



New York City Economic Development Corporation

MINUTES OF THE MEETING OF THE
REAL ESTATE AND FINANCE COMMITTEE
OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
July 19, 2016

A meeting of the Real Estate and Finance Committee (the "Committee") of the Board of Directors (the "Board") of New York City Economic Development Corporation ("NYCEDC"), was held on Tuesday, July 19, 2016, at NYCEDC's offices at 110 William Street, in Conference Room 6A, New York, New York.

The following members of the Committee were present:

Lynn Kelly
David Lichtenstein (by conference telephone)
James McSpirtt
Patrick J. O'Sullivan, Jr. (by conference telephone)

Members of NYCEDC staff also were present.

The meeting was chaired by Mr. McSpirtt and called to order at 2:01 p.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 May 31, 2016 Committee Meeting

It was moved that the minutes of the May 31, 2016 Committee meeting be approved, as submitted. Such a motion was seconded and unanimously approved.

2. Acquisition of 3050 W. 21st Street, Brooklyn

Carl Rodrigues, a Vice President of NYCEDC, presented a proposal for NYCEDC (i) to enter into a purchase contract to acquire Block 7071, Lot 123 on the Tax Map of the Borough of Brooklyn (the "Site") and pay a down payment of up to 10% of the purchase price, and (ii) to purchase the Site pursuant to the purchase contract, on substantially the terms set forth in Exhibit A hereto.

Mr. Rodrigues stated that in Exhibit A it was stated that the purchase price was approximately \$12.8 million and that NYCEDC would also pay the City transfer tax. Subsequent to the distribution of the Committee materials this had changed. The purchase price would now be \$13,175,224 and the seller would pay the transfer tax.

Jeff Nelson, an Executive Vice President of NYCEDC, noted that the result of the change was a net increase in the cost to NYCEDC of approximately \$9,000.

In answer to a question from Mr. McSpiritt, Mr. Nelson explained that although an affiliate of iStar, Inc. ("iStar") currently had a purchase option on a portion of Lot 100 shown in Exhibit A, it had agreed to release that purchase option as explained at the June 2016 NYCEDC Board meeting provided that NYCEDC amended agreements as described at that Board meeting.

In answer to a question from Ms. Kelly, Mr. Rodrigues stated that NYCEDC planned to enter into the purchase contract for the Site after approval by the Board, and anticipated being reimbursed for the purchase price by City Capital Budget funds available in Fiscal Year 2017. In answer to an additional question from Ms. Kelly, Mr. Rodrigues stated that NYCEDC was comfortable that the New York City Human Resources Administration ("HRA") would move from the Site when a new facility contemplated for it was built. Mr. Rodrigues explained that NYCEDC had been working closely with HRA. He stated that HRA was well aware of the project at the Site and understood that NYCEDC would carry the HRA lease forward until HRA needed to move. Mr. Nelson added that a key point to note was that the current relocation plan for HRA was to move it to parcels in which the City had a property interest, and that HRA had been in very active negotiations with the developer. Gillian Connell, an Assistant Vice President of NYCEDC, further noted that HRA and the New York City Department of Citywide Administrative Services, which was administering HRA's lease, were working with the developer on a letter of intent for the new site.

In answer to a question from Mr. O'Sullivan, Mr. Rodrigues explained that some of the parcels needed for the creation of Ocean Way were being acquired from iStar, and that the deal for those parcels had been negotiated and signed, and the remainder was on the Site and City land which together gave NYCEDC everything it needed for Ocean Way.

A motion was made that the Committee recommend that the Board of Directors adopt the resolutions set forth in the Proposed Resolutions section of Exhibit A hereto, with the purchase price and payment of the transfer tax modified substantially as described above. Such motion was seconded and unanimously approved.

3. Acquisition of 1051 Home Street, Bronx

Sunitha Amalraj, a Senior Vice President of NYCEDC, presented a proposal for NYCEDC (i) to enter into a purchase contract to acquire Block 3006, Lot 19 (1051 Home Street) on the Tax Map of the Borough of Bronx (the "Home Street Site") and pay a down payment of \$60,000, and (ii) to purchase the Home Street Site pursuant to the purchase contract, on substantially the terms set forth in Exhibit B hereto.

