

**MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS
OF
PUBLIC REALM IMPROVEMENT FUND GOVERNING GROUP, INC.**
June 6, 2023

The Meeting of the Members and Directors of the East Midtown Public Realm Improvement Fund Governing Group was held at 1:00 p.m. on June 6, 2023 via video teleconference.

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

The meeting was chaired by Alternate Director Franklin Richards on behalf of Councilmember Powers, Vice-Chairperson of the Governing Group.

The following Members were present:

- Raju Mann, Member, Representative of a citywide civic organization
- Brian Van Nieuwenhoven, Member and Designee of Manhattan Community Board Six

The following Members acted by proxy:

- Hon. Keith Powers, Councilmember for Council District 4
- Hon. Mark Levine, Manhattan Borough President
- Maria Torres-Springer, Deputy Mayor for Housing, Economic Development, and Workforce
- Dan Garodnick, Director of the New York City Department of City Planning
- Andrew Kimball, President and CEO of the New York City Economic Development Corporation
- Ydanis Rodriguez, Commissioner of the New York City Department of Transportation
- Tom Foley, Commissioner of the New York City Department of Design and Construction
- Susan Donoghue, Commissioner of the New York City Department of Parks and Recreation
- Jacques Jiha, Director of the New York City Office of Management and Budget
- Vikki Barbero, Member and Designee of Manhattan Community Board Five

The following Directors and Alternate Directors were present:

- Raju Mann, Representative for Arup Group Limited
- Franklin Richards, Alternate Director for the Councilmember for Council District 4
- Lizette Chaparro, Alternate Director for Manhattan Borough President
- Richard Bearak, Alternate Director for Deputy Mayor for Housing, Economic Development, and Workforce
- Ezra Moser, Alternate Director for the Director of the New York City Department of City Planning

- Jeanny Pak, Alternate Director of the President and CEO of the New York City Economic Development Corporation
- Ed Pincar, Alternate Director for the Commissioner of the New York City Department of Transportation
- Jeff Margolies, Alternate Director for the Commissioner of the New York City Department of Design and Construction
- Nick Molinari, Alternate Director for the Commissioner of the New York City Department of Parks and Recreation
- Sallina Yung, Alternate Director for the Director of the New York City Office of Management and Budget
- Brian Van Nieuwenhoven, Director and Designee of Manhattan Community Board Six
- Layla Law-Gisiko, Alternate Director for the Designee of Manhattan Community Board Five

The Meeting of Members commenced, a quorum being present.

1. **Vote to hold Members and Directors Meeting via Video Teleconference:** Upon a motion made and unanimously carried, a resolution was adopted to hold the meeting via teleconference.
2. **Introduction of New Members:** Alternate Director Richards welcomed new members to the Governing Group. The first was Raju Mann representing ARUP, and serving as the Borough President's appointee from a Citywide Civic Organization. Once appointed, his alternate director will be James Francisco, also of ARUP. Next, Alternate Director Richards introduced NYC EDC's new CFO Jeanny Pak, who will serve as the alternate director for Director Kimball moving forward.
3. **Election of 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.

Member	Alternate Director
Dan Garodnick	Ezra Moser
Raju Mann	James Francisco
Andrew Kimball	Jeanny Pak

The Meeting of Directors commenced, a quorum being present.

1. **Adoption of Meeting Minutes:** It was announced that the adoption of the meeting minutes from the Meeting of Members and Directors held on December 14th, 2022, was in order. There were no questions or comments. Upon a motion made and unanimously carried, the meeting minutes were adopted.
2. **Review and Approval of Annual Budget:** Fred D'Ascoli, outgoing CFO of NYC EDC presented the annual budget report to the Governing Group. He noted that the report

complies the PAAA reporting requirements, presenting two years of historical actuals, the current year's budget, and three years of out-year projections through the end of FY 2026. Mr. D'Ascoli noted that the PRIF has income generated from two sources: transaction closings and investment income. Transaction closings were \$4.7 million in FY 2022 and \$863,000 in FY 2023. He noted that for FY 2024 there is one transaction of an unknown amount for which the applications is still in the draft stage with the Department of City Planning, but when the amount is known, the Governing Group will be notified. Mr. D'Ascoli explained that due to the increases in interest rates, the PRIF is expected to generate approximately \$2 million in investment income.

Mr. D'Ascoli then detailed some of the notable expenses from the expense portion of the FY 2024 budget. These include ongoing expenses such as the audit fees and the investment management expense, an eight-basis-point charge for the management of \$49 million of PRIF investments. In addition, Mr. D'Ascoli described the million-dollar expense allocated to the design of the Park Avenue medians reconstruction project.

Mr. D'Ascoli summarized the budget, explaining that for FY 2024, the PRIF has a revenue stream of approximately \$2 million and projected expenses of approximately \$1.1 million, resulting in a net income of \$900,000. He noted that this is a conservative budget that does not include the current pending transaction.

Alternate Director Law-Gisiko asked Mr. D'Ascoli if there were any bonds issued against the amount held in the PRIF. Mr. D'Ascoli confirmed that there were not. Alternate Director Law-Gisiko followed up by asking for further explanation of the \$312,000 loss in FY 2022. Mr. D'Ascoli noted that the Governing Group adopted very conservative investment guidelines to preserve capital and promote the longevity of the fund. In FY 2022, when interest rates were very low, the PRIF's investment in long-term bonds created unrealized losses. However, he noted, the same investment strategies that created these unrealized losses in FY 2022 created realized gains in FY 2023. Alternate Director Law-Gisiko, then asked when the fiscal year ends and whether the \$804,000 estimate is close to the actual number. Mr. D'Ascoli confirmed that the fiscal year ends on June 30th and the number is accurate.

