



## Roosevelt Island Operating Corporation

**ANDREW M. CUOMO**  
Governor

**SHELTON J. HAYNES**  
Acting President & CEO

### BOARD OF DIRECTORS

RuthAnne Visnauskas, Chair, Commissioner of NYSHCR  
Robert F. Mujica Jr., Director of BUDGET  
Conway S. Ekpo  
Jeffrey R. Escobar  
David Kapell  
David Kraut  
Howard Polivy  
Michael Shinozaki

Agenda Item V, 3. December 29, 2020

### PROPOSED RESOLUTION

#### AUTHORIZATION TO APPROVE AMENDMENT OF LEASE WITH RIVERWALK 8 HOUSING DEVELOPMENT FUND CORPORATION AND RIVERWALK 8, LLC FOR SOUTHTOWN BUILDING #8

---

WHEREAS, Roosevelt Island Operating Corporation (“RIOC”), as landlord, entered into a lease dated as of December 26, 2018 (the “Lease”) with Riverwalk 8 Housing Development Fund Corporation and Riverwalk 8, LLC (collectively, “Tenant”), as tenant, to construct the building known as Building #8 in Southtown; and

WHEREAS, pursuant to the Lease, Tenant was obligated to construct a comfort station in a location chosen by RIOC is Firefighter’s Field, with Tenant’s contribution to the cost of such construction capped at \$1,000,000, and RIOC being obligated for all costs in excess of that amount; and

WHEREAS, in light of the COVID-19 pandemic, RIOC has determined that the funds that would have been used to construct the comfort station would be better directed to other construction projects on Roosevelt Island that would benefit the health and safety of the residents of Roosevelt Island; and

WHEREAS, the parties have agreed to amend the Lease so as to release Tenant from the obligation to construct the Comfort Station and to instead have Tenant pay to RIOC the \$1,000,000 that Tenant would have paid to construct the comfort station, so that RIOC can apply those funds for other construction projects on Roosevelt Island; and

WHEREAS, pursuant to the Lease, Tenant was obligated to substantially complete the installation of outdoor lighting at Firefighter’s Field on or before substantial completion of Building #8; and

WHEREAS, the parties have agreed that it would be preferable to delay the deadline for installation of the lighting at Firefighter’s Field until the earlier of the date that is (i) six (6) months after

substantial completion of Building 9, or (ii) the fifth anniversary of the date of this First Amendment to the Lease in order to prevent construction related damage to the lighting in connection with the construction of Building 9.

Now, therefore The Board of Directors finds and resolves as follows:

1. Releasing Tenant from the obligation to construct the comfort station and instead paying those funds to RIOC will allow RIOC to proceed with other projects that will benefit all residents of Roosevelt Island; and
2. The result of this action will enable RIOC to complete projects that will enhance the health and safety of all residents on Roosevelt Island, which is within the mission and statutory purposes of RIOC; and
3. Installing outdoor lighting at Firefighter's Field following construction of Building #9 would help prevent construction-related damage to such lighting;

and be it further

RESOLVED, that the President of RIOC be, and he hereby is authorized, to negotiate and thereafter enter into an amendment of the Lease upon such terms and conditions substantially similar to those described in the Memorandum from Shelton J. Haynes to the Board of Directors dated December 4, 2020, attached hereto; and

RESOLVED, that the President/Chief Executive Officer or his designee be, and he hereby is, authorized and directed to take such further actions and execute such further documents as are necessary or desirable to effectuate the foregoing; and

RESOLVED, that this resolution shall take effect immediately.



## Roosevelt Island Operating Corporation

**ANDREW M. CUOMO**  
Governor

**SHELTON J. HAYNES**  
Acting President & CEO

### BOARD OF DIRECTORS

RuthAnne Visnauskas, Chair, Commissioner of NYSHCR  
Robert F. Mujica Jr., Director of BUDGET  
Conway S. Ekpo  
Jeffrey R. Escobar  
David Kapell  
David Kraut  
Howard Polivy  
Michael Shinozaki

## MEMORANDUM

To: Board of Directors  
From: Shelton J. Haynes  
Re: Amendment of Ground Lease for Southtown Building #8  
Date: December 11, 2020

---

### **Background**

RIOC entered into a lease dated as of December 26, 2018 with Riverwalk 8 Housing Development Fund Corporation and Riverwalk 8, LLC, jointly and severally, as tenants (the “Building 8 Lease”) for the construction of the building known as Building #8 in Southtown. The Building 8 Lease obligated Tenant to construct a comfort station at a location designated by RIOC in Firefighter’s Field and to modify Firefighter’s Field as needed in order to construct the comfort station (all such work is referred to as the “Comfort Station Work”). Tenant was obligated to spend up to \$1,000,000 to perform the Comfort Station Work, with any costs in excess of that amount to be paid by RIOC. Based on the plans prepared for the Comfort Station, it was determined that the cost of the Comfort Station Work would exceed \$1,000,000. RIOC has since determined that the \$1,000,000 that Tenant would spend in performing the Comfort Station Work (together with the additional costs in excess of \$1,000,000 that RIOC would incur in connection with such work), would be better applied toward other construction projects on Roosevelt Island that will enhance the health and safety of Roosevelt Island residents. RIOC and Tenant have agreed to amend the Building 8 Lease to release Tenant from the obligation to perform the Comfort Station Work, and to instead have Tenant pay RIOC the sum of \$1,000,000 in full satisfaction of its obligation under the Building 8 Lease with respect to the Comfort Station Work, so that RIOC will have those funds available for other construction projects on Roosevelt Island.

The Building 8 Lease also obligated Tenant to install outdoor lighting at Firefighter's Field on or before substantial completion of Building 8. The parties have agreed to amend the Building 8 Lease to provide that the outdoor lighting will be installed by the earlier of the date that is (i) six (6) months after substantial completion of Building 9, or (ii) the fifth (5<sup>th</sup>) anniversary of the date of the amendment to the Building 8 Lease.

### **Recommendation**

I hereby recommend that the RIOC Board of Directors consent to the proposed amendment of the Building 8 Lease.