

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF
NEW YORK CITY LAND DEVELOPMENT CORPORATION
August 9, 2018

A regular meeting of the Board of Directors of New York City Land Development Corporation ("NYCLDC") was held on Thursday, August 9, 2018, at the New Amsterdam Room, City Hall, 260 Broadway, New York, New York.

The following members of the Board of Directors were present:

Kim Bryan
Jon Cohen
Carl Rodrigues
Kim Vaccari

Mr. Rodrigues chaired the meeting. Also present were Mark Silversmith, Secretary of NYCLDC, who served as secretary of the duly constituted meeting, at which a quorum was present, Jeffrey Nelson, an Executive Vice President of New York City Economic Development Corporation ("NYCEDC"), Patrick Conway, a Vice President of NYCEDC, Jinquan Liang, an Associate of NYCEDC, Scott Shostak, a Special Counsel of NYCEDC, Jaan Kangur, a Senior Paralegal of NYCEDC, and Anais Castro and Temera Degroot, Interns of NYCEDC. The meeting was called to order at 2:09 p.m. (Attached hereto as Attachment 1 is a definition sheet that contains the definitions of certain frequently used terms that may be contained in the Exhibits attached hereto.)

1. Approval of the Minutes of the May 10, 2018 Regular Meeting of the Board of Directors

There were no questions or comments with respect to the minutes of the May 10, 2018 Board of Directors regular meeting, as submitted. A motion to approve such minutes, as submitted, was made, seconded and unanimously adopted.

2. Election of Committees Member

At this time, it was proposed that Kim Bryan, a newly appointed Member and Director of NYCLDC, be elected to be a member of the Audit Committee and Governance Committee of the Board of Directors of NYCLDC and that Carl Rodrigues, a member of those committees, be elected as chairperson of those committees, in place of Henry Berger who recently resigned from those committees and as a Director of NYCLDC.

A motion was made to elect Kim Bryan to be a member of the Audit Committee and Governance Committee of the Board of Directors of NYCLDC and Carl Rodrigues

to be chairperson of those committees. Such motion was seconded and unanimously approved.

3. Long Term Ground Lease to YMCA of Greater New York

Mr. Nelson presented a proposal for NYCLDC (i) to lease from the City of New York (the "City") Block 4905, part of Lot 2002 and part of Lot 2 (expected to be renamed Lot 2002) on the Tax Map of the Borough of the Bronx (the "Site"), (ii) to assign such lease to the Young Men's Christian Association of Greater New York or an affiliated entity (the "YMCA"), (iii) to license Block 4905, part of Lot 2002 and part of Lot 2 (expected to be renamed Lot 30) on the Tax Map of the Borough of the Bronx (the "License Area") from the City and subsequently assign such license to the YMCA, and (iv) to enter into any related agreements and documents and consents to effectuate the development and operation of a community and recreational facility at the Site and at the License Area, 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 section of Exhibit A hereto and to resolve that there is no reasonable alternative to the proposed transfer to the YMCA that will achieve the same purpose as the transfer. Such motion was seconded and unanimously approved.

4. East New York Industrial Building Lease

Mr. Conway presented a proposal for NYCLDC (i) to enter into a lease for Block 3729, Lots 1, 2, 5, 7, 10, 13, 15, 17, 20, 22, 24 and 38 on the Tax Map of the Borough of Brooklyn (the "ENY Site") from the City, (ii) to assign the lease for the ENY Site to NYCEDC, and (iii) to enter into any related agreements, documents and consents to effectuate this project, on substantially the terms set forth in Exhibit B hereto.

In answer to a question from Ms. Vaccari, Mr. Conway stated that the current rent of Trans Union Transport, Inc., a tenant at ENY Site, was approximately \$5-6 per square foot.

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 assignment to NYCEDC (not sublease as indicated in Exhibit B) that will achieve the same purpose as the transfer. Such motion was seconded and unanimously approved.

5. Brooklyn Renaissance Plaza LLC Lease

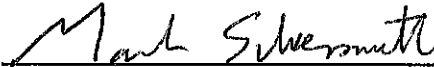
Mr. Liang presented a proposal for NYCLDC (i) to sub-sublease from the City the 20th and 21st floors (the "Project Property") of the building located at 335 Adams Street, on Block 140, Lot 27 on the Tax Map of the Borough of Brooklyn, and (ii) to assign the sub-sublease for the Project Property to Brooklyn Renaissance Plaza LLC and/or an affiliate ("BRP"), on substantially the terms set forth in Exhibit C hereto.

