

MINUTES OF THE MEETING  
OF THE BOARD OF DIRECTORS  
OF  
NEW YORK CITY LAND DEVELOPMENT CORPORATION  
November 8, 2013

A meeting of the Board of Directors of New York City Land Development Corporation ("NYCLDC") was held on Friday, November 8, 2013, at 260 Broadway, New York, New York.

The following members of the Board of Directors were present:

Robert Goldrich  
Jeffrey Mandel  
Kim Vaccari  
Betty Woo

Also present was Mark Silversmith, Secretary of NYCLDC, who served as secretary of the meeting. (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 September 30, 2013 Meeting of the Board of Directors

There were no questions or comments with respect to the minutes of the September 30, 2013 Board of Directors meeting, as submitted. A motion to approve such minutes, as submitted, was made, seconded and unanimously adopted.

Mr. Mandel left the meeting at this time.

2. Code of Ethics for Directors and Officers

Mr. Silversmith summarized the proposed amendments to the Code of Ethics for the Directors and Officers of NYCLDC. Following his summary, a motion was made to adopt the resolution set forth in Exhibit A hereto, pursuant to which the Board would adopt the amended Code of Ethics as stated in Exhibit A hereto. The motion was seconded and unanimously approved.

3. Governance Committee and Board Self-Evaluation

Mr. Silversmith stated that the Governance Committee of NYCLDC had reviewed the results of the self-evaluation by the Board of Directors and determined that no action was needed in that the results of the self-evaluation were favorable.

#### 4. Election of Officers

The Board had been informed that a description of the major responsibilities of most officers may be found in Article IV of NYCLDC's Bylaws. The Board had previously elected as the President of NYCLDC the then serving Chief Financial Officer ("CFO") of the local development corporation named New York City Economic Development Corporation, or any successor to such corporation by consolidation or merger, and whoever was then serving as CFO would be President of NYCLDC without further election by NYCLDC's Board.

A motion was made to elect the individuals named in Exhibit B hereto as the other officers of NYCLDC indicated in Exhibit B. Such motion was seconded and unanimously approved.

Mr. Mandel rejoined the meeting at this time.

#### 5. Ratification of Submission of the Annual Report of the Board of Directors

A motion was made to ratify the submission to the Members of NYCLDC at the annual meeting of the Members on November 8, 2013 of the Annual Report of the Board of Directors of New York City Land Development Corporation ("NYCLDC") for the Fiscal Period Ended June 30, 2013. Such motion was seconded and unanimously approved.

#### 6. Adoption of Policies Pursuant to PAAA

Mr. Silversmith then summarized and presented for approval the following matters:

- (i) policies and procedures related to the procurement of goods and services;
- (ii) policies, guidelines and procedures related to the acquisition and disposition of real property (which contains the appointment of a Contracting Officer for real property therein);
- (iii) policies and procedures related to the disposition of personal property (which contains the appointment of a Contracting Officer for the disposition of personal property therein); and
- (iv) investment policies, procedures and guidelines;

all on substantially the terms set forth in Exhibit C hereto.

It was moved that the Proposed Resolution set forth in Exhibit C be adopted. Such motion was seconded and unanimously approved.

#### 7. Lease of Kingsbridge Armory

Mr. Silversmith presented a proposed lease by the City to NYCLDC of Block

3247, Lot 10 and part of Lot 2 in the Borough of the Bronx, and the proposed assignment of that lease by NYCLDC to KNIC Partners, LLC or an affiliated entity, on substantially the terms set forth in Exhibit D hereto. Mr. Silversmith summarized the transaction.

A motion was made to adopt and approve the Proposed Resolution in Exhibit D hereto. The motion was seconded and unanimously approved.

8. Lighthouse Point Lease

Mr. Silversmith presented the proposed master lease by NYCLDC from the City of Block 1, part of Lot 60 in the Borough of Staten Island, and the proposed assignment of the master lease by NYCLDC to Triangle Equities Development Company LLC or an affiliated entity, on substantially the terms set forth in Exhibit E hereto. Mr. Silversmith summarized the transaction.

A motion was then made to adopt and approve the Proposed Resolution set forth in Exhibit E hereto. Such motion was seconded and unanimously approved.

