

LOWER MANHATTAN DEVELOPMENT CORPORATION

Meeting of the Directors
Borough of Manhattan Community College
245 Greenwich Street – Room 1404
14th Floor, Room 1304
New York, New York 10007

October 3, 2018

MINUTES

In Attendance

Directors:

Holly Leicht, Chair
Catherine McVay-Hughes
Mehul Patel
Carl Rodrigues
Carl Weisbrod
Dominic Williams

Staff Attending:

For Lower Manhattan Development Corporation:

David Emil, President
Daniel Ciniello, Senior Vice President, Operations and CFO/Treasurer
Stephen Konopko, Vice President, Internal Audit

For Empire State Development:

Howard Zemsky, President and CEO
Goldie Weixel, Senior Counsel
Debbie Royce, Assistant Corporate Secretary

Also Present:

NYC Economic Development Corporation

Terri Bahr, Construction Manager
Len Greco, Senior VP, Capital Division
Odit Oliner, Assistant VP, Capital Division

Skanska USA Building Inc.

Matthew Krenek

Warrie Price, President, Battery Conservancy

The Public

The meeting of the Lower Manhattan Development Corporation (“LMDC”) was called to order at 9:08 a.m. It was noted for the record that notice to the public and news media of the time and place of the meeting had been given in compliance with the New York State Open Meetings Law.

The Chair also noted for the record the Corporation’s policy which welcomes public comments on the items on the current Agenda.

Before beginning with the substantive portion of the meeting the Chair asked the Directors whether anyone had any potential conflict of interest with respect to any of the items on the proposed Agenda.

Hearing none, the Chair called for a motion to approve the Minutes of the Directors’ meeting of July 26, 2018. Noting no corrections and upon motion duly made and seconded, the following resolution was unanimously adopted:

Approval of Minutes

RESOLVED, that the minutes of the meeting of the Corporation held on July 26, 2018, as presented to this meeting, are hereby approved and all actions taken by the Corporation’s employees, officers or Directors in furtherance of the matters referred to therein are hereby ratified and approved as actions of the Corporation.

* * *

The Chair then called on Director Weisbrod to provide the Audit and Finance Committee report in the absence of Audit and Finance Committee Chairman Tom Johnson.

Director Weisbrod reported the Committee met on September 18, 2018 and supports the designation of the Performing Arts Center, Inc. as the recipient of the Lendlease contribution. He noted the Committee also approved the corrected Pier 42 funding authorization request and also reviewed and supported the proposed Housing Agreement scope change and contract extension for external audit services. Further, he stated the Committee reviewed the purpose, cost justification, and availability of funding for the proposed resolutions and is recommending that they be approved by the Board as a whole.

Director Weisbrod noted the Committee received a West Thames Street Bridge project update from the New York City Economic Development Corporation (“EDC”) and the contractor, Skanska and noted that a similar presentation will be provided at this meeting. He noted that the Committee was updated on the Performing Arts Center project with a focus on project financing and the Committee was generally pleased with the financial outlook and supports a full Board presentation at the next meeting.

He also noted the Committee is pleased to report that LMDC staff continues to operate within their approved administrative budget.

The Chair thanked Director Weisbrod and then called on David. Emil to present the next two items on the Agenda.

Mr. Emil reported on the status of the designation of the Performing Arts Center, Inc. as the recipient of the Lendlease contribution. He referenced the Minutes of the previous Board meeting as background and understands the City is also comfortable with LMDC staff recommendation.

Mr. Emil recommends to the Board that the Performing Arts Center receive the \$400,000 charitable contribution.

The Chair asked if the City representatives at the meeting had any additional comments.

Director Weisbrod stated he was appreciative of the Lendlease settlement and congratulated LMDC staff and outside counsel in doing an outstanding job on this conclusory item.

Mr. Emil noted that this is the end after 12 years of work with Bovis on this project and this is the final step.

The Chair asked if there were any other questions or comments. Hearing none, upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization to Designate the World Trade Center Performing Arts Center, Inc. as the Project to Receive the \$400,000 Charitable Contribution from Lendlease (US) Construction LMB Inc.

RESOLVED, that the Corporation is hereby authorized to designate the World Trade Center Performing Arts Center, Inc. as the project to receive the \$400,000 Charitable Contribution from Lendlease (US) Construction LMB Inc. in accordance with the terms presented to the Board on July 26, 2018;

FURTHER RESOLVED, that the proper officers of the Corporation are hereby authorized to take any such action and to execute such instruments as may be necessary and appropriate to effect the foregoing.

