



New York City Economic Development Corporation

MINUTES OF A SPECIAL MEETING
OF THE LEGAL AFFAIRS COMMITTEE
OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
May 9, 2017

A special meeting of the Legal Affairs Committee (the "Committee") of the Board of Directors of New York City Economic Development Corporation ("NYCEDC") was held, pursuant to notice by an Assistant Secretary, on Tuesday, May 9, 2017.

The following members of the Committee were present by conference telephone:

Matthew Hiltzik
James McSpiritt
Patrick J. O'Sullivan, Jr.

Members of NYCEDC staff also were present.

The meeting was chaired by Mr. McSpiritt and called to order at 12:30 p.m. Meredith Jones, General Counsel, Executive Vice President and Secretary of NYCEDC, served as secretary of the duly constituted meeting, at which a quorum was present.

1. Goulston & Storrs: Legal Retainer

Ms. Jones presented a proposal for NYCEDC to enter into an agreement with Goulston & Storrs ("Goulston") for legal assistance in structuring provisions to permit the creation of condominiums on ground-leased City-owned property.

Ms. Jones explained that a developer wished to be able to impose a condominium structure on property in Queens the developer proposes to ground lease from the City. She stated that no one at NYCEDC or the New York City Law Department had much experience with a condominium structure on a leasehold. As a result, it was advisable to retain outside counsel with this experience. Given time constraints, NYCEDC and the Law Department decided not to issue a Request for Proposals and to retain Goulston for this work. Max Friedman, an attorney at Goulston, would be the attorney for the work. Ms. Jones explained that NYCEDC and the City had long experience with Mr. Friedman, and that Mr. Friedman had worked on a condominium structure on a City leasehold before and had represented NYCEDC on the 42nd Street and Seward Park projects, among others.

Ms. Jones stated that Mr. Friedman would work at the same hourly rate as he

does for other NYCEDC projects, and that the total fee for this work would not exceed \$20,000. She added that under its annual contract with the City, NYCEDC would be able to procure Mr. Friedman's services for this one aspect of the project without the need for other competing proposals.

At this time, Mr. McSpiritt stated that the Law Department had approved the rate and retention of Max Friedman of Goulston for up to a total of \$20,000.

It was moved that the Committee approve the selection of Goulston and authorize NYCEDC to enter into a legal retainer agreement with Goulston substantially as described above. The motion was seconded and unanimously approved.

2. Approval of the Minutes of the January 24, 2017 Legal Affairs Committee Special Meeting

There being no questions or comments with respect to the minutes of the January 24, 2017 special Committee meeting, a motion was made to approve such minutes, as submitted. Such motion was seconded and unanimously approved.

3. Shearman & Sterling: Legal Retainer

Ms. Jones presented a proposed agreement with Shearman & Sterling, LLP ("Shearman & Sterling") for legal representation of NYCEDC in connection with NYCEDC's negotiation of a lease for headquarters office space due to the impending expiration of NYCEDC current lease for space at 110 William Street, on substantially the terms set forth in Exhibit A hereto.

At this time, Mr. McSpiritt stated that the Law Department had approved NYCEDC seeking outside counsel for this matter, as the City did not have available lawyers with experience negotiating this type of complex commercial office space lease transaction. Mr. McSpiritt further stated that the proposed rates of Shearman & Sterling were within the parameters of what the Law Department ordinarily approved. Ms. Jones added that NYCEDC, likewise, did not have a lawyer with the requisite experience to handle this transaction.

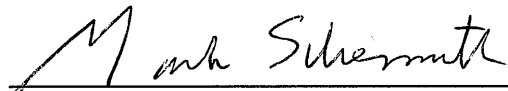
In answer to a question from Mr. O'Sullivan, Ms. Jones stated that NYCEDC had spoken to a total of four firms, one of which was a Minority and Women-Owned Business Enterprise ("M/WBE") firm, and that most of the firms were recommended to NYCEDC by the brokerage firm that NYCEDC had been working with to look for space. Ms. Jones added that NYCEDC also reviewed attorneys involved with Practicing Law Institute ("PLI") programs that had been given on commercial leasing, and that the M/WBE firm was one that NYCEDC had considered as a result of such examination of those PLI programs.

It was moved that the Committee approve the selection of Shearman & Sterling and authorize NYCEDC to enter into a legal retainer agreement with Shearman &

Sterling substantially as described in Exhibit A hereto. The motion was seconded and unanimously approved.

4. Adjournment

There being no further business to come before the meeting, pursuant to a motion made, seconded and unanimously approved the meeting of the Committee was adjourned.



Assistant Secretary

Dated: March 15, 2018
New York, New York

Exhibit A

**SHEARMAN & STERLING: LEGAL RETAINER
Legal Affairs Committee Meeting
May 5, 2017**

Project: Legal representation of NYCEDC in connection with NYCEDC's negotiation of a lease for headquarters office space due to the impending expiration of its current lease for space at 110 William Street

Procurement Method: Small purchase

Contractor: Shearman & Sterling, LLP ("Shearman & Sterling")

Agreement to be Approved: An agreement with Shearman & Sterling for Project services (the "Retainer Agreement")

Amount to be Approved: Up to \$90,000

Source of Funds to NYCEDC: NYCEDC's programmatic budget

Proposed Resolution: To authorize the President and any empowered officer to enter into the Retainer Agreement, substantially as described herein

Background: NYCEDC's lease on its space at 110 William Street expires on August 31, 2019. NYCEDC staff have, in conjunction with Newmark Grubb Knight Frank, been exploring the options that NYCEDC will have at that time, including moving to new space and seeking to remain at its current location. At this time, NYCEDC staff believes that to further explore these options they require advice of experienced commercial leasing counsel. To that end, staff interviewed four firms with expertise in this area, including interviews with Peter Strauss of Shearman & Sterling. Mr. Strauss has 30 years of experience in a broad range of transactional work, including past experience with international law firms, and as a senior officer in business and legal affairs for the world's largest diversified venue owner and operator and producer of live entertainment events. Mr. Strauss has advised clients as landlords and tenants in large lease transactions, lenders in credit facilities, multi-state transactions and large loan workouts, borrowers in large mortgage loans, developers, equity investors, and parties to joint ventures. Accordingly, staff recommends that NYCEDC enter into the Retainer Agreement with Shearman & Sterling, under which Mr. Strauss will be the lead attorney.

Shearman & Sterling will charge the following rates per hour: \$500 for partners and Mr. Strauss, \$375 for associates with more than four years' experience, \$350 for associates with more than three but less than four years of experience, and \$285 for associates with less than three years of experience. Shearman & Sterling will also be reimbursed for certain expenses. It should be noted that the City's Law Department,

pursuant to its role under NYCEDC's annual contracts with the City, has approved the rates and retention of Shearman & Sterling for this matter.

NYCEDC Project Code: 6542-0

Staff: Matthew Kwatinetz, Executive Vice President, Asset Management
Mark Spector, Senior Vice President, Asset Management
Meredith Jones, General Counsel, Legal