

LOWER MANHATTAN DEVELOPMENT CORPORATION

Meeting of the Directors
 Alliance for Downtown New York
 120 Broadway, Suite 3340
 New York, New York 10007

December 11, 2019

MINUTES**In Attendance
Directors**

Holly Leicht, Chair
 Alicia Glen
 Catherine McVay Hughes
 Pedram Mahdavi
 Mehul Patel
 Carl Weisbrod
 Dominic Williams

Staff Attending:**For Lower Manhattan Development Corporation:**

Daniel Ciniello, President
 Stephen Konopko, Vice President, Internal Audit
 Debbie Royce, Corporate Secretary

For Empire State Development:

Goldie Weixel, Senior Counsel – via teleconference

Also Present:

Jonathan Boulware, South Street Seaport Museum
 Warrie Price, Battery Conservancy
 The Public

The meeting of the Lower Manhattan Development Corporation (“LMDC”) was called to order at 9:32 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.

Chair Leicht opened the meeting with an update on the Performing Arts Center (“PAC”) and welcomed its new President, Leslie Koch. Ms. Koch began her update by thanking LMDC and HUD for the investment into what has become a very active construction site.

Ms. Koch then began her slide presentation of the Performing Arts Center site from December 2017 when work was being performed below grade by the Port Authority and then showing more recent images depicting the steel rising above grade during the last few months of 2019. Ms. Koch also discussed the fund raising progress towards the \$450 million goal including construction, operations and an endowment noting that almost all have raised except for approximately \$72 million. She went on to briefly discuss their view of the site and program as being in and of the community and expressed plans that will take into consideration their neighbors that work and live in the area as well as the millions of visitors with a goal of showcasing the vitality of New York particularly the cultures that make up the City. She noted that it is viewed as an opportunity to present a vision of the future in their programming and then introduced the PAC’s Artistic Director Bill Rauch.

Director Weisbrod asked for a timeline and when they would be finished and Ms. Koch responded that their goal for completion was still 2021 but they do not yet have a date for their opening. She added that they are also very mindful of September 11th’s 20th anniversary.

Mr. Rauch introduced himself noting that he moved into the community because neighborhood and community matter very much to him to provide a genuine service to this and

other New York communities. He briefly discussed planned diverse programming for a multidisciplinary arts center.

Director Weisbrod noted that he hoped that the PAC with the Museum can fill some of the potential that was expected from the Freedom Center. Mr. Rauch replied that they see themselves as a civic institution that has a responsibility because of the site and Ms. Koch added that they plan to promote dialog among the community and visitors from all over the world.

Director McVay Hughes raised the issue of affordability, noting that there should be different price points for events which Ms. Koch replied that there would be including free events at times.

Following the conclusion of the PAC presentation, the Chair noted for the record the Corporation's policy which welcomes public comments on the items on the current Agenda. The Chair asked the Directors whether anyone had any potential conflict of interest with respect to any of the items on the proposed Agenda. Director McVay Hughes advised that she will recuse herself regarding the South Street Seaport Museum item on the Agenda.

The Chair acknowledged Director McVay Hughes' recusal and continued to the Chair's Report. She first called for a motion to approve the Minutes of the Directors' meeting of

August 8, 2019. 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 August 8, 2019, 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.

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The Chair called on Director Carl Weisbrod to report on the Audit and Finance Committee, with no vote required.

Director Weisbrod reported that at its November 13th meeting, the Audit and Finance Committee (the "Committee") reviewed the material that is being presented to the Board for consideration and supports all the items. He further noted that the Committee met with a representative from EFPR Group, LMDC's external auditor, who provided an update on LMDC's most recent financial Audit and review of LMDC's grant monitoring efforts and reported that the Audit did not identify any issues or concerns. He further stated the Committee reviewed the LMDC Budget Variance Report for the period ending September 30, 2019 and was pleased to report that LMDC administrative spending is within the approved LMDC budget.

Director Weisbrod advised the Committee discussed progress made on the Robert R.

Douglass Pedestrian Bridge. Expressing that this was an issue of great concern to this Board, he was happy to report, thanks in part to the Chair and City's EDC, the bridge was open for the first day of school as requested by this Board utilizing a temporary staircase on the east side.

Director Weisbrod further advised the Committee reviewed, discussed and supports the funding requests for South Street Seaport Museum, Battery PlayScape and the Alliance of Downtown New York, and the action plan amendments associated with all of those projects and the Committee also supports the additional funding for outside legal counsel.

Director Weisbrod then noted the Committee met with the Corporation's Internal Auditor and is pleased to report that no significant irregularities or findings were identified. He commented that LMDC has an exemplary record regarding holding costs down and strong grant management.

The Chair thanked Director Weisbrod and added thanks to EDC and James Patchett for helping to get the bridge opened for the first day of school. Director McVay Hughes noted that she has received positive feedback from the community regarding the bridge. Director Weisbrod noted that plans were underway for a ceremony to officially name the bridge and Daniel Ciniello, LMDC's President, stated that LMDC was working to arrange a date with the Douglass family and gave a more detailed update on the bridge project.

