

MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF
NEW YORK CITY LAND DEVELOPMENT CORPORATION
June 18, 2024

A regular meeting of the Board of Directors (the “Board”) of New York City Land Development Corporation (“NYCLDC”), was held, pursuant to notice by the Secretary, on Tuesday, June 18, 2024, in Conference Room 14A, on the 14th Floor 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:

Anand Amin
Nate Bliss
Kim Bryan

The meeting was chaired by Mr. Bliss, Chairperson of NYCLDC. Also present were Mark Silversmith, Secretary of NYCLDC, who served as secretary of the meeting, Spencer Hobson, an Executive Vice President and Treasurer of NYCLDC, Amy Chan, an Assistant Treasurer of NYCLDC (by Zoom), Leslie Escobar, an Assistant Treasurer of NYCLDC, PJ Berg, an Executive Vice President of NYCEDC, John Raymond, a Vice President of NYCEDC, Maria Lombera, a Senior Associate of NYCEDC, Sharmaine Belton, an Associate of NYCEDC, Jaan Kangur, a Senior Paralegal of NYCEDC, Joseph Dawli, a Technical Support Lead of NYCEDC, and Danielle Hurlbert, a Managing Director of Ernst & Young LLP (“EY”) (by Zoom). The meeting was called to order at 2:08 p.m.

1. Approval of the Minutes of the May 1, 2024 Regular Meeting of the Board of Directors

There were no questions or comments with respect to the minutes of the May 1, 2024 Board of Directors meeting, as submitted. A motion to approve such minutes, as submitted, was made, seconded and unanimously adopted.

2. Long Term Ground Lease to Queens Development Group II, LLC

At this time, Mr. Raymond presented a proposal for NYCLDC to (i) enter into a lease (the “Lease”), and possibly a Lease amendment, from The City of New York (the “City”) for Block 1823, Lots 1, 3, 12, 19, 20, 21, 23, 26, 28, 33, 40, 44, 47, 52 and 55 (Lots 1 and 3 may not be included in the Lease and work with regard to such Lots may not be undertaken, until they can be delivered vacant of occupants, which may occur after the Lease for the remainder of the Site (hereinafter defined) is entered into and may be added to the Lease by an amendment at a later date), Block 1824, Lots 1, 12, 19, 21, 26, 28, 33, 38, 40, 45, 53 and 100, Block 1825, Lots 1, 19, 21, 25, 28, 30, 37,

46, 48, 53, 55, 58 and 150, and Block 1833, Lot 103, on the Tax Map of the Borough of Queens (together, the "Site"), (ii) assign such Lease to either Queens Development Group II, LLC ("QDGI"), or an affiliated entity (whichever, the "Developer"), and (iii) enter into any related agreements and documents and consents and amendments to effectuate the Project (hereinafter defined), all primarily to provide for the development of the Site by the Developer (the "Project") with a 25,000-seat Major League Soccer stadium (the "Stadium"), together with ancillary retail, office and community uses, comprising approximately 500,000 gross square feet, approximately 64,000 square feet of new publicly accessible open space, and approximately 8,000 square feet of temporary but continuous activation uses during Stadium events on Block 1823, Lots 1 and 3 (if they are included in the Lease), until a permanent use is agreed upon, all on substantially the terms set forth in Exhibit A hereto. Mr. Raymond summarized Phases I and II of the overall Willets Point project.

In answer to a question from Mr. Bliss, Mr. Raymond stated that the Lease effective date would be based upon closing, and that there was no firm closing date at this point. In answer to a second question from Mr. Bliss, Mr. Raymond stated that an original naming rights partner had been identified to NYCLDC. In answer to a question from Ms. Bryan, Mr. Raymond stated that Phase I ground-up construction had begun on Buildings 1 and 2, and that foundation slabs for the parking garage were currently visible there. In answer to a second question from Ms. Bryan, Mr. Raymond explained that the three out-parcels were envisioned as a public plaza and gathering space where fans could congregate, and that some sort of art exhibit would possibly be involved there as well. In answer to a question from Mr. Silversmith, Mr. Raymond stated that the Stadium was expected to be a bit smaller than the neighboring Citi Field, and that the Stadium's capacity would be approximately 60% of that of Citi Field. In answer to another question from Mr. Bliss, Mr. Raymond stated that there could be as many as five more leases involved for the completion of Phase II.

