

THE BOARD OF TRUSTEES MEETING
THE NEW YORK CITY EDUCATIONAL CONSTRUCTION FUND (“ECF”)
HELD ON December 14, 2018 at 9:30 a.m.
Department of Education Offices, 52 Chambers Street, New York, NY

Present:

Karin Goldmark, Deputy Chancellor Chair
Lorraine Grillo, Trustee
Nicolas Storellicastro, Trustee

Also Present:

Jennifer Maldonado, Executive Director
Cynthia Wong, Director of Finance

AGENDA

Action Items:

1. Approval of the Minutes of the September 24, 2018 Meeting
2. Resolution Approving the 80 Flatbush/ 362 Schermerhorn project

Public Comment Period

Adjournment

MINUTES OF THE BOARD OF TRUSTEES MEETING
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HELD ON December 14, 2018 at 9:30 a.m.
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The meeting was called to order at 9:35 a.m. by Karin Goldmark, who stated that there was a quorum to hold a meeting and noted the agenda items.

Jennifer Maldonado introduced Nicolas Storellicastro from OMB as an ECF Trustee designee. Nicolas Storellicastro and Tara Boirard from OMB were appointed to share ECF Trustee duties. Ms. Maldonado thanked Mr. Storellicastro's team at OMB for their assistance with ECF's successful bond refunding in October 2018.

Ms. Goldmark motioned for the approval of the minutes of the September 24, 2018 Board Meeting, which were unanimously approved.

Next, Ms. Goldmark motioned to approve the resolution for the 80 Flatbush project. Ms. Maldonado provided background on the project.

- P The outdated school building currently known as Khalil Gibran International Academy at 362 Schermerhorn, Brooklyn, NY, and the surrounding block will be replaced with a combined occupancy structure consisting of a new high school facility replacing the present high school, a new elementary school to address NYC DOE capacity needs and a mixed-use residential and commercial project. This combined occupancy structure includes 2 new schools and 2 commercial and residential towers. Jennifer noted the poor condition of the existing school building, for example bathrooms not on every floor and lack of drinking fountains.
- P The SEQRA process has been completed, and the required land use approvals have been granted by the City Planning Commission and City Council.
- P Lorraine Grillo asked about the schedule. Jennifer replied that construction is planned to start later in 2019.
- The 80 Flatbush resolution was unanimously approved by the Trustees.

Ms. Goldmark asked for any comments from the public. Roger Marquis, Director of Business Development at Spacesmith, stated that his company is interested in learning about ECF and potentially providing design services on future projects. Ms. Maldonado provided information about ECF.

There being no more business to discuss, the meeting was adjourned at 10:05 a.m.

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE
NEW YORK CITY EDUCATIONAL CONSTRUCTION FUND
DATED DECEMBER 14, 2018**

THE DEVELOPMENT OF ECF AT 80 FLATBUSH

The Executive Director of the New York City Educational Construction Fund (the "Fund") presents the following resolution to the Board of Trustees for favorable consideration and adoption:

WHEREAS, THE New York City Department of Education ("NYCDOE") desires to replace the outdated school building currently known as Khalil Gibran International Academy at 362 Schermerhorn Street, Brooklyn, New York and the surrounding block (the "Site") with a combined occupancy structure consisting of a new high school facility replacing the present Khalil Gibran International Academy, a new elementary school to address NYCDOE capacity needs, and a mixed-use non-school complex as described in the Approvals, defined below (collectively, the "Project"); and

WHEREAS, the officers of the Fund previously informed the Fund's Board of Trustees of the proposed development and construction of the Site and identity of the proposed development team; and

WHEREAS, the real estate company Alloy Development Holdings LLC submitted a proposal in September 2016 in response to competitive RFEI process, undertaken by the Fund through its consultant CB Richard Ellis Inc., to develop the Project as described hereinabove; and

WHEREAS, the Board of Trustees by resolution dated April 10, 2017 (the "2017 Resolution") authorized the Fund's Executive Director to enter into appropriate documentation necessary to ensure the development, construction, financing and leasing of the Project; and

WHEREAS, THE 2017 Resolution further provided that no final decision was to be made authorizing the Fund's Executive Director to proceed with the Project until after the completion of the SEQRA process and adoption of a resolution reflecting such decision; and

WHEREAS, the SEQRA process has been completed and the required land use approvals have been granted by the City Planning Commission and City Council on August 6, 2018 (and as modified on September 24, 2018) and September 26, 2018, respectively, (the "Approvals").

