



New York City  
Economic Development  
Corporation

## MEMORANDUM

**To:** Manhattan Borough Board

**From:** Neal Smith, Vice President, Real Estate Development

**Subject:** Sale of Property to Museum of Arts and Design

**Date:** August 23, 2004

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**PURCHASER:** Museum of Arts and Design (the "Museum") or an affiliated entity  
40 West 53<sup>rd</sup> Street  
New York, NY 10019

**PROPERTY LOCATION:** Block 1030, Lot 1 (the "Property")  
2 Columbus Circle  
Block bounded by Columbus Circle, Broadway, West 58<sup>th</sup> Street and  
Eighth Avenue  
Community Board #5  
Manhattan

**PROPERTY DESCRIPTION:** The Property consists of an approximately 4,600 square foot of parcel of land, improved with a nine-story building, consisting of approximately 57,000 square feet.

**PROJECT DESCRIPTION:** The Museum plans to rehabilitate the existing building on the Property to create a new home for the Museum. Renovations are anticipated to include new gallery and exhibition space, space for educational programs, administrative space, a ground floor museum store, new restaurant space and the rehabilitation of the existing auditorium.

**EMPLOYMENT:** It is anticipated that the Museum will retain approximately 39 employees and may create approximately 5 new jobs upon moving to its new home.

**PURCHASE  
PRICE:**

The purchase price for the property is \$17,050,000. The purchase price is expected to be paid as follows:

\$2 million in cash and  
\$15.05 million payable pursuant to a note having the following terms:

\$4 million is to be paid in four equal annual installments of principal only commencing on the first anniversary of the closing and thereafter on the second, third and fourth anniversaries of the closing. The \$4 million will not bear interest.

The remaining principal will bear interest at 6% per annum commencing on the closing date until the fourth anniversary of the closing and at approximately 6.16% per annum thereafter. (Interest will not be payable during the first four years of the note. Accrued but unpaid interest will bear interest at the rate of 6% per annum during the first four years of the note and at approximately 6.16% per annum thereafter.) The \$11,050,000 of principal and the interest accrued during the first four years of the note will be amortized over a period of 11 years, and payable in annual installments on the fifth through fifteenth anniversary of the closing.

If the renovation of the building on the Property is completed and the Museum's new home on the Property is open to the public within 24 months from the start of construction, (which date may be extended if an event of force majeure occurs), the \$11.05 million principal portion of the note will be reduced to \$9.05 million as of the closing.

**APPROVALS:** An application to dispose of the Property was approved under the Uniform Land Use Review Process (ULURP) by the City Planning Commission on July 2, 2003 and by the City Council in August 2003.

**ZONING:** The Property is located within a C5-3 zoning district within the Special Midtown District.