

MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
OF  
NEW YORK CITY LAND DEVELOPMENT CORPORATION  
September 27, 2019

A regular meeting of the Board of Directors of New York City Land Development Corporation ("NYCLDC") was held on Friday, September 27, 2019, in Conference Room 14A, 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:

Kim Bryan  
Jon Cohen  
Jenneh Kaikai  
Pedram Mahdavi  
Kim Vaccari

Mr. Cohen 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, Spencer Hobson, Executive Vice President and Treasurer of NYCLDC, Fred D'Ascoli, an Assistant Treasurer of NYCLDC, Amy Chan, an Assistant Treasurer of NYCLDC, Shin Mitsugi, a Senior Vice President of NYCEDC, Sonia Ruocco, a Vice President of NYCEDC, Peter Ryan, a Senior Project Manager of NYCEDC, Sunitha Amalraj, a Senior Vice President of NYCEDC, Mikhael Abebe, an Associate of NYCEDC, Anne Sherman, a Senior Counsel of NYCEDC, Jaan Kangur, a Senior Paralegal of NYCEDC, Lou Roberts, a partner of Ernst & Young LLP ("EY"), and Nicole Rapport, a senior manager of EY. The meeting was called to order at 2:11 p.m. (Attached hereto as Attachment 1 is a definition sheet that contains the definitions of certain frequently used terms contained in the Exhibits attached hereto.)

1. Approval of the Minutes of the May 9, 2019 Regular Meeting of the Board of Directors

There were no questions or comments with respect to the minutes of the May 9, 2019 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 and Chairperson

At this time, it was proposed that Pedram Mahdavi, 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 and that Jon Cohen, a member of those committees, be elected as chairperson of those committees, in place of Carl Rodrigues who recently resigned as a Director of NYCLDC.

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

At this time, the Board of Directors meeting was temporarily suspended to allow for a meeting of the Audit Committee of NYCLDC. The Board of Directors meeting then resumed at 2:20 p.m.

3. Financial Report Pursuant to Section 2800 of the Public Authorities Law

Section 2800 of the Public Authorities Law requires NYCLDC to submit to various City officials and the New York State Authorities Budget Office ("ABO") audited financials with regard to the previous fiscal year. ABO has also designated a form in which a financial report containing information from the financials is to be submitted. The Board of Directors of NYCLDC is to approve the audited financials and the financial report that are submitted. The financial report and audited financials for Fiscal Year 2019 ("FY2019") are included in Exhibit A attached hereto. It was understood that the blank dates in the reports of the auditors would be filled in after the Board approved the audited financial statements.

At this time, Mr. Cohen noted that the Audit Committee of NYCLDC had recommended to the Board that it approve the audited financials and financial report for FY2019.

There were no questions or comments with respect to the financial report and audited financial statements to be submitted pursuant to Section 2800 of the Public Authorities Law.

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

4. Annual Investment Report

NYCLDC's Board adopted investment policies, procedures and guidelines (the "Investment Guidelines") and the adopted Investment Guidelines require the Board of Directors of NYCLDC to approve an Annual Investment Report containing specified information and to submit the report to the City's Mayor and Comptroller and the New York State Department of Audit and Control. The Annual Investment Report for NYCLDC for FY2019 is included in Exhibit B attached hereto.

At this time, Mr. Cohen noted that the Audit Committee of NYCLDC had recommended to the Board that it approve the Annual Investment Report for FY2019.

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

5. Performance Measurement Report

The Public Authorities Law 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 on November 8, 2018 NYCLDC's Board approved a mission statement and performance measure for FY2019.

ABO requires that NYCLDC annually report on performance results with regard to the approved measure. NYCLDC's report with regard to the performance measure for FY2019 (included in Exhibit C attached hereto) was provided to the Board and there were no questions or comments with respect to the report.

6. Land Sale to Jughandle Realty, LLC

Mr. Abebe presented a proposal for NYCLDC (i) to purchase from the City of New York (the "City") Block 14260, part of Lot 1 on the Tax Map of the Borough of Queens (the "Site"), an approximately 6.15-acre property that is a portion of an approximately 8.66-acre parcel of City-owned land, and to subsequently sell the Site to NYCEDC, and (ii) to enter into and provide any related agreements and documents and consents to effectuate transactions, on substantially the terms set forth in Exhibit D hereto.

In answer to a question from Ms. Bryan, Mr. Abebe stated that the closing was anticipated to occur by the end of 2019, and that although 2 years were provided for construction, it was anticipated that construction would take approximately one year. In answer to another question from Ms. Bryan, Mr. Abebe stated that approximately 165 of the jobs currently located in the Newark, New Jersey facility of Bartlett Dairy, Inc., would be moving back to the City. In answer to a question from Ms. Vaccari, Ms. Amalraj explained that these jobs had been relocated to Newark, and that they now would be returning to the City at the Site in Queens.

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

7. 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 2:32 p.m.

Mark Schwartz  
Secretary

Dated: November 8, 2019  
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

**FINANCIAL REPORT PURSUANT TO SECTION 2800 OF THE  
PUBLIC AUTHORITIES LAW  
Board of Directors Meeting  
September 27, 2019**

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, Section 2800 of the Public Authorities Law (a part of the PAAA) requires a local authority to submit to various City officials and the New York State Authorities Budget Office ("ABO") audited financials with regard to the previous fiscal year; and

WHEREAS, ABO has also designated a form in which a financial report containing information from the financials is to be submitted; and

WHEREAS, the Board of Directors of the local authority is to approve the audited financials and the financial report that are submitted; and

WHEREAS, attached hereto are the audited financials and the financial report that NYCLDC proposes to submit with regard to the fiscal year ended June 30, 2019; and

WHEREAS, there are certain blank dates in the attached reports of the auditors, which dates will be filled in after the Board approves the financial statements.

NOW, THEREFORE, BE IT RESOLVED that the Board approves (i) the attached financial report and audited financial statements with regard to NYCLDC's fiscal year ended June 30, 2019, with the understanding that the blank dates in the reports of the auditors will be filled in after the Board approves the audited financial statements, and (ii) their submission, with the dates filled in, pursuant to Section 2800 of the Public Authorities Law.

