

CREATION OF NEW OFFICER POSITION AND ELECTION OF OFFICERS

Background

Lower Manhattan Development Corporation (“LMDC”) was formed as a subsidiary of the New York State Urban Development Corporation (d/b/a Empire State Development) in the aftermath of September 11th to administer \$2.783 billion in federal grants dedicated to the redevelopment and revitalization of Lower Manhattan. The LMDC was incorporated in December 2001. Funding was provided through the Community Development Block Grant Program of the U.S. Department of Housing and Urban Development pursuant to federal legislation designating LMDC as the grantee.

LMDC has funded a wide range of economic development, infrastructure, community and cultural projects in Lower Manhattan. LMDC’s five largest programs have been: (i) the World Trade Center Memorial and Cultural Program, including the Performing Arts Center and the planned development of a mixed use tower on the southern portion of the World Trade Center site referred to as Site 5; (ii) projects sponsored by New York City agencies, including improvements to the East River Waterfront and dozens of other parks and open spaces; (iii) economic development programs sponsored by Empire State Development; (iv) numerous community, cultural and human services programs administered by LMDC and non-profits in Lower Manhattan which receive grants from LMDC; and (v) affordable housing acquisition and improvement programs administered by City Agencies.

As the Directors are aware, LMDC President Daniel Ciniello retired in June 2024 after many years of service, and LMDC is currently in a phase of more streamlined operations as it continues to complete projects and close out grants. The Directors are requested to elect new LMDC officers, including a new President, and to create an additional Vice President position. The LMDC officer positions will be filled ex-officio by certain ESD officials, as detailed below. The proposed appointments and positions will streamline operations for LMDC as the Corporation continues to complete LMDC projects and grant close-out procedures.

At present, the officers of LMDC are:

Dan Ciniello – President, CFO and Treasurer (*Retired*)
Debbie Royce – Secretary
Steve Konopko – VP, Internal Audit

Corporate Officers With Signing Authority

Therefore, as a matter of corporate record-keeping, and to ensure that LMDC has a full complement of officers at any given time who can execute required documentation of behalf of LMDC, it is recommended that the individuals listed below be elected as LMDC officers with signing authority. In addition, it is recommended that the LMDC position of President be filled ex-officio with the position of ESD Executive Vice President for Real Estate and Planning, the LMDC position of Treasurer be filled ex-officio with the position of ESD Treasurer, the LMDC position of Secretary be filled ex-officio with the Position of ESD Corporate Secretary.

In addition, it is recommended that an additional LMDC officer position of Vice President, Legal & General counsel be created, and it is further recommended that this new officer position be filled ex officio with the position of ESD Executive Vice President, Legal & General Counsel. The creation of this officer position will ensure that the necessary functions of LMDC will be handled more efficiently in the future, especially with regards to executing required legal and other documentation.

Overall, approving these LMDC officer positions to be filled ex-officio with the below ESD officials will lead to greater efficiency for the Corporation and ensure that future ESD senior staff changes will not result in the need for additional LMDC Director action appointing new LMDC officers.

The full slate of proposed officers of the Corporation is as follows:

President* – Arden Sokolow (*ESD EVP, Real Estate and Planning*)
 Treasurer* – Matthew Bray (*ESD Treasurer*)
 VP, Legal and General Counsel*† – Joshua Bloodworth (*ESD EVP, Legal & General Counsel*)
 VP, Internal Audit – Steve Konopko (*ESD VP, Internal Audit*)
 Secretary* – Debbie Royce (*ESD Corporate Secretary*)

*ex officio

† newly-created officer position

Requested Actions

The Directors are requested to: 1) approve the creation of the new LMDC officer position of Vice President, Legal & General Counsel; and (2) elect the above-specified officers as LMDC officers, ex-officio and to confirm that each is an officer of LMDC within the meaning of the New York State Urban Development Corporation Act and the provisions of LMDC By-Laws including the indemnification provisions thereof.

**RATIFICATION OF EMERGENCY ACTION TAKEN
TO AMEND THE WEBSITE SERVICES AGREEMENT WITH NGENIOUS SOLUTIONS**

Proposed Budget and Contract

LMDC staff requests Board authorization to amend the existing contract with NGenious Solutions, herein after referred to as “NGenious”, for website services through March 31, 2026 and to request funding authorization in the amount of \$21,000. This contract will be funded with LMDC planning and administration funds.

Background

LMDC’s website www.renewnyc.com communicates information regarding LMDC’s mission to revitalize Lower Manhattan in the aftermath of September 11 and offers access to public documents relating to our action plans, quarterly activity reports, the environmental review process, public meetings, press releases, and other relevant information. The site also serves as an archive for the rebuilding process, providing historical information and images of the World Trade Center site and other areas of Lower Manhattan. NGenious has provided required website services since they assumed responsibility for this utility in 2018. LMDC staff recently learned that the physical firewall securing the website will be retired within the next year and staff has been seeking options to move the website to a more secure and cost-efficient environment. Past attempts to improve the LMDC website and its old coding were met with proposals for full redesign which proved to be cost prohibitive. NGenious has been working with staff for over a year on identifying options to transition the website to an updated environment without going through a full rebuild.

Scope of Services

NGenious will perform a full site migration to a VPS Windows application hosted by GoDaddy while transitioning the site from a retiring physical firewall to a current virtual cloud firewall. The migration and associated testing will take one week. Funding for this amendment will cover the migration, ongoing hosting, monitoring, and any services needed by LMDC for one year. The LMDC website will be moved to a secured environment with enterprise class firewall.

