

MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS
OF
NEW YORK CITY LAND DEVELOPMENT CORPORATION
May 5, 2016

A meeting of the Board of Directors of New York City Land Development Corporation ("NYCLDC") was held on Thursday, May 5, 2016, at 260 Broadway, New York, New York.

The following members of the Board of Directors were present:

Henry Berger
James Patchett
Kim Vaccari
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, Meredith Jones, General Counsel, an Executive Vice President and Secretary of New York City Economic Development Corporation ("NYCEDC"), Charles Gans, an Executive Vice President of NYCEDC, Jeffrey Nelson, an Executive Vice President of NYCEDC, Merik Mulcahy, an Associate of NYCEDC, Hannah Burdei, a Senior Associate of NYCEDC, John Corcoran, a Senior Associate of NYCEDC, and Janeth Blake from Ernst & Young LLP ("E&Y"). The meeting was called to order at 4:02 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. 2016 Audit Plan

A report on the 2016 Audit Plan (the "Audit Plan") for NYCLDC was provided to the Board of Directors for informational purposes. Ms. Blake of E&Y then summarized the Audit Plan.

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. Approval of the Minutes of the November 13, 2015 Meeting of the Board of Directors

There were no questions or comments with respect to the minutes of the November 13, 2015 Board of Directors meeting, as submitted. A motion to approve such minutes, as submitted, was made, seconded and unanimously adopted.

4. Mission Statement and Measurement

Mr. Silversmith stated that the PAAA required NYCLDC to annually review its mission statement and measurements by which the performance of NYCLDC and the achievement of its goals may be evaluated. At this time, NYCLDC proposed for Fiscal Year 2016 to continue to use its existing mission statement and the measurement indicated in Attachment A to Exhibit B hereto.

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

5. Property Sale to Eastern Effects, Inc.

Mr. Mulcahy presented the proposed purchase by NYCLDC from the City of New York (the "City") of Block 3753, Lot 3 on the Tax Map of the Borough of Brooklyn (the "Site"), and NYCLDC's proposed sale of the Site to NYCEDC, on substantially the terms set forth in Exhibit C hereto.

In answer to a question from Mr. Patchett, Mr. Mulcahy stated that the use of the Site for parking and other uses would support the development on an adjacent site owned by Eastern Effects, Inc. ("Eastern") or an affiliated entity. In answer to another question from Mr. Patchett, Mr. Mulcahy explained that Eastern did not originally plan to purchase the Site when it or an affiliated entity purchased the adjacent site and that later Eastern recognized the need for a loading, staging and parking site next door. Mr. Mulcahy further noted that activating the Site would also serve to clean up the Site.

In answer to an additional question from Mr. Patchett, Mr. Mulcahy stated that the goal of the Request for Proposals ("RFP") for the Site was to activate vacant land in East New York. Mr. Mulcahy added that Eastern was the only respondent to the RFP, and that the Site was outside of the industrial business zone. Mr. Patchett then

suggested that perhaps the Site should have been leased instead of sold, given that there would not be much development on it, and that maybe more money or better use of the Site could be achieved after a few years, when a lease term would end. Mr. Gans stated that NYCLDC has been doing more leases than in the past, typically for larger scale projects. Mr. Berger stated that, given the size of the Site, perhaps it was best to go ahead with the sale. Mr. Nelson stated that the administrative burden and potential liability involved with leasing a small site also contributed to the decision to sell the Site.

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 transfer to NYCEDC that will achieve the same purpose as the transfer. Such motion was seconded and unanimously approved.

6. Property Sale to NFC Associates, LLC

Ms. Burdei presented the proposed purchase by NYCLDC from the City of Block 1955, part of Lot 1 on the Tax Map of the Borough of Staten Island (the "NFC Site"), and NYCLDC's proposed sale of the NFC Site to NYCEDC, on substantially the terms set forth in Exhibit D hereto.

In answer to a question from Mr. Berger, Ms. Burdei explained that the decision to require only a little over 10% of the units to be affordable housing was due to the extensive costs of developing the NFC Site, which included the rehabilitation of historic buildings, extensive infrastructure costs and the provision of much open space that would be open to the public. Ms. Burdei further stated that approximately 6 acres of the NFC Site was a potters field and could not be built on and that a memorial would be put there. In answer to a question from Mr. Patchett, Ms. Burdei explained that the open space would have a restrictive declaration that required such space to be open to the public during certain hours. Ms. Burdei added that NFC Associates, LLC ("NFC") would be building and maintaining the open space.

