

LOWER MANHATTAN DEVELOPMENT CORPORATION

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

August 8, 2019

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:**

Daniel Ciniello, President
 Stephen Konopko, Vice President, Internal Audit

For Empire State Development:

Goldie Weixel, Senior Counsel

Also Present:

Kathryn Prybylski, Vice President – EDC
 The Public

The meeting of the Lower Manhattan Development Corporation (“LMDC”) was called to order at 9:40 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 then called for a motion to approve the Minutes of the Directors' meeting of March 19, 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 March 19, 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.

* * *

The Chair then provided the Directors with an update regarding the status of Site 5. She advised the Directors of the recent issuance of the Request for Proposals as well as a Site visit that occurred on July 22, 2019 for interested bidders. With the use of a map outlining the areas in discussion, the Chair advised the Directors of the various options available for any purchase or ground lease proposals for the Site. She also provided information regarding the modifications that would be necessary to the General Project Plan if the selected proposal is mixed-use with residential as opposed to all commercial. Further, she outlined the potential timeline for proposal submissions.

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

Director Weisbrod asked if Site 5 is for purchase, whether the building will be paying full taxes and the Chair responded that it would.

Additionally, the Chair noted that in an effort to stay in touch with the Community Board and other community stakeholders, it was agreed at the CB1 Executive Committee meeting to add a link on the LMDC website to CB1 Statements of Community District Needs in order to allow RFP Respondents to consider the community's needs when submitting their proposals.

Director Weisbrod inquired as to whether the Community Board had expressed a preference. The Chair noted that the Community Board had expressed an interest in full residential in a prior resolution but in the meeting the view was mixed. She added that there was also concern over the impact of construction on the area.

Director McVay Hughes mentioned residents were concerned about the street level experience that the building would create during construction and their request to minimize the construction impacts.

The Chair agreed adding there was a strong feeling against allowing convention space because of the additional traffic it would create.

The Chair asked if there were any further comments or questions, and hearing none proceeded with the next item on the Agenda, an update on the Robert Douglass Pedestrian Bridge.

The Chair advised that at a recent meeting with the Audit & Finance Committee that included herself and Dan Ciniello, it was reported there were further delays regarding the bridge opening and that it would not be ready as expected in September. The Chair noted the Committee's frustration. Director McVay Hughes suggested that the temporary bridge solution be put in place so a bridge would be open when school starts. The Committee asked the Chair to write a letter to James Patchett, President of the New York City Economic Development Corporation ("EDC"), asking EDC for a firm finish date and to expedite the temporary stair installation.

The Chair stated Mr. Patchett sent a written response to her letter, which she read into the record. She noted all in all it reflected a pretty good outcome.

Director Weisbrod stated the Board was thrilled by the outcome and was also grateful EDC stepped up in meeting this commitment. Noting this has been a long time coming, he also inquired when the official ceremony for the Bridge opening might be held.

Mr. Ciniello stated LMDC would work with BPCA and EDC to come up with a date and noted the Douglass family would make themselves available and were looking forward to the opening.

Director McVay Hughes added that school children should be part of the opening ceremony as well.

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

Director Weisbrod reported that the Audit and Finance Committee met on July 25, 2019 and reviewed the material that was being presented to the Board for consideration today and further noted the Committee supports approval to all items being presented.

Director Weisbrod further stated the Committee reviewed the LMDC Budget Variance Report and was pleased to report that the administrative spending through June 2019 was within the approved budget. He noted that the U.S. Department of Housing and Urban Development (“HUD”) and Office of Inspector General (“OIG”) completed their 23rd audit of LMDC covering through September 2018, with no findings or recommendations noted. He commented that 23 years of audits with good results was impressive and the Chair agreed.

Director Weisbrod commended the staff on the accomplishment of diligent management of HUD funds and effective regulatory compliance monitoring, further noting the complex structure of the original HUD funding. The Chair also noted that it was the first disaster recovery money that HUD ever provided.

Director Weisbrod reported the Committee reviewed and discussed the Brooklyn Bridge Esplanade project funding request, the University Settlement Society scope change request, and the environmental services contract, zero dollar time extension. He stated the Committee also reviewed the purpose and cost justification of the availability of funds for the proposed resolutions and was recommending approval by the full Board. He further noted the Committee spent a significant amount of time on the Douglass Pedestrian Bridge delay and were thrilled that has been resolved. The Committee also met with the Internal Auditor, separate and apart from management, and we are able to report no significant irregularities or findings have been identified through ongoing internal audit reviews.

The Chair then asked if there were any further questions or comments. Hearing none, she called on Dan Ciniello to present the projects and programs items on the Agenda.

Mr. Ciniello stated that before moving onto the Brooklyn Bridge Esplanade funding, Kathryn Prybylski from EDC was present to provide a presentation on the East River Waterfront project as well as plans for the Brooklyn Bridge Esplanade portion.

