

ONE AMSTERDAM REDEVELOPMENT PROJECT | LIMA TOWER

OVERVIEW

One Amsterdam is a proposed redevelopment project located in a prime area of Manhattan, at the confluence of the Upper West Side, Lincoln Square and Columbus Circle neighborhoods.

Proximity to transportation centers, shopping areas, restaurants and recreational facilities make it a very desirable location for residents, shoppers and investors.

The site is currently occupied by a disused City University of New York (CUNY) facility, which the city, state and the aforementioned institution are looking to repurpose. Through an RFP, they are looking for developers who can maximize value by unlocking the highest and best use of the site. They propose to transfer the property for no monetary compensation, but are instead requiring developers to construct and fit out a new facility for CUNY on the site, while the remaining allowable floor area can be used to generate the maximum profit for the developer, albeit with an additional requirement of affordable housing.

We are pursuing a high-end residential condo development with limited ground level retail for the for-profit portion. To that end, we are proposing a 40-floor, 513ft mixed-use high-rise, with 830,616 SF of gross floor area, plus an additional 59,000 SF of below-ground area. 355,000 SF will be dedicated to CUNY as part of the RFP agreement, while 485,616 SF will be for residential uses, including amenities and the affordable component. 15,000 SF will be retail. It will be named Lima Tower.

The project will entail a total investment of \$633 million, including \$388 million in hard costs, including demolition of the existing structure. Given that the land will be delivered without an upfront investment, investors in this project can expect very attractive returns, even accounting for the buildout cost of the CUNY space and the significant affordable component of the project. We are targeting an internal rate of return of at least 20% for this project, with considerable upside if condo sellout prices exceed our projections, given our conservative underwriting.

Our capital stack includes a wide variety of sources that combine to make the project viable and financially lucrative. We are targeting a construction loan of approximately \$344 million and two

external equity sources. The first will come in the form of a \$100 million dollar investment from DASNY (Dormitory Authority of the State of New York) as a cash investment to facilitate the reconstruction of the CUNY facility, which will be paid off from the proceeds of condo sales, plus a return. We have also partnered with an affordable housing operator (targeting Enterprise Community Partners), forming a joint venture (JV), where they will invest 40% of the cost of the affordable component of our development, and will operate it in perpetuity. We as the sponsors will not get any profit from the operation or disposition of the aforementioned affordable housing component, thus our investment represents a goodwill gesture to the community and CUNY and a small contribution to battling the housing crisis in New York City.

There will need to be an additional equity contribution of \$162 million, of which we will contribute a portion and are looking to raise the rest from outside sources as LPs or co-GPs. This is a unique opportunity to invest in a prime, prominent high-rise development in the heart of Manhattan, which is sure to yield attractive risk-adjusted returns to investors.

RFP TERMS & OPTIONS

As part of the RFP proposal, CUNY requests that prospective developers create a minimum of 355,000 GSF of contiguous space spread over no more than twelve (12) floors at no or minimal cost to CUNY. It is to be used for operations, including classrooms, laboratories, offices, academic student support, and meeting spaces. CUNY additionally wants the development to feature an affordable housing component. They acknowledge the expiration of the 421a tax abatement program, so they are not requesting a minimum affordable component but rather seeking developers' best proposals. For the remaining space, developers should seek highest and best use (HBU) to maximize financial returns.

The RFP provides two options to structure the potential transaction: 1. Purchase Scenario: Fee sale of the site, with conveyance upon completion of the CUNY Facility as a condominium unit to CUNY 2. Ground Lease Scenario: Triple net ground lease with a minimum term of 49 years and a maximum term of 99 years and conveyance upon completion of the CUNY Facility as a leasehold condominium to CUNY. We are pursuing option 1.

