



New York City Economic Development Corporation

MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
OF  
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION  
June 26, 2019

A regular meeting of the Directors of New York City Economic Development Corporation ("NYCEDC") was held, pursuant to notice by an Assistant Secretary, on Wednesday, June 26, 2019, at NYCEDC's offices at 110 William Street, in Conference Rooms 4A and 4B, New York, New York.

The following Directors of NYCEDC were present:

Wilton Cedeno (by conference telephone)  
Hector Cordero-Guzman (by conference telephone)  
Lorraine Cortes-Vazquez (by conference telephone)  
Mitchell Draizin (by conference telephone)  
Robert Englert (by conference telephone)  
William Floyd (by conference telephone)  
Matthew Hiltzik (by conference telephone)  
Tanya Levy-Odom (by conference telephone)  
David Lichtenstein  
James McSpiritt  
Gail Mellow (by conference telephone)  
Melva Miller  
Patrick J. O'Sullivan, Jr.  
James Patchett  
Carl Rodrigues (as alternate for Vicki Been, by conference telephone)  
Mark Russo (by conference telephone)  
Matthew Washington (by conference telephone)  
Timothy Wilkins  
Betty Woo

Members of NYCEDC staff also were present.

The meeting was chaired by James Patchett, President of NYCEDC, and called to order at 8:37 a.m. Meredith Jones, Executive Vice President, General Counsel and Secretary of NYCEDC, served as secretary of the duly constituted meeting, at which a quorum was present. (Attached hereto as Attachment 1 is a definition sheet that contains the definitions of certain frequently used terms contained in the Exhibits attached hereto.)

1. Approval of the Minutes of the May 8, 2019 Regular Meeting of the Board of Directors

There being no questions or comments with respect to the minutes of the May 8, 2019 regular meeting of the Board of Directors, as submitted, a motion was made to approve such minutes, as submitted. Such motion was seconded and unanimously approved.

2. Report of NYCEDC's President

At this time, Mr. Patchett presented to the Directors his report as President of NYCEDC. Mr. Patchett thanked everyone who participated in the recent offsite (the "Offsite") that NYCEDC hosted for the Board. He stated that the Offsite was a very positive, valuable experience for all involved and that going forward NYCEDC would provide offsites more often, at least annually. He stated that NYCEDC also would make an effort to arrange more informal events and opportunities for the Directors to get together.

Mr. Patchett then noted that this was the last meeting of the Board of Directors to be held at 110 William Street, as NYCEDC would be moving into its new office at One Liberty Plaza in July. Mr. Patchett then emphasized that a great deal of feedback came out of the Offsite. Mr. Wilkins stated that the Offsite was very valuable.

Mr. Hiltzik joined the meeting at this time.

3. Election of Officers

Under NYCEDC's Bylaws, the Board shall elect such Senior Vice Presidents and Executive Vice Presidents as it may from time to time determine. At this time, Mr. Patchett proposed that each of Bernice Clark, Gbenga Dawodu, Adam Meagher, Fred Olayele and Maxwell Padden be elected as a Senior Vice President and that Jennie Wallace be elected as an Executive Vice President. A description of certain responsibilities of Senior Vice Presidents and Executive Vice Presidents may be found in Article IV of the Bylaws. It was anticipated that Ms. Clark would head the Marketing Department, Mr. Dawodu and Mr. Padden would be promoted in the Real Estate Transaction Services Department, Mr. Olayele would head the Economic Analysis and Research Department, Mr. Meagher would be promoted in the Development Department and Ms. Wallace would head the Internal Audit Department. Each shall perform such duties as are assigned to her/him by NYCEDC's President. Mr. Patchett then summarized the backgrounds of Ms. Clark, Mr. Dawodu, Mr. Meagher, Mr. Olayele, Mr. Padden and Ms. Wallace.

Ms. Levy-Odom and Mr. Lichtenstein joined the meeting at this time.

A motion was made to elect each of Bernice Clark, Gbenga Dawodu, Adam Meagher, Fred Olayele and Maxwell Padden as a Senior Vice President of NYCEDC and Jennie Wallace as an Executive Vice President of NYCEDC. Such motion was

seconded and unanimously approved. The position of each of Bernice Clark, Gbenga Dawodu, Adam Meagher, Fred Olayele, Maxwell Padden and Jennie Wallace as an officer shall be conditioned upon the continuance of his or her employment by NYCEDC.

