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Development News Highlights

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Looking Ahead

U.S. Treasury Releases Additional Opportunity Zones Guidelines

On April 17th the U.S. Department of the Treasury issued a highly anticipated second set of proposed regulations related to the new Opportunity Zone (OZ) tax incentive. Created by the **2017 Tax Cuts and Jobs Act**, the tax benefit is designed to drive economic development and create jobs by encouraging long-term investments in economically distressed communities nationwide according to the Treasury department's press release. The latest 169-page release reportedly delivered guidance in a broader range of areas than many expected, hoping to provide investors who have been on the fence with the clarity needed to begin developing projects in distressed areas nationwide. Some government officials anticipate the program could spur $100 billion in new investment into the more than 8,762 zones nationwide, of which 306 are located in New York City; however there exist some concerns among critics that the program will incentivize gentrification, or provide added benefit to developers for projects they would have been pursued anyway.

According to the press release by the Internal Revenue Service (IRS), a key part of the newly released guidance clarifies the "**substantially all**" requirements for the holding period and use of the tangible business property:

- For use of the property, at least 70% of the property must be used in a qualified OZ.
- For the holding period of the property, tangible property must be qualified opportunity zone business property for at least 90% of the Qualified Opportunity Fund's (QOF) or qualified OZ business's holding period.
- The partnership or corporation must be a qualified OZ business for at least 90% of the QOF's holding period.

Opportunity Zone Guidelines (cont'd)

Below is an overview of the additional guidance and clarity offered by the second set of proposed regulations as snapshot by global law firm Morgan Lewis.

Key takeaways:

- Investors do not need to sell their QOF Interest in order to receive the benefit of the 10-year basis step-up.
- Investors can buy QOF interests in a secondary transaction (i.e., not directly from the QOF) and have the interest be eligible for the tax benefits under the QOF regime.
- An interest in a QOF that is issued for services (i.e., a carried interest) is not eligible for the tax benefits under the QOF regime.
- The rules do not appear to have provided relief for tiered-partnership investments (i.e., requiring direct investments in QOFs to be eligible for tax benefits).
- QOFs now have additional flexibility with respect to satisfying their asset tests when it comes to newly contributed capital as well as with respect to reinvestments.
- The new rules make it substantially easier for QOFs to hold investments in operating businesses that should greatly expand the QOF regime beyond pure real estate development.
- There are relaxed rules for Qualified Opportunity Zone Businesses (QOZBs) that lease property to treat such property as eligible holdings.
- There are three new safe-harbors for QOZBs looking to satisfy the 50% gross income requirement.
- The new rules confirm that renting real estate is considered an active trade or business eligible for inclusion in the QOF regime.

Key Issues Summary and Analysis:

- "**Original Use"** of tangible property in a Qualified Opportunity Zone (QOZ):
  - Begins when the property acquired by purchase by any person is first placed into service in the QOZ for purposes of depreciation and amortization.
  - "Original use" requirement is satisfied:
    - > Used Property – So long as the property has not been previously used in the QOZ by any taxpayer.
    - > Vacant Building or Structure – If it has been vacant for at least 5-years prior to being purchased by a QOF or QOZB. This new guidance will facilitate investors' ability to improve the tangible property;
    - > Leased Property – When a lessee makes improvements, which are considered purchased property with respect to the amount invested in such improvements. The guidance is particularly helpful for operating businesses that may lease a substantial portion of their tangible assets.
- **Tangible Property Leased by a QOZB** qualifies as a Qualified Opportunity Zone Business Property (QOZBP) regardless of whether it's leased or purchased; and need not satisfy the "original use" or "substantial improvement" requirement so long as:
  - The lease in entered into after December 31, 2017;
  - 70% of the leased property's use is within the QOZ during 90% of the time for which the business leases the property; and
  - Must be leased at market rates, satisfy a new, general anti-abuse rule, and additional restrictions apply when the lessor and lessee are related.

  The new guideline helps clarify that leased property qualifies as QOZBP regardless of whether such property is "purchased," providing much-needed relief for operating businesses that expect to lease a substantial portion of their tangible property; and should make it easier for many types of businesses to qualify as QOZBs.

Opportunity Zone Guidelines (cont'd)

- **Tangible Property Leased by a QOZB** may be valued for the purposes of the QOZ Rules by:
  - Using an applicable financial statement; or
  - An alternative valuation method as provided in the Proposed Regulations based on a calculation of its "present value," or the sum of the present values of the payments to be made under the lease for such tangible property.
- **50% of a QOZB's Gross Income Requirement** derived from the active conduct of a trade or business in the QOZ is satisfied if any of the following safe harbors are met by the QOZB:
  - At least 50% of the services performed for the business, measured by hours, is performed within the QOZ.
  - At least 50% of the services performed for the business, measured by amounts paid for such services, is performed in the QOZ.
  - Both (a) the tangible property of the business that is in a QOZ, and (b) the management or operational functions performed for the business in the QOZ are necessary to generate 50% of the gross income of the trade or business.

  QOZB's not meeting the safe harbor may meet the 50% test by showing that based on all the facts and circumstances, at least 50% of the gross income of a trade or business is derived from the active conduct of a trade or business in the QOZ.

  The safe harbors particularly provide relief for businesses whose customers may primarily be located outside the QOZ, and whose businesses generate revenue outside the QOZ. In addition it is anticipated that the new guidance should "prompt more funds that invest in operating businesses to get into the marketplace," noting that "until now, most opportunity zone funds have focused on real estate, because there was a clearer path to claim the benefits."
- **Intangible Property of a QOZB Requirement** requires that a "substantial portion" be used in the active conduct of a trade or business in the QOZ, with "substantial portion" now clarified as 40%.
- **Working Capital Asset** are now eligible for the safe harbor, new guidance providing that qualified uses include the development of a trade or business in the QOZ, as well as the acquisition, construction, and/or substantial improvement of tangible property.

  In addition the working capital safe harbor period is extended for disruptions beyond a business' control; and is not in violation if it exceeds the 31-month period due to delays in government action, the applications for which is completed during the 31-month period.

  While the rule should facilitate investments into operating businesses, the Proposed Regulations appear to still only apply to QOZBs and not QOFs, which means that latter will continue to be incentive to contribute assets to subsidiary entities rather than making direct investments in QOZBP.
- **Unimproved land** can be treated as QOZBP only if it is used in a trade or business of a QOF or QOZB.
- **Real Property Straddling QOZ and Non-QOZ** can be deemed located in a QOZ if:
  - Based on square footage the portion of the real property within the QOZ is comparatively substantial; and
  - The real property outside the QOZ is contiguous to all or part of the real property in the QOZ.

Opportunity Zone Guidelines (cont'd)

- **Eligible Investments in QOFs** are a taxpayer's investment of its capital gain directly into the QOF. A taxpayer investment made into a partnership, which then invests in a QOF is therefore not treated as making an eligible investment.

  A deferral election made by a taxpayer under Section 1400Z-2(a), which allows a taxpayer to defer certain gains to the extent that corresponding amounts are timely invested in a QOF effectively facilities, effectively facilitates a secondary market for interests in QOFs because taxpayers that acquire direct investment in a QOF from a direct owner of the QOF are now eligible to treat their purchase as an eligible investment as if they had contributed the purchase proceeds directly to the QOF rather than the seller of the QOF interest.

- **Window for Investment of Capital Gain Income** from a Section 1231 property in a QOF (real or depreciable business property held for over a year) is 180-days beginning on the last day of the taxable year.

  Since the determination of long-term capital gain income — when Section 1231 gains for any taxable year exceeds Section 1231 losses, is only determinable as of the last day of the taxable year the new guidance alleviates uncertainty for investors with potential Section 1231 gains.

- **QOF Reinvestment Window** of proceeds by a QOF from the sale of QOZ stock, QOZ partnership interests and QOZBP is within 12-months in order for the proceeds to qualify as QOZ property for purposes of the 90% investment requirement.

  The new guidance provides relief for QOFs that have capital, but are otherwise not prepared to invest in new projects; and allows added time needed to analyze, evaluate, and underwrite potential investments.

- **Deferred Gain**s are recognized upon any disposition (not just sales or exchanges); and may be subject to an inclusion event whenever a transaction constitutes a 'cashing out' of the QOF investor's qualifying investment, thereby reducing the taxpayer's equity interest in the qualifying investment.

  Inclusion of a deferred gain may thus be triggered by gifts, bequests, devises, charitable contributions, etc.; as well as whenever a taxpayer receives property (generally, money, securities, or any other property) from a QOF in a distribution for tax purposes. Due to the many additional situations, taxpayers need carefully consider whether they are prematurely triggering the recognition of their deferred gain.

- **Holding Periods** for interests in QOFs begins on the date of the investors qualifying investment in the QOF. In the example of an investor disposing of its entire qualifying investment in QOF 1, and reinvesting within 180 days in QOF 2, the start of the holding period will be based upon the investment date in QOF 2, not on the date of its qualifying investment in QOF 1.

- **Adjustments of Basis Resulting from the 10-Year Rule** are taken into account immediately before the disposition of the qualifying investment. For dispositions by qualifying QOF partnership interests, the bases of the QOF partnership's assets are also adjusted with respect to the transferred qualifying QOF partnership interest. Adjustments calculated in this way avoid the creation of capital losses and ordinary income upon sale because QOF partnerships will be able to adjust the basis of their assets, including its inventory and unrealized receivables.

- **Investors in QOF partnerships and S Corporations** that have held their interest for at least 10-years, can upon disposition of the QOZ property elect to exclude from its gross income some or all of the capital gain generation by such disposition.

- **QOF REITs** may designate capital gain dividends (not to exceed its long-term gains on sales of QOZ property), which are tax-free to shareholders who could have made an election to increase basis in case of a sale of the QOF REIT shares (i.e., an investor who has held its interest for 10-years or longer.)

- **IRS May Recast an Abusive Transaction** or series of transactions for federal purposes if a significant purpose of a transaction is to achieve a tax result that is inconsistent with the purposes of the QOF rules.

Opportunity Zone Guidelines (cont'd)

Skeptics of the Opportunity Zone program have reportedly pointed out that:

- The importance of collecting data to assess whether the tax breaks fulfill their intention, the Treasury Department responding with the release of a document soliciting public suggestions on how to measure economic activity in opportunity zones and how to collect the information. Other politicians plan to introduce legislation that would "require the IRS to compile data about how many funds have been created, what assets they own, how many jobs have been created and how poverty levels have changed" according to reports.

- Investing in OZs raises similarities to the "problem-plagued EB-5 Foreign Investor program, both of which are heavily focused on property development," with similarities between the two programs including "the lack of a cap and little transparency about where investments will go;" and in contrast, while the EB-5 brings in new investment, and "isn't actually costing us any money," the "OZs are going to cost us a lot of money."

- Infeasible real estate deals will not suddenly become feasible as a result of the OZ program, but instead "taking deals that were close to being developed or about to be developed and making them work;" while further commenting that "not every real estate deal is a winner just because you're in an Opportunity Zone."

However despite lingering uncertainty about how it will all work out, fundraising in New York has reportedly been in earnest, with the investments required to be finalized by the end of the year in order to take full advantage of the 15% discount the program includes on capital gain taxes. Further driving the push to launch QOFs is the December 31, 2026 deadline for which the gain to be deferred must be recognized by, and investors need to have property in an opportunity zone for at least 7-years to get the full discount. This year Brookfield Asset Management, the Lightstone Group and the joint venture of Silverstein Properties and Cantor Fitzgerald joined the growing roster of companies in New York City in different stages of reported plans to launch Qualified Opportunity Funds — Youngwoo & Associates, RXR Realty, developer Keith Rubenstein, Shorewood Real Estate Group, Normandy Real State Partners, Peebles Corporation, Related Companies, Somera Road, Heritage Equity Partners, Viceroy Equities, and Skybridge Capital. The OZ fund managers will need to focus outreach for investment from high-net-worth investors, since the institutional partners, including pension funds and endowments that are typically sought, are already exempt from capital gains; and larger private equity firms typically look for deals on a much larger scale than the OZs can offer according to reports.

Some initial QOF investments have already been made, some recently reported projects within New York City include:

- A 203-key Marriott International-branded **Moxy** hotel at a yet to be announced location in Brooklyn's Williamsburg neighbor as an initial investment in the Lightstone Group's fund, reports this year announcing the developer's plans to raise $500 million for the fund.

- The 10-story, 147,661-square-foot development filed in January at 423-425 Westchester Avenue in South Bronx's Woodbridge neighborhood will be anchored by the **Zeta Charter School**. The project by AB Capstone and Starwood Capital Group mark's the first investment by Starwood's QOF, for which the finance firm plans to raise $500 million.

- The 24-story, 326,528-square-foot mixed-use development was filed in April at **160-05 Archer Avenue** in the Queen's neighborhood of Jamaica. The project will host a mix of 315-unit residential and commercial space; and is the first to be financed by developer Shorewood Real Estate's $250 million QOF launched last year.

Sources: https://www.morganlewis.com/pubs/irs-treasury-issue-second-set-of-proposed-rules-on-qualified-opportunity-zone-funds
https://home.treasury.gov/news/press-releases/sm660 • https://www.irs.gov/pub/irs-drop/reg-120186-18-nprm.pdf
https://www.irs.gov/newsroom/irs-issues-guidance-relating-to-deferral-of-gains-for-investments-in-a-qualified-opportunity-fund

Looking Ahead

City Council Passes Climate Mobilization Act

On Thursday, April 18, the city council passed a bill establishing New York City's "commitment to achieve certain reductions in greenhouse gas emissions by 2050;" and described by some as the "most ambitious emissions reduction bill in the world." The **Climate Mobilization Act** omnibus bill signed by Mayor de Blasio on Earth Day is part of a (9) bill package; and the first of what's expected to be at least two waves of climate-focused legislation this year according to reports. The foundation of the new legislation came from Urban Green Council's **80x50 Building Partnership**, a proposed framework created through a collaborative effort between the New York non-profit affiliate of the U.S. Green Building Council (USGBC) and New York City's leading building and energy stakeholders. The partnership plan released in August offered recommendations on the "optimal design of a building energy reduction policy" for New York City intended to help develop smart climate change policies and transform the city's buildings for a sustainable future; as well as providing a "roadmap for requiring landlords to retrofit old buildings with energy-efficient technologies."

- An **Office of Building Energy and Emissions Performance** (BEEP) will be created with duties to include, but not be limited to:
  - Overseeing implementation of building energy and emissions performance laws and policies for existing buildings, new construction and major renovations;
  - Establishing or administering protocols for assessing annual energy use in buildings;
  - Monitoring buildings' energy use and emissions, and reviewing building emissions assessment methodologies, building emissions limits, goals and timeframes to further the **goal of achieving a 40 percent reduction in aggregate greenhouse gas emissions from covered buildings by calendar year 2030**, relative to such emissions for the calendar year 2005;
  - Creating an online portal for the submission of annual building emissions assessments by owners;
  - Receiving and validating annual building emissions assessments;
  - Auditing building emissions assessments and inspecting covered buildings, as necessary, to ensure proper reporting;
  - Determining recommended penalties, including minimum penalties, for buildings that are noncompliant with applicable emissions limits;
  - Reviewing applications for alternative methods of compliance with building emissions limits, including adjustments of emissions limits, deductions for the purchase of greenhouse gas offsets or renewable energy credits (RECs), deductions for the use of distributed energy resources, and adjustments for special categories of buildings or for special use and occupancies;
  - Working in close coordination with the mayor's office of long-term planning and sustainability; receiving advice and recommendations, as applicable, from the advisory board established pursuant to section 28-320.2 of the administrative code; and
  - Ensuring the participation and cooperation of agencies, including but not limited to the Department of Environmental Protection (DEP), the Department of Housing Preservation and Development (HPD) and the Department of Citywide Administrative Services (DCAS). Such participation and cooperation shall include, but not be limited to, detailing agency staff to assist office staff consistent with agency and office functions and reporting to the office on building energy performance issues and related enforcement efforts.

Climate Moblization Act (cont'd)

- **Covered Building** as it appears in the records of the Department of Finance means (i) a building that exceeds 25,000 gross square feet, or (ii) two or more buildings on the same tax lot that together exceed 50,000 gross square feet, or (iii) two or more building held in the condominium form of ownership that are governed by the same board of managers and that together exceed 50,000 gross square feet.

- **Reduction of emissions** relative to 2005 base year levels:
  - Citywide – A minimum of 40% by calendar year 2030, and 80% by calendar year 2050; and
  - City government operations – A minimum of 40% by fiscal year 2025, and 50% by calendar year 2030.
  - NYCHA – Efforts shall be made to reduce greenhouse gas emissions by 40% by the year 2030 and 80% by the year 2050.

  Emissions reductions to be achieved through applicable policies, programs and actions such as those included in **PlaNYC**, a strategic plan initially proposed under the Bloomberg administration in 2007, and updated in 2011, in an effort to prepare the city for one million more residents, strengthen the economy, combat climate change, and enhance the quality of life for all New Yorkers. In 2015 further updates to the plan were made by de Blasio administration, as well as a rebranding to **OneNYC**.

  The legislative text further states that if the Office of Building Energy and Emissions Performance determines that such emission reduction is not feasible for city government operations and/or NYCHA despite the best efforts of city government operations, the Office shall report such findings and make recommendations with respect to policies, programs and actions that may be undertaken to achieve such reductions.

While an earlier version of the bill "nixed proposals to give extra leeway" to New York's rent-regulated dwelling units that some suggested would benefit most from the retrofits, the final November version of the bill was modified to set more lenient limits for covered buildings containing one or more units with a legal regulated rent or protected under the rent stabilization law; buildings developed with supportive housing for the elderly subsidies; buildings participating in low-income housing assistance program; and houses of worship, meaning the weight of the law falls mainly upon commercial buildings and market-rate condominiums and co-operatives.

- **Deductions** from reported annual building emissions required to be reported by an owner may be authorized by the DEP where the owner demonstrated the purchase of greenhouse gas offsets or renewable energy credits, or the use of clean distributed energy1 resources, as long as certain noted stipulations are met.

  - Renewable energy credits – A deduction shall be authorized equal to the number of renewable energy credits purchased;

  - Purchased greenhouse gas offsets – For calendar years 2024 through 2029, a deduction shall be authorized for up to 10% of the annual building emissions limit;

  - Clean distributed energy resources – For calendar years 2024 through 2029, a deduction shall be authorized based upon the calculated output of a clean distributed energy resource located at, in, or directly connected to the building subject to the report.

- **Reports** shall be filed with the DEP by the owner of a covered building by May 1, 2025, and by May 1 thereafter; and be certified by a registered design professional, prepared in a form and manner containing such information as specified in rules of the DEP, that for the previous calendar year such building is either in compliance with the applicable building emissions limit, or not in compliance. An owner may apply for an extension of time to file an annual report; and the extension may be granted if despite the owner's good faith efforts it is unable to file the certified report by the scheduled due date. However the extension will not modify the owner's obligation to comply with the applicable emission limits for such calendar year.

- **Continuing requirements** of this bill shall be reviewed in 2055, the Office of Building Energy and Emissions Performance to prepare and submit to the mayor and the speaker of the council recommendations whether to repeal or amend and of the requirements set forth by the Climate Mobilization Act.

- **Assistance** will be provided through a program established and maintained by the Office of Building Energy and Emissions Performance to help owners comply with the Climate Mobilization Act's requirements. Existing programs will be expanded to assist owners in making energy efficiency and renewable energy improvements; as well as providing assistance to owners without adequate financial resources or technical expertise.

Climate Moblization Act (cont'd)

- **Outreach and education** through the Office of Building Energy and Emissions Performance will be made available on the office's website and include a list of city, state, federal, private and utility incentive programs related to energy reduction or renewable energy for which buildings could be eligible. Outreach, education, and training opportunities will also be made available for building's maintenance and operations staff.

- **Penalties**

  – **Report filed** - For owners of covered buildings where the submitted report indicates that such building has exceeded its annual building emissions limit will be not more than the amount equal to the difference between the building emissions limit for such year and the reported building emissions for such year, multiplied by $268. In considering the amount of the civil penalty, a court or administrative tribunal shall give due regard to aggravating or mitigating factors.

  – **Report not filed** – An owner of a covered building that fails to file a certified report shall be liable for a penalty of not more than the amount equal to the gross floor area of such covered building, multiplied by $0.50, for each month that the violation is not corrected within the 12 months following the reporting deadline. An owner will not be liable for the penalty if a report demonstrating compliance with requirements is filed within 60 days subsequent to the reporting deadline.

- **Adjustment to applicable annual building emissions limits** may be granted by the DEP, in consultation with the mayor's Office of Long Term Planning and Sustainability when certain stipulations are met, if the covered building is in existence on the effective date of the Climate Mobilization Act, or for which a permit for the construction of such building was issued prior to such effective date, provided the owner is complying with the requirements to the maximum extent practicable.

  For calendar years 2024-2029, an adjustment may be granted to a covered building in existence on the effective date of the Climate Mobilization Act where such covered building emissions in calendar year 2018 exceeds the building emissions limit by more than 40%, as reported to the DEP by a registered design professional. The adjustment shall result in a required building emissions limit that is 70% of the calendar year 2018 building emissions for the covered building.

  An adjustment shall be granted by the DEP to not-for-profit hospitals and healthcare facilities for calendar years 2024-2029 and 2030-2034 if the building is classified as such and in existence on the effective date of the Climate Mobilization Act; and if the owner of such building submits an application to the DEP for the adjustment prior to July 21,2021. For calendar years 2024 through 2029, the adjustment shall result in the covered building being subject to an emissions limit that is 85 percent of the calendar 2018 building emissions for such covered building. For calendar years 2030 through 2034, the adjustment shall result in the covered building being subject to an emissions limit that is 70 percent of the calendar 2018 building emissions for such covered building.

- **Carbon Trading Study** will be conducted by the Office of Long-Term Planning and Sustainability on the feasibility of a citywide trading scheme for greenhouse gas emissions from buildings which would enable a building having more emissions to purchase the right to emit more; and the building having fewer emission sells the right to emit carbon, thereby satisfying carbon emission requirements. Upon conclusion of the study, the office will submit a report and implementation plan to the mayor and speaker of the council no later than January 1, 2021 which includes methods to ensure equitable investment in environmental justice communities that preserver a minimum level of benefits for all covered buildings and do not result in localized increases in pollution. In addition the study shall include an approach to a marketplace for credit trading, pricing mechanisms, credit verification, and mechanisms for regular improvement of the scheme.

  According to a report, emissions trading systems generally have been applied only to the industrial and energy sectors. If applied more broadly, trading could be advantageous to building owners since properties have "vastly different ages, heating systems, occupancy types," making it easier and less expensive for some and more difficult and costly for others to reduce greenhouse emissions. The potential of creating "so-called hot spots where pollutants are concentrated" if high-rise building that have high pollution-abatement costs are grouped in a particular neighborhood can be addressed by reportedly "guaranteeing a minimum level of emission controls and air quality across the city;" and some sources suggest that if implemented correctly, a trading system would help minimize costs to landlords while maximizing energy efficiency.

Climate Moblization Act (cont'd)

About one week prior to the passing of the new legislation, a report indicated that by one estimate more than "3,600 construction jobs per year would be created and another 4,400 jobs in maintenance, services and operations, fueled by the sheer magnitude of the investment required to meet the emissions goals." In addition, there were other bills within the full Climate Mobilization Act package that if passed reportedly:

- Orders the city to complete a study over the next 2-years on the feasibility of closing all 24 oil- and gas-burning power plants in city limits and replacing them with renewables and batteries. Reports indicated that the "power plants start burning fuel oil or natural gas when power demands exceed the supply that comes in from gas, nuclear and hydro dam plants outside the city;"

- Introduces a bill to authorize a **Property Assessed Clean Energy**[1] (PACE), which will allow building owners to access low-interest loans financed by the cost savings from renewable energy and energy-efficiency projects;

- Requires certain buildings to cover roofs with plans, solar panels, small wind turbines or a mix of the three; and

- Tweaks the city's building cod to make it easier to build wind turbines.

In response to the bill, although general consensus among the real estate industry recognizes the importance of reducing greenhouse emissions, it sparked concerns and suggestions of shortfalls as written such as:

- The Climate Mobilization Act "does not take a comprehensive, citywide approach needed to solve this complex issue." In contrast to Urban Green Council's 80x50 Building Partnership report "proposed a comprehensive and balanced reforms that would achieve these goals" as a result of the collaborative coming together of "stakeholders including environmental organizations, labor, engineering professionals, housing advocates and real estate owners."

- Not recognizing that the bulk of a building's power is consumed by tenants and the technology systems required for the operation of some industries; as well as the increasing trend to push to more densely occupy their space to save on real estate costs, further increasing power demand by requiring more energy to heat and cool spaces — something that is out of landlords' control.

