



## Roosevelt Island Operating Corporation

**ANDREW M. CUOMO**  
Governor

**SUSAN G. ROSENTHAL**  
President & CEO

### BOARD OF DIRECTORS

RuthAnne Visnauskas, Chair, Commissioner of NYSHCR  
Robert F. Mujica Jr., Director of BUDGET  
Conway S. Ekpo  
Jeffrey R. Escobar  
David Kapell  
David Kraut  
Howard Polivy  
Michael Shinozaki

Agenda Item V, 6. April 23, 2020

### PROPOSED RESOLUTION

#### AUTHORIZATION TO AMEND THE LICENSE AGREEMENT WITH ROOSEVELT ISLAND RACQUET CLUB ASSOCIATES

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**RESOLVED** by the Board of Directors of the Roosevelt Island Operating Corporation of the State of New York (“RIOC”), as follows:

- Section 1. that RIOC is hereby authorized to amend the License Agreement with Roosevelt Island Racquet Club Associates upon such terms and conditions substantially similar to those outlined in the Memorandum from Susan G. Rosenthal to RIOC Board of Directors dated April 20, 2020, attached hereto;
- Section 2. that the President/Chief Executive Officer or her designee is hereby authorized to take such actions and execute such instruments as she deems necessary to effectuate the foregoing; and
- Section 3. that this resolution shall take effect immediately.



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### MEMORANDUM

To: Board of Directors  
From: Susan G. Rosenthal, President/Chief Executive Officer  
Re: Amendment of License Agreement with Roosevelt Island Racquet Club Associates  
Date: April 20, 2020

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Roosevelt Island Operating Corporation (“RIOC”) entered into the original License Agreement for the tennis bubble with HCK Recreation Inc. (“HCK”), the predecessor in interest to the Roosevelt Island Racquet Club Associates (“RIRCA”), in November of 1989. HCK/RIRCA is one of RIOC’s oldest and most reliable commercial licensees. Currently, RIRCA pays RIOC: (1) \$275,000 per year, or \$22,916.67 per month, in licensee fees for the tennis bubble; as well as (2) approximately \$25,300 per year, or \$2,108 per month, in parking licensee fees<sup>1</sup>. (Hereinafter, collectively, “License Fees”)

Due to the ongoing COVID-19 pandemic and the orders issued by the New York State Governor in relation therewith, RIRCA, as many other businesses on the Island and throughout the City and the State, had to shut its doors and temporarily cease its operations.

As a result of the above, RIRCA has been suffering from a lack of income necessary to keep its employees on payroll, as well as to pay its rent. The principal of RIRCA asked RIOC whether it would allow for temporary License Fees deferment to alleviate some of the financial burden placed on the business by the current situation. Based on the ensuing discussions and negotiations, the following terms have been agreed to by the parties subject to approval of RIOC’s Board of Directors:

1. RIOC would agree to defer License Fees due from RIRCA for April, May and June of 2020 (the “Deferred Fees”);
2. RIRCA would timely pay all regular License Fees due to RIOC for July, August and September of 2020;

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<sup>1</sup> The parking license has expired on April 15, 2020, and would be negotiated with a 5% increase in fees.

3. Commencing with October of 2020 and for the following six (6) months, RIRCA will continue to timely pay Regular License fees then due, as well as make up the Deferred Fees in six (6) equal monthly installments.
4. RIRCA has applied for the Federal Small Business Administration (“SBA”) loan intended to assist businesses affected by the COVID-19 epidemic to defray costs of payroll and rents. If such loan becomes available to RIRCA before the Deferred Fees become due, RIRCA will commence repayment of the Deferred Fees, to the extent the SBA loan funds are available for repayment of license fees, on the month following the receipt of such SBA loan funds and repay the entirety of the Deferred Fees in six (6) consecutive monthly installments. If the SBA loan funds prove to be insufficient to pay all or part of the Deferred Fees, RIRCA shall provide RIOC with appropriate accounting, to RIOC’s satisfaction, and commence repaying the Deferred Fees on October 2020 as outlined above. In all cases, RIRCA will be obligated to repay all Deferred Fees prior to March 31, 2021.

Since all deferred fees would be paid to RIOC within the Fiscal Year ending on March 31, 2021, this arrangement would present minimal impact on RIOC’s budget and operations. At the same time, it would provide much-needed relief to one of the oldest businesses on the Island, which is adversely impacted by the current crisis. We believe that supporting commercial establishments on Roosevelt Island is of great benefit to RIOC and the Island community. Therefore, I recommend this amendment for Board approval.