



New York City Economic Development Corporation

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
August 13, 2019

A regular meeting of the Directors of New York City Economic Development Corporation ("NYCEDC") was held, pursuant to notice by an Assistant Secretary, on Tuesday, August 13, 2019, at NYCEDC's offices at One Liberty Plaza, in Conference Center A/B, New York, New York.

The following Directors of NYCEDC were present:

Cheryl Adolph
Shirley Aldebol (by conference telephone)
William Candelaria
Wilton Cedeno (by conference telephone)
Lorraine Cortes-Vazquez (by conference telephone)
Mitchell Draizin (by conference telephone)
Robert Englert (by conference telephone)
William Floyd (by conference telephone)
Matthew Hiltzik (by conference telephone)
Tanya Levy-Odom (by conference telephone)
James McSpiritt
Gail Mellow (by conference telephone)
Melva Miller (by conference telephone)
Patrick J. O'Sullivan, Jr. (by conference telephone)
James Patchett
Mark Russo (by conference telephone)
Michael Schlein (by conference telephone)
Matthew Washington (by conference telephone)
Timothy Wilkins
Betty Woo
Kathryn Wylde (by conference telephone)

Members of NYCEDC staff and a member of the public also were present.

The meeting was called to order at 8:35 a.m. Meredith Jones, Executive Vice President, General Counsel and Secretary of NYCEDC, served as secretary of the duly constituted meeting, at which a quorum was present. (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 June 26, 2019 Regular Meeting of the Board of Directors

There being no questions or comments with respect to the minutes of the June 26, 2019 regular meeting of the Board of Directors, as submitted, a motion was made to approve such minutes, as submitted. Such motion was seconded and unanimously approved.

Mr. Wilkins joined the meeting at this time.

2. Report of NYCEDC's President

At this time, Mr. Patchett addressed the Board and highlighted a few of the key projects and initiatives from the President's report that had been provided to the Directors. He pointed out that the items in his report were, as always, organized under the core goal areas of NYCEDC. Mr. Patchett also welcomed the Directors to NYCEDC's new headquarters.

Mr. Floyd joined the meeting at this time.

3. Election of Officers

Under NYCEDC's Bylaws, the Board shall elect such Executive Vice Presidents and Senior Vice Presidents as it may from time to time determine. At this time, Mr. Patchett proposed that Cecilia Kushner be elected as an Executive Vice President and that each of Alexander Brady and Jhaelen Hernandez-Eli be elected as a Senior Vice President. A description of certain responsibilities of Executive Vice Presidents and Senior Vice Presidents may be found in Article IV of the Bylaws. It was anticipated that Ms. Kushner would head the Planning, Development and Transportation Division, Mr. Brady would oversee a portion of the Asset Management-Revenue Department, primarily with regard to port, cruise, aviation and rail matters, and Mr. Hernandez-Eli would oversee the construction activities of the Asset Management Department. Each shall perform such duties as are assigned to her/him by NYCEDC's President. Mr. Patchett then summarized the backgrounds of Ms. Kushner, Mr. Brady and Mr. Hernandez-Eli.

A motion was made to elect Cecilia Kushner as an Executive Vice President of NYCEDC and each of Alexander Brady and Jhaelen Hernandez-Eli as a Senior Vice President of NYCEDC. Such motion was seconded and unanimously approved. The position of each of Cecilia Kushner, Alexander Brady and Jhaelen Hernandez-Eli as an officer shall be conditioned upon the continuance of her or his employment by NYCEDC.

Mr. Hiltzik joined the meeting and Ms. Wylde left the meeting at this time.

4. Deed Modification for Flushing Commons Property Owner LLC

Jamie Horton, an Associate of NYCEDC, presented a proposal for NYCEDC to enter into an amendment to the deed for NYCEDC's sale of Block 4978, Lot 25 on the Tax Map of the Borough of Queens (the "Site") to Flushing Commons Property Owner LLC (the "Purchaser" and "Developer"), on substantially the terms set forth in Exhibit A hereto.

In answer to a question from Ms. Adolph, Mr. Horton explained that the parking spaces planned for the Site exceeded zoning requirements. In answer to a question from Ms. Miller, Mr. Horton stated that the planned location for the YMCA would likely move from Building E to Building B, that the YMCA was still planning to occupy the same amount of space, and that the YMCA was currently going through initial costing with the Developer to ensure that Building B could support the spans of the YMCA's program. He added that the Developer would deliver the core and shell, and that YMCA would then fit out its improvements. In answer to a second question from Ms. Miller, Mr. Horton stated that negotiations were still ongoing between the YMCA and the Developer. Mr. Patchett then noted that NYCEDC had recently spoken with the leadership of the YMCA and that the YMCA was confident in its ability to deliver the project and have terms with which the YMCA was comfortable.