Ms. Prybylski provided a presentation on the status of the East River Waterfront and Brooklyn Bridge Esplanade Projects. With the assistance of a map outlining the areas in discussion, Ms. Prybylski discussed recently completed projects such as Pier 15 and Pier 35, ongoing development projects such as Package 4; as well as future projects such as the Bike path between Beekman Street and Peck Slip. She reported on the Brooklyn Bridge project

timeline as well as the budget of \$21 million. She discussed EDC's coordination with the resiliency teams and plans for the public to be able to get down to what is being called the beach area.

Following the full presentation, Mr. Ciniello asked for any questions or comments from the Directors. Director McVay-Hughes inquired as to whether or not EDC had shared the information with the community. Ms. Prybylski stated she shared the information with the presented images to Community Boards 1 and 3 in May or June of this year.

The Chair asked when construction completion could be expected. Ms. Prybylski indicated completion was scheduled for the spring of 2021, with Package 4 construction improvements scheduled for completion the end of this year.

Mr. Ciniello thanked Ms. Prybylski for her presentation. He then presented the next Agenda item requesting to obligate or commit the remaining \$14 million previously allocated from the Settlement Funds. He explained the \$15 million previously mentioned for the Brooklyn Bridge Esplanade included \$1 million already provided for the design portion. He noted the present request is for \$14 million for the construction and that this would be an amendment to the Subrecipient Agreement with the City of New York. If approved, an additional \$6 million will be made available for the project from the City Council, Borough President and the Mayor's offices.

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 the Subrecipient Agreement with the City of New York
Department of Small Business Services for the East River Waterfront Brooklyn Bridge
Esplanade Settlement Funds Project

RESOLVED, that upon completion of all environmental review, and following HUD's approval of LMDC's request for release of funds and certification, if required, the Corporation is hereby authorized to amend the East River Waterfront Esplanade and Piers existing subrecipient agreement with City of New York Small Business Services in an amount not to exceed \$14,000,000, from the slate of Settlement Funds projects approved by the Board on March 18, 2016, for the Brooklyn Bridge Esplanade Project. This amendment will increase the funding under the agreement by \$14,000,000 to a total of \$167,980,000 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 Settlement Funds activity in Partial Action Plan S-2; 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.

* * *

Next, the Chair called on LMDC Counsel Goldie Weixel to present the next item on the Agenda.

Goldie Weixel then requested the Board to authorize the next steps towards completing certain property transfers contemplated by the General Project Plan ("GPP") for the World Trade Center and Memorial Culture Program. She explained this was a follow-up to the request approved at the March Board meeting.

Ms. Weixel outlined the areas in question and necessary steps regarding property transfers to conform property ownership with the reconfigured street grids, along with expected timelines for each phase of the transfers. She discussed the public hearing held on June 19, 2019 along with the five comments summarized in the Board material. Ms. Weixel mentioned that the last comment requested release of the MOU between LMDC and the Port Authority for the Site 5 RFP, and noted for the record that the document was provided by the Port Authority through FOIL. She added that a link to the transcript of the hearing is on the LMDC website and that no written comments were received after the hearing's closure.

Ms. Weixel explained the Board was now being requested to make a number of different findings under the UDC Act; and under the Eminent Domain Procedure Law ("EDPL"); and compliance with the Public Authorities Law; and finally, to authorize staff to take all further steps to complete the acquisition.

Ms. Weixel noted that following Board approval, there would be publishing of the EDPL determination and findings; at the September meeting of the Public Authorities Control Board, LMDC would seek approval of acquisitions; LMDC would issue an explanatory statement under the Public Authority's Reform Act which would detail the dispositions; and inform the public officials who would have 90 days to comment. She stated this would take the timeline to November to file petitions with the Court in the hopes for completion by February 2020.

Following a full presentation, the Chair asked if there were any further comments or questions. Director Patel asked if there were any changes since the last Board meeting to which Ms. Weixel replied there were not.

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

Affirmation and Adoption of Findings Pursuant to New York State Urban Development Corporation Act; Adoption of Determination and Findings pursuant to New York State Eminent Domain Procedure Law; Authorization of Acquisition of Real Property Interests, including Certain Parcels by Eminent Domain; Determination of "No Reasonable Alternative" pursuant to Section 2897 of the Public Authorities Law; Authorization of Disposition of Real Property Interests after Consideration of Public Comments; and Authorization to Take Other Related Actions

RESOLVED, that, on the basis of the materials presented to this meeting (the "Materials"), copies of which are hereby ordered filed with the records of the Corporation, after full consideration of the matters set forth or referred to therein, the Corporation hereby affirms the findings previously made by the Corporation in connection with the World Trade Center Memorial and Cultural Program Land Use and Civic Improvement Project (the "Project") as required by Section 10(c)(1), (2) and (3) of the New York State Urban Development Corporation Act (the "UDC Act"); and be it