- The potential of demand for RECs going beyond their supply could increase purchasing costs to a level that "might be greater than the fine."

- The legislation "targets only large buildings and uses formulas based on building class and square footage to determine how much carbon a structure may emit and how much electricity if may pull from the grid;" and on this basis appears to "contradict past city and state policies that favored concentrated, centralized commercial and residential development."

- Exemptions included in the bill "will make it impossible to cut the city's overall emissions as drastically hoped;" and "will fall short of achieving the 40-by-30 goal by only including half of the city's building stock."

- The new legislation not taking into account the substantial investments many owners already have made in power-saving systems and equipment.

- The potential exists that the city may become "less attractive to growing sectors of the economy that expect long hours and compact workspaces," resulting in a negative impact on the city's ability to "attract and retain a broad range of industries including technology, media, finance and life sciences."

- Market-rate pricing for apartments will potentially increase as a result of higher development costs.

[1]Clean Energy is energy that is produced through means that do not pollute the atmosphere. The primary sources include solar energy, hydro energy, and wind energy.

Sources: https://legistar.council.nyc.gov/LegislationDetail.aspx?ID=3761078&GUID=B938F26C-E9B9-4B9F-B981-1BB2BB52A486&Options=&Search=

Climate Moblization Act (cont'd)

Responding to some of the concerns a spokesperson from the Committee on Environmental Protection reportedly pointed out that:

- Only 20% of buildings in each category will have to alter their physical structure or their consumption patterns by 2024;
- Studies show that buildings of 25,000 square or more account for 2% of all structures in the city but produce 30% of its carbon emissions;
- The legislation includes lighter restrictions on electricity consumption for buildings with cogeneration plants, and allows for dispensation or reduced penalties for buildings with long hours and high utilization of space, or engaged in energy-intensive industries. Responding further to the push-back on penalty fines by some owners, a city council spokesperson reportedly stated that "the city will work with owners to ensure compliance and that ideally no penalties will have to be levied."

Looking further ahead other proposed initiatives that have reportedly surfaced include:

- An early-stage proposal by Mayor de Blasio, which will require legislation in the city council, would significantly restrict the construction of glass-and-steel towers unless their contribution to global warming is reduced such as through the use of glass with heat-retaining properties; or otherwise by modifying other building operations to increase efficiency.
- A proposed plan has reportedly been outlined by Mayor de Blasio which intends to address the rising-sea level by spending at least $10 billion to protect New York City's shorelines. As part of the envisioned plan the shoreline into the East River near the Seaport District and the Financial District would be extended a maximum of 500-feet, or two full city blocks; and would feature high points of 20-feet at or above current sea level to provide barriers for low lying areas of Lower Manhattan. According to reports, the city will cover $5 million to $10 million to start the project by creating a master plan within 2-years; and invest $500 million to fortify most of Lower Manhattan; but proposes that the remaining funding should be provided by the federal government.
- Plans by the city administration to purchase power from the Canadian company **Hydro-Quebec**, which is reportedly constructing the **Champlain Hudson Power Express** hydroelectric line between Montreal and Astoria, Queens to power all municipal buildings. The 500 million megawatt-hours of electricity, of the total 1,000 megawatts delivered, will only be used for city agency buildings and activities. Since the "New York City Housing Authority (NYCHA) and the NYC Health + Hospitals network are public benefit corporation, they are technically distinct for city government, and therefore be excluded; but the administration reportedly stated that it "would explore both systems to the plan in the future" according to reports.

  The Champlain line was initially proposed in 2008, but might not be completed until 2025; and although two other power lines, which together would connect the city's grid with about 1,250 megawatts of cleaner power from upstate, have been proposed, clearance approval could take years according to reports.
- The expected vote this summer on the **Climate and Communities Protection Act** by the state legislature in Albany, a historic measure mandating 100% clean electricity and a completely carbon-neutral economy by 2050. In support of the bill, Governor Cuomo has reportedly committed to buy up to 9,000 megawatts of power from offshore wind farms by 2035. The proposed statewide legislation follows in the footsteps of several other states, reports indicating that "at least 13 states have passed or are considering setting 100% clean-electricity targets" according to reported data in a March report by EQ Research. In addition the consultancy firm's report revealed that "between 2017 and 2018 the number of cities pledging to generate all their electricity from renewables doubled."

  However the impending shutdown of the Indian Point nuclear power plant 40-miles up the Hudson River is expected to add to increase New York City's carbon emissions in the immediate future. The facility which reportedly produces more than 2,000 megawatts of virtually carbon-free electricity, or roughly one-third of the city's energy load, is nearing the end of its lifespan after decades of use; and its exit from use could create increased demand for oil- and natural-gas-fired electrical plants.

While the new legislation presents many challenges, it was "critical to building demand for a greener grid in the city" according to reported statements by an Urban Green Council spokesperson. It was further commented that the demand for green electricity as a result of the city council's emission-reduction targets will spur more the creation of more supply and options, citing the "development of solar arrays and battery systems that can store green power generated during lulls in consumption" as an option that is expected to add to the supply. Further efforts by the city reportedly include a targeted goal to have 1,000 megawatts of solar installed by 2030, which some say may be too ambitious since solar requires space and consistent sunshine, and 500 megawatts of battery storage by 2025; while also continuing to "work with the state to foster the development of additional transmission from upstate to downstate to take advantage of renewable energy generation upstate."

Looking Ahead (cont'd)

Green-tech Sector Anticipated to Benefit from City's Emissions Reduction Legislation

The environmental legislation passed by the city on Earth Day is likely to spur investment and growth in the nascent proptech segment that some building owners may now rely on to help them comply with the new environmental law such as:

- **475 High Performance Building Supply** – The Brooklyn-based startup launched in 2012 became an exclusive supplier for German manufacturers of high-performance materials, which can have a dramatic impact in making retrofitted properties energy-efficient that would otherwise by unavailable in the U.S., as well as being an all-around resource for training and education. The company's role in the building of the residential tower within Cornell Tech's Roosevelt Island campus, which is North America's first high-rise "Passive House" helped to make the 26-story tower "virtually airtight and a model of sustainable construction."

- **Radiator Labs' Cozy** – A cover that is designed to install over the pre-war, steam radiators in residential buildings. The Cozy functions as an insulator that retains the heat within it until a thermostat located inside the housing indicates that additional heat needs to be released into the room via a built-in-fan. The startup product will also offer the convenience of room-by-room temperature control for a building-wide heating system. In addition the automated system inside the covers can reportedly perform building-envelope analysis, a company spokesperson citing the location of problems in pipes as an example; as well as providing a road map for repairs and retrofits that will help facilitate the achieving of short-term emissions goals by owners.

  Currently headquartered at 63 Flushing Avenue in the Brooklyn Navy Yard, the company was initially built at NYU Tandon's incubator in Brooklyn's Metrotech Center. Heightened interest in the Cozy was spurred by a 2018 report from the New York State Energy Research and Development Authority showing the product could reduce heating costs by an average of 25%. A total of 3,000 covers are currently installed in about 25 buildings, with the installation of 5,000 more in 15 buildings underway according to reports. Looking ahead, the company is reportedly talking with its investors about "allowing buildings to pay for the product out of the money they save on fuel costs."

- **Prescriptive Data** – The division of Rudin Management is focused on providing cost savings and enhanced thermal comfort. The company runs the cloud-based building operating system Nantum that launched in 2015, and integrates into any building space to optimize energy consumption and increase tenant comfort while providing cost savings according to the company's website. In addition, Nantum reportedly "helps sophisticated building management systems work better; and can track energy use across an entire portfolio.

- **BlocPower** – The 5-year old company works with community leaders and institutions to identify local buildings (non-profits, houses of worship, schools, small businesses or multi-family residences) with high energy usage in financially underserved communities. A comprehensive energy audit is performed by the startup on the building to determine the correct mix of high efficient technology that will reduce energy consumption; and then BlocPower connects investors, governments and utilities to the sustainability project; and investments made for the retrofits are paid by the buildings using utility bill savings generated by the solar and energy efficient retrofits.

Looking Ahead (cont'd)

Changes to Land Use and Planning Loom Amid Planned Update of NYC Charter

In April 2018 the city council approved **Local Law 91**, thereby establishing the (15) person **Charter Revision Commission 2019** (Commission) which is charged with reviewing the entire Charter of the City of New York, holding hearings in all five boroughs to solicit public input, and issuing a report outlining findings and recommendations to amend or revise the Charter. New York State law provides New York City with a "process for periodic comprehensive examinations" of the Charter which is the foundation upon which the city's government is built and, essentially, serves as a municipal constitution. No commission has been tasked with examining the entire city's government since the last Charter Revision was adopted in 1989. The topics being reviewed are split into (4) broad categories — elections, governance, finance and land use, with each topic containing a variety of different areas of examination or potential proposal areas to consider.

- **January**: The City Council's released a report to the Commission. The 37-page report offered recommendations put forth following many meetings of the council's **Policy Working Group**.
- **February-March**: The Commission released a 16-page document with its proposals, which were the result of public input
- **April**: An 80-page preliminary staff report prepared by the Commission's staff providing recommendations to the Commission concerning ideas and proposals that should be further explored; and about which additional public feedback should be sought.

Looking ahead, according to the timeline posted on the Charter 2019 website as of the 3rd week of May:

- **May-July**: Borough hearings to be held to solicit feedback on the staff report, followed by the Commission's vote on a resolution based on feedback to the report. Final proposals and ballot questions prepared and adopted by the Commission; and are submitted to City Clerk
- **August-October**: Ongoing public education ensues, with a public vote on the proposals in November.

Sources: http://council.nyc.gov/wp-content/uploads/2019/02/NYC-Council-Report-to-the-2019-Charter-Revision-Commission.pdf
https://static1.squarespace.com/static/5bfc4cecfcf7fde7d3719c06/t/5cc20da7085229f4fcd80ffc/1556221355492/Preliminary+Staff+Report.pdf
https://www.charter2019.nyc/proposals

Changes to Land Use (cont'd)

While the Real Estate Board of New York reportedly prefers to keep the current rezoning process mainly unchanged, with the consensus among many real estate sources reportedly being that the Uniform Land Use Review Procedure (ULURP) process is "already lengthy and requires the creation of extensive planning and environmental documents, city council members and other local politicians want the Department of City Planning (DCP) to allow more transparency, providing several recommendations in the report to the Commission including:

- Require the city to produce a Comprehensive Plan — a citywide strategic framework and vision for growth and development once every 10-years to serve as the basis for land use, zoning, and capital planning decisions.
- In order to improve transparency, planning, community input and effectiveness of the city's Fair Share System, require:
  - The city to regularly update the Fair Criteria and mandate as binding rules, not just guidelines, and authorize the council to initiate future reviews of the rules;
  - A higher bar for sitings in highly over-concentrated districts;
  - Increased transparency so that members of the public can easily review Fair Share Statement and objectively compare the concentration of any king of facility between different communities;
  - A reform of the Citywide Statement of Needs to be a more thorough and useful planning document;
  - The creation of new early notice and community engagement requirements for Pre-Application Statements submitted by private applicants to the DCP; and an opportunity for public input before ULURP certification; and
  - Public online posting of application materials at the time of submissions and a 60-day window between submission and certification.
- Require the City Planning Commission (CPC) to certify an application within (6) months if it is complete. If not certified within (6) months, the CPC must state in writing what further information is necessary to complete the application; and must certify within 60-days thereafter provided the applicant completes the application.
- Authorize the city council to:
  - Make a determination that a modification to a proposal is within the scope of an application and the environmental review; and the CPC should not be able to overrule the council's decision.
  - Call up any proposed modification of a previously approve ULURP application by creating a new category in Charter Section 197-c (a), which lists the categories of application that area subject to ULURP.
- Require that any decisions of the CPC that are related to matters subject to review by the city council are also subject to review and action by the city council without the need for the city council to call up the related decisions.

The Commission's proposed revisions to **Land Use** as they appear on the Charter 2019 website have been provided on the next 4-pages.

LAND USE

Board of Standards and Appeals (BSA)

- Change the composition of BSA (e.g. adding representation from other elected officials)
- Require a licensed appraiser to make the appraisals used in BSA financial analyses
- Adopt a different valuation methodology for BSA to use in determining land values
- Allow the Council to review/veto BSA-approved variances
- Establish timeframes for BSA review

City Environmental Quality Review (CEQR)

- Include displacement (from both rent-regulated and market-rate housing) and neighborhood demographic changes as impacts to address during CEQR
- Mandate review of the CEQR Technical Manual every five years
- For large projects, require that a draft environmental impact statement be released at before ULURP applications can be certified by the City Planning Commission
- Expand funding for environmental review for projects, zoning text amendments or rezonings initiated by Community Boards, CMs, or BPs
- Exempt smaller and medium-sized residential projects from environmental review
- Make every project undergo environmental review
- Clarify what governmental entities can make changes to CEQR and related rules
- Track/publish mitigation measures relating to environmental impact statements for public and private projects
- Create a new entity that would be responsible for conducting environmental review of plans initiated by Community Boards

City Planning Commission (CPC)

- Change the composition of the CPC (e.g. add representation from more elected officials and/or take CPC out of mayoral control)
- Require CPC to study displacement risk throughout the City

Community Boards (CBs)

- Assign an urban/city planner to each CB (and give them other support similar to other agencies)
- Require CB members to undergo training
- Give CBs an independent budget
- Provide a stipend to CB members
- Change/standardize the application process for CB membership
- Reserve one quarter of CB appointments for local business representation
- Allow the Mayor to appoint a member to each CB
- Reduce the number of members in each CB and increase term length
- Allow the local CM to appoint some members of the CB
- Elect CB members
- Prohibit certain officials (e.g. elected officials) from serving as CB members
- Provide for automatic removal of CB members who fail to attend meetings
- Allow CB members to challenge their removal
- Fill CB members through a petition process
- Impose (or remove) term limits on CB members
- Public CB demographic data and vacancy status

- Require that CBs have a district manager
- Elect CB district managers
- Make changes to CB meeting requirements (e.g. require that they meet at least once a month with no recesses)
- Give CBs binding power in ULURP
- Give CBs subpoena power
- Impose conflict of interest rules on CBs
- Require that CBs receive more notice or longer periods to respond in ULURP
- Create a borough council of CBs
- Require that CBs have a predictable online presence

Community Planning

- Establish an office of community-based planning
- Require that agencies integrate community plans (e.g. 197-a plans) into their policies
- Require that private projects comply with community plans
- Require that deviation from community plans by agencies and others be justified in writing
- Require that each community district have a community plan updated every ten years
- Survey individual blocks to identify block needs in developing community plans

Comprehensive Citywide Planning

- Create an independent long-term planning office to develop a comprehensive citywide plan (to be ratified by the Council)
- Require a citywide plan to be updated every ten years
- Establish the position of Deputy Mayor for Infrastructure and/or require annual assessments of the City's infrastructure

Disposition of Public Property

- When disposing of public property, prioritize disposition for affordable housing, community needs, and/or disposition to community land trusts
- Attach building service worker prevailing wage requirements for public properties disposed of by the City
- Require a community needs assessment before disposition of public property

Fair Share

- Require the City Planning Commission to review and update Fair Share requirements every five years
- Create a standard for equitable street allocation for arterial and secondary roadways whenever there is repaving or construction
- Include housing/affordable housing as a resource to be fairly allocated under Fair Share
- Require that the City report on how affordable housing plans are compliant with federal fair housing requirements

Changes to Land Use (cont'd)

Franchising

- Establish a ULURP-like process for telecommunications franchises (and other franchises)
- Allow the Franchise and Concession Review Committee (FCRC) to demand commitments from telecommunications companies, such as universal access to high speed broadband, net neutrality, etc.
- Change the composition of the FCRC (e.g. include representatives from the PA and the Council)
- Change the voting system for BP representation on the FCRC
- Provide for Council approval of franchises
- Allow the Council to require the Mayor to pursue a franchise (rather than simply authorize a franchise)
- Include relevant commissioners (e.g. Commissioner of Information and Technology and Telecommunications) on the FCRC

Landmarks

- Delay landmark designation status until after the Council has approved
- Update hardship criteria for avoiding landmark designation
- Require a planning analysis when designating a landmark and include consideration of economic factors
- Release a draft report on landmark designation before a first hearing on that designation
- Compensate Landmarks Preservation Commission (LPC) members
- Change the composition of the LPC (e.g. add more "preservationists")
- Transfer the LPC to CPC's authority or the Department of City Planning
- Give LPC more authority over City-owned landmarks
- Allow the BP, CM, or CB to submit a district or property for landmark evaluation and get a response within a set time
- Codify agreements between the LPC and DOB concerning development applications
- Prohibit LPC from holding hearings in August

Specific Zoning Changes

- Set limits on height/location of voids and mechanical spaces
- Set standard floor heights (and count taller floor heights against allowed floor area ratio)
- Impose deeper affordability requirements on residential housing (i.e. revise the mandatory inclusionary housing program)

Uniform Land Use Review Procedure (ULURP)

- Require a "pre-ULURP" for CMs and Community Boards to review and weigh in on land use applications at earlier stages
- Require that final determinations on projects going through ULURP be made publicly available for some period of time before taking effect (i.e. require that they be "aged")
- Require that the Department of City Planning (DCP) release a public "notice of intent to consider zoning changes" as a first step in ULURP
- Allow BPs to submit amended applications with their recommendations whenever a land use applicant (or co-applicant) is a City agency or a local development corporation

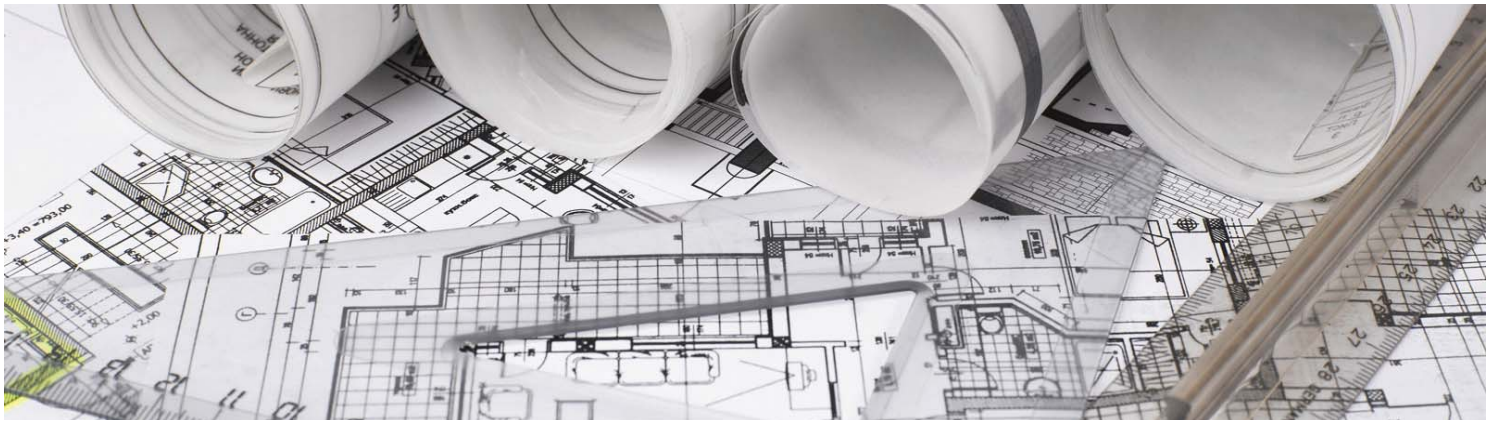
- Require supermajority vote by CPC to approve a land use application if some combination of CB, BP, or Borough Board disapprove (or prohibit approval entirely)
- Remove the Council review step in ULURP
- Replace the Community Board role in ULURP with a public petition process
- Allow plans garnering a certain amount of public support (shown by petition) to replace City-proposed land use actions
- Make agreements entered into as a condition of approving a land use application binding
- Where a land use application is modified, have the application go through ULURP again (and have the Council determine when this requirement is triggered)
- Remove Borough Board vote for applications that do not have borough-wide impact

ULURP – Expanding the Types of Projects Covered

- Large residential/commercial projects (e.g. those that exceed 100,000 square feet or 100 units)
- NYCHA construction and property disposition
- Zoning text changes
- Licenses lasting longer than five years
- Disposition of City-owned air rights
- Land purchases/dispositions by local development corporations affiliated with the City
- Deed restriction removals
- Major infrastructure projects (such as those undertaken by the Department of Sanitation)
- Buildings that will be significantly taller than surrounding buildings
- Development in ecologically sensitive areas
- Disposition of playgrounds
- All projects (i.e. end as-of-right development)

Other Land Use Topics

- Provide more long-term housing opportunities for people with autism
- Make a land bank
- Require periodic review of the Zoning Resolution (e.g. every ten years)
- Require beneficiaries of land use actions (e.g. variances) to pay construction and building service workers prevailing wages and provide training, health benefits, etc.
- Require that developers complete construction taking advantage of a sought zoning change or variance within five years of issuance of such change/variance
- Make land use matters (including requests for zoning lot mergers, easement agreements, and development rights) publicly accessible through an online portal



Development Activity

Pedestrian Bridge between Hudson Yards and Moynihan Station Envisioned

Metals in Construction Magazine launched the **2019 Design Challenge** intended to "encourage design that emphasizes walkability in cities;" and to attract architectural concepts of a pedestrian bridge that would link the planned newly adapted **Moynihan Train Hall** spanning the entire block between 8th and 9th Avenues with the recently opened **Hudson Yards** complex fronting 10th Avenue. The competition was prompted by the anticipated 100,000 workers that will travel to the Far West Side complex from the rail station each day. DX Studio's bridge concept was selected as the winning design among respondents. According to descriptive details posted on the architectural firm's website, the bi-level bridge provides "two means of passage that serve the destination-oriented commuter, as well as the urban explorer, while increasing the structural performance for longer spans" .

The conceptual design takes advantage of the "45-foot sidewalk along Moynihan Station and a 35-foot median between 30th Street and the bus station to ramp up to clear traffic. Once joined, the network splits to tie into the plaza above the Lincoln Tunnel Access and the Spur creating a central plaza." In addition "the structure can house a variety of spaces and functions;" and "reduced touch down moments allow for ADA lift and stair access points to be added, negating having to go longer distances to ramp entrances." Areas within the structure, at and below the main level, also allow for planting, washrooms, bike storage, bars and cafés.

DX Studio's Footbridge Design - Rendering

Office Development Continues to Abound Throughout New York City

The construction of office developments continues a steady pace, reported data compiled as of April 9th revealing that New York City added over 8.3 million square feet of new office inventory in 2018 in the boroughs of Manhattan, Brooklyn and Queens. The city's office inventory increased 2% to reach 520 million square feet. The delivery of the 80-story, 1,079-foot-tall **3 World Trade Center** in June accounted for 2.8 million square feet, earning it the "title of the largest office project to come online in 2018" according to the report. On a national level, 76 million square feet was added last year; and roughly 396 new office projects were completed in the country's top 40 most active markets, as office construction rebounded from a "rather tepid 2017 performance."

Projections for 2019 puts New York City in the forefront among the top 40 markets, with reportedly 46 office projects currently underway that will add 16 million square feet; while the nation is projected to see an added 115 million square feet of new office space with 662 buildings on track to deliver this year. Looking ahead, while some concerns have been raised about "how the pace of development will be affected by tariff and trade wars, growing construction costs and labor shortages, the office sector is expected to hold up better than it has in earlier downturns." Attributing to forecasts are reportedly "restrained lending practices, a more moderate pace of development and the concentration of new office properties in markets with significant job growth."

Sources: https://www.dxastudio.com/The-Midtown-Viaduct-Grand-Prize • https://metalsinconstruction.org/2019-design-brief/

Javits Center to Boast City's Largest Rooftop Solar Array

Construction is well underway for the $1.5 billion expansion of the Jacob K. Javits Convention Center. The project that broke ground in March 2017 is aiming to "meet the goal of creating approximately 4,000 full-time jobs, 2,000 part-time jobs, and LEED-Silver certification according to reports. Upon full construction completion in 2021, the convention center will boast a new 1.2 million-square-foot addition that will increase the facility's space to a total of 3.3 million square feet. In addition to 100,000 square feet of new and permanent exhibition space, a 165,000-square-foot conference room, 58,000-square-foot ball room, and a 6.75-acre green roof, the Javits Center will boast an array of solar panels capable of producing 1.4 megawatts of electricity according to reports.

German conglomerate Siemens has been selected by the state to install a photovoltaic panel system on the rooftop, which the company will own and manage. The energy produced by the system will be purchased for an undisclosed amount per kilowatt hour by the New York Power Authority (NYPA), who will also serve as the overseer of the project; and then sold back to the Javits Center. Installation of the more than 4,000 panels over the center's heating and cooling system, to avoid damaging plants on the green roof, is expected to begin sometime in 2020. The inclusion of battery storage as part of the solar array is also being considered by Siemens. More than 1.3 million pounds of carbon emissions yearly will be offset by the solar system, reportedly equivalent to removing 262 cars from the road.