* * *

The Chair then asked Mr. Emil to present the next Agenda item, the status of the West Thames Street Bridge.

Mr. Emil noted that the next item was not an action item. He stated the Audit and Finance committee was given a presentation from EDC on the current status of the construction of the West Thames Street Bridge. He stated the Committee found the presentation helpful and noted the representatives from EDC and Skanska were prepared to present it to the Board and public at today's meeting. He then called on EDC for their presentation.

Len Greco, EDC Senior Vice President, Capital Division, presented a PowerPoint presentation, beginning with some background of the West Thames Street Bridge project and outlining the problems that came up regarding the fillit welds that were not fusing properly.

Although not a structural issue, if left unattended it could affect the life of the bridge over time. He noted that all fillit welds were replaced.

Mr. Greco also outlined the timeline currently scheduled for the bridge with a target date of Memorial Day 2019. He stated the bridge will be placed on a barge unassembled and brought to lower Manhattan with the timing to be coordinated with NYPD, MTA, DOT, and BPCA.

Director McVay-Hughes asked for the total cost of the Bridge and Mr. Greco advised the total cost would be \$46 million.

Mr. Emil requested the cash flow of the project to date and Mr. Ciniello stated that \$15 million to \$16 million was paid from LMDC and \$2 million from BPCA through July.

Mr. Emil commented that the City should have significant retainage for the project so the project doesn't run out of cash.

Director McVay-Hughes inquired as to whether there were any anticipated potential setbacks that might come up since the bridge was important to the community for students as well as the elderly in the area.

Mr. Greco stated the only issues he could foresee immediately may be regarding painting and the pick.

Director McVay-Hughes asked for an update regarding the Rector Street Bridge.

Mr. Greco replied that project would begin next September and the original contractor who bid for the contract was still interested in completing the job.

Director McVay-Hughes asked if the cost of removing the Rector Street Bridge was included in the budget, and Mr. Greco replied that it was.

Director Weisbrod noted that the project was plagued by delays with five milestones to monitor. He requested that if EDC learns of anything that might affect a time delay or financial issue, they should let City Hall know since EDC is the Project Manager and Mr. Greco replied that EDC would accommodate that request.

Director Weisbrod further mentioned it was important to know the timeline since the bridge will be named after Robert Douglass and will have a plaque memorializing him per a previous LMDC resolution and Mr. Greco agreed.

Director McVay-Hughes requested a monthly update on the project for the board members and Mr. Greco agreed that would be provided.

Mr. Emil followed up Director Weisbrod's comment concerning the location of the Robert Douglass sign. Mr. Greco referred to Odit Oliner for information regarding the sign and Ms. Oliner said the design of the sign was still under review.

Mr. Emil requested that the design for the sign be circulated to LMDC staff and members of the Board before the bridge opens.

Ms. Oliner said that they City would work towards that goal, pending PDC review.

The Chair asked how long it would take to install the bridge.

Mr. Krenek stated that it would take about a week by using a staging area and arranging to have the bridge installed on a weekend. The highway may be closed from 12:00 midnight through 5:00 am, per the schedule of NYPD, MTA, DOT, and BPCA.

Director Patel hoped it would be not be on the Memorial Day weekend. Mr. Greco mentioned they had already done a dry run.

Following the full presentation and discussion on the item, the Chair asked if there were any further questions or comments.

Hearing none, the Chair then introduced the next item, a request to amend the Subrecipient Agreement with New York City Department of Housing Preservation and Development.

Mr. Emil explained the change in the housing subrecipient agreement was a change in the scope to reallocate the request for funding from the facade, which was not needed, to additional exterior lighting, which was. HPD would benefit from the security and lighting and there was to be no change in the total budget amount.

The Chair asked if there were any other details.

Director McVay-Hughes commented that the item was reviewed at the Audit Committee.

The Chair asked if there were any questions or comments. Hearing none, upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization to Amend the Subrecipient Agreement with the NYC Department of Housing Preservation & Development

RESOLVED, that the Corporation is hereby authorized to amend its subrecipient agreement with the New York City Department of Housing Preservation & Development to reflect project scope changes, as described in the materials presented to this meeting; and be it

FURTHER RESOLVED, that all such actions previously taken in furtherance of the foregoing by the Corporation's employees, Officers or Directors are hereby ratified and approved in all respects; and be it

FURTHER RESOLVED, that the proper officers of the Corporation are hereby authorized to take any such action and to execute such instruments as may be necessary or appropriate to effect the foregoing.