In answer to a question from Mr. McSpiritt, Ms. Amalraj stated that the Phase I and Phase II environmental reviews of the Home Street Site will begin shortly. Ms.

Amalraj further stated that the environmental review of the adjacent lot owned by NYCEDC was already completed and showed that that lot was clean.

A motion was made that the Committee recommend that the Board of Directors adopt the resolutions set forth in the Proposed Resolutions section of Exhibit B hereto. Such motion was seconded and unanimously approved.

4. Adjournment

There being no further business, pursuant to a motion made, seconded and unanimously approved the meeting of the Committee was adjourned at 2:19 p.m.

Mark Silverman
Assistant Secretary

Dated: August 4, 2016
New York, New York

Attachment 1

DEFINITIONS

Apple.....	Apple Industrial Development Corp.
BAT.....	Brooklyn Army Terminal
Bovis	Bovis Lend Lease LMB, Inc.
CDBG.....	Federal Community Development Block Grant
CDBG-DR Funds	Federal Community Development Block Grant-Disaster Recovery Program funds
CEQR	City Environmental Quality Review process
City DEP.....	New York City Department of Environmental Protection
City DOT	New York City Department of Transportation
City Parks.....	New York City Department of Parks and Recreation
City Planning	New York City Department of City Planning or City Planning Commission
CM	A construction manager
CM Contract	A construction management contract
DCAS	New York City Department of Citywide Administrative Services
EIS	Environmental Impact Statement
ESDC	New York State Urban Development Corporation d/b/a Empire State Development Corporation
FEMA.....	Federal Emergency Management Agency
FM	A facilities manager
FM/CM Contract	A facilities management/construction management contract
Funding Source Agreement.....	Any agreement necessary to obtain funds for the Project, including IDA Agreements
HPD	New York City Department of Housing Preservation and Development
Hudson Meridian.....	Hudson Meridian Construction Group LLC
Hunter Roberts.....	Hunter Roberts Construction Group, L.L.C.
IDA.....	New York City Industrial Development Agency
IDA Agreement.....	Agreement with IDA pursuant to which IDA retains NYCEDC to accomplish all or part of the Project and reimburses NYCEDC for the costs of the work
LiRo.....	LiRo Program and Construction Management, PE P.C.
LMDC.....	Lower Manhattan Development Corporation
MOU.....	A memorandum of understanding
NYCEDC.....	New York City Economic Development Corporation, survivor of a November 1, 2012 merger of a local development corporation (the "LDC") named New York Economic Development Corporation with and into New York City

Economic Growth Corporation. References to NYCEDC prior to such merger are references to the LDC.

NYCHA.....	New York City Housing Authority
NYCLDC.....	New York City Land Development Corporation
OMB.....	New York City Office of Management and Budget
Port Authority....	The Port Authority of New York and New Jersey
RFP.....	Request for Proposals
Sanitation	New York City Department of Sanitation
SBS.....	New York City Department of Small Business Services
SEMO.....	New York State Emergency Management Office
SEQR.....	State Environmental Quality Review process
Skanska	Skanska USA Building Inc.
State DEC	New York State Department of Environmental Conservation
State DOS.....	New York State Department of State
State DOT	New York State Department of Transportation
State Parks.....	New York State Office of Parks, Recreation and Historic Preservation
Tishman.....	Tishman Construction Corporation of New York
Turner.....	Turner Construction Company
ULURP	Uniform Land Use Review Procedure

Exhibit A

ACQUISITION OF 3050 W. 21st STREET, BROOKLYN
Board of Directors Meeting
August 2, 2016

SELLER: 3050 West 21st Associates, LLC
801 Avenue M
Brooklyn, NY 11230

PURCHASER: NYCEDC

SITE LOCATION: Block 7071, Lot 123 (the "Site")
Borough of Brooklyn
Community Board No. 313

SITE DESCRIPTION: Located mid-block on West 21st Street in Coney Island, Brooklyn, the Site is an approximately 24,000 square foot lot improved with an approximately 65,000 square foot three-story office building, which is leased by the New York City Human Resources Administration ("HRA").

