of the City Lease and CAI and Denos Leases will allow CAI and Denos to recoup significant losses that occurred during the pandemic and continue to invest in their leaseholds.

The terms of the proposed lease, amendments, and agreement/MOU with City Parks will be substantially as indicated below.

### **NEW THUNDERBOLT LEASE**

- Lessor:** The City
- Lessee:** NYCLDC
- Assignee:** NYCEDC
- Property:** Block 7074, Lot 190 on the Tax Map of the Borough of Brooklyn (the “*Thunderbolt Property*”) See Exhibit A
- Lease Term:** Ten years, from January 1, 2028 to December 31, 2037.
- Rent:** 50% of all revenues received by NYCEDC from the tenant’s operation of the Thunderbolt Property.
- Uses:** Amusement uses and other uses consistent with the Special Coney Island District in the Zoning Resolution of The City of New York

The City currently leases the Thunderbolt Property to NYCEDC through the Current Thunderbolt Lease for an annual rent of \$1. To permit CAI to operate the Thunderbolt for the Extension Term, the City proposes to enter into the New Thunderbolt Lease with NYCLDC. NYCLDC will assign its interest in the New Thunderbolt Lease to NYCEDC for nominal consideration and NYCEDC will assume the New Thunderbolt Lease, which shall be merged into the Current Thunderbolt Lease.

### **AMENDMENT TO CITY LEASE**

- Lessor:** The City
- Lessee:** NYCEDC



**Property:** Block 7074, Lot 2; Block 7074, Lot 370; Block 7074, Lot 450; and Block 8695, Lot 500 on the Tax Map of the Borough of Brooklyn (together, the “2019 Additional Premises”)

**Lease Term:** The City Lease term shall be extended by ten years and shall expire on December 31, 2037.

**Rent:** Effective May 1, 2019, 50% of all revenues received by NYCEDC from the tenant’s operation of the CAI Leased Premises (defined below); except that revenues paid with respect to the Thunderbolt Property need only be paid either under the Current Thunderbolt Lease or the City Lease. All of the rent payable to the City under this lease and the Current Thunderbolt Lease, shall be paid into a fund (the “Coney Island Fund”) maintained by NYCEDC and used at the direction of the City for the acquisition of additional parkland by the City and/or capital improvements to park and recreational facilities, within the Coney Island area.

The City entered into the City Lease on April 30, 2021 for a term expiring on December 31, 2027, for further sublease to CAI pursuant to the CAI Lease. NYCEDC proposes to enter into this amendment to the City Lease to extend the term for the Extension Term, in order to effectuate an extension of the term of the CAI Lease for the Extension Term.

## **AMENDMENT TO CAI LEASE**

**Lessor:** NYCEDC

**Lessee:** CAI

**Property:** Block 8695, Lot 85; Block 8696 p/o 211; Block 8696, Lot 212; Block 7074, Lot 190; Block 7074, Lot 382 on the Tax Map of the Borough of Brooklyn, and the following properties referred to as the 2019 Additional Premises: Block 7074, Lot 2; Block 7074, Lot 370; Block 7074, Lot 450; and Block 8695, Lot 500 on the Tax Map of the Borough of Brooklyn (together, the “CAI Leased Premises”) See Exhibit A.

**Use:** Amusement uses and other uses consistent with the Special Coney Island District in the Zoning Resolution of The City of New York

**Lease Term:** The CAI Lease term shall be extended by ten years and will expire on December 31, 2037.

**Base Rent:** Base Rent commencing January 1, 2028 will be \$216,291 for the first year, a five percent (5%) increase from annual Base Rent for 2027, and will thereafter increase by two percent (2%) in each following year.

**Percentage Rent:** Effective January 1, 2023 Percentage Rent for the property leased under the CAI Lease excluding the 2019 Additional Premises for the period through December 2027 will be changed by the amendment. These new percentages and the Percentage Rent for such property for the Extension Period take into account CAI's assumption of the obligation to pay all real estate taxes for a portion of the CAI Leased Premises owned by NYCEDC for which CAI formerly did not pay full real estate taxes.

Percentage Rent for the period from January 1, 2023 through December 2027, excluding the 2019 Additional Premises, will be:

- 5% of Gross Receipts from \$2,000,000 - \$5,000,000 annually (No Change);
- 7% of Gross Receipts from \$5,000,000 - \$7,000,000 annually (No Change);
- 8% of Gross Receipts over \$7,000,000 from January 1, 2023 to December 31, 2023 (Previously, 11.5% of Gross Receipts);
- 8.5% Gross Receipts over \$7,000,000 from January 1, 2024 to December 31, 2024 (Previously, 12% of Gross Receipts);
- 9% of Gross Receipts over \$7,000,000 from January 1, 2025 to December 31, 2025 (Previously, 12.5% of Gross Receipts);
- 9.5% of Gross Receipts over \$7,000,000 from January 1, 2026 to December 31, 2026 (Previously, 13% of Gross Receipts);
- 10% of Gross Receipts over \$7,000,000 from January 1, 2027 to December 31, 2027 (Previously, 13% of Gross Receipts);

With respect to the property leased under the CAI Lease excluding the 2019 Additional Premises, Percentage Rent for the Extension Term will be:

- 5% of Gross Receipts from \$2,000,000 - \$5,000,000 annually;
- 7% of Gross Receipts from \$5,000,000 - \$7,000,000 annually;
- 10% of Gross Receipts over \$7,000,000 annually from January 1, 2028 to December 31, 2032;
- 11% of Gross Receipts over \$7,000,000 annually from January 1, 2033 to December 31, 2037.