In answer to a question from Mr. Berger, Ms. Burdei stated that the length of the commitment for affordable housing was 20 years, which was in line with other New York City Department of Housing Preservation and Development ("HPD") projects; HPD was still working on the regulatory agreement for the proposed project. In answer to another question from Mr. Berger, Ms. Burdei stated that 5 old buildings would be renovated, 3 of which would be for housing, and that there would be a total of approximately 24 buildings on the NFC Site. In answer to an additional question from Mr. Patchett, Mr. Gans stated that it would be harder to do a lease than a sale for this project because a condominium was planned and leases only permit coops.

Ms. Burdei then explained that the restrictive declaration included a maximum of 344 units, natural area restrictions, a permanent perpetual access easement and access to the public from dawn to dusk. In answer to a question from Mr. Patchett, Ms. Burdei stated that HPD and NYCEDC worked on the affordable housing aspects of the

project. Mr. Patchett stated that he would like there to be maintenance requirements for the open space. In answer to a question from Ms. Woo, Ms. Burdei stated that the overall cost of the development was approximately \$100,000,000. Ms. Burdei further noted that the deed had requirements for a minimum of 300 units of housing, with a minimum of 34 affordable units, and time periods for when they must be built.

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 is no reasonable alternative to the proposed transfer to NYCEDC that will achieve the same purpose as the transfer. Such motion was seconded and unanimously approved.

7. Property Sale to The Hudson Companies Incorporated

Mr. Corcoran presented a proposal (i) for NYCLDC to purchase from the City Block 239, Lot 16 on the Tax Map of the Borough of Brooklyn (the "Library Site"), and subsequently for NYCLDC to sell the Library Site to NYCEDC, and (ii) for NYCLDC to take any actions and enter into any agreements necessary to implement the project and related transactions, on substantially the terms set forth in Exhibit E hereto.

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

8. Adjournment

There being no further business to come before the meeting, the meeting of the Board of Directors was adjourned at 4:40 p.m.

Mark Silvermuth

Secretary

Dated: June 3, 2016
New York, New York

Attachment 1

DEFINITIONS

Apple.....	Apple Industrial Development Corp.
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
Hudson Meridian.....	Hudson Meridian Construction Group LLC
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
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
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**

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 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) FY2015	Current Year (Estimated) FY2016	Next Year (Adopted) FY2017	Proposed FY2018	Proposed FY2019	Proposed FY2020
<u>REVENUE & FINANCIAL SOURCES</u>						
Operating Revenues						
Other operating revenues	20,010	22,515	23,032	23,608	24,198	24,803
Total Revenues & Financing Sources	20,010	22,515	23,032	23,608	24,198	24,803
<u>EXPENDITURES</u>						
Operating Expenditures						
Other operating expenditures	20,010	22,515	23,032	23,608	24,198	24,803
Total Expenditures	20,010	22,515	23,032	23,608	24,198	24,803
Operating Surplus (Deficit)	-	-	-	-	-	-
Non Operating Revenues						
Non Operating Expenses						
Change in Net Position	-	-	-	-	-	-

Exhibit B

NEW YORK CITY LAND DEVELOPMENT CORPORATION

**MISSION STATEMENT AND MEASUREMENT
Board of Directors Meeting**

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 annually review its mission statement and measurements by which the performance of NYCLDC and the achievement of its goals may be evaluated; and

WHEREAS, for Fiscal Year 2016, NYCLDC proposes to continue to use its existing mission statement and the measurement indicated in Attachment A hereto;

NOW, THEREFORE, RESOLVED that the Board approves the mission statement and performance measure for Fiscal Year 2016 set forth in Attachment A.

ATTACHMENT A

Authority Mission Statement and Performance Measurement

Name of Public Authority:

New York City Land Development Corporation ("NYCLDC")

Public Authority's Mission Statement:

The mission of NYCLDC is to encourage economic growth throughout the five boroughs of New York City by acquiring City property and disposing of it to strengthen the City's competitive position and facilitate investments that build capacity, create jobs, generate economic opportunity and improve quality of life.