In a similar move to reduce carbon emissions Blackstone and Ivanhoe Cambridge, the co-owners of **Stuyvesant Town/Peter Cooper Villag**e, announced plans in late 2017 to install a 3.8 megawatt solar energy system at the multi-building complex. The completed installation of the 9,671 high-efficiency solar panels across the 22-acres of rooftops was projected to offset approximately 63,000 tons of carbon emissions. Over the past several years a growing number of developers are considering solar panels as purchase and installation costs lower. Further fueling interest is the federal **solar tax credit**, also known as the investment tax credit (ITC). Established by the **Energy Policy Act of 2005**, ITC was extended in some form through 2021, providing a 30% tax credit of the cost of the system through 2019, lowering 4% each of the next 2-years; and moving forward beginning 2022 further lowering to a deduction of 10%. Challenges preventing more wide-spread use include financing and the complexity of utility billing according to previous reports.

More recently, the **Metropolitan Transportation Authority** (MTA) announced the launching of a new solar roof initiative, having released a request for proposals (RFP) on Earth Day 2019 (April 22) to begin the process of activating up to 10 million square feet of MTA rooftops for solar panel installations. In addition to generating clean, emission free, solar electricity, the initiative opens up a new frontier of previously untapped revenue for the MTA with little or no investment of its own through the leasing of potentially millions of square feet of industrial roof space to companies interested in generating solar power to be sold back to the municipal grid. More than 100 bus depots, train yards, repair shops, and commuter lots across all MTA agencies that would be suitable for solar development have already been identified; and if fully realized, present an opportunity to develop more than 100 megawatts of emission-free electricity for New Yorkers — enough to power 18,000 households.

Initially the MTA's RFP proposes the solar development of (7) MTA properties belonging to NYC Transit, LIRR and Metro-North Railroad, generating an estimated 6.5 megawatts of emissions-free electricity. RFP negotiations are expected to begin in the fall (2019) for the locations chosen that are representative of existing roofs and parking lots:

- NYCT Department of Buses
  - Ulmer Park Bus Depot / Queens Village Bus Depot
- NYCT Department of Subways
  - Coney Island Maintenance Facility / Jamaica Maintenance Facility
- Long Island Rail Road – Hillside Support Facility
- Metro-North Railroad
  - Cortlandt Station Parking Lot / Wassaic Station Operations Lot

Sources: http://www.mta.info/press-release/mta-headquarters/mta-launching-new-solar-roof-initiative-generate-green-energy-and-new

Midtown Development

JPMorgan's New HQ Secures City Council Approval

On Wednesday, May 8th the city council reportedly unanimously approved the revised designs of the proposed new headquarters development by JPMorgan Chase. The project at **270 Park Avenue** is particularly significant in that it is the first project to take advantage of the 2017 Greater Midtown East rezoning. Demolition work of the existing 52-story, 1.351 million square-foot tower reaching a linear height of 700-feet has already begun to make way for new construction, reportedly making it the world's largest voluntary demolition. Groundbreaking that expected to take place in early 2021 will give rise to a 1,400-foot-tall development totaling over 2.4 million square feet, generating a projected 6,000 union construction jobs, both in the demolition and new construction.

A request for a text amendment was filed by JPMorgan with the Department of City Planning on November 9th seeking approvals to facilitate an alternate public space design for the proposed 270 Park Avenue development. Preliminary renderings reportedly reveal a solid vertical structure, likely to make the tower standout as the "city's most prominent massing if approvals are secured of the text amendment to Zoning Resolution Section 81-681, which includes mandatory publicly accessible space requirements based upon the qualifying site's lot area." According to reports at the time only 7,000 square feet of indoor public space was proposed versus the 10,000 square feet required for the property by the Greater Midtown East rezoning, since nearly two-thirds of the property sits on piles above the cavernous Grand Central Terminal train shed—which is used to stage and store Metro-North Trains (and is about to undergo a major overhaul); and architects for the project said they could only come up with around 7,000 square feet. However in February the project's revised plan had reportedly increased the public space to the full 10,000-square-foot size, as well as making the area open-air instead of enclosed.

In preparation for the project a total of 666,766 square feet of floor area was acquired by JPMorgan in December for roughly $208.364 million ($312.50 per square foot) from the 1.385 million square feet of unused floor area from Grand Central Terminal. The purchase from the partnership of MSD Capital and TF Cornerstone, along with minority stakeholder Argent Ventures, increased the maximum allowable floor area on the 80,333-square-foot parcel from 1,040,908 square feet to 1,871,764 square feet according to city record documents. The project will also reportedly include more than 35,000 square feet of pedestrian and transit upgrades as well as repairs to Metro-North, widening streets, and creating a new entrance on 48th Street. Previous reports had indicated that as part of the sale, JPMorgan and the air rights sellers must together contribute just over $42 million to the public-realm fund for public improvements to the streets, pedestrian plaza and sidewalks. In addition, it is likely that MSD, TF Cornerstone and Argent will "also have to contribute funds from the sale to pay for maintenance of Grand Central Terminal, which is controlled by the Metropolitan Transportation Authority."

Additional project density was expected to come from the site of St. Bartholomew's Church. In June 2018 a petition was filed with the New York State Supreme Court by the church located at 321-339 Park Avenue (Plaza), seeking approvals to allow JPMorgan to initially purchase 50,000 square feet of unused development rights for which the New York-based financial institution paid $15.625 million ($312.50 per square foot). According to city records $16.75 million ($335 per square foot) was transacted in April for the initial purchase. As part of the agreement JPMorgan has the option to purchase additional development rights up to 505,000 square feet at the same price of $312.50 per square foot, provided that JPMorgan can utilize the initial development rights purchase at the 270 Park Avenue site, or at another "qualifying site." However there have been no further updates as to whether or not JPMorgan had exercised the additional development rights purchase option, which was required to be exercised by February 28, 2019; and must be transferred to the 270 Park Avenue site.

The Farley Building - Rendering

The Farley Building - Rendering

Midtown (cont'd)

Redevelopment of James A. Farley Building Sparks Big Block Tenant Interest

Ongoing redevelopment of the former post office building that dates back to 1912 has attracted the interest of some tenants that are reportedly in the market for big block space. Upon full construction completion the project located in the Penn Plaza area will deliver 740,000 square feet of office space, 120,000 square feet of curated retail space, and the new 255,000-square-foot **Moynihan Train Hall** that will connect to Penn Station. Reports in May indicated that **Dentsu Aegis Network**, the U.S. arm of the Japanese advertising firm Dentsu was eyeing the entire 4th floor's 292,692-square-foot space. The company is current located in Lower Manhattan's at 32 Sixth Avenue (TriBeCa), having expanded twice in recent years to bring their footprint at the 29-story, 1,163,051-square-foot building to nearly 220,000 square feet. The company's heightened business expansion is tied to the its $5 billion acquisition of the Aegis Group in 2013 according to reports at the time. If the lease deal moves forward, Dentsu would relocate upon reported lease expiration around 2022.

Another potential tenant is e-commerce giant **Amazon**, which has also entered the market and reportedly seeking an initial requirement of over 100,000 square feet that could increase to up to 750,000 square feet. The Farley Building is rumored to be among the buildings Amazon is considering, as well as the nearby Brookfield Office Properties' yet-to-be developed 2 Manhattan West. In addition, technology giant Apple and social media platform Facebook are reportedly among some of the other tenants that have toured the building.

The 50/50 joint venture of Vornado Realty Trust and the Related Companies had secured the 99-year ground lease in June 2017 with the state's Empire State Development (ESD) for the historic building that spans a double city block bound by 8th and 9th Avenues between West 31st and 33rd Streets at 421-439 Eighth Avenue. In October 2018, Vornado increased its ownership interest in the Farley Post Office JV to 95%, acquiring an additional 44.9% for $41.5 million from Related.

The office space will boast ceiling heights of over 17-feet and 40-foot by 2-foot column spacing, as well as multiple office lobbies and private entries. Tenant amenities to include nearly 70,000 square feet of outdoor landscaped park space and a 6,000-square-foot, column-free pavilion on the 5th floor with 25-foot ceilings and glass walls that open to the outdoor space. Public transportation will be significantly improved by the new train hall within the 751-foot-long by 384-foot-wide building; and will feature a 92-foot-high skylight comprised of an acre of glass to be constructed on the historic building's steel trusses. Ticketing and waiting areas for Amtrak and the Long Island Rail Road (LIRR) will be hosted within the Moynihan Train Hall, with access to a total of 9 platforms and 17 tracks serving LIRR and Amtrak passengers.

Sources: https://www.vno.com/press-release/ze58ngsjym/vornado-joint-venture-acquires-99-year-leasehold-of-farley-post-office
https://www.vno.com/press-release/n16wu2anc1/vornado-increases-ownership-interest-in-farley-post-office-to-95
https://www.vno.com/office/property/the-farley-building/3313609/landing

Midtown (cont'd)

New to Market

148-166 West 48th Street (Times Square) – The Rockefeller Group has reportedly introduced the sale offering of the 5-parcel assemblage located between 6th and 7th Avenues; having recently purchased the final parcel to complete the development site. Totaling 15,567 square feet of land area that can accommodate approximately 200,000 buildable square feet, the sale reportedly includes 112,385 square feet of air rights acquired in 2017 from the Shubert-owned **Cort Theatre** to increase floor area development rights to over 300,000 buildable square feet. The developer is reportedly hoping the sale will fetch about $250 million. In addition the Rockefeller Group owns the 60,622-square-foot **Night Hotel** at 157-163 West 47th Street, which abuts the site on the other side of the block; and could reportedly be added to the sale to further expand development potential by about 96,480 buildable square feet if the existing structure is demolished.

Address	Lot Sq. Ftge.	Last Trade Price	Transaction Year	Buildable SF (approx.)
148-154 West 48th Street	7,532	$62.5MM*	2008	60,252
				for lot 55 – 5,021 SF retained
156-158 West 48th Street	3,417	$24.275MM	2019	41,004
160 West 48th Street	1,707	$13.875MM	2008	23,898
162-164 West 48th Street	3,414	$33.4MM	2008	47,796
166 West 48th Street	2,008	$15.34MM	2015	28,112
		$149.39MM		**201,062**
Cort Theatre 138 West 48th Street	112,385 (air rights)	$41,127MM	2017	112,385
		$190.517MM		**313,447**
Night Hotel 157-163 West 47th Street	8,040	$75M	2008	As Built – 60,622 Available FAR – 35,858 96,480
		$265.517MM		**409,927**

*7,532 SF Parcel was apportioned, creating 2,510sf and 5,021 SF parcels. In April 2018 Rockefeller Group sold the smaller parcel to the adjacent Court Theatre for $750,000 ($299 per square foot), retaining the remaining 5,021 SF portion.

429 West 36th Street / 430 West 37th Street / 434 West 37th Street (Hudson Yards) – Extell Development has reportedly introduced the sale offering of the 3-parcel, 19,749-square-foot block-through assemblage located between 9th and 10th Avenues. The developer had acquired the properties from Central Parking Corp. for roughly $15.11 million ($118 per buildable-square-foot) according to city records. The site's current R8A zoning will reportedly accommodate up to 128,000 buildable square feet per reports with some sources reportedly anticipating that the sale could reportedly fetch in the neighborhood of $60 million ($469 per buildable-square-foot).

Midtown (cont'd)

Pending Site Sales

129-135 East 56th Street aka 680-688 Lexington Avenue / 126 East 57th Street (Plaza) – MRR Development is partnering with Israel developer Zahi Hagag for the reportedly $103.7 million ($593 per buildable-square-foot) acquisition of a multi-parcel assemblage "concentrated at the southeast corner of East 56th Street and Lexington Avenue." News of the pending sale comes about one year following the announced sale offering of the package that can reportedly accommodate about 175,000 buildable square feet by Kiska Development, hoping to fetch in the neighborhood of $180 million ($1,029 per buildable-square-foot). Although unverified, the assemblage appears to include the following properties assembled through multiple transactions over the years between 2010 and 2014 for a combined total of $69.108 million:

- 131-135 East 56th Street / 678-684 Lexington Avenue – The (7) parcel, 10,293-square-foot assemblage was purchased in March 2010 for roughly $33.867 million;
- 686-688 Lexington Avenue
  - A total of 17,998 square feet of development rights was purchased in July 2010 for roughly $4.816 million;
  - The fee and leasehold interest of the 5-story, 15,000-square-foot office building situated on the 3,000-square-foot parcel was acquired in May 2014 for a combined total of $21.25 million — roughly $13.813 million for the fee and $7.438 million for the leasehold interest.
- 129 East 56th Street – The vacant 1,266-square-foot lot was purchased in January 2011 for $3.6 million; and
- 126 East 57th Street – The 1,665-square-foot parcel currently hosts a 5-story, 5,960-square-foot mixed-use structure was acquired in November 2014 for $5.575 million.

Midtown (cont'd)

Projects on the Horizon


99 Hudson Boulevard - Rendering

550-554 West 37th Street / 434-444 Eleventh Avenue (Hudson Yards) – Initial renderings have been released for a proposed 1.3 million-square-foot office development to be constructed by Tishman Speyer. New building applications have yet to be filed for the project that will go by the address **99 Hudson Boulevard**. Construction will rise on the L-shaped 2-parcel, primarily vacant 48,215-square-foot assemblage acquired through separate transactions in 2016 for a combined total of roughly $207.495 million according to city records. The building's design will feature multiple outdoor terraces; and offer floor plates of about 22,400 square feet in the majority of the tower, with larger 50,000-square-foot floor plates in the base. Demolition is underway on the adjacent site at 446-450 Eleventh Avenue, where a planned 531-key, 273,300-square-foot Marriott International-branded **Aloft** hotel is planned. Located on the corner of West 37th Street, the 43-story hotel structure is being developed by Marx Development.

Project Plans in Progress


303 West 42nd Street - Rendering

303 West 42nd Street / 300 West 43rd Street (Times Square) – KRW Realty Advisors has reportedly partnered to redevelop the pair of properties into an office-and-retail development dubbed the **Hive** at an estimated cost of $80 million according to reports. The project is expected to integrate (4) existing buildings of different heights into a single asset totaling about 141,601 square feet; and offer about 126,000 square feet of new office space and 14,000 square feet of ground level retail space divided into (7) new storefronts. As part of the gut renovation, new HVAC will be installed, as well as the construction of (2) new lobbies and a rooftop terrace. Granite Mortgage Trust provided a $73.568 million financing package in December 2018 including a $12.32 million senior loan mortgage that consolidated $10 million in existing debt with a newly provided $2.32 million gap mortgage, a roughly $35.065 million building loan, and a $26.1883 million project loan.

- 303 West 42nd Street – The 25-foot-wide, 6,515-square-foot L-shaped parcel fronting both West 42nd Street and 8th Avenue currently hosts 12-story buildings offering a combined total of about 69,801 square feet of commercial space.

- 300 West 43rd Street – The 12,552-square-foot parcel located on the corner of 8th Avenue hosts 6- and 7-story buildings offering a combined total of 72,039 square feet.

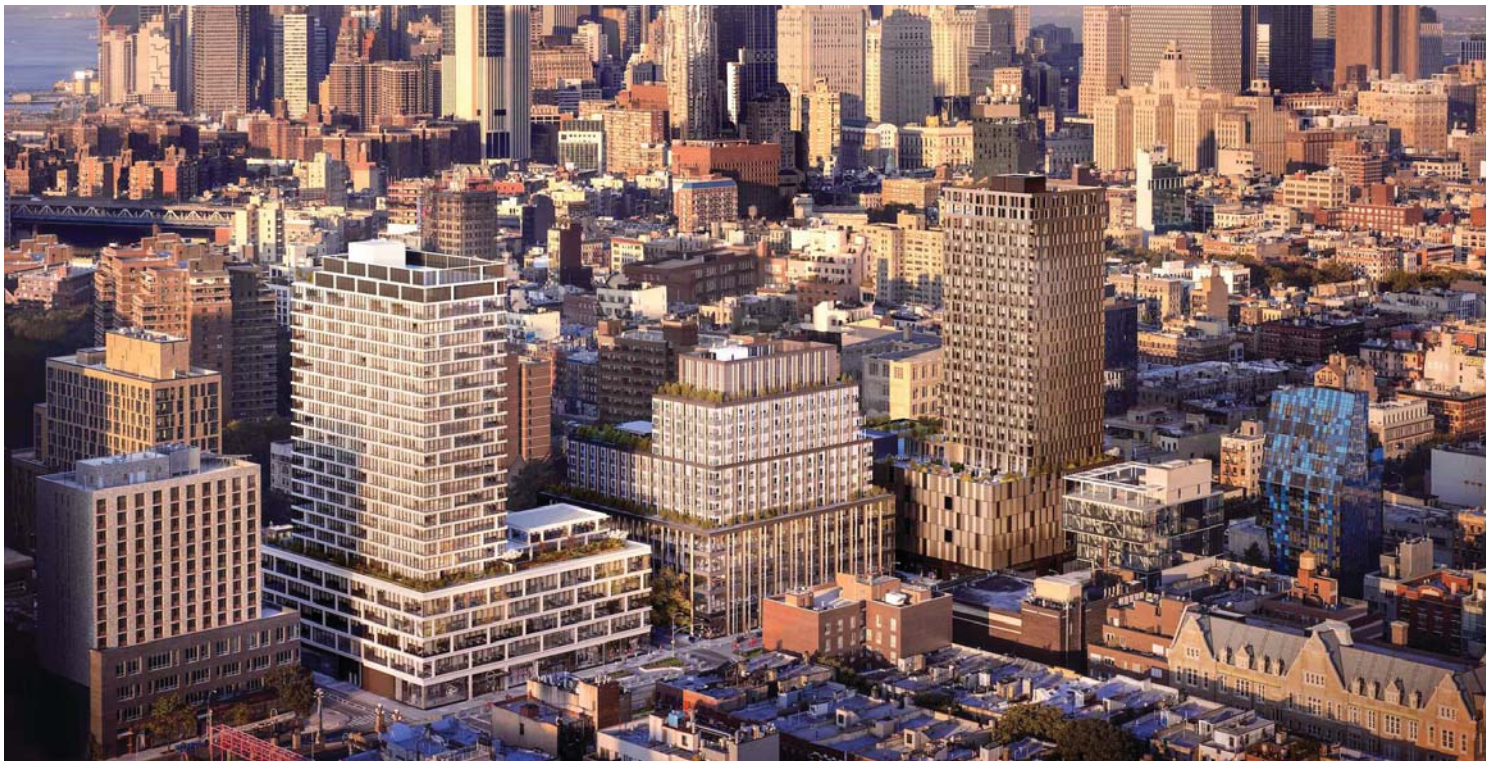
The developer is reportedly hoping to attract a mix of tenants, pre-leasing already attracting Polish bakery **Just Baked**, which has committed to 600 square feet under a 15-year term according to reports.

200 East 34th Street (Murray Hill/Kips Bay) – China Overseas America under the entity COA 200 E 34th LLC filed new building applications in May for a 31-story, 152,734-square-foot mixed-use development. The 328-foot-tall structure will host 144 residential units spread across 132,102 square feet and 2,992 square feet of commercial space. The development site is comprised of a mix of land area and development rights which were acquired by the developer through multiple transactions in October 2017.

- 501-505 Third Avenue aka 200-204 East 34th Street / 499 Third Avenue – The 2-parcel, 5,577-square-foot assemblage was purchased for roughly $50.739 million from Extell Development, having last traded in 2015 for $16.5 million according to city records. Demolition permits were secured last year (for the existing 5-story mixed-use building.

- 497 Third Avenue – A total of 12,115 square feet of air rights had been previously transferred to the site in 2016 by Extell, having purchased the 2,027-square-foot parcel in March 2016 for $11.25 million; and following the air rights transfer, flipped the property for $7.2 million. Although unverified it is likely the air rights were included in the over $50 million purchase price paid by China Overseas.

- 493-495 Third Avenue / 203 East 33rd Street - A combined total of 39,908 square feet of development rights were acquired from Slate Property Group for roughly $14.201 million ($356 per square foot).



Midtown South Development

Essex Crossing: Phase 1 Construction Nears the Finish Line

A new life has come to the 6-acre **Seward Park Extension Urban Renewal Area** (SPEURA), which sat vacant since 1967, as construction of the (4) buildings that make up Phase 1 of **Essex Street Crossing** nears full construction completion. Groundbreaking of the multi-building, 1.9 million-square-foot mixed-use project launched in 2015 by Delancey Street Associates, the joint venture partnership of BFC Partners, Taconic Investment Partners, L&M Development Partners, and Goldman Sach's urban investment group. As of late last year (7) of the (9) buildings had opened or were under construction; and upon full construction completion the 1.9 million-square-foot complex will add 1,000 residential units, 400,000 square feet of office space, and 450,000 square feet of retail space to the Lower East Side neighborhood. The buildings will be connected by a new park, bike paths, above ground green spaces and the below grade market place called **The Market Line** — a 150,000-square-foot public market and food hall that runs underneath the buildings on Sites 2, 3, and 4; and the first section of the market opened in May.

Phase 1:

- **175 Delancey Street** (Site 6) – The 17-story, 177,950-square-foot mixed-use building opened in January 2018; and was the first to open within the complex. The 154-foot-tall building dubbed **Frances Golding Senior Apartments** hosts 99 residential units that offer subsidized senior housing. **NYU Langone Medical Center** will be operating an on-site 55,000-square-foot ambulatory surgery center. Retail space is located on the ground level, as well as a workforce development and social enterprise café, GrandLo Café, and an intergenerational community center, both operated by Grand Street Settlement. The building's rooftops feature gardens, and the use of solar powers adds improved energy efficiency.

- **145 Clinton Street** (Site 5) – The 15-story, 283,178-square-foot mixed-use building dubbed **The Rollins** opened in March 2018; and hosts 211 residential units spread across 155,960 square feet, of which 107-units are market-rate. The 68,781-square-foot retail component is anchored by a 30,000 square-foot Trader Joe's market, along with a small-format Target in 22,480 square feet and a Planet Fitness in 22,000 square feet. In addition a 15,000-square-foot park has been created on a portion of the site.

- **125 Delancey Street** (Site 2) – The 26-story, 489,688-square-foot mixed-use building dubbed **The Essex** is the largest tower within the complex. Rising to a linear height of 285-feet to host 195 residential units, of which 98 are designated for affordable housing, and 136,732 square feet of commercial space. Lower level space will host a mix of retail and entertainment including a 65,000-square-foot, 14-screen Regal Cinemas theater, entrance to The Market Line, and the new home of the Essex Market.

Essex Crossing (cont'd)

- **242 Broome Street** (Site 1) – The 14-story, 137,000-square-foot mixed-use building that completed construction in early 2018 hosts 55 residential condominiums, 21,931 square feet of community facility space, and 50,401 square feet of retail space. A Gutter bowling alley will be opening in the building's basement; and the International Center of Photography (ICP), which is expected to begin relocating to the site this year, allowing the 43-year-old institution to consolidate locations for its museum and school. ICP had closed on the roughly $15.986 million purchase of the separate 4-story community facility condo interest in April; and will also occupy another 20,000 square feet of retail space.

ICP, 242 Broome Street - Rendering

Phase 2:

- **180 Broome Street** (Site 4) – The 25-story, 427,569-square-foot mixed-use development will host a mix of office, retail and residential space. Construction broke ground in early 2018 for the 260-foot-tall structure that will host 263-residential units, of which 121-unit will be designated for affordable housing and 175,000 square feet of office space dubbed **Office East**. The building's 10,000 square feet of retail space will share the ground level space with a portion of The Market Line. A landscaped public space dubbed **Broome Street Gardens** will occupy 9,000 square feet on a mezzanine level above the market. Office space will spread across the 2nd through 5th floors with the remaining floors of the buildings dedicated to residential use, a shared terrace and tenant amenities.

- **202 Broome Street** (Site 3) – The under construction 14-story, 346,485-square-foot mixed-use development dubbed **Office West** will host 83 residential units, office space spanning the 2nd through 5th floors, and 16,000 square feet of ground level retail space with another 18,000 square feet to become part of the The Market Line. Construction is expected to be completed by 2021 according to reports last fall.

- **140 Essex Street aka 116 Rivington Street** (Site 8) – New building applications were approved in 2017 for an 8-story, 70,301-square-foot mixed-use development that will host 93-residential units designated for low-income senior housing with 9,645 square feet of retail space. Originally envisioned as an 80/20 condominium development, the absence of the expired 421-a tax Incentive Program had prompted the developers to shift directions in order to ensure that the project stayed on track, the development reportedly gaining 10,000 buildable square feet as a result of the shift to senior housing.

