NEW YORK CONVENTION CENTER DEVELOPMENT CORPORATION

MEETING OF THE DIRECTORS

633 Third Avenue, 37th Floor Board Room

Tuesday

February 9, 2016 – 11:00 a.m.

New York, New York

PROPOSED AGENDA

I. CORPORATE ACTION

A. Approval of the Minutes of the November 12, 2015 Meeting of the Directors

II. FOR INFORMATION

A. President's Report – Oral Report

III. FOR CONSIDERATION

A. Delegation of Authority to Enter into Contracts – Change in Delegation of Authority to Sign Contracts

B. New York (New York County) – Jacob K. Javits Convention Center – Authorization to Increase the FYE16 Capital Budget

C. New York (New York County) – Jacob K. Javits Convention Center ("Convention Center") – Authorization to Fund a Capital Improvement Project in an amount not to exceed $7.8 Million; Authorization to Take Related Actions

ITEM I.A.

DRAFT – SUBJECT TO REVIEW AND REVISION

NEW YORK CONVENTION CENTER DEVELOPMENT CORPORATION
Meeting of the Directors
633 Third Avenue
New York, New York 10017

November 12, 2015

MINUTES

In Attendance

Directors:
Henry Silverman, Chairman
Michael G. Carey
David Emil
Bryan Grimaldi
Vincent Iannelli
George M. Little
Joseph E. Spinnato
Peter Wertheim via designee Angela Cavaluzzi
William Wheeler

NYCCDC Officers:
Sarah Saint-Amand, President

Attending for ESD:
Tom Brennan, Senior Vice President, Internal Audit
Maria Cassidy, Deputy General Counsel
Joseph Chan, Executive Vice President, Real Estate Development
Eunice Jackson, Senior Counsel
Nicole Jordan, Manager, Community Relations
Rose-Marie Mahase, Acting CCDC Secretary
Benson Martin, Director of Compliance
Kathleen Mize, Controller
Maxwell Padden, Director, Subsidiary Finance
Debbie Royce, Paralegal/Project Assistant
Goldie Weixel, Senior Counsel

Also Present:
<u>Convention Center Operating Corporation</u>
Ken Sanchez
Alan Steel, President and CEO

The Public
The Press

The Meeting of the Board of Directors of the New York Convention Center Development Corporation ("CCDC") was called to order at 11:01 a.m. by Chairman Silverman. It was noted for the record that the time and place of the meeting had been given in compliance with the New York State Open Meetings Law. A quorum was present.

The Chair then set forth the guidelines for public comment as well as the guidelines regarding any conflicts of interest the Directors may have with regard to items on the Agenda.

Next, Chair Silverman called for the approval of the Minutes of the August 3, 2015 CCDC Directors' meeting.

Upon motion duly made and seconded, the following resolution was unanimously adopted:

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE AUGUST 3, 2015 MEETING OF THE DIRECTORS OF THE NEW YORK CONVENTION CENTER DEVELOPMENT CORPORATION

RESOLVED, that the Minutes of the meeting of the Corporation held on August 3, 2015, as presented to this meeting, are hereby approved as revised and all actions taken by the Directors present at such meeting as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Corporation.

* * *

Mr. Silverman then stated that Sarah Saint-Amand will be presenting the next two items on the agenda: the first being her President's report, which is a non-voting item and the second will be a voting item requesting authorization for the Corporation to enter into a construction Management and funding Agreement with New York Convention Center Operating Corporation.

Ms. Saint-Amand began by describing progress of the project, thus far and then gave an overview of the projects she would like to pursue. She spoke in length giving a description of the eastern egress and the fire system projects.

Mr. Silverman then asked Ms. Saint-Amand to present the action item.

Ms. Saint-Amand then presented the final item on the agenda, requesting the Directors to authorize the Convention Center Development Corporation ("CCDC") to enter into the proposed Construction Management and Funding Agreement with Convention Center Operating Corporation ("CCOC").

Ms. Saint-Amand started by explaining a number of deferred construction items which they are looking to undertake in the short term; they were all contemplated in either the 2006 or 2009 GPP. She further stated that a construction agreement between CCDC and CCOC needs to be put in place prior to moving forward.