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The Chair then introduced the next item, a request to correct material regarding amending the Pier 42 Subrecipient Agreement.

Mr. Emil explained this item was for construction of a park on the Pier 42 project and noted this would be the conclusion of allocation of funding by LMDC. He stated this was a complicated project made more so by Superstorm Sandy. He further noted, LMDC is requesting construction funding be available for future approvals to complete the project, since it is now in its middle phase. The project is moving along well.

The Chair requested Mr. Emil give two sentences on the project and Mr. Emil deferred to Terri Bahr to describe the project.

Ms. Bahr explained the project is in two phases. She stated one is abatement and demolition of a steel shed and the other is the ongoing design and painting of the new shed, with 60% of the work completed.

Mr. Emil commented that this project was the northern and eastern end of LMDC's effort to fund parks around the lower tip of Manhattan.

Director McVay-Hughes mentioned there is still a gap between Pier 17 and the Brooklyn Bridge and that the LMDC Board is waiting for the City to finalize plans so construction can happen, adding this was another part of the City that was devastated during Superstorm Sandy. The South Street Seaport is undergoing renovation, and the Board should get an update on that as well.

The Chair noted Director McVay-Hughes' request.

Director McVay-Hughes inquired as to whether this portion of the pier fell into the announcement of the new resiliency plan. Ms. Bahr replied that it does, and will add whatever improvements may be needed to the project.

The Chair asked if it needed to be elevated and Ms. Bahr replied that it did not need to be elevated.

The Chair asked if there were any other questions or comments.

Hearing none, upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization to Amend the Subrecipient Agreement with the City of New York to Provide Additional Funds for Pier 42

RESOLVED, the Corporation is hereby authorized to amend its subrecipient agreement with The City of New York through its Department of Small Business Services (SBS), to increase funding by \$19,400,000 to an amount not to exceed \$26,655,000, for the Pier 42 Project as described in the materials presented to this meeting; and be it

FURTHER RESOLVED, that the expenditures approved hereby shall be allocated from funds included in Partial Action Plans 10 and S-2; and be it

FURTHER RESOLVED, that all such actions previously taken in furtherance of the foregoing by the Corporation's employees, Officers or Directors are hereby ratified and approved in all respects; and be it

FURTHER RESOLVED, that the proper officers of the Corporation are hereby authorized to take any such action and to execute such instruments as may be necessary or appropriate to effect the foregoing.

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The Chair introduced Mr. Ciniello to report on the next item, a request to amend an agreement for external audit services with EFPR Group.

Mr. Ciniello explained that external auditing of LMDC performed by EFPR was a HUD mandate, and this item would extend our contract to cover the next two fiscal years ending in 2020. The price will remain \$40,000 annually as it has been for the last three years.

The Chair asked if there were any other questions or comments.

Hearing none, upon motion duly made and seconded, the following resolution was unanimously adopted:

Request to Amend Agreement for External Audit Services with EFPR Group

RESOLVED, that the Corporation is hereby authorized to amend its agreement with EFPR Group for independent auditing services for up to a two year period for \$80,000, as described in the materials presented to this meeting; and be it

FURTHER RESOLVED, that the expenditures approved hereby shall be allocated from funds included in the Finance Department Budget for fiscal years ending March 31, 2019 and 2020; and be it

FURTHER RESOLVED, that the proper officers of the Corporation are hereby authorized to take any such action and to execute such instruments as may be necessary or appropriate to effect the foregoing.

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The Chair announces that David Emil will be stepping down from his position as President of LMDC after 11 years. She noted his tenure at LMDC and mentioned his many accomplishments as President. In addition, she stated that Mr. Emil is a committed advocate for public parks and open spaces in Lower Manhattan as well as community and cultural resources.

The Chair introduced Howard Zemsky, President and CEO of Empire State Development, to further comment on Mr. Emil's contributions and accomplishments.

Mr. Zemsky thanked Mr. Emil for his service of 11 years. He mentioned how sad it is that LMDC had to be established, but how incredibly important a role the organization and Mr. Emil has played since 9/11. He stated that walking around Lower Manhattan you can see how well this part of the City is doing, and is a testament to the great work that Mr. Emil and LMDC have been doing. He then outlined Mr. Emil's many accomplishments and government service through the years.