In answer to an additional question from Ms. Miller, Mr. Horton stated that the Developer planned to commence Phase 2A construction in July 2021, that the estimated construction timeline for Phase 2A was 42 months, and that the Developer would have an additional 1-year extension option in case of any unforeseen setbacks. In answer to a question from Mr. Wilkins, Mr. Horton explained that the Developer anticipated starting Phase 2B when Phase 2A was complete, and that the Developer would pay extension fees during Phase 2A construction until it commenced work on Phase 2B.

A motion was made to approve the matter set forth for approval in the Proposed Resolution section of Exhibit A hereto. Such motion was seconded and approved. Mr. O'Sullivan and Ms. Aldebol recused themselves from voting on this item.

5. Sublease for a Portion of South Brooklyn Marine Terminal

Alex Brady, a Senior Vice President of NYCEDC, and Romulo Garza, an Assistant Vice President of NYCEDC, presented a proposal for NYCEDC to enter into a sublease (the "Sublease") with an entity (the "Subtenant") formed and controlled by an affiliate of Red Hook Container Terminal, LLC and an affiliate of Bush Terminal Holdings LP for a majority of the South Brooklyn Marine Terminal ("SMBT"), which portion is identified as Block 662, Lot 136 and portions of Block 662, Lots 1, 130 and 155 on the Tax Map of the Borough of Brooklyn (the "SBMT Site"). The Sublease would be on substantially the terms approved by NYCEDC's Board of Directors on May 9, 2018, with additions and/or modifications substantially as set forth in Exhibit B hereto.

In answer to a question from Mr. Patchett, Mr. Brady provided some historical context regarding past investments in SBMT. Mr. Brady then stated that the Subtenant committed to a significant level of private investment in SBMT and that NYCEDC was able to get City Capital Budget funds allocated to augment that private investment. In answer to a second question from Mr. Patchett, Mr. Brady stated that NYCEDC was also excited about the potential for SBMT to support the offshore wind industry. He explained that New York State (the "State") had recently awarded offshore wind-specific energy contracts to two developers, that these developers needed space on land for various purposes to support the offshore installation, and that the proposed capital investment by NYCEDC could help NYCEDC provide infrastructure needed for SBMT to support the offshore wind industry. At this time, Mr. Patchett pointed out that SBMT was one of the locations that could be used for wind assembly as part of the State's awarding of the contracts to the developers to further its overall objective of increasing energy delivered by green power. Mr. Patchett further noted that NYCEDC believed, based on its conversations with the State and the two contract recipients, that SBMT could be used for a significant amount of staging and construction work associated with these wind contracts.

In answer to a question from Mr. Candelaria, Mr. Brady stated that there was a commitment by the Subtenant to move a certain number of tons of freight over water, and that this would in turn contribute to a main policy objective of reducing the number of trucks using bridges and tunnels and generally helping to decongest the City. Mr. Brady further stated that achieving this policy goal was something that could happen alongside offshore wind-related work that might be done at SBMT. In answer to a question from Mr. McSpiritt, Mr. Brady stated that the focus of the private investment by the Subtenant would likely be on the buildings and fitting out the industrial sheds for subtenanting. NYCEDC's construction was anticipated to be mainly on infrastructure.

A motion was made (i) to approve the matters set forth for approval in the Proposed Resolutions section of Exhibit B hereto and (ii) to resolve that there is no reasonable alternative to the proposed Sublease that will achieve the same purpose as the proposed Sublease. Such motion was seconded and approved. Mr. O'Sullivan recused himself from voting on this item.

6. Certificate of Change

Mark Silversmith, a Special Counsel and Assistant Secretary of NYCEDC, presented a proposal for NYCEDC to file a Certificate of Change with the New York State Department of State, Division of Corporations, State Records and Uniform Commercial Code, to indicate that NYCEDC had moved its principal office to One Liberty Plaza, New York, New York 10006.

A motion was made to authorize any officer to file such a Certificate of Change. Such motion was seconded and unanimously approved.

7. Approval

With respect to the approved items set forth above, it was understood that authorization and approval of such matters included authorization for the President and other empowered officers to execute the necessary legal instruments, and for the President and other empowered officers to take such further actions as are or were necessary, desirable or required, to implement such matters substantially on the terms described above.

8. 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 9:08 a.m.

Assistant Secretary

Dated: _____
New York, New York

DRAFT

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

**DEED MODIFICATION FOR FLUSHING COMMONS PROPERTY OWNER LLC
Board of Directors Meeting
August 13, 2019**

OVERVIEW: At its February 6, 2013 meeting, NYCEDC's Board of Directors approved NYCEDC's sale of Block 4978, Lot 25, Queens (the "Site") to Flushing Commons LLC or an affiliated entity for \$20,000,000 (all cash) and a two-phase development plan. In a subsequent meeting on December 19, 2013 the NYCEDC Board of Directors approved a revised phasing plan. The purchaser has delivered all its Phase I obligations in accordance with the deed and is seeking to modify the phasing plan, substantially as described below. In addition, the size of the project will be larger than originally described, substantially as described below.

