

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF
NEW YORK CITY LAND DEVELOPMENT CORPORATION
February 7, 2019

A regular meeting of the Board of Directors of New York City Land Development Corporation ("NYCLDC") was held on Thursday, February 7, 2019, at City Hall, 260 Broadway, New York, New York.

The following members of the Board of Directors were present:

Kim Bryan
Lindsay Greene
Carl Rodrigues
Kim Vaccari

Mr. Rodrigues chaired the meeting. Also present were Mark Silversmith, Secretary of NYCLDC, who served as secretary of the duly constituted meeting, at which a quorum was present, Molly Anderson, a Senior Associate of New York City Economic Development Corporation ("NYCEDC"), Sarah Govier, a Vice President of NYCEDC, Amy Chan, an Assistant Treasurer of NYCEDC, and Jaan Kangur, a Senior Paralegal of NYCEDC. The meeting was called to order at 2:04 p.m. (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 November 8, 2018 Regular Meeting of the Board of Directors

There were no questions or comments with respect to the minutes of the November 8, 2018 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 The Community Builders, Inc.

Ms. Anderson presented a proposal for NYCLDC to (i) lease from The City of New York (the "City") Block 15705, Lot 69 and part of Lot 59 on the Tax Map of the Borough of Queens (the "TCB Site"), (ii) assign such lease to either (a) The Community Builders, Inc. d/b/a TCB New York Affordable Housing ("TCB") or an affiliated entity, or (b) an affiliated housing development fund corporation or other entity whose purpose is to facilitate affordable housing and/or obtain financing for the proposed project on the TCB Site (whichever, the "Lease Assignee"), and (iii) enter into any related agreements and documents and consents and amendments to effectuate the development of the TCB Site into a 10-story mixed-use development comprising approximately 245,000 square feet, on substantially the terms set forth in Exhibit A hereto.

In answer to a question from Mr. Rodrigues, Ms. Anderson stated that it was anticipated that the construction period would be approximately two years. In answer to a question from Ms. Bryan, Ms. Govier stated that a portion of the TCB Site was under lease to the Metropolitan Transportation Authority ("MTA") by the City and that it was anticipated that the MTA would release it. However, a small part of the building proposed to be developed by the Lease Assignee may be subleased to the MTA by the Lease Assignee. In answer to a question from Ms. Vaccari, Ms. Govier stated that it was anticipated that there would be no payment to the MTA. In answer to a question from Ms. Greene, Ms. Govier stated that MTA planned to park buses currently using the TCB Site elsewhere. In answer to a second question from Ms. Greene, Ms. Anderson stated that it was anticipated that the approximately 60% of residential units that were not initially required to be permanently affordable would remain affordable for a regulatory period of approximately 40 years. In answer to a question from Ms. Bryan, Ms. Govier added that the length of the regulatory period would be determined by NYCEDC, the developer, the New York City Department of Housing Preservation and Development and the New York City Housing Development Corporation before closing.

A motion was 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 was no reasonable alternative to the proposed transfer to the Lease Assignee that would 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 2:12 p.m.

Secretary

Dated: _____
New York, New York

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

NEW YORK CITY LAND DEVELOPMENT CORPORATION

**LONG TERM GROUND LEASE TO THE COMMUNITY BUILDERS, INC.
Board of Directors Meeting
February 7, 2019**

LESSOR: The City of New York (the "City")

**LESSEE/
LEASE ASSIGNOR** NYCLDC

LEASE ASSIGNEE: The lease assignee will either be (i) The Community Builders, Inc. d/b/a TCB New York Affordable Housing ("TCB") or an affiliated entity, or (ii) an affiliated housing development fund corporation or other entity whose purpose is to facilitate affordable housing and/or obtain financing for the proposed project on the hereinafter defined Site (whichever, the "Lease Assignee").

TCB is a not-for-profit corporation.

**SITE
LOCATION:** Block 15705, Lots 69 and p/o 59 (the "Site")
10-37 Beach 21st Street
Borough of Queens
Community Board No. 14

**SITE
DESCRIPTION:** The Site, which is located on the western side of Beach 21st Street between Mott and Cornaga Avenues, Queens, is approximately 42,560 square feet. The Site is owned by the City and is currently unimproved and is used as a bus layover and municipal parking lot.

It is anticipated that Lot 69 and the whole of Lot 59 (including the portion which does not form part of the Site) will form a single zoning lot, and that, under the terms of the proposed Lease, the project on the Site may use approximately 29,000 square feet of development rights in excess of those that would be available if the zoning lot comprised solely the Site.

The approximate configuration of the Site is depicted in Attachment A.

