

**NOTICE OF
SPECIAL MEETING OF MEMBERS
AND REGULAR MEETING OF DIRECTORS
OF
NEW YORK CITY LAND DEVELOPMENT CORPORATION
March 26, 2020**

A special meeting of the Members of the New York City Land Development Corporation ("NYCLDC"), called at the direction of the President of NYCLDC, and a meeting of the Board of Directors of NYCLDC will be held on Thursday, March 26, 2020, in Conference Room 13A (Hunts Point), at the offices of New York City Economic Development Corporation at One Liberty Plaza, New York, New York. The Members meeting will begin at 2:00 p.m. and will be followed by the Directors meeting at approximately 2:05 p.m.

The agendas for the meetings are as follows:

Meeting of Members

- I. Approval of Minutes of November 8, 2019 Annual Meeting of Members
- II. Election of Director
- III. Such other business as may properly come before the meeting.

Directors Meeting

- I. Approval of Minutes of November 8, 2019 meeting of Board of Directors
- II. Election of Committees Member and Chairperson
- III. Long Term Ground Lease to Bronx Point Owner, LLC
- IV. Such other business as may properly come before the meeting.



Secretary

New York, New York
Dated: March 13, 2020

NEW YORK CITY LAND DEVELOPMENT CORPORATION

**ELECTION OF DIRECTOR
Members Meeting
March 26, 2020**

Subject: Election of a Member to be a Director of NYCLDC

Proposed Resolution: To elect Jodi Callender to be a Director of NYCLDC

Background: Under NYCLDC's Bylaws its Members elect its Directors. Directors must be Members at the time of their election. At this time, it is proposed that Jodi Callender, a newly appointed Member of NYCLDC, be elected to be a Director of NYCLDC.

NEW YORK CITY LAND DEVELOPMENT CORPORATION

ELECTION OF COMMITTEES MEMBER AND CHAIRPERSON

Board of Directors Meeting

March 26, 2020

Subject: Election of a member of the Audit Committee and Governance Committee of NYCLDC and election of a chairperson of such committees

Proposed Resolution: To elect Jenneh Kaikai to be a member of the Audit Committee and Governance Committee of the Board of Directors of NYCLDC and Pedram Mahdavi to be chairperson of those committees

Background: At this time, it is proposed that Jenneh Kaikai, a recently appointed Member and Director of NYCLDC, be elected to be a member of the Audit Committee and Governance Committee of the Board of Directors in place of Jon Cohen, and that Pedram Mahdavi, a member of those Committees, be elected as chairperson of those Committees, in place of Jon Cohen. Jon Cohen is no longer a Director of NYCLDC.

NEW YORK CITY LAND DEVELOPMENT CORPORATION

**LONG TERM GROUND LEASES TO BRONX POINT OWNER, LLC
Board of Directors Meeting
March 26, 2020**

OVERVIEW:

In 2009, the City Council adopted the Lower Concourse Rezoning to revitalize an approximately 30-block district (to the south of the hereinafter defined Site) at the lower end of Grand Concourse and transform the waning industrial waterfront area into a mixed-use, mixed-income district by bringing much-needed housing to a neighborhood where zoning previously did not allow for residential development. In 2017, the City Council adopted the Lower Concourse North Rezoning (which includes the Site) to facilitate new open space and mixed use development.

NYCEDC, in partnership with HPD, released a Request for Expression of Interest (the "RFEI") in 2016 for the long-term lease and redevelopment of the Lower Concourse North site (a portion of the Site), an approximately 136,000 square foot parcel in the South Bronx (the "Phase I Leasehold Area" and the "Phase II Leasehold Area" as defined below). In 2017, a joint venture between L+M Development Partners ("L+M") and Type A Projects, whose proposal includes a mixed-use development including affordable housing, retail and community facility space, was selected. It is anticipated that the City (as lessor) and NYCLDC (as lessee) will enter into one or more long term leases for each of the Phase I Leasehold Area and the Phase II Leasehold Area (together for the Phase I Leasehold, the "Phase I lease", and for the Phase II Leasehold, the "Phase II lease"), which leases will be assigned for development of the Leasehold Areas substantially as described herein. A publicly accessible open space including a public walkway (together, the "Esplanade") will also be developed in connection with this project.

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

**LESSEE/
LEASE ASSIGNOR:** NYCLDC

LEASE ASSIGNEE: The leases will be assigned to (i) Bronx Point Owner, LLC or one or more affiliated entities, such as L+M and/or Type A Projects (whichever, the "Developer") and/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 Leaseholds (a "Financing Entity"). If a Financing Entity is the lease assignee, the Developer will be the beneficial owner of the leasehold interest. Bronx Point Owner, LLC is

controlled directly or indirectly by L+M and Type A Projects.

L+M is controlled directly or indirectly by Ron Moelis.

