

**MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS
OF
PUBLIC REALM IMPROVEMENT FUND GOVERNING GROUP, INC.**
December 14, 2022

The annual Meeting of the Members and Directors of the East Midtown Public Realm Improvement Fund Governing Group was held at 10:10 a.m. on December 14, 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:

- Maria Torres-Springer, Deputy Mayor of Economic and Workforce Development
- Hon. Mark Levine, Manhattan Borough President
- Dan Garodnick, Director of the NYC Department of City Planning
- 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 M. Donoghue, Commissioner of the NYC Department of Parks and Recreation
- Tom Foley, Commissioner of the NYC Department of Design & Construction

The following Directors and Alternate Directors were present:

- Hon. Keith Powers, Council Member for District 4
- Franklin Richards, Alternate Director for Council Member for District 4
- Brian Van Nieuwenhoven, Member and Designee of Manhattan Community Board Six
- Lizzette Chaparro, Alternate Director for Office of the Manhattan Borough President
- Richard Bearak, Alternate Director for Deputy Mayor of Housing and Economic Development
- Bob Tuttle, Alternate Director for the Director of 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 Jr., 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 December 14, 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 December 14, 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
 Dan Garodnick
 Ydanis Rodriguez
 Susan M. Donoghue
 Jacques Jiha
 Andrew Kimball
 Tom Foley
 Mark Levine
 Keith Powers
 Vikki Barbero
 Brian Van Nieuwenhoven

Alternate Director:

Richard Bearak
 Bob Tuttle
 Ed Pincar Jr.
 Nicholas Molinari
 Sallina Yung
 Fred D'Ascoli
 Jeffrey Margolies
 Lizette Chaparro
 Franklin Richards
 Layla Law-Gisiko
 Sandy McKee

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

Pershing Square East

Capital Budget: \$16 million

Phase: In construction, utility work ongoing

Project includes:

- Seating
- Trees/Plantings
- Wayfinding
- Bikeshare
- Pedestrian security measures
- Emergency vehicle access

Alternate Directors Pincar and Margolies discussed Pershing Square East, noting that the project was actively under construction. Alternate Director Margolies noted that DDC was currently conducting utility-related work at the intersection of Park Avenue and E. 41st Street. He shared a rendering of the plaza that highlighted its amenities. He noted that DDC and DOT developed the design in collaboration with the Grand Central Partnership in order to reflect the conditions of Pershing West Plaza, which was completed and already open to the public. He noted that they will continue doing utility work into 2023, and then will undertake DEP infrastructural work, including water-main work and installation of catch basins for stormwater. Following the DEP-related work, the above-ground construction would commence on behalf of DOT. Alternate Director Margolies stated that the project was aiming for completion by year-end 2023.

Lexington Avenue Thoroughfares:

Capital Budget: \$17.1 million (\$12.8 million City Capital authorized by the Governing Group plus \$4.3 million from DOT's capital budget).

Phase: Procurement; Design-Build commencing Spring 2023

Project includes:

- Pedestrian safety improvements at five intersections (total of seven corners) between 41st and 48th Streets
- ADA accessibility improvements at all corners of improved intersections

Alternate Director Margolies noted that the Lexington Avenue Thoroughfare improvements required DEP below-grade work. He noted that the project would be design-build, having received authorization from state several years prior, and would serve as an infrastructural pilot project for a design-build process.

He expected DDC to have a design-builder on board by spring of 2023, and that he would be happy to bring them to the Governing Group once onboarded. He also clarified that the project was still in the procurement phase. He discussed the advantages of a design build process, which allows for partial construction and infrastructural work during the design phase. This is in contrast to the standard design-bid-build process, in which the City would have to finish the design in its entirety followed by a procurement process for construction team and then construction itself. In the case of a design-build process, the team would be able to run test pits and identify below-grade utilities while firming up the design, providing significant time savings. Alternate Director Margolies noted that there will likely be significant Con Edison infrastructure work for this project, as well as DEP water-main work, both of which would, in turn, inform the design. He re-iterated that he would have more on information on the overall schedule once the design-builder is onboarded in the spring.