BE IT RESOLVED, that the Board delegates to the Fund's Executive Director the power to, and authorizes the Executive Director to, take all steps necessary to ensure the development, construction, leasing and financing of the Project, including, but not limited to negotiating and entering into (i) the Project Document Agreement and all agreements attached as exhibits thereto, made a part hereof as Attachment A, (ii) agreements, as necessary, with the underwriters and bond counsel, (iii) the Amended and Restated Term Sheet Agreement made a part hereof as Attachment

B, (iv) any other agreements with, or required approvals from, the NYCDOE, New York City Department of Citywide Administrative Services, New York City Office of Management and Budget, or other governmental agencies to accomplish the construction and use of the Project, and (v) subject to Article 10 of the New York Education Law, any other agreements necessary or required to accomplish the construction and use of the Project.

BE IT FURTHER RESOLVED, that the Fund hereby approves and adopts the Statement of Findings attached hereto and made a part hereof as Attachment C; and

BE IT FURTHER RESOLVED, that the Fund hereby approves the development and execution of ECF's 80 Flatbush project;

BE IT FURTHER RESOLVED, that the Secretary of this public benefit corporation is directed to certify and deliver a copy of these resolutions, containing the names of its present officers set forth hereunder, under the seal of this public benefit corporation to any entity with which the Executive Director enters into agreement pursuant to this Resolution, including Alloy Development Holdings LLC or an affiliate thereof, and any such entity may deal with such officers accordingly.

[CERTIFICATION PAGE TO BE EXECUTED SEPARATELY]

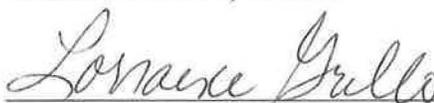
CERTIFICATION

I, Howard Friedman, Secretary of the New York City Educational Construction Fund, a public benefit corporation duly organized under the laws of the State of New York, do hereby certify that the foregoing is a true copy of the resolution duly adopted by the Board of Trustees of this public benefit corporation on December 14, 2018 and that the resolution approved by the Board of Trustees of this public benefit corporation is now in full force and effect, and in accordance with the by-laws of this public benefit corporation.

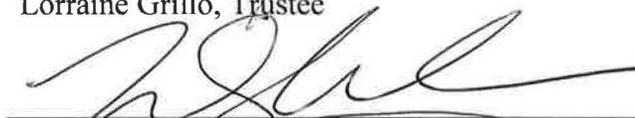
I further certify that the following persons hold the offices in this public benefit corporation indicated below and that the signatures set forth opposite their respective names are specimens of the genuine signatures of such officers.



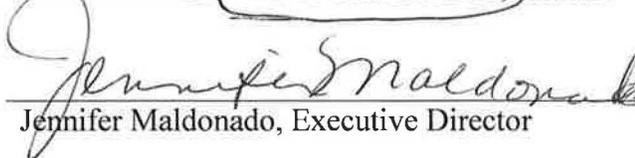
Karin Goldmark, Trustee



Lorraine Grillo, Trustee

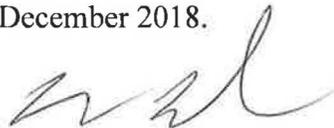


Tara Boirard or Nicolas Storellicastro, Trustee



Jennifer Maldonado, Executive Director

IN WITNESS WHEREOF, I have hereunto subscribed my name to this certificate and affixed the seal of this public benefit corporation this 14th day of December 2018.



Howard Friedman, Secretary and General Counsel

STATEMENT OF FINDINGS

by

NEW YORK CITY EDUCATIONAL CONSTRUCTION FUND

regarding the

CONSTRUCTION OF MIXED-USE BUILDINGS, INCLUDING TWO SCHOOLS, AND TWO RESIDENTIAL/COMMERCIAL BUILDINGS ON THE BLOCK BOUNDED BY SCHERMERHORN STREET, FLATBUSH AVENUE, STATE STREET AND THIRD AVENUE, BROOKLYN

Date issued: December 14, 2018

CEQR No.: 17ECF001K

SEQR Classification: Type I

Lead Agency: New York City Educational Construction Fund
30-30 Thomson Avenue
Long Island City, New York 11101

Location: Brooklyn, New York
Community District 9
Block 174, Lots 1, 9, 13, 18, 23, 24

The project area is the entire block bounded by Flatbush Avenue, Schermerhorn Street, Third Avenue and State Street.