9. Adjournment

There being no further business to come before the meeting, the meeting of the Board of Directors was adjourned.

Mark Silversmith  
Secretary

Dated: November 13, 2013  
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 Agreements.....	Any agreements 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.

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**

**CODE OF ETHICS FOR DIRECTORS AND OFFICERS  
Board of Directors Meeting  
November, 2013**

WHEREAS, the Board of Directors (the "Board") of NYCLDC has adopted a code of ethics for Directors and Officers of NYCLDC (the "Code of Ethics"); and

WHEREAS, NYCEDC wishes to slightly modify the previously adopted Code of Ethics as stated in Attachment A hereto (in which additions are indicated in bold and deletions are crossed out);

NOW, THEREFORE, RESOLVED that the Board adopts the amended Code of Ethics as stated in Attachment A hereto.

**NEW YORK CITY LAND DEVELOPMENT CORPORATION  
CODE OF ETHICS FOR DIRECTORS AND OFFICERS**

**I. INTRODUCTION AND PURPOSE**

The Board of Directors ("Board") of New York City Land Development Corporation (the "Corporation") has adopted this code of ethics ("Code") with respect to its directors (the "Directors") and officers (~~collectively, the "Directors"~~). This Code is intended to promote (a) honest and ethical conduct, including the proper handling of actual or apparent conflicts of interest between personal and professional relationships, and (b) full, fair and understandable disclosure in the periodic reports required to be filed hereby. This Code (a) provides examples of situations involving conflicts of interest; (b) establishes disclosure procedures; and (c) outlines corrective action for violations. It is vitally important to the public trust that both the fact and the appearance of conflicting interests and improper corporate conduct be avoided. Each Director will be expected to read and understand this Code and to review it periodically in order to be alert to situations that could create a conflict of interest or otherwise be contrary to the established policies of the Corporation.

**II. GUIDELINES**

**A. Prohibition.** A Director may not make personal investments in enterprises that he or she has reason to believe may be directly involved in decisions to be made by him or her, in his or her capacity as Director of the Corporation, or that will otherwise create substantial conflict between his or her duty in the public interest and his or her private interest. Additionally, a Director is prohibited from accepting employment that impairs his or her independence of judgment in the exercise of his or her official duties; provided that nothing in this Policy shall preclude any Director ~~or officer~~ from employment with The City of New York or with New York City Economic Growth Development Corporation or its successors.

**B. Personal Interest.** A Director shall be deemed to be "interested" in cases in which the Director's personal interest conflicts with the interest of the Corporation. The following are situations in which a Director would be deemed to be "interested", which list is not intended to be exhaustive:

- Where a Director or a member of his or her immediate family<sup>1</sup> is a member, director, owner<sup>2</sup> or officer of an entity from which the Corporation purchases

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<sup>1</sup> Immediate family means a spouse, domestic partner, unemancipated child, and if they live with the Director, parent or sibling.

<sup>2</sup> Owner means a person having an interest in an entity that exceeds 5% of the entity or an investment of \$35,000 in cash or other form of commitment, whichever is less, or 5% or \$35,000 of the entity's indebtedness, whichever is less, and any lesser interest in an entity when the person exercises

services or supplies.

- Where a Director or a member of his or her immediate family is a member, director, owner or officer of an organization with which the Corporation contracts.
- Where a Director or a member of his or her immediate family is a member, director, owner or officer of an entity with which the Corporation negotiates or effects a transaction or an entity that substantially benefits from a transaction that the Corporation negotiates or effects.

A Director shall not be deemed to be "interested" by virtue of his or her status as an official or employee of the City of New York or **New York City Economic Development Corporation**.

When a Director is "interested" in a matter: (a) the Director must disclose the nature and extent of his or her interest to the Board or committee of the Board, whichever will be considering the matter; and (b) the Director, acting as a Director, must take no part in the consideration, determination or approval of the matter on the part of the Corporation.<sup>3</sup>

**C. Confidential and Inside Information.** Confidential information acquired by a Director in the course of his or her duties as a Director must be held in confidence and may not be used as a basis for personal gain by the Director, his or her immediate family or others. Information relating to transactions pending with the Corporation is not to be given to any person unless it has been published or otherwise made generally available to the public by the Corporation.