43rd Street Shared Street:

Capital Budget: \$17.7 million

Phase: Design

Project includes:

- Conversion of interim shared street to permanent treatments on 43rd Street between Lexington and 43rd Street between Lexington and 3rd Avenues
- Pedestrian Improvements on Lexington Avenue at 43rd and 44th Streets.

Alternate Director Margolies relayed that he expected the design process to be finished by Spring of 2024. He noted that they've had many conversations with DOT and Grand Central Partnership about the loading along this corridor, and with FDNY and NYPD regarding emergency access and bollards. He noted that stormwater measures may need to be implemented for DEP, which is why the design process is still in-progress but continuing. He reiterated that construction procurement would commence by Spring of 2024, once the design process finishes.

Hon. Mr. Powers noted that this was becoming a particularly protracted process and imparted that he would like to see it expedited if at all possible. He noted that a lot of Concept Plan improvements had overlap with the projects highlighted in the New New York Panel, which was positive. Alternate Director Margolies explained that DOT and DDC were collaborating closely on this project, and that he would see if there's anything that can be done to expedite the timeline.

Park Avenue Medians - RFP

Phase: In Scoping

Project updates: Last month, DOT posted the required local law 63 notification in the City Record to begin the procurement process. The procurement will be released early next year following the required waiting period. DOT intends to include requirement for substantial public outreach and engagement as part of RFP scope of work.

Proposed Schedule:

- Winter 2022 – DOT Scoping
- January 2023 – RFP Release
- Spring/Summer 2023 – Team Selection
- Winter 2023 – Preliminary Design
- Summer 2024 – Primary Outreach
- Winter 2024 – Final Report

Alternate Director Pincar discussed the RFP process for the Park Avenue Medians redesign. He relayed that in November of 2022 DOT hit a major milestone for the procurement of landscape architecture design services for the Park Avenue medians between 46th and 57th Streets. He clarified that DOT published the required Local Law 63 notification in the City Record, which commences the official procurement process. He noted that the formal document would be required to wait 60 days from publication before being released. The targeted release date would be in January of 2023. He reiterated that DOT hopes to pick a team that would develop a cohesive vision and design for the malls, which are located above the Metro North trainshed.

He relayed that DOT expects that the selected team will undergo a thorough community engagement process with all key stakeholders, including the BIDs, the Governing Group, the affected property owners, their tenants and building managers amongst others. He hoped to have the team selected by next summer, at which point they can begin their robust design outreach, develop a plan, and ultimately coordinate that vision with Metro North and their future contractors on the median reconstruction. He emphasized that major interagency and multi-stakeholder coordination has gone into this project thus far, and that there would be more in the future, but that he was excited for the RFP to hit the street more formally in January. He thanked the Governing Group for their patience.

Alternate Director Pincar reviewed the proposed scope of work for the RFP, noting that the medians would be expanded up to 20 feet on each block, depending on whether a turn bay for certain crosstown streets would be required. He further relayed that the scope will include stakeholder outreach, site surveys to order determine what types of elements are possible within the corridor (such as seating, tables, planting, water features, public art and other types of activation), as well as the potential concessions. The selected team will look closely at materials, lighting, planting, security, and ultimately will put this information into a document that will drive the design of the malls in future years, in coordination with Metro North's overall rehab of the trainshed. He stated that there would be more news to share early in the new year.

4. Development Update

DCP provided an update on proposed development within the East Midtown Subdistrict. Mr. Ezra Moser, Senior Program Manager for the Greater East Midtown Unit at DCP provided the update on behalf of Director Garodnick.

Mr. Moser reminded the Governing Group that at the 2021 Annual Meeting of Members and Directors, DCP had discussed a number of projects that had recently completed the public review process and received approval from the City Planning Commission and City Council.