A motion was made to approve the matters set forth for approval in the Proposed

Resolutions section of Exhibit C hereto and to resolve that there is no reasonable alternative to the proposed assignment to BRP that will achieve the same purpose as the transfer. Such motion was seconded and unanimously approved.

6. 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 2:21 p.m.


Secretary

Dated: September 28, 2018
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
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 LEASE TO YMCA OF GREATER NEW YORK

Board of Directors Meeting

August 9, 2018

LESSOR: The City of New York (the "City")

**LESSEE/
LEASE ASSIGNOR:** NYCLDC

LEASE ASSIGNEE: The lease assignee will be the Young Men's Christian Association of Greater New York or an affiliated entity (the "YMCA").

**LEASE SITE
LOCATION:** Block 4905, p/o Lot 2002 and p/o Lot 2 (the "Site")
(expected to be renamed Lot 2002)
1250 East 229th Street
Borough of the Bronx
Community Board No. 12

LICENSE AREA: Block 4905, p/o Lot 2002 and p/o Lot 2 (the "License Area") (expected to be renamed Lot 30)
Borough of the Bronx
Community Board No. 12

**SITE AND LICENSE
AREA DESCRIPTION:** The approximately 121,700 square foot Site is in the northeast Bronx. The Site is generally defined by East 229th Street to the east and Schieffelin Place to the north. The south edge abuts a residential lot (Block 4905, Lot 31) and a portion of the mapped but closed Needham Avenue, while the west edge is defined by the Christopher School (Block 4905, Lot 2), a residential facility operated by the New York City Administration for Children's Services ("ACS"). The permitted use at the Site will be limited to 65,000 square feet of development rights (so that the City may allow the remainder of the development rights for the Site to be used elsewhere). The License Area is approximately 5,950 square feet and comprises a mapped but unbuilt portion of Needham Avenue.

The License Area comprises a mapped but closed road and will therefore be licensed to the YMCA

rather than leased. It is expected to be used for surface parking.

The combined Site and License Area are approximately depicted in Attachment A.

**PROJECT
DESCRIPTION:**

On October 30, 2015, NYCEDC, on behalf of the City, issued an RFP seeking proposals for the development and operation of a community and recreational facility at the Site and at the License Area (the "Project"). In July of 2016, after receiving a single RFP response, NYCEDC selected the YMCA to construct and operate the Project.

The Project is required to include a community and recreation facility totaling approximately 53,000 square feet (but may be up to 65,000 square feet) and containing space for administration, other support space, multi-purpose rooms, a wellness center, an aquatic center and a gymnasium. The Project will also include a surface parking lot of sufficient size to accommodate approximately 150 vehicles.

ACS currently maintains a number of recreational and logistical assets both on the Site and License Area, including a vehicular entrance to the Christopher School, a guardhouse, basketball courts, a picnic area, and perimeter fencing (the "ACS Assets").

The YMCA will also be required, as part of the Project, to relocate and/or replace all ACS Assets (primarily off-Site) in a manner, and in accordance to specifications, approved by NYCEDC and ACS (the "ACS Early Work").

It is anticipated that the ACS Early Work, which will be undertaken pursuant to a construction license, will be completed by the end of the calendar year. It is further anticipated that the lease (and any associated transaction documents) will close a few months thereafter. Construction is expected to be completed within 36 months of lease execution, subject to force majeure events and possible permitted extensions.

consideration, the License Area either (i) to the YMCA, (ii) to NYCLDC, which will assign the license agreement to the YMCA, or (iii) to NYCEDC which will sublease the License Area to the YMCA for nominal consideration. It is anticipated that NYCEDC will act as license administrator.

**FUNDING
AGREEMENT:**

It is anticipated that up to \$12,000,000 will be made available, on a sole source basis, to the YMCA, for the Project. Such funds may be directed to the Project pursuant to one or more NYCEDC funding agreements. Up to \$7,000,000 of those funds may be NYCEDC programmatic budget funds and up to \$5,000,000 may be City Capital Budget funds made available by the Bronx Borough President and a City Council member.

**PROPOSED
RESOLUTIONS:**

Approval for NYCLDC (i) to lease the Site from the City, (ii) to assign such lease to the YMCA, and (iii) to license the License Area from the City and subsequently assign such license to the YMCA, and for NYCLDC to enter into any related agreements and documents and consents 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 YMCA that will achieve the same purpose as the transfer.

