RESOLUTION No. 23-UD-2019

APPROVING A SPECIFIED PROJECT OF THE URBAN DEVELOPMENT CORPORATION - New York City (New York County) - Acquisition and Redevelopment of Site 5 at the World Trade Center

WHEREAS, the New York State Public Authorities Control Board ("PACB"), created pursuant to Chapter 38, Laws of 1976, as amended, has been empowered by section 51 of the Public Authorities Law to receive applications from designated public benefit corporations, including the Urban Development Corporation ("UDC"), for approval of the acquisition, construction or financing of any project by any such public benefit corporation; and

WHEREAS, pursuant to subdivision 1 of section 51, UDC has made an application to the PACB for the acquisition of certain property located at the southern portion of the former 130 Liberty Street, known as 5 World Trade Center, MN Block 54 p/o Lot 1 in the City of New York (the "Project Site"), for redevelopment in furtherance of the World Trade Center Memorial and Cultural Program General Project Plan ("GPP"), and the financing of the Project (as defined below) by UDC, Battery Park City Authority or another State agency, as described below; and

WHEREAS, the GPP is being carried out by UDC and its subsidiary, Lower Manhattan Development Corporation ("LMDC"),
pursuant to the UDC Act in cooperation with the United States Department of Housing and Urban Development ("HUD"), the Port Authority of New York and New Jersey (the "Port Authority"), the City of New York (the "City") and other public and private entities to provide for the revitalization and redevelopment Lower Manhattan after the terrorist attacks of September 11, 2001 (UDC, LMDC, and the Port Authority collectively, the "Project Sponsors"); and

WHEREAS, the Project Site was severely damaged on September 11, 2001 and remains unoccupied; and

WHEREAS, the Project Site is proposed to be redeveloped with an up to approximately 1.345 million square-foot mixed-used building having an up to approximately 1.1 million square-foot residential component, of which a minimum of 30% of the units will be permanently affordable housing units (the "Affordable Component"), Class "A" commercial office and/or retail uses, a not-for-profit community center, and a connection to the adjacent Liberty Park (the "Project"); and

WHEREAS, in connection with the exchange of property by the Port Authority for memorial and cultural uses at the World Trade Center, the Port Authority will receive the value of the Project Site in the form of rent paid under a lease to the developer of the Project, and will receive fee title at the end of the lease term; and
WHEREAS, if the rental income under such lease exceeds the value of the originally planned commercial use of Site 5, the excess will be shared, with 75% going to the City and 25% going to the Port Authority, subject to further negotiation of the detailed terms by the parties; and

WHEREAS, LMDC, acting as lead agency under both the National Environmental Policy Act and the New York State Environmental Quality Review Act, conducted a coordinated environmental review of the World Trade Center Memorial and Redevelopment Plan, prepared a Generic Environmental Impact Statement as part of that review, approved the Final Generic Environmental Impact Statement on April 13, 2004 and approved the record of decision and findings statement on June 2, 2004, supplemented by an Environmental Assessment, Finding of No Significant Impact and Determination of Non-Significance dated May 19, 2005, and an Environmental Assessment, Finding of No Significant Impact and Determination of Non-Significance dated October 12, 2006, an addendum to the record of decision and findings statement on February 14, 2007, a Technical Memorandum in 2007, and an Environmental Assessment dated November 17, 2021; and
WHEREAS, UDC has determined that existing funding sources are adequate to provide for UDC’s activities to carry out the Project, such that no state appropriations, financing or indebtedness are proposed; provided, however, that the Affordable Component will increase to up to one-third of the residential units ("Increased Affordable Component") conditioned upon the provision of up to $65,000,000 in public funding ("Funding") and a one-time credit against base rent from the Port Authority in the amount of $12,500,000, and in a matter that is materially consistent with the terms set forth in a letter agreement dated July 26, 2023 among the developer, ESD, the Port Authority, and the Lower Manhattan Development Corporation ("Letter Agreement), provided that no conditions beyond compliance with the Increased Affordable Component, and reporting or other administrative requirements, may be attached to receipt of such funds for incorporation into the Project; and

WHEREAS, conditional on provision of the full Funding and rent credit, one-third of the residential units at the Property shall be affordable units and leased to households with an income at or below an average of 80% area median income ("AMI"),; and
WHEREAS, the developer of the project has agreed to comply with terms related to the Increased Affordability Component set forth in the Letter Agreement, and an Affordable Housing Regulatory Agreement between the developer and HFA; and