FURTHER RESOLVED, that, on the basis of the Materials, after full consideration of the matters set forth or referred to therein, the Corporation hereby affirms the findings previously made by the Corporation in connection with the Project as required by Sections 10(d)(1), (2), (3) and (4) of the UDC Act; and be it

FURTHER RESOLVED, that, on the basis of the Materials, after full consideration of the matters set forth or referred to therein, the Corporation hereby affirms the finding previously made by the Corporation in connection with the Project that the requirements of Section 10(g) of the UDC Act are satisfied; and be it

FURTHER RESOLVED, that, on the basis of the Materials, after full consideration of the matters set forth or referred to therein, the Determination and Findings ("Determination and Findings") for the Phase 2 Street Transactions of the Project (the "Proposed Transfers") made pursuant to the New York State Eminent Domain Procedure Law in the form submitted to this meeting and finds that the Determination and Findings meets the requirements of Sections 201-204 of the New York State Eminent Domain Procedure Law, a copy of which Determination and Findings is hereby ordered filed with the records of the Corporation; and be it

FURTHER RESOLVED, that the Acting President of the Corporation or his designee is hereby authorized to take such action as deemed necessary or appropriate in connection with the Determination and Findings pursuant to the New York State Eminent Domain Procedure Law and the UDC Act and any other applicable law, including, without limitation, the providing, filing or making available of copies of the Determination and Findings and/or a synopsis thereof and the publication of the notices relating to the Determination and Findings; and be it

FURTHER RESOLVED, that it is necessary and convenient for the Corporation to acquire, or its immediate or future use in furtherance of its corporate purposes, in connection with the Proposed Transfers, all or part of the real property (as such term is defined by Section 3(8) of the UDC Act) comprising the Condemnation Parcels described in the attached Determination and Findings, all as more fully set forth in the Determination and Findings, as well as the Greek Church Parcel described in the Materials by negotiated transfer from The Port Authority of New York and New Jersey; and be it

FURTHER RESOLVED, that at such time or times and upon such terms that the Acting President of the Corporation or his designee deems appropriate, and in accordance with the Corporation's Guidelines for Acquisition and Disposition of Property, the officers of the Corporation be and each of them hereby is, authorized to cause the Corporation to acquire all or any part of such real property interests; and be it,

FURTHER RESOLVED, that it is the policy of the Corporation, as expressed in Section 301 of the New York State Eminent Domain Procedure Law, to make every reasonable and expeditious effort to justly compensate persons for the acquisition of their real property by negotiation and agreement; and be it

FURTHER RESOLVED, that at such time as the Acting President of the Corporation or his designee deems appropriate, the Corporation shall acquire the Condemnation Parcels, as described in the Determination and Findings, with no consideration being paid by the Corporation to the City of New York respecting any such interests, and acquire the Greek Church Parcel with no consideration being paid by the Corporation to The Port Authority of New York and New Jersey, at such time and in such manner as the Acting President of the Corporation or his designee deems appropriate; and be it

FURTHER RESOLVED, that in connection with the Proposed Transfers and prior to any acquisition of real property therefor, the Corporation shall publish all required notices, and

comply with any and all other provisions of the New York State Eminent Domain Procedure Law, the UDC Act, the Public Authorities Law (as and to the extent applicable), or any other applicable provision of law; and be it

FURTHER RESOLVED, that, on the basis of the Materials, after full consideration of the matters set forth or referred to therein, the Corporation hereby finds that the proposed disposition of real property described in the Materials is in conformity with a plan for the clearance, replanning, reconstruction and rehabilitation of substandard and insanitary areas as set forth in the GPP; and be it

FURTHER RESOLVED, that, on the basis of the Materials, after full consideration of the matters set forth or referred to therein, the Corporation hereby finds that there is no reasonable alternative to the proposed below-market transfers described in the Materials that would achieve the same purpose of such transfers; and be it

FURTHER RESOLVED, that at such time or times and upon such terms that the Acting President of the Corporation or his designee deems appropriate, and in accordance with the Corporation's Guidelines for Acquisition and Disposition of Property, the officers of the Corporation be and each of them hereby is, authorized to cause the Corporation to convey to The Port Authority of New York and New Jersey all or any part of the Condemnation Parcels, without consideration, and to convey to The City of New York all or any part of the LMDC Southern Site Parcels and the Greek Church Parcel, in each case without consideration, as described in the Materials; and be it

FURTHER RESOLVED, that the Acting President of the Corporation or his designee be, and each of them hereby is, designated as the officer to execute the certificate of corporate purposes specified in Section 13 of the UDC Act, and to make all agreements, execute all other instruments or take any other action as the Acting President or his designee may deem necessary or appropriate to effectuate the foregoing resolutions in order that the Corporation may acquire and dispose of real property pursuant to these resolutions; and be it

FURTHER RESOLVED, that the Acting President of the Corporation or his designee is authorized to take such action, commence such litigation, or execute on behalf of the Corporation such documents as he may consider necessary or appropriate in connection with the resolutions adopted today and in furtherance of the Proposed Transfers.