**Staff:** Spencer Hobson, Executive Vice President and Treasurer  
Amy Chan, Assistant Treasurer  
Fred D'Ascoli, Assistant Treasurer

Annual Report for New York City Land Development Corporation

Fiscal Year Ending: 06/30/2019

Run Date: 09/16/2019  
Status: UNSUBMITTED  
Certified Date: N/A

Summary Financial Information  
**SUMMARY STATEMENT OF NET ASSETS**

			Amount
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents			\$3,509.00
Investments			\$0.00
Receivables, net			\$3,113.00
Other assets			\$0.00
<b>Total Current Assets</b>			<b>\$6,622.00</b>
<b>Noncurrent Assets</b>			
Restricted cash and investments			\$0.00
Long-term receivables, net			\$0.00
Other assets			\$0.00
<b>Capital Assets</b>			
		Land and other nondepreciable property	\$0.00
		Buildings and equipment	\$0.00
		Infrastructure	\$0.00
		Accumulated depreciation	\$0.00
		<b>Net Capital Assets</b>	<b>\$0.00</b>
<b>Total Noncurrent Assets</b>			<b>\$0.00</b>
<b>Total Assets</b>			<b>\$6,622.00</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable			\$480.00
Pension contribution payable			\$0.00
Other post-employment benefits			\$0.00
Accrued liabilities			\$1,143.00
Deferred revenues			\$0.00
Bonds and notes payable			\$0.00
Other long-term obligations due within one year			\$0.00
<b>Total Current Liabilities</b>			<b>\$1,623.00</b>
<b>Noncurrent Liabilities</b>			



Annual Report for New York City Land Development Corporation

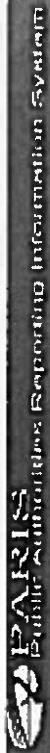
Fiscal Year Ending: 06/30/2019

Run Date: 09/16/2019  
Status: UNSUBMITTED  
Certified Date: N/A

Pension contribution payable	\$0.00
Other post-employment benefits	\$0.00
Bonds and notes payable	\$0.00
Long Term Leases	\$0.00
Other long-term obligations	\$0.00
Total Noncurrent Liabilities	\$0.00
<b>Total Liabilities</b>	<b>\$1,623.00</b>
<b>Net Asset (Deficit)</b>	
<b>Net Assets</b>	
Invested in capital assets, net of related debt	\$0.00
Restricted	\$0.00
Unrestricted	\$4,999.00
<b>Total Net Assets</b>	<b>\$4,999.00</b>

**SUMMARY STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS**

	Amount
<b>Operating Revenues</b>	
Charges for services	\$0.00
Rental & financing income	\$0.00
Other operating revenues	\$1,626.00
<b>Total Operating Revenue</b>	<b>\$1,626.00</b>
<b>Operating Expenses</b>	
Salaries and wages	\$0.00
Other employee benefits	\$0.00
Professional services contracts	\$0.00
Supplies and materials	\$0.00
Depreciation & amortization	\$0.00
Other operating expenses	\$1,626.00
<b>Total Operating Expenses</b>	<b>\$1,626.00</b>
<b>Operating Income (Loss)</b>	
<b>Nonoperating Revenues</b>	
Investment earnings	\$32.00
State subsidies/grants	\$0.00
Federal subsidies/grants	\$0.00
Municipal subsidies/grants	\$0.00
Public authority subsidies	\$0.00



Annual Report for New York City Land Development Corporation

Fiscal Year Ending: 06/30/2019

Run Date: 09/16/2019  
 Status: UNSUBMITTED  
 Certified Date: N/A

Other nonoperating revenues		\$0.00
<b>Total Nonoperating Revenue</b>		<b>\$32.00</b>
Nonoperating Expenses		
Interest and other financing charges		\$32.00
Subsidies to other public authorities		\$0.00
Grants and donations		\$0.00
Other nonoperating expenses		\$0.00
<b>Total Nonoperating Expenses</b>		<b>\$32.00</b>
<b>Income (Loss) Before Contributions</b>		<b>\$0.00</b>
Capital Contributions		\$0.00
Change in net assets		\$0.00
Net assets (deficit) beginning of year		\$4,999.00
Other net assets changes		\$0.00
<b>Net assets (deficit) at end of year</b>		<b>\$4,999.00</b>

**FINANCIAL STATEMENTS AND REQUIRED  
SUPPLEMENTARY INFORMATION**

**New York City Land Development Corporation  
(A Component Unit of the City of New York)  
Years Ended June 30, 2019 and 2018  
With Report of Independent Auditors**

**PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY**

New York City Land Development Corporation  
(A Component Unit of the City of New York)

Financial Statements and Required Supplementary Information

Years Ended June 30, 2019 and 2018

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**PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY**

# I. Financial Section

**PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY**

## Report of Independent Auditors

The Management and the Board of Directors  
New York City Land Development Corporation

### **Report on the Financial Statements**

We have audited the accompanying financial statements of New York City Land Development Corporation (NYCLDC), a component unit of the City of New York, as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the NYCLDC's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

**PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY**

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NYCLDC as of June 30, 2019 and 2018, and the changes in its financial position and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

### ***Required Supplementary Information***

U.S. generally accepted accounting principles require that management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we also have issued our report dated \_\_\_\_\_, 2019, on our consideration of the NYCLDC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering NYCLDC's internal control over financial reporting and compliance.

\_\_\_\_\_, 2019

New York City Land Development Corporation  
(A Component Unit of the City of New York)

Management's Discussion and Analysis

June 30, 2019

This section of New York City Land Development Corporation's (NYCLDC or the Corporation) annual financial report presents our discussion and analysis of NYCLDC's financial performance during the fiscal years ended June 30, 2019 and 2018. Please read it in conjunction with the financial statements and accompanying notes.

**Overview of the Financial Statements**

This annual financial report consists of two parts: *management's discussion and analysis* (this section) and *basic financial statements and footnote disclosures*. NYCLDC is a local development corporation organized pursuant to section 1411 of the Not-for-Profit Corporation Law of the State of New York. NYCLDC is also a discretely presented component unit of the City of New York (the City). NYCLDC follows enterprise fund reporting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Enterprise fund statements offer short and long-term financial information about the activities and operations of the Corporation.

These statements are presented in a manner similar to a private business.

**Financial Analysis of the Corporation**

*Net position*

The following table summarizes NYCLDC's financial position at June 30, 2019, 2018 and 2017 and the percentage change between June 30, 2019 and 2018:

	2019	2018	2017	% Change 2019-2018
Total assets	\$ 6,622	\$ 7,021	\$ 6,019	(6)%
Total liabilities	1,623	2,022	1,020	(20)
Unrestricted net position	\$ 4,999	\$ 4,999	\$ 4,999	-

At June 30, 2019 and 2018, total assets were \$6,622 and \$7,021, respectively. The overall change in assets was due to a grant agreement between the Corporation and New York City Economic Development Corporation (NYCEDC). The grant agreement provides NYCLDC with the necessary funding for its annual general and administrative expenses. As of June 30, 2019 and 2018, the total cash in bank was \$3,509 and \$5,502, respectively.

**PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY**



New York City Land Development Corporation  
(A Component Unit of the City of New York)

Management's Discussion and Analysis (continued)

Total liabilities at June 30, 2019 and 2018, were \$1,623 and \$2,022, respectively, which primarily consisted of audit fees.

Net position at June 30, 2019 and 2018, remains unchanged at \$4,999.

**Operating Activities**

NYCLDC is engaged in economic development by means of assisting the City with the leasing and selling of certain properties. The Corporation encourages economic growth throughout the five boroughs of the City by acquiring City-owned property and disposing of it to strengthen the City's competitive position and facilitate investments that build capacity, generate economic opportunity and improve the quality of life.

The following table summarizes NYCLDC's change in net position for the fiscal years ended June 30, 2019 and 2018, and the percentage changes between June 30, 2019 and 2018:

	2019	2018	2017	% Change 2019-2018
Operating revenues	\$ 1,626	\$ 1,527	\$ 1,029	6%
Operating expenses	(1,626)	(1,527)	(1,029)	6
Operating income	-	-	-	-
Non-operating revenues	32	7	10	357
Non-operating expenses	(32)	(7)	(10)	357
Total non-operating income	-	-	-	-
Change in net position	-	-	-	-
Total net position, beginning of year	4,999	4,999	4,999	-
Total net position, end of year	\$ 4,999	\$ 4,999	\$ 4,999	-

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

New York City Land Development Corporation  
(A Component Unit of the City of New York)

Management's Discussion and Analysis (continued)

Operating revenues for the fiscal year ended June 30, 2019, were \$1,626, due to a grant from NYCEDC. The grant allows NYCLDC to meet its current general and administrative expense obligations. The Corporation also closed on one (1) real estate sales transaction in which it purchased property from the City in compliance with section 384(b)(4) of the City Charter. Under the City Charter, land can be purchased for a nominal fee. The purchased property was then sold for the same nominal fee as is allowable for land purchased by NYCEDC under this structure, which then re-sells the property to private parties. The aggregate nominal fee exchanged for both acquiring and selling the land amounted to \$1.

Operating expenses of \$1,626 mainly in fees related to audit services.

Correspondingly, no operating income was recognized for the year ended June 30, 2019.

**Contacting the Corporation's Financial Management**

This financial report is designed to provide our customers, clients and creditors with a general overview of the Corporation's finances and to demonstrate the Corporation's accountability for the resources at its disposal. If you have any questions about this report or need additional financial information, contact New York City Land Development Corporation, One Liberty Plaza, New York, NY 10006.

New York City Land Development Corporation  
(A Component Unit of the City of New York)

Statements of Net Position

	June 30	
	2019	2018
<b>Current assets</b>		
Cash	\$ 3,509	\$ 5,502
Due from NYCEDC	3,113	1,519
Total current assets	<u>6,622</u>	<u>7,021</u>
<b>Liabilities and net position</b>		
Current liabilities:		
Accounts payable and accrued expenses	1,600	2,000
Due to the City	23	22
Total current liabilities	<u>1,623</u>	<u>2,022</u>
Unrestricted net position	<u>\$ 4,999</u>	<u>\$ 4,999</u>

*See accompanying notes.*

New York City Land Development Corporation  
(A Component Unit of the City of New York)

Statements of Revenues, Expenses, and Changes in Net Position

	Year Ended June 30	
	2019	2018
Operating revenues:		
Grant	\$ 1,625	\$ 1,525
Real estate sales	1	2
Total operating revenues	1,626	1,527
Operating expenses:		
Cost of property sold	1	2
Auditing fees	1,600	1,500
Miscellaneous expenses	25	25
Total operating expenses	1,626	1,527
Operating income	-	-
Non-operating revenues (expenses):		
Interest income	32	7
Other expense	(32)	(7)
Total non-operating revenues (expenses)	-	-
Change in net position	-	-
Unrestricted net position, beginning of year	4,999	4,999
Unrestricted net position, end of year	\$ 4,999	\$ 4,999

*See accompanying notes.*

New York City Land Development Corporation  
(A Component Unit of the City of New York)

Statements of Cash Flows

	Year Ended June 30	
	2019	2018
<b>Operating activities</b>		
Grant receipts	\$ 32	\$ 1,027
Audit fees	(2,000)	(500)
Miscellaneous expenses	(25)	(25)
Net cash provided by (used in) operating activities	(1,993)	502
<b>Investing activities</b>		
Interest income	32	7
Other expense	(32)	(7)
Net cash provided by investing activities	-	-
Net change in cash and cash equivalents	(1,993)	502
Cash and cash equivalents, beginning of year	5,502	5,000
Cash and cash equivalents, end of year	\$ 3,509	\$ 5,502
<b>Reconciliation of operating income to net cash (used in) provided by operating activities</b>		
Operating income	\$ -	\$ -
Adjustments to reconcile operating income to net cash provided (used in) by operating activities:		
Changes in operating assets and liabilities:		
Accounts payable and accrued expenses	(400)	1,000
Due to the City	1	2
Due from NYCEDC	(1,594)	(500)
Net cash provided by (used in) operating activities	\$ (1,993)	\$ 502

*See accompanying notes.*

PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY

New York City Land Development Corporation  
(A Component Unit of the City of New York)

Notes to Financial Statements

June 30, 2019

**1. Background and Organization**

The accompanying financial statements include the assets, liabilities, net position and the financial activities of the New York City Land Development Corporation (NYCLDC or the Corporation).

On May 8, 2012, the City of New York (the City) formed the Corporation. NYCLDC is a local development corporation organized pursuant to section 1411 of the Not-for-Profit Corporation Law of the State of New York (the State). NYCLDC is engaged in economic development activities by means of assisting the City with the leasing and selling of the certain properties. As a local development corporation, NYCLDC is able to acquire or lease City-owned property outside of the auction process as provided by section 384(b)(4) of the City Charter. The mission of NYCLDC is to encourage economic growth throughout the five boroughs of the City by acquiring City-owned property and disposing of it to strengthen the City's competitive position and facilitate investments that build capacity, generate economic opportunity and improve the quality of life.