Phase 3: Plans have yet to be filed for the remaining (2) sites are reportedly expected to be completed in 2024, adding a mix of rental, condo units and retail space.

- **116 Delancey Street** (Site 9) – The 20,365-square-foot site that spans the entire Essex Street block-front between Delancey and Rivington Streets.

- **121 Stanton Street aka 148 Essex Street** (Site 10) – A 6,812-square-foot parcel offering 150-feet of front along Essex Street and 20-feet on Stanton.

Essex Street Crossing - Commercial Matrix Diagram

Midtown South (cont'd)

Recently Sold Sites

538-544 West 29th Street (Chelsea) – The joint venture of Largo Investments and Netherlands-based hospitality group PPHE Hotel Group have purchased the 3-parcel, 9,875-square foot assemblage that can accommodate about 74,100 buildable square feet for $42.025 million ($567 per buildable-square-foot) from a trio of longtime owners. Bank Hapoalim provided $22.15 million in acquisition financing to close on the transaction. Located between 10th and 11th Avenues, existing low-rise mixed-use, commercial and warehouse structures will be replaced with a mixed-use hotel-and-condominium development. Proposed plans will create 55 residential condominiums and a 98-key, art-inspired PPHE-branded "**art'otel**;" and represents PPHE's first venture outside of Europe according to reports.

Projects on the Horizon

222-226 East Broadway / 228-230 East Broadway / 232-234 East Broadway (Lower East Side) – Round Square Development (formerly Ascend Group) has reportedly changed directions for the redevelopment of the 3-parcel, 17,099-square-foot development site after a deal to purchase 155,000 square feet of air rights fell through. The developer had reportedly agreed to pay $46.5 million ($300 per square foot) for the purchase of excess development rights from nearby **413 Grand Street** to open the door to a 2-building project, however the sale was unsuccessful in securing approvals from the Seward Park Cooperative. Originally proposing a pair of 19-story and 31-story towers, the developer will now seek to construct a single, 28-story, 55-unit residential condominium development on the east parcel, where a 4-story, 16,128-square-foot building has already been demolished; a private park for residents on the west parcel, which is currently the D**ora Cohen Memorial Park**; and a repositioning of the landmarked former 8-story, 44,122-square-foot **Bialystoker Nursing Home** that shuttered in 2011 to create a total of residential 18 condominium units. Round Square acquired the assemblage for $47.5 million in October 2016, securing a $24.875 million mortgage from Madison Realty Capital to finance the transaction.

Projects on the Horizon (cont'd)

Pier 40 (Hudson Square) – Recently proposed legislation could open the door to a partial redevelopment of the aging 15.4-acre pier located within the Hudson River Park between Leroy and Spring Streets. Currently housing a public parking garage and sports fields, Pier 40 must generate at least 25% of the park's annual operating costs, or about $12.5 million in order to keep the park afloat according to reported statements by a spokesperson for the Hudson River Park Trust (HRPT), the nonprofit that overseers of the 5-mile long park. However over the past 6-years the HRPT has spent about $40 million on pier maintenance, thrusting the trust's balance sheets into the red due to the incurred costs of ongoing repairs requiring more immediate attention.

Although in early stages of review, the amendment to the Hudson River Park Act as currently proposed would permit up to 700,000 square feet of commercial office space with structures no taller than 88-feet; and the developer would enter into a 49-year lease, to include one 25-year extension option, with the HRPT. Since the state legislature passed in 1998 that created the waterfront park stipulates that it must "sustain itself with funds earned from the commercial sites within its bounds, the HRPT could significantly benefit financially if Pier 40's uses were expanded to include office development. Any potential projects would be subject to the approximately 7-month Uniform Land Use Procedure (ULURP) public review process; and proposals would be required to adapt existing structures unless deemed unfeasible after public review according to reports. Other stipulations reportedly require that public open space be no less than 65%, an increase from the current 50% requirement; and the development of parking for vehicles with a seating capacity of 10 or fewer passengers would be allowed as long as there is space predominantly for long-term local resident parking.

However a spokesperson for the HRPT reportedly called the draft legislation in its current form "too restrictive and fears the 49-year lease, instead of a more typical 99-year lease, may make the pier less of a lure for developers, potentially leaving sorely-needed revenue on the table." It was also suggested that the maximum buildable square feet be increased to 880,000 square feet; and that the 88-foot height cap would be acceptable only if "mechanical structures in and on top of potential buildings are not counted toward the building's useable footprint, as the draft currently stipulates." Past proposals to establish a home for Cirque du Soleil, and a pair of residential towers; as well as a plan for an aquarium or the creation of a hub for big-box retailers ultimately fell through due to community opposition and disagreements between the HRPT and the local community board as to what should be developed on the waterfront esplanade and concerns of privatizing public land as a result of resorting to private industry and development.

Project Plans in Progress

606-616 West 30th Street (Chelsea) – Long Island-based Lalezarian Properties filed applications in March for a 45-story, 312,350-square-foot mixed-use development. The 545-foot-tall structure will host 260 residential units spread across 192,780 square feet and 14,240 square feet of commercial. New construction will rise on the 14,812-square-foot parcel acquired by the developer in 2015 for $36 million from the family of late real estate investor Anita Butensky Katzman; and financed with a $13 million mortgage provided by Wells Fargo. The project site will also include the adjacent 2,468-square-foot parcel at 604 West 30th Street; and upon the completion of a "now-pending acquisition" a total of roughly 34,563 square feet of unused development rights at about $329 per square foot, or roughly $11.371 million will be transferred from the Hudson River Park as a result of city council approvals received by the Hudson River Park Trust (HRPT) in June 2018. In addition a rezoning of the project site from M2-3 manufacturing district to C6-4X commercial district opened the door to residential, community facilities and retail uses; and as a result will require 25% of the units to be designated for affordable housing as part of the Mandatory Inclusionary Housing (MIH) program. The development rights acquisition and rezoning enabled the scope of the project to increase from its former allowable size of approximately 44,550 square feet.


606-616 West 30th Street Rendering

322-326 Seventh Avenue (Chelsea) – GDS Development filed new building applications in April for a 12-story, 105,000-square-foot office development that will reach a linear height of 164-feet. The project's design aims to secure LEED Silver certification; and will feature CO2 monitoring, natural lighting, and landscaped outdoor terraces according to reports. New construction will replace existing 3-story and 5-story commercial structures totaling 24,770 square feet according to demolition permits secured in December. The 2-parcel, 7,270-square-foot assemblage located on the corner of West 28th Street was acquired by the developer in July 2018 for $36 million according to city records.

Midtown South (cont'd)

Project Plans in Progress (cont'd)

527 Greenwich Street Rendering

527 Greenwich Street aka 100 Vandam Street (Hudson Square) – Construction is well underway for the 19-story vertical expansion and repositioning of the existing 6-story, 55,300-square-foot former coal power plant that dates back to 1910. Upon construction completion the new 25-story, 177,000-square-foot tower will reach a linear height of 330-feet; and host 70 residential units spread across 164,134 square feet and 2,526 square feet of ground level retail space. Palm Beach, FL-based real estate investor Jeff Greene purchased the original pair of properties in September and December 2012 for a combined total of $48.75 million; and in 2013 an additional 26,805 square feet of developments rights were purchased for roughly $9.382 million ($350 per square foot) from 305 and 307 Spring Street bringing the total assemblage cost to $58.132 million ($328 per buildable-square-foot).

530-534 Sixth Avenue aka 63-69 West 14th Street / 536-540 Sixth Avenue (Union Square/Greenwich Village) – Co-developers China-based Landsea Homes and DNA Development filed new building applications in February for a 12-story, 86,295-square-foot mixed-use development. The 144-foot-tall structure will host 50 residential units spread across 57,161 square feet and 6,237 square feet of retail space. New construction will rise on the 2-parcel, 8,437-square-foot assemblage acquired in September for $52.75 million ($608 per buildable-square-foot) from Extell Development, having last traded in December 2015 for $50 million ($579 per buildable-square-foot). Demolition permits were previously filed for the (4) existing buildings, one of which was best known as the home of the **Moscot Eyewear** store, which relocated last year to a downsized space at 555 Sixth Avenue in Chelsea.

313-327 East 13th Street (East Village) – Mount Sinai filed new building applications for an 8-story, 162,153-square-foot hospital development. The 130-foot-tall structure will host 70-beds spread across 112,030 square feet designated for community facilities use. To make way for new construction demolition has been completed of the 14-story building, which fronts East 14th Street at the end of the block, that formerly housed doctors and staff of the New York Eye and Ear Infirmary, .

Downtown Development

Project Plans on the Horizon

126-138 Liberty Street aka 5 Albany Street (World Trade Center) – A request for proposals (RFP) is expected to be released in the coming months by the Port of Authority of New York and New Jersey (PANYNJ) and the Lower Manhattan Development Corp. (LMDC)[1] for the 31,000-square-foot site that fronts Albany Street between Greenwich and Washington Streets. Recent reports indicate that the site can accommodate over 1 million square feet of commercial or mixed-use development, with the agencies splitting the proceeds. A delay in the release of the RFP is due to a base value that the PANYNJ reportedly wants to get for the land, leading to independently conducted appraisals reportedly required to come within 10% of one another that are being concluded; and upon completing negotiations on a benchmark value for the site the RFP process will proceed.

The site represents a portion of the original 66,000-square-foot parcel that hosted the former **Deutsche Bank** building that went by the address of 130 Liberty Street. Due to extensive damage and contamination incurred following the September 11 attacks 10-years prior, demolition of the building also known as **5 World Trade Center** was completed by the LMDC in 2011. In 2017 the site was subdivided, with 35,000 square feet fronting Liberty Street now hosting the PANYNJ's **Vehicular Security Center** and **Liberty Park**. However the Tower 5 site has remained in limbo over the years due to a dispute that remained unresolved until recently between the PANYNJ and LMDC over how the site should be developed and ownership. A memorandum of understanding in 2006 that involved a land-swap of the Tower 5 site and the World Trade Center's **Performing Arts Center** site subsequently sparked the dispute. Due to the lengthy demolition of the asbestos laden Deutsche Bank building, the LMDC claimed the value of the site significantly escalated and it was thereby owed money for the work done to prepare the Tower 5 site for development; while the PANYNJ argued that the agency effectively became owner of the site since the LMDC was acting as its agent.

Earlier interest to redevelop that site never came to fruition. In 2007 an announcement had reportedly been made by PANYNJ that a deal had been reached with JPMorgan Chase that would "allow the bank to build a 1.3 million-square-foot tower in exchange for a 92-year lease worth roughly $300 million to the agency." However subsequently JPMorgan backed out of the deal. It was also rumored that Chinese developer Dalian Wanda Group was considering the development of 1,050-foot-tall structure totaling over 1.4 million square feet to host 250-keys spread across a 350,000-square-foot hotel component featuring a 7-story atrium; 200,000 square feet of retail space intended for a department store; and an 850,000-square-foot residential condominium component.

Looking ahead while the RFP will allow developers to submit proposals for both options, since the PANYNJ is not allowed to hold residential assets, it is likely that the site would be sold if slated for residential use; otherwise the PANYNJ could opt for a ground lease if a commercial project is to be built. Currently the site is part of a general project plan — a state zoning framework — that prohibits residential development on the site, but the general project plan could be altered by the board of the LMDC according to reports.

[1]LMDC is a federally funded corporation that was formed by former Governor George Pataki with a Congressional grant of $2.783 billion after 9/11 to manage Downtown's recovery

Downtown (cont'd)

Project Plans in Progress

112 Liberty Street aka 113-117 Cedar Street (FiDi) – Hidrock Properties filed new building applications in March for a proposed 30-story, 117,763-square-foot hotel development. The 327-foot-tall structure will host 230-keys spread across 92,354 square feet of commercial space. New construction will rise on the 6,199-square-foot block-through parcel; and replace a 5-story, 40,089-square-foot mixed-use building purchased one year ago for $38.5 million ($327 per buildable-square-foot) from longtime owner Liberty Associates LLC, which is reportedly affiliated with David M. Baldwin Realty. The transaction was financed by a $23.742 million loan provided by HSBC Bank according to city records.

140-142 Fulton Street (FiDi) – Hidrock Properties filed new building applications in April for a 41-story, 139,373-square-foot hotel development. The 419-foot-tall structure will host a yet to be decided number of hotel keys and some ground level retail space spread across 119,758 square feet. New construction will rise on the 2-parcel, 5,612-square-foot assemblage the developer acquired through separate transactions in October 2018 for a combined total of $41 million ($294 per buildable-square-foot); and financed by a $32.8 million loan provided by Bank Hapoalim according to city records. Located between Broadway and Nassau Streets, and steps away from the Fulton Transit Center, both parcels had been longtime owned by the Gindi family — owners of the Century 21 stores. The package includes a vacant parcel which previously hosted a 5-story structure that was demolished in 2013, and a 6-story, 13,194-square-foot mixed-use building. Other development activity on the block includes the 30-story, 298-key Marriott International-branded Moxy Hotel at 143-145 Fulton Street developed by Tribeca Associates, which completed construction last year; and Crown Acquisition's 144 Fulton Street, which was gut renovated upon the developer acquiring the commercial property in 2015; and now serves as the home of a 5-level Chick-fil-a eatery


50-52 Trinity Place Rendering

50-52 Trinity Place aka 5-9 Rector Street (FiDi) – Excavation work is well underway for the 29-story, 82,756-square-foot Marriott International-branded **Aloft Hotel**. FIT Investment Corp. is the developer of the ground up project that will reach a linear height of 286-feet; and host 180-keys spread across 72,351 square feet. New building applications were filed in November 2014, securing approvals from the city's Department of Buildings in November 2018; and a $16 million construction loan was provided in January 209 by Taiwan Cooperative Bank according to city records. New construction will rise on the 3,758-square-foot parcel that was acquired by the California-based entity Trinity NYC Hotel, LLC in January 2012 for $15 million ($181 per buildable-square-foot). Seller, the McSam Hotel Group had purchased the site in 2005 for $13.5 million, but subsequently decided to abandon its own plans to construct a hotel despite initially filing permit applications in 2016.

47-59 Henry Street (Lower East Side) – W&L Group filed new building applications in May for a 19-story, 131,178-square-foot mixed-use development in the Two Bridges section of the neighborhood. The 227-foot-tall structure will host 80 residential units spread across 57,127 square feet and 41,527 square feet designated for community facility use. The 2-parcel, 17,000-square-foot assemblage that currently serves as a parking lot between Market and Catherine Streets was acquired in January for $30 million; and a $17.46 million acquisition loan provided by CA-based Preferred Bank financed the transaction according to city records.

Uptown Development

Recently Sold Sites

1393 York Avenue (Upper East Side) – Weill Cornell Medical College has purchased the 2-story, 21,000-square-foot building for $68 million ($604 per buildable-square-foot from the Church of the Epiphany. The 12,771-square-foot site located on the corner of East 74th Street can accommodate nearly 112,500 buildable square feet, which the college will use to construct new housing for its medical students according to reports. The religious organization will relocate to nearby 351 East 74th Street, having purchased the 5-story, 16,975-square-foot building for $22.5 million from the Jan Hus Presbyterian Church. Weill Cornell's project plans will likely remain on hold, the church planning to remain in place for about 2-years while it renovates the new building.

Projects on the Horizon

1461-1469 Third Avenue aka 202 East 83rd Street / 204 East 83rd Street (Upper East Side) – The Naftali Group pre-filed applications for a proposed 35-story, 243,128-square-foot mixed-use development. The 449-foot-tall structure will host 86 residential units spread across 205,877 square feet and 3,033 square feet of retail space. Reports in early 2018 indicated that the developer, along with equity partner the Rockefeller Group, is seeking to acquire the (6) parcel, 10,388-square-foot assemblage located within the Yorkville section of the neighborhood from Muss Development and the Aryeh family. As part of ongoing negotiations, additional air rights would be purchased from adjacent buildings at 1453-1455 and 1459 Third Avenue to allow for a larger as-of-right development according to reports at the time. A price for the assemblage was not released, but the most recent asking was reportedly between $700 to $750 per buildable square foot, or about $170 to $182 million, as indicated by some industry people. The co-developers' construction of the proposed tower would replace existing low-rise mixed-use buildings, the project having an estimated equity totaling just over $130 million; "while the capitalization would be somewhere in the range of $375 million" according to reported details of Naftali-branded marketing material.

Projects in Progress

308-314 East 86th Street (Upper East Side) – Izaki Group filed new building applications in March for a 20-story, 146,644-square-foot mixed-use condominium development in the Yorkville section of the neighborhood. The 210-foot-tall structure will host 68 residential units spread across 122,143 square feet and 6,382 square feet of retail space. The scope of the project more than doubled in size, reports in early 2017 indicating a 71,240-square-foot project hosting 40-unit was planned; however the developer was able to increase the project's size following the acquisition of another property as well as development rights.

- 310-314 East 86th Street – The 3-parcel. 5,619-square-foot assemblage was purchased in February 2018 for $42 million. Bank Leumi provided a $26.8 million financing package that consolidated roughly $25.213 million in existing debt with a newly provided $1.588 million gap mortgage.

- 308 East 86th Street – The 1,839-square-foot parcel was acquired in January 2018 for roughly $12.489 million. Bank Leumi provided $9 million in financing that was collateralized by all (4) parcels.

- 320 East 86th Street – A total of 29,050 square feet of floor area development rights was acquired in 2018 through (2) transactions for a combined total of $3.725 million.

Uptown (cont'd)

Projects in Progress (cont'd)

109-117 East 79th Street (Upper East Side) – Legion Investment Group filed new building applications in April for a planned 19-story, 145,027-square-foot residential development. The 209-foot-tall structure will host 36-units spread across 113,453 square feet according to details posted on the Department of Buildings website. New construction will rise on the 5-parcel, 10,217-square-foot assemblage located between Park and Lexington Avenues. Legion acquired (3) of the parcels at 113, 115 and 117 East 79th Street for a combined total of $61.25 million in 2017 and 2018. The remaining pair of properties are owned by another party and it is unclear if a pending acquisition exists, or if Legion will be co-developing the project. Demolition permits were filed last year for the existing low-rise structures on each of the 5-parcels to make way for new construction.

2330 Broadway (Upper West Side) – Co-developers Hines and senior housing real estate investment trust Welltower filed new building applications in April for an 18-story, 109,315-square-foot senior housing development. The 230-foot-tall structure will host 162 units, of which 50% will reportedly be reserved for residents with memory and cognitive disorders. Resident amenities will include a spa, homeopathic care center, a rooftop garden, and a bistro. New construction will replace existing low-rise structures according to demolition permits filed in January; and will rise on the 2-parcel, 9,128-square-foot assemblage acquired in November 2018, reportedly along with an undisclosed investor, for $61 million ($558 per buildable-square-foot). The project will be the second of this type by the two companies, having topped out in March on the 17-story, 151-unit luxury senior housing development dubbed **Sunrise** being constructed on the corner of Lexington Avenue at 139 East 56th Street.

855 Park Avenue (Upper East Side) – A comprehensive renewal plan is being prepared by **Lenox Hill Hospital** of its 10-building campus. Spanning an entire city block bound by Park and Lexington Avenues between East 76th and 77th Street, several of the buildings that comprise the complex are more than a century old. Since being acquired in 2010 by Northwell Health, more than $200 million has been invested in building upgrades; however the buildings are not configured to deliver care efficiently, making it increasingly inefficient to maintain the aging facility according to a press release by the hospital. Efforts to ensure the future success of the facility, as well as match investments Lenox Hill has made in recruiting nationally recognized physicians and expanding clinical programs, an approximately $2 billion renovation package has been planned.

Lenox Hill's facility will reportedly expand about 67% to 1.3 million-square-feet. As part of Phase 1 of the project a new purpose-built 516-foot-tall hospital room tower will be created to host single-bedded rooms, a significantly expanded 53,000-square-foot emergency department, new surgical suites, and other larger clinical spaces. In addition the creation of closed bays for delivery and garbage trucks on East 76th Street will help alleviate congestion during the hospital's busiest times by eliminating the need for them to idle on the street and block sidewalks; and patients that are currently wheeled across a city sidewalk to enter the emergency department, will instead be dropped by ambulances within a covered area on East 77th Street.

Work is expected to occur in stages over 10-years, with the hospital remaining open and operational throughout all phases of the proposed revitalization plan. To help finance the project hospital planners are looking into incorporating a new 41-story, approximately 200-unit market-rate residential building on the Park Avenue corner of the site; however since a rezoning will be required, it is likely that the subject of affordable housing will surface. Other financing is expected to reportedly come from Northwell's overall operations, borrowing and donors. Prior to construction start, the plan will reportedly require both city and community approval. Other recent activity by Northwell includes the planned construction of a new 12- to 14-story medical complex that will host an outpatient care center, an ambulatory surgery center and medical offices. The project that will rise on the 5-parcel assemblage at nearby **1329-1347 Third Avenue** and **202 East 77th Street** is being developed in partnership with The University Financing Foundation (TUFF). Demolition of the existing structures has already begun to make way for new construction; but new building applications had yet to be filed as of mid-May.

855 Park Avenue - Rendering

Upper Manhattan Development

Projects on the Horizon

6 West 111th Street aka 5-7 West 110th Street (Harlem) – The La Hermosa Christian Church filed applications with the city's Department of City Planning seeking a rezoning of the 14,482-square-foot parcel to facilitate construction of a mixed-use development. If approved as proposed, a 33-story tower reaching a linear height of 410-feet would rise on the property; and host 160 residential units spread across 194,182 square feet, of which 48-units would be designated as permanently affordable housing as required by Mandatory Inclusionary Housing (MIH). In addition 37,647 square feet will be created within the building to be occupied by the religious organization, which although unverified will likely result in the demolition of the existing 3-story, 23,196-square-foot structure that dates back to 1940.

6 West 11th Street - Artist Sketch

Projects in Progress

4780-4790 Broadway (Inwood) – The New York City Housing Preservation and Development (HPD) filed new building applications for a 14-story, 175,278-square-foot mixed-use development. The 143-foot-tall structure dubbed the **Eliza** will host 174-affordable housing units and 26,247 square feet of community facility space for a new, more efficiently laid-out 17,300-square-foot public library as well as space for the city's Universal Pre-K program. The HPD is developing the project along with the New York Public Library and the Robin Hood Foundation in collaboration with the Community League of the Heights (CLOTH), Ranger Properties, Alembic Community Development, and the Children's Village. By establishing a partnership with the developers, the New York Public Library (NYPL) has created the opportunity to replace the outdated 2-story, 28,050-square-foot **Inwood Public Library** that dates back to 1952 with a newly constructed facility that the NYPL will continue to own.

4780-4790 Broadway - Rendering

Construction of the new library space will be funded through a $5 million donation from the Robin Hood Foundation according to an earlier press release by the HPD, the creative partnership offering the city's library system a further benefit by helping to reduce the system's dependence on public funding. The project is part of several strategies launched by New York City's library system in an effort to modernize older facilities, while other existing locations will undergo upgrades and interior overhauls. Mayor de Blasio had reportedly included $600 million in his 10-year capital plan in support of helping to narrow the gap of the library system's un-met capital improvements according to reports last June.

Upper Manhattan (cont'd)

Projects in Progress (cont'd)

426-458 West 126th Street (Harlem) – The May 9th press release by Governor Cuomo's office announced the groundbreaking of the **Taystee Lab Building**. The new 11-story, 350,000-square-foot LEED-certified Class A structure will rise on the site of the former T**aystee Bakery** that shuttered in the 1970s. Located within the rezoned **Manhattanville Factory District**, the 38,383-square-foot parcel was acquired by Janus Property Company and Monadnock Construction in June 2012 for roughly $3.439 million from the New York City Economic Development Corporation (NYCEDC); and to support Janus' investment of up to $350 million to demolish the former bakery building and construct the ground-up lab development that is on track to be completed in late 2020, the Empire State Development has reportedly offered up to $10 million in performance-based grants.

As part of the multi-building project, the Taystee Lab Building will provide state-of-the-art facilities for innovative companies and organizations focused in on life sciences and technology, as well as the academia, non-profit and arts sectors. Serving as the anchor of the district, which stretches from West 125th Street to West 128th Street, the lab building is ideally located next to Columbia University's new Manhattanville Campus, including the Jerome Greene Science Center; and in the vicinity of the New York Structural Biology Center and the City College of New York, which includes the CUNY Center for Discovery and Innovation and the CUNY advanced Science Research Center. The project's design offers flexible floor plates ranging from 36,000 square feet at the base to 15,000 square feet in the penthouse; and boasts 14-foot-ceiling heights with floor-to-ceiling windows throughout. In addition, 20,000 square feet of outdoor space will be created, including a landscaped courtyard.