DEVELOPMENT PLAN

We are planning to build a 40 story building, which we are branding as Lima Tower @ One Amsterdam, in which we provide a facility for CUNY, high-end residential condos, affordable rental housing with amenities, retail space and parking. The height of the structure will be 513 feet. 355,000 SF will be used to build a facility for CUNY, and about 470,616 SF will be used for residential. Out of this 470,616 SF floor area, 307,360 SF will be destined for for-sale market-rate condominium units, 144,640 SF (32% of the total) will be used for affordable rentals, and there will be 18,616 SF of amenities accessible to both free market and affordable residents. In our design, we also have a 10,000 SF outdoor terrace for CUNY and 12,166 SF of outdoor terraces for the residential part, including 2,166 SF on the rooftop. After accounting for the loss factor, the net SF for the residential area is 371,389 SF, while market-rate NSF is 271,400 and the affordable NSF is 99,989. Please refer to the stacking plan in the appendix.

Lima Tower will have 374 total units. 231 of them are for-sale market rate condominiums and 143 of them are for affordable housing. Out of the 231 market rate units we have 143 one-bedroom units, 63 two-bedroom units, 22 three-bedroom units and 3 four-bedroom penthouses. 6 elevators will be serving the residents and there will be 3 elevators for CUNY. On top of these 9 elevators, there will be 2 additional service/freight elevators, one for CUNY and one for residents of Lima Tower. Each elevator will be suitable for 3,500 lbs. All the common area bathrooms will be designed based on ADA standards. CUNY and the residential part will have separate entrances on the opposite sides, on Amsterdam Avenue and 59th Street, respectively.

CUNY will be located from the ground to the 9th floor, the affordable rate units are located from the 7th to the 15th floor. and market rate units start from the 10th floor to the top (39th floor).

We are including a sunken plaza facing Amsterdam Avenue, providing the community some needed public space. We will also include 5,000 SF of retail on the ground floor, and another 10,000 SF below ground, abutting the sunken plaza.

For the CUNY part, we are designing classrooms, offices, academic and student support centers, laboratories, meeting spaces, lobby, and gym. For the design of these areas, we work collaboratively with the university to meet their expectations and to figure out the needs of students.

SITE AND ZONING

The site, known as One Amsterdam, is located, as the name suggests, on 1 Amsterdam Avenue, on the northeast corner West 59th Street and Amsterdam Avenue (Manhattan Block 1131, Lot 1). It sits at the confluence of several distinctive Manhattan neighborhoods: the Upper West Side, Hell's Kitchen, Columbus Circle and Lincoln Square. The lot size is 69,218 SF and is currently occupied by a 4-story, 284,695 SF building which was originally built as a shoe factory and warehouse, and repurposed in the 1970s for use as CUNY's John Jay College of Criminal Justice. The site will be disposed of in where-is, as-is condition.

This lot is subject to C4-7 zoning (General Commercial District Zoning) which has a residential equivalent zoning of R10. Even though the maximum as-of-right FAR is 10, it can be increased to 12 FAR with an inclusionary housing or public plaza bonus. At 10 FAR, it has 692,180 SF of developable area, and can go up to 830,616 GSF with the aforementioned bonus. This supports both residential and commercial uses.

The site is located near the Mount Sinai West Hospital, The Professional Children's School, Fordham University's Lincoln Center Campus, John Jay College of Criminal Justice and many public transportation options including A, B, C, D and 1 lines of the NYC Subway and it is just two (2) blocks away from Columbus Circle and Central Park.

This site has many significant strengths, including its prime location, significant development rights, and suitability for both residential and commercial uses, plus the ability to get bonus FAR. Further, being able to contribute inclusionary housing and new educational facilities is another strength that the site has. Despite having to demolish the existing 4-story building, we will be able to put forth an attractive financial plan that will also serve the community.

SUSTAINABILITY

Initially, we committed to implementing sustainable and green elements to the exterior of our project to improve the aesthetic quality, and more importantly to have an environmentally friendly structure. The façade is covered with rainscreen in wood finish cladding. We also added energy recovery ventilation for more efficient heating and cooling. By using low flowing water fixtures, we are planning to reduce the water waste by up to 35%. Our key element in our

building is the green roof design that we are planning to implement. It is a very important aspect of the Lima Tower which enables us to absorb rainwater and filter it. By implementing it, our residents will not just benefit from energy efficiency. They will also have better air quality by enjoying our rooftop with green plants. We believe that our green elements will be promoting a healthier and sustainable lifestyle for the residents, and it becomes a more desirable place to live in.

