

Kick-Starting Nassau Hub Redevelopment

Proposed Coliseum Lease Amendments

October 2018



The Opportunity

- Largest undeveloped parcel in County creates singular opportunity for development
- Central location near educational, cultural and medical institutions; new MSK treatment center
- Islanders return for next three seasons generates increased Coliseum activity and buzz
- Immediate need to draw down State funding for structured parking related to a “transformational” development plan
- Possible additional funding for bio-medical employer, pedestrian bridges, site improvements

The Hub

- Yellow: NEC Coliseum Site
- Red: MSK Center
- Blue: LI Marriott & Parking



A Framework for Action

- The County has struggled for 20 years to advance a comprehensive Hub redevelopment plan.
- The Lease Amendment and Development Plan Agreement create a framework for action by the developer to move process forward and prompt negotiation on key items including financial terms with the County, community benefits, and labor agreements.

Proposed 2nd Amendment & Development Plan Agreement

- Key Terms of Proposed Second Lease Amendment:
 - County and NEC (through BSE/RXR team) will enter into a Development Plan Agreement (“DPA”)
 - NEC given exclusive right to pursue development at Coliseum site
 - In exchange, NEC required to meet key development deadlines over a 24-36 month period (2 years plus two additional six-month extensions available under certain conditions)
- DPA authorizes Phase One development to kick-start:
 - Design, development, and construction of new structured parking garage(s)
 - Development of a transformative plan which may include office and/or laboratory space to enhance bio-medical research and create job opportunities

Proposed 2nd Amendment & Development Plan Agreement

- Developer Obligations during Phase One:
 - Secure NYS Empire State Development Corporation (“ESDC”) funding (\$85M) to construct structured parking at the Coliseum site
 - Develop and file a conceptual plan and site plan conforming with Town of Hempstead zoning
 - Negotiate additional project documents including economic terms with the County and surrounding communities
 - Obtain approvals and commence construction of parking facilities
- Limitations:
 - If NEC fails to develop parking pursuant to a transformative plan, no further development is authorized
 - NEC waives right to submit further proposals under the Coliseum Lease under certain conditions
 - DPA contemplates that further Legislative approval (including additional lease or sale documentation) required prior to commencement of any construction at the Coliseum site

Facilitating Hub
Development:
Summary of
2018 County
Actions

February

- County Amends Coliseum Lease to Facilitate Islanders' Return



March-April

- CE Advisory Committee Meets to Consider Hub Options



May

- Legislature Holds Hearing on Hub Development
- County Terminates Plaza Lease



June

- County Issues "RFEI" for Nassau Hub Innovation District

Highlights from RXR RFEI Response (August 2018)



500 housing units



600,000 square feet of office and biotech research space



200,000 square feet of “experiential retail”



Parking to meet program demand, including ~3,400 spaces in parking structures to be funded by NYS



Bus rapid transit (BRT) to nearby LIRR stations



Pathways and pedestrian bridges connecting to neighboring educational, cultural, recreational, and commercial centers.

Development Plan Background

➤ Nassau Hub “RFEI”:

- In June, County issued a Request For Expressions of Interest for the Nassau Hub Innovation District
- County received submissions from close to 20 developers, operators of related businesses and possible tenants
- Included expression of interest from Mt. Sinai Medical Center to establish a new Research Center at the Hub

➤ BSE/RXR:

- RXR Realty (“RXR”) responded to the RFEI, indicating it had formed a partnership with BSE to develop the Hub site
- On August 22nd, BSE confirmed this partnership and notified the County of its interest in developing the Hub site pursuant to Section 54 of NEC’s Coliseum Lease and intention to submit a general plan for the design, development, financing, construction and operation of the Innovation District

Additional Background: Coliseum Lease

Coliseum Site Lease:

- Tenant: NEC (FCR/Onexim (an affiliate of BSE Global “BSE”))

➤ Key Terms:

- Tenant to renovate, operate and maintain Coliseum
- Parties to coordinate future development relating to excess parking
- Grants Tenant right to propose development plan to County and outlines process for good faith negotiations
- Future development of excess parking areas subject to Legislative approval

➤ Note:

- County terminated a separate lease for 11-acre “Plaza” site in May. Acreage returned to County control.

Additional Background: Coliseum Lease

➤ Section 54 of the Coliseum Lease:

- Grants NEC the right to propose a development plan for any excess parking areas on the Hub site
- Any proposed development must be complementary to the operation of the Coliseum
- County obligated to reasonably cooperate with the Tenant to attempt to negotiate terms and conditions for development, subject to further approval by the Nassau County Legislature

Additional 2nd Amendment Provisions

- Sports Programming:
 - Modifies boxing event, basketball and baseball sports programming requirements
- Arena Security:
 - Increases NEC's responsibility for providing security for events at the Coliseum to extend to events taking place outside the arena
- Assignment of the Lease:
 - Extends the County's right to approve any assignment of the Coliseum Lease in its sole and absolute discretion for an additional five (5) years
- No Future Development under Section 54:
 - NEC and the County agree that there will be no further proposals pursuant to Section 54.1, unless the DPA terminates due to the County's default or as a result of third-party action
- Change of Control:
 - Grants the County's consent to Onexim Sports and Entertainment Holding USA succeeding to control of NEC

