



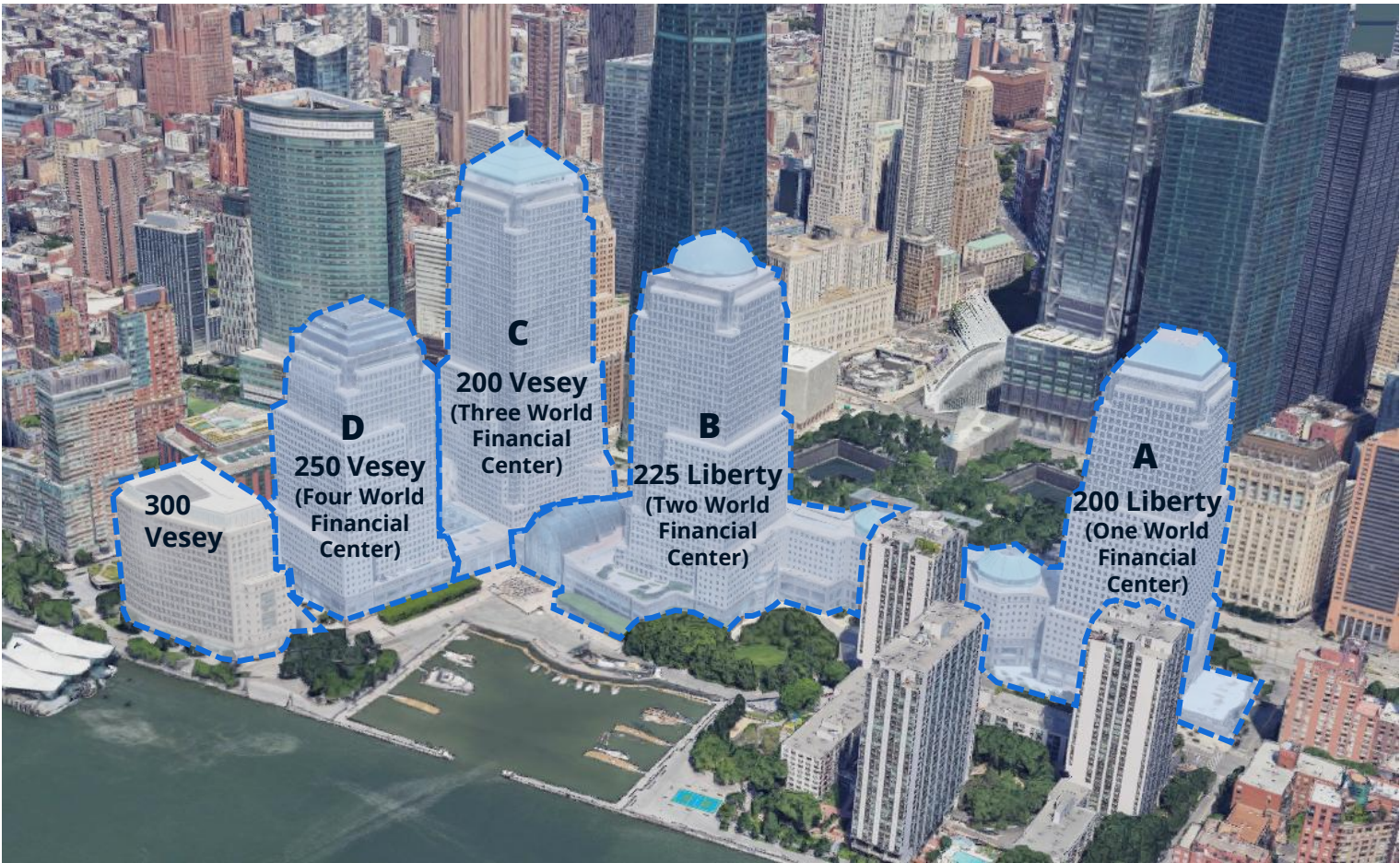
**Battery Park
City Authority**

BATTERY PARK CITY AUTHORITY

BROOKFIELD PLACE LEASE EXTENSION

DECEMBER 10, 2025

Background | History of World Financial Center



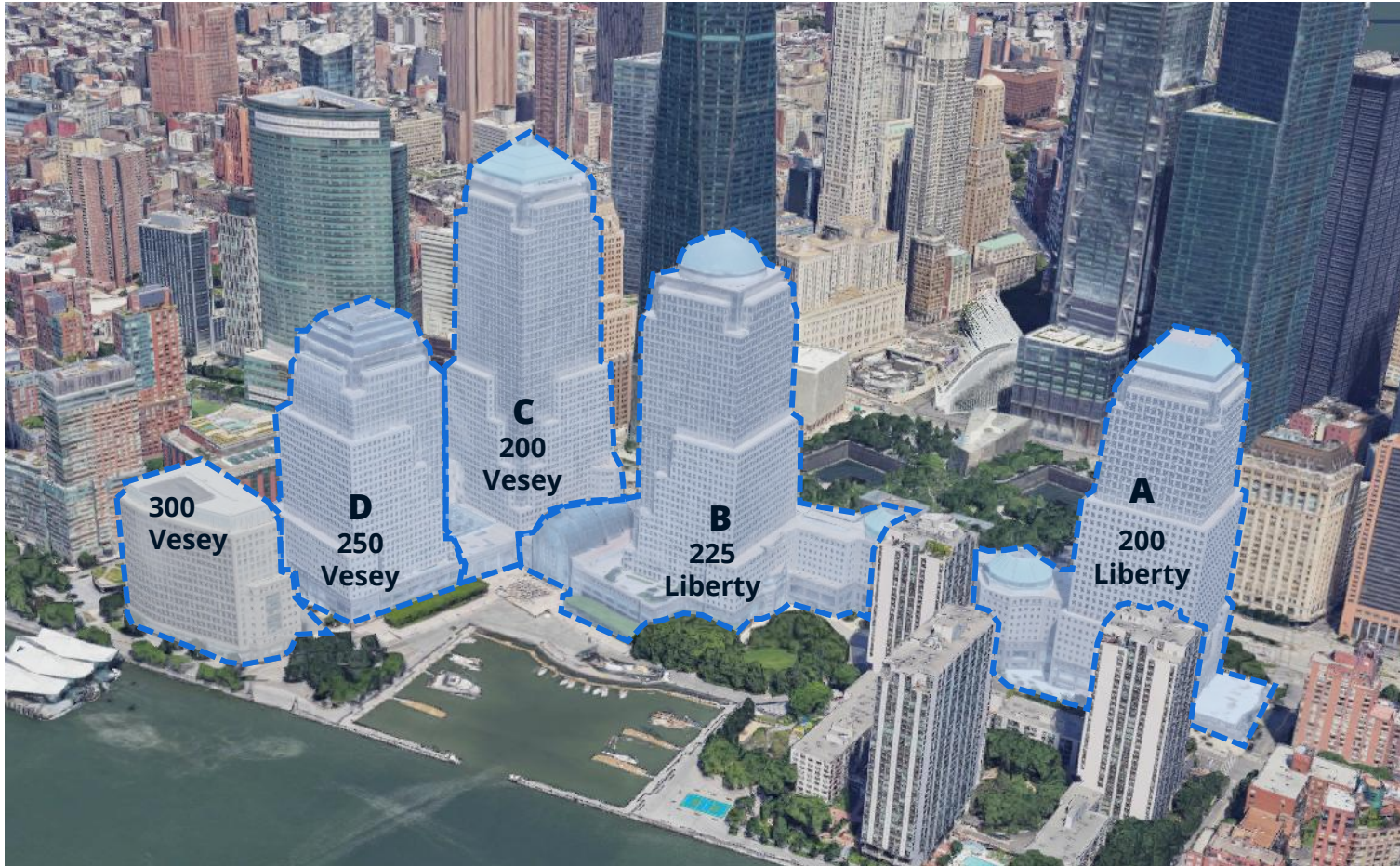
Property Overview

- The World Financial Center was built by Olympia & York from 1983-1986:

<u>Buildings</u>	<u>Year Built</u>
200 Liberty Street	1985
225 Liberty Street	1985
200 Vesey Street	1986
250 Vesey Street	1986

- Olympia and York filed for bankruptcy in 1992.
- In 1996, Brookfield acquired 200 and 225 Liberty Street and a 49% interest in 250 Vesey Street.
- Brookfield acquired Lehman Brothers' 51% interest in 200 Vesey in 2002 (49% owned by Amex) and the remaining interest in 250 Vesey Street in 2011.
- 300 Vesey Street was built in 1997 as the HQ of the New York Mercantile Exchange. Brookfield acquired the building in 2013 and incorporated it into the complex, renamed Brookfield Place.

Background | Summary of In-Place Brookfield Place Ground Lease



Property Overview

- Brookfield Place comprises **~9M SF of Class A office space**.
- All leases **expire in June 2069**.
- Brookfield is the **sole lessee for all towers except Tower C, which is leased to a tenancy-in-common consisting of Brookfield and Amex**.

