

LEGAL NOTICE

NEW YORK STATE URBAN DEVELOPMENT CORPORATION

D/B/A EMPIRE STATE DEVELOPMENT

NOTICE OF PUBLIC HEARING TO BE HELD WEDNESDAY, JULY 10, 2013

PURSUANT TO SECTIONS 6, 14 AND 16 OF THE NEW YORK STATE URBAN
DEVELOPMENT CORPORATION ACT IN CONNECTION WITH THE PROPOSED

121 WEST 125TH STREET (URBAN LEAGUE EMPOWERMENT CENTER)

A LAND USE IMPROVEMENT AND CIVIC PROJECT

*

PLEASE TAKE NOTICE that a public hearing, open to all persons, will be held at the Adam Clayton Powell, Jr. State Office Building, 163 West 125th Street, 8th Floor, Room B, New York, New York, on Wednesday, July 10, 2013, from 4:30 p.m. to 6:30 p.m., by the New York State Urban Development Corporation, d/b/a Empire State Development (“ESD”) pursuant to Sections 6, 14 and 16 of the New York State Urban Development Corporation Act (Chapter 174, Section 1, Laws of 1968, as amended; the “UDC Act”), to consider: (a) the General Project Plan (the “General Project Plan”) for the proposed 121 West 125th Street (Urban League Empowerment Center) Land Use Improvement and Civic Project (the “Project,”); (b) the proposed acquisition from the City of New York of property located at the Project site; and (c) the essential terms of proposed conveyances, including a proposed lease with purchase option with respect to the Project.

The public hearing is for the purpose of: (1) informing the public about the Project; (2) giving all interested persons an opportunity to give testimony or comment on

the General Project Plan, pursuant to Section 16 of the UDC Act; and (3) giving all interested persons an opportunity to give testimony or comment on the essential terms of a proposed ground lease and other conveyances with respect to the Project.

Project Location and Site Description

The Project site is located on the north side of 125th Street in Harlem, with an address of 121 West 125th Street (Manhattan Tax Block 1910, Part of Lot 1), between Adam Clayton Powell, Jr. Boulevard and Malcolm X Boulevard. The Project site is divided between a *Lower Parcel*, which includes the land and the building situated thereon, extending vertically to a horizontal plane at an elevation of 80.20 feet, and an *Upper Parcel* consisting of the air space that lies directly above the Lower Parcel, extending vertically up from an elevation of 80.20 feet. There exists at the Project site an approximately 160,000 square foot, four-story building that includes a 304-space public parking garage and six retail spaces that front on 125th Street.

Project Description The Project is described in detail in the General Project Plan, available to the public as set forth below. It includes ESD leasing the Project site to Urban League Empowerment Center, LLC (“ULEC”) or its affiliates. ULEC would develop on the Project site an approximately 466,000 gsf mixed-use development that will include approximately 66,000 gross square feet (“gsf”) of retail, 75,000 gsf of office, 55,000 gsf of community facility, 24,000 gsf of museum and 56,000 gsf of conference center space, as well as 114 residential units (50% of the units affordable for low and moderate income households) and 89,000 gsf of parking (225 spaces). The Project would

include the national headquarters of the National Urban League, a civil rights museum, a conference center and affordable housing.

Public Purpose

The public purposes of the Project include: (a) furthering sound growth and development through re-planning reconstruction and redevelopment of a blighted, underutilized and obsolete building at the Project site in a manner that optimizes the use of allowable square footage under existing zoning; (b) providing new development at the Project site including office, retail and community facility space as well as affordable housing for low and moderate income households; (c) creating construction related and permanent jobs; and (d) generating other substantial fiscal and economic benefits for the City and State.

A number of ESD discretionary actions are subject to review pursuant to the UDC Act, including ESD's approval of the General Project Plan, as well as lease of the Project site by ESD. Pursuant to the New York State Quality Review Act and its implementing regulations ("SEQRA"), ESD has had a technical memorandum ("Technical Memorandum") prepared to determine whether a supplemental environmental impact statement is needed due to differences in the proposed Project as compared to the projected development for the Project site that was analyzed in a 2008 environmental review, as well as background conditions that have arisen since that review. The Technical Memorandum concludes that the Project, taking into account background conditions, would not result in the need for a supplemental environmental impact

statement. On June 27, 2013, the ESD Board of Directors adopted a Statement of Findings as required under SEQRA.

Essential Terms of the Proposed lease

Landlord: ESD and its successors in interest

Tenant: ULEC or its permitted successors or assigns, as defined in the Lease.