**NYCEDC
PROJECT CODE:**

5786

NYCEDC STAFF:

Maxwell Padden, Assistant Vice President, Real Estate Transaction Services
Hester Muis, Senior Vice President, Real Estate Transaction Services
Jeffrey Nelson, Executive Vice President, Real Estate Transaction Services
Busayo Olupona, Counsel, Legal

ATTACHMENT A
PROJECT LOCATION

Project Location (Combined Project Site and License Area) 

License Area 



EDENWALD NEIGHBORHOOD MAP



-  BUS STOP
-  Bx30/Bx31 BUS ROUTES



EXHIBIT B

NEW YORK CITY LAND DEVELOPMENT CORPORATION

EAST NEW YORK INDUSTRIAL BUILDING LEASE

Board of Directors Meeting

August 9, 2018

LESSOR: The City of New York (the "City")

**LESSEE AND
LEASE ASSIGNOR:** NYCLDC

LEASE ASSIGNEE: NYCEDC

SITE LOCATION: Block 3729, Lots 1, 2, 5, 7, 10, 13, 15, 17, 20, 22, 24 and 38
(the "Site")
Borough of Brooklyn
Community Board No.16
191-201 Powell Street

**SITE
DESCRIPTION:** The Site contains a one story building of approximately 30,500 square feet with six units, along with outside parking areas of a total of approximately 29,500 square feet.

TERM: Twenty years with a ten year option to renew

BASE RENT: Base rent will be \$1 per year for both the initial and renewal period. NYCLDC will assign the lease to NYCEDC for nominal consideration.

USE: Job intensive industrial and commercial use

**APPRAISED
VALUE:** Based upon an appraisal, as of November 30, 2017, the annual fair market rental value as is is \$13.50 per square foot ("psf") for a 5,000 square foot unit and \$12.50 psf for a 10,000 square foot unit, and as anticipated to be renovated will be \$17.50 psf for a 5,000 square foot unit and \$16.50 psf for a 10,000 square foot unit.

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

The building on the Site was constructed in 1992 and is a 'U' shaped building that is evenly divided into six 5,000 square foot units. In August 1993, the City of New York and NYCEDC entered into a 25 year lease for the Site that expires on August 17, 2018. The proposed new lease from the City to NYCLDC, which lease would be assigned to NYCEDC, will commence on August 18, 2018.

The City has allocated approximately \$6 million in City capital funds to renovate the interior and exterior portions of the Site.

The project shall provide for and retain quality jobs in the neighborhood, retain economic activity in the area, and attract and grow new job-intensive businesses and preserve and grow improved industrial space in the East New York Industrial Business Zone.

NYCEDC acts as a representative of the City for economic development purposes. The proposed master lease is being entered into by the City and assigned to and assumed by NYCEDC at the wish of the City in order to enable NYCEDC to undertake economic development services for the City with regard to the Site. Therefore, there was no RFP for the disposition of the Site by NYCLDC.

In December 2017, an RFP was issued by NYCEDC for it to sublease units at the Site.

ZONING:

M1-4

**PUBLIC
APPROVALS:**

The Brooklyn Borough Board approved the proposed master lease pursuant to Section 384(b)(4) of the City Charter on July 10, 2018.

Propose Resolutions

The approval of:

- NYCLDC to enter into the lease for the Site from the City;
- NYCLDC to assign the lease for the Site to NYCEDC;
all of the above substantially as described herein; and
- NYCLDC to enter into any related agreements, documents and consents to effectuate the project substantially as described herein

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

**NYCEDC
PROJECT CODE:** 1472

NYCEDC STAFF: Stacy Yan, Assistant Vice President, Asset Management-
Revenue
Darryl Connelly, Senior Vice President, Asset Management-
Revenue
Scott Shostak, Senior Counsel, Legal

EXHIBIT C

NEW YORK CITY LAND DEVELOPMENT CORPORATION

BROOKLYN RENAISSANCE PLAZA LLC LEASE

Board of Directors Meeting

August 9, 2018

**PROJECT
PROPERTY:**

Space at 335 Adams Street, Brooklyn
The entire 335 Adams Street is
Block 140, Lot 27 and is referred to herein as the "Premises".
Community Board No. 2
City Council District No. 33

The Project Property is the 20th and 21st floor of the building
located at the Premises.

LESSOR:

The City of New York (the "City")

**LESSEE/
ASSIGNOR:**

NYCLDC

**LEASE
ASSIGNEE:**

Brooklyn Renaissance Plaza LLC and/or an affiliate ("BRP")

**SITE
DESCRIPTION:**

The Project Property is two floors of the building at the
Premises. It is used as office space for New York City
Employees' Retirement System ("NYCERS").