PURCHASE PRICE: NYCEDC proposes to purchase the Site from the Seller for \$12,829,375. NYCEDC will pay a down payment of not more than 10% of the purchase price upon execution of the purchase contract, which down payment will be at risk upon execution of the purchase contract. NYCEDC will also pay the 2.625% City transfer tax. NYCEDC anticipates that it will be reimbursed for the acquisition costs from City Capital Budget funds.

APPRAISED VALUE: Goodman-Marks Associates, Inc., on behalf of NYCEDC, performed an appraisal dated March 17, 2016 that, based on highest and best use under current zoning, determined the estimated fair market value of the fee interest of the Site, subject to the existing lease to HRA, to be \$13,100,000.

PURPOSE OF ACQUISITION/ BENEFIT TO THE PUBLIC: It is anticipated that a portion of the Site will be used for the construction of a portion of a future street known as Ocean Way and the remainder will be assembled with City-owned land shown as Lot 100 on Attachment A hereto. Lot 100 is currently City-owned parkland that will be demapped and, together with a

portion of the Site, will provide a parcel for potential redevelopment that may include housing.

It is anticipated that a portion of infrastructure construction work in Coney Island, to which the City has committed approximately \$90,000,000, will be undertaken in the portion of the Site that will be used for Ocean Way and will include new storm water and sanitation sewers as well as the raising of street levels.

Currently, the Site is occupied by HRA pursuant to a lease that expires on June 25, 2020. The City is negotiating the build-out of a nearby facility and it is anticipated that HRA will relocate there upon completion. NYCEDC intends to manage the Site with HRA in place pursuant to its existing lease until HRA's relocation, after which, subject to obtaining applicable approvals, NYCEDC intends to demolish the building on the Site, complete the infrastructure and street work, and transfer ownership of the street to the City.

**EXISTING
ZONING:**

The Site is located in an R7-D zoning district within the Coney Island Special District.

**ENVIRONMENTAL
MATTERS:**

A Phase I environmental conditional report of the Site indicated that there are four recognized environmental conditions ("REC") with regard to the Site:

- The Site is listed with a "NY E Designation" which requires that a "hazardous materials Phase I and Phase II Testing Protocol" be conducted prior to establishing changes/variances in zoning affecting the Site, as a result of the identification of potential volatile and semi-volatile organic compounds on or near nearby properties. NYCEDC has no plans to request a zoning change.
- Three RECs with regard to ongoing remedial activities on properties .13 and .19 miles away from the Site related to (a) possible overfill and/or leaks related to an underground fuel oil storage tank, (b) remedial investigation activities for # 2 fuel oil impacts and (c) an open spill record for petroleum product in groundwater.

**PROPOSED
RESOLUTIONS:**

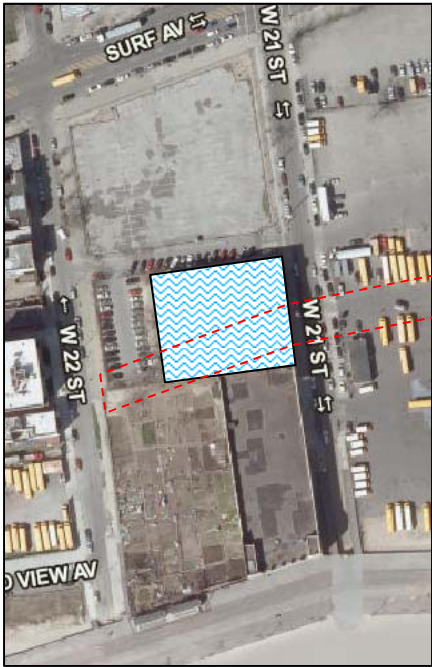
(1) Approve NYCEDC entering into a purchase contract to acquire the Site and paying a down payment of up to 10% of the purchase price substantially as described herein; and

(2) Approve NYCEDC purchasing the Site pursuant to the purchase contract and paying associated City transfer taxes, substantially as described herein