Mr. Floyd joined the meeting at this time.

4. Election of Member of Executive Committee

At this time, Mr. Patchett presented a proposal to elect an additional Director, Vicki Been, to serve on the Executive Committee of the Board of Directors of NYCEDC.

A motion was then made to elect Vicki Been as a member of the Executive Committee of NYCEDC's Board of Directors. Such motion was seconded and unanimously approved.

5. Budget Information

Elizabeth Verostek, a Senior Vice President of NYCEDC, and Jason Oddo, a Vice President of NYCEDC, presented the proposed approval of budget information about NYCEDC in the form set forth in Attachment A to Exhibit A hereto, which budget information would be submitted to certain government officials and a government office. Also, attached to Exhibit A hereto as Attachment B is a copy of NYCEDC's budget information set forth in its standard format.

The Public Authorities Accountability Act of 2005 as amended requires NYCEDC to submit to the Mayor, the City's Comptroller, the City Council Speaker and New York State's Authorities Budget Office ("ABO") budget information on operations and capital construction setting forth the estimated receipts and expenditures for the next fiscal year and the current fiscal year, and the actual receipts and expenditures for the last completed fiscal year. ABO has designated the form in which the budget information is to be submitted and such form requires the inclusion of estimated information for additional years. The submission is for information purposes and the submission must be in the form submitted to NYCEDC's Directors.

Ms. Verostek and Mr. Oddo then summarized NYCEDC's operations and capital budgets.

Ms. Cortes-Vazquez left the meeting at this time.

In answer to a question from Mr. Wilkins, Ms. Verostek stated that NYCEDC currently had a healthy balance sheet. She further stated that the timing of NYCEDC land sales could move between fiscal years, and that if NYCEDC projected that a land sale would close in the current fiscal year but it instead closed in the next fiscal year, the adjustment would be reflected in the next year's budget presentation to the Board.

At this time, Mr. Patchett pointed out that NYCEDC did not have outside financing, and that NYCEDC generally budgeted conservatively with the expectation that it would do better largely because its expenses were known and could be controlled, whereas its revenues were less known. Mr. Patchett explained that generally NYCEDC's expenses tended to cluster more toward the end of the year, and that if revenues happened to be coming out lower, that NYCEDC then had the ability to ratchet back expenses over time. He stressed however that in practice it was more typical for revenues to be a bit higher, and that this allowed NYCEDC more flexibility with expenses in the latter half of the year. Lastly, Mr. Patchett additionally noted that two fundamental issues that loomed over the budget were (1) the NYC Ferry costs over time and how to best manage those costs in partnership with the City, and (2) the management of NYCEDC's property management budget for its assets.

In answer to a question from Mr. Draizin, Kim Vaccari, Chief Financial Officer of NYCEDC, explained that the breakdown of NYCEDC's restricted versus unrestricted assets amounted to approximately \$100 million restricted, and the rest unrestricted, and that NYCEDC looked at its unrestricted assets to fund its operations. Ms. Vaccari further noted that NYCEDC did a lot of its funding up front and then got reimbursed, and that NYCEDC therefore wanted to maintain a healthy balance at all times.


A motion was made to approve the budget information about NYCEDC in the form set forth in Attachment A to Exhibit A hereto. Such motion was seconded and unanimously approved.

6. Approval

With respect to the approved items set forth above, it was understood that authorization and approval of such matters included authorization for the President and other empowered officers to execute the necessary legal instruments, and for the President and other empowered officers to take such further actions as are or were necessary, desirable or required, to implement such matters substantially on the terms described above.

7. Adjournment

There being no further business to come before the meeting, pursuant to a motion made, seconded and unanimously approved the meeting of the Board of Directors was adjourned at 9:05 a.m.

