

MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS
OF
NEW YORK CITY LAND DEVELOPMENT CORPORATION
May 11, 2017

A meeting of the Board of Directors of New York City Land Development Corporation ("NYCLDC") was held on Thursday, May 11, 2017, in the Governors Room, at City Hall, 260 Broadway, New York, New York.

The following members of the Board of Directors were present:

Henry Berger
Elaine Braithwaite
Kim Vaccari
Peter Wertheim
Betty Woo

Also present were Mark Silversmith, Secretary of NYCLDC, who served as secretary of the meeting, Spencer Hobson, Executive Vice President and Treasurer of NYCLDC, Fred D'Ascoli, Assistant Treasurer of NYCLDC, Jeffrey Nelson, an Executive Vice President of New York City Economic Development Corporation ("NYCEDC"), Sara Tranter, a Senior Vice President of NYCEDC, John Corcoran, an Assistant Vice President of NYCEDC, Jaan Kangur, a Senior Paralegal of NYCEDC, and Wayne Ye from Ernst & Young LLP. The meeting was called to order at 2:08 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 February 9, 2017 Meeting of the Board of Directors

There were no questions or comments with respect to the minutes of the February 9, 2017 Board of Directors meeting, as submitted. A motion to approve such minutes, as submitted, was made, seconded and unanimously adopted.

2. Budget Information

The proposed submission of budget information about NYCLDC (in the form set forth in Attachment A to Exhibit A hereto) to certain government officials and a governmental office was then presented.

The Public Authorities Accountability Act of 2005 as amended (the "PAAA") requires NYCLDC to submit to the Mayor, the City's Comptroller, the 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. 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. Property Sale to Corporate Commons Three, LLC

Mr. Corcoran presented a proposal for NYCLDC (i) to purchase from the City of New York (the "City") Block 2165, Lot 120 on the Tax Map of the Borough of Staten Island (the "Site") and easements necessary to enable the Site's development, including, without limitation, easements for parking, utilities and access to the Site (the "Project Easements"), (ii) to subsequently sell the Site and the Project Easements to NYCEDC, and (iii) to take any actions and enter into any agreements necessary to implement the project and related transactions and agreements, on substantially the terms set forth in Exhibit B hereto.

In answer to questions from Ms. Braithwaite, Mr. Corcoran stated that the zoning would not change, and that the appraisal was based on comps. Ms. Tranter added that the restricted appraisal price was \$13.50 per square foot of building space permitted, and was \$15.00 per square foot of building space permitted in the unrestricted appraisal. In answer to a question from Mr. Berger, Ms. Tranter explained that if additional footage was permitted (above 240,000 square feet) 20% of the space would be required to be for medical use. In answer to a question from Mr. Berger, Mr. Corcoran stated that construction must commence within 6 months of the closing. Mr. Corcoran added that the purchaser planned to start construction immediately after closing, and that the purchaser would have 24 months to complete construction.

A motion was made to approve the matters set forth for approval in the Proposed Resolutions section of Exhibit B hereto and to resolve that there is no reasonable alternative to the proposed transfer to NYCEDC 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.

Mark Schwartz
Secretary

Dated: July 11, 2017
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
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 Mckissak & McKissak
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

**BUDGET INFORMATION
Board of Directors Meeting
May 11, 2017**

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) FY2016	Current Year (Projected) FY2017	Next Year (Adopted) FY2018	Proposed FY2019	Proposed FY2020	Proposed FY2021
REVENUE & FINANCIAL SOURCES						
Operating Revenues						
Other operating revenues	20,518	23,032	23,608	24,198	24,803	25,423
Total Revenues & Financing Sources	20,518	23,032	23,608	24,198	24,803	25,423
EXPENDITURES						
Operating Expenditures						
Other operating expenditures	20,518	23,032	23,608	24,198	24,803	25,423
Total Expenditures	20,518	23,032	23,608	24,198	24,803	25,423
Operating Surplus (Deficit)	-	-	-	-	-	-
Non Operating Revenues	5					
Non Operating Expenses	(5)					
Change in Net Position	-	-	-	-	-	-

EXHIBIT B

NEW YORK CITY LAND DEVELOPMENT CORPORATION

**PROPERTY SALE TO CORPORATE COMMONS THREE, LLC
Board of Directors Meeting
May 11, 2017**

OVERVIEW:

The City proposes to sell the Site (defined below) and Project Easements (defined below) to NYCLDC. NYCLDC will sell the Site and Project Easements to NYCEDC and NYCEDC will sell the Site and Project Easements to Corporate Commons Three, LLC or an affiliated entity (the "Purchaser"). NYCLDC is obligated by the City to transfer sites it acquires to NYCEDC or to another person or entity as directed by NYCEDC. The proposed 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
1100 South Avenue
Staten Island, New York 10314

Corporate Commons Three, LLC is a wholly owned subsidiary of The Nicotra Group LLC. Founded and controlled by Lois and Richard Nicotra, The Nicotra Group, LLC owns, manages and leases more than one million square feet including Class A commercial buildings, two hotels and significant open space in Staten Island, including on the Teleport Campus.