A Director must refrain from transmitting any information about the Corporation or its deliberations or decisions or any other information the Director obtained from the Corporation that might be prejudicial to the interests of the Corporation to any person other than in connection with the discharge of the Director's responsibilities, except to the extent the information is publicly available.

A Director must not accept employment or engage in any business or professional activity that will require him or her to disclose confidential information that he or she has gained by reason of his or her official position of authority.

**D. Gratuities/Conduct.** A Director must not be placed under actual or apparent obligation to anyone by accepting, or permitting his or her immediate family to accept, gifts or other favors where it might appear that they were given for the purpose of improperly influencing the Director in the performance of his or her corporate duties. In addition, a Director should never use his or her official position to secure unwarranted

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managerial control or responsibility regarding any such entity, but shall not include interests held in any pension plan, deferred compensation plan or mutual fund, the investments of which are not controlled by the person, or in any blind trust that holds or acquires an ownership interest.

<sup>3</sup> All persons acting as Members of the Corporation may take part in the consideration, and determination or approval, of any matter.



privileges or exemptions; nor should a Director, by his or her conduct, give any reasonable basis for the impression that any person can improperly influence him or her or unduly enjoy his or her favor in the performance of his or her official duties or that he or she is affected by the kinship, rank, position or influence of any party or person. Instead, a Director should endeavor to pursue a course of conduct that will not raise suspicion that he or she is likely to be engaged in acts that are in violation of his or her trust.

### **III. DISCLOSURE PROCEDURE**

A. If at any time a Director is in doubt as to the proper application of this Code, the Director should immediately make all the facts known to the Secretary of the Corporation and be guided by the instructions he or she receives. Except as otherwise directed by those instructions, the Director should refrain from exercising responsibility with regard to the Corporation in any matter that might reasonably be thought to be affected by his or her interest.

B. Each Director shall make the annual filings required of Directors under N.Y. Pub. Auth. Law § 2825(3).

### **IV. VIOLATIONS**

If a Director violates any of the provisions of this Code, such Director shall be subject to an appropriate remedy under the circumstances. In addition to any penalty contained in any provision of law, the Director may be subject, at the Board's discretion, to removal for cause.

### **V. OFFICERS**

**Notwithstanding anything contained herein, officers shall be subject to the restrictions set forth in Chapter 68 of the City Charter for public servants and not subject to the remainder of this Code.**

Exhibit B

Executive Vice President and Treasurer  
Assistant Treasurer  
Secretary  
Assistant Secretary  
Assistant Secretary

Spencer Hobson  
Bulent Celik  
Mark Silversmith  
Carlos Guerra  
Arthur Hauser

Exhibit C

NEW YORK CITY LAND DEVELOPMENT CORPORATION

**ADOPTION OF POLICIES PURSUANT TO PAAA  
Board of Directors Meeting  
November, 2013**

WHEREAS, the Board of Directors (the "Board") of NYCLDC adopted (1) policies and procedures related to the procurement of goods and services (the "Procurement Policy"); (2) policies, guidelines and procedures related to the acquisition and disposition of real property (which contains the appointment of a Contracting Officer for real property therein) (the "Real Property Policy"); (3) policies and procedures related to the disposition of personal property (which contains the appointment of a Contracting Officer for the disposition of personal property therein) (the "Personal Property Policy"), and (4) investment policies, procedures and guidelines (the "Investment Policy"); and

WHEREAS, NYCLDC wishes to readopt the Procurement Policy, Real Property Policy and Investment Policy in their current forms (including the appointment of a Contracting Officer as stated in the Real Property Policy); and

WHEREAS, NYCLDC wishes to readopt the Personal Property Policy (including the appointment of a Contracting Officer as stated therein) with slight modifications to its current form as stated in Attachment A hereto (in which additions are indicated in bold and deletions are crossed out);

NOW, THEREFORE, RESOLVED that the Board readopts the Procurement Policy, Real Property Policy and Investment Policy in their current form and appoints a Contracting Officer as stated in the Real Property Policy and adopts the Personal Property Policy in the form attached as Attachment A hereto and appoints a Contracting Officer as stated therein.

