

**MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS
OF
PUBLIC REALM IMPROVEMENT FUND GOVERNING GROUP, INC.
*June 23, 2022***

The annual Meeting of the Members and Directors of the East Midtown Public Realm Improvement Fund Governing Group was held at 2:33 p.m. on June 23, 2022 via video teleconference.

Public notice of this meeting was given in accordance with the Open Meetings Law.

The meeting was chaired by Council Member Powers, Vice-Chairperson of the Governing Group, on behalf of Deputy Mayor Been, Chairperson of the Governing Group.

The following Members were present:

- Hon. Keith Powers, Council Member for District 4
- Hon. Mark Levine, Manhattan Borough President
- Dan Garodnick, Director of the NYC Department of City Planning
- Brian Van Nieuwenhoven, Member and Designee of Manhattan Community Board Six

The following Members acted by proxy:

- Maria Torres-Springer, Deputy Mayor of Housing and Economic Development
- Andrew Kimball, President of the NYC Economic Development Corporation
- Ydanis Rodriguez, Commissioner of the NYC Department of Transportation
- Jacques Jiha, Director of the NYC Office of Management and Budget
- Susan Donoghue, Commissioner of the NYC Department of Parks and Recreation
- Tom Foley, Commissioner of the NYC Department of Design & Construction

The following Member was not present:

- Vikki Barbero, Member and Designee of Manhattan Community Board Five

The following Directors and Alternate Directors were present:

- Hon. Keith Powers, Council Member for District 4
- Dan Garodnick, Director for the Department of City Planning
- Brian Van Nieuwenhoven, Member and Designee of Manhattan Community Board Six
- Mark Levine, Director for Office of the Manhattan Borough President
- Annemarie Gray, Alternate Director for Deputy Mayor of Housing and Economic Development
- Fred D'Ascoli, Alternate Director for the President of the Economic Development Corporation

- Sallina Yung, Alternate Director for the Director of the Office of Management and Budget
- Ed Pincar, Alternate Director for the Department of Transportation
- Nicholas Molinari, Alternate Director for the Commissioner of the Department of Parks and Recreation
- Jeff Margolies, Alternate Director for the Commissioner of the NYC Department of Design & Construction

The Meeting of Members commenced, a quorum being present.

1. **Resolution on Meeting Via Videoconferencing:** It was announced that a vote on the a resolution to permit continued meeting via videoconference was in order. The resolution permitted the June 23, 2022 meeting to be held via videoconference, and permitted future Members’ and Directors’ Meetings to be held via videoconference so long as either a State or City-declared emergency regarding COVID-19 were in place.
2. **Directors and Alternate Directors:** It was announced that elections were in order to elect directors and alternate directors of the Corporation. There were no questions or comments. Upon a motion made and unanimously carried, a resolution was adopted for the membership sections at issue to elect the following directors and alternate directors.

Director:	Alternate Director:
Maria Torres-Springer	Annemarie Gray
Dan Garodnick	Bob Tuttle
Ydanis Rodriguez	Ed Pincar Jr.
Susan Donoghue	Nicholas Molinari
Jacques Jiha	Sallina Yung
Andrew Kimball	Fred D’Ascoli
Tom Foley	Jamie Torres-Springer
Mark Levine	Lizette Chaparro
Keith Powers	Kate Theobald
Vikki Barbero	Layla Law-Gisiko
Brian Van Nieuwenhoven	Molly Hollister

There were no further questions and the Members Meeting was closed.

The Meeting of Directors commenced, a quorum being present.

1. **Adoption of Meeting Minutes:** It was announced that adoption of the meeting minutes from the Meeting of Members and Directors, held on December 28, 2021, was in order. There were no questions or comments. Upon a motion made and unanimously carried, the meeting minutes were adopted.