Type A Projects is controlled directly or indirectly by Annie Tirschwell and Jill Crawford.

**SITE
LOCATION:**

Block 2356, Lot 2; Block 2539, p/o Lot 2; and a demapped portion of East 150th Street in the Bronx (the "Site")

Borough of Bronx Community Board No. 4

**SITE
DESCRIPTION:**

The Site consists of (i) Block 2356, p/o Lot 2 and a de-mapped portion of East 150th Street (the "Phase I Leasehold Area"); (ii) Block 2356, p/o Lot 2 (the "Phase II Leasehold Area"); and (iii) a waterfront portion of Block 2539, Lot 2, and a waterfront de-mapped portion of East 150th Street (the "Esplanade Area"). The Phase I Leasehold Area and Phase II Leasehold Area are together referred to as the "Leaseholds" herein.

The Phase I Leasehold Area is approximately 108,000 square feet. The Phase II Leasehold Area is approximately 28,000 square feet. The Esplanade, which will measure approximately 55,000 square feet, is anticipated to be in the jurisdiction of City Parks upon construction completion.

The Site is roughly bounded by Mill Pond Park to the north, Exterior Street to the east (beneath the elevated Major Deegan Expressway), East 149th Street (not accessible to vehicular traffic) to the south, and the Harlem River to the west. East 149th Street feeds onto the 145th Street Bridge to Manhattan at the Site's southern boundary. The Oak Point Rail Link runs parallel to the western boundary of the Site on a viaduct located over the Harlem River.

The Site was historically used for industrial purposes and was first developed in 1891. The Site is currently vacant.

The Site is approximately depicted in Attachment A.

BACKGROUND:

Initially, the Phase I lease will be entered into. If within three years of substantial completion of the project on the Phase I Leasehold (the "Phase I Project"), the City decides to move forward with a project on the Phase II Leasehold (the "Phase II Project") substantially as set forth in the Developer's RFEI proposal (which is in substance as stated herein) and the Lease Assignee of the Phase I Project lease is not in default, the City/NYCEDC shall offer the Developer a Right of First Offer (the "ROFO") to develop the Phase II Project substantially as set forth in

the RFEI proposal and project commitment with approved modifications. If the ROFO is accepted, the Phase II Leasehold Area will be leased through the Phase II lease to NYCLDC, which Phase II lease will be assigned to Bronx Point Owner, LLC or one or more affiliated entities or a Financing Entity. If a Financing Entity is the Lease Assignee of the Phase II lease, Bronx Point Owner, LLC or one or more affiliated entities will be the beneficial owner of the leasehold interest.

**PROJECT
DESCRIPTION:**

For the Phase I Project, the Developer shall build a mixed-use development totaling approximately 641,400 gross square feet ("GSF"), including: approximately 450,500 GSF of affordable housing; an approximately 61,300 GSF cinema or other entertainment facility approved by NYCEDC; an approximately 50,600 GSF Universal Hip Hop Museum or other cultural facility approved by NYCEDC; an approximately 7,300 GSF community facility; approximately 11,300 GSF of other retail; and a publicly-accessible comfort station

The Developer anticipates delivering approximately 540 affordable housing units spread across multiple income bands with an anticipated range from 27% to 90% of Area Median Income. It is expected that 100% of the residential units will be affordable for the term of the Phase I lease.

For the Phase II Project, the assignee of the Phase II lease shall build a mixed used development that it is anticipated will include approximately 271 residential units that will be affordable for the term of the Phase II lease, approximately 22,000 GSF of community facility space and approximately 11,500 GSF of commercial space

In the Phase II Project, it is anticipated that the distribution of income restricted units will maximize units at the deepest levels of affordability. At least 20% of total housing units available will be available at rents affordable to households earning no more than 30% of AMI, inclusive of housing for formerly homeless households.

Simultaneously with the development of the Phase I Project, the Developer also shall develop the Esplanade along the waterfront portion of the Site, as required by the Special Harlem River Waterfront District Expansion zoning ordinance, and certain improvements to portions of Mill Pond Park. The Esplanade, which will not be subject to the Leaseholds and will remain City owned, will be constructed by the Developer and funded by the City.

The Leaseholds may be developed using a condominium structure.

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

It is anticipated that the disposition of the Leaseholds and construction of the Esplanade will transform a vacant and underutilized City-owned asset into a mixed-use development that provides affordable housing, community and cultural facility uses, and the creation of new publicly accessible open space.

LEASE TERMS:

It is anticipated that the City (as lessor) and NYCLDC (as lessee) will first enter into long term leases for the Phase I Leasehold Area and Phase II Leasehold Area. It is further anticipated that NYCLDC will then assign such leases to a Lease Assignee entity as listed above.