  
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Assistant Secretary

Dated: August 13, 2019  
New York, New York

## **Attachment 1**

### **DEFINITIONS**

|                                |  |
|--------------------------------|--|
| Apple .....                    | Apple Industrial Development Corp.   |
| Armand .....                   | Armand Corporation d/b/a Armand of New York  |
| BAT .....                      | Brooklyn Army Terminal   |
| Bovis .....                    | Bovis Lend Lease LMB, Inc.   |
| CDBG .....                     | Federal Community Development Block Grant  |
| CDBG-DR Funds .....            | Federal Community Development Block Grant-Disaster Recovery Program funds  |
| CEQR .....                     | City Environmental Quality Review process  |
| City DEP .....                 | New York City Department of Environmental Protection   |
| City DOT .....                 | New York City Department of Transportation   |
| City Parks .....               | New York City Department of Parks and Recreation   |
| City Planning .....            | New York City Department of City Planning or City Planning Commission  |
| CM .....                       | A construction manager   |
| CM Contract .....              | A construction management contract   |
| DCAS .....                     | New York City Department of Citywide Administrative Services   |
| EIS .....                      | Environmental Impact Statement   |
| ESDC .....                     | New York State Urban Development Corporation d/b/a Empire State Development Corporation  |
| FEMA .....                     | Federal Emergency Management Agency  |
| FM .....                       | A facilities manager   |
| FM/CM Contract .....           | A facilities management/construction management contract   |
| Funding Source Agreement ..... | Any agreement necessary to obtain funds for the Project, including IDA Agreements  |
| Gilbane.....                   | Gilbane Building Company   |
| HDC .....                      | New York City Housing Development Corporation  |
| HPD .....                      | New York City Department of Housing Preservation and Development   |
| Hunter Roberts .....           | Hunter Roberts Construction Group, L.L.C.  |
| IDA .....                      | New York City Industrial Development Agency  |
| IDA Agreement .....            | Agreement with IDA pursuant to which IDA retains NYCEDC to accomplish all or part of the Project and reimburses NYCEDC for the costs of the work |
| LiRo .....                     | LiRo Program and Construction Management, PE P.C.  |
| LMDC .....                     | Lower Manhattan Development Corporation  |
| McKissack .....                | The McKissack Group, Inc. d/b/a McKissack & McKissack  |

|                      |  |
|----------------------|--|
| MOU .....            | A memorandum of understanding  |
| NYCEDC .....         | New York City Economic Development Corporation, survivor of a November 1, 2012 merger of a local development corporation (the "LDC") named New York Economic Development Corporation with and into New York City Economic Growth Corporation. References to NYCEDC prior to such merger are references to the LDC. |
| NYCHA .....          | New York City Housing Authority  |
| NYCLDC .....         | New York City Land Development Corporation   |
| Noble Strategy ..... | Noble Strategy NY Inc.   |
| OMB .....            | New York City Office of Management and Budget  |
| Port Authority ..... | The Port Authority of New York and New Jersey  |
| RFP .....            | Request for Proposals  |
| Sanitation .....     | New York City Department of Sanitation   |
| SBS .....            | New York City Department of Small Business Services  |
| SEMO .....           | New York State Emergency Management Office   |
| SEQR .....           | State Environmental Quality Review process   |
| Skanska .....        | Skanska USA Building Inc.  |
| State DEC .....      | New York State Department of Environmental Conservation  |
| State DOS .....      | New York State Department of State   |
| State DOT .....      | New York State Department of Transportation  |
| State Parks .....    | New York State Office of Parks, Recreation and Historic Preservation   |
| Tishman .....        | Tishman Construction Corporation of New York   |
| Turner .....         | Turner Construction Company  |
| ULURP .....          | Uniform Land Use Review Procedure  |

**Exhibit A**

**BUDGET INFORMATION  
Board of Directors Meeting  
June 26, 2019**

**SUBJECT:** The approval and submission of budget information about NYCEDC

**PROPOSED RESOLUTION:** To approve budget information about NYCEDC in the form attached hereto as Attachment A

**BACKGROUND:** The Public Authorities Accountability Act of 2005 (the "Act") as amended requires NYCEDC to submit to the Mayor, the City's Comptroller, the City Council Speaker and New York State's Authorities Budget Office ("ABO"), budget information on operations and capital construction setting forth the estimated receipts and expenditures for the next fiscal year and the current fiscal year, and the actual receipts and expenditures for the last completed fiscal year. ABO has designated the form in which the budget information is to be submitted and such form requires the inclusion of estimated information for additional years. The submission is for information purposes and the submission must be in the form submitted to NYCEDC's Directors.