Connected by greenways and courtyards, the project has rehabilitated an "entire neighborhood of obsolete industrial buildings, and added new state-of-the-art mixed-use commercial buildings that will total almost a million square feet." The other buildings within the Manhattanville Factory District include:

- **The Malt House** – The repositioning of the 185,000-square-foot builidng will result in a mix of the existing former brewery interiors and state-of-the-art new construction; and feature several outdoor areas totaling 25,000 square feet and a new retail-lined outdoor courtyard.
- **The Mink Building** – The redevelopment and renovation project has resulted in a former 3-building storage complex being combined into a single 150,000-square-foot mixed-use commercial and high-tech building.
- **The Sweets Building** – A 50,000-square-foot building created by combining 2-buildings through a central lobby and elevator core.
- **1351 Amsterdam Avenue** – A 2-story, 7,000-square-foot building offering high ceilings, large storefronts and multiple drive-in bays.

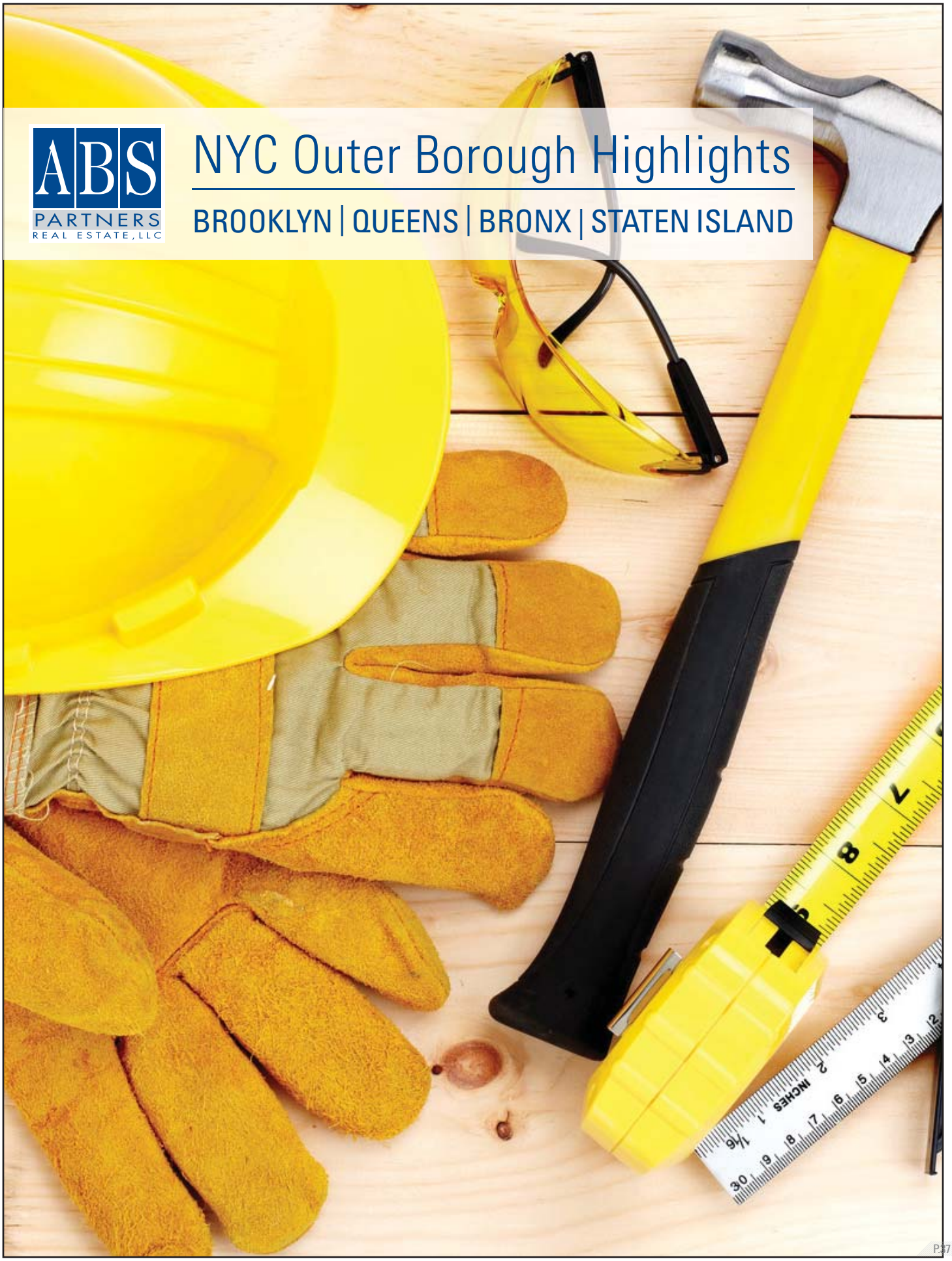
Taystee Lab Building, 426-458 West 126th Street - Rendering

Sources: https://www.6sqft.com/life-science-campus-to-open-at-former-west-harlem-bakery-site-adding-to-the-factory-districts-revival/
https://www.governor.ny.gov/news/governor-cuomo-announces-groundbreaking-taystee-lab-building-west-harlem

ABS PARTNERS REAL ESTATE, LLC

NYC Outer Borough Highlights

BROOKLYN | QUEENS | BRONX | STATEN ISLAND



Brooklyn Development

Office and Light industrial Mix Delivers Mutual Benefit in Williamsburg

Prior to 2016, the tight restrictions in the primarily industrial zoned Northern Brooklyn neighborhood impeded the construction of new multi-story office space. Zoning regulations reportedly dating back to the 1960s increasingly seemed to conflict with the evolving needs of the Williamsburg neighborhood that was rapidly transforming into a mixed-use community. A precedent set following the approvals of a special permit request by co-developers Rubenstein Partners and Heritage Equity Partners for their development at **25 Kent Avenue** has opened the door to new office development, while preserving affordable light manufacturing space.

Under current manufacturing zoning developers have an option to build small office buildings, or larger office buildings that comprise over 50% community facility, such as nonprofit educational or medical space. However challenges to secure eligible tenants willing to pay the higher prices for new office space has reportedly led to the rules being broken by renting community facilities to typical office tenants. However the secured special permit allowed Rubenstein and Heritage to waive the mandated community facility requirement in exchange for incorporating 20% light-manufacturing space into the project. In addition new zoning rules covering a 6-block Kent Avenue corridor that were simultaneously created by the City Planning Commission (CPC) as an "**Industrial Business Incentive Area**," (IBIA) now allows developers with a similar project proposal within the IBIA to apply for special permits created by the zoning text amendment. Along with the easing of parking and loading berth requirements, the new rules basically state that in exchange for "each square foot of light industrial uses incorporated into the project's design, an additional 2.5 square feet will be awarded for "incentive uses" which include office or light industrial space; but exclude the type of businesses that drive up rents in manufacturing areas, like hotels, big box stores, self-storage, entertainment, retail and restaurants."

Since the creation of the IBIA, in part due to a lack of sites in Brooklyn's industrial areas that are large enough to accommodate office projects of scale, developers have been slow to take advantage of the new zoning tool that was key in allowing the approximately 500,000-square-foot development at 25 Kent Avenue to move forward; and add reportedly 8-stories of commercial space versus just 2-stories under the site's former zoning. In response to the fairly new way to approach commercial zoning, some sources have reportedly commented that the office component "helps cross-subsidize the manufacturing," potentially creating a "new model for how manufacturing space can be created an preserved in New York City, as a lot of things are changing around us."

Office and Light Industrial Mix (cont'd)

Listed below are a few projects in different stages of planning and construction that are following in the footsteps of 25 Kent Avenue, which hosts 350,000 square feet of office space, 70,000 square feet of retail, and 80,000 square feet of light manufacturing.

- **103-105 North 13th Stree**t – The proposed 7-story approximately 66,205-square-foot development will host about 42,000 square feet of office space, 22,657 square feet of retail space, and 10,548 square feet of light industrial space. Initially intending to construct a mixed-use commercial and community facility development, the Rabsky Group subsequently shifted directions for the project. Applications seeking a special permit for the revised project had been filed with the Department of City Planning in October, securing city council approval in April 2019.

- **12 Franklin Street** – Simon Baron Development secured rezoning approvals in March for the planned 7-story development that is expected to host 134,000 square feet of office space, 23,000 square feet of manufacturing space, and some ground level retail space. Demolition permits were recently filed for existing structures on the 3-parcel assemblage to make way for new construction.

- **7-Parcel Assemblage** – Although still in the early stages of planning, Rubenstein Partners and Acme Smoke Fish Corp. have partnered to co-develop a mixed-use development that could total up to 583,000 buildable-square-feet if special permits seeking a rezoning are approved. Rubenstein has (4) separate "option" contracts for the parcels that comprise the full block bound by Wythe and Meserole Avenues, and Gem and Banker Streets; of which Acme's existing 65,000-square-foot production facility is spread across (4) of the parcels the company has long-time owned. If the project moves ahead as envisioned, a newly constructed 80,000-square-foot manufacturing facility will serve as the new home of Acme's operations, with the rest of the building to be designated for office use.

25 Kent Avenue - Rendering

12 Franklin Street - Rendering

7-Parcel Assemblage - Rendering

DCP Releases Bushwick Neighborhood as Rezoning Efforts Begin

An updated neighborhood plan was released by the Department of City Planning (DCP) in April after reportedly 4-years of planning and community engagement. The 77-page **Bushwick Neighborhood Plan** ("Plan") is a "draft area-wide plan that identities land use, housing, economic development, transportation, open space, and community health and resource strategies." The 300-block area that comprises the Bushwick neighborhood lies along the Brooklyn-Queens border; and is currently home to nearly 121,000 people. Taking a coordinated approach to neighborhood planning, the Plan provides a diverse set of strategies to preserve affordable housing, foster economic opportunity, and implement targeted investments in neighborhood infrastructure and community services in tandem with zoning changes to encourage new housing, especially with affordable housing. Based upon the tentative timeline, public review would begin this winter, with rezoning adoption sometime in 2020. Strategies are detailed within the Plan, providing a roadmap for achieving its objectives which include:

Housing – Rents increased in Bushwick by 60% between 2000 and 2016, nearly twice the citywide rate. In addition more than half of the neighborhood's households are considered "rent burdened," meaning they spend more than 30% of their income on housing.

- Preserve affordable housing;
- Make the affordable housing application process easier and more equitable;
- Promote local hiring and Minority and Women-owned Business Enterprise (M/WBE) contracting in affordable housing projects; and
- Develop new affordable housing.

Open Space – Bushwick is home to (14) community parks and playgrounds; and there are several park reconstruction projects in progress that will expand Bushwick's array of open space facilities.

- Enhance and expand Bushwick's neighborhood open spaces; and
- Build capacity of park stewardship groups.

Economic Development – While historically Bushwick's breweries, garment factories, and other industrial uses along Flushing Avenue and the eastern edges of the neighborhood serves as important sources of entry-level, middle-wage, and career jobs, shifting economic patterns and changes in technology have led to a steady decline in industrial employment. From 2008-2017 Bushwick added 4,400 jobs, representing a 37% increase — nearly double the citywide growth rate. Retail, entertainment, food service, and the hotel sector led the way in job gains during the same period. About 96% of Bushwick residents work outside of the neighborhood.

- Support businesses and aspiring entrepreneurs, and help them stay and grow in the neighborhood; and
- Connect residents to hobs and job training opportunities.

Health – The Bushwick neighborhood faces dramatic disparities in health, which are the result of decades of policy and practices that shape the conditions of the neighborhood's housing, the quality of the food they eat, and the employment opportunities they can access.

- Expand access to quality public health services and programming;
- Create healthier homes to address the neighborhood's high asthma rates;
- Provide resources and support to improve mental health; and
- Improve access to fresh, healthy, and affordable quality food.

Historic Preservation

- Protect Bushwick's historic resources through historic preservations tools;
- Protect the neighborhood's character and scale through contextual zoning.

Arts and Culture

- Ensure that the support of neighborhood-base arts and culture enables existing communities and cultures to thrive in place.

Bushwick Neighborhood Plan (cont'd)

Transportation – Bushwick is well-served by transit on its major corridors, including the J, M, Z and L trains as well as (9) bus routes. However there are only (3) Americans with Disabilities Act (ADA) accessible stations serving the area.

- Enhance pedestrian safety and mobility for Bushwick residents and visitors;
- Promote cohesive streetscapes with quality public spaces, wayfinding and lighting;
- Enhance local transit access, connections and service.

Land Use and Zoning

- Midblock Preservation – Reinforce predominant character of side streets and select corridors by matching zoning to the low-scale residential buildings and limiting building heights (i.e. contextual zoning) accordingly.
- Transit Corridors – Promote higher density mixed-use development, including permanently affordable housing as well as mixed-income housing, local retail, and community facilities.
- Neighborhood Corridors – Explore potential for medium density development with permanently affordable housing, mixed-income housing, and retail where appropriate.
- Historic Corridor – Protect neighborhood character and scale through contextual zoning.
- Mixed-use Corridors – Allow medium density development with permanently affordable housing and mixed-income housing, and strengthen commercial uses.
- Industrial/Commercial Buffer Zone – Reinforce and allow for growth of industrial and commercial uses and strengthen as a local job hub.
- Established Residential – Bring existing residential blocks into conformance with zoning.
- Mixed-Use Area – Encourage continuity of unique mix of uses, allowing businesses to remain and expand, while also bringing existing residential uses into conformance with zoning.

Zoning Proposal – The DCP developed a zoning proposal that takes into account feedback; and aims to achieve a balanced approach to neighborhood growth and address the need for increased affordable housing and economic opportunity while preserving neighborhood character.

- Preserve neighborhood character of Bushwick's side street (i.e. mid-blocks) by establishing contextual zoning districts.
- Allow for appropriate growth with permanently affordable housing, retail, and community facilities in appropriate locations on east-west avenues.
- Promote higher density mixed-use development with permanently affordable housing close to transit.
- Allow building envelope flexibility to respond to elevated train conditions and improve the pedestrian experience along elevated train corridors.
- Reinforce and increase job-generating uses and enhance the vitality of industrial districts.
- Encourage a mix of residential, commercial, and industrial uses to best respond to needs for both jobs and new housing, including affordable housing.

Source: https://www1.nyc.gov/assets/planning/download/pdf/plans-studies/bushwick-neighborhood-plan/plan/bushwick-neighborhood-plan.pdf

Brooklyn Development

Conversion Delivers Modernized Office and Retail Complex at 315 Meserole Street

The trio of East Williamsburg warehouses that formerly housed a pillow factory recently completed a major redevelopment, creatively transforming the properties into a modern office and retail complex. As part of the approximately $25 million project dubbed The Breeze, the existing 79,842 square feet of space was expanded to deliver a total of 100,000 square feet comprised of about 80,000 rentable square feet of office space on the 2nd and 3rd floors and a portion of the ground floor, with retail space on the remaining ground level, and restaurant/event space on the rooftop featuring a 4,119-square foot deck. In addition the over 1-acre site offers 12,000 square feet of outdoor space including a newly created 2,000-square-foot retail arcade branded the Breezeway and adjacent 6,000-square-foot landscaped area with outdoor seating. Construction was led by Brooklyn-based Hudson Companies, with ABS Partners Real Estate, LLC overseeing the leasing at the site.

315 Meserole Street - Project Rendering

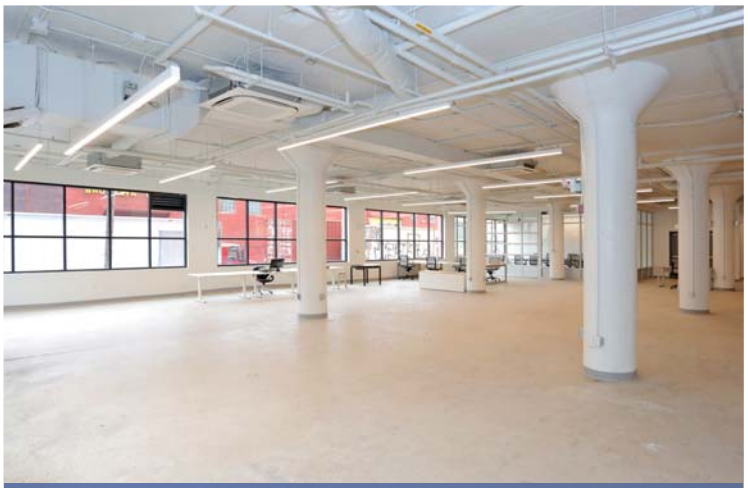
Boasting ceiling heights ranging from 10′-6″ to 14′-8″ and large floorplates, the main 3-story building features a colorful façade reportedly meant to be contextual with the legacy of the large warehouses and graffiti art that exist throughout the surrounding neighborhood. Several upgrades have been made including new windows and storefronts, updated elevators, and new building systems. The installation of a rooftop generator can accommodate tech companies who demand backup power; and pre-built office suites on the 1st floor feature glass, garage door conference rooms, stainless steel appliances and walnut cabinetry in the kitchen area.

315 Meserole Street (cont'd)

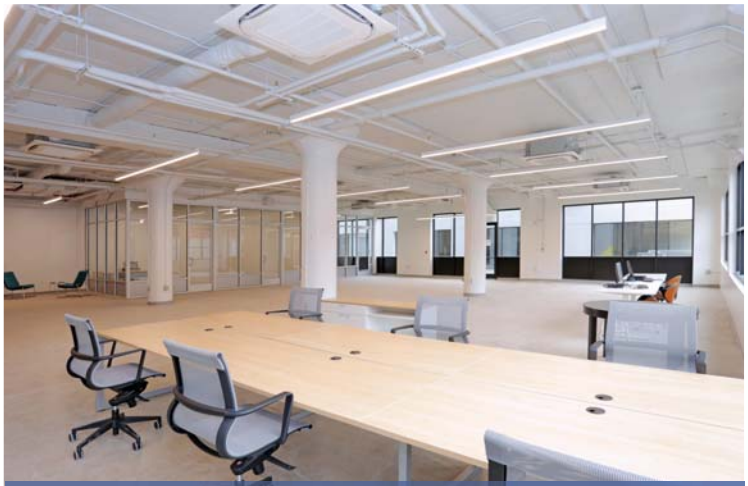
Pre-leasing activity has attracted several retail tenants including Aura Cocina and Bar and bakery and café Native Bread and Pastry in 3,575-square-foot and 2,663-square-foot ground level spaces respectively; as well as a lease secured for the 2,000-square-foot penthouse and rooftop deck for a rooftop bar and restaurant to be operated by the owners of Lavender Lake bar in Gowanus. Qualifying tenants relocating to Brooklyn are able to take advantage of the Relocation Employment Assistance Program (REAP) incentive as well as other incentives offered by New York City.

Penthouse / Rooftop Deck

Landscaped Courtyard - Night view



Interior View



Interior View

View along Scholes Street

Breezeway Retail Arcade

In the News

The Wheeler Nearing Deal for Big Block Tenant


The Wheeler, 422 Fulton Street - Rendering

The Whittle School & Studios is reportedly in late-stage negotiations to lease 622,000 square feet of office space at the project dubbed **The Wheeler** that is being developed by Tishman Speyer in Downtown Brooklyn. The $500 million development that is well underway will result in the repositioning of the 5-story upper portion of the 9-story **Macy's** building at 422 Fulton Street; and a 14-story glass enclosed addition, where asking rents are reportedly in the high $60s per square foot range, to create a total of 843,830 square feet of new commercial space. The exclusive private school founded in 2012 plans to open its first New York City school in 2021, and a second school in the five boroughs by 2026. News of the potential big block deal comes at a time when a number of office projects are expected to come online by 2020, raising concerns of an oversupply when in contrast to the borough's residential market, a migration from Manhattan of larger office tenants has yet to materialize.

Rent the Runway Heads to DUMBO


10 Jay Street

The online startup founded in 2009 that provides designer women's clothing / accessories for rent will be more than doubling its headquarters in the (4) top floors of **10 Jay Street** in 2020. The 10-story, 163,894-square-foot waterfront former warehouse recently completed a conversion to office-and-retail. Rent the Runway's new 83,501-square-foot space will reportedly hold 500 employees; and includes a penthouse with a private 10,000-square-foot terrace. Although full details were not available, performance incentives were offered through Empire State Development's Excelsior Jobs Tax Credit program. The startup will be expanding from its current 40,000-square-foot office occupied under a 7-year, 6-month sublease at 345 Hudson Street (Hudson Square) reported in mid-2015, having at the time expanded within the Midtown South neighborhood from a prior 27,000-square-foot space at 123 Varick Street. News of the lease comes just (3) months following reports of a 48,424-square-foot deal on the (2) bottom floors by Soho Works, the co-working brand of hotel and private-club chain Soho House.

Co-Living Start-up Common Continues Brooklyn Expansion


207 South 3rd Street

The New York-based startup that opened its first co-living facility in 2015 at 1162 Pacific Avenue in Brooklyn's Crown Heights neighborhood has further expanded its foothold in the borough. A 10-year, double-net lease was reportedly secured for the entire 10-units within the mixed-use rental located in Williamsburg at **207 South 3rd Street** on the corner of Roebling Street. The 4-bedroom units spread across 16,000 square feet within the 5-story, 24,697-square-foot building that recently completed a 3-story vertical expansion and redevelopment of the existing 2-story, 4-unit mixed-use property by Loketch Group. Dubbed **Common Marcy**, the new co-living facility is expected to open by early summer joining the (11) other Brooklyn locations Common currently operates, as well as (1) in Upper Manhattan and (3) in Queens.

Other recent expansion by Common includes the addition of 32-beds at **424 West 47th Street** (Hell's Kitchen), the 5-story, 11,000-square-foot building is undergoing a redevelopment by YD Development. Upon construction completion **Common Clinton** is expected to be the startup's most energy-efficient facility as a result of the installation of a solar canopy, motion sensor lights, low-flow plumbing fixtures, and smart thermostats. In addition, the Common reportedly teamed up with developer Tishman Speyer earlier this year to launch **Kin**, a shared-living space for families in the city.

Brooklyn (cont'd)

New to Market

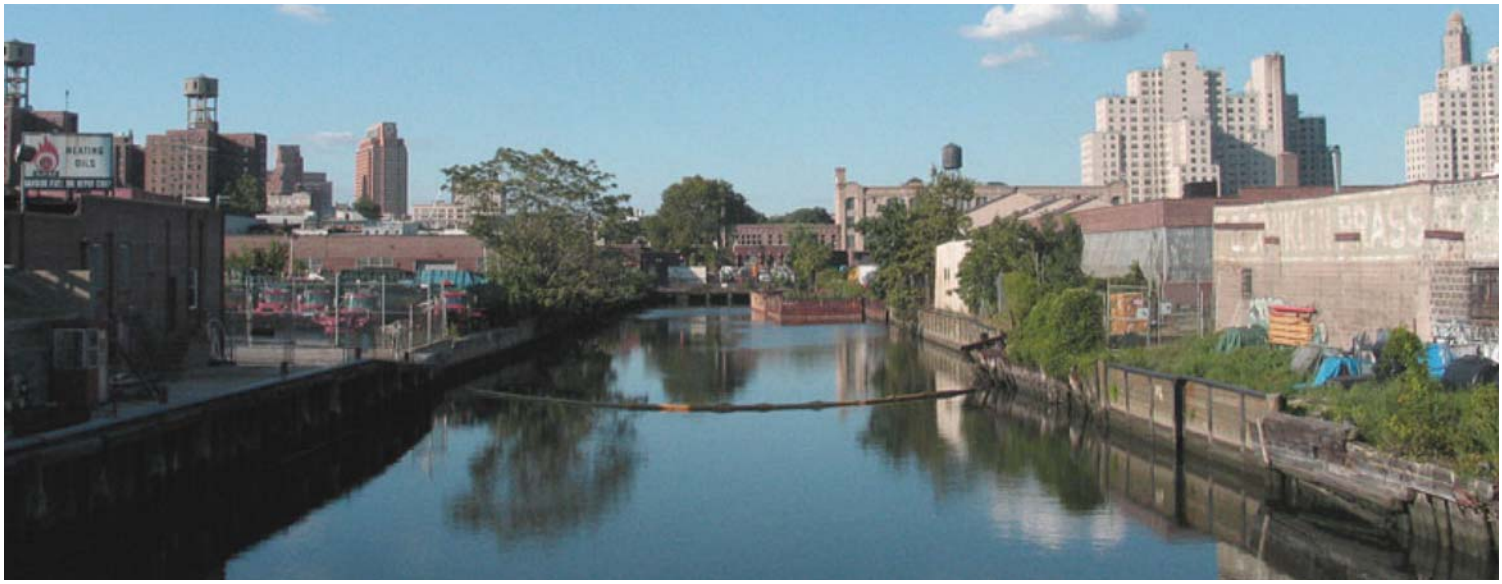
473-491 President Street aka 514-530 Union Street / 465-471 President Street aka 313-323 Nevins Street (Gowanus) – EcoRose Development has reportedly introduced the sale offering of the pair of adjacent properties, hoping to fetch in the neighborhood of $43 million. Currently hosting single-story warehouses totaling 48,955 square feet, the 2-parcel 48,955-square-foot assemblage can accommodate nearly 98,000 buildable square feet as-of-right for a commercial development according to reports. Plans are apparently being abandoned for a 150,000-square-foot to 300,000-square-foot commercial development, of which the office component was expected to be anchored by flexible office space provider **Knotel**. The project that has yet to be filed would have been Knotel's first ground-up development, reports last year indicating that the company was acquiring a small stake in the project, but is currently no longer involved. Had the deal moved forward, Knotel would have been a co-developer along with EcoRise and reportedly Cogswell Lee — the partnership of Cogswell and Lee & Associates.