Date Adopted: as of May 5, 2016

Performance Goal: New private investment related to sale/long-term lease of City-owned property

Exhibit C

NEW YORK CITY LAND DEVELOPMENT CORPORATION

**PROPERTY SALE TO EASTERN EFFECTS, INC.
Board of Directors Meeting**

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 Eastern Effects, Inc. ("Eastern") 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
99 9th Street
Brooklyn, NY 11215

Eastern is a film studio and equipment rental business based in Gowanus, Brooklyn and is owned by Scott E. Levy, Christopher P. Hayes and Laura G. Gahrahmat.

SITE LOCATION:

Block 3753, Lot 3 (the "Site")
Borough of Brooklyn
Community Board No. 5

SITE DESCRIPTION:

The Site is an approximately 2,300 square foot vacant parcel located near the northeast corner of Georgia Avenue and Sutter Avenue. The Site is adjacent to an approximately 25,000 square foot building on an approximately 21,000 square foot lot that was purchased in April 2015 by an entity controlled by the owners of Eastern that is receiving IDA

benefits. Eastern began renovating the adjacent building for film production studio space in summer 2015 and is expected to complete the renovation in spring 2016.

PURCHASE PRICE: NYCLDC will purchase the Site from the City for \$1 and then sell the Site for \$1 to NYCEDC. Purchaser will then purchase the Site from NYCEDC for \$150,000 on an all-cash basis or partial cash basis where part of the purchase price is paid pursuant to a self-amortizing promissory note for a principal amount not to exceed \$85,000, secured by a purchase money mortgage held by NYCEDC, for a term of 5 years, at an interest rate of 6% per annum.

APPRAISED VALUE: An independent appraisal of the Site, for highest and best use, dated June 30, 2015, determined the value of the Site to be \$150,000.

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

An RFP was released for the development of the Site on May 1, 2013. A rolling submission period ended on September 2, 2014. The Purchaser was chosen pursuant to the RFP.

NYCEDC and Eastern entered into a contract of sale (the "Contract") on December 24, 2015. Pursuant to the Contract, the deed to the Site will require renovation and reconstruction of the building on the adjacent property primarily as film production studio space, as well as clearing, paving or blacktopping, and fencing the Site, to have begun within one month of the date of the deed and to be completed within 12 months of the date of the deed.

There will be a use and transfer restriction for ten years after a temporary or permanent certificate of occupancy for the required construction has been issued for the Site and adjacent property, with uses restricted to the non-residential business operations and corporate purposes of Eastern and possibly affiliated entities, primarily in connection with Eastern's film production studio. Purchaser plans to use the Site for loading, staging and parking in connection with the film production studio space on the adjacent property.

This disposition will activate a vacant lot and support the expansion of a Brooklyn based film and television company into East New York. The project is expected to support the creation of a minimum of five living wage jobs over the next three years. It is anticipated that Eastern will continue to partner with Brooklyn Workforce Innovations' Made in NY Production Assistant program to provide local training.

ZONING: The Site is zoned C4-3

PUBLIC APPROVALS: The Brooklyn Borough Board approved the disposition of the Site pursuant to Section 384(b)(4) of the City Charter, on April 5, 2016.

PROPOSED RESOLUTIONS: Approval for (i) NYCLDC to purchase the Site from the City for \$1 and (2) NYCLDC to sell the Site to NYCEDC for \$1, on substantially the above-described terms.