**2. Summary of Significant Accounting Policies**

**Basis of Accounting and Presentation**

NYCLDC follows enterprise fund reporting; accordingly, the accompanying financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. In its accounting and financial reporting, the Corporation follows the pronouncements of the Governmental Accounting Standards Board (GASB).

**Upcoming Accounting Pronouncements**

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Provisions of this statement are effective for fiscal years beginning after December 15, 2019. The Corporation is evaluating the impact this standard will have on its financial statements.

New York City Land Development Corporation  
(A Component Unit of the City of New York)

Notes to Financial Statements (continued)

**2. Summary of Significant Accounting Policies (continued)**

**Revenue and Expense Classification**

NYCLDC distinguishes operating revenues and expenses from non-operating items in the preparation of its financial statements. Operating revenues and expenses are transactions that directly relate to the organization fulfilling its mission statement including related administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Tax Status**

The income of NYCLDC is excluded from gross income for federal income tax purposes under section 115 of the U.S. Internal Revenue Code (the Code).

**Other Related-Party Transactions – New York City Economic Development Corporation**

New York City Economic Development Corporation (NYCEDC) provides NYCLDC with grant funding for its general and administrative expenses. The Corporation does not have any employees. Administrative services are provided to the Corporation by NYCEDC pursuant to a services agreement and no management fees are charged for these services.

**3. Contract With the City of New York**

NYCLDC has a contract with the City allowing for the sale and lease of City-owned land to NYCLDC. The contract provides that when the City sells or leases City-owned land to NYCLDC, NYCLDC must dispose of such land to NYCEDC or at the direction of NYCEDC.

During the year ended June 30, 2019, the Corporation closed on one (1) real estate sales transaction and leased seven (7) city-owned properties which were obtained from the City in compliance with section 384(b)(4) of the City Charter, for a nominal fee. The purchased property was then sold for the same nominal fee to NYCEDC, which then re-sold the land to a private party. The aggregate nominal fee exchanged for both acquiring and selling the land amounted to \$1. When a City-owned property is leased by the Corporation, the Corporation subsequently assigns the lease to a private party at the direction of NYCEDC and the private party assumes the lease. NYCLDC does not pay or receive any fees for leased property.

New York City Land Development Corporation  
(A Component Unit of the City of New York)

Notes to Financial Statements (continued)

**4. Grants**

NYCLDC received operating grants from NYCEDC during the year ended June 30, 2019. Grant revenues in the amount of \$1,625 were provided to offset the Corporation's annual operating expenses. These amounts were recorded as operating revenue.

**5. Cash**

The bank balance was \$3,509 as of June 30, 2019. The full balance was covered by the Federal Deposit Insurance Corp.

**6. Risk Management**

NYCLDC, along with other parties, has been named a party in several personal injury claims and lawsuits. NYCLDC is covered as an additional insured with respect to all of the pending lawsuits and as to the claims, NYCLDC is either covered as an additional insured, or may rely upon contractual indemnification by The City of New York. In management's opinion, the personal injury claims and litigation matters are not expected to have a materially adverse effect on the financial position of NYCLDC.



## II. Government Auditing Standards Section

**PRELIMINARY AND TENTATIVE FOR DISCUSSION ONLY**

Report of Independent Auditors on Internal Control Over Financial Reporting and  
on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance With *Government Auditing Standards*

The Management and the Board of Directors  
New York City Land Development Corporation

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of New York City Land Development Corporation (NYCLDC), a component unit of the City of New York, which comprise the statement of net position as of June 30, 2019, and the related statements of revenues and expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated \_\_\_\_\_, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered NYCLDC's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the NYCLDC's internal control. Accordingly, we do not express an opinion on the effectiveness of the NYCLDC's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether NYCLDC's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

\_\_\_\_\_, 2019

**Exhibit B**

**NEW YORK CITY LAND DEVELOPMENT CORPORATION**

**ANNUAL INVESTMENT REPORT  
Board of Directors Meeting  
September 27, 2019**

WHEREAS, the Board of Directors (the "Board") of New York City Land Development Corporation ("NYCLDC") adopted investment policies, procedures and guidelines (the "investment guidelines") and the adopted investment guidelines require the Board to approve an Annual Investment Report containing specified information and to submit the report to the City's Mayor and Comptroller and the New York State Department of Audit and Control; and

WHEREAS, attached hereto is the Annual Investment Report for NYCLDC for the fiscal year ended June 30, 2019;

NOW, THEREFORE, BE IT RESOLVED that the Board approves the Annual Investment Report attached hereto.

**Staff:** Spencer Hobson, Executive Vice President and Treasurer  
Amy Chan, Assistant Treasurer  
Fred D'Ascoli, Assistant Treasurer

**NEW YORK CITY LAND DEVELOPMENT CORPORATION  
ANNUAL INVESTMENT REPORT  
FOR THE YEAR ENDED JUNE 30, 2019**

**Investment Guidelines and Amendments**

Attached hereto as Attachment A is the current investment policies, procedures and guidelines (the "Investment Guidelines") of New York City Land Development Corporation ("NYCLDC"). In the fiscal year ended June 30, 2019 the Board did not approve any changes to the Investment Guidelines previously adopted.

**Summary of Investment Guidelines**

The Investment Guidelines provide that the portfolio is to be managed to accomplish the following objectives:

- A. Preservation of Principal – The single most important objective of NYCLDC's investment program is the preservation of principal of funds within the portfolio.
- B. Maintenance of Liquidity – The portfolio shall be managed in such a manner that assures that funds are available as needed to meet immediate and/or future operating requirements of NYCLDC.
- C. Maximize Return – The portfolio shall be managed in such a fashion as to maximize income through the purchase of authorized investments, taking into account the other investment objectives.

The Investment Guidelines provide that the portfolio is to be structured to diversify investments to reduce risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer or a specific type of security. The types of investments permitted are based on those permitted for the investment of City funds.

**Independent Audit Report**

Since NYCLDC did not have any investments for the fiscal year ended June 30, 2019, NYCLDC did not have an annual audit for investments.

**Investment Income Record**

NYCLDC had no investment income for the year ended June 30, 2019. It earned \$32 on bank account interest.

**Fees, Commissions and Other Charges**

NYCLDC did not pay any fees, commissions or other charges to an investment banker, broker, agent, dealer or advisor during the fiscal year.

## Attachment A

### NEW YORK CITY LAND DEVELOPMENT CORPORATION INVESTMENT GUIDELINES

#### I. Purpose

The purpose of this document is to establish policies, procedures and guidelines regarding the investing, monitoring and reporting of funds of New York City Land Development Corporation ("LDC").