**NEW YORK CITY LAND DEVELOPMENT CORPORATION  
POLICY REGARDING THE DISPOSITION OF PERSONAL PROPERTY**

Personal Property Valued at \$5,000 or Less

Whenever New York City Land Development Corporation (the "Corporation") wishes to transfer title to or a beneficial interest in an item of personal property or an interest therein with an estimated value of \$5,000 or less, it shall obtain offers from one or more persons or entities as the Corporation's contracting officer for personal property dispositions (the "Contracting Officer") or his or her designee deems appropriate. The Corporation shall maintain a record of the persons or entities approached and their responses. The Corporation may conduct discussions with some or all of the persons and entities. The property may be disposed of to whichever person or entity the Contracting Officer or his or her designee selects based on the proposed price and any other factors that the Contracting Officer or his or her designee deems appropriate.

All personal property that the Contracting Officer or his or her designee considers to be of no sale value and no use to the Corporation may be destroyed or otherwise disposed of in such manner as is determined by the Contracting Officer or his or her designee. Notwithstanding the foregoing, records may only be destroyed or disposed of at a time and in a manner not in conflict with applicable law, regulation or contract.

No approval of a disposition of a type described above is required from the Board of Directors or any committee thereof. All disposal documents must be approved and executed by an officer who is an authorized signatory of all agreements of the Corporation.

Personal Property Valued in Excess of \$5,000

Whenever the Corporation wishes to transfer title to or a beneficial interest in an item of personal property or an interest therein with an estimated value in excess of \$5,000 it shall first obtain an appraisal of the property if, because of the unique nature of the property or the unique circumstances of the proposed transaction, it is not readily valued by reference to an active market for similar property. However, an appraisal of the property will not be required if an appraisal of the property or similar property has been made within the past two years.

The person or entity to which the property shall be disposed of shall be determined through a procurement conducted in accordance with Title 5-A of Article 9 of the Public Authorities Law. The Corporation shall publicly advertise for proposals for the disposal of the property in accordance with Title 5-A, provided that it may dispose of the property without public advertising, obtaining such competition as is feasible under the circumstances, when permitted to do so under Title 5-A. All requirements of Title 5-A and other applicable laws, if any, related to the disposition shall be complied with.

Prior to the disposal of the property, the person involved in the disposition shall be the primary person responsible for the monitoring of compliance with the terms of the contract for the disposal, and shall keep the Contracting Officer or his or her designee informed of all major issues that arise and of the status of the disposition.

The disposal must be approved by the Board of Directors or Executive Committee of the Board if the disposal (1) is on a sole source basis for an amount in excess of \$20,000, (2) is for an amount in excess of \$100,000 and has been competitively procured, or (3) is for property valued in excess of \$5,000 and will be disposed of for less than fair market value (in which case it must be approved by the Board of Directors not the Executive Committee). For disposals for less than those amounts, no approval is required of the Board of Directors or a committee thereof. In all cases, the disposal must be approved by the Contracting Officer or his or her designee and disposal documents must be approved and executed by an officer who is an authorized signatory of all agreements of the Corporation.

The Contracting Officer shall cause a record to be maintained of all personal property disposed of for an amount in excess of \$5,000 and shall cause to be prepared and transmitted all reports relating to the disposition of personal property required by Title 5-A.

The President of the Corporation shall be the Corporation's Contracting Officer for dispositions of personal property.

Exhibit D

NEW YORK CITY LAND DEVELOPMENT CORPORATION

**LEASE OF KINGSBRIDGE ARMORY  
Board of Directors Meeting  
November, 2013**

**LESSOR:** The City of New York

**LESSEE/LEASE  
ASSIGNOR:** NYCLDC

**LEASE ASSIGNEE:** KNIC Partners, LLC or an affiliated entity (the "Lessee")  
Kevin Parker is the owner of KNIC Partners, LLC.

**SITE LOCATION:** Block 3247, Lot 10 and part of Lot 2 (the "Site")  
Borough of the Bronx  
Community Board No. 7  
29 West Kingsbridge Road, Bronx, New York 10468

**SITE DESCRIPTION:** The Site consists primarily of property improved with a building of approximately 580,000 square feet known as the Kingsbridge Armory. It is located within the Kingsbridge Heights Neighborhood.