AMENITIES

Lima Tower's amenities are designed to enhance luxury in every aspect of life. It is designed to improve the well-being of residents' lives. By providing advanced gym equipment, we are planning to offer our residents the opportunity to pursue personalized workout sessions. In the building, we also offer a yoga studio, in which the tenants can achieve mindfulness and meditation.

The outdoor heated pool area that we are offering provides a unique experience where the residents can enjoy the weather and have a beach feeling in the middle of urban life. Another amenity that we are offering is the kids' room. In this child friendly and parent friendly space, families with kids can enjoy the engaging activities in a secure and enjoyable space. Residents can also enjoy a movie theater room, where they can have a real cinema experience without stepping outside the building. Our gourmet kitchen in the amenities area is one of the most exclusive amenities that we are providing. The residents can use this area to share and explore culinary creativity, socialize with other residents by sharing their gastronomy knowledge.

The building will have 24/7 concierge service that also welcomes guests. The packaging room will also be available to store the packages that the residents expect. We will prioritize the security of our tenants as well as with their packages.

One Amsterdam is a breathtaking residential condo building design to redefine urban living by blending luxurious aesthetics and functionality. We will have floor to ceiling windows. Natural stone and marble will be used in every bathroom and kitchen. We will harmonize durable, luxurious quartzite countertops that come from Brazil with Italian cabinetry in the kitchens. Bathrooms will be full of Italian and Turkish full slab materials with almost seamless design on

floors and walls. For the penthouse units we will be offering onyx material to enhance the luxury that will give a unique feeling to the potential tenants.

Even though we don't have a requirement for parking in this project, we will have 34,000 SF of parking space below ground. We will be offering complimentary parking to the residents who live on the upper levels. We believe that this strategy will enable us to differentiate our project from our competitors and offering such an important amenity in the middle of the city will make the upper-level units more desirable and saleable.

MARKET OVERVIEW AND NEIGHBORHOOD

One Amsterdam is located at the intersection of Columbus Circle, Lincoln Square, the Upper West Side and Hell's Kitchen. It is one of the most desirable neighborhoods in New York City. This area has been witnessing growth over the years due to its prime location and variety of amenities and cultural activities. The area itself represents a high class urban lifestyle that hosts exclusive events and has amazing views and accessibility to the rest of the city. The mix of the culture, convenience and luxury makes it a very attractive area for people to live in. The inclusion of a CUNY facility also makes our project an intellectual hub that increases the community engagement with education.

For many people who live in New York City, the accessibility to subway lines is a key factor when looking for a place to live in. The only 'problem' that a resident at One Amsterdam could face is an abundance of choice, being located near the A, B, C, D, 1 lines of the New York City Subway and just two blocks away from Columbus Circle and Central Park. This enables people to have accessibility to various neighborhoods which helps them to discover the city in the most efficient way possible. This is a key determinant of property value which is driven by high demand.

The proximity to Lincoln Center also plays a crucial role in increasing the attractiveness of this area. Lincoln Center for Performing Arts offers a variety of activities such as opera, ballet, theater, and concerts. Residents who live in the area feel they are privileged to have these top-class events next door. Lincoln Center also increases the prestige of the area by bringing sophisticated and enthusiastic art and high net worth people together. As a result, it becomes an

iconic place and drives a demand for high end luxury which plays a vital role in shaping the character of the neighborhood.