#### II. Scope of the Investment Policy

This policy applies to the funds of LDC, which for purposes of these guidelines consist of all moneys and other financial resources available for investment by LDC on its own behalf or on behalf of any other entity or individual.

#### III. Investment Objectives

The portfolio shall be managed to accomplish the following objectives:

- A. Preservation of Principal – The single most important objective of LDC's investment program is the preservation of principal of funds within the portfolio.
- B. Maintenance of Liquidity – The portfolio shall be managed in such a manner that assures that funds are available as needed to meet immediate and/or future operating requirements of LDC.
- C. Maximize Return – The portfolio shall be managed in such a fashion as to maximize income through the purchase of authorized investments as stated below, taking into account the other investment objectives.

#### IV. Implementation of Guidelines

The Treasurer shall be responsible for the prudent investment of funds and for the implementation of the investment program and the establishment of investment procedures and a system of controls to regulate the activities of subordinate staff, consistent with these guidelines.

#### V. Authorized Investments

- A. The Treasurer or an Assistant Treasurer of LDC is authorized to invest funds of LDC as summarized and restricted below:
  1. U.S. Treasury Obligations. United States Treasury bills and notes, and any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States.

2. Federal Agency Obligations. Bonds, notes, debentures, or other obligations or securities issued by any agency or instrumentality of the United States.
  3. Repurchase Agreements. The repurchase agreements must be collateralized by U.S. Government guaranteed securities, U.S. Government agency securities, or commercial paper (of a type defined below) in a range of 100% to 102% of the matured value of the repurchase agreements and have a term to maturity of no greater than ninety (90) days. They must be physically delivered for retention to LDC or its agent (which shall not be an agent of the party with whom LDC enters into such repurchase agreement), unless such obligations are issued in book-entry form, in which case LDC shall take such other action as may be necessary to obtain title to or a perfected security interest in such obligations.
  4. Commercial Paper. Commercial paper rated A1 or P1 by Standard & Poor's Corporation or Moody's Investor's Service, Inc. or Fitch.
  5. Bankers' Acceptances and Time Deposits of banks with worldwide assets in excess of \$50 million that are rated with the highest categories of the leading bank rating services and regional banks also rated within the highest categories.
  6. Certificates of Deposit with New York banks, including minority-owned banks. All such certificates of deposit in these banks must be Federal Deposit Insurance Corporation ("FDIC") insured, except when otherwise collateralized.
  7. Other investments approved by the Comptroller of New York City for the investment of City funds.
- B. In addition to the above investments, LDC may deposit funds in the following ("Deposit Accounts"), with respect to funds needed for operational expenses and funds awaiting investment or disbursement:
1. High quality no-load money market mutual funds that restrict their investments to short term, highly rated money market instruments.
  2. Other interest bearing accounts, if permitted by applicable laws, rules and regulations, with New York City financial institutions designated by the New York City Banking Commission or such other financial institutions approved by the Deputy Mayor for Economic Development or his successor in function.

## VI. Written Contracts

LDC shall enter into written contracts pursuant to which investments are made which conform with the requirements of these guidelines and Section 2925.3(c) of the Public Authorities Law unless the Board or Executive Committee determines by resolution that a written contract containing such provisions is not practical or that there is not a regular business practice of written contracts containing such provisions with respect to a specific

investment or transaction, in which case the Board or Executive Committee shall adopt procedures covering such investment or transaction.

#### VII. Diversification

The portfolio shall be structured to diversify investments to reduce the risk of loss resulting from over-concentration of assets in a specific maturity, a specific issuer or a specific type of security. The maximum percentage of the total portfolio permitted in the indicated type of eligible security is as follows:

A.	U.S. Treasury	100% maximum
B.	Federal Agency	100% maximum
C.	Repurchase Agreements	5% maximum
D.	Commercial Paper	25% maximum
E.	Bankers Acceptances and Time Deposits	25% maximum
F.	Certificates of Deposit	20% maximum
G.	Other Investments Approved by Comptroller for City Funds	A percentage deemed prudent by Treasurer

#### VIII. Maximum Maturity

Maintenance of adequate liquidity to meet the cash flow needs of LDC is essential. Accordingly, the portfolio will be structured in a manner that ensures sufficient cash is available to meet anticipated liquidity needs. Selection of investment maturities must be consistent with cash requirements in order to avoid the forced sale of securities prior to maturity.

For purposes of this investment policy, assets of the portfolio shall be segregated into two categories based on expected liquidity needs and purposes – Cash equivalents and Investments. Assets categorized as Cash equivalents will be invested in permitted investments maturing in ninety (90) days or less or deposited in Deposit Accounts. Assets categorized as Investments will be invested in permitted investments with a stated maturity of no more than two (2) years from the date of purchase.

#### IX. Monitoring and Adjusting the Portfolio



Those responsible for the day-to-day management of the portfolio will routinely monitor the contents of the portfolio, the available markets and the relative values of competing instruments, and will adjust the portfolio as necessary to meet the investment objectives listed above. It is recognized and understood that the non-speculative active management of portfolio holdings may cause a loss on the sale of an owned investment.

#### **X. Internal Controls**

The Treasurer or an Assistant Treasurer under the direction of the Treasurer shall establish and be responsible for monitoring a system of internal controls governing the administration and management of the portfolio. Such controls shall be designed to prevent and control losses of the portfolio funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by any personnel.

#### **XI. Eligible Brokers, Agents, Dealers, Investment Advisors, Investment Bankers and Custodians**

The following are the standards for the qualifications of brokers, agents, dealers, investment advisors, investment bankers and custodians:

##### **A. Brokers, Agents, Dealers**

1. In Government Securities: any bank or trust company organized or licensed under the laws of any state of the United States of America or of the United States of America or any national banking association or any registered broker/dealer or government securities dealer.
2. In Municipal Securities: any broker, dealer or municipal securities dealer registered with the Securities and Exchange Commission (the "SEC").

**B. Investment Advisors:** any bank or trust company organized under the laws of any state of the United States of America or any national banking association, and any firm or person which is registered with the SEC under the Investment Advisors Act of 1940.

**C. Investment Bankers:** firms retained by LDC to serve as senior managing underwriters for negotiated sales must be registered with the SEC.

**D. Custodians:** any bank or trust company organized under the laws of any state of the United States of America or any national banking association with capital and surplus of not less than \$50,000,000.