BACKGROUND: NYCEDC released an RFP on December 14, 2016, for the disposition and redevelopment of the Site and ultimately selected TCB as the successful respondent on June 29,

2018. Respondents to the RFP and a brief summary of their responses are listed on Attachment B.

**PROJECT
DESCRIPTION:**

The Lease Assignee will develop the Site into a 10-story mixed-use development comprising approximately 245,000 square feet. The development is expected to include (i) approximately 179,000 square feet of affordable housing, (ii) approximately 22,000 square feet of commercial space, (iii) approximately 7,000 square feet of community facility space, and (iv) approximately 37,000 square feet of underground parking space for approximately 97 vehicles (collectively, the "Project").

TCB anticipates that the affordable housing space will include approximately 224 affordable housing units. As required by HPD and HDC, the Lease Assignee will set aside approximately 10% of the affordable housing units for formerly homeless households. The balance of the affordable housing units will be spread across multiple income bands with an anticipated range from approximately 30% to 90% of Area Median Income. It is currently anticipated that a total of approximately 40% of the residential units will be permanently affordable: approximately 25% by reason of the City's Mandatory Inclusionary Housing program ("MIH"), and approximately 15% in accordance with requirements of financing being provided by HPD and/or HDC for the Project. The remaining 60% of the residential units are expected to remain affordable for a period of time (the "Regulatory Period") set by HPD and/or HDC.

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

It is anticipated that the disposition of the Site will transform an underutilized City-owned asset into a mixed-use development that provides affordable housing, retail and community facility uses.

LEASE TERMS:

The City (as lessor) and NYCLDC (as lessee) will enter into a lease for the Site (the "Lease") and NYCLDC will then assign such Lease to the Lease Assignee.

The initial term of the Lease will be 40 years, or such term as is required to accommodate a low-income housing structure or other financing structure, as determined in cooperation with HPD and/or HDC, with up to three renewal options, for a total term of no more than 99 years.

The annual base rent during the Regulatory Period will be at least \$1. After the end of the Regulatory Period it is anticipated that, subject to negotiation, the annual base rent will be based on an appraisal of the fair market value subject to the Lease.

The Lease Assignee will make payments in lieu of taxes ("PILOT") in amounts equal to the real property taxes that would be assessed and levied against the Site as improved, except that PILOT will reflect (i) any as-of-right exemptions, abatements, credits, or other reductions for which Lease Assignee would have qualified if Lease Assignee was the fee owner based on Lease Assignee's exempt status and exempt use of the Site, and (ii) to the extent that any portion of the Site as improved is being used for a regulated affordable housing use, a discretionary abatement in line with abatements for projects encumbered by a regulatory agreement under then-applicable laws, regulations, policies and/or programs.

**APPRAISED
VALUE:**

An independent appraisal of the Site was commissioned in December 2018. The appraisal valued the fair market annual rent for the Site, accounting for the specific development requirements and restrictions pertaining to the use and transfer of the Site, at \$0. The appraisal also valued the highest and best use fair market annual rent for the Site (with the approximately 29,000 extra development rights as described above) at \$350,000.

**EXISTING
ZONING:**

The Site is zoned R6/C4-2 within the Special Downtown Far Rockaway District, and is within a designated MIH area.

**PUBLIC
APPROVALS:**

City Planning on July 10, 2017 (Calendar Nos. 2, 4, and 8) and the New York City Council on September 7, 2017 approved the disposition and rezoning of the Site, as part of the wider Downtown Far Rockaway rezoning.

Pursuant to Section 384(b)(4) of the City Charter, the proposed disposition of the Site is anticipated to go before the Queens Borough Board for approval in March 2019.

The Project design is subject to review and approval by the Public Design Commission ("PDC"). The Project received Conceptual Approval from PDC on August 13, 2018 and will

return to PDC for preliminary approval and final approval over the coming months.

**PROPOSED
RESOLUTIONS:**

Approval for NYCLDC to (i) lease the Site from the City substantially as described herein and (ii) assign such lease to the Lease Assignee, substantially as described herein, and approval for NYCLDC to 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 Lease Assignee that will achieve the same purpose as the transfer

**NYCEDC
PROJECT CODE:**

6541

NYCEDC STAFF:

Molly Anderson, Senior Associate, Real Estate Transaction Services

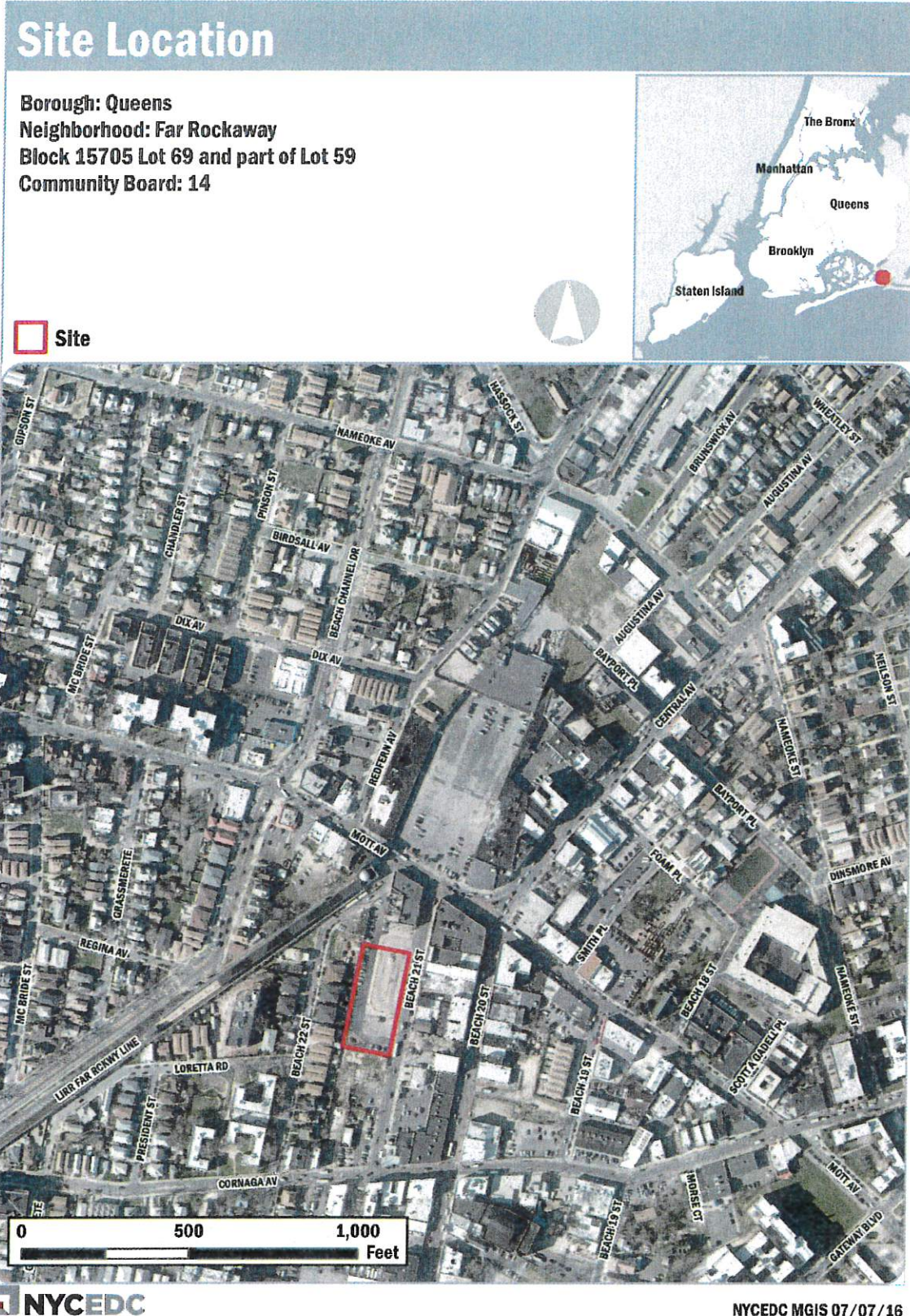
Sarah Govier, Vice President, Real Estate Transaction Services

Susan Goldfinger, Senior Vice President, Real Estate Transaction Services

Richard Palumbo, Senior Counsel, Legal

Attachment A

Site Location Map



Attachment B

Respondent Comparison Table

Developer	Proposed Project	Proposed Ground Rent or Sale Payment	HPD Term Sheet	Housing Units <i>All 100% Affordable</i>	% of 2- and 3-Bedroom Units	Total commercial and community facility space (GSF)	Parking Spaces
An entity to be formed by Alexander Berkovitch, Allen Pilevsky, and David Shteierman, RA	Mixed-use development with affordable housing, commercial and community facility	Sale: \$1.00	Mix & Match	180	46%	~17,000	161 below-grade
Camber Property Group, LLC	Mixed-use development with affordable housing, commercial, and community facility	Ground Rent: \$1.00	Mix & Match	240	54%	~27,000	131 total, including stackers
Georgica Green Ventures, LLC	Mixed-use development with affordable housing, commercial and community facility	Ground Rent: \$1.00	ELLA	180	45%	~30,000	130 total
MacQuesten Development, LLC	Mixed-use development with affordable housing, commercial, and community facility	Ground Rent: \$1.00	Mix & Match	245	33%	~33,000	62 below-grade
The Beechwood Organization	Mixed-use development with affordable housing, commercial and community facility	Ground Rent: \$1.00	ELLA	220	50%	~42,000	116 below-grade
The Community Builders, Inc.	Mixed-use development with affordable housing, commercial, and community facility	Ground Rent: \$1.00	Mix & Match	224	50%	~29,000	97 below-grade

The data is the current proposed position and changed in the course of negotiations with certain respondents. Various respondents were eliminated at various stages of negotiations.