A. Introduction

Pursuant to City Environmental Quality Review, Mayoral Executive Order No. 91 of 1977, and the City Environmental Quality Review Rules of Procedure found at Title 62, Chapter 5 of the Rules of the City of New York (CEQR) and the State Environmental Quality Review Act, Article 8 of the New York State Environmental Conservation Law and its implementing regulations found in Part 617 of 6 NYCRR (SEQRA), this Statement of Findings has been prepared to demonstrate that (1) the New York City Educational Construction Fund (ECF) has considered the relevant environmental impacts, facts and conclusions disclosed in the Environmental Impact Statement (EIS) for the proposed project and has weighed and balanced those environmental impacts with social, economic and other considerations; (2) the procedural requirements of CEQR and SEQRA have been met; (3) consistent with social, economic and other essential considerations from among the reasonable alternatives available, the action is one that avoids or minimizes to the maximum extent practicable the adverse environmental impacts; and (4) adverse environmental impacts will be avoided or minimized to the maximum extent practicable by incorporating as conditions those mitigative measures that were identified as practicable in the EIS.

B. Procedural History

ECF is a New York State public benefit corporation which serves as a funding mechanism for development of New York City public schools by seeking proposals from developers to construct combined occupancy structures on land provided by the City, which structures include one or more schools and a non-school portion. The newly constructed public school(s) is/are leased by ECF to the City Department of Education. The non-school portion is leased by ECF to the developer or a third party, which pays ground rent and tax equivalency payments to ECF. Funds from the rent and tax equivalency payments paid to ECF are used to amortize the bonds that are issued by ECF to pay for construction of the school(s). ECF would contribute its own funds if the rent and tax equivalency payments are insufficient to amortize the bonds. ECF does not enter into the leases until the Project is assured of financing.

Under SEQRA and CEQR, ECF is the lead agency responsible for conducting the environmental review for the proposed project, consisting of two new schools with commercial space, new buildings containing residential, office, retail and cultural community facility space (the schools and non-school portion, collectively, the Project). An Environmental Assessment Statement (EAS) for the Project was prepared. Based on the review of the EAS and its supporting analysis, ECF determined that implementation of the Project might have a potential for significant adverse impacts on the environment, requiring an Environmental Impact Statement (EIS) to be prepared, and issued a Notice of Lead Agency Designation, Positive Declaration, and Notice of Scoping on May 24, 2017, accompanied by a Draft Scope of Work.

To receive public comments on the Draft Scope of Work, a Public Scoping Meeting was held on June 28, 2017, and written comments were accepted by ECF through July 28, 2017. The Final Scope of Work, including a summary of comments received and responses to those comments, was issued on February 7, 2018. It was determined that the Project would have the potential for significant environmental impacts in the following categories: land use, zoning and public policy; socioeconomic conditions; community facilities; shadows; historic and cultural resources; urban design and visual resources; hazardous materials; transportation (traffic, pedestrians, transit, parking, vehicular and pedestrian safety; air quality; greenhouse gas emissions; noise; public health; neighborhood character; and construction (noise, traffic, pedestrians, transit, parking, air quality, hazardous materials and historic resources). Therefore, a detailed assessment of likely effects in these impact categories was prepared and disclosed in the EIS.

ECF issued a Notice of Completion for the Draft EIS (DEIS) on February 23, 2018, at which time the DEIS was distributed and made available for public review. The DEIS, in conformity with the Final Scope of Work, described the Project, presented the proposed framework for analysis, and assessed the potential for Project impacts. The 2014 *CEQR Technical Manual* served as a guide on the methodologies and impact criteria for evaluating the Project's potential effects on the various environmental areas of analysis. The analyses in the DEIS concluded that the Project would have the potential to result in significant adverse environmental impacts related to shadows, historic and cultural resources, traffic, pedestrians and construction (noise and transportation). A public hearing on the DEIS was held on June 13, 2018. Public comments were accepted at that hearing and throughout the comment period, which remained open until Monday, June 25, 2018. ECF issued a Notice of Completion for the Final EIS (FEIS) on July 26, 2018, at which time the FEIS was distributed and made available for public review. The FEIS included a

summary restatement (and copies) of each substantive comment made on the DEIS and a response to each substantive comment. The analyses in the FEIS concluded that the Project would have the potential to result in significant adverse environmental impacts related to shadows, historic and cultural resources, traffic, pedestrians, construction (noise & transportation). The FEIS also identified mitigation measures to minimize those impacts to the maximum extent practicable.

