

LEGAL NOTICE

NEW YORK STATE URBAN DEVELOPMENT CORPORATION

D/B/A EMPIRE STATE DEVELOPMENT

NOTICE OF PUBLIC HEARING TO BE HELD AUGUST 21, 2019, PURSUANT TO

SECTIONS 6 AND 16 OF THE NEW YORK STATE URBAN DEVELOPMENT

CORPORATION ACT IN CONNECTION WITH

THE PROPOSED 121 WEST 125TH STREET (URBAN LEAGUE EMPOWERMENT

CENTER) LAND USE IMPROVEMENT AND CIVIC PROJECT

PLEASE TAKE NOTICE that a public hearing, open to all persons, will be held at the Adam Clayton Powell Jr. State Office Building located at 163 West 125th Street, Art Gallery, 2nd Floor, New York, New York 10027, to commence on August, 21, 2019, from 6:30 PM to 9:30 PM, by the New York State Urban Development Corporation d/b/a Empire State Development (“ESD”) pursuant to Sections 6 and 16 of the New York State Urban Development Corporation Act (Chapter 174, Section 1, Laws of 1968, as amended; the “UDC Act”) to inform the public about the 121 West 125th Street (Urban League Empowerment Center) Land Use Improvement and Civic Project (the “Project) and give all interested persons an opportunity to give testimony or provide comments on the: (a) proposed modifications to the General Project Plan (the “GPP”) for the Project, as modified in the Modified General Project Plan (the “MGPP”); (b) essential terms of the proposed Lease (c) a Restore New York grant for the project approved by the ESD Directors at a meeting held on July 18, 2019; and (d) a Regional Capital grant for the project approved by the ESD Directors at a meeting held on July 18, 2019.

Project Site

The Project site is located on the north side of 125th Street in Harlem, with an address of 121 West 125th Street in the City, County, and State of New York, and consists of the land, the improvements and the air space above located on an approximately 42,000 square foot lot that extends from 125th Street to 126th Street, between Adam Clayton Powell Jr. Boulevard and Lenox Avenue/Malcolm X Boulevard, east of the Adam Clayton Powell Jr. State Office Building, (Manhattan Tax Block 1910, Part of Lot 1; hereinafter collectively, the “Property”). The existing building on the Property is an approximately 160,000 square foot, four-story building that includes a 304-space public parking garage, which is operated by a garage operator, and six small retail spaces that front on 125th Street. The current building does not utilize the maximum building density allowable under current zoning.

Proposed Modifications to the GPP

Modifications to the GPP include a change in NUL’s development partners; an increase in the number of affordable housing units; project financing changes, including proposed financial assistance from the New York State Homes and Community Renewal agency; as well as zoning overrides increasing base and building height to accommodate the increase in affordable housing units and the proposed museum and retail space.

The Project is described in detail in the MGPP, which is available to the public as set forth below. The National Urban League (“NUL”) and its wholly owned subsidiary Urban League Empowerment Center, Inc. (“ULEC”) have partnered with BRP Development Corporation (“BRP”), L+M Development Partners Inc. (“L+M”), and Taconic Investment Partners (“Taconic”) to develop the Property. References herein to

Developer(s) or Tenant(s) shall include the above-named entities. The Project is expected to be developed through a condominium structure. ESD will enter into 99-year ground leases with purchase options (the “Lease”) with the Tenants, for the respective condominium interests. The Developers will redevelop the site as a mixed-use development that will include a new home for the NUL headquarters, retail and commercial office space, space for use by nonprofits, a museum dedicated to telling the story of civil rights advocacy in the North, a conference center, and affordable housing.