2. **Officers:** It was announced that elections were in order to elect Officers of the Corporation. There were no questions or comments. Upon a motion made and unanimously carried, a resolution was adopted for the membership sections at issue to elect the following Officers of the Corporation:

Keith Powers (Vice-Chairperson)
Andrew Kimball (Treasurer)
Dan Garodnick (Secretary)

3. **Audit Committee:** It was announced that elections were in order to elect members of the Audit Committee. There were no questions or comments. Upon a motion made and unanimously carried, a resolution was adopted for the membership sections at issue to elect the following members to the Audit Committee:

Andrew Kimball (Chair)
Jacques Jiha
Keith Powers
Maria Torres-Springer (ex officio)

4. **Governance Committee:** It was announced that elections were in order to elect members of the Governance Committee. There were no questions or comments. Upon a motion made and unanimously carried, a resolution was adopted for the membership sections at issue to elect the following members to the Governance Committee:

Dan Garodnick (Chair)
Jacques Jiha
Mark Levine
Maria Torres Springer (ex officio)

5. **Review and Approval of Annual Budget:** EDC presented the Annual Budget for FY 2023. Alternate Director D'Ascoli briefly walked the Governing Group through the budget presentation. He noted that the budget's format was dictated by the Public Authorities Accountability Act (PAAA). The budget included the previous year's actuals (FY 2021), the current year's estimated figures (FY 2022), the proposed budget's estimated figures (FY 2023), and then projections for out years (FY's 2024 through 2026).

He emphasized that the budget is largely driven by contributions made into the PRIF via Zoning Resolution Sections 81-642 and 81-643. He noted that the principle balance has not been used so far. Revenue is driven by contributions pursuant to the aforementioned sections of the Zoning Resolution, plus interest income on the amount invested.

Alternate Director D'Ascoli noted that there's an expected incoming contribution in FY 2023 of \$863,000 from a Section 81-642 transfer of development rights. He also noted that there would be a larger contribution expected in the out-years, but that the details around timing and the amount were sufficiently unknown that the contribution was included as a footnote in the budget and could not be included in the out-year projections.

Alternate Director D'Ascoli also discussed the interest earned on the invested principle. He explained that in FY 2022 there was a large loss in the amount of interest earned, based on the market's fluctuations. In future years, he noted, it was projected that interest income would increase by one-half (0.5) percent in FY 2023, one (1) percent in FY 2024, one-point-five (1.5) percent in FY 2025, and then two (2) percent in FY 2026. He relayed that these projections were very conservative, and that there was a reasonable chance that the interest earned would outperform those levels. He specified that the interest earned in FY 2022 was *negative* \$429,000, but that interest earned would be projected to grow to \$887,000 annually by FY 2026, so that there would be a progressive increase in the amount of available funds.

Alternate Director D'Ascoli explained that on the expenditures side, there were only two areas driving expenses: (1) annual audit fees to prepare the financial statements and have them audited; and (2) investment fees, also termed 'banking fees'. He noted that the audit fee is expected to grow at a three-point-five (3.5) percent rate. Banking fees are ten (10) basis points, which Alternate Director D'Ascoli noted is considered a 'good' rate. He relayed that in other EDC accounts, Banking fees can be as high as twenty (20) to thirty (30) basis points. He noted that overall that brings total expenditures for FY 2023 to \$58,000, growing ultimately to \$62,000 in 2026. The fund's end balance in 2023 is anticipated to be \$43,412,000, growing to \$45,207,000 in FY 2026. There were no further questions or discussions.

It was announced that approval of the Annual Budget was in order. Upon a motion made and unanimously carried, the Annual Budget was adopted.

6. **Project Updates:** It was announced that DDC and DOT would present an update on several projects within East Midtown.

Pershing Square East

Alternate Director Margolies discussed Pershing Square East, noting that construction was underway, including relocation of utilities. He clarified that utility work is required to address underground interference before undertaking DEP-related work, which includes water main and sewer work. He further clarified that the utility and DEP work takes place before the DOT plaza can be constructed. He noted that, when completed, the place will include seating, trees and planting, wayfinding signage, bikeshare stations, pedestrian security measures and will allow for emergency vehicle access. He noted that the project has been designed to be in tune with Pershing Square West, which was completed approximately two years ago. He finished by relaying that DDC and DOT were on track to complete the plaza by the end of 2023.

Lexington Avenue Thoroughfare Improvements

Alternate Director Margolies reiterated that the Lexington Avenue Thoroughfare Improvements were a design build project, and one of the first for DDC and DOT to use this process. He noted that overall, the improvements were to create pedestrian safety improvements on Lexington from 48th to 45th Streets, and that the improvements

associated with the 43rd Street Shared Street (and its associated pedestrian safety improvements on Lexington) were using a traditional design-bid-build process. In terms of the 48th Street – 45th Street Measures, the RFP for design-build firms will be released Summer 2022, so the team will come on board as a single entity and immediately begin the design process, saving time on the overall project.