OWNER: Flushing Commons Property Owner LLC (the "Developer")

SITE

DESCRIPTION: The Site is an approximately 211,000 square foot parcel in the heart of Downtown Flushing, Queens that had been used as an approximately 1,100 space municipal parking lot since the 1940s. In line with the Phase 1 requirements, the Developer has improved part of the lot with two buildings totaling approximately 690,000 gross square feet of residential, office, retail and parking space.

**PROJECT
STATUS:**

The Developer completed Phase 1 in August 2017, with larger total building space than required. Under the terms of the deed, it was to deliver two buildings in Phase 1 which were to include not less than approximately 160,000 gsf of residential, 160,000 gsf of commercial space, and 982 underground parking spaces. The Developer met all of these requirements and delivered 148 residential condominiums, 90 office condominiums, approximately 30,000 gsf of retail, and the 982-space underground garage. Phase 1 also included 618 temporary surface parking spaces.

**SCOPE OF
PHASING
MODIFICA-
TIONS:**

NYCEDC proposes to modify the time for construction of Phase 2 by dividing Phase 2 into Phase 2A and Phase 2B. The Developer will deliver a larger program than previously required by the deed, but it will be constructed over a longer time period. Phase 2A will commence in line with the previously approved Phase 2 schedule and will include the public benefits of approximately 1 acre of open

space and the YMCA required in Phase 2. Phase 2B construction commencement may be delayed by up to four years. To compensate for the possible delay in delivery of the Phase 2B program, the Developer will pay extension fees of \$500,000 for the first year, \$750,000 for the second year, \$1,250,000 for the third year, and a \$1,500,000 letter of credit drawable if construction does not commence by the end of the fourth year. Further, a \$10,000,000 payment guaranty of liquidated damages that was to be in effect until Phase 2 construction commencement will now be in effect until the completion of the Phase 2A public benefits, at which time it will be replaced by a \$4,000,000 guaranty of liquidated damages until Phase 2B construction commencement. The project sequencing would be substantially as detailed below:

| | Phase 2 2013 Board Approval | Proposed New Phase 2A | Proposed New Phase 2B |
|----------------------------------|---|--|---|
| Program | Three buildings that include not less than approximately: <ul style="list-style-type: none"> - 350,000 gsf of mixed use space compliant with zoning; - 90,000 gsf of mixed use commercial; - 62,000 gsf YMCA; and - a sufficient number of parking spaces in an underground garage so that the total number of parking spaces with the spaces in the Phases 1 and 2 buildings will be 1,600; and 1.5 acres open space | Two buildings that include: <ul style="list-style-type: none"> - not less than approximately 100,000 gsf of mixed use commercial; - not less than approximately 160,000 gsf of residential; - YMCA space currently anticipated to be approximately 62,000 gsf but still subject to negotiation; and - not less than 27 parking spaces; and Approximately one acre open space | A building that includes: <ul style="list-style-type: none"> - not less than approximately 300,000 gsf of residential; - not less than approximately 35,000 gsf of mixed use commercial; and - not less than a number of parking spaces (so that the total number of parking spaces in Phases 1, 2A and 2B will be 1,600 parking spaces); and Open space (so that the total open space in Phases 1, 2A and 2B will be approximately 1.5 acres) |
| Construction Commencement | July 1, 2021 (with all extensions in the deed exercised) | July 1, 2021 | July 1, 2025 (if all extensions are exercised) |

| | Phase 2 2013 Board Approval | Proposed New Phase 2A | Proposed New Phase 2B |
|--|--|--|--|
| Construction Completion | 42 months from commencement | 42 months from commencement, with one, one-year extension. If the extension is exercised, maximum 54 months from commencement. | 36 months from commencement, with one, one-year extension. If the extension is exercised, maximum 48 months from commencement. |
| Construction Completion Extension | None | \$500,000 per annum. Pro-rated if extension is shorter than one year. | \$500,000 per annum. Pro-rated if extension is shorter than one year. |
| Payment Guaranty of Liquidated Damages | \$10,000,000 until commencement of Phase 2 | \$10,000,000 until completion of Phase 2A public benefits | \$4,000,000 until construction commencement |

**PROPOSED
RESOLUTION:**

Approval for NYCEDC to enter into a deed amendment reflecting the terms of the transaction modified substantially as described above

**NYCEDC
PROJECT
CODE:**

3017

STAFF:

Jamie Horton, Associate, Real Estate Transaction Services
Susan Goldfinger, Senior Vice President, Real Estate Transaction Services
Tiffany Lacker, Senior Counsel, Legal

