

**MEMORANDUM**

To: Matthew Kwatinetz, Executive Vice President

From: David Hughes, Executive Director of Markets DH

Subject: Memorandum of Understanding between Friends of La Marqueta (FoLM) and New York City Economic Development Corporation, City of New York for redevelopment at La Marqueta

Date: January 23th, 2019

CC: Jessenia Cagle, Shana Attas, Steve Lazarus

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Please find attached a Memorandum of Understanding (MOU) between the Friends of La Marqueta (FoLM), and the New York City Economic Development Corporation (NYCEDC) outlining the scope and obligations of FoLM as NYCEDC works towards redevelopment at La Marqueta (LaM).

FoLM will act as an independent, incorporated not-for-profit entity with fundraising capacity. FoLM's engagement with NYCEDC will be in a strictly advisory capacity. NYCEDC will not fund this entity. FoLM's primary roles and responsibilities include but are not limited to:

- Develop a strategic vision for LaM in consultation with NYCEDC
- Develop goals and metrics for evaluating market performance
- Maximize LaM's appeal to a diverse spectrum of customers, including but not limited to community residents, employees of local businesses and tourists, with the joint goal of positioning LaM as one of East Harlem's premier public market places

This MOU is not a formal contract; it is intended to govern the roles and responsibilities of each party during the anticipated redevelopment of LaM. Either party reserves the right to terminate this MOU at any time with forty-five days (45) written notice.

This MOU has been reviewed and approved by NYCEDC Legal Department. If you approve, please sign the white sheet and return to my attention.

Memorandum of Understanding

between

New York City Economic Development Corporation

and

Friends of La Marqueta, Inc.

Pursuant to Exhibit 1 of the November 21, 2017 East Harlem Points of Agreement between the office of the Mayor of the City of New York and the office of the former Speaker of the New York City Council, Melissa Mark-Viverito (a copy of which is attached hereto as Exhibit A), this Memorandum of Understanding (the “MOU”) serves to confirm the understanding between the New York City Economic Development Corporation (“NYCEDC”) and Friends of La Marqueta, Inc. (“FoLM”) (collectively, the “Parties” and each, a “Party”) with respect to the redevelopment of La Marqueta (“LaM”), and confirms the intent of the Parties for FoLM to act as independent, incorporated not-for-profit with fundraising capacity in an advisory role as NYCEDC works towards the redevelopment of La Marqueta (“LaM”). FoLM’s charitable purposes include meeting the art, health, education and equitable development needs of the East Harlem community through support of the La Marqueta public market.

This MOU is intended to govern the roles and responsibilities of the Parties during the anticipated redevelopment of LaM. It is the intent of all Parties that following the completion of a successful redevelopment, the Parties will continue working together and at that time they will enter into another agreement governing new roles and responsibilities during the ongoing operation of LaM. NYCEDC expects to remain in support of FoLM’s capacity to fundraise for LaM in furtherance of FoLM’s charitable purposes.

NYCEDC and FoLM shall work closely together to (i) develop a strategic vision for LaM that implements the local community’s recommendations for LaM’s development, (ii) increase patrons of LaM’s vendors and programs, and (iii) maximize LaM’s appeal to a diverse spectrum of customers, including but not limited to community residents, employees of local businesses and tourists, with the joint goal of positioning LaM as one of East Harlem’s premier public market places that welcomes longstanding patrons and new ones alike.

The Parties will first work together with the future market partner (the “Market Partner”) to be chosen pursuant to NYCEDC’s Request for Proposals (“RFP”). Prior to releasing the Market Partner RFP, NYCEDC will develop goals of the Market Partner RFP in consultation with FoLM. NYCEDC will provide FoLM with blind briefings on responses to the Market Partner RFP before NYCEDC makes its Market Partner selection.

The Parties shall collaborate to advance LaM’s conceptual redevelopment plan through design development, and shall work in good faith in partnership, along with the Market Partner, to redevelop LaM in furtherance of the goals described above. In addition to advising on the Market Partner goals, FoLM’s responsibilities will include: (a) developing the strategic vision for LaM in consultation with NYCEDC, (b) developing goals and metrics for evaluating LaM’s performance, (c) identifying opportunities for local community engagement, (d) developing selection criteria for new leases or permits to operate at LaM, and (e) receiving blind briefings on applicants prior to NYCEDC or the City entering into such leases or permits. Each Party shall provide prompt feedback when responding to the other Party’s

January 1<sup>st</sup>, 2019

requests for meetings or materials given for comments, and the Parties shall work to respond to each other within two weeks or less.