#### **XII. Reporting**

##### **A. Quarterly**

The Treasurer or an Assistant Treasurer under the direction of the Treasurer shall prepare and deliver to the Board of Directors once for each quarter of LDC's fiscal

year a report setting forth a summary of new investments made during that quarter, the inventory of existing investments and the selection of investment bankers, brokers, agents, dealers, investment advisors and auditors.

**B. Annually**

1. Audit – LDC's independent accountants shall conduct an annual audit of LDC's investments for each fiscal year of LDC, the results of which shall be made available to the Board of Directors at the time of its annual review and approval of these Guidelines.
2. Investment Report – Annually, the Treasurer or an Assistant Treasurer under the direction of the Treasurer shall prepare and the Board of Directors shall review and approve an Investment Report, which shall include:
  - a. The Investment Guidelines and amendments thereto since the last report;
  - b. An explanation of the Guidelines and any amendments made since the last report;
  - c. The independent audit report required by Subsection (1) above;
  - d. The investment income record of LDC for the fiscal year; and
  - e. A list of fees, commissions or other charges paid to each investment banker, broker, agent, dealer and advisor rendering investment associated services to LDC since the last report.

The Investment Report shall be submitted to the Mayor and the Comptroller of the City of New York and to the New York State Department of Audit and Control. Copies of the report shall also be made available to the public upon reasonable request.

**XIII. Applicability**

Nothing contained in these Guidelines shall be deemed to alter, affect the validity of, modify the terms of or impair any contract, agreement or investments of funds made or entered into in violation of, or without compliance with, the provisions of these Guidelines.

**XIV. Conflict of Law**

In the event that any portion of this policy is in conflict with any State, City or federal law, that law will prevail.

**XV. No Conflict With Other LDC Policies**

These Investment Guidelines do not modify the powers given by LDC's Board of Directors which authorized and resolved that (i) officers of LDC be authorized to obtain and maintain any bank, investment and other financial accounts as may be necessary or useful to LDC in furtherance of LDC's operations (the "Accounts"); (ii) the officers of LDC be authorized to

perform all those tasks necessary or useful to ensure that LDC, acting through those authorized officers listed in the Bylaws of LDC, has access to and control over the Accounts; (iii) the Directors adopt and incorporate by reference the standard forms of banking resolutions and incumbency certificates ordinarily used by such financial institutions selected by the officers of LDC and (iv) any officer of LDC be authorized to certify to the due adoption of such banking resolutions and incumbency certificates. Empowered officers may enter into agreements with banks and financial institutions for bank accounts and to purchase investments of the type indicated in these Investment Guidelines and other investments specifically approved by LDC's Board of Directors.

These Investment Guidelines do not modify any restriction, if any, otherwise imposed on various types of funds held by LDC, such as any restrictions set forth in any third party contracts with the City, or resulting from the source of funds (e.g. federal funds). Those other restrictions, to the extent inconsistent with these Investment Guidelines, shall govern. If possible, all sets of restrictions should be complied with. Furthermore, by adopting these Investment Guidelines, the Board is not amending or superseding any approval given or hereafter given for investments related to particular projects.

**Exhibit C**

**NEW YORK CITY LAND DEVELOPMENT CORPORATION**

**PERFORMANCE MEASUREMENT REPORT  
Board of Directors Meeting  
September 27, 2019**

The Public Authorities Law requires New York City Land Development Corporation ("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 on November 8, 2018, NYCLDC's Board approved a mission statement and performance measure for Fiscal Year 2019.

The Authorities Budget Office requires that NYCLDC annually report on performance results with regard to the approved measure. Attached hereto as Attachment A is NYCLDC's report with regard to the performance measure for Fiscal Year 2019.

Attachment A

Authority Performance Measurement Report for Fiscal Year 2019

Name of Public Authority:

New York City Land Development Corporation

Performance Goal:

<i>Performance Measure</i>	<i>FY19 July 1, 2018 – June 30, 2019</i>
New private investment related to sale/long-term lease of City-owned property	<b>\$877,253,890</b> (This number includes NPV of rental revenue from leases for lease term, property sales revenue, and projected development costs.)

Exhibit D

NEW YORK CITY LAND DEVELOPMENT CORPORATION

**LAND SALE TO JUGHANDLE REALTY, LLC  
Board of Directors Meeting  
September 27, 2019**

**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 the Purchaser described below. 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 described below 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:**

Jughandle Realty, LLC  
or an affiliated entity ("Purchaser")

Jughandle Realty, LLC is owned by Bartlett Dairy, Inc. ("User"), a family-owned, M/WBE qualified dairy distribution company.

**SITE:**

Block 14260, p/o Lot 1 (the "Site")  
Borough of Queens  
Community Board No. 13

**SITE DESCRIPTION:**

The Site is located immediately north of JFK Airport, along the south side of Rockaway Boulevard between 145<sup>th</sup> Avenue and 147<sup>th</sup> Avenue, just outside the JFK Gateway Industrial Business Improvement District (see Attachment 1).

The Site is approximately 6.15-acres and is a portion of an approximately 8.66-acre parcel of land that is owned by the

City (the "Jughandle Property"). The Site is currently vacant land, except for an operational Consolidated Edison Company of New York, Inc. ("ConEd") substation. After sale of the Site, the City will retain ownership of the balance of the Jughandle Property, which is approximately 2.51-acres (the "Adjacent City Property") (Attachment 2) and will be provided with an easement across the Site for access to the Adjacent City Property (approximately shown in Attachment 3).

The Jughandle Property was mapped as an unbuilt portion of the Nassau Expressway. NYCEDC and the Purchaser have jointly applied to demap the Jughandle Property and allow for the disposition of the Site (the "Demapping Action").

The Site will be encumbered with multiple utilities and easements (approximately shown in Attachment 3), including the following:

- a. Approximately 0.17-acre ConEd substation with associated cables for use by ConEd and other utilities. The ConEd substation and cables will be protected under an approximately 1.33-acre easement from the Purchaser to ConEd (the "ConEd Easement").
- b. A National Grid gas pipe runs through the site from Rockaway Boulevard down to the Nassau Expressway. This pipe will also be protected under an approximately 0.19-acre easement from the Purchaser to National Grid (the "National Grid Easement").
- c. Approximately 0.75-acre easement for the New York State Department of Transportation (the "SDOT Easement").

**PROJECT  
DESCRIPTION:**

NYCEDC released a Request for Expressions of Interest (the "RFEI") in February of 2015 for the redevelopment of some or all of the Jughandle Property. In 2016, NYCEDC selected the Purchaser to acquire and develop the Site for use as a dairy distribution facility. Respondents to the RFEI and a brief summary of their proposals are listed in Attachment 4.