The Chair asked if there were any further questions or comments. Hearing none, the Chair welcomed Pedram Mahdavi, Senior Advisor for Real Estate to the Deputy Mayor for Housing and Economic Development to the LMDC Board. It was noted that he replaces outgoing Board member Carl Rodrigues and has begun working on the Site 5 procurement process. The Chair also noted that Site 5 proposals are still under review.

The Chair then called on Mr. Ciniello who provided further updates on the bridge and the plans to finalize the bridge in early 2020. He also thanked EDC for its oversight on this project.

The Chair then asked Mr. Ciniello to present the first item on the Agenda, a request to execute a Settlement Funds Subrecipient Agreement with South Street Seaport Museum. He provided an update on the South Street Seaport Museum project and presented a request to the Board for an additional \$3 million in funding due to increased construction costs noting that these funds will supplement the \$4.8 million previously allocated by LMDC. He noted that the project is in the pre-construction phase, bidding is underway, HAZMAT work is being performed and Landmarks Preservation has approved the design.

Mr. Ciniello stated that the City of New York is contributing \$3 million of capital funding and that the rest would have to come from private funding.

The Chair reminded the Directors that Director McVay Hughes will abstain from this first item and noted that Jonathan Boulware from the South Street Seaport Museum was present and willing to address the Board and to answer questions.

Director Weisbrod asked for further details on locations and who else was funding the project noting that this project would be a great enhancement to the success of the Howard Hughes Corporation, which largely controls the Seaport area. He added that he would expect the Howard Hughes Corporation to step up and provide further funding.

Mr. Boulware was introduced and offered to help respond to the questions raised. He stated that if the cost of the project exceeds the funds available at this time, the Museum has the ability to raise those funds and provided further details on the new Museum Board and its ability to raise funds.

Director Weisbrod emphasized that he believes the Howard Hughes Corporation has an obligation to provide further support and step up if need be and Mr. Boulware commented that he believes those chances are very high.

Director Glen then asked about the status of the Board approved allocations made regarding the Settlement Fund projects. She requested the Board be provided with an update on the approved Settlement Funds projects and further expressed that an update would provide the Board with a framework for making future allocation decisions.

Director Glen also expressed concern that LMDC consider how to deal with similar project funding shortfall situations where bids are coming in higher than anticipated and whether it will have sufficient funds necessary in the context of completing all approved projects. She suggested putting some backstops in place related to LMDC's ability to complete these projects in the short timeframe it has going forward. She further suggested that a review of the remaining projects and funding be conducted to make sure funds are available to complete these projects.

Chair Leicht commented that very good points were raised and this was discussed with the Finance Committee and further, as it relates to South Street Seaport Museum, the Corporation will hold the Museum to its word and that beyond that, it will have to come up with funding any future shortfalls. Mr. Boulware agreed that would be the case.

Chair Leicht further explained that Mr. Ciniello regularly met with former Director Rodrigues and now meets with Director Mahdavi to discuss the status of projects since most projects LMDC funds are City related projects. Chair Leicht added that the accounting continues and the intent is to share that information soon with the Board.

Mr. Ciniello noted that 13 of 14 Settlement Funds projects are underway. He advised that funds have been allocated and five or six of the 14 have received additional funds from projects that were previously completed but that did not utilize all of the funding. He further explained what LMDC is doing to mitigate the risks of projects exhausting LMDC funds but not being completed.

The Chair asked if there were any further comments or questions, and hearing none, upon motion duly made and seconded, with Director McVay Hughes abstaining, the following resolution was unanimously adopted:

Authorization to Amend Partial Action Plan S-2 and to Increase the South Street Seaport Museum Subrecipient Agreement Authorization

RESOLVED, that the Corporation is hereby authorized to amend Partial Action Plan S-2, to the extent necessary, by reducing allocations for 130 Liberty Deconstruction by as much as \$1,039,315 to \$16,385,685, and Downtown Boathouse Kayaks by \$685 to \$14,315, and increasing the South Street Seaport Museum activity from \$4,800,000 to \$5,840,000, as described in the materials presented to this meeting; and be it

FURTHER RESOLVED, that the Corporation is hereby authorized to allocate up to \$236,000 of Community Enhancement Funds and up to \$1,725,000 of Economic Development funds for the South Street Seaport Museum project; and be it

FURTHER RESOLVED, that the Corporation is hereby authorized to increase the South Street Seaport Museum subrecipient agreement authorization by an amount up to \$3,000,000, to an amount not to exceed \$7,800,000 as described in the materials presented to this meeting; and be it

FURTHER RESOLVED, that the proper officers of the Corporation are hereby authorized to submit for public comment and review by the federal Department of Housing and Urban Development (“HUD”) the Amended Action Plans, as may be required; and be it

FURTHER RESOLVED, that the President of the Corporation or his designee shall be authorized to make such changes to the Amended Action Plans as may be necessary or appropriate to comport with applicable HUD requirements and to reflect any public comments solicited and received thereon; 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.