With respect to the 2019 Additional Premises, Percentage Rent for the period through December 2027 is unchanged and will remain in effect throughout the Extension Term:

- Site B (Block 7074, Lot 2): 6% of Gross Receipts over \$1,000,000 annually;
- Site C (Block 7074, Lot 370): 6% of Gross Receipts over \$200,000 annually;
- Site D (Block 7074, Lot 450): 6% of Gross Receipts over \$300,000 annually;
- Site E (Block 8695, Lot 500): 5% of Gross Receipts over \$120,000 annually;

**Appraised Value:**

An independent appraisal of the property leased under the CAI Lease performed in June 2022 indicates that fair market rental value for the property for highest and best use given legally required use restrictions would be \$1,400,000 in the initial year of the Extension Term with 3% increases annually. Although the Base Rent in the Extension Term will be less than the appraisal, it is anticipated that CAI will pay at least the appraised value in aggregate annual Base Rent and Percentage Rent for the property.

**Real Estate Taxes:**

Commencing on the execution of the amendment to the CAI Lease, CAI will pay an increased amount in respect of real estate taxes. CAI will make payments of real estate taxes payable with respect to the NYCEDC – owned property in an amount equal to the real estate taxes payable by NYCEDC and will make payments in lieu of real estate taxes with respect to the City-owned property in the amount of real estate taxes that would be payable with regard to such property but for City ownership.

**AMENDMENT TO DENOS LEASE**

**Lessor:** NYCEDC

**Lessee:** Denos

**Premises:** Block 8696, Lot 75; Block 8696, p/o Lot 145; Block 8696, Lot 166; Block 8696, p/o Lot 210 on the Tax Map of the Borough of Brooklyn. See Exhibit A.

**Uses:** Permitted uses will be amusement uses consistent with the Special Coney Island District in the Zoning Resolution of The City of New York instead of just amusement uses.

**Lease Term:** The Denos Lease term shall be extended by ten years and shall expire on December 31, 2037.

**Base Rent:** Base Rent commencing January 1, 2028 will then be equal to the fair market rental value of the property, as determined by an independent appraisal for the first year. Thereafter Base Rent will increase by 2% annually.

**Appraised Value:** An independent appraisal of the property leased under the Denos Lease will be performed in 2027 to determine the fair market rental value for highest and best use given legally required use restrictions.

**Real Estate Taxes:** Denos shall continue to make payments to the City of real estate taxes with respect to the property leased under the Denos Lease. Once title to the property is transferred from NYCEDC to the City, Denos will make payments in lieu of real estate taxes equal to the amount of real estate taxes that would be payable with regard to the property but for City ownership.

#### **CITY PARKS AGREEMENT/MOU**

NYCEDC shall enter into an agreement or MOU with City Parks with regard to the share of revenues received by NYCEDC under the CAI Lease and the Denos Lease. The agreement with regard to revenues under the CAI Lease will be set forth in the City Lease. However, since the property leased under the Denos lease is an asset of NYCEDC, there is no lease between the City and NYCEDC relating to this property. Accordingly, this City Parks-NYCEDC agreement or MOU will provide that effective May 1, 2019, 50% of all revenues received by NYCEDC from the tenant's operation of the property leased under the Denos Lease will be paid to the City. All of the revenues payable to the City in connection with both the CAI Lease and the Denos Lease shall be paid into the Coney Island Fund maintained by NYCEDC and used at the direction of the City for the acquisition of additional parkland by the City and/or capital improvements to park and recreational facilities within the Coney Island area.

#### **PURPOSE OF THE DISPOSITIONS/ BENEFIT TO THE PUBLIC:**

As indicated above, amusement parks experienced prolonged State and City mandated closures and faced disproportionate impacts from the COVID-19 pandemic. CAI and Denos chose to continue investing in the Coney Island amusement district with the construction of new amusement rides and other entertainment options during the shutdown. The entrance into the New Thunderbolt Lease and the extension of the term of the City Lease and CAI and Denos Leases will

allow CAI and Denos to recoup significant losses that occurred during the pandemic and continue to invest in their leaseholds.

In addition, at the same time as NYCEDC extends the term of the CAI Lease for the Extension Term, CAI will extend its subleases with certain of its subtenants on the Riegelmann Boardwalk. This extension will allow these small business subtenants operating on the Riegelmann Boardwalk to recoup severe financial losses experienced during the pandemic. This extension will also facilitate a favorable rent restructure for the subtenants with their landlord CAI and allow for additional financing for long-term and continued investment.

**PUBLIC**

**APPROVALS:** The December 27, 2021 Third Amendment to Agreement for Special Process for New York City Council Review and Approval of Coney Island Amusement Park Project Plan, approved by the City Council and Mayor de Blasio, encouraged NYCEDC to use its reasonable efforts to cause the expiration date of the CAI Lease and the Denos Lease to be extended to not later than December 31, 2037. The City will only enter into the New Thunderbolt Lease and amendment of City Lease to enable the amendment to CAI Lease and amendment to Denos Lease.

On October 6, 2022, the Brooklyn Borough Board voted to approve the disposition by lease of the Thunderbolt Property to NYCLDC pursuant to Section 384(b)(4) of the New York City Charter.

**PROPOSED**

**RESOLUTION:** The approval of (i) NYCLDC, as tenant, entering into the New Thunderbolt Lease and (ii) NYCLDC assigning to NYCEDC the interest of NYCLDC as tenant under the New Thunderbolt Lease and (iii) NYCLDC entering into and providing any related agreements and documents and consents to effectuate the transactions on substantially the above described terms.

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

**NYCEDC  
PROJECT  
CODE:**

6698

**STAFF:**

Malia Teske, Assistant Vice President, Asset Management  
Sean Freas, Vice President, Asset Management  
Sabrina Lippman, Senior Vice President, Asset Management  
Karen Lapidus, Senior Counsel, Legal

# Exhibit A