The proximity to the Riverside and Central Parks is another important factor that makes our project's location desirable. Proximity to Central Park and other nearby unique features of the city have a significant impact on quality of life. This proximity enables the residents in the neighborhood to have an easier access to jogging and biking paths, spots for picnicking, playgrounds as well as to the cultural events that take place in it. Furthermore, this area has many other essential amenities such as Mount Sinai West Hospital, the Professional Children's School, Fordham University's Lincoln Center Campus, John Jay College of Criminal Justice, restaurants and grocery stores and other essential retail. As a result, this competitive advantage will drive significant demand for this area both in the short and long run, especially for young professionals, families, and students. Our site sits in the perfect location to take advantage of all the city has to offer.

As our innovative project takes shape, it is crucial to have a better understanding of the competition in the area. We looked at a few comparable properties to better understand the supply-demand dynamics, pricing, strengths, weaknesses, opportunities, and threats. These include 200 Amsterdam, 15 Central Park West, Park Loggia (15 W 61st), and 80 Riverside Blvd. We analyzed sales from the last 365 days thoroughly to determine our per SF condo sellout prices. We also spoke with a reputable residential broker (Elliot Brietta) that knows the area well, and who gave us a better understanding of the market. We determined a blended average sellout price of \$2,440, including the high-end penthouse units, to be reasonable for our project. The total sellout value would be \$662,109.959, or \$2,866,277 per unit. We are projecting a three-year sellout period. Detailed comps data is found in the appendix.

COMMUNITY APPROACH

We expected local government officials and neighborhood leaders to have a positive approach to the proposed use of the site. There are several reasons for that. The Lima Tower project is not only benefiting us financially, it also has potential benefits for the community. The project itself will contribute to the local economy through job creation and potential to attract more people to visit the area. The area is already filled with high-rise residential towers rising above 500ft, so

ours would not be out of context at all. Building a facility for CUNY which contributes to education and the inclusion of affordable housing units, the project will have a positive impact on different communities. With our progressive design, environmentally concerned officials will feel satisfied since we are using green elements. Considering all these, it is likely we will see positive community engagement around our project.

RETAIL

In an area with heavy foot traffic, including from CUNY, nearby amenities, accessibility to major transportation hubs and high residential density, we believe that there will be strong demand for retail space at One Amsterdam. We plan to rent our above-ground space to Blue Park Kitchen, a local fast-casual food concept with a couple locations in the city, which serves simple but high-quality foods with stylishly decorated interiors. We believe it would be a great fit for a neighborhood with limited options within that category. For the basement level, we plan to lease to Nordstrom Rack, a well-known national luxury outlet retailer. Together, they would draw customers and create mutual synergy.

Current market trends show that the rent SF for retail has been increasing and is projected to increase more in the following years. According to our research and the data we pulled from Compstak and CoStar, the average rent in the area is \$149/SF and we are underwriting our project based on this number for the above-ground portion. We understand below-ground retail has less ability to capture demand due to lower visibility and accessibility, so we are estimating a rent of \$100/SF for that portion. Rent is quoted in modified gross numbers, so after deducting a 20% expense ratio we would derive an NOI of \$1,256,400.

Our plan is to separate the retail portion as a condo and sell it to a specialized operator. For that purpose, we estimated a cap rate of 5.8%, yielding a sale value of \$21,662,069.

AFFORDABLE

As shown in our stacking plan (Appendix 2), we have designated 143 units (35% of all units) as affordable housing that are scattered throughout the Lima Tower. These units will serve individuals or households whose income is at or below 60% of the median income of the area. Although slightly smaller than the average unit size we're offering, we feel strongly that these

units will be very desirable with the new appliances, high end amenities and vibrant neighborhood they offer. We will form a joint venture partnership with Enterprise Community Partners, a non-profit dedicated to affordable housing initiatives nationwide, to operate all of the affordable units and provide asset management services. We believe this partnership represents an alignment of interest in serving the community across all income levels. They are providing approximately \$26 million in equity upfront for the construction of the affordable component, and we will contribute the rest without any right to the income generated from operations or sale. This is a goodwill gesture of our commitment to housing inclusion and the importance of mixed-income development. Enterprise Community Partners will have the opportunity to add high-quality units in a resilient Lincoln Center market to their already well-respected portfolio of affordable housing.