Ms. Saint-Amand further explained that the contract will be drawn up so that CCDC and CCOC will agree upon the capital improvements and CCOC will provide to her and CCDC, a scope, a budget and a timeline. Once this information is provided, CCDC will advance 50 percent of the funds to CCOC and they will execute the work.

Furthermore, she explained that when certain milestones are met and 50 percent of the work is completed, the rest of the money will be advanced. Additionally, quarterly reporting will be done and CCDC will have the right to approve any change orders and will do periodic MWBE reporting.

Ms. Saint-Amand stated that the Directors are being requested to authorize CCDC to enter into the proposed Construction Management and Funding Agreement with CCOC.

In response to Chairman Silverman's question if there are any questions from the Directors or Public, Director Carey asked to confirm if the board was just approving the mechanism as the actual funding for items that will come later. Ms. Saint-Amand replied that is right.

Director Carey then asked if there was any sense of what constitutes a substantial change order; to which Ms. Saint-Amand replied that in the contract, a dollar threshold was contemplated and it was eighteen percent of the capital improvement cost.

Director Little then asked if a straight pass through of the cost of the project was contemplated or if there is any overage for the construction management; and Ms. Saint-Amand replied a straight pass through.

Director Emil asked if the funding is all in place and Ms. Saint-Amand replied yes, and stated that the money was in the construction account.

Hearing no further questions and/or comments, and upon motion duly made and seconded, the following resolution was unanimously adopted:

New York (New York County) – Jacob K. Javits Convention Center - Authorization to Enter into a Construction Management and Funding Agreement with New York Convention Center Operating Company ("NYCCOC") With Respect to Capital Improvements Approved as Part of the 2006 General Project Plan for the Jacob K. Javits Convention Center Expansion & Renovation Project

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RESOLVED, that in accordance with the materials presented to this meeting (the "Materials") and a copy of which is ordered to be filed with the records of the Corporation, the Corporation be, and hereby is, authorized to enter into a Construction Management and Funding Agreement with NYCCOC for the performance of Capital Improvements to the Jacob K. Javits Center; and be it further

RESOLVED, that the President and Chief Executive Officer or her designee(s) be, and each of them hereby is, authorized and directed, in the name and on behalf of the Corporation, to execute and deliver any and all documents and to take all actions as may be necessary or proper to effectuate the foregoing.

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There being no further business, the meeting was adjourned at 11:13 a.m.

Respectfully submitted,

Rose-Marie Mahase
Acting CCDC Secretary

ITEM II.A.

(Oral Report)

ITEM III.A.

NEW YORK STATE OF OPPORTUNITY.

New York Convention Center Development Corporation

A Subsidiary of Empire State Development

FOR CONSIDERATION
February 9, 2016

TO: The Directors

FROM: Sarah Saint-Amand

SUBJECT: Delegation of Authority to Enter into Contracts

REQUEST FOR: Change in Delegation of Authority to Sign Contracts

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Background

On October 17, 2006, the Directors delegated to the President or a Vice President or his or their designee(s) who shall be officers of the Corporation the authority to enter into contracts not to exceed $50,000.

Proposal

It is proposed that this delegation of authority be amended so that only contracts over $250,000 would require approval by the Directors. The authority to enter into contracts not to exceed $250,000 would be delegated to the President or his or her designee(s), who shall be one or more officers of the Corporation designated by the President by a written designation filed with the Secretary of the Corporation. This delegation of authority is consistent with the delegation of authority that New York State Urban Development Corporation d/b/a Empire State Development utilizes for its officers' contracting authority.

With regard to contractual arrangements resulting in the disbursement of funds or the incurrence of future liabilities, the following guidelines would be used:

1. Single contracts where total expenditures are to exceed $250,000 should be approved by the Directors even though annual payments may be less than $250,000.

2. Where a single project is expected to result in a disbursement of funds in excess of $250,000, the transaction should be approved by the Directors even if individual contractual agreements comprising the total project are under $250,000.

3. Contract amendments or change orders which increase an original contract from an amount below $250,000 to an amount in excess of $250,000 should be approved by the Directors. Furthermore, all amendments to contracts originally over $250,000 should be

approved by the Directors unless their original authorization allowed for price adjustments.