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: 5253

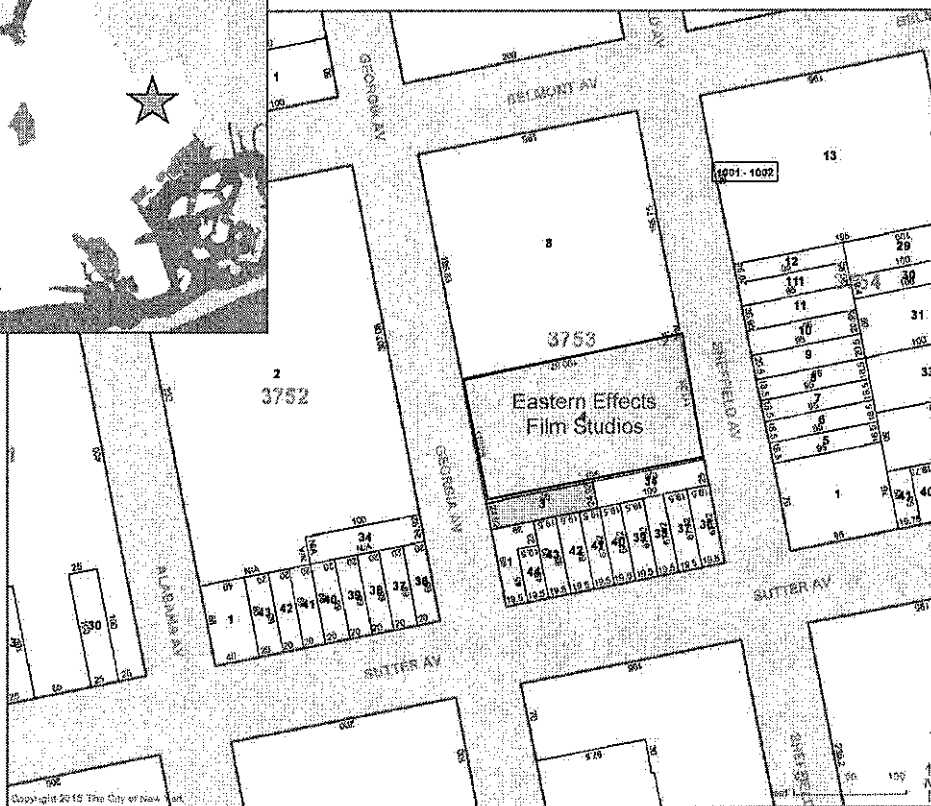
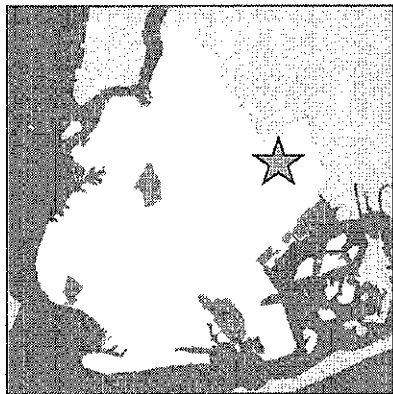


Exhibit D

NEW YORK CITY LAND DEVELOPMENT CORPORATION

**PROPERTY SALE TO NFC ASSOCIATES, LLC
Board of Directors Meeting**

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 NFC Associates, 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
45 Marble Loop
Staten Island, NY 10309

Raymond Masucci is the sole member of NFC Associates, LLC.

**SITE
LOCATION:**

Block 1955, p/o Lot 1 (the "Site")
475 Brielle Avenue
Borough of Staten Island
Community District No. 2

**SITE
DESCRIPTION:**

The Site is approximately 44 acres and is owned by the City. It formerly was used for the New York City Farm Colony, previously referred to as Richmond County Poor Farm, which was created in 1829 to provide room and board to

socially vulnerable populations in exchange for their labor. In 1975, all remaining residents were moved. It is currently improved by 11 buildings containing approximately 195,000 square feet. The structures are currently in disrepair due to deferred maintenance, fire and weather damage.

**PROJECT
DESCRIPTION/
PURPOSE OF
TRANSFER:**

Purchaser is required to develop on the Site a mixed-use residential and commercial development that includes commercial and/or community facility space, at least 20 acres of publicly accessible open space, and the rehabilitation of certain existing structures on site, as further described below (the "Project"). Purchaser is responsible for all costs associated with the distribution and/or restoration of utilities on the Site.

The Project will include no fewer than 300 senior housing units with no fewer than 34 units designated affordable senior housing. The required distribution of income levels includes 11 units at 120% of Area Median Income ("AMI"), 11 units at 130% of AMI and 12 units at 155% of AMI. Purchaser is required to rehabilitate five of the existing historic buildings on the Site in connection with the construction of the residential program and reuse certain materials from five of the other buildings on the Site (which will be demolished) in connection with the Project. The Project also includes the stabilization of one building as an "arrested ruin" on the Site. In addition, the Project requires the development of no fewer than 15,000 square feet of commercial and/or community facility space.