CONSTRUCTION AND FUNDING

We believe we can complete construction in 3 years. Based on our analysis we believe the hard costs for the CUNY, residential and retail build out, and below ground build will be \$425/SF, \$450/SF, and \$300/SF respectively. Given that the land will be delivered free in exchange for the new CUNY facility, we calculated an effective land basis of \$187.66. We anticipate soft costs for the entire project will be 30% of our total hard costs. Our demolition cost should be approximately \$5 million. To fund these construction costs, we will take out a construction loan at a 65% loan-to-cost at 9% interest and pay a total of \$103,335,445 in loan fees and interest. After accounting for real estate taxes, which we assume will grow 2% annually, and assuming transaction costs are 1% and carrying cost is \$1.50/SF, we arrive at our total development cost of \$633,260,805.

We have numerous sources of funding for this project. As mentioned above we will be receiving a construction loan for \$344,451,484. Additionally DASNY (the state's Dormitory Authority) will be providing \$100 million in preferred equity to help us fund the CUNY portion and to get our project jump-started. They will receive a competitive 12% return on their investment. Enterprise Community Partners will provide \$26,035,200 representing a portion of the cost of the affordable build out. The rest will be funded by sponsor equity, which we intend to partially raise from the capital markets. Once we complete the project, we also plan to take out a condo

inventory loan to retire our expensive construction debt and to cover the time it takes to sell the condo units which we believe will be at most 3 years. This is a tight market and we believe we are bringing the best in class design and amenities and will not have a problem selling units. Additionally, we have evidence that supports equivalent return metrics in the case we had to lease units as rentals.

Investing in The Lima Tower presents a compelling opportunity for investors seeking both stability and growth. With its prime location and strong potential for appreciation, our One Amsterdam project promises a solid return on investment. The surrounding area's consistent demand for housing ensures a steady rental income stream, bolstered by the property's modern amenities and desirable features that attract tenants. By investing in our property, you'll be tapping into a resilient market and positioning yourself for long-term financial success.

CONCLUSION

We believe strongly that our project, Lima Tower @ One Amsterdam is a win-win for all stakeholders involved. By including a significant affordable housing component, as well as space for CUNY, a key pillar in the city's promise of upward mobility, we are adding an invaluable community asset that will continue to serve the public for generations to come. Additionally, we are creating a structure with the highest standards of design that will positively contribute to the area's aesthetic appeal and streetscape. Our retail component and public plaza will activate what is hitherto a dormant block of Amsterdam Avenue, and will add vibrancy and activity. Finally, our tasteful high-end condos allow us to maximize the site's value and deliver a strong return to our investors, many of which will likely come from pensions. We are grateful for the opportunity to make this contribution to the city.

APPENDIX 1: RFP CONCEPTUAL RENDERING



APPENDIX 2: STACKING PLAN

Use	Proposed	Actual	Check	Above Gr.
CURV	355,000	355,000	TRUE	355,000
Residential Space - Free Market	307,360	307,360	TRUE	307,360
Residential Space - Affordable	144,640	144,640	TRUE	144,640
Residential - Amenities	33,616	33,616	TRUE	18,616
Retail	15,000	15,000	TRUE	5,000
Parking	34,000	34,000	TRUE	34,000
Total	889,616	889,616	TRUE	830,616
Outdoor Space	42,166	42,166	0	37,166