Attached hereto is Attachment A, which sets forth the budget information in the form in which it will be submitted pursuant to the Act. Attached hereto as Attachment B is a copy of NYCEDC's budget information set forth in its standard format.

**STAFF:** Spencer Hobson, Executive Vice President and Treasurer  
Elizabeth Verostek, Senior Vice President, Finance  
Jason Oddo, Vice President, Budget

ATTACHMENT A

NYC ECONOMIC DEVELOPMENT CORPORATION  
 BUDGETED REVENUES, EXPENDITURES, AND CHANGES IN CURRENT NET ASSETS

|   | Last Year<br>(Actual)<br>2018 | Current Year<br>(Estimated)<br>2019 | Next Year<br>(Adopted)<br>2020 | Proposed<br>2021 | Proposed<br>2022 | Proposed<br>2023 |
|---|-------------------------------|-------------------------------------|--------------------------------|------------------|------------------|------------------|
| <b>REVENUE &amp; FINANCIAL SOURCES</b>                                      |                               |                                     |                                |                  |                  |                  |
| Operating Revenues  |                               |                                     |                                |                  |                  |                  |
| Charges for services  | 9,835,329                     | 11,113,828                          | 11,178,418                     | 9,081,584        | 9,150,222        | 9,288,465        |
| Rental & financing income   | 214,523,362                   | 231,519,588                         | 289,861,508                    | 234,307,295      | 251,017,117      | 283,939,789      |
| Other operating revenues  | 48,589,563                    | 40,868,840                          | 72,436,172                     | 39,805,845       | 37,847,914       | 34,802,449       |
| Nonoperating Revenues   |                               |                                     |                                |                  |                  |                  |
| Investment earnings   | 4,445,384                     | 8,750,953                           | 5,046,907                      | 5,188,315        | 5,354,284        | 5,514,892        |
| Municipal subsidies/grants  | 488,173,868                   | 542,758,115                         | 581,010,013                    | 543,658,512      | 568,545,319      | 571,096,322      |
| Reimbursable Grants- Superstorm Sandy                                       | 51,478                        | -                                   | -                              | -                | -                | -                |
| Total Revenues & Financing Sources  | 785,617,984                   | 835,009,323                         | 919,533,018                    | 831,851,361      | 871,714,836      | 904,619,927      |
| <b>EXPENDITURES</b>   |                               |                                     |                                |                  |                  |                  |
| Operating Expenditures  |                               |                                     |                                |                  |                  |                  |
| Salaries and wages  | 84,242,234                    | 71,729,153                          | 76,481,319                     | 80,685,206       | 83,883,389       | 87,229,280       |
| Professional services contracts   | 621,518,266                   | 689,524,378                         | 821,978,614                    | 718,537,433      | 720,873,077      | 721,322,816      |
| Other operating expenditures  | 65,361,562                    | 102,372,602                         | 80,209,815                     | 85,890,036       | 95,224,132       | 92,835,722       |
| Nonoperating Expenditures   |                               |                                     |                                |                  |                  |                  |
| Emergency repairs- Superstorm Sandy   | 88,345                        | -                                   | -                              | -                | -                | -                |
| Total Expenditures  | 781,218,407                   | 863,626,133                         | 978,649,748                    | 885,112,676      | 899,790,678      | 901,387,919      |
| Excess (deficiency) of revenues and capital contributions over expenditures | 14,399,577                    | (28,616,810)                        | (59,116,730)                   | (53,261,315)     | (28,075,742)     | 3,231,108        |