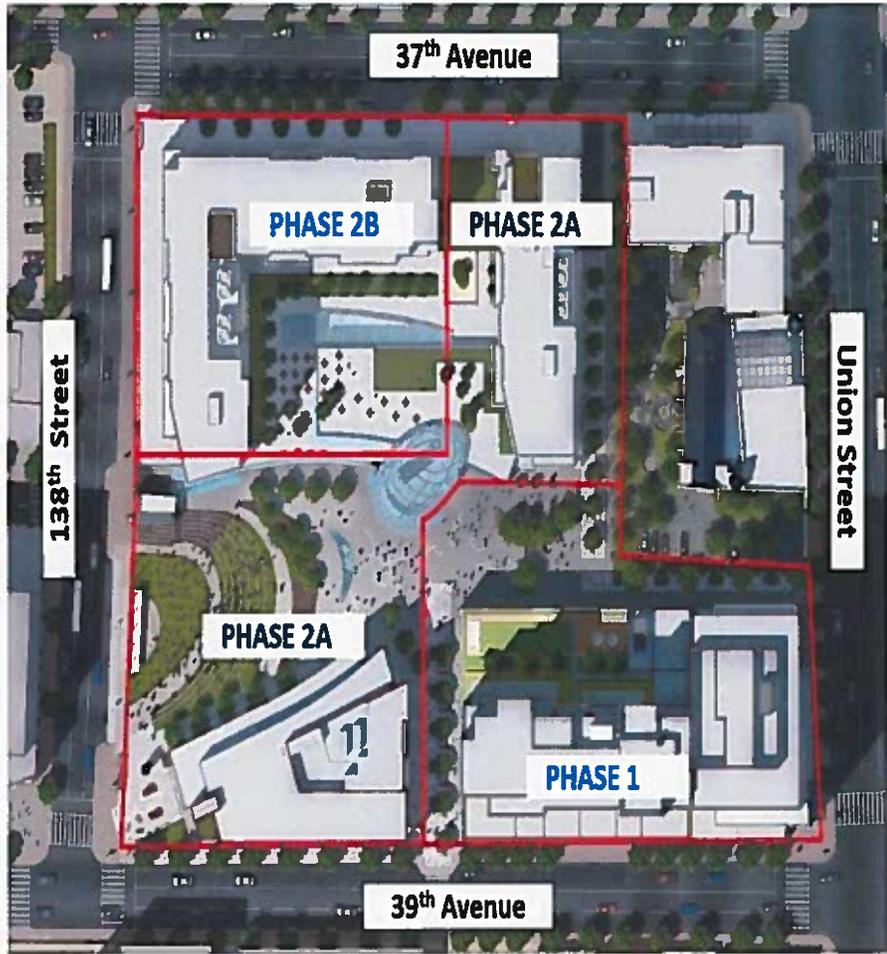


Exhibit B

**SUBLEASE FOR A PORTION OF SOUTH BROOKLYN MARINE TERMINAL
Board of Directors Meeting
August 13, 2019**

OVERVIEW: On May 9, 2018 the Board of Directors approved that NYCEDC enter into a master sublease (the "Sublease") with an entity formed and controlled by an affiliate of Red Hook Container Terminal, LLC and an affiliate of Bush Terminal Holdings LP (the "Subtenant") for a majority of the South Brooklyn Marine Terminal ("SBMT"), a marine terminal located between 29th and 39th Streets, west of 2nd Avenue, in Sunset Park, Brooklyn. The premises to be subleased (the "Site") is identified as Block 662, Lot 136 and portions of Block 662, Lots 1, 130 and 155 on the Tax Map of the Borough of Brooklyn. It contains the 35th Street Pier, the 39th Street Pier and an open upland area. The Site is approximately depicted in Attachment A.

NYCEDC is seeking the Board's approval to enter into the Sublease on terms substantially as approved by NYCEDC's Board on May 9, 2018 with additions and/or modifications substantially as described below.

ADDITIONAL/MODIFIED SUBLEASE TERMS:

**Landlord
Capital
Work:**

NYCEDC shall make certain infrastructure improvements to the Site, which are expected to include but not be limited to upgrades to the 39th and 35th Street Piers, extensions of utilities, fire suppression improvements, construction of an entry/exit gate complex, demolition of a vacant building, and asbestos abatement and oversight. In total, NYCEDC will spend an amount not to exceed \$57,325,000 for this capital work (including any and all related remediation work, if needed) it performs on the Site, anticipated to be funded with City Capital Budget funds. The contracts for such work will be brought before the Executive Committee for approval, to the extent such approval is required.

During the period of NYCEDC's capital work, Subtenant will only be permitted to enter into sublicenses, with potential users of the Site, to allow for maximum flexibility to complete the work. If NYCEDC's capital work is not substantially completed prior to the third anniversary of the Sublease, NYCEDC will annually reimburse approximately 75% of any net loss of Subtenant, until NYCEDC's capital work is substantially complete. Net loss shall be the amount, if negative, of Subtenant's gross revenues minus the

lesser of (a) Subtenant's actual operating expenses, or (b) \$2,000,000 (prorated for any partial year).

Base Rent:

Until NYCEDC's capital work has been substantially completed and the New York Wheel components currently on the Site have been removed from the Site (the "Rent Commencement Date") base rent will be the greater of (x) fifteen percent (15%) of Subtenant's gross revenue or (y) fifty percent (50%) of Subtenant's net income.