4. Pursuant to New York State Public Authorities Law § 2879, contracts involving services to be rendered over a period in excess of one year should be approved by the Directors, regardless of the amount of the contract.

Recommendation and Requested Action

The Directors are requested to delegate to the President or his or her designee(s), who shall be officers of the Corporation, authority to enter into contracts not to exceed $250,000.

Attachments
Resolution

February 9, 2016

NEW YORK CONVENTION CENTER DEVELOPMENT CORPORATION – Delegation of Authority to Enter into Contracts - Change in Delegation of Authority to Sign Contracts

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BE IT RESOLVED, that the President or his or her designee(s), who shall be one or more officers of the Corporation designated by the President by a written designation filed with the Secretary of the Corporation be, and each of them hereby is, authorized to enter into contracts, in amounts not to exceed Two Hundred and Fifty Thousand Dollars ($250,000), on behalf of the Corporation and with such persons, firms and corporations as he or she may deem necessary to exercise the powers, duties and functions of the Corporation as prescribed by law; and be it further

RESOLVED, that the President shall, from time to time, advise the Directors of contracts which have been entered into pursuant to this authority.

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ITEM III.B.

NEW YORK STATE OF OPPORTUNITY.

New York Convention Center Development Corporation

A Subsidiary of Empire State Development

FOR CONSIDERATION
February 9, 2016

TO: NYCCDC Board of Directors

FROM: Sarah Saint-Amand

SUBJECT: New York (New York County) - Jacob K. Javits Convention Center

REQUEST FOR: Authorization to Increase the FYE16 Capital Budget

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BACKGROUND

At present, New York Convention Center Development Corporation ("NYCCDC") has $4.4 MM in capital spending authority for the full FYE2016. To date, NYCCDC has processed invoices totaling approximately $2.4 MM and has approximately $1.4 MM in pending payments, for a committed amount of $3.8 MM.

NYCCDC is advancing a number of new capital improvement projects, as discussed at the November 2015 board meeting. We also have outstanding expenses related to the scope approved as part of the Phase 1 expansion. Together, this work will exceed the remaining $600K that was budgeted for capital.

Based on projections developed between NYCCDC and NYCCOC, we expect to spend an additional approximately $4.6 MM on the old and new scope projects prior to 3/31/16. Anything incurred beyond 3/31/16 will be covered in next year's capital budget.

We are therefore asking to increase the FYE16 Capital Budget of CCDC by $4.6 MM which would bring the FYE16 Capital Budget of NYCCDC to an amount not to exceed $9,000,000 for the performance of capital improvements to the Jacob K. Javits Center. While we are asking for budget authority to cover multiple new projects for logistical ease each new capital improvement project will come to the CCDC board with its own budget for individual approval. The amounts set forth in the individual capital improvement project budgets will be applied against the this modified budget; if incurred after 4/1/16, then such amounts would be applied against the spending authority contained in next year's approved budget.

CCDC will use funds that were originally allocated to CCDC's FYE16 Construction Budget to fund these capital improvements.

REQUESTED ACTIONS

The Directors are requested to authorize NYCCDC to modify the FYE16 Capital Budget as described above and in the attached table.

RECOMMENDATION

Based on the foregoing, I recommend approval of the requested actions.

ATTACHMENTS

Appendix 1 Modified FYE16 Capital Budget
Resolutions

Empire State Development
NY Convention Center Dev Corp
Capital Spending Plan FYE 2016 (Amended as of February 2, 2016)

	Spending Plan FYE 2015	Actual Expense FYE 2015	Original Spending Plan FYE 2016	Amended Plan FYE 2016
Acquistion Costs	0	0	0	0
Design & Other Soft Costs	2,500,000	841,460	2,000,000	2,000,000
Legal Costs	50,000	1,926	0	0
Property Management/Maintenance Costs	0	0	0	0
Insurance	0	0	0	0
Demolition & Site Clearance	0	0	0	0
Construction Costs	60,000,000	30,688,229	2,400,000	7,000,000
Other Misc. Costs	0	0	0	0
TOTAL CAPITAL BUDGET	**62,550,000**	**31,531,615**	**4,400,000**	**9,000,000**

