

**MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS
OF
PUBLIC REALM IMPROVEMENT FUND GOVERNING GROUP, INC.**
September 22, 2022

This Meeting of the Members and Directors of the East Midtown Public Realm Improvement Fund Governing Group was held at 1:35 p.m. on September 22, 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 Torres-Springer, Chairperson of the Governing Group.

The following Members were present:

- Hon. Keith Powers, Council Member for District 4
- Brian Van Nieuwenhoven, Member and Designee of Manhattan Community Board Six

The following Members acted by proxy:

- Hon. Mark Levine, Manhattan Borough President
- Dan Garodnick, Director of the NYC Department of City Planning
- 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
- 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
- Brian Van Nieuwenhoven, Director for Manhattan Community Board Six
- Franklin Richards, Alternate Director for the Council Member for District 4
- Lizette Chaparro, Alternate Director for Office of the Manhattan Borough President
- Layla Law-Gisiko, Alternate Director for Manhattan Community Board Five
- Richard Bearak, Alternate Director for Deputy Mayor of Housing and Economic Development
- Bob Tuttle, Alternate Director for the Department of City Planning
- 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 to hold the September 22, 2022 Members and Directors meeting via videoconference was in order. The resolution approved June 23, 2022 permits 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. It was noted that both the City and State emergency orders were in place. There were no questions or comments. Upon a motion made and unanimously carried, the vote to hold the September 22, 2022 meeting via videoconference was approved.
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:

Maria Torres-Springer
Keith Powers
Brian Van Nieuwenhoven

Alternate Director:

Richard Bearak
Franklin Richards
Sandy McKee

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 June 23, 2022, was in order. There were no questions or comments. Upon a motion made and unanimously carried, the meeting minutes were adopted.
2. **Presentation of Audited Financial Statements and Annual Schedule of Investments:** It was announced that EDC would present the Audited Annual Financial Statements and the Annual Schedule of Investments. It was announced that individual votes would be held on these respective items following the presentation. Alternate Director D'Ascoli and Ms. Amy Chan, Controller for EDC presented on behalf of Director Kimball. Ms. Chan presented the financial highlights of the Fund's Financial Statements and Investment Schedule.

She relayed that the Fund's Financial Statements and Investment Schedule would be receiving an unmodified, 'clean' opinion from the auditors, UHY. She noted that there were no internal controls, significant deficiencies, or material weaknesses identified as a result of the audit.

Ms. Chan relayed that the PRIF's total assets made up of cash and investments increased by approximately \$4.4 million, up to a total of \$47.3 million, primarily as a result of the contribution received during Fiscal Year '22 in the amount of \$4.8 million. She clarified that this contribution was a result of the transfer of development rights from Saint Bartholomew's Church to 415 Madison Avenue under Zoning Resolution 81-642, and the contribution associated with the retention of non-complying floor area at 415 Madison Avenue pursuant to Zoning Resolution 81-643.

Ms. Chan also noted that the PRIF's total liabilities increased by approximately \$11,000, up to a total of \$25,000 due to additional operating expenses incurred as well as the timing of the payments made to EDC for reimbursements of costs paid on the Fund's behalf.

Regarding the Statement of Operations, she noted that operating revenues were \$4.8 million due to the contributions related to 415 Madison. Meanwhile, operating expenses remained flat as compared to the prior year, at around \$50,000. She explained that the operating expenses were primarily made up of audit fees and bank fees.

Ms. Chan explained that non-operating losses were attributable to the investment losses as a result of market conditions, and that those losses totaled \$312,000. She explained that due to all the foregoing components, there was a net increase in net position of approximately \$4.4 million resulting in a year-end net position of \$47.3 million. She directed the Governing Group to the Audited Financial Statements in their board books, which were compliant with PAAA formatting.