The **Royal Palms Shuffleboard Club** is a tenant in one of the buildings, occupying about 17,000 square feet under a lease with a few years of term remaining, but would reportedly like to remain at the location long term. EcoRise had acquired the properties in 2014 for $17 million as part of a 5-parcel portfolio; and subsequently in 2016 sold the other (3) properties that offer 4,100 square feet of combined land area at 341 Nevins Street, 339 Nevins Street and 431 Carrol Street to Alloy Development for $2.775 million according to city records. The properties are located within the roughly 80 block area where a proposed rezoning is making its way through the Uniform Land Use Review Procedure (ULURP) process, and if approved will open the door to new mixed-use development.

96 Dekalb Avenue / 98 Dekalb Avenue / 104 Dekalb Avenue (Fort Greene) – The 3-parcel, 19,581-square-foot assemblage longtime owned by the Kotler family has reportedly been introduced to the market. Located at the corner of Ashland Place, the C6-4 zoned site can accommodate a mixed-use development up to nearly 200,000 square feet; and is being offered at an asking price of $65 million ($325 per buildable-square-foot) according to reports. Last trading in 1968 for an undisclosed price, the portfolio originally included 4-parcels; however in 1984 the 1,360-square-foot parcel at 102 Dekalb Avenue was sold. The site offers 213-feet of continuous frontage along Ashland Place; while frontage along Dekalb Avenue is split into (2) sections – 40-feet and 18-feet due to the sale of 102 Dekalb and the property at 100 Dekalb Avenue which has been longtime owned by another party.

Pending Site Sales

313-319 Bond Street / 323-331 Bond Street / 426 President Street / 383-401 Carroll Street (Gowanus) – The Rabsky Group is in contract to purchase the 7-parcel, 91,620-square-foot assemblage for reportedly $80 million. The parcels that span the majority of the full city block bound by Bond, Carroll and Union Streets were acquired by seller All Year Management through multiple transactions in July 2018 for a combined total of $61 million according to city records. Future plans by the contract vendee have yet to be revealed for the assemblage that currently hosts a mix of parking facilities and commercial and industrial buildings. The properties are located within the roughly 80 block area where a proposed rezoning is making its way through the Uniform Land Use Review Procedure (ULURP) process; and if approved will open the door to a reportedly 400,000-square-foot mixed-use development on the site, versus roughly 185,000 buildable square feet under current M2-1 zoning. As part of the pending sale, All Year Management will retain a 12.75% interest, but Rabksy has the option to secure a buyout of the stake for an additional $15 million; however the final sum is contingent upon the passing of the rezoning within 3-years according to reports.



Brooklyn (cont'd)

Recently Sold Sites

Pacific Park: Development Lease Acquisition for a Trio of Sites (Prospect Heights) – Efforts to accelerate construction of the entire project and meet the 2025 deadline to deliver a total of 2,250 affordable housing units, as reportedly stipulated in the agreement with the state to avoid the cash penalty if the deadline is not met, has prompted Greenland Holding Group to sell the development leases for (3) sites to the Brodsky Group and TF Cornerstone. Under the agreement with Empire State Development (ESD), upon construction completion the leases will convert to ownership rights.

664 Pacific Street - Rendering

- **664 Pacific Street aka 37 6th Avenue** – The Brodsky Organization secured the assignment of the development lease in December for $55.83 million ($147 per buildable-square-foot) according to city records. The developer reportedly plans to move ahead with the construction of the 26-story, 380,994-square-foot mixed-use development approved by the Department of Buildings in 2015. The 272-foot tall structure will host 323 rental units, of which 30% will reportedly be designated for affordable housing, and 69,858 square feet of community facility space for a new middle school. New construction that is nearing groundbreaking will rise on the site that spans the entire 6th Avenue block-front between Pacific and Dean Streets. According to reports in February, an approximately $249 mezzanine EB-5 loan already in place for the project will need to be redeployed, the developer deciding not to assume it.

- **TF Cornerstone** – The developer has assumed the development leases for the pair of adjacent site located between Vanderbilt and Carlton Avenues. Original plans dating back to 2014 detail (2) mixed-use towers offering a combined total of 644,300 square feet to host a total of 542 condominium units; however it appears plans will be modified, recent reports indicating that 800-units will be created, along with the retail, parking, and 72,000 square feet of open space. TF Cornerstone secured the assignment of the (2) development leases in February for roughly $142.897 million. A $75 million fee and leasehold mortgage was originated by M&T Bank in May to finance the deal.

  - **595 Dean Street aka 754 Pacific Street** – Designs have yet to be finalized for the project assigned to the developer for roughly $72.352 million. Earlier plans indicate a 327,215-square-foot, 277-unit development to be constructed.

  - **615 Dean Street** – The assignment of the development lease was secured for roughly $70.545 million for the project initially filed in June 2015, an approved in October 2017. If the developer proceeds with current plans detailing a 26-story, 363,080-square-foot mixed-use development, the 278-foot-tall tower will host 246 residential units and 5,275 square feet of commercial space.

Brooklyn (cont'd)

Projects on the Horizon


192-200 Montague Street Rendering

192-200 Montague Street (Brooklyn Heights) – Initial renderings were revealed for a proposed 20-story, 140,725-square-foot mixed-use development. If plans proceed as proposed new construction on the 10,000-square-foot site will give rise to a 215-foot-tall tower hosting 121-unit residential units spread across 93,686 square feet on the 2nd through 20th floors and 6,514 square feet of retail space. Midtown Equities and the Cayre Group appear to be co-developing the project under the entity 200 SJA Montague LLC. The project located between Court and Clinton Streets will replace an existing 4-story, 46,000-square-foot commercial structure that last traded in March 2007 for $25 million ($178 per buildable-square-foot).Project designs will require approvals by the Landmarks Preservation Commission (LPC) due to its location within Borough Hall Skyscraper Historic District according to reports. Demolition permits were filed in January for the existing structure to make way for new construction.

77-87 Commercial Street (Greenpoint) – Following the completed 50% buyout of former partner the Chetrit Group for an undisclosed price, Clipper Equities reportedly plans to move forward with the 3-building development filed in September 2014 that has already secured permits. The 112,000-square-foot waterfront property that can accommodate 548,005 buildable-square-foot was acquired in March 2012 for $25 million ($223 per buildable-square-foot); and 3-years later the co-developers secured an agreement with the city, paying $2 million for the transfer of excess development rights totaling 279,444 square feet from the adjacent city-owned parcel at 65 Commercial Street, which is utilized by New York City Transit. Reports indicate that as part of the deal 200 residential units, or nearly 28%, are required to be designated for affordable housing; as well as the developers agreeing to contribute to the creation of a new park dubbed **Box Street Par**k.

Demolition of the former 2-story, 95,000-square-foot structure has been completed; however groundbreaking of the new buildings has yet to move forward, but reports in early April indicated that Clipper intends to proceed with the residential project as originally planned. Per Department of Buildings (DOB) filing details, the 720-unit project offering a combined total of 805,196 square feet will include:

- 77 Commercial Street – The 30-story, 182,109-square-foot development will reach a linear height of $306-feet; and host 222-units spread across 167,795 square feet.
- 85 Commercial Street – The 7-story, 356,952-square-foot development will reach a linear height of 80-feet; and host 200-units spread across 233,294 square feet.
- 87 Commercial Street – The 40-story, 266,135-square-foot development will reach a linear height of 402-feet; and host 298-units spread across 240,163 square feet.

142-152 South Portland Avenue (Fort Greene) – MDG Design + Construction has pre-filed new building applications for a 13-story, 105,749-square-foot mixed-use development. The 129-foot-tall affordable housing development will host 100-unit spread across 76,297 square feet and 9,891 square feet of community facility space. New construction will rise on the 12,000-square-foot parcel located between Hanson Place and Academy Park Place. An existing 3-story, 9,400-square-foot structure located on a portion of the site serves as the home of the Hanson Place Seventh-day Adventist Church. The religious organization is reportedly partnering with the developer; and it seems likely that the building will remain.


441 4th Avenue - Rendering

441 4th Avenue (Park Slope) – Preliminary renderings have been released for a planned 11-story, 74,211-square-foot mixed-use development that secured Department of Building approvals in February. Ranco Capital will be constructing the 125-foot-tall structure that will host 63-units spread across 49,724 square feet of residential space, 3,741 square feet of commercial space, and 226 square feet for community facility use. The 8,264-square-foot parcel located on the corner of 9th Street was acquired in July 2018 for $15.5 million ($231 per buildable-square-foot) from not-for-profit Good Shepherd Services; and financed by a $10.32 million loan provided by Bank Leumi. Demolition permits were secured last year for the existing 3-story structure that reportedly served as the **Barbara Blum** residence, a supportive housing facility for teenagers operated by Good Shepherd.

Projects on the Horizon (cont'd)

5-Building Broadway Triangle Development – United Neighborhood Partners has been selected by the New York City Housing Preservation and Development (HPD) to construct the multi-building, 387-unit affordable housing project on multiple sites offering a combined total of about 68,500 square feet. The development team is a joint venture of non-profits Southside United HDFC-Los Sures, St. Nicks Alliance, RiseBoro Community Partnership and the United Jewish Organizations of Williamsburg, as well as for-profit developer Mega Contracting Group.

The Broadway Triangle, which is the area bound by Broadway, Flushing Avenue and Union Avenue, lies at the intersection of Williamsburg, Bedford-Stuyvesant and Bushwick. Designs for the new buildings are planned to achieve Passive House certification; and include landscaped courtyards, a plaza, and programmed rooftops. Financing for the project is expected to be provided by the city's Extremely Low- and Low-Income Affordability (ELLA) program. Over 10,000 square feet of newly created community and commercial space is expected to include a non-profit coffee shop operated by Reconnect Café, which employs at risk youth; a shared, flexible community space offering various services by the members of the development team; and an over 7,000-square-foot workforce development center operated by St. Nicks Alliance according to the press release by HPD. Construction is expected to break ground in 2020 for a tentative 2025 delivery of the (3) sites.

- Site A: (2) Distinct parcels — a 9,500-square-foot parcel along Flushing Avenue; and a 5,000-square-foot parcel along Bartlett Street;
- Site B: A 27,000-square-foot parcel along Bartlett and Gerry Streets; and
- Site C: A 27,000-square-foot parcel along Throop Avenue between Bartlett and Gerry Streets.


Broadway Triangle | Site A - Rendering


Broadway Triangle | Site B - Rendering


Broadway Triangle | Site C - Rendering

Bushwick II | Group E (Bushwick) – Blue Sea Development Company and Gilbane Development Company will be constructing a 13-story mixed-use development that will host 154 senior housing units and 3,000 square feet of community facility space. The development team was awarded the project in mid-March by the New York City Housing Preservation and Development (HPD) and the New York City Housing Authority (NYCHA). New construction dubbed **Linden Court** will rise along Linden Street between Wilson and Knickerbocker Avenues within the NYCHA complex that hosts (5) existing 3-story buildings containing a combined total of 276-units. The project is part of the HPD's **Seniors First** program, a three-pronged strategy intended to increase the availability of housing for seniors and people with disabilities.


Bushwick II | Group E Rendering

489 East New York Avenue (Crown Heights) – Renderings were released for the planned 12-story, 213,000-square-foot building that will expand the campus of the Beth Rivka Schools for girls located at 470 Lefferts Avenue. The proposed building which has yet to be filed will reportedly host a pre-school, expanded office space, fitness areas, community facilities, a cafeteria, and a landscaped rooftop playground. In addition a pair of 2-story spheres will be created on the upper levels and "contain column-free, open layout spaces imagined as informal learning areas for future students." Although unverified, new construction will likely rise on the 4-parcel, 10,800-square-foot assemblage at 489-495 East New York Avenue, which abuts the south-side of the existing campus between Brooklyn and New York Avenues. The school's owner Binyon Chomesh Inc. had acquired the assemblage in February 2011 through (2) transactions for a combined total of $1.49 million according to city records.


489 East New York Avenue Rendering

Projects on the Horizon (cont'd)

2840-2862 Atlantic Avenue (East New York) – Preliminary renderings were revealed for a proposed redevelopment and expansion of the historic **Empire State Dairy Building** that dates back to 1915. The NYC Housing Partnership, the city-authorized administrative agent for affordable housing under the not-for-profit HP Brooklyn Dairy Housing Development Fund Co., Inc., purchased the 43,550-square-foot parcel in September 2018 for $16.75 million from reportedly LSC Development. A pair of loans totaling $14 million was secured from Levon XVII LLC to close on the transaction; and subsequently an amended and restated mortgage was issued by Cross River Bank consolidating the (2) loans into a $13.2 million mortgage according to city record documents. The change of hands comes less than 2-years after LSC acquired the property in January 2017 for $11.05 million, about (9) months following approvals of the area's rezoning by the city council intended to spark the development of an estimated up to 7,000-units of affordable housing in East New York over the next 15-years.

2840-2862 Atlantic Avenue - Rendering

Brooklyn-based developer Bushberg Properties will be developing the project; and if plans move forward as proposed, in addition to an extensive restoration of the attached (3) main buildings, a 14-story tower will rise and cantilever above the dairy building. A total of 335 housing units will be created, as well as a 5,000-square-foot community facility and 29,000 square feet of retail space. Proposals are currently under review by the Landmarks Preservation Commission. There are (5) existing structures totaling 76,400 square feet on the site that spans the entire 200-foot-long block-front of Atlantic Avenue between Schenck Avenue and Barbey Street, a portion of which is reportedly not protected by landmark status and will be "partially demolished and re-excavated to facilitate construction of the new retail component.

204 4th Avenue (Gowanus) – A proposal has reportedly been presented to the Department of City Planning (DCP) by developer Avery Hall Investments, that if approved, will open the door to the construction of a larger residential development than the zoning of 19,000-square-foot site will allow as-of-right. The site currently owned by the Hess Corporation spans the entire 4th Avenue block-front between Sackett and Union Streets; and hosts a Speedway gas station. It is uncertain if negotiations are underway to acquire the site; or if a sale is pending proposal approvals by the city.

204 4th Avenue - Rendering

Roughly 50,000 square feet of additional development rights for the project are reportedly being sought by the developer in exchange for building a new entrance on the site to the southbound Union Street Subway for the R-train, as well as adding a staircase that is wider than the (2) existing stairways at the existing stop; and a much needed elevator access according to reports. At an anticipated cost of at least $11 million for the infrastructure upgrade, it equates to about $220 per square foot for the additional air rights. The request comes at a time when a proposed rezoning of Gowanus is making its way through the public review process; and if approved, would permit a development of up to 161,500 square feet on the site. The project is expected to top out at 17-stories; and host between 150 and 200-units, of which 25% to 30% would be required to be designated for affordable house as required by the Mandatory Inclusionary Housing (MIH) policy.

Project Plans in Progress

141 Willoughby Street aka 268 Flatbush Avenue Extension (Downtown Brooklyn) – Savanna filed new building applications in May for a 23-story, 363,336-square-foot commercial development that will reach a linear height of 360-feet. The filing represents a shift from previous proposals envisioned back in 2015 when the developer filed variance applications for a proposed 372,078-square-foot mixed-use development that would host a mix of 124,026 square feet of office and retail space and 270-units spread across a 248,052-square-foot residential component according to details posted on the Department of City Planning's website. However despite securing approvals with some modifications in 2016, opening the door to a reportedly scaled back 44-story, 310,000-square-foot tower with 203-units that would include some affordable housing, construction never broke ground.

Initially the development site included 2-parcels totaling 18,000 square feet acquired in January 2014 for $28 million, comprised of a parking lot and 3-story, 44,000-square-foot commercial building for which demolition permits were secured in 2016. In November 2018 Savanna acquired the remaining 2,655-square-foot parcel for roughly $4.008 million, completing the triangular shaped, full block site bound by Willoughby and Gold Streets, and Flatbush Avenue Extension.

Brooklyn (cont'd)

Project Plans in Progress (cont'd)


Greenpoint Landing | Phase II Rendering

Greenpoint Landing – Phase 2 (Greenpoint) – Brookfield Property Partners filed new building applications in March for the 3-building project to be constructed on the 4-parcel, 122,929-square-foot assemblage that will kick-off Phase 2 of development of the multi-building, 22-acre waterfront project. Upon full construction completion the trio of buildings will offer a combined total of 850,846 gross square feet; and host 745 residential units, of which 30% will be designated for affordable housing, and 8,616 square feet of retail space. Construction is expected to break ground this summer. According to reported announcements by Brookfield Office Properties and Park Tower Group affiliate Greenpoint Landing Associates, which is serving as master developer of the 11-building mixed-use **Greenpoint Landing** complex, a 1-acre public waterfront space surrounding the new buildings will also be created; and upon construction completion will be donated back to the city so it can function as a public park in perpetuity that will expand the existing public waterfront esplanade creating a total of 2.5-acres of continuous public open space.

- **1 Eagle Street** – The 39-story, 387,896-square-foot development will reach a linear height of 435-feet to host 335 residential units.
- **221 West Street** – The 29-story, 287,519-square-foot development will reach a linear height of 336-feet and host 302 residential units.
- **15 Eagle Street** – The 7-story, 175,431-square-foot development will reach a linear height of 67-feet to host 108 residential units.

In June Brookfield completed a buyout of Park Tower Group to take 100% ownership of the 4-parcel Eagle Street site as well as the 2-parcel assemblage where the 1 Bell Slip development will rise for roughly $148.497 million — $106.508 million and $41.889 million respectively. The acquisition was financed by a 3-year, $89 million floating-rate loan provided by Industrial and Commercial Bank of China (ICBC).

Other development activity at the project by Brookfield includes:

- **1 Bell Slip** (formerly 65 Commercial Street) – New building applications were filed in December for a planned 31-story, 379,803-square-foot mixed-use development. The 311-foot-tall structure to be constructed on the approximately 49,200-square-foot 2-parcel assemblage will host 408 residential units spread across 292,029 square feet and 992 square feet of commercial space.
- **One Blue Slip at 37 Blue Slip** (formerly 37 Commercial Street) – The 30-story, 369,843-square-foot mixed-use development located adjacent to a 1.5-acre park hosts 359 residential units opened in August, delivering the first market-rate tower within the complex. Tenant amenities reportedly include indoor and outdoor lounges, a yoga terrace, a gaming room, a fitness center, a bar with an outdoor terrace, a children's playroom and co-working space.
- **Two Blue Slip at 41 Blue Slip** – The 40-story, 448,412-square-foot mixed-use development is expected to open this year. Reaching a linear height of 400-feet, the tower will host 421 residential units and 813 square feet of commercial space.

Previously constructed developments by L+M Development Partners alongside Park Tower that delivered in 2016 include:

- **21 Commercial Street** (aka 7 Bell Slip) – A 6-story, 85,033-square-foot development containing 93 affordable housing units and 2,557 square feet of commercial space.
- **33 Eagle Street** - A 7-story, 98-unit affordable housing development.

Brooklyn (cont'd)

Project Plans in Progress (cont'd)

329-335 Broadway aka 300-304 Rodney Street (Williamsburg) – Construction is well underway for the 16-story, 96,425-square-foot mixed-use development by Parkview Management. The 195-foot-tall structure will host 63 residential units spread across 59,236 square feet, 24,575 square feet of community facility space, and 12,614 square feet of commercial space. The 12,600-square-foot corner parcel last traded in May 2013 for $4.7 million according to city records. Austin, TX-based PSL New Line, LLC provided a $45.6 million financing package in March 2018 that included a $9.18 million senior loan mortgage, a $28 million building loan, and a $8.42 million project loan.

329-335 Broadway - Rendering

1911 Atlantic Avenue (Bedford-Stuyvesant) – Thorobird Companies filed new building applications in April for a 14-story, 264,520-square-foot mixed-use development. The 144-foot-tall structure will host 236 residential units spread across 193,134 square feet, 15,006 square feet of commercial space, and 7,929 square feet designated for community facility use. Although (3) parcels among the 15-parcel, 30,164-square-foot site that spans the entire Atlantic Avenue block-front were acquired by Thorobird for a combined total of $2.61 million in 2017 and 2018, the remaining (12) parcels are controlled by the city, likely indicating that it will be an affordable housing development.

68-80 Schermerhorn Street (Brooklyn Heights) – Construction is well underway for the 12-story, 86,185-square-foot mixed-use development. Rising between Court Street and Boerum Place, the 125-foot-tall structure will host 59 residential condominiums, 1,842 square feet of retail space, and 817 square feet designated for community facility use. Construction financing was reportedly secured last year totaling $42.1 million, of which Bank OZK provided the 3-year debt, while The Davis Companies provided equity of an undisclosed amount. The 9,400-square-foot parcel was acquired in January 2018 for $24.75 million by joint venture of Lonicera Partners and Orange Management, the acquisition financed by a $12 million loan that was also provided by the Arkansas-based lender according to city records.

68-80 Schermerhorn Street Rendering

Project Plans in Progress (cont'd)

583 Emerald Street (East New York) – Radson Development, under the entity Canyon Sterling Emerald LLC, filed new building applications in February for an 8-story, 144,858-square-foot residential development. The 95-story structure will be constructed on the 13,300-square-foot parcel that spans the entire Loring Avenue block-front between Emerald and Amber Streets; and will host 154-units spread across 110,716 square feet. The development is one of a 4-building project for the 100,000-square-foot vacant full block assemblage bound by Linden Boulevard, Amber Street, Emerald Street and Loring Avenue. Radson is developing the project along with the New York City Housing Partnership Development Corporation through its HP MJM Housing Development Fund Co., Inc., the not-for-profit corporation holding "legal or record title" to (3) of the (4) parcels "solely as nominee on behalf of the developer" according to city record documents. Originally comprised of 29 tax lots, a lot apportionment completed in September 2017 created the (4) new parcels. In April 2016, the housing fund had purchased 24 of the parcels for $6.2 million, while the remaining 5-parcels that fronted Linden Boulevard appear to have been longtime-owned by Radson.

Other project filings on the block by Radson include:

- **2858 Linden Boulevard** – New building applications were filed in October 2017 for a 12-story, 255,400-square-foot affordable housing development to be constructed on the currently vacant 88,000-square-foot assemblage. The 143-foot-tall structure will rise on a 33,900-square-foot parcel that fronts the entire Linden Boulevard block-front between Emerald and Amber Streets; and will host 235 residential units spread across 188,028 square feet and 17,205 square feet of commercial space. Radson controls the parcel under a 99-year leasehold secured in June 2018. The New York City Housing Development Corporation (HDC) provided a roughly $82.621 million financing package included a roughly $4.324 million leasehold mortgage, $70.287 building loan, and $8.011 project loan according to city record documents.

- **573 Emerald Street** – New building applications were filed in February 2019 for an 8-story, 174,715-square-foot residential development. New construction will rise on the 26,400-square-foot parcel; and host 15—units spread across 114,858 square feet.

- **346 Amber Street** – Permits have yet to be filed for the development that will rise on the 26,400-square-foot parcel.

2367 Pacific Street (East New York) – Catholic Charities Progress of Peoples Development Corp filed new building applications in March for an 8-story, 83,686-square-foot residential development that will reach a linear height of 80-feet, and host 155-units spread across 73,131 square feet. The 22,300-square-foot parcel located on the corner of Sackman Street is controlled by the developer under a 53-year ground lease, including a 46-year extension option, that was secured in April 2011 for $157,000 from the Church of Our Lady of Loretto according to city records documents. A former 2-story structure has already been demolished to make way for new construction.

239-257 Butler Street (Gowanus) – Sam Boymelgreen, under the entity 255 Butler Associates, LLC, filed permits in March for a planned warehouse-to-office conversion of the existing 4-story, 95,083-square-foot former printing plant reportedly known as the **R.G. Dun and Company** building. The recent filing represents a shift in plans from permits filed by the developer in 2014, detailing a more ambitious 3-story vertical expansion to create a 162-key hotel. The 37,500-square-foot site that offers 3-sides of frontage along Butler, Nevins and Baltic Streets is controlled by Boymelgreen under a 49-year ground lease, including (2) 10-year extension options, secured in March 2013 for $7 million ($74 per square foot).