* * *

Mr. Ciniello then presented the last projects and programs item on the Agenda, a request to amend the Subrecipient Agreement with the University Settlement Society of New York.

Mr. Ciniello explained that during the planning for the elevator extension Project which was previously approved, University Settlement staff learned that the current alarm system did not meet FDNY code and would not be able to meet elevator recall requirements. After further review staff realized the alarm system needed improvement and it became clear that upgrading the alarm system was a higher priority than extending the elevator two more floors. He noted as a result, the elevator extension plans have been put on hold and staff requests authorization to shift available funds within the Project, with no additional funding being requested, to the alarm system upgrade.

The Chair asked if additional money would be sought at a later date for the elevator extension and Mr. Ciniello replied that while he did not ask, he thought they should have enough money to upgrade the alarm system and do some of the elevator work by changing the doors and similar things. He expected that within the next year University Settlement will try to raise additional money, so the Board may hear back from them but the current focus is on getting the alarm system upgraded, which is a higher priority.

The Chair asked if there were any further questions or comments from the Directors.

Director Weisbrod asked if LMDC hadn't funded University Settlement, would they still need to upgrade their alarm system, and whether this was a violation. Mr. Ciniello replied that there were no violations received. He explained that these things come to the surface once people are called in to get to get permits.

Mr. Ciniello further explained that LMDC has worked on several projects, with not-for-profits primarily, where an upgrade to elevator systems is being sought and then it is learned an alarm system connected to it has to meet certain elevator recall requirements. He advised that because of that prior experience, LMDC brought this to the attention of University Settlement staff before initiating a request to extending their contract for time. They looked into it and determined there were other issues with the alarm system.

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

Authorization to Amend the Subrecipient Agreement with University Settlement Society of New York

RESOLVED, that the Corporation is hereby authorized to amend its subrecipient agreement with University Settlement Society of New York 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.

* * *

Next, Mr. Ciniello proceeded to an administrative item on the Agenda, a request to extend a time extension for the Environmental Consultant, AKRF, Inc. He reported that no additional funding was being sought at this time. He explained that as previously mentioned in

the Finance Committee meeting, there is funding available in the contract and this was simply a time extension for AKRF to continue as environmental consultant.

Mr. Ciniello asked if there were any questions or comments. Director Weisbrod inquired as to whether these are contract projects, besides Site 5. Mr. Ciniello replied that Battery Playscape and Brooklyn Bridge Esplanade are projects LMDC is funding, and when LMDC is funding projects, LMDC has to be the lead agency.

Director Weisbrod asked in essence when the City or EDC is under contract for the Esplanade, whether they are taking advantage of AKRF's LMDC contract.

Mr. Ciniello replied yes, LMDC coordinates efforts since federal money is going to be utilized; LMDC is required to be the lead agency on the environmental reviews. He further noted that AKRF also does environmental monitoring as needed.

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 Extend Agreement for Environmental Services

RESOLVED, that the Corporation is hereby authorized to extend its contract for environmental services with AKRF, Inc., for a two-year period through September 30, 2021, 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 future 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.

* * *

The Chair presented the final item on the Agenda, a request to elect Mr. Ciniello President of the Corporation.

The Chair reported Mr. Ciniello has been Acting President of LMDC since David Emil's departure in October 2018. She noted though he has been an integral part of LMDC for a long time before that, serving as COO from 2004, until 2017 when he became CFO, he then stepped in as Acting President. The Chair further stated the Board is pleased to thank Mr. Ciniello for his contributions and to officially move to approve a resolution to elect him as the permanent President of LMDC.

The Chair asked if there were any further comments or questions. Director McVay-Hughes stated that she was thrilled and thanked Mr. Ciniello for all his hard work. The Chair noted Mr. Ciniello's loyalty, as alluded to earlier, having participated in 23 audits. Mr. Ciniello commented that they have all been helpful to the Corporation and the Chair said that this is an impressive feat which Mr. Ciniello has really carried LMDC through.

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:

Election of President

RESOLVED, that Daniel A. Ciniello is hereby elected 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 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.

* * *

Director Weisbrod congratulated Mr. Ciniello and Mr. Ciniello stated his thanks to the entire Board for their support.

There being no further business, the meeting was adjourned at 10:20 a.m.

Respectfully submitted,

Debbie Royce
Corporate Secretary