Following the Rent Commencement Date, base rent shall be at the level for that Sublease Year previously approved by NYCEDC's Board. For the 12 months following the Rent Commencement Date, base rent shall be subject to abatements for certain capital rehabilitation and tenant fit-out work undertaken by Subtenant and because portions of the Site may not be used immediately. The level of such abatements shall vary depending on the time necessary to complete the required improvements for occupancy and use, but shall in no event be greater than 50% of the base rent for the 12 month period. Pursuant to the May 9, 2018 Board approval, there was a similar abatement provision for Sublease Years 1-3.

Participation Rent:

The participation rent described in the May 9 Board item will commence in the fourth year following the Rent Commencement Date instead of at the end of Sublease Year 4.

Cargo Volume Guarantees:

The cargo volume guarantees described in the May 9 Board item shall commence in the fourth year following the Rent Commencement Date instead of at the beginning of Sublease Year 4. For the first three years following the Rent Commencement Date there shall be lower guarantees than the minimum of 900,000 metric tons in the fourth year.

**Freight Introduction/
Right of First Refusal:**

As described in the May 9 Board item, in the event of City-mandated use of the Site for containerized freight by Subtenant or others, Subtenant and NYCEDC will work together to facilitate the freight introduction. NYCEDC will adjust Subtenant's obligations should the freight introduction, in NYCEDC's reasonable discretion, cause material impacts on Subtenant's ability to meet its financial and performance obligations. Subtenant will possibly surrender some or all of the Site if the freight introduction occurs.

In addition to the above previously authorized terms, Subtenant will have a right of first refusal to incorporate such a freight introduction into Subtenant's operations through an amendment to the Sublease.

APPRAISAL: As described in the May 9 Board item, an appraisal concluded that the fair market rental value of the Site in 2018 was \$20,000,000 per annum.

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

NYCEDC's sublease of the Site will reactivate a crucial transportation asset in New York City, and is anticipated to add approximately 250 living wage jobs, and reduce city-wide roadway congestion and emissions by carrying goods by vessels into and out of the City instead of by truck.

**PROPOSED
RESOLUTIONS:**

Approval of NYCEDC to enter into a sublease with the Subtenant on substantially the terms described in the May 9 Board item, modified substantially as described above, and of NYCEDC to take any actions and enter into any agreements needed to implement transactions substantially as described above

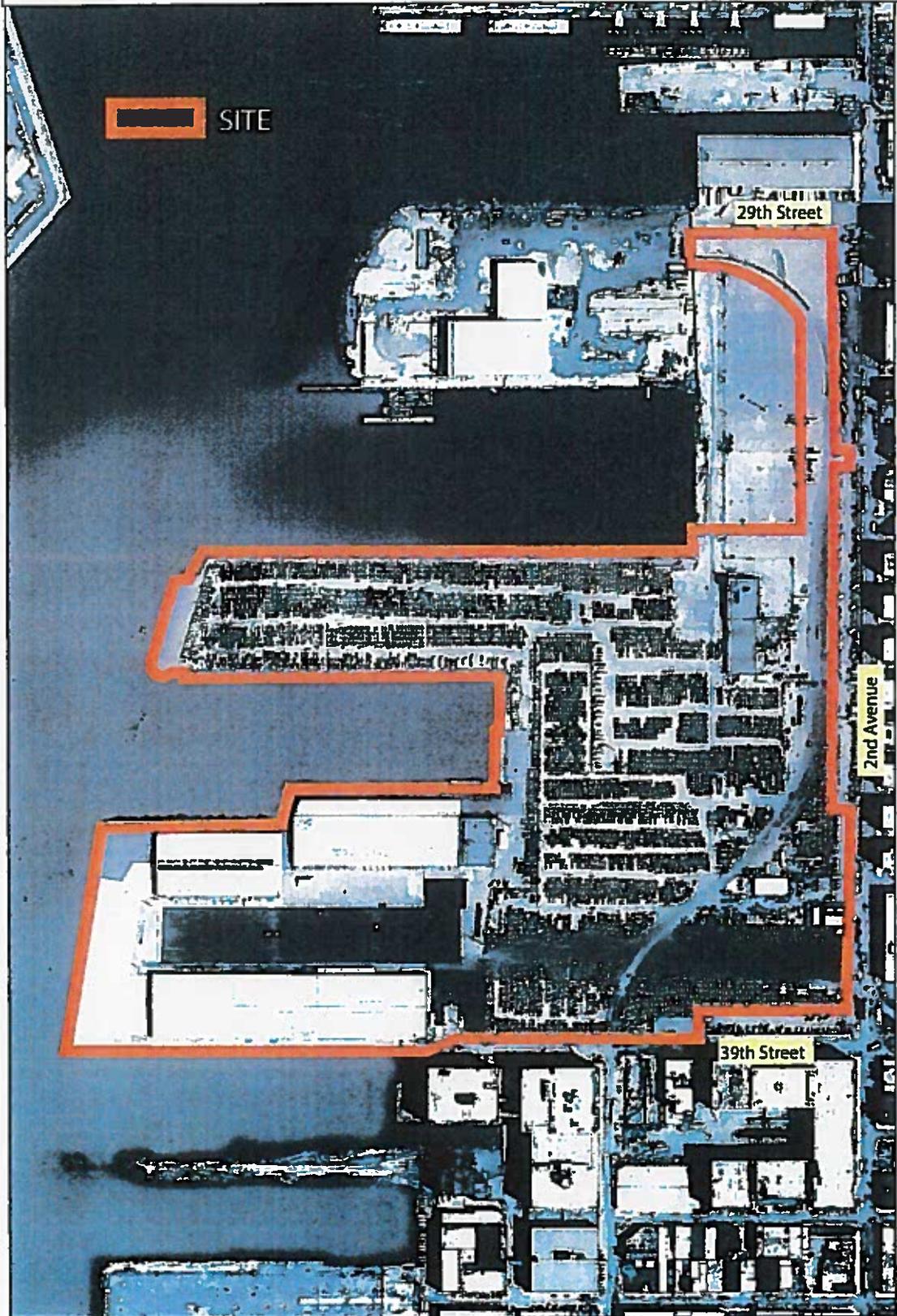
The Board of Directors further resolves that there is no reasonable alternative to the proposed sublease that will achieve the same purpose as the proposed sublease.