**PROJECT
DESCRIPTION:**

The City, as landlord, leases the Premises to BRP, as ground
lessee, until 2086.

BRP developed a 32 story mixed use building on the Premises,
and, as sublessor, subleased back to the City, as subtenant, the
8th through 21st floors of the Premises under the Amended and
Restated Agreement of Lease (the "Master Lease") dated as of
June 27, 1996. The Master Lease expires August 31, 2028.

The City then sub-subleased the Project Property to the
corporation then known as New York City Economic
Development Corporation (the "Old Lease"), which assigned the
Old Lease to BRP. The Old Lease expires August 31, 2018.

BRP then sub-sub-subleased the Project Property to NYCERS.
The term of the NYCERS sub-sub-sublease is to April 4, 2020,
with two 5 year renewal options (the "NYCERS Lease"). Rather
than there being two 5-year options, the NYCERS Lease may
be changed to include up to the additional 10-year option

periods upfront. The NYCERS Lease extends about two years beyond the Master Lease, during which period BRP would be holding the Project Property under its ground lease from the City and be directly subleasing it to NYCERS. NYCERS pays BRP rent that is capped at an amount below fair market value.

The City now seeks to provide a new sub-sublease of the Project Property to NYCLDC, which shall assign such new lease to BRP, for a term from September 1, 2018 to April 4, 2020, with further renewal terms contingent upon NYCERS occupying the Project Property pursuant to the NYCERS Lease, with a term to not exceed August 31, 2028 (the "New Lease"). The initial term and renewal option periods may be included as one term rather than an initial term with option periods.

The City wants NYCERS to continue to occupy the Project Property at a below fair market rent. BRP is willing to charge such a rent and as a result the New Lease was proposed. No competition for the New Lease was undertaken because the purpose of the transaction could only be achieved in the manner proposed.

**APPRAISED
VALUE:**

A 2018 appraisal by Aaron Valuation determined that the initial fair market rent value of the Project Property is \$3,102,945 per annum, which is higher than the Possession Rent proposed to be charged under the New Lease.

NEW LEASE TERMS:

Term:

September 1, 2018 to April 4, 2020 with two renewal options – (from April 5, 2020 – April 4, 2025; and April 5, 2025 – August 31, 2028), contingent upon NYCERS continuing to occupy the Project Property pursuant to the NYCERS Lease. The initial term and renewal option periods may be included as one term rather than an initial term and option periods.

Rent:

BRP shall pay rent that is the total of: (1) **Sublessee's Possession Rent** in an amount equal to 14.29% of the City's obligation for Possession Rent or Bond Support Payments under the Master Lease (which Possession Rent is currently approximately \$1,700,000 per annum and will increase in September 2018 to approximately \$2,700,000 per annum); (2) **Operating Expense Reimbursement** in an amount equal to 14.29% of the Tenant's Operating Expense Payment due under the Master Lease; and (3) **Additional Rent** in the amount of all other charges payable by the City under the Master Lease

ascribed to the Project Property. These terms are substantially the same as in the Old Lease.

Use: Executive, general offices and attendant filing and storage and for no other purposes.

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

The New Lease allows NYCERS to legally occupy the Project Property without operation interruption beyond August 31, 2018 and preserve approximately 400 jobs at the Project Property. It also allows NYCERS to pay below fair market rent, benefiting the members, retirees and beneficiaries of NYCERS.

NYCERS' mission is to administer the statutory pension benefits of its members, retirees, and beneficiaries. Today, NYCERS has grown into the largest municipal public employee retirement system in the United States with more than 350,000 active members and retirees including civilian employees such as clerical workers, accountants and social workers, and uniformed employees who provide vital public services that affect the lives of people living in the City.

ZONING: C5-4 Commercial

PUBLIC APPROVALS: City Planning approved the disposition of the Premises pursuant to ULURP on May 14, 1986. The Brooklyn Borough Board approved the proposed New Lease pursuant to Section 384 (b)(4) of the City Charter on July 10, 2018.

PROPOSED RESOLUTIONS: Approval for NYCLDC (i) to sub-sublease the Project Property from the City and (ii) to assign the sub-sublease for the Project Property to BRP, on substantially the terms set forth herein

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

NYCEDC PROJECT CODE: 3943

NYCEDC STAFF: Jinquan Liang, Associate, Asset Management - Revenue
Patrick Conway, Vice President, Asset Management - Revenue

Project Property Area

Brooklyn Renaissance Plaza