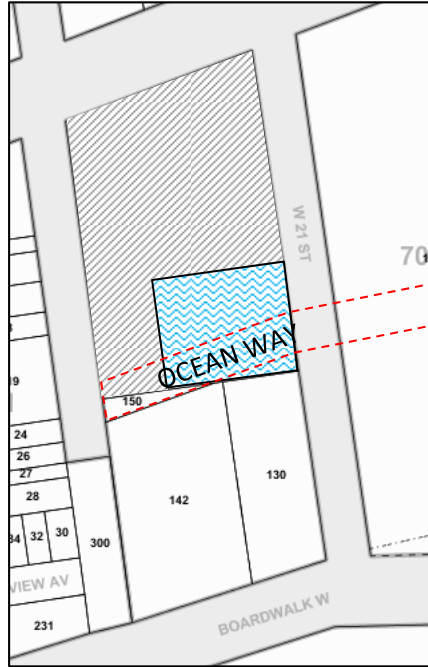
NYCEDC

PROJECT CODE: 5934

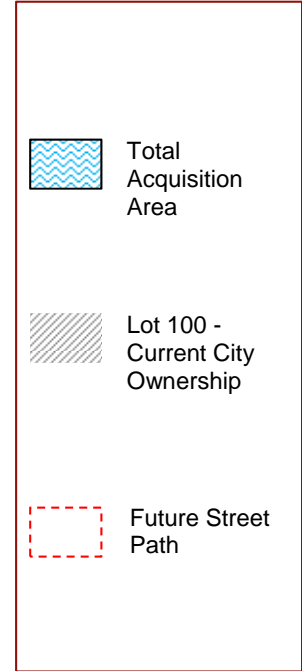
Attachment A



Site Aerial



New Street Path



Southeast View of Property from W 21st Street

Exhibit B

**ACQUISITION OF 1051 HOME STREET, BRONX
Board of Directors Meeting
August 2, 2016**

SELLER: Custodio Inc.

PURCHASER: NYCEDC

**SITE
LOCATION:** Block 3006, Lot 19 (1051 Home Street) (the "Site")
Borough of Bronx
Community Board No. 203

**SITE
DESCRIPTION:** The Site is approximately one mile east of Crotona Park, in close proximity to the 6 subway train (Whitlock Ave station) and the Sheridan Expressway. The Site (approximately 5,000 square feet) together with 1057 Home Street (Block 3006, Lot 17), which was acquired by NYCEDC on March 31, 2016 (approximately 5,000 square feet), will create a single contiguous lot that totals approximately 10,000 square feet of unimproved land.

PURCHASE PRICE: NYCEDC proposes to purchase the Site from the Seller for \$1,200,000 (all cash). NYCEDC will pay a down payment of 5% (\$60,000) of the purchase price upon execution of the purchase contract for the Site, which down payment will be at risk upon execution of the purchase contract. It is anticipated that NYCEDC will be reimbursed for the purchase price from City Capital Budget funds.

**APPRAISED
VALUE:** A 2016 appraisal, performed for NYCEDC by Goodman-Marks Associates, Inc. (the "Appraiser"), determined that the estimated fair market value of a fee simple interest in the Site, based on highest and best use under current zoning, is \$325,000.

The Appraiser completed a second appraisal for NYCEDC, dated March 8, 2016, which assumed a rezoning of the Site to allow for residential uses and under that appraisal determined that the estimated fair market value of a fee simple interest in the Site is \$1,400,000.

**PURPOSE OF
ACQUISITION/
BENEFIT TO THE
PUBLIC:** NYCEDC intends to cause the reactivation and redevelopment of the Site, together with the NYCEDC-owned property located

at 1057 Home Street, for affordable housing, subject to receipt of any necessary approvals related to zoning. Any future fee or leasehold disposition of such properties for any purpose will be subject to NYCEDC Board approval.

**EXISTING
ZONING:**

The Site is zoned M1-1.

**ENVIRONMENTAL
MATTERS:**

Phase I and II environmental condition reports have been ordered for the Site. If the reports indicate that environmental remediation is necessary and NYCEDC staff determines after review that the cost to NYCEDC of any remediation required to be undertaken by NYCEDC is likely to exceed \$100,000, staff will seek the Board's approval before proceeding with the proposed acquisition.

**PROPOSED
RESOLUTIONS:**

(1) Approve NYCEDC entering into a purchase contract to acquire the Site, and paying a down payment of \$60,000, substantially as described herein; and

(2) Approve NYCEDC purchasing the Site pursuant to the purchase contract, substantially as described herein

**NYCEDC
PROJECT CODE:**

6553

Attachment A



Street view of the Site, 1051 Home Street, Bronx