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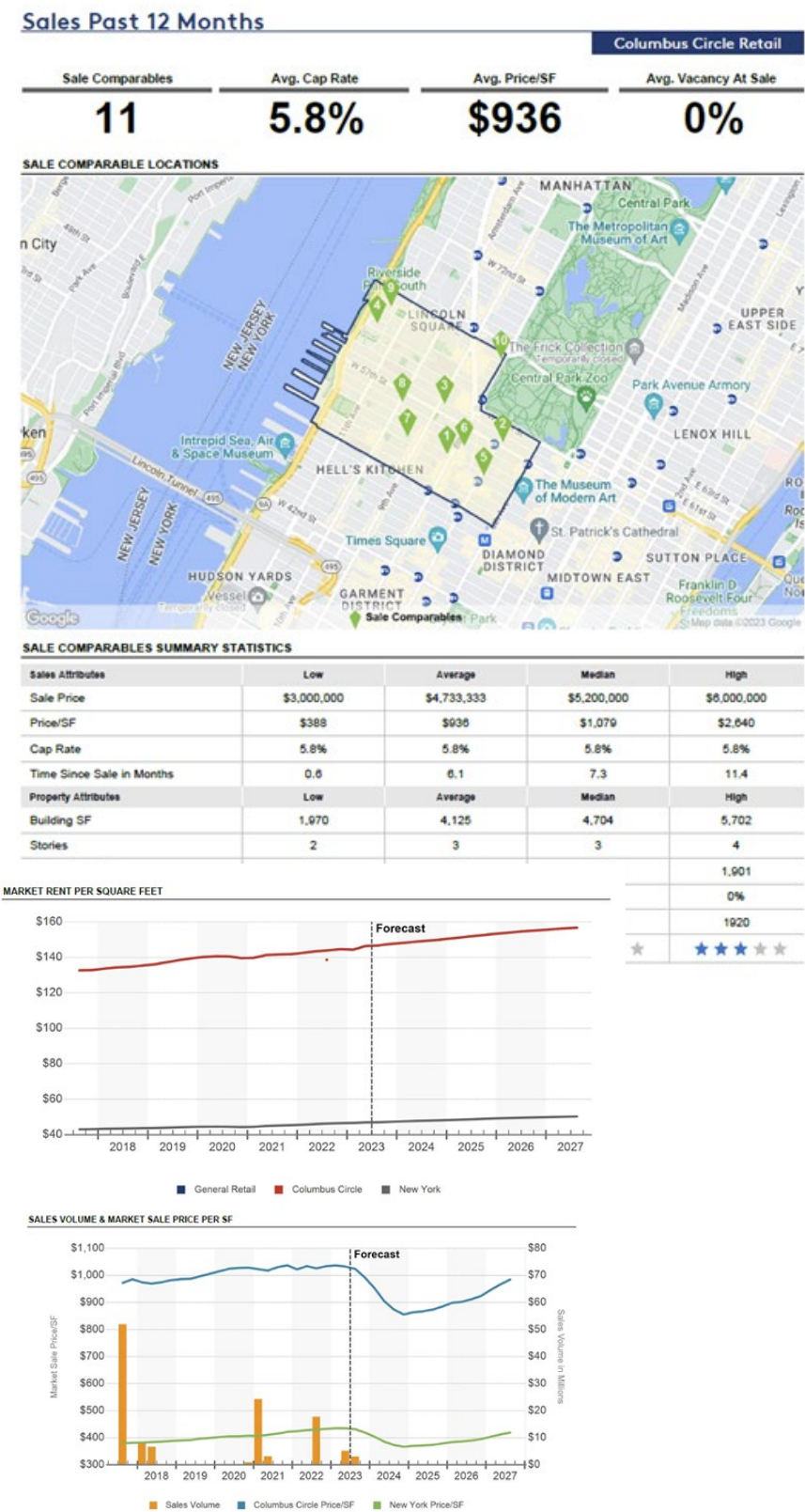
APPENDIX 3: PROPOSED DESIGN CONCEPT