Selection Process

NGenious was originally selected through a mini-bid process. Their familiarity with and knowledge of the LMDC website, including its old coding and content has allowed them to identify the best course of action going forward. NGenious helped LMDC staff identify various potential options other than a full rebuild of the website and NGenious is willing to provide the requested services using our existing website platform and functionality. NGenious has been very responsive to LMDC requests and their familiarity with our legacy system software and coding has enabled them to provide effective and efficient service.

Firm Description

NGenious is a New Jersey based company established in 2005 which has become a global enterprise solutions provider delivering technology-enabled services and solutions. NGenious is a Microsoft Gold Partner and Microsoft Cloud Solution provider that offers boutique style, personalized services to its clients. NGenious is New York State MWBE Certified and a national minority business enterprise.

Request for Approval of the LMDC 2025/2026 Administrative Budget

Proposed Budget

LMDC staff requests Board approval of LMDC’s proposed planning & administration budget for Fiscal Year End (FYE) March 31, 2026 in the amount of \$299,999, which is approximately 43% less than the 2025 budget. The budget reflects a 38% reduction in *Personnel* costs and a 53% reduction in *Other Than Personnel Services* costs. The proposed budget reduces LMDC staff capacity to one and one-half full-time equivalents working with Empire State Development (ESD) staff, as warranted. This staff level is expected to be sufficient for the anticipated workload which includes monitoring, processing payments, grant close out procedures, and required HUD reporting associated with the remaining projects. Personnel expenditure cost reductions continue to be achieved through the sharing of resources with ESD. LMDC Internal Audit and Legal services have been and will continue to be provided by ESD employees with their time allocated to and paid with LMDC funds. The proposed budget reflects cost share estimates for internal audit, legal and some additional project oversight services.

LMDC staff will continue to work with ESD to complete the remaining LMDC projects and grant closing responsibilities. Staff has been working diligently to complete as many projects as possible for the purpose of completely winding down LMDC operations. The proposed budget is intended to cover LMDC operating costs through FYE March 31, 2026.

Below please find the proposed LMDC Fiscal Year End March 31, 2026 Administrative Budget.

LOWER MANHATTAN DEVELOPMENT CORP.			
FISCAL YEAR APRIL 1, 2025- MARCH 31, 2026 ADMINISTRATIVE BUDGET			
DEPARTMENT	BUDGET FYE 2025	ESTIMATED ACTUAL SPENDING FYE 2025	BUDGET FYE 2026
Administrative Funds			
All Combined Operations	525,425	459,339	299,999
Total Administrative Funds	<u>\$ 525,425</u>	<u>\$ 459,339</u>	<u>\$ 299,999</u>
Personnel	349,560	342,782	218,475
Other Than Personnel	<u>175,865</u>	<u>116,557</u>	<u>81,524</u>
Total Administrative Funds	<u>\$ 525,425</u>	<u>\$ 459,339</u>	<u>\$ 299,999</u>

**REQUEST TO AMEND CONTRACT WITH EFPR GROUP FOR
INDEPENDENT AUDITING SERVICES****Proposed Budget and Contract**

LMDC staff requests Board authorization to amend the existing contract with EFPR Group, hereinafter referred to as “EFPR”, as independent auditor to LMDC and to request funding authorization in the amount of \$80,000 for up to a two-year period. The contract will provide for auditing services for the Fiscal Years ending March 31, 2026 and, if necessary, 2027. This contract will be funded through the anticipated LMDC planning and administration budgets for the fiscal years ending March 31, 2026 and 2027.

Background

Since its inception, LMDC’s Audit and Finance Committee has required that LMDC prepare financial statements and audit reports separate and distinct from our parent company, Empire State Development (ESD). This requirement has been met every year of LMDC’s existence as LMDC continues to rely on ESD for oversight, to maintain LMDC’s financial records, perform the treasury function, and provide payroll and other services. Since 2007 LMDC has met this requirement by engaging the same independent audit firm selected by ESD through ESD’s requests for proposals (RFP) to conduct LMDC independent audits. Through a 2020 RFP process, ESD selected EFPR as its independent auditor for the Fiscal Years ending 2021 through 2025. A 2024 RFP conducted by ESD again resulted in the selection of EFPR as ESD’s external auditor for the next three years through 2028; as a result, LMDC seeks to extend our EFPR contract for up to two years to conduct LMDC’s independent audit and to prepare our annual report for these same time periods.

Scope of Services

LMDC is seeking to engage EFPR as our independent auditor for the upcoming fiscal year ending 2026 and, if necessary, fiscal year ending March 2027. The engagements will require EFPR to perform audits and prepare audit reports for LMDC. The audits will be conducted in accordance with generally accepted auditing standards as well as Government Auditing Standards and will include such tests of our accounting records necessary to enable EFPR to express an opinion on LMDC’s financial statements, along with issuing a management letter. The engagements will include compliance testing for grant awards, as required by 2 CFR 200 Subpart F, and the issuance of a Single Audit Report pursuant to such circular.

Selection Process

EFPR was selected as ESD’s auditor through a competitive RFP issued in 2025. EFPR is also a qualified vendor on the New York State Office of General Services Contract for Auditing Services. LMDC relied on these competitive procurement processes in selecting EFPR to provide auditing services based on their qualifications and the efficiencies gained through their simultaneous audit work for ESD.

Firm Description

EFPR is a New York State auditing firm focused on nonprofit and governmental organizations. The firm provides audit, accounting, and consulting services to over 600 nonprofit and governmental organizations in addition to ESD on an annual basis. Some current clients include the New York State Office of the State Comptroller, the New York State Division of the Budget and the New York State Executive Chamber, New York State Senate, New York State Assembly, New York City Human Resource Administration as well as numerous other governmental organizations.