Subsequently, the Project was modified in connection with the vote of the City Council. A technical memorandum, dated September 26, 2018 (the "Technical Memorandum") analyzed the environmental impacts of modifications and the City Council voted to approve the Project as modified on September 26, 2018.

C. Project Identification

The Project¹ would be located on the block bounded by Schermerhorn Street, Flatbush Avenue, State Street and Third Avenue (the Block).

The Project would include a school portion consisting of two schools with commercial uses and a non-school portion consisting of residential, office and commercial uses. The Project would result in a 350-seat lower school, a 350-seat replacement Khalil Gibran Academy (increased from 145,000 s.f. to 150,000 s.f.), two towers with an aggregate of up to 850 dwelling units, including approximately 180 affordable dwelling units, approximately 165,000 gross square feet of office space, and 45,000 gross square feet of retail space.

The Block is considered ideal for an ECF development because it is large enough to permit staging of the construction so that the existing school can remain in operation while the two schools and a part of the non-school development are built.

D. Facts and Conclusions Relied Upon to Support the Decision

Based upon and after considering the FEIS and the Technical Memorandum for at least 10 days after issuance of the Notice of Completion of the FEIS and the issuance of the Technical Memorandum, ECF hereby adopts this Statement of Findings.

PURPOSE AND NEED

In furtherance of ECF's objectives, the Project has been planned to provide two new public schools for Brooklyn. One is a replacement school for the obsolete Khalil Gibran Academy now located on the Block. The existing school building is no longer suited for today's needs. The other school would be an elementary school filling a need for additional school seats. The Project also furthers the City's goal of encouraging new commercial and housing development, including affordable housing, in this area of Brooklyn.

POTENTIAL FOR SIGNIFICANT ADVERSE IMPACTS AND MITIGATION

The analysis in the FEIS concluded that the proposed project would have the potential to result in significant adverse environmental impacts related to shadows, historic and cultural resources, traffic, pedestrians, and construction (noise & transportation). With respect to shadows,

¹ The Project as described herein reflects the modification approved on September 26, 2018.

measures have been identified to partially mitigate the adverse impacts, including relocating and replacing vegetation. Impacts on historic and cultural resources can also be partially mitigated through the preparation of Historic American Building Survey level II documentation. Traffic impacts could be fully mitigated at some intersections but would remain unmitigated at others. Construction noise impacts would be partially mitigated. While most construction traffic and construction pedestrian impacts would be mitigated, some would remain unmitigated.

ALTERNATIVES

The analysis considered four alternatives to the Project.

Alternative 1: No action alternative

The No Action Alternative would not accomplish any of the objectives of the proposed project. The schools would not be constructed. The non-school portion of the development would not be built, including the office and other commercial space and the housing including the affordable units.

Alternative 2: No unmitigated significant adverse impacts alternative

In order to eliminate all significant adverse impacts, this alternative limits the height of any buildings in the Project to four stories. At that height the objectives of the Project would not be achieved.

Alternative 3: Lower Density Alternative

The lower density alternative has the potential to result in reduced but still significant adverse impacts relating to shadows, historic and cultural resources, transportation (traffic), and construction (noise, traffic and pedestrians). It does not meet the objective of the Project because it does not provide a lower school, office space and provides fewer housing units, including affordable housing units.

Alternative 4: No School Scenario

This alternative would not provide the two new schools that are part of the Project.

E. Unavoidable Significant Adverse Impacts

- **Shadows.** As feasible mitigation was found to reduce the impacts at Rockwell Place Bears Community Garden, The Brooklyn Academy of Music South Plaza at 300 Ashland Place and Temple Square, the impacts are considered partially mitigated. As the impacts can only be partially mitigated, the Project would result in unmitigated significant adverse shadow impacts.
- **Historic and Cultural Resources.** The Project would result in a significant adverse impact to the five connected buildings that make up the existing school on the site. Mitigation measures have been developed in consultation with the Landmarks Preservation Commission. As the impact can only be partially

mitigated, the significant adverse impact would be an unavoidable impact of the Project.