The Purchaser will develop the Site initially for use by the Purchaser, User and/or affiliated entities. The Site will be developed with an approximately 54,050 square foot distribution facility, comprised of an approximately 38,750 square foot distribution warehouse, an approximately 9,000

square foot mezzanine office space and an approximately 6,300 square foot vehicle repair shop (collectively, the "Project"). The Project will also include parking spaces for employee and for truck use.

The Site will be subject to a 25-year use restriction period, consisting of an initial use period ending 10 years after substantial completion of construction of the Project (the "Initial Use Period") and a following 15-year second use period (the "Second Use Period"). During the Initial Use Period, the Site may only be used by the Purchaser, User and/or their affiliates in connection with their fluid milk and food distribution business. In the Second Use Period, the Site may be used for industrial or distribution uses as permitted under certain use groups specified in the New York City Zoning Resolution, but it may not be used for self-storage or hospitality use.

During the Second Use Period, the Purchaser has the option to remove the use-restriction by making a payment in an amount set forth in the deed for the disposition of the Site to the Purchaser and Attachment 5 hereto.

The transaction also includes a transfer of development rights off of the Site onto the Adjacent City Property, which will leave approximately 55,750 square feet of development rights available for activation on the Site.

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

It is anticipated that the disposition of the Site will transform an underutilized City-owned land asset. The Site will become the permanent home for a family-owned, M/WBE certified business that is based in Queens, and it is anticipated will result in the retention of approximately 165 jobs that currently pay average wages of \$70,000 per year.

**FINANCIAL TERMS:**

NYCLDC will purchase the Site for \$1 from the City and then sell the Site for \$1 to NYCEDC. The Purchaser will then purchase the Site from NYCEDC for \$4,000,000 (the "Purchase Price").

The Purchase Price was established pursuant to a third-party appraisal, which takes into consideration the Site encumbrances (including the SDOT Easement, the ConEd Easement, and the National Grid Easement), the limited



development rights available, as well as the use restrictions, outlined herein.

It is anticipated that the Purchaser will receive benefits from the IDA, including building tax stabilization of pre-improvement value for 25 years, full land tax abatement for 25 years, sales and use tax exemption on purchases of machinery and equipment, and a limited mortgage recording tax exemption. The Purchaser will also be pursuing benefits from ESDC.

**PURCHASE OPTION  
AND RIGHT OF  
FIRST REFUSAL:**

The User does not currently have plans to expand business operations on the Site to the Adjacent City Property, but it is anticipated that it may consider expanding in the future. If the User does choose to expand, then NYCEDC may elect to negotiate a new lease for the Adjacent City Property with the Purchaser. If a lease is entered into, the contract of sale for the Site provides that it is expected that the lease will be for a five-year term and also provides that the lease will include a purchase option, allowing for purchase of the Adjacent City Property by the Purchaser at the fair market value for the proposed use(s) as appraised around the time the option is exercised. The Purchaser would have this purchase option during the first year of the lease term and a right of first refusal during the remaining four years. This lease for the Adjacent City Property (with the option and right of first refusal) will be subject to NYCEDC Board of Directors approval.

**APPRAISED VALUE:**

Pursuant to an appraisal report by Goodman-Marks Inc., dated May 11, 2018, the estimated fair market value of the unencumbered fee simple interest of the Site is \$70 PSF (i.e. approximately \$18,752,580). After accounting for the various encumbrances and deed restrictions on the Site, the value was determined to be \$14 PSF (i.e. approximately \$3,836,889).

**EXISTING ZONING:**

The Site is zoned M1-1 and the proposed land use during the Initial Use Period will comply with zoning Use Group 16, which is permitted as-of-right in M1-1 zoning districts.

**PUBLIC  
APPROVALS:**

The Demapping Action was approved by the New York City Council by resolution on June 13, 2019. The Project

received ULURP approval in June 11, 2019 and Queens Borough Board 384(b)(4) approval on July 15, 2019.

**PROPOSED  
RESOLUTIONS:**

Approval for NYCLDC to (i) purchase the Site from the City, and sell the Site to NYCEDC, substantially as described herein, and (ii) enter into and provide any related agreements and documents and consents to effectuate the transactions substantially as described herein

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

**NYCEDC  
PROJECT CODE:**

5950

**STAFF:**

Jennifer Cohen, Assistant Vice President, Real Estate Transaction Services  
Mikhael Abebe, Associate, Real Estate Transaction Services  
Sunitha Amalraj, Senior Vice President, Real Estate Transaction Services  
Anne Sherman, Senior Counsel, Legal  
Carlos Guerra, Assistant Vice President, Legal

