



New York City Economic Development Corporation

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The Honorable Carlos Menchaca
Council Member
38th District, Brooklyn
250 Broadway, Suite 1728
New York, New York 10007

Dear Council Member Menchaca:

I am writing to you in connection with the commitment of the New York City Economic Development Corporation (“NYCEDC”) to the development of the South Brooklyn Marine Terminal (“SBMT”) and the Sunset Park waterfront district. This letter supersedes and replaces my previous letter dated April 2, 2015.

As NYCEDC presented to the Council’s Landmark, Public Siting, and Maritime Uses Subcommittee in December of 2014, NYCEDC’s vision for SBMT is one that activates the full potential of the site to support the economic vitality of the Sunset Park community and provide hundreds of good, modern industrial jobs that are accessible to New Yorkers of all educational backgrounds. The Sunset Park 197a Plan, established by the Community Board and the City Council in December 2009 (“the Plan”), committed the City to preserve Sunset Park’s legacy as a manufacturing community with high quality jobs. The Plan further recommends that policymakers “pursue development of job-intensive, high performance, state-of-the-art maritime, industrial and related transportation uses on vacant or underutilized city-owned waterfront property, in consultation with the community.” The development plan that is appended to the master lease that NYCEDC has presented to the City Council captures NYCEDC’s commitment to these goals, which we know you share.

In furtherance of its commitment to the Plan’s goals, NYCEDC commits to the establishment of a Sunset Park Waterfront Planning and Jobs Task Force (the “Task Force”). The purposes of the Task Force will be to: (1) maximize the potential of the Sunset Park waterfront district and Red Hook waterfront to serve as an economic hub of traditional and innovating industries; (2) establish and promote regional priorities for efficient goods movement; (3) balance community

access and needs across the city and private initiatives in the waterfront district; (4) provide ongoing advocacy for industrial and manufacturing businesses; (5) engage in long range planning for the future of the waterfront; and (6) communicate on an on-going basis with the surrounding community. The Task Force will also consider topics that will include but are not limited to: (1) coordinated workforce development strategies to provide the broader Sunset Park and Red Hook community with skills-based training and access to job opportunities in the waterfront district; and (2) the installation and improvement of amenities at Bush Terminal Park. The Task Force will be jointly convened by NYCEDC and Southwest Brooklyn Industrial Development Corporation, which will endeavor to hold the group's first meeting no later than two months after approval by the Council of the proposed master lease agreement.

The initial membership of the Task Force will consist of local stakeholders, including representatives of private business owners, elected officials, and community-based organizations selected in consultation with the local Council Member. The work of the Task Force will be supported by an interdisciplinary NYCEDC team (Planning, Asset Management, Development, and Real Estate) with an on-site presence in Sunset Park, to be led by an NYCEDC Executive Vice President whose area of focus will be Sunset Park. NYCEDC will endeavor to staff the team with personnel who have competency in relevant languages. The team will support the Task Force in crafting and implementing a vision for the equitable development of the waterfront.

Furthermore, this letter references the proposed lease agreement concerning SBMT (the "Lease") by and between the City of New York (the "City"), acting by and through its Department of Small Business Services ("DSBS"), as landlord, and NYCEDC as tenant. NYCEDC upon the submission of a new application for the Lease to the City Council also agrees to present the proposal in two community forums organized by the Council Member in an effort to inform and educate the Sunset Park community on the goals of the Lease.

Should the proposed Lease be approved by the City Council for a term no longer than 39 years and executed by the City, acting by and through DSBS, NYCEDC agrees that it will:

- No less than 45 days prior to the issuance of a Request for Proposals or Request for Expressions of Interest (each an "RFP"), inform the Task Force and community of the upcoming RFP and of NYCEDC's goals contemplated therein, and solicit feedback on desired uses;
- Provide a facilitator to help engage the community and solicit feedback on the RFP goals;
- Deliver a draft of such RFP to the Councilmember's office prior to its release; and
- Provide the Councilmember's office with a "blind briefing" of responses to such RFP.

NYCEDC will support DSBS in developing strategies to help Sunset Park residents build skills that employers need and connecting residents to jobs with family sustaining wages, consistent with the recommendations of the City's recent *Career Pathways* report. NYCEDC understands that, in order to achieve these goals, DSBS will meet with members of the Task Force and other appropriate stakeholders to identify specific training needs and employment opportunities, and, that within six months of approval of the Lease, DSBS will:

- Develop a cohesive and collaborative strategy with local workforce providers and other economic development partners, which will include a thorough assessment of funding needs, specific training needs of businesses and partners available to develop a local pipeline for jobs in the industrial area;
- Create a targeted program for Sunset Park residents looking for opportunities outside the Sunset Park industrial area; and
- Develop bridge programs to support immigrant populations with lower levels of English proficiency.

NYCEDC is further committed to promoting labor harmony and efficient operations at SBMT, and will require that any potential tenant or sub-tenant that seeks to use a portion of the Premises that exceeds 30 acres enter a "labor peace agreement" with a *bona fide* labor organization prior to execution of a lease with NYCEDC. In addition, NYCEDC will prefer RFP responses that express an intention to enter into one or more such labor peace agreements.

As previously discussed, and subject to all applicable legal requirements and the necessary consent and cooperation of third parties, NYCEDC will also pursue the following:

- Installation of trash disposal containers, new benches, picnic tables and planters at Pier 4 of the Brooklyn Army Terminal by July 1, 2015;
- A planning process, to begin soon after the initial convening of the Task Force, to identify potential designs, project costs, and potential sources of funding for an eco-pier, a southern entrance and a children's playground at Bush Terminal Park, as well as potential further amenities at Pier 4;
- Commitment by the City to dedicate capital funding in Fiscal Year 2016 sufficient to support the completion of a southern entrance to Bush Terminal Park. The Office of the Speaker of the City Council has represented that it will commit capital in Fiscal Year 2016 to offset the first \$1 million in costs associated with this project;
- A study to assess the parking needs of stakeholders in the area surrounding SBMT;
- Installation by March of 2016 of fendering on the north side of Pier 4 at the Brooklyn Army Terminal to accommodate the docking of vessels, subject to any necessary approvals;

- Subject to the formal consent of the Port Authority of New York and New Jersey, coordination with DockNYC on the execution and delivery of a Letter of Intent to Portside New York concerning the terms upon which Portside may conduct its operations at space on Pier 11 in Atlantic Basin, beginning on or near May 29, 2015. NYCEDC will notify Portside of this intent in writing upon signature of this document; and
- Establishment of a dedicated fund to be applied to the costs of special projects serving the local community, funded by setting aside and reserving an amount equal to not more than five percent (5%) of the annual gross rent actually received from future SBMT subleases, excluding operating expenses and any amount attributable to any PILOT payments required to be made by the applicable subtenant. NYCEDC will consult regularly with the Task Force on potential uses of the fund.

We look forward to working with you to realize the full potential of the Sunset Park waterfront district and South Brooklyn Marine Terminal.

Sincerely,



Kyle Kimball

cc: Deputy Mayor Alicia Glen
Commissioner Maria Torres-Springer, Department of Small Business Services
Ramon Martinez, Chief of Staff, Council Speaker Melissa Mark-Viverito
Councilmember Daniel R. Garodnick