The remainder of the Project includes a minimum of 20 acres of privately owned, publicly accessible open space with physical and visual connectivity to the City Parks system and Staten Island's Greenbelt, and accessory parking for the adjacent facilities and ballfields run by City Parks.

Construction on the Site must be commenced within 6 months of closing and the Project must be completed within 5 years, subject to unavoidable delays.

Portions or all of the Project may be sold pursuant to a condominium arrangement.

BENEFIT TO THE PUBLIC:

The Site has been a part of several redevelopment solicitations over the past eleven years, including the Request for Expressions of Interest ("RFEI") pursuant to which Purchaser was chosen. The Project will reactivate a property that has sat vacant and underutilized for four decades and will create senior housing (including affordable senior housing) and publicly accessible open space with amenities, improve connectivity to Staten Island's Greenbelt, and rehabilitate historic buildings.

The Project is anticipated to generate approximately 250 construction jobs and 40 permanent jobs. Purchaser will work with NYCEDC and the community to implement HireNYC and M/WBE program goals and initiatives.

SELECTION OF PURCHASER:

Purchaser was chosen pursuant to the RFEI issued on March 6, 2012, pursuant to which a purchaser for the Site could be chosen. Other respondents and their proposals are listed in Attachment A hereto.

PURCHASE PRICE:

NYCLDC will purchase the Site from the City for \$1 and then sell the Site to NYCEDC for \$1. Purchaser will then purchase the Site from NYCEDC for \$1.

APPRAISED VALUE:

Pursuant to an appraisal by Goodman-Marks Associates, Inc. the estimated fair market value of (i) the fee simple interest of the Site, taking into account the condition of the Site including needed infrastructure and requirements of the proposed project, is \$0, and (ii) the fee simple interest of the Site for highest and best use, taking into account the condition of the Site including needed infrastructure but not the proposed project, is \$3,700,000. The appraisal does not take into account environmental remediation costs which are estimated to cost at least approximately \$3,000,000.

EXISTING ZONING:

The Site is situated within the boundaries of the Farm Colony-Seaview Hospital Historic District, Special Natural Area District, and in a R3-2/R3-1 zoning district.

**PUBLIC
APPROVALS:**

The Landmarks Preservation Commission approved the preservation plan for the Site on November 5, 2014.

The Project received ULURP approval on October 30, 2015.

Pursuant to Section 384(b)(4) of the City Charter, the Staten Island Borough Board approved the disposition by the City on February 2, 2016.

**PROPOSED
RESOLUTIONS:**

Approval for (i) NYCLDC to purchase the Site from the City for \$1 and (2) NYCLDC to sell the Site to NYCEDC for \$1, on substantially the above described terms.

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:**

5073

ATTACHMENT A

Other Respondents		
Name	Price	Project
The Holland Development Group	\$1,000,000	Primarily residential units and some retail space and a community facility
The Arker Companies	\$0 for the unbuilt portion of the Site	Residential units