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 called on Mr. Ciniello to present the next item for consideration, a request to authorize additional funding for the Battery PlayScape project. The Chair acknowledged that Warrie Price, President and Founder of the Battery Conservancy was in attendance.

Mr. Ciniello stated that this project, which is being run by the City of New York Parks department is moving forward, mobilization is underway, fencing is being put up, the project area is being defined and there is archeological monitoring and testing that has to be done in the early stages of the project. He noted that the project needs \$3 million in additional funding.

Mr. Ciniello, with assistance from Ms. Price, explained that this is a 1950's park where the playground area is being expanded to three times its size and built with resilient material throughout the park.

Director McVay Hughes commented that it seems like the size of the playground will be catching up with the increase in population in the area and noted that one of the best ways to revitalize a neighborhood is to improve playgrounds and this is a critical need for the area.

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

Authorization to Amend Partial Action Plan 2 and the Final Action Plan to Increase City of New York Department of Parks and Recreation Subrecipient Agreement Authorization for Battery PlayScape

RESOLVED, that the Corporation is hereby authorized to amend Partial Action Plan 2, to the extent necessary, by reducing allocations for the Job Creation and Attraction Program by as much as \$3,000,000 to \$140,000,000, and increasing the Neighborhood Parks & Open Spaces activity from \$235,045 to \$3,235,0045, as described in the materials presented to this meeting; and be it

FURTHER RESOLVED, that the Corporation is hereby authorized to increase the City of New York Department of Parks and Recreation Subrecipient Agreement authorization by an amount up to \$3,000,000, to an amount not to exceed \$9,000,000 as described in the materials presented to this meeting; and be it

FURTHER RESOLVED, that the proper officers of the Corporation are hereby authorized to submit for public comment and review by the federal Department of Housing and Urban Development (“HUD”) the Amended Action Plans, as may be required; and be it

FURTHER RESOLVED, that the President of the Corporation or his designee shall be authorized to make such changes to the Amended Action Plans as may be necessary or appropriate to comport with applicable HUD requirements and to reflect any public comments solicited and received thereon; 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.

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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Ms. Price then addressed the Board and thanked LMDC for all it has done from the Battery Bosque to the Sea Glass Carousel and now to the PlayScape. She stated that the quality of LMDC’s funding for these projects has kept PlayScape on a great plane in design, execution and with maintenance. The Chair thanked Ms. Price for attending the meeting.

The Chair then called on Mr. Ciniello to present the next item on the Agenda, a request to approve additional funding for the Alliance for Downtown New York (the "Alliance").

Mr. Ciniello stated that the Alliance is overseeing the open plaza at Site 5, by maintaining it and running events. He advised that additional funds are needed to cover the costs to maintain this site. LMDC staff is requesting an additional \$35,000 in funding, bringing the total contract to \$84,000.

Director Weisbrod asked if the Alliance were acting as LMDC's agents, as LMDC owns the site and Mr. Ciniello responded yes.

Director McVay Hughes commented that this is a great important use of a small public space, which is bounded by construction projects that provides a sense of relief instead of what could have been a parking lot. She went on to thank everyone involved in keeping it an open green space.

Director Patel asked how long the funding continue and Mr. Ciniello responded that LMDC has a contract and site access agreement until July 2020 and that LMDC has been renewing that every year and expects to for as long as necessary. He further explained that LMDC has a 30-day out clause in order to make the site available for development once that decision is made. He advised the space has been active for quite a few years and has been helpful to the public.

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

Authorization to Amend the Subrecipient Agreement with The Alliance for Downtown New York

RESOLVED, that the Corporation is hereby authorized to amend its subrecipient agreement with The Alliance for Downtown New York in an amount not to exceed \$35,000, increasing the funding under the agreement to a total of \$84,000 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 again called on Mr. Ciniello to continue to the next Agenda item for consideration, the request to amend the contracts for outside legal counsel.

Mr. Ciniello stated that staff is requesting an additional \$275,000 to go into the contracts of LMDC's legal counsel who it uses on an as-needed basis. He noted that LMDC still has environmental work to be done as well as historic preservation consultation that is needed.

Mr. Ciniello noted that legal counsel would be needed on projects that include Site 5, which may involve an amendment to the General Project Plan. The request is to extend the contracts for up to two years.

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

Authorization to Amend the Pre-Qualified Legal Counsel Services Contracts

RESOLVED, that the amount of the Corporation's expenditures authorized under the agreements and amendments with one or more law firms on the Empire State Development Pre-Qualified Counsel List shall increase by \$275,000, to an amount not to exceed \$3,700,000 in the aggregate, and the term of such agreements shall be extended through March 31, 2022, 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 appropriate LMDC FYE 2020 and anticipated FYE 2021 and 2022 Budgets for Planning and Administration, or relevant Partial Action Plans; 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; 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.

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There being no further business, the meeting was adjourned at 10:17 a.m.

Respectfully submitted,

Debbie Royce
Corporate Secretary