East 43rd Street Shared Street

Alternate Director Margolies relayed that DDC has been collaborating with DOT on the final schematic and geometric design, which includes the layout of curbs. One that process has been finalized the agencies would work on the layout of the shared street. Director Garodnick asked whether the public outreach process was intended to last until early 2023, which was the timeframe reported at the previous Governing Group meeting. Alternate Director Margolies admitted that the process was slightly delayed, but there had been extensive collaboration with NYPD, FDNY, the developers of the Hyatt proposal (175 Park Avenue) and the owners of the Chrysler building.

Alternate Director Pincar further emphasized that the City had convened with the Grand Central Partnership and other stakeholders earlier in the year to discuss the permanent design configuration. Referencing the schematic design seen on the presentation deck, Alternate Director Pincar noted that the design shown will be advanced while working with DDC on the capital build-out. He emphasized that the design balances local access and loading needs.

Park Avenue Medians

Alternate Director Pincar noted that the RFP for a landscape architect for the Park Avenue Medians Project would be released in 2022 and would take into account geometry, lighting, planting, overall look and feel of each mall, passive and active amenities, and the potential for concessions. He noted that the community's feedback and desired elements would be incorporated in the RFP language, and that the winning team would have to propose a robust community outreach effort that builds on the prior effort spearheaded by DOT and the Grand Central Partnership. In response to a question from Director Garodnick, Alternate Director Pincar said that DOT hoped to release the RFP relatively soon.

7. **Business Improvement District Update:** Mr. Cerullo thanked the Governing Group on behalf of the Grand Central Partnership and welcomed the new Board members. He acknowledged the presentation from DDC and DOT, commending them on their outreach and community involvement. He said that he looked forward to working together on the park Avenue Medians project in particular.

He shared updates about the GCP's observations regarding East Midtown, which, he attested, has been making a comeback. He noted that the area is still challenged in terms of office occupancy, but that the GCP had observed more people making their way in and out of the neighborhood. Mr. Cerullo noted that the GCP was currently observing higher pedestrian

activity on weekends than pre-COVID 19 conditions. He also mentioned that they were observing regular growth in pedestrian activity during the work-week, with ten of the past twelve months showing growth. However, he noted that the workweek pedestrian numbers were still 25 to 35 percent below pre-COVID 19 numbers. On a positive note, he relayed that restaurants have been busy, and that bars have been having excellent happy hour turnouts. From Mr. Cerullo and the GCP's perspective, it's positive that people are spending money in the district, but he noted that there were still concerns that these same patrons had not found their way to their office desks five days per week. He also noted that Pershing Square West had been successfully utilized for public programming. He mentioned the recent Summer Solstice Music Festival, which hosted musical performances during happy hour and into the evening. He also mentioned musical public programming in Pershing Square West during Tuesday afternoon lunches, Thursday happy hours and on weekends. Mr. Cerullo also noted that the GCP was working with the City on art installations in the Pershing Square West plaza and were generally looking to opportunities to engage the public in a way that helps them feel safe and healthy and to enjoy the neighborhood.

8. **Adjournment:** There being no further business to come before the meeting, the meeting of the Board of Directors was adjourned at 3:40 p.m.

COMMON ABBREVIATIONS

ABO | NYS Authorities Budget Office
BID | business improvement district
CPC | NYC City Planning Commission
DCP | NYC Department of City Planning
DDC | NYC Department of Design and Construction
DEP | NYC Department of Environmental Protection
DOB | NYC Department of Buildings
EMP | East Midtown Partnership BID
FDNY | Fire Department of the City of New York
GCP | Grand Central Partnership BID
LIRR | Long Island Rail Road
MNR | Metro-North Railroad
MTA | Metropolitan Transportation Authority
NYCEDC | NYC Economic Development Corporation
NYCT | New York City Transit
NYPD | NYC Police Department
OMB | NYC Office of Management and Budget
PAAA | Public Authorities Accountability Act