Site Location Map

475 Brielle Avenue

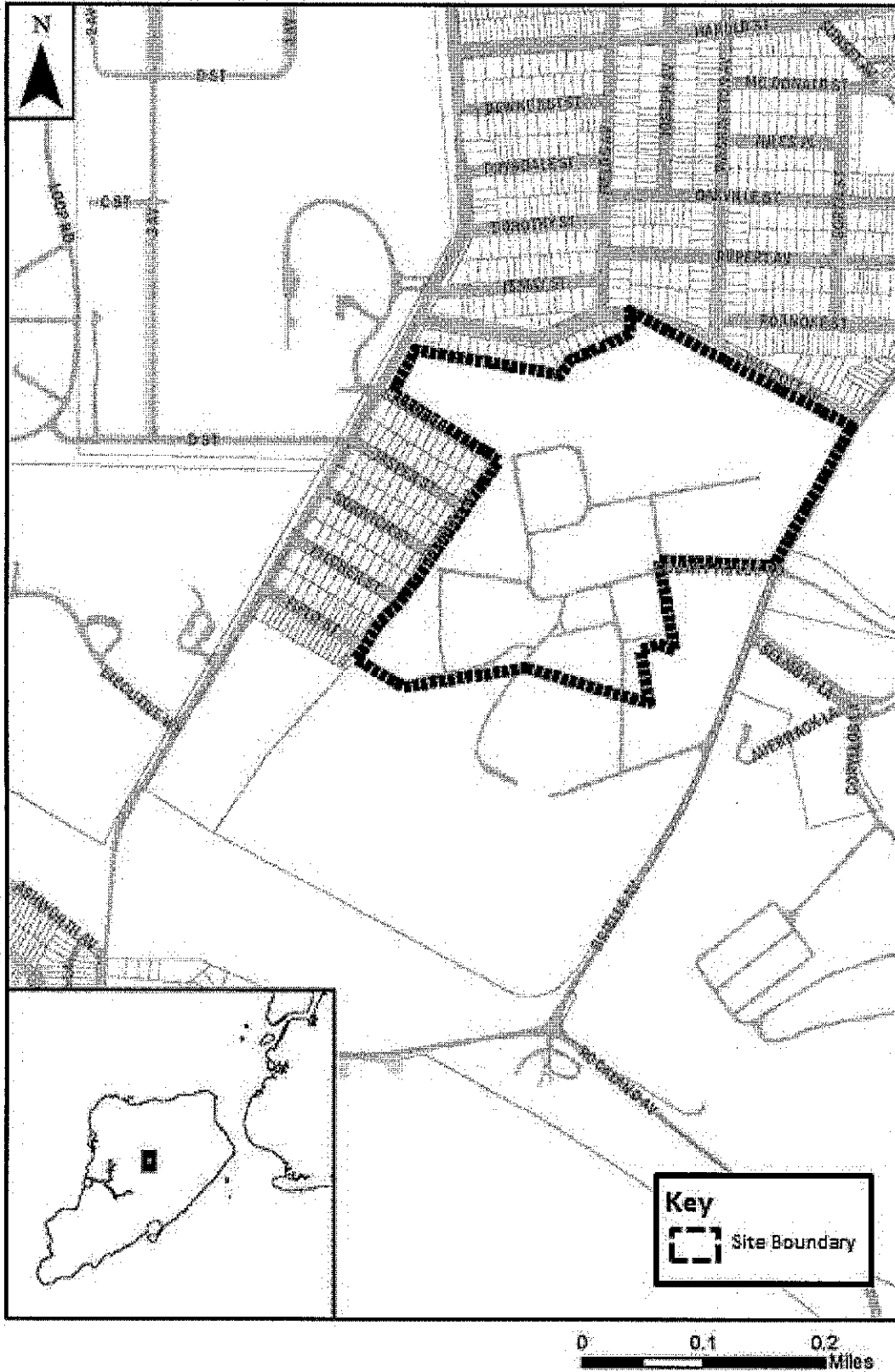


Exhibit E

NEW YORK CITY LAND DEVELOPMENT CORPORATION

**PROPERTY SALE TO THE HUDSON COMPANIES INCORPORATED
Board of Directors Meeting**

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 Hudson Companies Incorporated 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
826 Broadway
New York, New York 10003

The Hudson Companies Incorporated is a successful developer of market and affordable housing in the City since 1986.

**SITE
LOCATION:**

Block 239, Lot 16 (the "Site")
280 Cadman Plaza West
Borough of Brooklyn
Community District No. 2

**SITE
DESCRIPTION:**

The Site is an approximately 26,620 square foot triangular lot. The Site is owned by the City and currently improved by

an approximately 59,146 square foot building that houses two branches of the Brooklyn Public Library ("BPL").

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

On June 20, 2013, NYCEDC released an RFP on behalf of the City and BPL for the sale and redevelopment of the Site. Pursuant to an MOU between the City and BPL, proceeds from the sale will be used for capital maintenance costs and operating costs of branches throughout the BPL system.

On the Site, Purchaser is required to construct a mixed-use building comprised of a library unit, a community facility space, and a residential program, substantially as described below (the "Project").

The Project will include the core and shell of a new library for BPL on the Site ("Library Unit"), measuring approximately 26,620 square feet. Purchaser will sell the Library Unit as a condominium unit to the City for \$1.

The Project will also include the core and shell of a community facility space on the Site ("Community Facility"), measuring approximately 9,000 square feet. It is anticipated that the Purchaser will enter into a lease for the Community Facility with the New York City Department of Education or the New York City School Construction Authority (the "DOE"), for a ten year term at the end of which DOE will have an option to purchase the space.