APPENDIX 4: RESIDENTIAL COMPARABLE SALES

Condo Sale Comps						
Address	Unit	Date	Layout	Floor Area	Sale Price	Price / SF
200 Amsterdam	23C	Active	1BR	1290	\$3,175,000	\$2,461
200 Amsterdam	23B	07/23/2023	2BR	2139	\$5,700,500	\$2,665
200 Amsterdam	21D	07/10/2023	3BR	2437	\$6,200,000	\$2,544
15 CPW	#3F	1/6/2023	2BR	1987	\$6,395,000	\$3,218
15 CPW	#16H	12/16/2022	1BR	1342	\$3,995,000	\$2,977
15 CPW	#10K	6/28/2022	3BR	2519	\$9,000,000	\$3,573
Park Loggia, 15 W 61st	3N	06/05/2023	1BR	1006	\$2,100,000	\$2,087
Park Loggia, 15 W 61st	#3N	6/5/2023	1BR	1006	\$2,100,000	\$2,087
Park Loggia, 15 W 61st	#4N	10/7/2022	1BR	1006	\$2,034,390	\$2,022
Park Loggia, 15 W 61st	#3I	9/12/2022	1BR	808	\$1,905,000	\$2,358
Park Loggia, 15 W 61st	#21A	6/15/2023	3BR	1916	\$6,450,000	\$3,366
Park Loggia, 15 W 61st	#30A	4/18/2023	3BR	1916	\$7,225,000	\$3,771
Park Loggia, 15 W 61st	#3A	3/23/2023	3BR	1697	\$4,015,000	\$2,366
Park Loggia, 15 W 61st	#4A	10/11/2022	4BR	1697	\$4,400,000	\$2,593
Park Loggia, 15 W 61st	#5A	9/16/2022	4BR	1697	\$4,300,000	\$2,534
80 Riverside Blvd	#8E	8/4/2023	2BR	1,500	\$3,250,000	\$2,167
80 Riverside Blvd	#26B	6/7/2023	3BR	1,712	\$3,450,000	\$2,015
80 Riverside Blvd	#37A	5/15/2023	3BR	1,850	\$4,500,000	\$2,432
80 Riverside Blvd	#26B	12/12/2022	3BR	1,712	\$3,695,000	\$2,158
80 Riverside Blvd	#PH1A	11/29/2022	4BR	3,056	\$7,650,000	\$2,503
80 Riverside Blvd	#5G	7/27/2022	2BR	1,294	\$2,499,000	\$1,931
80 Riverside Blvd	#8E	7/12/2022	2BR	1,500	\$3,599,000	\$2,399
80 Riverside Blvd	#15B	5/30/2022	3BR	2,173	\$4,395,000	\$2,023
80 Riverside Blvd	#9M	4/13/2022	4BR	2,507	\$6,250,000	\$2,493
80 Riverside Blvd	#29CD	3/26/2022	5BR	3,585	\$6,950,000	\$1,939

APPENDIX 5: RETAIL ANALYSIS



APPENDIX 6: SOURCES AND USES

Sources		
Construction Loan		\$344,451,484
DASNY Equity	12%	\$100,000,000
Affordable JV Equity	40%	\$26,035,200
Sponsor Equity		\$162,774,121
Total		\$633,260,805

Uses	
Land and Demolition	\$5,000,000
Hard Costs	\$382,602,200
Soft & Other Costs	\$142,323,160
Financing Costs	\$103,335,445
Total	\$633,260,805

	Cost psf	Cost
Land Cost		\$0
Demolition and Site Preparation		\$5,000,000
Hard Costs CUNY	\$425	\$150,875,000
Hard Costs Residential & Retail	\$450	\$214,027,200
Hard Costs Below Ground	\$300	\$17,700,000
Soft Costs	30%	\$116,280,660
Transaction Costs	1%	\$5,038,829
Real Estate Taxes		\$17,000,399
Carrying Costs	\$1.50	\$4,003,272
Total Development Cost		\$529,925,360
Construction Loan Amount	65%	\$344,451,484
Construction Loan Fee	3%	\$10,333,545
Construction Loan Interest	9%	\$93,001,901
Projected Condo Sellout		\$662,109,959
Condo Inventory Loan Amount	70%	\$463,476,971
Condo Inventory Loan Interest		8%
Condo Sale Costs		6%
Affordable Retail Sale Costs		4%
Marketing		\$5,000,000