2815 Atlantic Avenue aka 227 Hendrix Street (Cypress Hills) – Developer Joel Schwartz' South Side Associates filed new building applications in April for a 13-story, 70,038-square-foot mixed-use development. The 140-foot-tall structure will host 67 residential units and 1,283 square feet of commercial space. New construction will replace an existing 2-story, 13,232-square foot commercial building according to demolition permits secured last year. The 6,658-square-foot parcel was acquired by the developer in December 2017 for $2.5 million; and financed by a $1.5 million mortgage provided by Great Neck, Long Island-based Grande Prezzo LLC. Earlier this year Brooklyn-based Keap Gardens Holdings LLC acquired a 20% undivided tenant-in-common interest in the project for $2.8 million; and in March, a $2 million loan from San Francisco, CA-based Conventus LLC included the assignment of the existing $1.5 million debt and a newly provided $500,000 gap mortgage according to city record documents.

Brooklyn (cont'd)

Lending

41 Flatbush Avenue (DoBro) – The joint venture of Quinlan Development Group and Building & Land Technology (BLT) have reportedly secured roughly a $188.268 million refinancing package for the 10-story, 230,000-square-foot former storage facility. A $30 million gut renovation was completed in 2017, repositioning the block-through asset into about 270,000 square feet of office and retail space. The financing package provided by PCCP (formerly Pacific Coast Capital Partners) includes a $122.245 million acquisition mortgage, a $40.516 million building mortgage, and a $25.508 million project mortgage according to city record documents. The JV acquired the rebranded Pioneer Building in 2015 for $89.4 million ($389 per square foot).

9-31 Dekalb Avenue aka 340-366 Flatbush Avenue Extension (Downtown Brooklyn) – JDS Development has reportedly secured a $664.1 million loan package to fund the construction of the 1,066-foot-tall tower that began preliminary construction in early 2017. Otéra Capital Inc. provided the senior mortgage and Silverstein Capital Partners provided $240 million in mezzanine financing, the deal marking the first construction loan issued by Silverstein's new lending arm launched late last year according to reports. Due to the site's location within an Opportunity Zone, JDS is reportedly considering raising additional funds through the new program created as part of the federal government's Tax Cuts and Jobs Act enacted in 2017, which grants tax benefits to investors in qualifying projects in certain low-income census districts.

Challenges securing financing over the past year have reportedly delayed construction of the as-of-right 73-story mixed-use development that will host 425 rental units, of which 30% will be capped at below market rates, 150 condominium units, and 120,000 square feet of retail space. As part of the ambitious project, construction will rise above the adjacent landmarked 150-year-old former **Dime Savings Bank of New York** now owned by JDS following its 2015 acquisition from JPMorgan Chase. The 68,904-square-foot bank building will undergo a restoration for continued retail use; and connect to the new tower through a newly created atrium. Initially co-developing along with the Chetrit Group, JDS ultimately acquiring the stake sometime last year for reportedly $60 million. With financing in place, above ground construction is expected to begin this summer for a tentative delivery by 2022.

9-31 Dekalb Avenue - Rendering

View of Building Base - Rendering

Atrium View - Rendering

Brooklyn (cont'd)

Lending (cont'd)

42-44 Jay Street - Rendering

42-44 Jay Street / 46-50 Jay Street (DUMBO) – Alloy Development and Davis Companies have reportedly secured a $61 million loan from Bank OZK to finance the $52.3 million ($606 per square foot) acquisition and provided construction financing for the proposed repositioning of the connected buildings. News of the deal comes about (8) months following initial reports of Alloy entering into contract for the purchase of the properties that offer a combined total of 86,350 square feet plus an 11,400-square-foot cellar. As part of the repositioning, the single-story rooftop expansion of the existing 5-story structure will raise its height to 102 linear feet; while the 7-story building will undergo a 2-story vertical expansion bringing its final linear height to 137-feet. If new ownership secures LPC approvals for the project located in the DUMBO Historic District the overall square-footage of the buildings to reportedly be renamed **168 Plymouth Street** will increase to 92,253 square feet, and 46 new residential units will be constructed according to alteration permit details filed in July 2018 with the city's Department of Buildings (DOB).

Longtime owner Phoenix House introduced the sale offering last January of the newly renovated $9 million 7-story residential substance-use treatment center known as **Phoenix Life Center**, and the interconnected 5-story building that houses the non-profit's offices. Phoenix's decisions were reportedly prompted by its inability to fill the majority of the facility's beds in the face of heightened competition from for-profit drug treatment programs. Sources at the time anticipated the sale could fetch between $800 and $900 per square foot.

834 Pacific Street (Prospect Heights) – Happy Living has secured a $35 million financing package that consolidated $3.3 million in existing debt with a roughly $23.995 million leasehold gap mortgage, and included a separate $7.705 million project loan. The loans were provided Scale Lending, a $750 million real estate lending company focused on New York City launched in October 2018 by Slate Property Group and the Carlyle Group. The financing closed on January 29th, and marked Scale's first deal in New York according to reports. Happy Living is planning to construct a 5-story, 94,619-square-foot mixed-use development, replacing an existing 4-story, 28,978-square-foot building that formerly served as a rectory for fee-owner St. Joseph's Roman Catholic Church of Brooklyn. The 50-foot-tall structure will host 84-residential units spread across 66,298 square feet and nearly 2,000 square feet of community facility space. The developer controls the 20,030-square-foot portion of the 51,414-square-foot parcel under a 48-year ground lease secured in May 2018 for $5 million ($53 per buildable-square-foot); and if the (2) 25-year renewal options included in the deal are exercised, it will extend the term through December 31, 2116 per city record documents. The religious organization will retain use of the remaining 31,384 square feet of land area that had been subdivided in January from the original tax lot.

Queens Development

Bright Light Shines on One Court Square with Potential Big Block Lease

Amid the ripple effect of Amazon's decision to withdraw plans to create an HQ2 campus in the Queen's neighborhood of Long Island City, the 52-story, 1,538,747-square-foot **One Court Square** tower (formerly known as the Citicorp Building) was left with the challenge of filling the nearing vacancy of a 949,373-square-foot space. As part of the formerly planned HQ2 project, Amazon had entered a letter of intent for the space at the 25-01 Jackson Avenue building that longtime anchor tenant Citibank planned to vacate, to serve as a temporary headquarters while undertaking construction of the new campus along nearby Anable Basin. However upon abandoning the HQ2 project, the lease to Amazon fell through.

Prior to the Amazon LOI, reports indicated that managed healthcare organization Centene Corporation had been considering a lease at the Court Square tower, but the anticipated Amazon deal subsequently prompted Centene to shift its focus on a sublease for the majority of the 329,981 rentable-square-foot space at **One World Trade Center** that publisher Condé Nast introduced to the market in 2018. However with the Long Island City tower back in play, the St. Louis, MO-based company's interest once again turned to Queens where they reportedly have a lease out for up to 500,000 square feet. Decisions to secure the large space have likely been prompted by Centene's rapid expansion in the tri-state area; and its 3.8 billion acquisition last year of healthcare company Fidelis Care, which reportedly houses its New York City district office in the 358,000-square-foot building in Rego Park at 95-25 Queens Boulevard it acquired in 2017, but shares with other tenants.

Centene will be able to take advantage of the same as-of-right benefits offered to Amazon. The city's **Relocation and Employment Assistance Program** (REAP) offers a tax credit for companies that move employees to the outer boroughs, but is expected to expire on June 30, 2020 unless a further extension of the program is made. News of the potential lease comes at a time when a $315 million loan secured by landlord Savanna in 2015 is nearing a 2020 maturity. Reports following Amazon's announced withdrawal in February indicated that efforts to secure a refinancing would likely face heightened challenges if the large looming vacancy by Citibank is not re-tenanted, since Savanna's prior "talks to either borrow more money or sell stakes in the property" were reportedly contingent upon the lease deal moving forward with Amazon.

TWA Hotel

Queens (cont'd)

TWA Hotel Makes its Debut at JFK Airport

Nearly 2.5-years since initially proposed, the TWA Hotel project that broke ground on December 15, 2016 to bring the first on-site hotel to JFK Airport in Jamaica officially opened on May 16th. The project is particularly significant in that it has brought a new life to the 310-foot-wide, 200,000-square-foot winged structure that formerly served as the **Trans World Flight Center**. Adding a modern amenity to the airport, the structure serves as a symbolic reminder of the "dawn of commercial jet aviation. The $265 million redevelopment and restoration of the official New York City landmark repositioned the former flight center that opened in 1962 as a public entrance to the pair of adjacent 512-key hotels that straddle each side of the structure located adjacent to Jet Blue's Terminal 5. The project by MCR Development, along with JetBlue Airways Corporation as a minority investor, required the partnership of 22 government agencies according to the hotel's website. MCR controls the flight center under a long-term lease from the Port Authority of New York and New Jersey (PANYNJ); and despite its landmark status did not require approvals from the Landmarks Preservation Commission (LPC) since it is owned by the PANYNJ.

Built to LEED certification, the new 6-story hotel structures are reportedly powered by a $15 million system that generates its own electricity more efficiently via (4) Austrian-made, natural gas-fired electrical generators and a truck-size battery, without any connection to Con Edison's power grid according to reports last year. Excess power during hours of low usage are stored in a large battery, which will then serve to supplement the power supply during peak hours of elctricity demand, thereby eliminating the need to increase power production by the generators. In addition, waste heat from the generators is used to warm water for the property's plumbing and heating and ventilation systems.

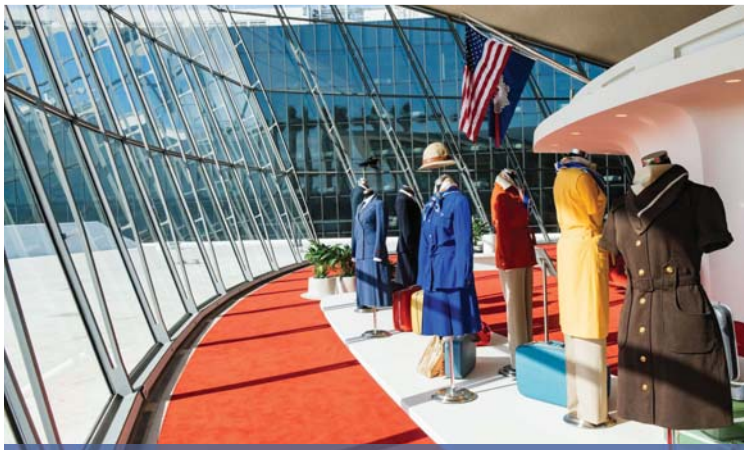
The former flight center serves as the "heart of the hotel;" and hosts a 50,000-square-foot event and conference center, 10,000-square-foot fitness center, as well as a mix of retail outlets, (6) restaurants and (8) bars, one of which is located within a converted **Lockheed Constellation L-1649A** airplane. Additional guest amenities within the hotel complex include a 63-by-20-foot infinity pool located on a 10,000-square-foot rooftop observation deck that will reportedly be open 365-days a year; and can be heated to up to 100-degrees during the winter months. In addition travelers can access JetBlue's Terminal 5 directly through the renovated flight tubes made famous by the 2002 film *Catch Me If You Can*. The structure had remained in limbo since its closure in 2001 following American Airlines' acquisition of Trans World Airlines (TWA). The Port Authority of New York and New Jersey (PANYNJ) has been preserving the building over the years with a reported initial investment of $20 million plus $1.5 million per year in operational costs.

In order to retain the spirit of site's history, several nostalgic features including a "custom solari split-flap analog display manufactured in Italy that shows flight arrivals and departures." There are also museum exhibits throughout the hotel curated by the New York Historical Society that will showcase a rotating display of the 2,010 piece collection of TWA artifacts; while the guest rooms and lobby area include rotary dial phones and 1960s-era 10-cent pay phones. MCR had also secured the license for the T.W.A name and logo from American Airlines, opening the door to TWA-branded items throughout.

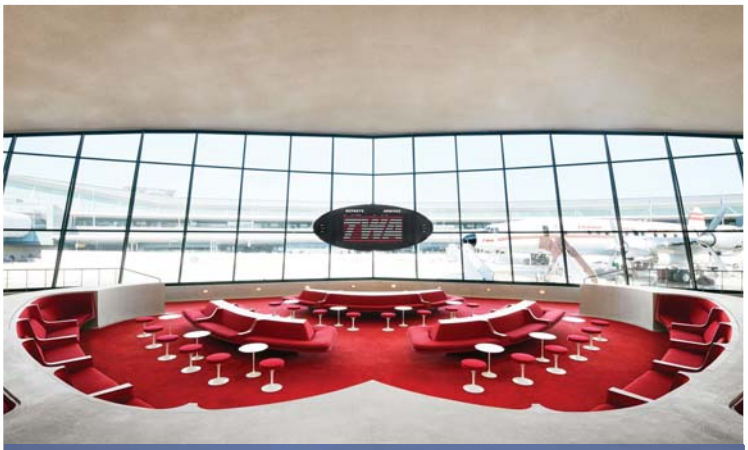
TWA Hotel (cont'd)

Former TWA Flight Center - Interior View

Former TWA Flight Center - Interior View



Museum Exhibit - TWA Artifacts Showcase



Former TWA Flight Center - Interior View

Hotel Pool

Hotel Guest Room

Queens (cont'd)

New to Market

102-05 Ditmars Boulevard (East Elmhurst) – Rubicom Companies has reportedly introduced the sale offering of a roughly 1.5-acre (65,340 square feet) parcel located on the west side of Grand Central Parkway, directly across from LaGuardia Airport. The site that currently serves as a parking lot sits on the northern end of a larger 4.6-acre parcel; and shares the tax lot and address with the 10-story, 261,267-square-foot **New York LaGuardia Airport Marriott** hotel. It is anticipated by reported sources that the sale could fetch between $20 million and $50 million, the site offering the potential for a roughly 750,000-square-foot project. However the project will require approvals from the city's Department of City Planning (DCP) due to a restrictive covenant stemming from the 127-block area of the East Elmhurst neighborhood that was rezoned in 2013 with the intention of protecting the one- and two-family character typical of area, while directing new residential and mixed-use development to locations within the rezoned area along the main shopping corridors and near transit resources.

Pending Site Sales

Astoria Assemblage (Astoria) – Silverstein Properties is continuing to piece together a large assemblage that spans a trio of blocks bound by 35th and 36th Avenues between Steinway and 43rd Streets. Over the (4) months of November through February the developer added (6) additional parcels to bring the tally to (13) of the total (25) tax lots that comprise the (3) blocks. Last May Silverstein secured a "Memorandum of Agreement to enter into a ground lease" of the other (7) parcels for an undisclosed price from longtime fee-owner Queensboro Farm Products. Future development plans by Silverstein have yet to be revealed for the properties that are primarily zoned M-1; and floor-area-ratio (FAR) is 1 FAR for commercial or 2.4 FAR for community facility, requiring a rezoning if residential use will be included in any re-development plans.

Address	Seller	Lot Sq. Ftge.	Memorandum of Contract Date
42-07 Northern Blvd	Premier Equities	24,387	02-04-19
35-42 41st Street	Mayer Malbin Realty	13,216	12-14-18
35-45 41st Street	Mayer Malbin Realty	15,767	12-14-18
35-33 41st Street	Mayer Malbin Realty	10,020	12-14-18
35-18 43rd Street	Alfess Realty LLC	4,000	11-26-18
35-10 43rd Street	Alfess Realty LLC	6,000	11-26-18
Address	**Fee-owner**	**Lot Sq. Ftge.**	**Memorandum of Lease Date**
35-19 Steinway Street	Queensboro Farm Products	28,500	05-31-18
35-13 41st Street		40,000	
35-02 42nd Street		10,000	
35-22 42nd Street		6,000	
35-28 42nd Street		6,000	
35-17 42nd Street		10,000	
42-08 35th Avenue		9,000	
Totals		**182,890**	

Projects on the Horizon

242-22 61st Avenue (Douglaston) – Development plans have been proposed by seller Marx Development Group (David Marx) for the vacant 122,100-square-foot (2.8-acre) site known as Douglaston Acres; and located between the Douglaston Shopping Center and the Douglaston Park Golf Course. If approvals are secured for the project as proposed the site that was introduced to the market in Mach (2019) at a reported asking price of $45 million ($180 per buildable-square-foot) will give rise to a 15-story, 250,000-square-foot assisted living facility complex including parking, medial space and a 200-bed long-term care facility according to reports. The site currently zoned R4 will reportedly require a rezoning to accommodate the proposed building height.


242-22 61st Avenue Rendering

Projects on the Horizon (cont'd)

Hunter's Point South – Sites F and G (Long Island City) – The Gotham Organization and non-profit RiseBoro Community Partnership pre-filed applications in March for (2) affordable housing developments as part of Phase 2 of the 22-acre multi-building **Hunter's Point South** waterfront complex. Goldman Sach's Urban Investment Group is reportedly providing $83 million for the developments that will host a combined total of 1,144-units, of which a portion of the units will be designated for senior housing according to reports near the end of last year. The co-developers were awarded the projects in November 2017 by the New York City Department of Housing Preservation and Development (HPD) and the Housing Development Corporation (HDC). The city-owned waterfront sites located on the southern tip of the new neighborhood are being developed under Mayor de Blasio's **Housing New York 2.0 Plan** which increased the administration's 10-year affordable housing goal to 300,000 units by 2026. Upon full construction completion Hunter's Point South will include over 11-acres of landscaped waterfront parkland, new streets, new retail and community facility space, new schools, and 5,000 units of housing, of which at least 60% will be permanently affordable.


Hunter's Point South | Sites F/G - Rendering

- **57-28 2nd Street** (Site G) – The 33-story, 371,953-square-foot mixed-use development will reach a linear height of 360-feet and host 452 residential units spread across 327,982 square feet and 6,981 square feet of community facility space.

- **1-15 57th Avenue** (Site F) – The 57-story, 699,580-square-foot mixed-use development will reach a linear height of 612-feet and host 692 residential units spread across 643,314 square feet, 9,071 square feet of commercial space, and 19,434 square feet designated for community facilities use.

The community facility space will include a medical center; arts and cultural space offering programs to be operated by non-profit **Flux Factory**; recreational space to complement the waterfront park already under construction, including a boathouse providing recreational boating programs to be operated by non-profit **HarborLAB**; and a rooftop urban garden that will be open to the public.

Other activity at the project as part of Phase 1 development includes:

- **Hunter's Point South Commons** – The first (2) buildings constructed as part of Phase 1 were completed in 2013 by the development team of Related Companies, Phipps Houses, and Monadnock Construction. The total 925 housing units are permanently income-restricted; and a total of 17,000 square feet of retail space was created. Among the tenant amenities is a 2,300-square-foot urban farm where **GrowNYC** will feature cooking classes and herb education workshops; and an apiary (place where beehives of honey bees are kept)
  - **1-50 50th Avenue** (Site A) – The 37-story, 522,805-square-foot mixed-use building hosts (619) residential units and (3) retail units.
  - **1-55 Borden Avenue** (Portion of Site B) – The 32-story, 228,309-square-foot mixed-use building hosts (306) residential units and (3) retail units.
- TF Cornerstone and non-profit Selfhelp Community Services filed new building applications for a pair of mixed-use developments to be constructed on the majority of Site C, a 110,906-square-foot waterfront parcel. Upon full construction completion a combined total of 1,194 housing units will be added to the area.
  - **52-03 Center Boulevard** – The October 2017 filing detailed a 56-story, 855,541-square-foot mixed-use development. The 587-foot-tall tower will host 800 affordable housing units spread across 766,551 square feet and 8,073 square feet of commercial space. The development will be the first of the (2) buildings to rise on the site.
  - **52-41 Center Boulevard** – The February 2018 filing detailed a 46-story, 410,240-square-foot mixed-use development. The 475-foot-tall structure will host 394 residential units spread across 374,100 square feet, 850 square feet of commercial-retail space on the ground level, and a 7,950-square-foot daycare facility.
- **1-35 57th Avenue** (Portion of Site C) – A new 612-seat public elementary school will be constructed by the New York City School Construction Authority (SCA). In addition to classrooms, the 4-story, 75,100-square-foot structure will include a cafeteria, library, parent community space, outdoor playground, and a large multi-purpose space that can hold 214 people for a gymnasium.
- **Hunter's Point Campus** (Portion of Site B) – The 5-story, 136,108-square-foot school campus was constructed in 2011 by the SCA, creating a 1,100-seat Intermediate/High School facility.
- **5-Acre Waterfront Park** - The recreational space was constructed by the New York City Economic Development Corporation (NYCEDC).

Queens (cont'd)

Projects on the Horizon (cont'd)

160-05 Archer Avenue / 92-25 160th Street aka 160-01–160-19 Archer Avenue (Jamaica) – Shorewood Real Estate Group filed new building applications in April for a 24-story, 326,528-square-foot mixed-use development. The 250-foot-tall structure will host 315 residential units spread across 226,895 square feet and 131,282 square feet of commercial space. The planned project marks Shorewood's first development to be financed by the company's $250 million **Opportunity Zone** fund reportedly launched in 2018. The 2-parcel, 27,357-square-foot assemblage was acquired last August for $19.008 million; and due to the site's location within an 'Inclusionary Housing Designated Area' will benefit from up to a 33% increase in floor area ratio (FAR) according to reports at the time.

Projects in Progress

27-01–27-07 Jackson Avenue (Long Island City) – Fetner Properties and Lions Group NYC filed new building applications in May for a 27-story, 197,718-square-foot mixed-use development. The 336-foot-tall structure will host 139 residential units spread across 139,981 square feet, of which a portion will be designated for affordable housing, and 11,250 square feet of commercial space. New construction will rise on the vacant 9,195-square-foot parcel on the corner of 43rd Avenue that last traded in July 2013 for $11.6 million; and is part of a 2-building project for which the city reportedly sold about 362,700 square feet of air space to the developers in exchange for the inclusion of affordable housing units and a "cash payment based on the average square foot rates for local residential sales, according to New York Law School's CityLand."

27-01 Jackson Avenue - Rendering

Although the second development has yet to be filed, the reportedly 49-story, 191,700-square-foot development will be constructed in partnership with the city's Department of Housing Preservation and Development (HPD) directly across the street at **26-32 Jackson Avenue**. The tower will host a 91-car parking facility on the first 3-levels and 361 residential units, of which 112-units will be designated for affordable housing.

51-22 Roosevelt Avenue (Flushing) – New building applications were filed in April by an unknown partnership under the entity HW LIC ONE LLC for a 17-story, 64,000-square-foot mixed-use development. The 190-foot tall structure will host 90 residential units spread across 62,158 square feet and 1,500 square feet of commercial space. A 36-year lease commencing March 1st was secured by Barone Management for an undisclosed price, the transaction included a right of first offer and a purchase option exercisable during the first 5-years of the lease term according to city record documents. It is unclear if the project will be developed solely by Barone, or jointly with the fee-owner of the 25,956-square-foot property on the corner of 51st Street. Demolition permits have yet to be filed for the pair of existing single-story warehouses totaling 20,960 square feet.

13-38 Central Avenue (Far Rockaway) – Brooklyn-based Brisa Builders Corp. filed new building applications in early March for a 9-story, 239,620-square-foot mixed-use development. The 95-foot tall structure will host 219 residential units spread across 132,023 square feet, 11,806 square feet of commercial space, and 51,137 square feet designated for community facility use. New construction will rise on the 9-parcel, 42,758-square-foot assemblage located at the corner of Nameoke Avenue. It is unclear if Brisa has a pending deal to acquire the sites; or will be co-developing along with some, or all of the (4) separate owners currently listed on city records.

Queens (cont'd)

Lending

36-02 Steinway Street (Long Island City) – Co-developers JMH Development and Mettle Property Group have reportedly secured a 3-year, $56 million loan from Slate Property Group's financing arm Scale Lending to help fund the planned 6-story, 158,123-square-foot mixed-use development. The 70-foot tall project that has secured Department of Buildings' approval will host 143-residential units spread across 97,349 square feet and 18,531 square feet of commercial space. Initially planning a duel-branded 289-key hotel development split between (2) Hilton Hotel & Resorts brands — a 102-key Homewood Suites and a 187-key Hampton Inn, project plans shifted directions in late 2017 amid concerns of a potential oversupply of inventory according to reports at the time. New construction will rise on the 11,101-square-foot site the joint venture controls under a 99-year leasehold from fee-owner supermarket chain Western Beef. The $19.6 million deal secured in August 2016 runs through August 31, 2115. The irregular-shaped parcel offering 3-sides of street exposure boasts over 330-feet of frontage along Steinway Street, as well as 138-feet and 114-feet along Northern Boulevard and 38th Street respectively.