There were no further questions or comments. Upon a motion made and unanimously carried, the annual budget for FY 2022 was approved.

3. **Review and Approval of Auditor Contract:** Amy Chan, the comptroller of the NYC EDC, presented the Audit Committee's recommendation for the Governing Group to approve a four-year contract for EFPR to serve as the new external auditor, for an amount not to exceed \$61,200. The scope of work includes audits of the Governing Group's financial statements; schedule of investments for the fiscal years ending on June 30th, 2023, through June 30th, 2026; a management letter of findings and recommendations, if necessary; and other audit or tax-related services as needed. The selection process was done through a small purchase solicitation delivered to all accounting firms on the City Comptroller's list of approved auditors. The four proposals received were evaluated by DCP and EDC staff using standard selection criteria. EFPR received the highest score.

There were no further questions or comments. Upon a motion made and unanimously carried, the resolution to select EFPR as the external auditor was approved.

4. **Project Updates:** On behalf of Director Foley, Alternate Director Margolies presented updates on three projects: (1) Pershing Square East pedestrian plaza, (2) the Lexington Avenue Improvement Project, and (3) the 43rd Street shared street.

Pershing Square East pedestrian plaza

- Capital budget | \$16M
- Current phase | Construction, underground utility work
- Amenities | Seating, trees, plantings, wayfinding, City Bike station
- Additional components | pedestrian security, emergency vehicle access

Alternate Director Margolies noted the contractor is currently working on moving utilities out of the way to make room for a new DEP catch basin to drain stormwater.

Lexington Avenue Improvement Project

- Capital budget | \$33M
- Current phase | Design-build procurement
- Components | Pedestrian safety improvements

Alternate Director Margolies relayed that design-build procurement is underway for the Lexington Avenue thoroughfare improvements. The design-build process allows for better collaboration, eliminating the second procurement cycle. DDC expects to provide a notice to proceed in August, authorizing the team to begin work. This project will also include the replacement of a water main on Lexington Avenue from 42nd Street to 49th Street which will require night work permits from DOT. Utility work will be performed at the beginning of the project, while the design is being finalized.

43rd Street shared street

- Capital budget | \$17.25M
- Current phase | Preliminary design

Alternate Director Margolies explained that the main focus of this project is to convert the interim shared street put in place by DOT into a permanent shared street. It will also include pedestrian improvements on Lexington Avenue at 43rd and 44th Streets. DDC expects to finalize the preliminary design in the fall of 2023, complete the design in the fall of 2024, and begin construction in the summer of 2025, with a construction duration of two years.

There being no further questions, the project updates were concluded.

5. **Vote to Calendar Park Avenue Medians Landscape Architect Vote:** Alternate Director Pincar provided an outline of the next steps for the Park Avenue Medians project. He explained that DOT is leading a procurement process to select a landscape architect team for the Park Avenue medians that sit atop the Grant Central Terminal train shed from 46th Street

to 57th Street. DOT staff have been finalizing the scope of the RFP, which will include a substantial community engagement component. After the RFP is funded, DOT will release it, and select the team in the fall or winter of 2023.

Alternate Director Law-Gisiko asked about who would be financially responsible if this project were to go over budget. Alternate Director Margolies explained a price is negotiated before finalizing the contract, such that if the project goes over budget the selected design team would be responsible, unless there is a City request outside of the scope of the contract.

There being no other questions, Alternate Director Richards introduced a vote to calendar the Park Avenue Landscape Architect item for a future vote at the next PAAA meeting in September or October of 2023. The future vote would authorize the allocation of \$1 million of PRIF funds.

There were no questions. Upon a motion made and unanimously carried, the motion to calendar the vote to fund the Park Avenue Medians landscape architect was approved.

6. **Business Improvement District Update:** Mr. Cerullo provided an update from the local BIDs. Mr. Cerullo relayed that pedestrian activity has rebounded to 70% of pre-COVID levels. He also noted that the opening of LIRR in Grand Central has resulted in a 50% increase in people with Long Island zip codes in East Midtown, supporting retail and office work. 90 new retail businesses have opened in the district since a little over a year ago, a 37% increase from the year before. However, Mr. Cerullo also mentioned that there are still almost double the retail vacancies as there were pre-COVID, with the vacancy rate around 20%.

Mr. Cerullo gave an update on the improvements along Vanderbilt Avenue. He invited the Governing Group to visit Vanderbilt Avenue to see the public street seats, tables, chairs, umbrellas, and plantings that have been added. The BID has been working on programming to activate the area throughout the summer.

He also noted that the BID has been working to improve the experience of the interim 43rd Street shared street in anticipation of the long-term design plan. They have worked with local stakeholders and DOT to improve the street's look and feel.

There were no further questions, and the update was concluded.

7. **Adjournment:** There being no further business to come before the meeting, the meeting of the Board of Directors was adjourned at 1:48 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
PDC | Public Design Commission
POPS | Privately owned public space
PRIF | Public Realm Improvement Fund
ULURP | Uniform Land Use Review Procedure