**NYCEDC
PROJECT CODE:** 7238

STAFF: Matthew Kwatinetz, Executive Vice President, Asset Management
Andrew Genn, Senior Vice President, Ports & Transportation
Alex Brady, Vice President, Asset Management
Romulo Garza, Assistant Vice President, Asset Management
Tiffany Lacker, Senior Counsel, Legal

For your information, a copy of the item related to South Brooklyn Marine Terminal approved by NYCEDC's Board of Directors on May 9, 2018 is attached hereto as ATTACHMENT B.

ATTACHMENT A



ATTACHMENT B

SUBLEASE FOR SOUTH BROOKLYN MARINE TERMINAL
Board of Directors Meeting
May 9, 2018

OVERVIEW: NYCEDC is the tenant under a master lease with the City, as landlord, (the "Master Lease") for the South Brooklyn Marine Terminal ("SBMT"), a marine terminal located between 29th and 39th Streets, west of 2nd Avenue, in Sunset Park, Brooklyn. NYCEDC proposes to enter into a master sublease for a majority of the premises leased under the Master Lease. The premises proposed to be subleased contains the 35th Street Pier, the 39th Street Pier and an open upland area (together containing approximately 64.5 acres) and some adjacent land under water (together, the "Site").

The Site is identified as Block 662, Lot 136 and portions of Block 662, Lots 1, 130 and 155 on the Tax Map of the Borough of Brooklyn. The Site is approximately depicted in Attachment A.

Built during the 1960s and 1970s, SBMT has largely been used for handling bulk and break-bulk. After a period of disuse and following significant City, State and Federal investment, SBMT is now ready for reactivation. SBMT offers valuable access as an efficient gateway for New York City cargo.

The proposed master sublease is the result of an RFP for SBMT reactivation that was issued in November of 2015. Respondents to the RFP and a brief summary of their proposals are listed in Attachment B.

SUBLEASE TERMS

SUBLESSOR: NYCEDC

SUBLEESSEE: The sublessee (the "Subtenant") will be an entity formed and controlled by an affiliate of Red Hook Container Terminal, LLC ("Red Hook") and an affiliate of Bush Terminal Holdings LP, the owner of two entities that own properties known as Industry City. Such Red Hook affiliate will be the operating and managing entity responsible for the day to day operations of the Subtenant and will also provide and be responsible for the stevedoring and terminal services at the Site. If Michael Stamatis, President and CEO of Red Hook, leaves Red Hook, the Subtenant shall replace him with key personnel of equivalent or better competence/training and industry experience, which substitute personnel shall be approved in NYCEDC's reasonable discretion.

TERM: The term will commence approximately at the time of sublease execution and terminate on December 31, 2054, an approximately 36 year term.

BASE RENT: Base rent is expected to commence at \$4.07M in Sublease Year 1, and shall increase at a rate of 2% per year in Sublease Years 2-5, by 2.5% in Sublease Years 6-10, and by 3% per year thereafter. Such base rent in Sublease Years 1-3 shall be subject to abatements for certain capital rehabilitation and tenant fit-out work and because portions of the Site may not be used immediately at commencement of the sublease. The level of such abatements shall vary depending on the time necessary to complete the required improvements for occupancy and use, but shall in no event be greater than 50% of the base rent in any year of the term.

PARTICIPATION RENT: Following Sublease Year 4, the Subtenant shall pay to NYCEDC rent in addition to the base rent, calculated as a percentage (from 10%-30%, depending on the income tier) of annual gross revenue received by the Subtenant.

SECURITY DEPOSIT: \$2,000,000

MINIMUM LIQUIDITY AND GUARANTY: Throughout the term of the sublease Subtenant shall maintain a minimum liquidity of \$5 million of available cash (the "Minimum Liquidity"); NYCEDC shall be permitted to verify the maintenance of such requirements on a periodic basis. Throughout the term of the sublease, a guarantor to be determined shall guarantee the Minimum Liquidity obligation.