February 9, 2016

New York (New York County) – Jacob K. Javits Convention Center – Authorization to Increase the FYE2016 Capital Budget of New York Convention Center Development Corporation ("NYCCDC")

RESOLVED, that in accordance with the materials presented to this meeting and a copy of which is ordered to be filed with the records of the Corporation, the Corporation be, and hereby is, authorized to increase the FYE16 Capital Budget of NYCCDC to an amount not to exceed $9,000,000 for the performance of capital improvements to the Jacob K. Javits Center; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized and directed, in the name and on behalf of the Corporation, to execute and deliver any and all documents and to take all actions as may be necessary or proper to effectuate the foregoing.

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III. C.

NEW YORK STATE OF OPPORTUNITY.

New York Convention Center Development Corporation

A Subsidiary of Empire State Development

FOR CONSIDERATION
February 9, 2016

TO:	NYCCDC Board of Directors
FROM:	Sarah Saint-Amand
SUBJECT:	New York (New York County)-Jacob K. Javits Convention Center ("Convention Center")
REQUEST FOR:	Authorization to Fund a Capital Improvement Project in an amount not to exceed $7.8 Million; Authorization to Take Related Actions

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BACKGROUND

On November 12, 2015 the Directors authorized New York Convention Center Development Corporation ("NYCCDC") to enter into a New York Convention Center Renovation Funding Agreement (the "Agreement") with New York Convention Center Operating Corporation ("NYCCOC"). The Agreement provides that NYCCOC is to manage the procurement and construction of certain capital improvements to the Convention Center identified by NYCCOC as necessary to maintain the Convention Center and approved by the NYCCDC.

The capital improvement projects NYCCOC is authorized to manage pursuant to the Agreement include among other items the list of capital improvements the Directors are asked to approve today

OVERVIEW OF THE PROPOSED PROJECT

NYCCOC and NYCCDC have worked together to define the scope of this specific capital improvement project (the "Project" or "CI1"). .The Project includes work to the east-side access of the Convention Center, comprised of a new canopy for the taxi drop, improved drainage for the interior roadway and landscaping, as well as an expanded scope of previously approved incidental facility improvements and life safety work that incorporates advances in technology critical to ensure the safety of the employees and visitors to the Convention Center as well as the asset itself.

The project has been designed by FXFowle, the architect for the overall Javits expansion and renovation. FXFowle had completed conceptual design as part of the original renovation and expansion and is working to complete construction drawings.

TIMELINE AND BUDGET

This discrete Project is budgeted to cost approximately $7.8 million. Work on the previously approved capital improvement work is continuing, with additional work on the expanded scope of that work expected to begin immediately. The east-side access work is expected to break ground in May 2016, to accommodate exhibition schedules, and is expected to be complete in late summer 2016.

FUNDING

NYCCDC will fund the new-scope capital improvements out of the construction account, while the previously approved work will continue to be funded with unrestricted NYCCDC corporate funds. Payments for the capital improvements will be made by NYCCOC pursuant to the Agreement.

ENVIRONMENTAL REVIEW

The activity covered by the requested authorization was included in previous environmental review conducted of a Javits expansion. No further environmental review is required in connection with this requested authorization.

REQUESTED ACTIONS

The Directors are requested to authorize NYCCDC to fund the proposed capital improvement project, as described in the board materials.

RECOMMENDATION

Based on the foregoing, I recommend approval of the requested actions.

ATTACHMENTS

Resolution

February 9, 2016

New York (New York County) – Jacob K. Javits Convention Center - Authorization to Fund a Capital Improvement Project in an amount not to exceed $7.8 Million; Authorization to Take Related Actions

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RESOLVED, that in accordance with the materials presented to this meeting (the "Materials") and a copy of which is ordered to be filed with the records of the Corporation, the Corporation be, and hereby is, authorized to fund a capital improvement project at the Convention Center to be managed by New York Convention Center Operating Corporation

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized and directed, in the name and on behalf of the Corporation, to execute and deliver any and all documents and to take all actions as may be necessary or proper to effectuate the foregoing.

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