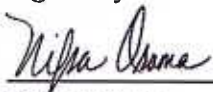
In addition to FoLM's responsibilities outlined above, at the execution of this MOU, FoLM shall provide to NYCEDC a list of all of the members of FoLM and a list of the board of directors representing the members (as per the FoLM bylaws) as of the date hereof. FoLM shall keep NYCEDC informed of any changes made to FoLM's members or board of directors by delivering NYCEDC written notice (which can be made by e-mail) of such appointment, resignation, or termination. Upon reasonable request, FoLM will provide NYCEDC a copy of FoLM's meeting minutes.

To maintain the collaboration, FoLM must meet its obligations outlined in this MOU in accordance with a schedule for the redevelopment of LaM that is mutually agreed to by FoLM and NYCEDC set forth in Exhibit B.

The Parties acknowledge and confirm that this MOU is intended only to express the intentions and understanding of the Parties and is not intended to be legally binding. None of the Parties shall be deemed to have undertaken any legally binding obligation with respect to any matter contemplated by this MOU. Up and until such time, any existing agreements between the Parties shall remain in full force and effect in accordance with the terms and through the expiration dates of such agreements.

Either Party may terminate this MOU at any time with forty-five (45) days written notice.

Signed by:



Nilsa Orama

Chairperson

Friends of La Marqueta, Inc.

Date: January 23, 2019

Signed by:



Matt Kwatinetz

Executive Vice President

New York City Economic Development  
Corporation

Date: 1/24/19

## Exhibit A

## East Harlem Points of Agreement

## East Harlem Points of Agreement

### 1. Renovations of La Marqueta

**Description:** La Marqueta is located along Park Avenue, between E. 111th Street and E. 119th Street underneath the Park Avenue viaduct. Since its inception in 1936, La Marqueta has steadfastly remained a landmark in East Harlem. The Speaker's Office and the New York City Economic Development Corporation ("NYCEDC") have engaged in a feasibility study to develop goals and a framework for future investments at La Marqueta. This work led to a conceptual plan for Lots 1 through 8 that illustrates and reflects the goals and framework developed through the feasibility study. The next step will be to move from concept phase to design phase, which is anticipated to be in FY18, after which construction is anticipated to start in the winter of 2019.

An overview of the organizational structure for La Marqueta is included as an exhibit to this POA. Moving forward, NYCEDC is open to exploring public-private partnerships to further activate the public market.

**Timeline:** Construction to start winter of 2019

**Capital Funding:** \$25M

### Exhibit 1: La Marqueta Organizational Structure

#### Friends of La Marqueta

Friends of La Marqueta (FoLM) would be an independent, incorporated not-for-profit with fundraising capacity. The organization would be formed by local community leaders and be inclusive and open to the public. FoLM would engage with all stakeholders, including NYCEDC, the Market Partner (defined below), the La Marqueta Vendor Association, elected officials, key community members and groups, Community Board 11 and market customers. If FoLM is not formed within 6 months of the POA agreement date, NYCEDC shall not seek to advance a partnership with FoLM as described below.

NYCEDC expects to enter into a Memorandum of Understanding (MOU) with FoLM to outline the expected scope and obligations of FoLM as NYCEDC works towards redevelopment of La Marqueta.

The roles and responsibilities of FoLM would include:

1. Develop strategic vision in consultation with NYCEDC;
2. Develop goals and metrics for evaluating market performance;
3. Partner with NYCEDC to advance the WXY conceptual redevelopment plan through design development;
4. Identify opportunities for local community engagement;
5. Develop selection criteria for leasing/permitting and receive blind briefings prior to NYCEDC or the City entering into leases or permits for vendor stalls at the retail market;
6. Provide prompt feedback when responding to requests for meetings or materials given for comment;
7. NYCEDC will develop the goals of the Market Partner RFP, described below, in consultation with FoLM; and
8. NYCEDC will provide FoLM with blind briefings on responses to the Market Partner RFP before NYCEDC makes a selection.



## East Harlem Points of Agreement

9. To maintain the collaboration, FoLM must meet performance metrics and benchmarks outlined in the MOU with NYCEDC

### Market Partner

This independent local non-profit would be selected through a competitive RFP process conducted by NYCEDC, and would participate in FoLM. NYCEDC will seek to enter into a funding agreement or operating agreement with the selected respondent, respectively as needed.