He began with 175 Park, commonly referred to as the Grand Hyatt or Project Commodore, which received City Council approval in late 2021. He described the proposed building, which would rise to 1,575' in height and would contain approximately 3 million gross square feet of office and hotel floor area. He noted that the development would also undertake a plethora of much-needed improvements to the 42nd Street – Grand Central subway station's 4/5/6/7 and shuttle lines, as well as improvements to the Metro North Railroad and Long Island Railroad. He further noted that the project would make major contributions to the terminal infrastructure itself. Lastly, he noted that the project will provide 25,000 square feet of outdoor public space that will be ADA accessible. Additionally, Mr. Moser noted that the development will include a future purchase and transfer of unused landmark development rights from Grand Central Terminal that will result in an estimated \$30 million contribution into the PRIF. He stated that the number of employees is yet unknown, but it's expected that the office portion of the development will serve as a major corporate headquarters. He noted that 175 Park Ave serves as a sterling example of how the GEM rezoning is bringing in a new generation of state-of-

the-art office towers to the City's premier office district.

Mr. Moser also discussed 343 Madison Avenue, which had been approved at the time of the 2021 annual meeting. He reiterated that this would be a new development by Boston Properties at the site of the former MTA headquarters, and includes major new improvements to the Long Island Railroad's East Side Access terminal, as well as critical improvements to the 42nd Street-Grand Central subway station's Flushing line platforms. He noted that the Flushing line improvements were from the list of priority improvement projects in the Greater East Midtown zoning text. He relayed that the 30-FAR building would rise to 1,050' in height and contain 925,000 gross square feet of floor area.

Mr. Moser also touched on 415 Madison avenue, an approved redevelopment by the Rudin Organization. He noted that 415 Madison has a relatively small footprint, but will be redeveloped with a 591' tall, 40 story, 24.6 FAR building, but, due to its comparatively small footprint would total only 343,00 gross square feet, all of which would be commercial. Includes a new, open-air public concourse that fronts Madison Ave and E. 48th Street, which provides access to both the building's lobby, and a new entrance to the LIRR's east side access entrance, which is on their property. Onsite connection to LIRR east side access. Additionally, this project contributed approximately 4,770,000 to PRIF through 642 St barts and 643 overbuilt-rebuild provisions. So that has been deposited, had been at last annual, but just jogging everyone's memory. For this year, we have some exciting new projects. One is 410 Madison Avenue, which is comparatively small in scale and was recently referred to MN CB5, the MNBP and CM for District 4. It's located directly across street from 415 Madison. Commercial office tower. Height TBD, contain about 16.92 FAR, 121k gsf commercial. Purchasing from St barts. Result in 863k cont into prif. Will land in fund before end of 2023. Demonstrates how GEM framework has been successful for a variety of building sizes.

Last new project is 350 Park Ave. Located on Park Avenue between 51 and 52. Large merged site. Will be a joint redev with vn and rudin, and is very early in pre-cert process, so limited info as far as the building's form. We do know that it will rise to about 1300', will be 26 FAR, 1.4 million sf of commercial. Intended to be new headquarters for Citidel, a big win for East Midtown and New York City, as it's a company that had recently moved it's main headquarters from Chicago to Miami. So it's TBD as to whether this will become a new corporate headquarters or just a large outpost, but it's great to have a very recognizable anchor tenant moving to East Midtown. Once approved, it's estimated that it would contribute 30 million to PRIF via 642. Seller not identified. Will provide a new public concourse fronting Park Avenue. Design process is preliminary, moving forward in good faith. Very large office project at a time when, some people have had doubts about the future of the office market in this area.