Background | Summary of In-Place Brookfield Place Ground Lease:

- The rent terms for Towers A-D were established by the original 1983 lease documents, other than one amendment in 2016 affecting retail rent. Ground rent is **meaningfully below market value** today and is fixed through 2069.
- Towers A-D pay a **fixed ground rent**¹ plus retail percentage rent. 2024 estimated rent is:

\$17.0M	Fixed	Base Rent for Towers A-D
\$3.0M	Fixed	Basic Retail Rent with fixed increases
\$1.2M ²	Variable	Retail Percentage Rent (revenue-based, net of credit to 2031) ³
\$21.2M	Total	Equivalent to ~9% of NOI , which will fall over time as NOI increases

- There are **no scheduled rent increases** for the remainder of the lease term (other than Basic Retail Rent)
- Ground rent for **300 Vesey is closer to market** but subject to market-value resets that pose challenges long term
- The NPV of future ground rent of Towers A-D and 300 Vesey is **~\$670M (\$74 PSF)** as of Jan 2024⁴
- Towers A-D and 300 Vesey pay **full property taxes via PILOT** (~\$90M annually as of 2024, ~1/3rd of BPCA total)

¹ Fixed ground rent amounts are per the original lease documents and follow a base rent schedule that is not subject to change with building performance.

² Represents supplemental amount in excess of Basic Retail Rent. Based on Brookfield 2024 “market” cash flows.

³ Retail rent for Tower A is 10% of gross revenue up to \$40/SF and 13.5% over \$40/SF. Rent for Towers B-D is the same, with an extra tier of 15.5% for rents above \$150/SF (general retail) and \$250/SF (dining terrace). Brookfield may credit up to \$1.5M/year of prior capital costs against Towers B-D retail rent through 2031.

⁴ Uses a 4.0% discount rate; assumes future cash flows consistent with 2024 “market” cash flow projections shared by Brookfield and vetted by CBRE.

Goals

- 1 Improve today's below-market ground rent at Brookfield Place and set market-rate ground rent for existing and extension term
- 2 Contribute additional revenue to Joint Purpose Fund for NYC affordable housing programs
- 3 Demonstrate continued strength of the Lower Manhattan office market as well as Battery Park City, particularly for headquarter companies
- 4 Incentivize long-term investment in Battery Park City's most critical commercial asset

Economic Terms

Category	Details
Term Extension	All Brookfield Places leases extended from 2069 → 2119
Upfront Payment	\$32.6M upfront rent payment
Years 1-20 Rent	Minimum fixed rent with annual increases
Year 20+ Rent	Rent = greater of: <ul style="list-style-type: none">▪ Minimum Fixed Rent▪ 21% - 25% of 3-year average NOI (with up to 5% deductions for leasing costs and capital expenses)
Rent Floor	Rent cannot drop below the prior year's rent
Capital Event Fee	3% of net proceeds on capital events

Projected Ground Rent (Present Value)

NPV of Future Ground Rent	Current Lease ^{1,2}	Negotiated Terms ¹	Δ	Δ
Remaining Existing Lease Term (First 20 Years)	\$400M	\$540M ³	\$140M	+35%
Remaining Existing Lease Term (through 2069)	\$670M	\$1,280M ³	\$610M	+90%
Extension Term (2069-2119)	N/A	\$605M	\$605M	-
Total	\$670M (\$74 PSF)	\$1,885M (\$208 PSF)	\$1,210M (\$134 PSF)	-

¹ NPV represents use of “market” cash flows.
² Assumes 300 Vesey rent remains at \$4.3M through the existing lease term, which was the agreed-upon standstill amount pending resolution of 2017 FMV reset.
³ Includes upfront payment of \$32.6M.
⁴ Uses a 4.0% discount rate from 2026 - 2069 and a 5.25% discount rate beyond 2069.

Other Secured Deal Terms

Resiliency & Sustainability

- Brookfield to provide access for performance of NW Resiliency Project
- Brookfield to make commercially reasonable efforts to reduce emissions and waste, including targeting **net zero** by 2050
- Brookfield to **increase reporting** of energy use and waste

Capital Investment

- Brookfield to announce planned **capital investments** and improvements over next 10 years
- Since 2013, Brookfield has invested ~\$900M in Brookfield Place and anticipates spending over **\$130M** over next 10 years

Community Benefits & Diversity Contracting

- Brookfield to contribute up to **\$2.5M** for West Street and S. End/Albany St plaza public realm improvements
- Brookfield to set aside up to **10K SF of Class A office space** for community orgs and nonprofits, to be rented **at cost**
- BPCA to have **free access** to Winter Garden for 2 events/year and **co-sponsorship** of Brookfield's events
- Brookfield to comply with NYS **MWBE and SDVOB goals** on capital projects

Final Steps

Item	Estimated Timeline
PAAA Notice	September 2025 - COMPLETE
Lease Documents	September – December 2025 - COMPLETE
City Consent	December 10, 2025 - COMPLETE
BPCA Board Authorization	December 10, 2025
Lease Execution	Mid-December 2025