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

3. 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 2:25 p.m.

Secretary

Dated: _____
New York, New York

EXHIBIT A

NEW YORK CITY LAND DEVELOPMENT CORPORATION

**LONG TERM GROUND LEASE TO QUEENS DEVELOPMENT GROUP II, LLC
Board of Directors Meeting
June 18, 2024**

LESSOR: The City of New York (the “City”)

**LESSEE/
LEASE ASSIGNOR:** NYCLDC

LEASE ASSIGNEE: The lease assignee will either be Queens Development Group II, LLC (“QDGI”), or an affiliated entity (whichever, the “Developer”). The Developer is controlled directly or indirectly by the Queens Development Group, LLC (“QDG”) and CFG Stadium Group, LLC (“CFG”) and/or their affiliates.

**SITE
LOCATION:**

Block 1823 Lots 1, 3, 12, 19, 20, 21, 23, 26, 28, 33, 40, 44, 47, 52, 55 (Lots 1 and 3 may not be included in the lease for the Site and work with regard to them may not be undertaken, until they can be delivered vacant of occupants, which may occur after the lease for the remainder of the Site is entered into and may be added to the lease by an amendment at a later date)

Block 1824 Lots 1, 12, 19, 21, 26, 28, 33, 38, 40, 45, 53, 100

Block 1825 Lots 1, 19, 21, 25, 28, 30, 37, 46, 48, 53, 55, 58, 150

Block 1833 Lot 103 (the “Site”)

Willets Point

Borough of Queens

Community Board 7

**SITE
DESCRIPTION:**

The Site is approximately 447,301 square feet. The Site is owned by the City and is currently vacant of structures aside from Block 1823, Lots 1, 3, and 12. These three lots will be cleared and remediated as part of the Phase 2 project work, as further described in ‘*Background*’. The Site is depicted in Attachment A.

BACKGROUND:

The City has envisioned the redevelopment of Willets Point over several mayoral administrations. The Willets Point and Flushing Meadows Corona Park area had been historically known as the ‘Valley of Ashes’ due to their serving as a coal ash dump during the early 20th century. Though the coal ash

was removed from the entire area and the larger Flushing Meadows Corona Park area was developed for the 1939 World's Fair, the area known as Willets Point was never fully developed. In the mid-20th century, the Willets Point area evolved into primarily a neighborhood of automobile chop shops consisting of one-story metal structures and lacking basic infrastructure such as sanitary sewers.

In 2002, the Downtown Flushing Task Force convened to develop a planning strategy for the growth of Downtown Flushing, the Flushing River waterfront, and Willets Point. Building upon this strategy, in 2008, approximately 63-acres bound by Seaver Way (126th Street), Northern Boulevard, Block 1833, Lot 1 to the west of Flushing Creek, and Roosevelt Avenue were rezoned, established as the Special Willets Point District ("SWPD"), and designated as an Urban Renewal Area. The City commenced purchasing properties from private landowners within Willets Point that would be part of future land assemblages.

NYCEDC released an RFP in 2011 for development proposals, and in 2012 QDG was selected. QDG's initial proposal included development of a portion of the SWPD, and the parking lots of Citi Field ("Willets West"), which parking lots are mapped parkland. SWPD was to have been a mixed-use neighborhood featuring office, retail, hotel, a school, open space, and 2,500 units of housing, 35% of which was to have been affordable. Willets West was to have been developed as a retail mall. The Willets West component was challenged in court, and in 2017, was ruled to be a use inconsistent with the legislation that provided for the construction of Citi Field and its precursor Shea Stadium on parkland. Since Willets West was to have financially supported development of the entire plan, redevelopment was postponed.