**SITE
LOCATION:**

Block 2165, Lot 120 (the "Site")
Borough of Staten Island
Community District No. 2

**SITE
DESCRIPTION:**

The Site is an approximately 8.5 acre unimproved lot known as "Site A." Site A is part of a larger 80 acre office park developed in conjunction with the Port Authority in the 1980s for satellite data use (the "Teleport"). The Site is owned by the City of New York, and leased to the Port Authority. NYCEDC administers the lease on behalf of the City. Pursuant to a Zoning Lot Development Agreement ("ZLDA"), 240,000 of zoning square footage will be able to be constructed on the Site, which amount will possibly be increased by up to approximately 40,000 square feet as described below.

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

In July 2013, NYCEDC and the Port Authority released a Request for Expressions of Interest for the sale or lease and redevelopment of portions of the Teleport. In November 2015, NYCEDC selected the Purchaser for the Site to construct an approximately 240,000 square foot commercial office building with at least 20% of the rentable square feet dedicated to medical uses (collectively, the "Project").

Easements (the "Project Easements") may also be conveyed as necessary to enable the Site's development, including, without limitation, easements for parking, utilities and access to the Site.

The Project is anticipated to generate approximately 500 construction jobs and 900 permanent jobs. The Purchaser will work with NYCEDC to implement HireNYC and M/WBE program goals and initiatives.

**PURCHASE
PRICE AND OTHER
CONSIDERATION:**

NYCLDC will purchase the Site and the Project Easements from the City for \$1 and then sell the Site and the Project Easements to NYCEDC for \$1. The Purchaser will then purchase the Site and the Project Easements from NYCEDC for a price based on the size of the building it is authorized to build. Currently that price is \$3,600,000 or \$15 per square foot of space authorized to be built. In addition, Purchaser requested the option to build an additional floor of up to approximately 40,000 square feet, which would result in a

larger building. If at the time of the closing the Purchaser will be authorized to build such additional square footage, the Purchaser's price would be increased by \$15 per square foot for the additional footage.

Pursuant to an MOU between NYCEDC and the Port Authority (the "PA MOU"), proceeds from the sale will be split evenly between the two parties (i.e. 50% each), with the Port Authority receiving an additional \$490,798 from NYCEDC's share as an adjustment for overpaid rent dating back to 2008.

**APPRAISED
VALUE:**

Pursuant to an appraisal by Jerome Haims Realty, Inc, the estimated fair market value of the fee simple interest of the Site, for its highest and best use, inclusive of the granting of the Project Easements, is \$15 per square foot of building space permitted. The appraiser determined that the "as is" market value of the Site when restricted to the Project, inclusive of the granting of the Project Easements, is \$13.50 per square foot of building space permitted.

**EXISTING
ZONING:**

The Site is situated within a M1-1 zoning district.

**PUBLIC
APPROVALS:**

The Project received ULURP approval on February 22, 2017.

Pursuant to Section 384(b)(4) of the City Charter, the Staten Island Borough Board approved the proposed disposition of the Site on January 4, 2017.

The Port Authority Board of Directors approved the surrender of the Site to the City on February 28, 2016, and the Port Authority has executed an agreement surrendering its rights as lessee of the Site that will be delivered at the Closing.

**PROPOSED
RESOLUTIONS:**

Approval for NYCLDC to purchase the Site and the Project Easements from the City and sell the Site and the Project Easements to NYCEDC on substantially the above described terms, and to take any actions and enter into any agreements necessary to implement the Project and the

related transactions and agreements substantially as described herein

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.

NYCEDC

PROJECT CODE: 5390

NYCEDC STAFF:

John Corcoran, Assistant Vice President, Real Estate
Transaction Services
Sara Tranter, Senior Vice President, Real Estate
Transaction Services

Figure 1: Site Location Map

