

NYCLDC
New York City Land Development Corporation
One Liberty Plaza
New York, New York 10006

Authorities Budget Office

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Albany, New York 12242

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New York State Assembly
State Capitol
Albany, New York 12224

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New York State Senate
State Capitol
Albany, New York 12224

State of New York
Authorities Budget Office
P.O. Box 2076
Albany, New York 12220-0076

Re: Science Park and Research Campus Kips Bay Project – Disposition To CUNY
425 E 25th Street, p/o Block 962, Lot 100 on the Tax Map of Manhattan
New York City Land Development Corporation–Explanatory Statement

To the Addressees:

Reference is made to Sections 2897(6)(d)(i) and (ii) of the New York State Public Authorities Law (the “Public Authorities Law”) and the requirement set forth therein to prepare and transmit an explanatory statement of the circumstances of each disposal by negotiation of certain property by a public authority (as the term “disposal” is defined in Section 2895(2) of the Public Authorities Law). Section 2897(6)(d)(ii) of the Public Authorities Law requires that such explanatory statement be transmitted not less than 90 days prior to the disposal of the property. Since the transaction contemplated herein falls within the purview of Section 2897(6)(d)(i) and (ii) of the Public Authorities Law, please accept this explanatory statement in satisfaction of the applicable requirements of the Public Authorities Law.



New York City Land Development Corporation

New York City Land Development Corporation ("NYCLDC"), a New York not-for-profit corporation and a New York local development corporation, intends to acquire from The City of New York (the "City"), for nominal consideration, a leasehold interest of an approximately 63,800 square foot parcel of land together with a building to be constructed thereon located on an eastern portion of part of Block 962 Lot 100 on the Tax Map for the Borough of Manhattan (the "Eastern Premises") and then to assign such leasehold interest simultaneously to City University of New York ("CUNY").

The Eastern Premises is owned by the City, is under the jurisdiction of the New York City Department of Citywide Administrative Services, and is currently used as the Brookdale Campus of CUNY's Hunter College (the "Brookdale Campus"). It is contemplated that the Eastern Premises will be redeveloped by New York City Economic Corporation ("NYCEDC") into an approximately 570,000 gross-square-foot modern educational facility, which will include the co-location of several CUNY schools focused on public health and health care (the "CUNY Premises"), as well as a public high school focused on health and life science pathways (collectively, the "Project").

The proposed ground rent is \$1. CUNY will not make any payments in lieu of taxes so long as CUNY uses the Eastern Premises for uses related to public education. For the first 15 years, the CUNY Premises shall be used primarily for the operation of academic programs. The ground lease will be for a term of up to 99 years. It is anticipated that the Project disposition will occur shortly after the 90-day period required under Section 2897(6)(d)(ii) of the Public Authorities Law.

Disposition of the Site will be authorized by Section 384(b)(4) of the City's Charter, which authorizes the Mayor of the City, with the approval of a majority of members of the Borough Board of Manhattan, to lease the Eastern Premises to a New York local development corporation without competitive bidding and for such purpose or purposes and at such price as may be determined by the Mayor to be in the public interest. The Project is a key part of the Science Park and Research Campus ("SPARC") Kips Bay initiative, as set forth in the SPARC Kips Bay Master Plan released by City and State of New York (the "State") stakeholders on November 17, 2023 (the "Master Plan") and in a Memorandum of Understanding entered into by CUNY, the State, and the City on October 13, 2022 (the "MOU"). SPARC Kips Bay will deliver approximately 2 million square feet of new public health, educational, workforce development, and life sciences facilities. In addition to the Project, SPARC Kips Bay will include accessible open space, a commercial life sciences development, and facilities for New York City Health and Hospitals and the Office of the Chief Medical Examiner. SPARC Kips Bay is expected to create approximately 12,000 construction jobs and 3,100 permanent jobs, as well as approximately \$42 billion in economic activity over the next thirty years. The inclusion of the Project in SPARC Kips Bay creates the opportunity to develop a public education to jobs pipeline with comprehensive educational programs ranging from a public high school to two year, four year, and graduate degree programs. As a result, the Project is an integral part of SPARC Kips Bay, and will have a public benefit for, and a positive economic impact on, the City and the State of New York.

NYCEDC has obtained an independent appraisal of the Eastern Premises at highest and best use. The appraisal valued the Eastern Premises at \$300,000,000. NYCEDC also obtained an



New York City Land Development Corporation

independent appraisal of the Eastern Premises as an educational facility. This appraisal valued the Eastern Premises at \$0. These values took into account the cost of construction at the Site as well as the development requirements and restrictions pertaining to the use and transfer of the Site. As the Project was agreed on by CUNY, the State, and the City pursuant to the MOU and in accordance with the Master Plan, no other private parties made an offer for the Site.

We appreciate this opportunity to provide you with an explanatory statement regarding the Project and its anticipated public benefit for and positive economic impact on the City and State.

Very truly yours,

A handwritten signature in black ink, appearing to read "S. Hobson", is written over a horizontal line.

Spencer Hobson
Executive Vice President
New York City Land Development
Corporation