On February 5, 2018 NYCEDC entered into a Pre-Development Agreement with QDG for Phase 1, which was amended as of March 5, 2021, and further amended as of November 21, 2023. In July 2021, infrastructure for the Phase 1 project and remediation work on both the Phase 1 premises and the majority of the Phase 2 premises commenced, with the remediation work completed in 2024 and the Phase 1 infrastructure work expected to be completed in 2025. On November 21, 2023, the City entered into a ground lease with (i) Willets Point I Housing Development Fund Corporation, as nominee for an affiliate of QDG, as Beneficial Tenant and (ii) the Beneficial Tenant

for development of the first 881 units of planned affordable housing, for which construction commenced in December 2023. As part of the Phase 1 project, it is further anticipated that the City will enter into a ground lease with QDG or an affiliate for the development of an additional 220 units of planned senior affordable housing as soon as practicable.

Phase 2 is the next step in the development of the SWPD. To facilitate this phase, QDGII was created as a joint venture between QDG, the developer of Phase 1 and holder of a 51% interest in QDGII, and CFG. On October 13, 2023 NYCEDC entered into a Pre-Development Agreement with QDGII (the "Phase 2 PDA"), which may be amended, for Phase 2. This next phase, which comprises approximately 17 acres, consists of further environmental remediation for Phase 2 parcels not previously remediated as part of the Phase 1 remediation work and demolition of derelict structures (including remediation and demolition on Block 1823, Lots 1, 3, 12 of the Site), construction of public infrastructure within the existing street rights-of-way for Phase 2, construction of 100% affordable residential housing buildings (totaling approximately 1,400 housing units across three sites), delivery of a 25,000-seat Major League Soccer stadium (the "Stadium"), including ancillary retail, community, and office uses, over 2.5 acres of publicly-accessible open space, approximately 60,000 square feet of non-ancillary retail, and a 250-key hotel (the "Phase 2 Development"). The Developer will be performing the demolition, infrastructure, and remediation work pursuant to a funding agreement with NYCEDC.

**PROJECT
DESCRIPTION:**

As part of the Phase 2 Development, the Site will be developed by the Developer (the "Project") with a 25,000-seat Major League Soccer stadium, together with ancillary retail, office and community uses, comprising approximately 500,000 gross square feet, approximately 64,000 square feet of new publicly accessible open space, and approximately 8,000 square feet of temporary but continuous activation uses during Stadium events on Block 1823, Lots 1 and 3 (if they are included in the Lease), until a permanent use is agreed upon; provided, however, if (i) the City does not reasonably agree to Developer's proposed temporary activation measures or (ii) Developer fails to obtain the City's approval for a permanent use, commence construction of approved permanent improvements within two years after Stadium completion, and complete such construction within five years after Stadium completion, then the City has the

right, on notice, to terminate the Lease only as to such Lots. Additionally, as part of the Project, the Developer is required to construct a portion of the additional open space, located outside and to the south of the Site but within the Phase 2 premises, prior to the opening day of the Stadium.

Subject to unavoidable delays, the Developer is to commence construction of the Project within 90 days of the Lease effective date and substantially complete construction of the Project within 48 months following the construction commencement date.

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

It is anticipated that the disposition of the Site will transform underutilized City-owned land that has historically been a contaminated area into a mixed-use development that provides for a neighborhood anchor via a soccer stadium and open space. The Stadium development will further build upon this area of Queens as a sport-centric destination for the City and a local economic catalyst. The Developer will (i) be subject to an M/WBE utilization goal of 35% for the Stadium component, (ii) participate in HireNYC or successor program, and (iii) conduct workforce outreach in the community in partnership with local organizations. It is also anticipated that the Developer will construct the Stadium pursuant to a Project Labor Agreement.

LEASE TERMS:

It is anticipated that the City (as Lessor) and NYCLDC (as Lessee) will enter into a lease for the Site (the "Lease"). It is further anticipated that NYCLDC will then assign such Lease to the Developer, and further contemplated that the Developer will then enter into a sublease (the "Sublease") with CFG or a wholly-owned subsidiary of CFG, which will enter into a sub-sublease with New York City Football Club ("NYCFC") or a wholly owned affiliate of NYCFC. The Sublease provides CFG with the right to purchase, for a nominal amount, all of Developer's right, title, interest and obligations in and under the Lease and for the assignment of such Lease to CFG. NYCEDC will administer the Lease on behalf of the City.

