NYC EDC

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Authorities Budget Office

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

Re: Site 9 of Seward Park Development – Project of 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 requirements of the Public Authorities Law.

New York City Economic Development Corporation ("NYCEDC"), a New York not-for-profit corporation, previously provided notice of its intent to acquire from The City of New York (the "City"), for nominal consideration, fee title to that certain property identified as Block 353, Lot 44 in the Borough of Manhattan ("Site 9"), which is approximately 20,685 square feet of land area, as part of a multi-phased, multi-site acquisition comprised of the following additional sites: Block 409, Lot 56 (known as Site 1), Block 354, Lot 1 (known as Site 8), and Block 354, Lot 12 (known as Site 10).

Each conveyance to NYCEDC of a site is for the purpose of enabling NYCEDC to simultaneously convey title to the site to Delancey Street Associates LLC or an affiliated entity thereof (the "Purchaser"). NYCEDC has already conveyed Site 1 and Site 8 to Purchaser for the total consideration of $22,800,000 ($15,800,000 for Site 1 and $7,000,000 for Site 8) as contemplated in previous explanatory statements.

As previously advised, the original contract of sale for Site 9 had a purchase price of $60,934,000. The purchase price contemplated that Site 9 would be developed by Purchaser with a mixed-income residential condominium building with ground floor retail space and a subway station entrance. An amended contract of sale reflects a reprogrammed use for Site 9 with Purchaser developing a mixed-income residential rental building containing a greater number of affordable housing units, as well as ground floor retail and a subway station entrance (the "Project").

NYCEDC obtained an appraisal of Site 9, from an independent appraiser, for its highest and best use that provided for the fair market value ("FMV") of Site 9 of $29,700,000. NYCEDC also obtained a deed-restricted value for Site 9 that reflects a reduction from the highest and best use valuation to account for the development requirements and use restrictions on Site 9. This deed-restricted appraised value is $1,800,000.

The negotiated purchase price for Site 9 is $7,000,000 and is higher than the deed-restricted appraised value. It is anticipated that the conveyance of Site 9 will occur in or about **November 2026.**

The sale of Site 9 will be authorized pursuant to New York State General Municipal Law Section 695 for urban development action area projects (a "UDAAP Disposition"). The UDAAP Disposition process requires (1) a determination by the City's Department of Housing Preservation and Development that NYCEDC is a qualified and eligible "sponsor" of the Project, and (2) following a public hearing, Mayoral authorization approving (a) NYCEDC's designation as a "sponsor" and (b) the sale of Site 9 by the City to NYCEDC for simultaneous conveyance by NYCEDC to Purchaser.

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 activating several undeveloped and underutilized properties, generating private sector jobs, affordable housing, and tax revenues for the City and the State during both the construction and operation of the Project.

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,

Christina Rausch (Aug 3, 2026 15:37:33 EDT)

Christina Rausch, Executive Vice President, Real Estate Transaction Services
New York City Economic Development Corporation