The roles and responsibilities of the Market Partner would consist of:

1. **Marketing, events, and cultural programming duties;**
2. **Leasing/permitting:** Market Partner shall have 90 days to exclusively seek to find and suggest, to NYCEDC and the City, vendors for vacant stalls;
  - Provided the Market Partner (i) selects vendors that meet the selection criteria established by the City, NYCEDC and FoLM, and (ii) such vendors are approved by NYCEDC in its sole discretion, NYCEDC and the City will seek to enter into negotiations with those vendors for agreements for space at the public retail market.
  - Upon stabilization of the market, which will be defined as one year post-construction completion on the market, if the vacancy rate increases to 10%, or net operating income (NOI) decreases to \$50,000 per year for the public retail market (the "NOI Requirement"), NYCEDC reserves the right to end the aforementioned exclusive period with the Market Partner and pursue leasing/permitting directly. The NOI Requirement will increase each year the greater of 3% or CPI, with periodic resets to market.
  - Small business incubation support and capacity building;
  - On-site staff engagement;
  - Stakeholder engagement;
  - Reporting: Market Partner shall submit to NYCEDC an annual market report detailing performance of the scope above, with such performance being measured according to specific metrics determined by NYCEDC in its sole discretion.

### Vendor Association

The vendor association would be an independent non-profit organization established by the market vendors. It is anticipated that NYCEDC would enter into an MOU with the Vendors Association, which will include an established scope and may include the possibility of funding from NYCEDC. The Vendors Association would participate in FoLM.

The roles and responsibilities of the Vendor Association would consist of:

1. On-site vendor engagement;
2. On-site staff engagement;
3. Assistance with marketing and market events;
4. Coordination of vendor participation in marketing and market events.

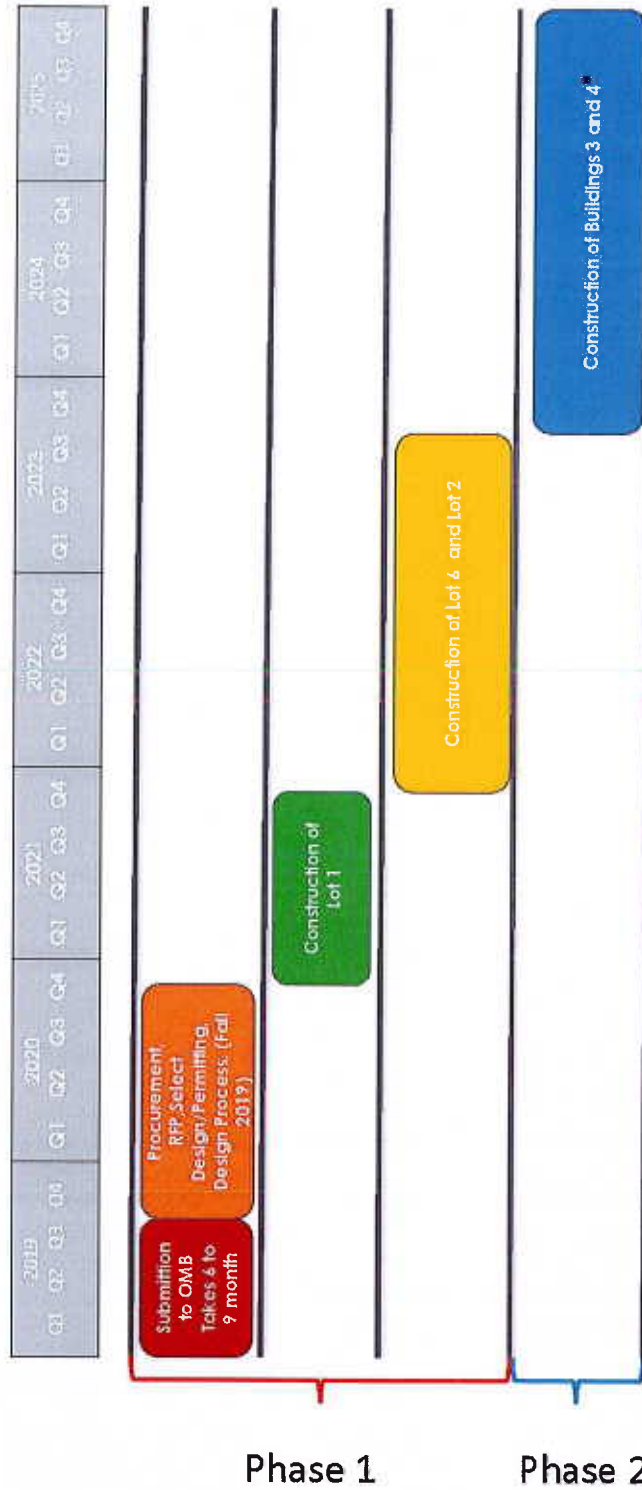
Exhibit B

Schedule for Redevelopment



Draft – Subject to change

Redevelopment Timeline  
Anticipated 72 Months of Construction



\*Bldg 4 construction will start first in 2023 follow by construction of bldg 3 in 2024