36-02 Steinway Street- Rendering

107-02 – 107-16 Queens Boulevard aka 106-24 70th Avenue (Forest Hills) – RJ Capital Holdings and RB Realty Capital have reportedly secured a 3-year, $65 million floating-rate loan. CIT Bank provided the $53 million senior mortgage, while Naftali Credit Partners provided $12 million in mezzanine financing according to reports. The new construction financing will help fund the planned 10-story, 149,930-square-foot mixed-use development that was initially filed in March 2018 and approved earlier this year. The 120-foot-tall structure will host 72 residential units spread across 72,830 square feet,11,640 square feet of commercial space, and a 75-car parking garage to be constructed on the building's 2nd floor. Demolition permits for the existing single-story, 11,948-square-foot strip mall were secured in November 2016; however reports last year indicated that due to existing tenant leases extending through 2021, the project will likely remain on hold for a few years. The 17,090-square-foot parcel located on the corner of 70th Avenue last traded in June 2016 for $21.1 million, a $12 million loan provided by Bank Leumi financed the transaction.

107-02 Queens Boulevard - Rendering

135-29–135-45 Northern Boulevard (Flushing) – Xinyuan Real Estate secured a $26 million financing package from Madison Realty Capital. The 2-year, non-recourse loan includes a $16 million mortgage and a $10 million project loan that will help fund pre-development of the planned mixed-use development. The project which received Landmarks Preservation (LPC) approvals in May 2017 will include the restoration of the landmarked grand foyer and ticketing lobby of the existing **RKO Keith's Theater** that closed in 1986. A 13-story/16-story vertical expansion will add about 300,000 square feet to the structure's existing 13,726-square-foot size; and host 267 residential units spread across 280,810 square feet, 17,460 square feet of commercial space, and 15,857 square feet designated for community facility use according to alteration plans approved in November 2015. Xinyuan acquired the 41,509-square-foot parcel located between Farrington and Prince Streets for $65.775 million ($219 per buildable-square-foot) in reportedly an all-cash deal; and athough deciding to move ahead with the plans initially filed and abandoned by seller JK Equities, Xinyuan has reportedly left the door open to the possible inclusion of a "hospitality portion to help serve travelers coming from LaGuardia Airport."

107-02 Queens Boulevard - Rendering

Bronx Development

Office of the Bronx Borough President: 2009-2018 Annual Bronx Development Report

An updated report was released in March provided development activity statistics for 2018, as well as over the 10-year period from 2009 through 2018. The report revealed that in 2009-2018:

- Annual development investment activity in 2018 was the highest;
- Overall development square footage in 2018 reached the 3rd highest number from 2009-2017, but fell 30% below 2017 totals.
- Land investment in 2018 for residential use projects reached the highest annual investment total; while commercial and institutional were the 3rd highest and 2nd highest respectively.
- Residential units filed represented the highest number; however in contrast to 2017, the number of unsubsidized units filed exceeded subsidized units

Year	Investments	Investment by Land Use	Sq. Ftge. by Land Use	Residential Units
2018	$3,482,560,171 11,338,890 SF	$2.6B - Residential (75%) $362M - Commercial (10%) $489M - Institutional (15%)	7.5M - Residential (75%) 2.0M - Commercial (10%) 1.9M - Institutional (15%)	8,885-units 4,660-units Unsubsidized (52%) 4,225-units Subsidized (48%)
2017	$2,708,531,491 16,263,954 SF	$2.2B - Residential (85%) $171M - Commercial (6%) $238M - Institutional (9%)	12.5M - Residential (78%) 2.0M - Commercial (13%) 1.5M - Institutional (9%)	7,379-units 3,080-units Unsubsidized (42%) 4,299-units Subsidized (58%)
2009-2018	$18,955,838,127 96,783,534 SF	$12.4B - Residential (65%) $3.2B - Commercial (17%) $3.4B – Institutional (18%)	61.1M - Residential (65%) 20.9M - Commercial (17%) 14.8M - Institutional (18%)	45,332-units 22,212-units Unsubsidized (49%) 23,110-units Subsidized (51%)
2009-2017	$15,473,217,956 84,815,908 SF	$9.9B - Residential (64%) $2.8B - Commercial (18%) $2.8B – Institutional (18%)	N/A	36,437-units 15,280-units Unsubsidized (42%) 21,157-units Subsidized (58%)

Source: http://bronxboropres.nyc.gov/wp-content/uploads/2019/03/2018-bronx-annual-development-report-for-web.pdf

Bronx Borough President (cont'd)


65 East 149th Street - Rendering


150 Van Cortlandt Ave. E. - Rendering


198 East 135th Street - Rendering


773/761 East 233rd Street - Rendering


1331 Jerome Ave - Rendering


1755 Watson Avenue - Rendering


2016 Arthur Avenue - Rendering


3254 Parkside Place - Rendering

Top 10 Residential Developments		
Project	**Investment**	**Developer**
600 East 179th Street	$87,477,570	Foxy Management
211 East 203rd Street	$46,000,000	Housing & Services Inc.
934 East Gun Hill Road	$36,060,900	Franciosa Development LLC
773 East 233rd Street	$36,000,000	Stagg Group
951 Olmstead Avenue	$35,000,000	Dia Onizawa
1985 Jerome Avenue	$35,000,000	Malka Assets
1115 East 165th Street	$34,758,996	New Destiny Housing
972 Woodycrest Avenue	$34,100,000	SKF Development
218 Bush Street	$30,000,000	SKF Development
3254 Parkside Place	$28,000,000	U.A. Builders

Top 10 Commercial Developments		
Project	**Investment**	**Developer**
2800 Goulden Avenue	$47,000,000	Lehman College
2300 Bartow Avenue	$24,000,000	Bay Plaza Hospitality
2036 Webster Avenue	$9,390,000	SNL Storage
415 Railroad Terrace	$8,810,000	Metro-North
4600 White Plains Road	$5,200,000	Chand White Plains LLC
165 Canal Street	$5,000,000	Vertu Hospitality
3362 Boston Road	$5,000,000	Kaushik Patel
2008 Webster Avenue	$5,000,000	Anmol Realty LLC
3983 White Plains Road	$4,000,000	Riverdale Equities
1215 Spofford Avenue	$4,000,000	NYC EDC & ACS (Admin for Child Services)

Top 10 Institutional Developments		
Project	**Investment**	**Developer**
Bronx Point	$300,000,000	Type A Projects / L+M Development
1755 Watson Avenue	$131,000,000	Azimuth Development Group
1769 Jerome Avenue	$92,000,000	Services for the Underserved
600 East 179th Street	$87,477,570	Foxy Management
1331 Jerome Avenue	$84,000,000	Atlantic Development Group
1074 Washington Avenue	$80,000,000	BronxProGroup
448 East 143rd Street	$75,700,000	Breaking Ground
1164 River Avenue	$75,000,000	Maddd Equities
150 Van Cortlandt Ave E	$71,000,000	Stagg Group
224 East 135th Street	$70,000,000	CGS Builders

Bronx (cont'd)

Repositioned Union Crossing Building Hits the Market

Constructed in 1916 to serve as a baking facility for the Great Atlantic & Pacific Tea Company (A&P), and more recently used by a family confectionary company, the 8-story, 275,349-square-foot former warehouse rebranded **Union Crossing** has undergone a reportedly $29 million repositioning for office and maker studio space. According to previous reports the capital improvement program included all-new infrastructure, the replacing of the windows and elevators, as well as repairing the façade. Located at **825 East 141st Street**, on the corner of Bruckner Boulevard in Port Morris, the joint venture of Madison Realty Capital, Bluestone Group, Altmark Capital, and Gilil Management have reportedly introduced the sale offering of the asset at an undisclosed price. The core of the building offers floor spans measuring 45,000 square feet, topped-off by a 30,900-square-foot penthouse featuring "elegantly fluted support columns, ceiling heights in excess of 20-feet, and oversized windows;" and tenant amenities include a 7,500-square-foot roof deck. The development team had acquired the building in June 2016 for $38.875 million from New Jersey-based National Equipment Corporation, which provided a roughly $25.269 mortgage to the JV at closing.

825 East 141st Street - Renderings

Recently Sold Sites

320 West Fordham Road (University Heights) – Connecticut-based Dynamic Star has reportedly purchased the vacant 3.72-acre (162,200-square-foot) site for $31.5 million from the LaSala family. The waterfront parcel was at one time expected to give rise to a "life science center for the cell and gene therapy industry" dubbed **Fordham Landing**; however the project never moved forward. Located alongside the Major Deegan Expressway and the University Heights Bridge, and adjacent to the University Heights Metro-North station, the site offers 742-feet of waterfront exposure; and can accommodate approximately 515,140 buildable square feet of residential space, which can potentially increase to 973,375 square feet with the inclusion of community facility space according to marketing material.

New ownership has reportedly entered into discussions with the city's Department of City Planning for a proposed $3.5 billion mixed-use project totaling 5 million square feet. Construction would be done in phases and include nearly 2,800 residential units, of which 30% will be designated for affordable housing; retail space to include an e-sports stadium for the watching of global video gaming events, a hotel, conference center and community spaces. In addition the proposed project will include a 700,000-square-foot Life Science Center and offices, as well as major improvements for the Metro-North station and a new K-5 elementary school according to reports. Other surrounding parcels that have yet to be secured will reportedly complete the development site to allow for the creation of 12.5-acres of open spaces, esplanades, playing fields and waterside uses like kayaking; and a "dilapidated cove will be turned into tidal gardens and wetlands, with an urban beach, a boathouse and play fields."

320 West Fordham Road
Proposed Rendering

320 West Fordham Road
Artist Sketch

Recently Sold Sites (cont'd)


414 Gerard St. / 108 East 146th St.
Fromer Rendering

121-129 East 144th Street aka 414 Gerard Avenue / 415-417 Gerard Avenue / 108-112 East 146th Street aka 459-465 Gerard Avenue / 440 Major Deegan Boulevard (Mott Haven) – Domain Companies has purchased the 4-parcels through (2) transactions for a combined total of $38.5 million. Centennial Bank provided $21.75 million in financing that included the assumption of an existing $3 million loan provided by Signature Bank in 2017 and a newly provided $18.175 million gap mortgage according to city record documents. Seller Treetop Company had purchased the properties in November 2016 for a combined total of $21.1 million. In March 2017 reports indicated that due to the project being larger than Treetop's typical development deals, the company was seeking a partner to invest in the estimated $160 million project; and also help manage the construction process. Initially envisioning a pair of 12-story developments to rise directly across the street from each other, plans shifted directions upon the Teaneck-based developer filing revised permits in January 2018 for 11- and 14-story mixed-use developments.

- 414 Gerard Street - The 12,635-square-foot parcel located at the corner of Gerard Avenue and East 144th Street was expected to give rise to an 11-story, 130,543-square-foot development. The 114-foot-tall structure would host 134 residential units spread across 87,494 square feet and 4,271 square feet of commercial space.

- 108 East 146th Street - The 14-story, 340,143-square-foot development was planned for the 3-parcel, 31,544-square-foot assemblage located directly across Gerard Street that spans nearly an entire city block. Permit filings detailed a 146-foot-tall structure that would host 300 residential units spread across 222,551 square feet and 22,776 square feet of commercial space.

However the unsolicited bid by Domain prompted Treetop to abandon plans based on the purchase price offered according to reported statements by a Treetop spokesperson. New ownership is reportedly planning to create an approximately 450-unit mixed-use rental development, of which 25% of the units in the 2-buildings will likely be reserved for affordable housing in order to participate in the Affordable New York incentive program. In addition, due to contamination from past industrial uses, the sites will be remediated using New York State's brownfield program that grants developers tax credits for cleanup work.

325 Exterior Street (Mott Haven) – The Lightstone Group has added a 5th parcel to a very large development site the developer has been piecing together along the Harlem River and Major Deegan Expressway between the 145th Street and Madison Avenue Bridges. The sale of the 105,168-square-foot parking facility has reportedly entered into contract for an undisclosed price. Seller Exterior Street Associates LLC has owned the R7-2/C2-4 zoned property that can accommodate up to 361,778 buildable square feet since 1998. Telecommunications giant Verizon currently uses the facility under a lease that reportedly has a 5-year option, enabling Lightstone to benefit from some income revenue while preliminary plans for the developer's project get underway. Future plans by Lighstone will reportedly give rise to 2,000 housing units, of which 30% will be designated for affordable housing, along with a retail component and parking.

The other 4-parcels that make up the 506,574-square-foot waterfront assemblage were acquired earlier this year through multiple transactions, creating the potential for up to 1,539,639 buildable square feet.

- **355 Exterior Street** – The 2-parcel, 62,506-square-foot assemblage currently zoned R7-2 was acquired for $28.32 million ($126 per buildable-square-foot); and can accommodate about 225,021 buildable square feet. Seller Borden had owned the properties since 2000, having acquired them from the New York City Industrial Development Agency for an undisclosed price.

- **399 Exterior Street** – The 147,900-square-foot (3.4-acres) former bus depot acquired for $30.68 million ($104 per buildable-square-foot) is zoned M2-1/C4-4, having last trading in 2005 for $4.46 million. Upon initially introducing the site to the market in November 2018, seller Pantheon was hoping to fetch over $30 million for the site that can accommodate 295,800 buildable square feet according to reports at the time.

- **475 Exterior Street** – The 191,000-square-foot (4.38-acres) site that is primarily vacant offers 725-feet of frontage. Currently zoned C4-4 the site can accommodate up to 657,040 buildable square feet for a reportedly wide range of uses including schools, offices and hotels. Lightstone controls the property under a 49-year ground lease with a 50-year extension option acquired for roughly $30.05 million ($46 per buildable-square-foot). Although the site falls within an opportunity zone, it is "unclear if the developer could benefit from the tax deferment" as a leaseholder.

Bronx (cont'd)

Projects on the Horizon

Sotomayor Houses (Soundview) – The development team of Xenolith Partners, The Kretchmer Companies, ELH Management, and the Jewish Association Serving the Aging (JASA) were selected in March (2019) by the New York City Housing Preservation and Development (HPD) and the New York City Housing Authority (NYCHA) to construct a 16-story mixed-use development dubbed **Casa Celina**. The building will host 200 senior housing units and 3,350 square feet of community facility space; and will likely replace an existing parking lot on the corner of Watson and Thierot Avenues. Upon construction completion the new building will join the (7) existing 7-story buildings as part of NYCHA's 28-building, 1,497-unit complex that stretches along Watson Avenue between Leland and Soundview Avenues. The project is part of the HPD's **Seniors First** program, a three-pronged strategy intended to increase the availability of housing for seniors and people with disabilities.

Sotomayor Houses | Casa Celina Rendering

Projects in Progress

880 East 147th Street (Mott Haven) – Dunn Development filed new building applications in March for an 11-story, 76,714-square-foot residential development. The 116-foot-tall structure will host 80-units spread across 57,354 square feet. New construction will rise on the 10,300-square-foot parcel located on the corner of Austin Place acquired in July 2017 for $1.1 million under the entity Austin 147 LLC according to city records. Demolition permits have already been secured for the existing 2-story residential structure.

310 Grand Concourse / 334 Grand Concourse (Mott Haven) – New building applications were filed in April for a pair of 14-story residential developments reaching a linear height of 140-feet. Filings under the entity 310 Grand Concourse LLC were submitted by Simon Kaufman for the adjacent projects that will deliver a combined total of 313 residential units spread across 212,938 square feet of residential space. The buildings will be similar in size — 135,106 square feet and 134,589 square feet to host 157-units and 156-units respectively. Although unverified, reports last year indicated that JCS Realty was the buyer of the parcels that offer a combined total of 24,027 square feet, paying a total of $17.4 million ($65 per buildable-square-foot) in October 2018.

1169-1175 River Avenue (Concourse) – Maddd Equities filed new building applications in February for a 19-story, 242,726-square-foot mixed-use development. The 195-foot-tall structure will host 245-units spread across 74,118 square feet that will reportedly be split between affordable and supportive housing, 20,582 square feet of retail space, and 100,097-square-feet for community facility use. Maddd is co-developing the project with affordable housing non-profit Community Access, which will operate the residential component; while Maddd Equities will take the retail component according to previous reports.

The 24,165-square-foot parking facility located between Cromwell Avenue and East 167th Street, within the recently rezoned 95-block-long Jerome Avenue corridor, was acquired for roughly $11.333 million ($47 per buildable-square-foot) in July 2018. A $13.6 million financing package to help fund the acquisition and construction was provided at closing by Maryland-based non-profit Enterprise Community Partners. The financing included a $10.275 million acquisition loan, $1.11 million building loan, and $2.215 million project loan according to city record documents. New construction will rise directly across the street from a second project the development team are planning at 1**164 River Avenue**. New building applications filed in June 2018 detail a 17-story, 339,306-square-foot mixed-use development hosting 250 housing units and 87,731 square feet of commercial space.

337 East 162nd Street (Concourse) –The New York City Housing Authority filed new building applications in April for an 11-story, 154,213-square-foot mixed-use development. The 115-foot-tall structure will host 168 housing units spread across 125,607 square feet of community facilities space. The project will rise on a 21,218-square-foot open space / recreational area located on the corner of Courtlandt Avenue.

3401 3rd Avenue / 3399 3rd Avenue / 3395 3rd Avenue (Morrisania) – Comunilife filed new building applications in May for a 10-story, 98,038-square-foot affordable housing development. The 121-foot-tall structure will host 148 residential units spread across 92,038 square feet. New construction will rise on the 3-parcel, 16,522-square-foot assemblage located between East 166th and 167th Street acquired by the non-profit organization in May 2018 for $3.2 million. The $4.3 million financing package provided by Supportive Housing Solutions Fund LLC included a $3.2 million acquisition loan, a $709,083 building loan, and a $390,917 project loan. A pair of low rise commercial and warehouse structures will have to be demolished prior to construction start.

Bronx (cont'd)

Projects in Progress (cont'd)

1300 Castle Hill Avenue (Westchester Square) – New building applications were filed in March under the Bronx-based entity 1300 Castle Hill Owner LLC for a 7-story, 111,114-square-foot mixed-use development. The 74-foot-tall structure will host 83 residential units spread across 58,118 square feet, 9,938 square feet of retail space, and 2,799 square feet designated for community facilities. The majority of the 15,094-square-foot parcel located on the corner of Westchester Avenue appears to be longtime owned, with a roughly 1,642-square-foot section of the former 2-tax lot site acquired in April 2013 for $670,000 according to city records. In November 2018 additional floor area development rights totaling 12,867 square feet was transfered from adjacent **2217 Westchester Avenue**, which is owned by an entity that appears to be associated with the developer.

872 Bronx Park South (West Farms) – New building applications were filed under the entity 864 BPS LLC for an 8-story, 84,459-square-foot mixed-use development. The 78-foot-tall structure will host 82 residential units spread across 58,259 square feet and 7,680 square feet designated for community facilities. The 4-parcel, 14,908-square-foot assemblage located on the corner of Mohegan Avenue appears to be owned by (3) separate parties, it is unclear if there is a pending sale, or if the owners are collectively co-developing the project. The latest sales recorded on city records range in years from 2014 through 2018 for a combined total of $2.535 million ($30 per buildable-square-foot).

909-913 East Tremont Avenue / 1973 Daly Avenue (West Farms) – Camber Property Group filed new building applications in May for an 11-story, 77,275-square-foot mixed-use affordable housing project. The 115-foot-tall structure will host 123 housing units spread across 60,659 square feet of community facility space and 6,405 square of commercial space; and be co-developed along with not-for-profit the Tremont Housing Development Fund Corp. New construction will rise on the L-shaped, 2-parcel assemblage totaling 13,468 square feet that last traded in February 2018 for roughly $4.31 million ($56 per buildable-square-foot) according to city records. Demolition permits were secured last year for the existing single-story, 5,332-square-foot commercial structure.


909-913 East Tremont Avenue Rendering

4720-4740 3rd Avenue / 448-452 East 189th Street (Belmont) – Ashkenazy Acquisitions and the parent company of the Western Beef supermarket chain, Cactus Holdings, filed new building applications in March for a 9-story, 242,270-square-foot mixed-use development The 125-foot-tall structure will host 159 residential units spread across 128,177 square feet, 61,493 square feet of commercial space, and 878 square feet of community facility space. New construction will rise on the 3-parcel, 35,612-square-foot assemblage currently serving as parking lots, which the co-developers acquired in January 2018 for $18 million ($74 per buildable-square-foot). People's United Bank had provided a $14.5 million financing package at closing, including a $13.5 million acquisition loan and $1 million building loan according to city record documents.


4720-4740 3rd Avenue Rendering

656 East 176th Street (Tremont) – Mastermind Ltd. filed applications in April for an11-story, 148,992-square-foot residential development. The 113-foot-tall structure will host 153-units spread across 127,911 square feet. New construction will rise on the 13,334-square-foot parking facility on the corner of Crotona Avenue that the Bronx-based developer has owned since 2000 according to city records.

423-425 Westchester Avenue / 601 Bergen Avenue (Woodbridge) – AB Capstone and Starwood Capital have reportedly partnered on the planned 10-story, 147,661-square-foot development filed in January. The 158-foot-tall structure will host 113,539 square feet of community facility space designated for school use by **Zeta Charter Schools** to house elementary and middle school classrooms and teacher administrative office space. In addition 10,478 square feet of commercial space for a non-profit group, retail stores, and 11,000 square feet of outdoor space will be created. New construction that broke ground in May will rise on the 2-parcel, 19,155-square-foot development site currently used as a parking lot that last traded in September 2017 for $7 million ($47 per buildable-square-foot) according to city records. The project is significant in that it is the first investment made by Starwood's $500 million **Opportunity Zone Fund** announced in January.

Staten Island Development

City Planning Commission Green Lights Bay Street Corridor Rezoning

On Monday, April 22 the City Planning Commission (CPC) reportedly approved the rezoning of the 14-block stretch of Bay Street on Staten Island's North Shore amid mixed support. The 45-acre area anchored by Tompkinsville Park and Tappan Park has been zoned for manufacturing uses since 1961, which prohibits residential development; and is out of character with the predominantly residential surrounding area where over $1 billion in public and private investment is under construction or has been announced per New York City Department of City Planning (DCP) data. The city council was expected to begin a review of the plan in May.

Intended to build upon previous planning efforts to revitalize the borough's North Shore, the **Bay Street Corridor Neighborhood** planning process kicked-off in June 2015 as part of Mayor de Blasio's ambitious **Housing New York** plan intended to preserve 200,000 affordable housing units by 2024, and later increased to 300,000 by 2026. A rezoning of the Bay Street Corridor aims to turn the mostly low-density commercial area into a mixed-use community; and strengthen connections with the existing mixed-use town centers of St. George, Tompkinsville and Stapleton by creating a new walkable neighborhood with opportunities for housing, businesses and jobs with access to existing public transportation. According to the November 2018 presentation by CPC, the plan is expected to facilitate the creation of over 1,800 new housing units, of which 108-units will be created through the disposition of city-owned property; add a projected 1,000 new jobs within the rezoned area; as well as 275,000 square feet of new retail, office and restaurant space, and 45,000 square feet of community facility space.

Currently the half-mile stretch is comprised of a mix of empty lots, auto shops, gas stations, furniture stores, and several local restaurants, with the majority of the buildings ranging in height of one-to-four stories. Unlike the majority of the borough where cars are essential for getting around, the Bay Street area boasts walkable access to the Staten Island Ferry, (7) bus lines, and (2) Staten Island Railway stations. Among the 9,366 households within the Bay Street corridor, 22% are rent burdened (30% to 50% of income spent on rent) and 26% are severely burdened (over 50% of income spent on rent), with 70% of housing units in the study area renter occupied.

In contrast to much of the borough which was reportedly down-zoned in 2005, CPC's proposal will upzone the Bay Street Corridor, thereby opening the door to buildings between 12- to 14-stories on select sites where size and location permit it versus the current 5- to 8-story maximum; and require commercial uses for the ground floor of new projects. Designated a Mandatory Inclusionary Housing (MIH) area, up to 30% of the newly created housing units will be required to be set aside for affordable housing, but "workforce housing" will also be allowed creating apartments for middle-class residents with higher income levels than other rezonings sparked by the mayor's Housing New York program did.

Critics of the plan reportedly point out that despite the city setting aside $30 million for improvements to the area it doesn't adequately account for new infrastructure, such as additional storm sewers, more school seats, better transportation and a new police precinct to handle the increase in residents. While others raise concerns that the rezoning will add more than the city's estimate of 6,500 new residents, citing the **Urby Staten Island** development located a block away from Bay Street, which added 571-units spread across (2) buildings upon delivery of the project's first phase of construction in 2016, with an additional 320-units planned in the second phase; and potentially another 214 units at **475 Bay Street** reportedly acquired by BFC Partners in 2016, but the project is hinging upon the Bay Street Corridor rezoning approval. However a spokesperson for the CPC described the plan as "a vision for a future community that provides new affordable housing options and allows residents to live, work, shop, dine and enjoy the arts."

Source: https://www1.nyc.gov/assets/planning/download/pdf/plans-studies/bay-street-corridor/presentation-111318.pdf

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