**ATTACHMENT B**  
**NYC ECONOMIC DEVELOPMENT CORPORATION**  
**FISCAL YEAR 2020 BUDGET**

|   | Actual<br>FY 2018  | Adopted<br>FY 2018 Budget | Est. Year-End<br>FY 2018 | Projected<br>FY 2020 Budget | Projected<br>FY 2021 Budget | Projected<br>FY 2022 Budget | Projected<br>FY 2023 Budget |
|---|--------------------|---------------------------|--------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>REVENUES:</b>                              |                    |                           |                          |                             |                             |                             |                             |
| Real Estate Sales, net                        | 8,556,175          | 16,400,823                | 9,261,897                | 58,276,997                  | 7,475,897                   | 21,631,842                  | 16,889,000                  |
| Property Rentals                              | 214,523,362        | 204,184,291               | 231,519,588              | 289,861,508                 | 234,307,295                 | 251,017,117                 | 283,936,789                 |
| Grants from City, State, Federal, Private     | 488,173,868        | 542,758,115               | 542,798,115              | 561,010,013                 | 543,658,512                 | 568,545,319                 | 571,096,322                 |
| Fee Income                                    | 9,835,329          | 9,999,326                 | 11,113,828               | 11,178,418                  | 9,081,594                   | 9,150,222                   | 9,268,465                   |
| Other Income                                  | 40,032,388         | 15,090,658                | 31,614,943               | 14,160,174                  | 32,129,648                  | 16,016,072                  | 17,903,449                  |
| <b>TOTAL OPERATING REVENUES</b>               | <b>781,121,123</b> | <b>788,433,214</b>        | <b>828,258,370</b>       | <b>914,488,111</b>          | <b>828,853,048</b>          | <b>868,340,572</b>          | <b>898,104,035</b>          |
| <b>EXPENSES:</b>                              |                    |                           |                          |                             |                             |                             |                             |
| Project Costs                                 | 98,085,632         | 120,439,246               | 117,123,591              | 177,750,588                 | 117,148,012                 | 129,201,486                 | 122,860,331                 |
| Program Costs                                 | 391,935,245        | 425,634,524               | 425,634,524              | 425,650,000                 | 425,668,500                 | 425,689,585                 | 425,710,273                 |
| Property Rentals & Related Operating Expenses | 131,497,389        | 153,639,145               | 146,766,264              | 218,578,046                 | 175,721,921                 | 165,782,007                 | 172,752,213                 |
| Personnel Services                            | 64,242,234         | 73,542,988                | 71,729,153               | 76,461,319                  | 80,685,206                  | 83,893,369                  | 87,229,280                  |
| Office Rent                                   | 12,998,806         | 9,030,336                 | 19,590,797               | 13,719,114                  | 12,452,532                  | 12,452,532                  | 12,452,532                  |
| Contract and Other Expenses                   | 30,104,500         | 39,313,962                | 58,170,440               | 28,764,736                  | 35,210,641                  | 45,821,403                  | 43,646,532                  |
| Other General & Admin. Expenses               | 22,259,256         | 21,439,419                | 24,611,365               | 37,725,965                  | 38,226,963                  | 36,950,198                  | 36,736,658                  |
| <b>TOTAL OPERATING EXPENSES</b>               | <b>751,122,062</b> | <b>842,938,620</b>        | <b>863,628,133</b>       | <b>878,849,748</b>          | <b>885,112,678</b>          | <b>899,780,578</b>          | <b>901,387,818</b>          |
| <b>OPERATING INCOME</b>                       | <b>9,999,061</b>   | <b>(54,505,406)</b>       | <b>(37,367,763)</b>      | <b>(64,163,638)</b>         | <b>(58,459,629)</b>         | <b>(33,430,006)</b>         | <b>(2,283,784)</b>          |
| <b>NON-OPERATING REVENUES</b>                 |                    |                           |                          |                             |                             |                             |                             |
| Income from Investments                       | 4,445,384          | 1,420,285                 | 8,750,953                | 5,046,907                   | 5,198,315                   | 5,354,264                   | 5,514,862                   |
| Reimbursable Grants- Superstorm Sandy         | 51,478             | -                         | -                        | -                           | -                           | -                           | -                           |
| Emergency repairs- Superstorm Sandy           | (96,345)           | -                         | -                        | -                           | -                           | -                           | -                           |
| <b>TOTAL CHANGE IN NET ASSETS</b>             | <b>14,388,517</b>  | <b>(53,086,121)</b>       | <b>(28,616,810)</b>      | <b>(59,116,730)</b>         | <b>(53,261,316)</b>         | <b>(28,075,742)</b>         | <b>3,231,108</b>            |
| Beginning Net Assets                          | 433,848,969        | 448,248,548               | 448,248,548              | 418,631,735                 | 360,515,005                 | 307,253,880                 | 278,177,949                 |
| <b>NET ASSETS AS OF 06/30</b>                 | <b>448,248,548</b> | <b>395,162,427</b>        | <b>418,631,735</b>       | <b>360,515,005</b>          | <b>307,253,880</b>          | <b>278,177,949</b>          | <b>282,408,058</b>          |