In furtherance of the Project modifications, the Directors have approved modifications to the terms of the lease, including: Landlord: ESD and its successors in interest as fee owner of the Property. Tenant: Entities owned by Developers and/or their permitted successors or assigns, as defined in the Lease. Lease Execution: Anticipated between March 1, 2020 and April 30, 2020. Tenancies: Property shall be delivered to the Tenant as vacant at Lease Execution. Option to Purchase: Beginning in year 95 of the lease, Tenant will have the option to purchase the Property at a purchase price calculated using a valuation method that takes into account the land value at the time of exercise of the option, subject to any ongoing restrictions on uses and other encumbrances. Notwithstanding the foregoing, NUL may purchase its interest in the Property after year 30, subject to certain restrictions and purchase price requirements related to a reversionary interest the State of New York will retain in the Property pursuant to state law. Rent: Tenant will pay \$12,000,000 to Landlord upon Lease Execution, and \$1 per year thereafter. PILOT: The Property will be subject to Payments in Lieu of Taxes (“PILOT”) calculated annually as the real property taxes that would have been payable if ESD were not the owner of the Property, as reduced or eliminated by the equivalent of

as-of-right and any other tax abatements and deductions agreed to by the parties in the Lease. Required Uses: Developers will construct and operate minimum square footage requirements for the NUL headquarters, conference center, museum, community facility, retail, office, and residential uses. At least 5% of the square footage of the rentable retail and office space is to be leased or conveyed at below market rents, as defined in the Lease. The proportion of space allocated for retail and non-NUL office purposes shall not exceed the other uses of the Property. NUL/ULEC will not be permitted to transfer its ownership interest in the required square footage of headquarters, museum and conference center space during the first 30 years of the Lease, except as set forth in the Lease. Transfer: After year 30, NUL may transfer all or any part of such space, subject to certain conditions and compliance with statutory requirements in connection with a reversionary interest in the Property held by the State of New York. Guarantees & Indemnifications: Developers will provide ESD and the State of New York with certain guarantees of performance and completion of the construction work required by the Lease as well as with appropriate indemnifications.

Grants

ESD proposes to make a \$2 million Restore NY grant to New York City Department of Small Business Services and a \$2.5 million Regional Council Capital Fund grant to NUL/ULEC to assist in the financing of the Project. The proposed funding will allow NUL to relocate its national headquarters to the Project Site.

Availability of the Modified General Project Plan and the Grants

The MGPP and the GPP, which contain a detailed description of the Project, as well as the Technical Memorandum and the ESD Directors' Materials for the grants, are

on file at the office of ESD, 633 Third Avenue, New York, New York 10017 and are available for inspection by the general public between the hours of 9:30 a.m. to 5:00 p.m., Monday through Friday, public holidays excluded.

Hard copies of the MGPP, the GPP, and the ESD Directors' Materials for the grants are available without charge to any person requesting such copies at the office of ESD at the address given above. Copies of these materials will be available at the public hearing and will also be available on the ESD website at <https://esd.ny.gov/>. ESD will file these materials in the office of the Clerks of the County and City of New York, and will provide copies thereof to the Mayor of the City of New York, the Borough President of the Borough of Manhattan, the Chair of the City Planning Commission, and the Chair of Manhattan Community Board No. 10. To inspect and/or obtain copies of the MGPP, GPP, and the ESD Directors' Materials for the grants from ESD, please contact Michael Avolio at (212) 803-3729.

Comments

Comments on the MGPP, essential Lease terms and the Directors Materials for the grants are requested. Comments may be made orally or in writing at the hearing on August 21st, 2019; delivered in writing to ESD, 633 Third Avenue, New York, New York 10017 (Attention: Michael Avolio), on or before 5:00 p.m. on September 20, 2019; or sent by e-mail to 121west125@esd.ny.gov, on or before 5:00 p.m. on September 20, 2019. Written or e-mailed comments received after 5:00 p.m. on September 20, 2019 will not be considered.

All verbal comments made at the public hearing and all written comments received by ESD prior to 5:00 pm on September 20, 2019 will be considered by ESD prior to final consideration of the MGPP and the ESD Directors' Materials for the Grants.

Dated: July 19, 2019

NEW YORK STATE URBAN
DEVELOPMENT CORPORATION D/B/A
EMPIRE STATE DEVELOPMENT

New York, New York

By: _____
Debbie Royce
Corporate Secretary