Agenda Item 1. December 4, 2025

PROPOSED RESOLUTIONS

AUTHORIZATION TO ENTER INTO A SECOND AMENDMENT OF THE MASTER LEASE WITH THE CITY OF NEW YORK IN CONNECTION WITH AN EXTENSION OF THE MASTER LEASE AND ENTER INTO A NON-BINDING MEMORANDUM OF UNDERSTANDING WITH THE CITY OF NEW YORK AND THE STATE OF NEW YORK RELATING TO FUTURE REDEVELOPMENT OF PORTIONS OF ROOSEVELT ISLAND

WHEREAS, the Roosevelt Island Operating Corporation (the "Corporation") desires to (i) enter into a Second Amendment of the Lease dated December 23, 1969 with The City of New York (the "City"), as subsequently amended by that certain Amendment of Lease dated December 19, 2013 (collectively, the "Master Lease") to extend the term of the Master Lease for an additional ten (10) years, to enable leasehold condominium owners on Roosevelt Island to obtain new mortgages and refinance existing mortgages that might not otherwise be available due to the current expiration date of the Master Lease, and (ii) enter into a non-binding Memorandum of Understanding with the State of New York (the "State") and the City with respect to future redevelopment of portions of Roosevelt Island, and (iii) authorize all related actions.

IT IS HEREBY RESOLVED by the Board of Directors of the Corporation as follows:

1. The extension of the Master Lease for an additional ten (10) years will enhance the ability of existing leasehold condominium owners on the Island to obtain new and refinanced mortgages that might otherwise have been unavailable due to the current expiration date of the Master Lease;
2. Entering into a non-binding Memorandum of Understanding to work collaboratively with the City and the State will facilitate the potential redevelopment of Roosevelt Island by

identifying the issues to be addressed and providing the framework and process by which the goals of the parties can be accomplished; and be it further

RESOLVED, that the President/Chief Executive Officer of RIOC be, and he hereby is, authorized and directed to negotiate and enter into an appropriate amendment and ten-year extension of the term of the Master Lease; and be it further

RESOLVED, that the President/Chief Executive Officer of RIOC be, and he hereby is, authorized and directed to negotiate and enter into a non-binding Memorandum of Understanding with the City of New York and the State of New York as described above; and be it further

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 be it further

RESOLVED, that these resolutions shall take effect immediately.

Roosevelt Island Operating Corporation

KATHY HOCHUL
Governor

B. J. JONES
President / CEO

MEMO

TO: **RIOC Board of Directors**

FROM: **B.J. Jones, President and Chief Executive Officer**

DATE: **November 25, 2025**

RE: **Authorization to Enter into the Second Amendment of Lease to Extend the Master Lease and the Nonbinding Memorandum of Understanding with the City of New York and State of New York**

Background

The City of New York (**City**), as lessor, and the New York State Urban Development Corporation, d/b/a Empire State Development Corporation (**UDC**), as lessee, and the Welfare Island Development Corporation, as subsidiary, entered into that certain Lease dated December 23, 1969, which was subsequently amended by that certain Amendment of Lease dated December 19, 2013 (collectively, the **Master Lease**). Pursuant to that certain Assignment and Assumption Agreement dated as of July 21, 1988, UDC assigned the Master Lease to Roosevelt Island Operating Corporation (**RIOC**), and RIOC assumed all of the UDC's rights, title and interest in and to the Master Lease. RIOC is currently the holder of the ground lessee's leasehold interest in Roosevelt Island, all of which is more particularly described in the Master Lease. The term of the Master Lease is currently scheduled to expire on December 23, 2068. The term cannot be changed without the approval of both RIOC and the City.

RIOC and the City desire to extend the term of the Master Lease by way of a Second Amendment of Lease (**Second Amendment**) for an additional ten (10) years (**Extension Term**) with the Extension Term expiring on December 23, 2078. This Extension Term will help owners of leasehold condominiums on Roosevelt Island obtain new mortgages and refinance existing mortgages, which will, in turn, provide more funds for maintenance and repair of existing housing stock, give residents more control over their housing costs, and prevent the potential devaluation of their homes.

While most of the land on Roosevelt Island has been redeveloped consistent with the General Development Plan attached to the Master Lease (**GDP**) and includes residential housing, commercial space, open space, public facilities and infrastructure, RIOC, the City, and State of New York (**State**) recognize the need for more housing given the City's housing crisis with potential at two underutilized sites on Roosevelt Island, both of which have been used in connection with operations of the New York City Health and Hospitals Corporation. These two sites are: (i) the site of the decommissioned steam plant (**Steam Plant Site**), which is currently being demolished, and (ii) the site of Coler Specialty Hospital and Home (**Coler Site**), which is currently in use, though underutilized. There is also the recognition of the need for additional funding to support future operational and capital needs, which new development may provide, as well as the need for a longer-term Master Lease extension beyond the ten-year extension to further provide greater stability and certainty for home and building owners.

In conjunction with the aforementioned ten-year extension, RIOC, the City, and the State also desire to enter into a nonbinding memorandum of understanding (**MOU**) that establishes a framework for the parties to work cooperatively to develop a plan with the goal of including mixed-income development and supporting infrastructure. **Any such development would be subject to applicable legal, regulatory and planning processes, including requirements applicable to amending the GDP, which would require RIOC board approval.** The MOU will lay out the roles and responsibilities of the parties, and the various approvals, preconditions and executed documents that will be required to effectuate a redevelopment plan for those designated areas of Roosevelt Island, a further extension of the Master Lease, and updating of the GDP. As part of this process, the parties will establish a joint working group to engage with stakeholders, including Island residents, Coler residents, the Community Board, RIOC's Board, developers, and elected officials, set development milestones and regularly report back to the parties.

In order to facilitate the potential redevelopment and financing of these two sites, RIOC, the City, and the State will consider further amending the Master Lease to, among other things, extend the Master Lease term beyond 2078, add all or part of the Coler Site to the premises leased to RIOC, and update and clarify certain other operational provisions in the Master Lease, and also amending the GDP, as appropriate. **All these actions will be subject to approval of the City and RIOC, including approval by RIOC's Board.**

Recognizing that redevelopment that would include significantly more housing could generate additional community, operational and infrastructure needs, the City, in collaboration with RIOC and HHC, will lead a comprehensive study of how to carry out the potential redevelopment, which will include land use and zoning (including any applicable exemptions), transportation access, infrastructure needs, community amenities and other environmental considerations. RIOC and the State would work closely with the City in this effort. The MOU will also acknowledge the need for revenue sharing for both parties should there be future income producing development to help fund identified neighborhood needs, including ongoing long-term capital needs, such as remediation of the steam tunnels and demolition of the steam plant. The MOU may also set up a process to clarify operational matters where there is jurisdictional overlap, including the FDNY site, MTA easements, and maintenance of Coler's perimeter.

The MOU will be non-binding and none of the terms will create or give rise to any legally enforceable rights, obligations or liability to any of the parties, including RIOC. Any contemplated actions will be subject to all applicable legal requirements.

Recommendation

Based on the above, it is recommended that the Board of Directors authorize RIOC to enter into (i) a Second Amendment to extend the term of the Master Lease for an additional term of ten (10) years with the Extension Term expiring on December 23, 2078, and (ii) a non-binding MOU with the City and the State.