There were no questions and Ms. Chan continued presented the Annual Investment Report. She noted that the PRIF's investments for the year totaled \$47.3 million, with investment allocation of 44.2 percent in U.S. Treasury, 21.9 percent in commercial paper, and 33.9 percent in cash equivalence. She noted that this was fully compliant with the Board's approved investment policy and that the Auditors identified no significant material deficiencies or material weaknesses as it related to the Schedule of Investments.

Ms. Chan turned the presentation over to Alternate Director D'Ascoli for additional comments.

Alternate Director D'Ascoli noted that the Audit Committee of the Board met with the auditor, UHY. He relayed that the Audit Committee listened to a presentation from UHY on the legitimacy of the financials and noted that UHY had no issues with any of the information. He confirmed that UHY signed an opinion that they would present the financials as fairly representing the financial conditions of the Public Improvement Fund. He reminded the Board that it had collectively voted to request that the Board approve the Audited Financial Statements as presented in the PAAA format, as well as the Investment Report.

Alternate Director D'Ascoli recommended on behalf of the Audit Committee that the Board approve these documents.

There were no questions or comments, and the presentation was concluded.

3. **Adoption of Audited Financial Statements:** It was announced that adoption of the Audited Financial Statements for FY 2022 was in order. There were no questions or comments. Upon a motion made and unanimously carried, the Audited Financial Statements were adopted.
4. **Adoption of Annual Investment Report:** It was announced that adoption of the Annual Investment Report for FY 2022 was in order. There were no questions or comments. Upon a motion made and unanimously carried, the Annual Investment Report was adopted.
5. **Adoption of Mission Statement:** It was announced that the re-adoption of the Governing Group's mission statement was in order. There were no questions or comments. Upon a motion made and unanimously carried, the mission statement was re-adopted.

The mission of the Corporation is to bolster and enhance East Midtown's status as a premier central business district with a high-quality public realm, by allocating funds from the Public Realm Improvement Fund to implement public realm improvement projects, in accordance with the Public Realm Improvement Concept Plan and the New York City Zoning Resolution.

6. **Re-Adoption of Corporate Policies**

It was announced that re-adoption of the Governing Group's corporate policies was in order. These included investment guidelines, policy regarding the procurement of goods and services, policy regarding the acquisition and disposition of real property, and policy regarding the disposition of personal property. Upon a motion made and unanimously carried, the corporate policies were re-adopted.

7. **Business Improvement District Update:**

Mr. Cerullo thanked the Governing Group and noted that he looked forward to working with the new directors and alternate directors. He commented that he would wait until the next meeting to speak more extensively about updates regarding public realm improvement projects. He noted that GCP had observed positive trends in East Midtown, and although commercial occupancy still presented challenges, pedestrian counts were 76 percent of their 2019 figures. He relayed that bars, retailers and restaurants were seeing increased business, and that public spaces are continuing to be activated. He flagged that the GCP has an aggressive public art and music program that will continue into the fall. He also noted that the GCP was working closely with DOT and DDC on the construction of Pershing Square East, and will be meeting the following week with DOT to discuss design changes to the 43rd Street Shared Street.

He expressed excitement about the upcoming opening of East Side Access which will bring Long Island Railroad directly into Grand Central Terminal and shared the news that removal of the Park Avenue Mall/Median between East 47th and East 48th Street will begin as early

as October 3rd to accommodate Metro-North Railroad's Grand Central Terminal Train Shed Rehabilitation project.

He stressed that the news of the Park Avenue Median removal highlighted the need to focus on the RFP for a landscape architect, who to create a design plan for these iconic public spaces. Alternate Director Tuttle noted that there would be an update on the RFP in December. In response to a question from Alternate Director Tuttle, Mr. Cerullo clarified that in terms of pedestrian counts, some corners were experiencing 99 percent of their pre-COVID foot traffic, and some are seeing more pedestrians on weekends than before the pandemic. Mr. Cerullo thanked the Group for the opportunity speak and looked forward to hearing more on the RFP in December.

8. **Adjournment:** There being no further business to come before the meeting, the meeting of the Board of Directors was adjourned at 2:01 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