Mr. Zemsky noted how no one gets rich by public service, but people are enriched by public service, and how Mr. Emil's role at LMDC has had such a significant impact. He added that Mr. Emil is a champion of cultural institutions and organizations, green space and public space and LMDC should be proud of its association with him.

He went on to thank Mr. Emil on behalf of ESD, the Governor of New York, LMDC and congratulated him on the extraordinary job that he has done.

The Chair thanked Mr. Zemsky and asked if any of the other Directors would like to say a few words.

Director Weisbrod reminded the Board he is the longest serving Director of LMDC since being appointed in 2002, and thanked Mr. Emil for overseeing difficult challenges as President of LMDC. He added that Mr. Emil was also a huge contributor before his time at LMDC to the revitalization of Lower Manhattan. He also mentioned that Tom Johnson would also like to acknowledge Mr. Emil's efforts at LMDC.

Director Weisbrod also acknowledged how Mr. Emil was able to work with both City and State Board appointees.

Mr. Emil said that it was great to work with the Board and it has been a pleasure and honor to work with two Mayors and three Governors, and although appointed by Governor

Spitzer, he was able to work with his friend, Governor Cuomo, for eight years as well as the Mayor. He thanked them both for their support and he also acknowledged the job that Mr. Zemsky is doing at ESD.

Mr. Zemsky then presented Mr. Emil with a proclamation from Governor Cuomo and read it into the record.

Mr. Emil thanked the staff of LMDC, the Governor, Mr. Zemsky, Chair Leicht, Robert Douglass, and LMDC Board members for their work on behalf of LMDC and believes LMDC will be in good hands with Dan Ciniello.

The Chair asked if there were any other questions or comments.

Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Acknowledgment of the Contributions and Accomplishments of Former Lower Manhattan Development Corporation President David Emil and Commendation for His Service to Lower Manhattan;

WHEREAS, David Emil has served as President of the Lower Manhattan Development Corporation from May 18, 2007 through October 5, 2018; and

WHEREAS President Emil's leadership over the last eleven and a half years has contributed tremendously to the continued recovery of Lower Manhattan, and the realization of the public's vision of a vibrant business, residential and commercial community; and

WHEREAS with President Emil's guidance and leadership, LMDC has supported the World Trade Center Memorial and Museum through to completion, thus achieving one of LMDC's key goals for Lower Manhattan; and

WHEREAS President Emil provided unshakable leadership through many challenging obstacles including the demolition of the former Deutsche Bank building while furthering the rebuilding of the World Trade Center Site and the revitalization of Lower Manhattan; and

WHEREAS President Emil has preserved the fiscal integrity of the Lower Manhattan Development Corporation and has led the effort to recover and reallocate over \$50 million to be repurposed to further assist in the redevelopment of Lower Manhattan; and

WHEREAS President Emil's support of community and cultural revitalization, has resulted in the allocation and preservation of funds for many Lower Manhattan organizations including the Performing Arts Center; and

WHEREAS President Emil's commitment to the LMDC mission led to further public parks and open space improvements, the funding for Lower Manhattan Small Businesses Assistance Program, and the community and cultural enhancements programs; and

WHEREAS, that the Board of Directors of the Lower Manhattan Development Corporation commends President David Emil on his exemplary service, integrity, and dedication to the agency and the people of Lower Manhattan.

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The Chair then noted that the last action for the Board to consider was a request to elect Daniel Ciniello as the Acting President of LMDC. Mr. Ciniello has been with LMDC since 2002, most recently as Senior Vice President, Operations, CFO and Treasurer to the Board. It was noted that for 16 years he has been a vital member of LMDC and will continue to serve with the utmost integrity and hard work.

Upon motion duly made and seconded, the following resolution was unanimously adopted:

Election of Acting President

RESOLVED, that Daniel A. Ciniello is hereby elected Acting President of the Corporation, while retaining his existing responsibilities, and shall serve until such time as his successor is duly elected or until his earlier resignation or removal; and

FURTHER RESOLVED, that the Chair shall have the authority to negotiate the terms of employment of the Acting President of the Corporation and to execute any contracts, on behalf of the Corporation, relating thereto, and to take such other actions as may be necessary or appropriate to effect the foregoing; and

FURTHER RESOLVED, that all such actions previously taken in furtherance of the foregoing by the Corporation's employees, Officers or Directors are hereby ratified and approved in all respects.

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There being no further business, the meeting was adjourned at 9:46 a.m.

Respectfully submitted,

Debbie Royce
Acting Secretary