WHEREAS, the up to $65,000,000 in public funds will be made available by (i) the Executive, New York State Senate, and New York State Assembly, expected to be capital grant funding from the Community Resiliency, Economic Sustainability, and Technology Program (CREST) or another program able to be used as a funding source for the Project, and (ii) funding from the Battery Park City Authority from its Joint Purpose Fund, as detailed in the table attached hereto and to be applied to the Project by one or more New York State authorities or entities; and

WHEREAS, subject to the availability of additional federal or other public funding exclusive of public funding from the executive capital budgets of New York City and New York State (which funding shall be on the same terms and conditions of the Funding (i.e., with the only condition to the advancing and disbursement of such funding being compliance with the Increased Affordability Requirements and no other terms and conditions other than reporting or administrative requirements, in each case, that are
satisfactory to the developer of the project and all of the
developer’s sources of capital (including any mortgage or
mezzanine lender)) by April 15, 2024, the Project may deliver
additional affordable housing units in excess of those required
under the Increased Affordable Component and/or deeper
affordability with housing units affordable to households with
lower incomes than those required by the Increased Affordability
Requirements, and the developer of the project has agreed to
reasonably negotiate to deliver such additional affordable housing
units and/or deeper affordability commensurate with the amount of
any such additional funding that become available; and

WHEREAS, in the event that the full Funding and rent credit
is not made available to the Project developer, or such Funding
contains unsatisfactory conditions as described above, then,
consistent with the Letter Agreement, the Project Sponsors, the
developer, and relevant entities providing the Funding will
determine how such funds could be applied to the Project and any
related changes to the Increased Affordability Requirement and
such changes shall be implemented, provided that in any event the
Project shall remain at no less than the original Affordability
Component (i.e., at a minimum of 30%) set forth in ESD’s May 22, 2023 board materials;

WHEREAS, the Project will help accomplish the public purposes of the GPP, eliminate the substandard, insanitary conditions that currently exist on the Project Site and assist in the sound growth and redevelopment of Lower Manhattan; and

WHEREAS, the application has been filed with the Comptroller, and he has had the opportunity to comment;

NOW, THEREFORE, BE IT RESOLVED, that the PACB approves the application of UDC for its involvement in the project identified below, in accordance with section 51 of the Public Authorities Law:
## PROJECT IDENTIFICATION

<table>
<thead>
<tr>
<th>Name and Location</th>
<th>Amount</th>
<th>Special Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>World Trade Center: Acquisition and Redevelopment of Site 5 Manhattan (New York County)</td>
<td>Up to $60,000,000 in New York State funds (TOTAL), expected to be funded by: Executive - $40,000,000 Senate - $10,000,000 Assembly - $10,000,000 Up to $5,000,000, expected to be funded by: Battery Park City Authority Joint Purpose Fund - $5,000,000</td>
<td>Increased Affordable Component contingent on availability of $65,000,000 in Funding</td>
</tr>
</tbody>
</table>
This resolution shall become effective immediately.

Elizabeth R. Fine, Chair
Public Authorities Control Board

Kenneth Zebrowski, Member of the Board

Leroy Comrie, Member of the Board

23-UD-2019
Dated: July 27, 2023
CERTIFICATION

STATE OF NEW YORK
COUNTY OF ALBANY ss.

I, Elyse Young, Secretary of the New York State Public Authorities Control Board, do hereby certify that at a meeting of such Board, held on July 27, 2023, the attached resolution was duly adopted by the unanimous vote of the Members of the Board. The resolution attached is a true copy of the resolution and the certification of the determination made by such resolution and of the signatures thereto of each of the Members of the Board or their duly appointed representatives, the original of which is on file in my office. As of the date of this certification, such resolution has not been modified, superseded, amended or repealed and remains in full force and effect.

In witness thereof I have hereunto set my hand this 27th day of July 2023.

Elyse Young
Secretary

STATE OF NEW YORK
COUNTY OF ALBANY ss.

On this 27th day of July 2023, before me personally came Elyse Young to me known, who, being by me duly sworn, did depose and say that she is the Secretary of the New York State Public Authorities Control Board, that she executed the foregoing certification and that the contents thereof are true.

Brittany N. Glenn
Notary Public, State of New York
No. 01GL6253075
Qualified in Rensselaer County
Commission Expires: 12/19/2023