**PROJECT  
DESCRIPTION/PURPOSE  
OF TRANSFER:**

The City will enter into a lease for the Site with NYCLDC. NYCLDC will assign the lease to the Lessee for nominal consideration and the Lessee will assume all of the obligations of the tenant under the Lease. The Lessee proposes to redevelop the Site into the Kingsbridge National Ice Center ("KNIC"). It is anticipated that KNIC will consist of approximately 763,000 square feet of new development including the creation of a new level above the existing drill floor. The project must include 9 ice rinks, approximately 50,000 square feet of community facility space and parking space. It is anticipated that the project will also have ancillary uses such as retail space and concessions. In addition, the Lessee will form a non-profit foundation to provide a no-cost afterschool program at the KNIC that includes ice sports and skating skills instruction and an academic tutoring program.

The project is expected to be built in two phases. The lease will require that the first phase consist of five rinks, approximately 50,000 square feet of community space and

parking space as well as reconstruction of the drill floor in a manner that will support construction of a second level where four additional rinks will be built as the second phase.

An RFP for the Site was issued in January 2012 by NYCEDC seeking proposals for the redevelopment of the Kingsbridge Armory. NYCEDC received responses to the RFP from (1) KNIC Partners, LLC, (2) Young Woo & Associates which proposed a mixed-use retail and entertainment facility, (3) Armory Sports and Entertainment which proposed a multi-sport facility, (4) Evan Blum which proposed an antique and art flea market, and (5) New York Sports and Entertainment which proposed a hockey arena. NYCEDC selected the Lessee to construct and operate KNIC because it had the strongest proposal.

**BENEFITS TO THE PUBLIC:**

The Lessee's project will activate the Site which has been primarily vacant and underutilized for over twenty years. The project will also stabilize a landmarked building. It is expected to generate direct and indirect economic benefits from users and visitors of the facility. The Lessee will also provide a significant amount of community space and provide afterschool programs for children.

The Lessee expects to create at least 180 permanent jobs. It is anticipated that construction will generate approximately 890 construction jobs.

**LEASE TERMS/  
APPRAISED VALUE:**

The Lessee will lease the Site for a 99-year term and will pay nominal base rent for the entire period. Lessee will also pay participation rent in the amount of five percent of gross revenues derived from users paying to use the ice rinks. The participation rent is anticipated to be approximately \$500,000 for the first year of operation after completion of the first phase of the project and approximately \$1,000,000 for the second year after completion of construction of the second phase of the project. Thereafter, it is anticipated that participation rent will grow approximately 3% per year.

The Lessee has the option to purchase the Site commencing 180 days following the second anniversary of the completion of the second phase. The purchase option price shall be set by an appraisal done at approximately that time which values the sum of (a) net present value of the remaining

participation rent payments to which the landlord would be entitled over the remainder of the term of the Lease and (b) the residual value of the building on the Site. The purchase price shall be reduced by hazardous substances remediation costs in excess of \$2,500,000 actually incurred at the time of construction by Lessee. Such deduction to the purchase price shall not exceed \$4,000,000 in any event. If Lessee exercises the purchase option, it must continue the afterschool program and the community space use until 25 years after completion of phase 2 construction.

An appraisal completed in October 2013 valued the initial annual fair market ground rent at \$240,000, taking into account that the Lease has a purchase option.

**ZONING:**

The Site is being rezoned to C4-4.

**PUBLIC APPROVALS:**

The project is expected to receive ULURP approval by December 2013. It is also anticipated that the Bronx Borough Board will approve the Lease in November 2013 pursuant to Section 384(b)(4) of the City Charter.

**PROPOSED  
RESOLUTION:**

The approval of (1) NYCLDC's lease of the Site from the City, and (2) NYCLDC's assignment of the lease to the Lessee for nominal consideration, on substantially the above described terms.