The total lease term for the Phase I Leasehold Area will be a maximum of 99 years (including renewal terms, if any). The annual base rent will be \$1 throughout the term of a regulatory agreement with HPD and others governing the affordable housing on the Phase I Leasehold Area. If the regulatory agreement terminates before the end of the Phase I lease, base rent will be based on the fair market value of the Phase I Leasehold Area for its then permitted use. Each year of the Phase I lease, the tenant will make a participation payment in the annual sum of twenty percent (20%) of net cash flow and capital proceeds for the commercial and retail components. It is also anticipated that the Lease Assignee will also pay an annual administrative fee to the City or NYCEDC in the amount of \$10,000.

The Phase II lease will end no later than 99 years from commencement of the Phase I lease and it is anticipated that the annual base rent will be \$1 throughout the term of the regulatory agreement with HPD and others governing affordable housing on the Phase II Leasehold Area. If the regulatory agreement terminates before the end of the Phase II lease, it is anticipated that base rent will be based on the fair market value of the Phase II Leasehold Area for its then permitted use. If the City agrees to the rent for the Phase II Leasehold Area being substantially lower than described herein, additional NYCEDC and NYCLDC Board approval will be needed.

Renewal terms may be exercised for one or both Leaseholds. For both Leaseholds, 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 applicable project if the Lease Assignee was the owner of the leased premises, provided that PILOT will reflect any abatements, exemptions, or credits for which the project or the Lease Assignee qualifies.

The Lease Assignee of the Phase I Leasehold will also pay \$200,000 per year, inflated annually at the greater of CPI increase or 2.5%, to City Parks for maintenance and operation of the Esplanade, throughout the term of the Phase I lease with a one time option for the Lease Assignee to directly maintain the Esplanade and discontinue the maintenance and operation payments to City Parks provided that City Parks and the Lease Assignee agree on terms for such maintenance and operation by the Lease Assignee.

APPRAISED VALUE:

An independent appraisal for the Phase I Leasehold Area was commissioned in August 2019. The appraisal concluded that the highest and best use fair market sale value of the Phase I Leasehold Area is \$54,800,000. The appraisal concluded that the fair market value of the Phase I Leasehold Area, accounting for the specific development requirements and restrictions pertaining to the use and transfer of the Phase I Leasehold Area, is nil.

An independent appraisal for Phase II was commissioned in February 2020. The appraisal concluded that the highest and best use fair market sale value of the Phase II Leasehold Area is \$15,500,000. The appraisal concluded that the fair market value of the Phase II Leasehold Area, accounting for the specific development requirements and restrictions pertaining to the use and transfer of the Phase II Leasehold Area, is nil.

EXISTING ZONING:

The Site is zoned R7-2/C2-5 within a Special Mixed-Use District (MX-17). The Site was designated as a MIH area and was granted special permits (i) to create a Large-Scale General Development, and (ii) to modify height, parking and setback requirements.

PUBLIC APPROVALS:

The Phase I and Phase II Leasehold Areas were the subject of the approval to permit the disposition of real property through long-term ground lease for future development, in accordance with (i) ULURP under New York City Charter Section 197(c) and (ii) Mayoral and Borough Board approval in accordance with Section 384(b)(4) of the New York City Charter.

In 2017, the City Council adopted several land use actions affecting the Site, including (i) rezoning the M2-1 zoning

district to an R7-2/C2-5 zoning district and extending the Special Harlem River Waterfront District ("HRW") to include the Site; (ii) amending the Zoning Text to create a new subdistrict ("North Subdistrict") of the HRW and to update the Harlem River Waterfront Access Plan to include the subdistrict; (iii) establishing a Mandatory Inclusion Housing Area; (iv) disposing of real property; and (v) securing a special permit to waive any required accessory off-street parking spaces for affordable dwelling units for the mixed-use project.

The City Planning Commission approved the above discretionary actions on August 23, 2017 and the City Council approved the Lower Concourse North Project on October 17, 2017 with modifications. In addition, the Chair of the City Planning Commission issued a Chair Certification on September 14, 2018.

In 2019, the City Planning Commission and City Council approved HPD's Urban Development Action Area ("UDAA") designation and an Urban Development Action Area Project ("UDAAP").

**PROPOSED
RESOLUTIONS:**

Approval for NYCLDC to (i) lease the Phase I Leasehold Area and Phase II Leasehold Area from the City through one or more leases substantially as described herein, (ii) assign such leases to the Developer and/or a Financing Entity, substantially as described herein, and (iii) enter into any related agreements and documents and consents to effectuate the transaction substantially as described herein.

The Board of Directors further resolves that there is no reasonable alternative to the proposed transfer to the Developer and/or a Financing Entity that will achieve the same purpose as the transfer.

**NYCEDC
PROJECT CODE:**

6534

STAFF:

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ATTACHMENT A
PROJECT LOCATION