The remainder of the Project on the Site includes approximately 134 residential condominium units, approximately 450 square feet of retail, and approximately 68 parking spaces.

The Site is adjacent to a City-owned parcel known as 159 Pierrepont Street or Block 239, Lot 1 ("One Pierrepont"). In 1986, the City executed a 99-year lease for One Pierrepont with New York City Public Development Corporation (a predecessor of NYCEDC), which assigned the lease to a Forest City Ratner entity to facilitate the construction of an office building. Purchaser expects to utilize on the Site an Inclusionary Housing bonus from the Site as well as from One Pierrepont. Purchaser will construct approximately 114

units of affordable housing at 911-917 Atlantic Avenue and 1041-1047 Fulton Street in Brooklyn ("Affordable Housing") of which approximately 83 units are associated with the Inclusionary Housing bonus. The anticipated distribution of unit sizes and income levels for the affordable units is summarized in the following table.

Percentage of Average Median Income	Studio	1 Bedroom	2 Bedroom	3 Bedroom	Total
60%	11	7	4	1	23
80%	29	17	12	2	60
125%	15	8	6	2	31
Total	55	32	22	5	114

The Purchaser shall bear the costs for the fit-out and the operating expenses (from closing until 12 months after completion of the core and shell of the Library Unit) of a BPL interim library facility, located in the social hall of Our Lady of Lebanon at 95 Remsen Street, Brooklyn ("Interim Library"). Upon closing, the Purchaser shall lease the Site to BPL for \$1 for 60 days and for \$20,000 per month thereafter, until BPL vacates the Site after the closing.

The Project is anticipated to generate approximately 880 construction jobs and 60 permanent jobs. The Purchaser will work with NYCEDC and the community to implement HireNYC and M/WBE program goals and initiatives.

The Purchaser has committed to request competitive bids from both union and non-union subcontractors for construction trades on the Site as well as to review the bid list for the Site with the Construction Trades Union. Additionally, the Purchaser has committed to award the residential building services contracts to contractors using 32BJ workers for the residential portion of the Project and the Affordable Housing.

PURCHASE PRICE AND OTHER CONSIDERATION:

NYCLDC will purchase the Site from the City for \$1 and then sell the Site to NYCEDC for \$1. Purchaser will then purchase the Site from NYCEDC for \$52,000,000 (all cash). It is anticipated that NYCEDC will transfer the funds to the City, which in turn will include an equal amount in the Executive Capital Budget for BPL, pursuant to the MOU. As

an alternative, NYCEDC may transfer all or a portion of the funds directly to BPL, at the direction of the City.

If the Project's internal rate of return ("IRR") (as calculated on the total non-senior debt portion of the Project's financing) exceeds 19%, Purchaser would pay an amount equal to 25% of the net sales of condominium units above a 19% IRR, less a fixed \$1.5 million, either directly or indirectly to BPL and/or the City.

Separately, Purchaser paid NYCEDC a non-refundable administrative fee of \$520,000 upon execution of the contract of sale for the Site on September 18, 2014.

**APPRAISED
VALUE:**

Pursuant to an appraisal by Aaron Valuation Inc. dated March 29, 2016, the estimated fair market value of the fee simple interest of the Site, for its highest and best use, is \$49,800,000.

**EXISTING
ZONING:**

The Site is situated within the boundaries of the Special Downtown Brooklyn District and in a C6-4 zoning district.

**PUBLIC
APPROVALS:**

The Project received ULURP approval on December 16, 2015.

Pursuant to Section 384(b)(4) of the City Charter, the Brooklyn Borough Board approved the proposed disposition by the City on March 1, 2016, and the proposed disposition by the City received Mayoral authorization on March 21, 2016.

Approval to surrender the Site by the BPL Board of Directors was received on September 16, 2014.

**PROPOSED
RESOLUTIONS:**

Approval for (i) NYCLDC to purchase the Site from the City for \$1 and (2) NYCLDC to sell the Site to NYCEDC for \$1, on substantially the above described terms, and for NYCLDC to take any actions and enter into any agreements necessary to implement the Project and the related transactions 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: 5067**

Figure 1: Site Location Map