**PROJECT  
CODE:**

2493



**NEW YORK CITY LAND DEVELOPMENT CORPORATION**

**LIGHTHOUSE POINT LEASE  
Board of Directors Meeting  
November, 2013**

**MASTER LEASE  
LESSOR:**

The City

**MASTER LEASE  
LESSEE/  
MASTER LEASE  
ASSIGNOR:**

NYCLDC

**MASTER LEASE  
ASSIGNEE:**

Triangle Equities Development Company LLC ("Triangle") or an affiliated entity (whichever, the "Lessee").

Triangle is principally owned by Lester Petracca.

**SITE:**

Block 1, part of Lot 60 (the "Site")  
Borough of Staten Island  
Community Board No. 1

The Site is located in the St. George area of Staten Island to the south of the Staten Island Ferry Terminal and is approximately 146,027 square feet. The Site is largely vacant and contains four historic buildings, one set of underground vaults and a brick perimeter wall (the "Historic Structures"). The Site is generally bounded by Borough Place to the north, Bay Street to the west, the St. George Station U.S. Postal Service Office to the west and south, the Bay Street Landing apartments to the south and the City DOT Staten Island Ferry Maintenance Facility and an existing public esplanade, plaza and pier to the east. The esplanade, plaza and pier (the "Public Access Areas") require approximately \$200,000 of repairs, which the Lessee will perform. A rent credit (the "Public Access Area Repair Credit") will be provided in the amount of the cost of the repairs to the Public Access Areas.

The Site is part of the Historic Office Building and U.S Lighthouse Depot Complex that was purchased by the City in 1982 using funds from the Federal Transit Administration ("FTA") and is subject to the FTA's federal interests. The

FTA's federal interests in the Site will be bought out for an amount being determined that is expected to be approximately \$800,000 - \$1,600,000 (the "FTA Repayment"), by the City or NYCEDC using funds provided by the Lessee. The FTA federal interest will thereby be terminated. A rent credit will be provided in the amount of the FTA Repayment.

The Site contains three Parcels. Parcel 1 is approximately 44,813 square feet and will have a limit on the construction permitted on it to a height necessary to complete Segment 1 of the proposed project on the Site (the entire project, the "Lighthouse Project"). Parcel 3 will be space above Parcel 1. Parcel 2 is approximately 101,214 square feet of the Site.

**PROJECT  
DESCRIPTION:**

The proposed Lighthouse Project will facilitate the restoration and activation of the Historic Structures, as well as the construction of two new buildings. It is anticipated to contain approximately 500,000 square feet of retail, residential and hotel development. Upon completion, the Lighthouse Project is required to have (i) a residential tower that it is anticipated will contain approximately 100 residential units, (ii) a hotel, (iii) retail space in a new building that it is anticipated will be approximately 60,000 square feet, (iv) commercial and other retail space in the historic structures on the Site and (v) sub-surface parking spaces. Surface parking spaces may also be provided.

The Lighthouse Project will be developed in segments:

- Segment 1 on Parcel 1 is retail and a sub-surface parking garage containing approximately 60 spaces in a new building and possibly some surface parking
- Segment 2 on Parcel 2 is the hotel and sub-surface parking in a new building and other retail/commercial space in the historic structures on the Site
- Segment 3 in Parcel 3 is expected to be a residential tower sited on top of the Parcel 1 development.

The sub-surface parking on Parcel 1 will be available for use by the public at no cost.

**DEAL  
STRUCTURE:**

At closing, the City will lease the entire Site to NYCLDC (the "Master Lease"), which will assign the Master Lease to the Lessee for development of the Lighthouse Project. Construction on each Parcel will be undertaken pursuant to

a separate severance lease between the City and an entity affiliated with Triangle.

The severance lease for Parcels 1 and 3 will be signed at the time of signing the Master Lease. The residential tower in Parcel 3 will be built after the retail and garage portion of the residential/retail building on Parcels 1 and 3 because it is a riskier component of the Lighthouse Project and because the parking needed for the residential tower will be built as the second segment of the project on Parcel 2. It is included in a severance lease at this time in order to enable the lessee, prior to any construction on Parcels 1 and 3, to submit its leasehold interests in Parcels 1 and 3 to a leasehold condominium regime for the new building and initially create at least three condominium units ("Units") consisting of a parking garage, retail and residential tower. The Units will be subject to the severance lease between the Parcels 1 and 3 tenant and the City and the severance lease will be amended and/or modified when there is a separate severance lease for the Parcel 3 Unit. Additional retail condominium units may be created.