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 September 22, 2022, was in order. There were no questions or comments. Upon a motion made and unanimously carried, the meeting minutes were adopted.
2. **Adoption of Annual Non-Profit Report:** It was announced that adoption of the Annual Non-Profit Report for FY 2022 was in order. Mr. Moser from DCP noted for the record that there was one change from the Annual Investment Report, which had been presented and ratified at the September 23, 2022 Members and Directors Meeting. He noted that the Annual Non-Profit Report lists 11 members of the Governing Group whereas there were 13 in the previous years. He clarified that this was due to vacancies for the representative from a Citywide Civic Organization, and a representative normally appointed by the Speaker of the City Council. He noted that these appointments would likely be made in the new year. There were no further questions or comments. Upon a motion made and unanimously carried, the Annual Non-Profit Report was adopted.
3. **Annual Update to the Concept Plan:** DOT presented the Annual Report for the Concept Plan, noting that it remains as it did last year. Alternate Director Pincar noted that there is ongoing and planned for the wider district that's not part of the Concept Plan. He noted that DOT has been working with the Grand Central Partnership to make improvements on Vanderbilt Avenue. He stated that DOT planned to formalize the operation of Vanderbilt Ave between 44th and 43rd Streets as southbound. He pointed out that Vanderbilt Place blocks the flow of traffic, meaning that the block between 43rd and 44th Streets no longer needs to be two way and northbound. In light of this formalization, Alternate Director Pincar relayed that DOT is developing a plan to have this block of Vanderbilt Avenue be one-way and southbound, which allows for the creation of new pedestrian space on the easterly side of Vanderbilt Avenue, adjacent to terminal. He expected an interim version of the project to be installed by either Spring or Summer of 2023, and relayed that he would keep the Governing Group updated. He re-iterated that this proposed intervention represented no change to the Concept Plan, which remained the same as last year. There were no further questions or comments. It was announced that approval of the Concept Plan Update was in order. Upon a motion made and unanimously carried, the Concept Plan Update was adopted.
4. **Allocation of Funds:** It was announced that a vote on the allocation of PRIF funds was in order. Hon. Mr. Powers noted that the Zoning Resolution and bylaws require a vote on whether to spend down PRIF funds in the event that more than \$20 million remain unallocated fund for more than three years. He noted that the Governing Group shall be required to hold the vote to either fund a public realm improvement project or to retain the funds. He further noted that in 2018, a \$41.8 million contribution was placed into the fund in association with the redevelopment of 270 Park Avenue, meaning that the PRIF balance had been above \$20 million for more than three years.

He indicated that it was the Chair's recommendation that the funds be retained in order to (1) provide the capital build out of projects in the Concept Plan that were already allocated funds, (2) issue the Park Avenue Malls RFP, and (3) prioritize what project from the Concept Plan should be prioritized and pursued next.

Upon a motion made and unanimously carried, the retention of unallocated PRIF funds was approved.

5. **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)

6. **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)

7. **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)

Business Improvement District Update:

Mr. Cerullo of the Grand Central Partnership thanked the Governing Group members for their continuing focus on East Midtown's Public Realm. He relayed two important statistics, noting that he was particularly happy to be providing this update on the same day as the Governor's and Mayor's announcement of the New New York panel's report. He noted that he was excited to discuss the creative and visionary proposals highlighted in the Panel's report, many of which centered on East Midtown.

Mr. Cerullo relayed that the BID was seeing great strides towards economic recovery. Regarding retail, he noted that for the first time since the onset of COVID, the retail vacancy rate had dropped below 20 percent. He stated that Pre-COVID, this vacancy rate was 8-10 percent, which grew to 20-30 percent during COVID and, as of November, had dropped below 20 percent. He noted that the BID was seeing the largest number of retail

spaces ‘in build-out’ since 2017, which indicated that businesses were returning to East Midtown, and was a good indication of the neighborhood’s commitment to brick and mortar retail.

Regarding pedestrian counts, Mr. Cerullo highlighted that the area surrounding Grand Central was experiencing increased activity. As of November 2022, the BID was achieving approximately 77 percent of their pre-COVID pedestrian activity (as compared to November 2019). He clarified that this figure was an overall snapshot, and that there are certain corners within the BID where pedestrian counts are surpassing pre-COVID numbers, particularly on weekends. He was excited to see people visiting and interacting with the neighborhood in a manner that they were not pre-COVID, and that it supports the work the BID is doing to activate public spaces in the area.

Mr. Cerullo discussed the proposed intervention on Vanderbilt Avenue, noting that he was thrilled to be working with DOT, DDC and the stakeholders along the avenue. He reiterated that, in collaboration with the aforementioned stakeholders, they would be creating a street-seat program beginning in the Spring of 2023 that would extend from 44th to 45th Streets on the east side of Vanderbilt. He believed the street-seat program would give people in the neighborhood increased opportunity for passive use. He thanked the Governing Group for their time.

8. **Adjournment:** There being no further business to come before the meeting, the meeting of the Board of Directors was adjourned at 10:50 a.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