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Authorities Budget Office

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Albany, New York 12224

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

Re: JFK North Bartlett Dairy - Project of New York City Land Development Corporation and
New York City Economic 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 requirement of the Public Authorities Law.

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, fee title to an approximately 267,890 square foot property identified as Queens Block 14260, partial Lot 1, located at the intersection of Rockaway Boulevard and Nassau Expressway (the "Site") and then to convey such title simultaneously to New York City Economic Development Corporation ("NYCEDC"), a New York not-for-profit corporation, for nominal consideration. The conveyance to NYCEDC will be for the purpose of enabling NYCEDC to convey such title simultaneously to Jughandle Realty, LLC, a New York limited liability company, or its affiliate (the "Purchaser"). The Site is currently vacant and unimproved, aside from an operational Consolidated Edison substation. The transaction also includes a transfer of development rights off of the Site onto an adjacent City-owned property, which will leave approximately 55,750 square feet of development rights available for activation on the Site. It is contemplated that the Site will be developed by Purchaser into a dairy and dry goods distribution facility, including related parking (the "Project"). The proposed purchase price for the Site by the Purchaser is \$4,000,000 (the "Purchase Price"). It is anticipated that these transactions will close in the fourth quarter of 2019.

The sale 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 Queens, to sell the Site 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 will have a public benefit for and a positive economic impact on the City and the State of New York (the "State") by generating private sector jobs and tax revenues for the City and the State during both the construction and operation of the Project.

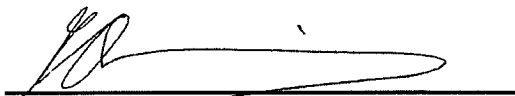
NYCEDC has obtained an appraisal of the Site for its highest and best use, by an independent appraiser, that valued the Site at approximately \$18,700,000. This value did not take into account the use restrictions imposed through the transaction, the limited development rights available for use on the Site, or transportation and utility easements that will limit development of certain portions of the Site. Accounting for these restrictions and encumbrances reduced the appraised value of the Site to approximately \$3,800,000, which is slightly below the Purchase Price of \$4,000,000.

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,



Spencer Hobson
Executive Vice President
New York City Land Development
Corporation



Hester Muis
Executive Vice President
New York City Economic Development
Corporation