The severance lease for Parcel 2 will be signed no later than the end of construction of Segment 1. A separate severance lease for Parcel 3 severing Parcel 3 from Parcel 1 will be signed no later than the end of construction of Segment 2. If Segment 2 is not constructed by the end of the Master Lease term (subject to force majeure extensions) and a separate severance lease has not been signed for Parcel 3, Segment 3 will be removed from the Parcel 1 and 3 severance lease.

The Master Lease and the severance leases will be administered by NYCEDC.

**KEY LEASE TERMS:**

Master Lease Term:	6.5 years with 24 one-month extension options
Severance Lease Terms:	49 years for each severance lease, including the new severance lease for Parcel 3 after it is severed from the Parcels 1 and 3 severance lease
Base Rent for Master Lease:	Nominal

**Base Rent for each  
Severance Lease:**

- (1) Parcels 1 and 3 severance lease (from which Parcel 3 will be severed) - \$80,000 / year
- (2) Parcel 2 severance lease- \$200,000 / year
- (3) Parcel 3 severance lease - \$120,000 / year

The Base Rent will remain flat for the term of each severance lease provided that construction of the Lighthouse Project is completed by the end of the Master Lease Term (subject to force majeure extensions). If construction of the Lighthouse Project is not completed by the end of the Master Lease Term (subject to force majeure extensions):

- (1) Base Rent for any severance lease on which construction has been completed will be adjusted as follows:
  - a. 10% increases every five years, and
    - i. Parcel 1 - \$35,000 increase in Lease Years 21 and 31
    - ii. Parcel 2 - Additional 10% increase in the year that corresponds to Parcel 1 Lease Year 21; \$50,000 increase in Lease Years 21 and 31
    - iii. Parcel 3 - Additional 10% increase in the year that corresponds to Parcel 1 Lease Year 21; \$35,000 increase in Lease Year 21 and \$50,000 increase in Lease Year 31
- (2) Any severance lease on which construction has not been completed may be terminated.

The values of the Public Access Area Repair Credit and the FTA Repayment will be credited against the Base Rent of one or more severance leases.

**PILOT:**

PILOT will be payable for a Parcel under a severance lease (after substantial completion of required construction on that Parcel) equal to real estate taxes for that Parcel (if privately owned), taking into account any tax reductions the lessee under the severance lease is entitled to, including those resulting from the Food Retail Expansion to Support Health program and from the use of the property by the lessee's tenants.

**Construction:**

The entire Lighthouse Project must be constructed by the completion of the Master Lease term (subject to force majeure extensions).

**Purchase Option:**

Triangle or an affiliated entity will have an option to acquire fee title to the entire Site for \$5,100,000 after completion of construction of the Lighthouse Project.

**FUNDING  
AGREEMENT:**

NYCEDC will enter into a funding agreement (the "Funding Agreement") on a sole source basis with the lessee under the Parcel 1 severance lease, pursuant to which Funding Agreement NYCEDC will provide the lessee with up to \$4,700,000 of City Capital Budget funds made available by the Staten Island Borough President's Office, to pay for costs of constructing the sub-surface parking garage on Parcel 1.

**ZONING:**

C4-2 / Waterfront Subdistrict of the St. George Special District

**APPRAISED VALUE:**

An appraisal for the Site as of September 27, 2013 valued the Site, at highest and best use, at \$1,600,000 with respect to the fee simple or \$110,000 / year with respect to the market rent for a lease of the entire Site with a purchase option.

**PUBLIC APPROVALS:**

ULURP disposition authority was granted in July 2000. Pursuant to Section 384 (b)(4) of the City Charter, it is anticipated that the transaction will be approved by the Staten Island Borough Board in November, 2013.

**PROPOSED  
RESOLUTIONS:**

The approval of NYCLDC entering into the Master Lease for the Site from the City and assigning the Master Lease to the Lessee for nominal consideration, on substantially the above described terms

**PROJECT  
CODE:**

2154

**Lighthouse Point**