The initial term of the Lease will be 49 years ("Initial Term"), with one option to extend for an additional 25 years ("Extension Term"), for a total term of 74 years (collectively, the "Term").

The annual base rent will be \$500,000 beginning on the Lease effective date and continuing through the earlier of (a) the date of completion of the Stadium construction in accordance with the Lease and (b) the 4th anniversary of the Lease effective date (the earlier of (a) and (b) the “Rent Phase-in Date”), \$1,000,000 commencing on the Rent Phase-in Date and thereafter growing to approximately \$4,000,000 annually by the final year of the Initial Term. The Extension Term base rent shall be based on fair market value as determined by an appraiser taking into account the Lease use restrictions. The City will receive Additional Rent from the Developer if the Developer enters into a new Stadium naming rights agreement with an entity other than Etihad Airways or its affiliate, the initial naming rights partner. Such Additional Rent payable to the City, on an annual basis, shall be in an amount equal to one percent (1%) of the difference between (i) all gross revenue actually received by Developer from the new naming rights party, with respect to the preceding year, minus (ii) an amount equal to the amortized costs (not exceeding \$5,000,000 in total) of replacing the signage and related improvements for the benefit of the successor naming rights party, such amount being determined for each year by amortizing the costs over the term of the new naming rights agreement.

No parking will be constructed for the Stadium. As required, the Developer has entered into a Scheduling and Parking Agreement (“SPA”) with the New York Mets, a Major League Baseball team which is a tenant at Citi Field across the street from the Site. Per the SPA, NYCFC has the right to utilize up to 4,000 Mets’ parking spaces for up to 40 Stadium events per year. The Mets will retain all revenue from parking operations. Per the SPA and Lease, the Developer will also be restricted from holding soccer matches and major events at the Stadium during Mets game days and major Citi Field events, as well as the annual three-week period of the US Open in August and September hosted at the Billie Jean King National Tennis Center in Flushing Meadows Corona Park.

**APPRAISED
VALUE:**

An independent appraisal of the Site was commissioned in April 2024. The appraisal valued the fair market annual rent for the Site upon the commencement of operations at \$1,000,000 accounting for the specific development requirements and restrictions pertaining to the use and transfer of the Site. The appraisal also valued the highest

and best use fair market annual rental value of the Site at \$16,900,000.

**EXISTING
ZONING:**

The Site is zoned C4-4 within the SWPD.

**PUBLIC
APPROVALS:**

On September 24, 2008 (Calendar No. 17) City Planning approved the disposition and rezoning of the Site, as part of the Willets Point Urban Renewal Area.

The Phase 2 Development was recommended for approval by Queens Community Board 7 on December 4, 2023 and by the Queens Borough President on January 10, 2024, and approved by the New York City Planning Commission on March 6, 2024 and the New York City Council on April 11, 2024.

Pursuant to Section 384(b)(4) of the City Charter, the proposed disposition of the Site (i) was approved by the Queens Borough Board on May 22, 2024 and (ii) obtained Mayoral Authorization on May 23, 2024.

The Project design is subject to review and approval by the Public Design Commission ("PDC"). The Project received preliminary stage approval from PDC on May 20, 2024.

**RELATED
APPROVALS:**

In connection with this Project, on December 19, 2023 the NYCEDC Executive Committee ratified the execution of the Phase 2 PDA and authorized entering into a funding agreement to advance the remediation and infrastructure work described herein.

**PROPOSED
RESOLUTIONS:**

Approval for NYCLDC to (i) enter into the Lease (and possibly a Lease amendment) for the Site from the City substantially as described herein, (ii) assign such Lease to the Developer, substantially as described herein, and (iii) enter into any related agreements and documents and consents and amendments to effectuate the Project substantially as described herein.

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

NYCEDC

PROJECT CODE: 1906

NYCEDC STAFF:

PJ Berg, Executive Vice President, Real Estate Transaction Services

John Raymond, Vice President, Real Estate Transaction Services

Kevin Dunlevy, Vice President, Real Estate Transaction Services

Maria Lombera, Senior Associate, Real Estate Transaction Services

Sharmaine Belton, Associate, Real Estate Transaction Services

Judy Fensterman, Assistant General Counsel, Legal

Attachment A

Site Location Map

