



THE CITY OF NEW YORK
OFFICE OF THE MAYOR
NEW YORK, N.Y. 10007

MEMORANDUM

DATE: July 11, 1997
TO: Gail Benjamin
FROM: David Klasfeld
RE: Two Columbus Circle

Below please find the Committee's questions (in italics) and our responses pertaining to the Department of Cultural Affairs lease and the Two Columbus Circle project.

1. *Who owns Two Columbus Circle, and how was title obtained by that entity?*

The City of New York is the owner of Two Columbus Circle. The City obtained title to the property by gift from the Gulf & Western Foundation ("G&W") in 1980. Under the deed of transfer (the "1980 Deed"), title to the property would have reverted back to G&W if certain conditions were not met, i.e., that the property is no longer used as the City's principal public facility for visitors' services and cultural affairs. However, subsequent transactions have affected this agreement (see answer to question 6. Below).

2. *What are the administration's plans for this property in the future and what will the process be for any transfer or sale of the fee title?*

EDC has solicited and received proposals for the property and is currently considering such proposals.

3. *What is the time table for the implementation of the administration's plans?*

The timetable for the disposition of the property is for the time being uncertain. Timing may be impacted by developments at the adjacent Coliseum site.

4. *Is the N.Y.C. Convention and Visitors' Bureau a lessee, licensee, permittee or otherwise an occupant of space within the building?*

The N.Y.C. Convention and Visitors' Bureau continues to occupy space at Two Columbus Circle; however, it will be moving before the end of the year.

5. *What is the City's intention with respect to their tenancy?*

Two Columbus Circle will be delivered to the purchaser free of all occupants.

6. *Has the Gulf & Western Foundation, the Paramount Foundation or the Viacom Foundation ever notified the City that it was not in compliance with the terms of the gift?*

G&W's reversionary interest under the 1980 Deed has been succeeded to by Viacom as a result of its acquisition of the former Gulf & Western companies. As part of a 1996 corporate retention deal, EDC caused Viacom to transfer its reversionary interest in the property to EDC. Accordingly, if the City fails to comply with the use restrictions set forth in the 1980 Deed, then title to the property would revert to EDC. The 1980 Deed further provides that the City is entitled to receive notice in the event of any violations of the 1980 Deed restrictions and is afforded a six month cure period.

7. *If so, when was the City notified and who was notified?*

To date, EDC has not delivered any default notice to the City.

8. *Do you anticipate any future ULURP reviews to fully implement your plans with respect to the site?*

EDC's acquisition of Two Columbus Circle is pursuant to an existing valid and binding contractual arrangement (the 1980 Deed) between EDC, as successor in interest to G&W, and the City. Although no final decision has been made, since EDC is not a City agency and thereby not subject to ULURP, it would appear that no further governmental approval processes (i.e., ULURP) would be required in order for EDC to dispose of the property. Depending on how the site is to be developed by the purchaser, there may be actions that would be subject to ULURP.