USE: The Subtenant shall use the Site as a maritime facility, including sub-subleased, permitted or concessioned space to various commercial users, for maritime-dependent purposes and ancillary uses, such as bulk and breakbulk stevedoring, vehicle and equipment import/export, scrap metal recycling, waterborne freight warehousing, maritime freight-rail transloading and layberthing.

Prohibited uses include: hazardous transfer facilities and any use that is not primarily a commercial maritime use, including public passenger and ferry services.

**CARGO
VOLUME**

GUARANTEES: Subtenant has agreed to meet a minimum annual cargo volume guarantee of at least 900,000 metric tons of cargo by Sublease Year 4, and shall be required to make certain Performance Payments should these guarantees not be met. In the event that Subtenant fails to meet its performance obligations for any Sublease Year, Subtenant may issue a surrender notice to NYCEDC, providing that Subtenant shall be surrendering the sublease in 18 months' time. Failure to meet the cargo volume guarantees for any consecutive 24 month period shall be an event of default.

**SUB-
SUBLEASES:**

Major sub-subleases require NYCEDC's approval. Beginning 5 years after the Sublease Effective Date, in the event any portion of the Site has not been sub-subleased out and actively used by a sub-subtenant for a period of at least 6 months, NYCEDC may present a sub-subtenant to Subtenant for such space. Provided that such sub-subtenant is willing to pay the then-current market rent per square foot, and such sub-subtenant's use complies with the permitted uses, Subtenant shall enter into a sub-sublease with such sub-subtenant for such space.

**CONSTRUCTION
/ MAINTENANCE
OF SITE:**

NYCEDC is responsible for maintaining the waterside facilities, including existing berth depths and bulkhead conditions. Subtenant is responsible for all landside facilities, site security and keeping the berths and waterways clear and navigable at all times.

**MINIMUM
CAPITAL
INVESTMENT:**

Subtenant is required to provide a minimum of \$15M for capital investment at the Site.

**LABOR PEACE
AGREEMENT:**

Subtenant is required to provide evidence that it has entered into a labor peace agreement with a bona fide labor organization.

HIRENYC:

Subtenant will comply with the HireNYC program.

**FREIGHT
INTRODUCTION:**

In the event of City-mandated use of the Site for containerized freight by Subtenant or others, Subtenant and NYCEDC will work together to facilitate the "Freight Introduction".

NYCEDC will adjust Subtenant's obligations should the Freight Introduction, in NYCEDC's reasonable discretion, cause material impacts on Subtenant's ability to meet its financial and performance obligations. Subtenant will possibly surrender some or all of the Site if Freight Introduction occurs.

**APPRAISED
VALUE:**

An appraisal concluded that the fair market rental value of the Site in 2018 was \$20,000,000 per annum. This value did not take into account the combination of requirements and restrictions that apply to the proposed sublease. Taking into account these restrictions, the appraisal in 2018 concluded that the value of the Site was \$3,900,000 per annum.

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

NYCEDC's sublease of the Site will reactivate a crucial transportation asset in New York City, and is anticipated to add 250+ living wage jobs, and reduce city-wide roadway congestion and emissions by bringing goods by ship instead of truck.

**PROPOSED
RESOLUTIONS:**

Approval of NYCEDC to enter into a sublease with the Subtenant on substantially the above described terms