- Transportation. Significant adverse traffic impacts at several intersections could not be fully mitigated with standard traffic mitigation measures and therefore would be unavoidable impacts of the Project.
- Construction Noise. Even with the implementation of mitigation (installation of insulated glass windows or secondary storm windows, as well as an alternate means of ventilation), interior noise levels would at times during the construction period exceed the 45 dBA guideline recommended for residential and community spaces, which would be an unavoidable impact of the Project.
- Construction Traffic. Because traffic impacts at several intersections during the AM and PM peaks hours cannot be fully mitigated with standard traffic mitigation measure, construction of the Project would result in unavoidable significant adverse traffic impacts.
- Construction Pedestrians. The significant adverse pedestrian impacts at one crosswalk and one sidewalk could not be fully mitigated with standard pedestrian mitigation measures. Because these impacts cannot be fully mitigated, construction of the proposed Project would result in unavoidable significant adverse pedestrian impacts.

F. Growth Inducing Aspects of the Proposed Project

The Project and related actions are limited to the Block. The proposed uses are consistent with existing uses in the surrounding area. While the Project would result in more intensive land use on the Site, it is not expected to generate secondary impacts resulting in new developments in nearby areas. The proposed Project would also not entail the introduction or expansion of infrastructure capacity that would induce development.

G. Irreversible and Irretrievable Commitments of Resources

The natural and man-made resources that would be expended in the construction and operation of the Project would be considered irretrievably committed because their re-use for a purpose other than the proposed project would be highly unlikely. Notwithstanding the commitment of those resources, the Project would result in long-term educational, cultural and residential benefits.

H. Conclusion

ECF has determined that the benefits of the Project outweigh its adverse environmental impacts. The proposed Project would provide two new schools meeting current standards for school design. One of the schools would be an elementary school and the other would replace a facility with outmoded, inadequate school facilities, lacking features that are considered standard for modern schools.

The Project would also provide up to 850 new housing units, including approximately 180 units of affordable housing, and new office and retail space

The No Action Alternative would not produce any of the foregoing benefits, nor would the other alternatives accomplish the goals and objectives of the Project.

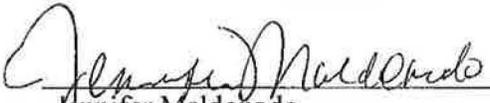
On balance, the benefits of the Project outweigh the areas of significant environmental impacts identified in the FEIS.

For these reasons and based on the analysis described in the FEIS and the Technical Memorandum and on the preceding written facts and conclusions, ECF believes that the required commitments of resources and materials are appropriate.

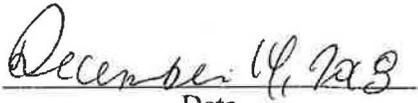
I. Certification of Findings

Having considered the relevant environmental impacts, facts and conclusions disclosed in the EAS, DEIS and FEIS, including the comments on the DEIS and responses thereto, and having considered the preceding written facts and conclusions, this agency certifies that:

- (1) The requirements of SEQRA and its implementing regulations, 6 NYCRR Part 617 and the requirements of CEQR, as set forth in Mayoral Executive Order 91 of 1977, as amended, and the Rules of Procedure for City Environmental Quality Review, have been met and satisfied;
- (2) consistent with social, economic and other essential considerations of state and City policy from among the reasonable alternatives thereto, the proposed action is one which minimizes or avoids significant adverse environmental impacts to the maximum extent practicable, including the impacts disclosed in the FEIS and set forth in this Statement of Findings, while still meeting the purpose and benefit of the project; and
- (3) consistent with social, economic and other essential considerations of state and City policy, the significant adverse environmental impacts of the proposed action disclosed in the environmental impact statement process and set forth in this Statement of Findings, have been minimized or avoided to the maximum extent practicable by incorporation of the identified mitigative measures as conditions to this decision.



Jennifer Maldonado
Executive Director,
New York City Educational Construction Fund



Date

Accessibility Report

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