

# ***Bathgate Industrial Park – Sale and Assignment of the Port Authority’s Lease***

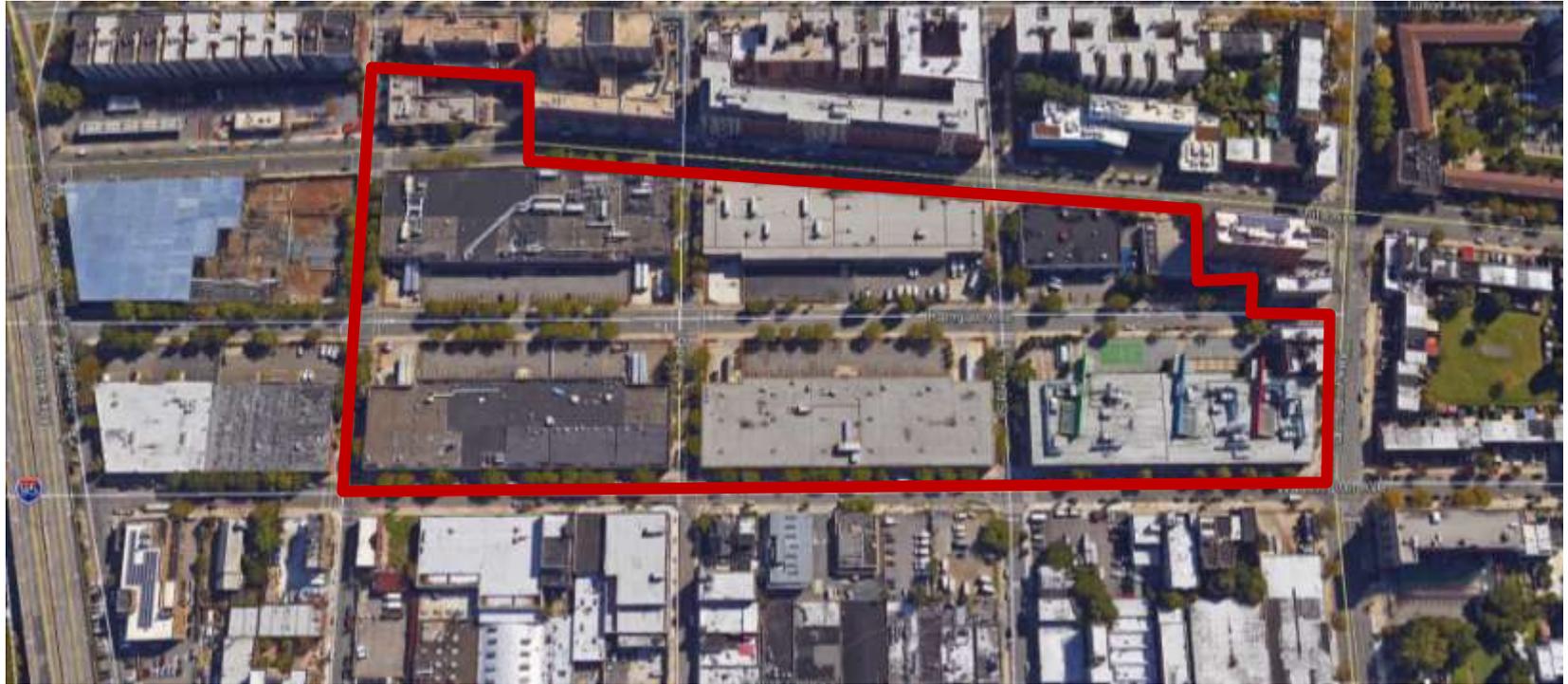
Committee on Operations  
March 24, 2016

# *Background – Bathgate Industrial Park*

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- Special Panel recommendation to phase out non-core real estate holdings
- Facility is owned by NYCEDC and leased to the Port Authority through 2020, with one ten-year option through 2030
- Master Lease restricts the Port Authority from assigning the Master Lease to a third party without NYCEDC's consent.
- Buildings were constructed in mid to late 1980s as part of a program for industrial development in the Bronx

# *Facility Overview*



# Transaction Details

- NRE pays Port Authority an estimated \$16.5 million (*subject to final adjustments*) to purchase the leasehold
- NRE Pays NYCEDC an assignment fee and NYCEDC approves the lease assignment to NRE
- NYCEDC grants lease extension and supports NRE's ULURP application for use change
- Transaction is subject to NYCEDC Approval

# Benefits

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- This transaction is consistent with recommendations outlined in the *Special Panel Report of the Future of the Port Authority* to dispose real estate interests in non-core property.
- New lease investment would reposition the facility to attract new tenants bringing additional jobs and vibrancy to the neighborhood.