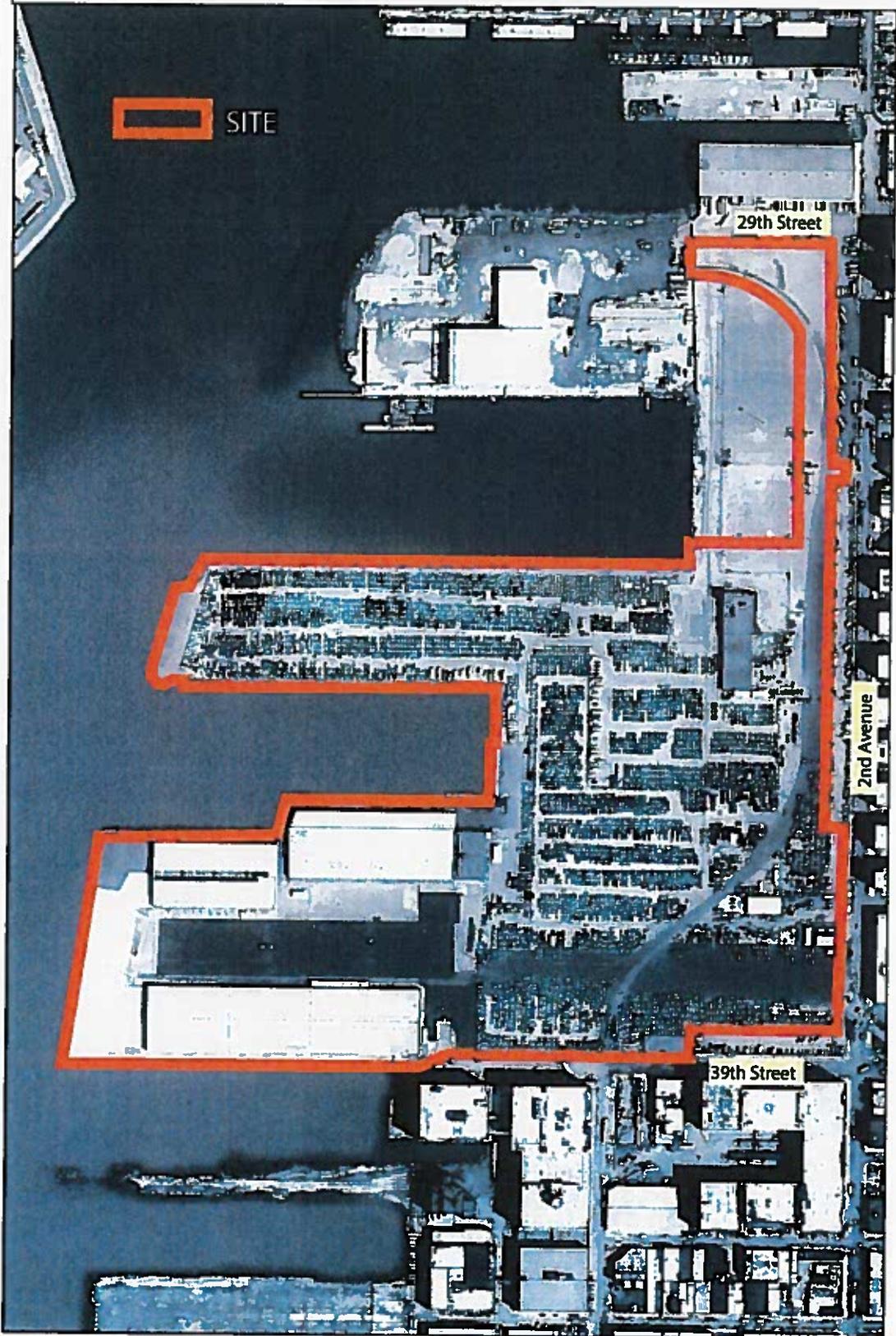
The Board of Directors further resolves that there is no reasonable alternative to the proposed sublease that will achieve the same purpose as the proposed sublease.

**NYCEDC
PROJECT CODE:** 7238

STAFF:

Matthew Kwatinetz, Executive Vice President, Asset Management
Andrew Genn, Senior Vice President, Ports & Transportation
Alex Brady, Vice President, Asset Management
Allison Dees, Senior Associate, Asset Management
Tiffany Lacker, Senior Counsel, Legal

ATTACHMENT A



ATTACHMENT B
Initial Respondent Proposals

| Respondent | Guaranteed Base Rent ¹ | Percentage Rent | Proposed Use | Full/Partial Site | Approximate Footprint |
|-------------------------------------|-----------------------------------|---------------------------|-------------------------------|-------------------|-----------------------|
| Sustainable-SBMT (chosen) | \$3,724,840 | Tiered 1%-4% (aggregate) | Marine Terminal | Full | 64.5 ac. |
| Evenco Terminals LLC | \$4,193,000 | Tiered 0%-3% (aggregate) | Marine Terminal | Full | 64.5 ac. |
| Coastal Renewal LLC | \$1 | Tiered 30% - 60% (annual) | Marine Terminal | Full | 72 ac. |
| ABC Select Intermodal Services Inc. | Not specified | Not specified | Lumber & Edible Oil Transload | Partial | 17 ac. |
| Atlantic Salt Inc. | \$90,000 | Dockage & wharfage fees | Salt Transload and Storage | Partial | 4 ac. |
| Urban Mining Northeast, LLC | Not specified | Not specified | Recycled Glass Processing | Partial | 3-4 ac. |
| Vane Line Bunkering, Inc. | \$827,000 | N/A | Barge Berthing | Partial | 2,000 LF |

¹ Estimated at stabilization, year 4

Exhibit C

**CERTIFICATE OF CHANGE
Board of Directors
August 13, 2019**

Subject: Filing a Certificate of Change with the New York Department of State

Proposed Resolution: To authorize any officer of NYCEDC to file a Certificate of Change with the New York State Department of State, Division of Corporations, State Records and Uniform Commercial Code ("DOS"), indicating changes substantially as described below

Proposed Certificate of Change: As a result of NYCEDC moving its principal office to One Liberty Plaza, 165 Broadway, New York, New York 10006, a Certificate of Change must be filed with DOS. The Certificate of Change shall indicate that:

- The county location, within this state, in which the office of the corporation is located, is changed to One Liberty Plaza, 165 Broadway, New York, New York 10006.
- The address to which the Secretary of State shall forward copies of process accepted on behalf of the corporation is changed to read in its entirety as follows: New York City Economic Development Corporation, Attn: President, One Liberty Plaza, 165 Broadway, New York, New York 10006.