Lease Execution: Anticipated between September 30, 2013 and December 31, 2013.

Lease Term: 99-years, term beginning 18-months after Lease execution, or earlier upon notification from Tenant.

Tenancies: Existing tenancies expire on or before August 14, 2015. On the Lease Commencement Date ESD will transfer any leases or license agreements still in effect at that time, if any.

Option to Purchase: Beginning in lease year 96, option to purchase at the land value at the time of exercise of the option, as determined pursuant to a methodology that would rely on appraisals.

Rent: Base Rent of \$1,000,000 per year, with the initial payment due on the Lease Commencement Date with escalations beginning in the sixth lease year and continuing throughout the lease term. Tenant may be granted certain concessions, including possible temporary

rent reduction and the right to terminate the Lease or delay construction commencement if vacant possession is delayed beyond August 15, 2015.

PILOT: Payment-in-Lieu-of-Real-Estate-Taxes, equivalent to the real estate taxes that would have been payable if ESD were not the owner of the Property, except to the extent any portion of the Property would have qualified for an as-of-right real estate tax exemption, abatement, credit or other reduction under applicable law if the Property were owned by the Developer parties.

Security: Initial Security Deposit of \$1,000,000. Security deposit increases in escalation years to maintain deposit equivalent to annual rent.

Construction: Tenant is to commence construction, in accordance with the conditions set forth in detail in the Lease, by beginning demolition within thirty days after the Lease Commencement Date, subject to reasonable extension because of Unavoidable Delays, as defined in the Lease. Construction is to be completed within 36 months of commencement of construction, which can be extended to 51 months.

Required Uses: The National Urban League is to locate its national headquarters at the Project site. There are minimum square footage requirements for cultural, community facility or conference center space, for retail and office space as well as a required minimum numbers of parking spaces. Within the required uses, at least 5% of the square footage of the retail and office space is to be leased at below market rents to Local Businesses, as defined in the Lease; and, at least 5% of the new building's total square footage is to be leased to the National Urban League or a qualified substitute as museum /visual arts space.

Operations: Tenant assumes all responsibility and obligation to operate and maintain the Property beginning with the Lease Commencement Date.

Assignment or Transfer: Tenant may not assign, sublease or transfer the Lease without ESD's consent, except as to certain permitted subleases to entities under the control of NUL or Hudson or except as to subleases of residential apartments, or small non-residential spaces.

ESD's Non-Discrimination and Contractor and Supplier Diversity Policies will apply and are included within the General Project Plan.

Availability of the General Project Plan

The General Project Plan is available for review on the ESD website (<http://esd.ny.gov>) and is on file at the corporate offices of ESD, 633 Third Avenue, New York, New York and is available for inspection by the general public between the hours of 9:30 a.m. to 5:00 p.m., Monday through Friday, public holidays excluded. Copies of the General Project Plan are available, without charge, to any person requesting such copies at the offices of ESD at the address given above. To inspect and/or obtain copies of the General Project Plan, please contact Regina Stephens at ESD at the address above or at (212) 803-3818. Pursuant to Section 16(2) of the UDC Act, ESD has also filed a copy of the General Project Plan and the findings required pursuant to Section 10 of the UDC Act, in the offices of the Clerks of the County and City of New York, and have provided copies thereof to the Mayor of the City of New York and the Chair of Manhattan Community Board No. 10.

Receipt of Comments

Comments on the General Project Plan, essential terms of the Ground Lease and disposition, may be made orally or in writing at the hearing on July 10, 2013 and/or presented in writing to ESD on or before the hearing date addressed as follows:

By mail to: Empire State Development, 633 Third Avenue, New York, New York
10017 (Attention: Regina Stephens) or

Electronically via email to: 121west125@esd.ny.gov

Written comments received by ESD after the conclusion of the hearing on July 10, 2013

will not be considered by ESD in making its final determinations on the proposed General Project Plan.

Upon a written finding of the President of ESD that no substantive negative testimony or comment has been received at the public hearing, the General Project Plan shall be effective at the conclusion of the hearing; provided however, that if any substantive negative testimony or comment is received at such public hearing, ESD may after due consideration of such testimony and comment, affirm, modify or withdraw the General Project Plan.

Dated: June 28, 2013
New York, New York

NEW YORK STATE URBAN
DEVELOPMENT CORPORATION d/b/a
EMPIRE STATE DEVELOPMENT

By: _____
Eileen McEvoy
Corporate Secretary