## Attachment 1: Location Map

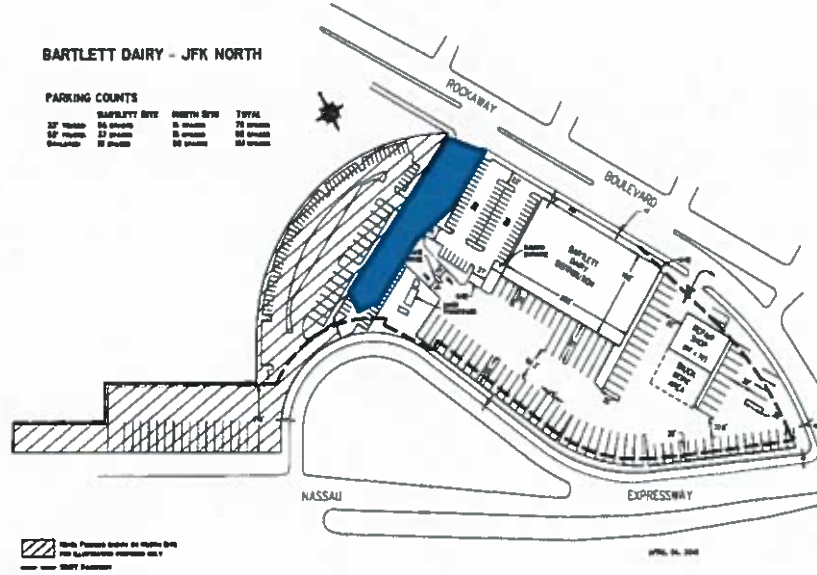


## Attachment 2: Site Map

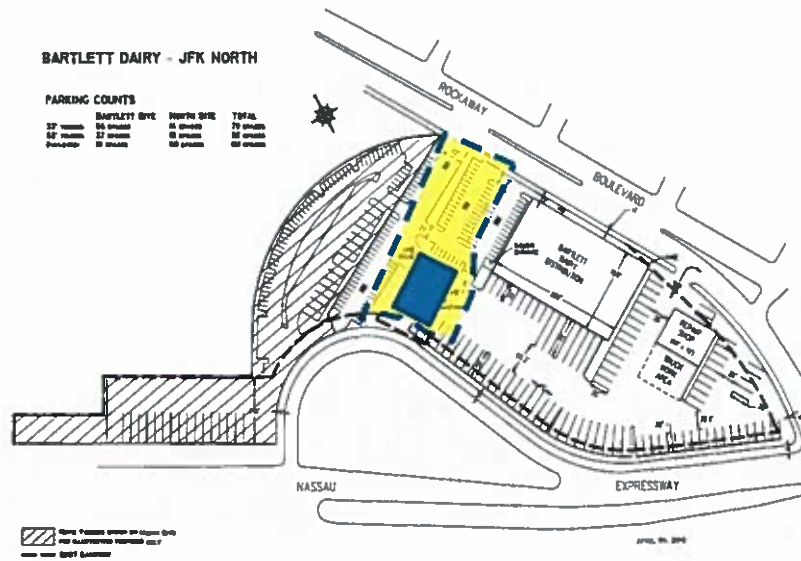


### Attachment 3: Encumbrances

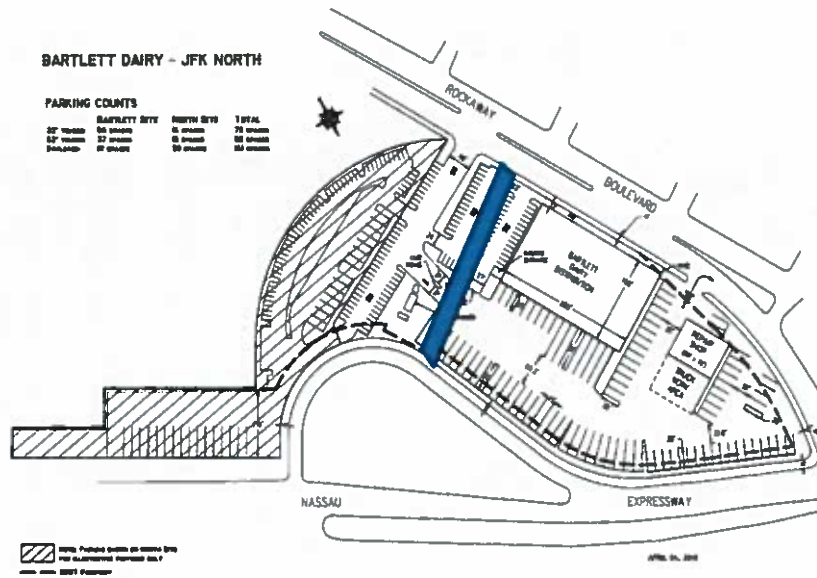
#### 1) New York City Access Easement Area (shaded blue)



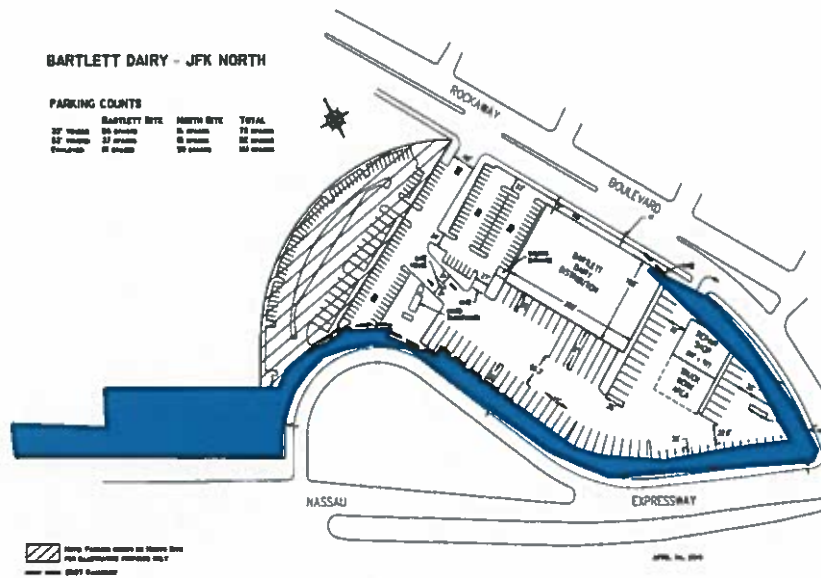
#### 2) Con Edison Easement Area (shaded yellow) and Fenced in Area for Substation (shaded blue)



### 3) National Grid Easement Area (shaded blue)



### 4) SDOT Easement (shaded blue)



**Attachment 4: RFEI – Initial Responses**

<b>Name</b>	<b>Value Offered</b>	<b>Purpose</b>	<b>Size of Proposed Development</b>
Edward J. Minskoff Equities, Inc.	\$12,817,000	Class A commercial office complex	802,112 square feet
Gabrielli Truck Sales LTD.	\$8,050,000	Truck sales and fabrication, including a parts warehouse and repair shop	72,000 square feet
The McSam Hotel Group	\$7,500,000	Hotels, training school, flexible community space, rooftop farm	334,077 square feet
Bartlett Dairy, Inc.	\$7,000,000	Distribute perishable/non-perishable goods, and process and bottle milk	72,000 square feet



### **Attachment 5: Schedule for Payment to Remove Use Restrictions**

The Second Use Period will commence on the first day after the conclusion of the Initial Use Period, which will be the 10th anniversary of the date of substantial completion of construction of the Project.

<b>Year</b>	<b>Payment</b>
Year 11	<b>\$3,112,491</b>
Year 12	<b>\$3,195,491</b>
Year 13	<b>\$3,263,966</b>
Year 14	<b>\$3,314,180</b>
Year 15	<b>\$3,341,799</b>
Year 16	<b>\$3,308,381</b>
Year 17	<b>\$3,234,861</b>
Year 18	<b>\$3,113,554</b>
Year 20	<b>\$2,935,636</b>
Year 21	<b>\$2,691,000</b>
Year 22	<b>\$2,368,080</b>
Year 23	<b>\$1,953,666</b>
Year 24	<b>\$1,432,688</b>
Year 25	<b>\$787,979</b>