

FOR CONSIDERATION
December 16, 2010

TO: Directors

FROM: Dennis M. Mullen

DATE: December 16, 2010

SUBJECT: Modifications to Queens West General Project Plan (“GPP”)

REQUEST: Request to the Board of Directors (“Directors”) of Empire State Development Corporation (“ESDC”) to Modify the GPP to Increase Allowable Residential Floor Area on Parcels 2 and 3 by 200,000 SF; to Transfer 600 SF of Retail Floor Area from Parcel 3 to Parcel 2; to Divide Parcel 4 into Discrete Sub-parcels 4A and 4B; and to Authorize the Taking of Related Actions.

BACKGROUND

On February 28, 2001, Queens West Development Corporation (“QWDC”) designated Rockrose Development Corp. (“Rockrose”) to develop Stage 2 (Parcels 1-7) of the Queens West project (the “Project”). Since that time, Rockrose has completed construction of three buildings on Parcels 5, 6 and 7. TF Cornerstone (“Cornerstone”) has succeeded Rockrose as the developer of the remaining development Parcels 1, 2, 3 and 4. The next residential buildings are currently under construction on Parcels 1 and 4, and the remaining residential buildings planned for Parcels 2 and 3 are in design.

Cornerstone is now seeking additional development footage on two of the unbuilt parcels (Parcel 2 and 3). This granting of additional footage would require modification to the Project’s GPP to increase the allowable residential floor area and total floor area limits on both parcels. Cornerstone is also requesting the transfer of 600 SF of allowed retail floor area from Parcel 3 to Parcel 2. Cornerstone will pay QWDC \$16 million (\$80 per square foot) as Project Revenue, subject to the Project Management Agreement between QWDC and the Port Authority of NY & NJ.

In addition to the new Cornerstone building on Parcel 4, a public school is also planned for this parcel, to be constructed by the New York City School Construction Authority. At its meeting held on February 21, 2008, the Directors approved the separation of Parcel 4 into a 25,000 square-foot school parcel and an 11,808 square-foot residential parcel and approved a modification to the GPP to create these two discrete sub-parcels. We are now requesting an additional amendment to the GPP to denote these two sub-parcels as Parcel 4A (the school parcel) and Parcel 4B (residential parcel).

PROPOSED GPP MODIFICATION, STAGE 2, PARCELS 2 AND 3

Attachment 3 to the GPP determines program, bulk and use controls for all building parcels within the Project. Attachment 3 would be modified to increase the amount of residential floor area allowed on Parcel 2 from 726,000 SF to 776,000 SF, an increase of 50,000 SF. Residential floor area allowed on Parcel 3 would be increased from 311,786 SF to 461,786 SF, an increase of 150,000 SF. This modification would not increase the maximum building height allowed on either parcel.

Cornerstone has also requested that QWDC transfer 600 SF of allowable retail floor area from Parcel 3 to Parcel 2. This change would not increase their development rights, just shift them from one unbuilt site to another to accommodate current retail plans for the two parcels. Total allowable retail floor area for Parcel 3 would be reduced by 600 SF to 7,400 SF, and total allowable retail floor area for Parcel 2 would be increased by 600 SF to 12,525 SF.

The total floor area allowed on each parcel would also increase accordingly to 788,525 SF on Parcel 2 and to 469,186 SF on Parcel 3.

PROPOSED GPP MODIFICATION, STAGE 2 PARCEL 4

The Directors are asked to amend the GPP to denote Parcel 4's two distinct sub-parcels as 4A and 4B. The school parcel would be denoted as Parcel 4A and the TF Cornerstone parcel as Parcel 4B.

ENVIRONMENTAL REVIEW

A Technical Memorandum (the "Tech Memo") to assess the proposed GPP modifications related to Parcels 2 and 3 was prepared and reviewed by ESDC staff. The Tech Memo concluded that the proposed modifications do not result in impacts substantially different from or greater than what was assessed in the Project's Final Environmental Impact Statement and subsequent assessments. Therefore, a Supplemental Environmental Impact Statement is not needed and no further environmental review is required under SEQRA.

In regards to the GPP modification to denote Parcel 4's two sub-parcels as Parcel 4A and Parcel 4B, ESDC staff, on behalf of QWDC, has determined this to constitute a Type II action under SEQRA and its implementing regulations, and accordingly no further environmental review is required in connection with this modification.

QWDC AND ESDC STAFF RECOMMENDATIONS

QWDC and ESDC staff has reviewed the requested grant of development rights and modifications to the GPP and determined that they are minor modifications that would generate considerable additional Project Revenue that is subject to the Project Management Agreement, without altering the intention of the GPP or the character of the future buildings or significantly impacting the surrounding neighborhood. Staff recommends that the Directors approve the requested actions.

REQUESTED ACTION

The Directors are requested to amend the GPP to increase allowable floor area by 50,000 SF on Parcel 2 and by 150,000 SF on Parcel 3, to transfer 600 SF of retail floor area from Parcel 3 to Parcel 2, and to denote Parcel 4's two sub-parcels as Parcel 4A and 4B.

Attachments:

Resolution

GPP Land Use Plan

GPP Attachment 3

Empire State Development Corporation
December 16, 2010

BE IT RESOLVED, that, based on the materials presented to this meeting, copies of which are hereby ordered filed with the records of the Corporation (the "Materials"), the Corporation hereby approves modifications to the General Project Plan (GPP) relating to Stage 2, Parcels 2, 3 and 4; and be it further

RESOLVED, that the President of the Corporation or his or her designee(s) be, and each of them hereby is, authorized to take such action or execute such agreements and instruments as he or she may consider necessary or appropriate to effectuate the foregoing resolutions.