New York Convention Center Development Corporation
A Subsidiary of Empire State Development

NEW YORK CONVENTION CENTER DEVELOPMENT CORPORATION

MEETING OF THE DIRECTORS

To Be Held at
Empire State Development - New York City Offices
633 Third Avenue – 37th Floor Conference Room
New York, New York 10017

Wednesday
March 15, 2023 – 2:00 p.m.

AGENDA

I. FOR INFORMATION

A. President's Report – Oral Report

II. CORPORATE ACTIONS

A. New York Convention Center Development Corporation – Jacob K. Javits Convention Center – Renovation and Expansion Civic and Land Use Improvement Project) – Authorization to Adopt Annual Operating and Capital Budgets for FY 2023-24; and Authorization to Take Related Actions

B. New York (New York County) – New York Convention Center Development Corporation ("CCDC") – Jacob K. Javits Convention Center -- Appointment of CCDC Officers

III. FOR CONSIDERATION

A. New York Convention Center Development Corporation (New York County) – Jacob K. Javits Convention Center – Authorization to Amend a Contract with the Law Firm of Venable LLP ("Venable") for Legal Services; and to Take Related Actions

Item II. A.

NEW YORK STATE OF OPPORTUNITY.
New York Convention Center Development Corporation
A Subsidiary of Empire State Development

FOR CONSIDERATION
March 15, 2023

TO: The Directors

FROM: Robin J. Stout

SUBJECT: New York (New York County) – New York Convention Center Development Corporation ("CCDC") – Jacob K. Javits Convention Center ("Javits") – Renovation and Expansion Civic and Land Use Improvement Project (the "Project")

REQUEST FOR: Authorization to Adopt Annual Operating and Capital Budgets for FY 2023-24; and Authorization to Take Related Actions

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I. BACKGROUND

In furtherance of the New York State Comptroller's oversight responsibilities as set forth in Article X, Subsection 5 of the State Constitution and Subsection 8(14) of the State Finance Law, the Comptroller's Office has promulgated regulations regarding the preparation, approval, submission and reporting of budgets and financial plans by public authorities ("Regulations"). The Regulations require (among other things) that, prior to commencement of the April 1 fiscal year, CCDC Directors adopt an annual budget.

Proposed CCDC Operating and Capital Budgets for the coming fiscal year are attached for your review. The Operating Budget, totaling 458,073, will be funded with CCDC available funds. The Capital Budget, totaling $23,450,000, will be funded with Hotel Unit Fee Bond Proceeds and CCDC available funds.

As the Directors know, both of CCDC's transformer and expansion projects are complete and currently in Warranty Periods. CCDC has delivered possession of both projects to Convention Center Operating Corporation ("CCOC") and CCOC has been hosting events in the new expansion since Fall 2021. CCDC also has received four occupancy/operating permits from Dormitory Authority of the State of New York ("DASNY") for: (1) Transformer Project; (2) Expansion Project; (3) Existing Javits Fire Alarm Upgrade Project; and (4) Combined (or Merged) Campus (enabling pre-existing Javits and the new transformer/expansion to operate as one contiguous facility).

CCDC continues to: (a) pursue final permits from DASNY; and (b) to coordinate: (i) contract close-out, including warranty issues and necessary remediation; and (ii) capital issues with CCOC.

II. THE FY 2023-24 OPERATING AND CAPITAL BUDGETS

The proposed Operating Budget for FY 2023-24 in the amount of $458,073 is expected to fund standard operating expenses and, in part, would cover expenses expected to be incurred in connection with potential dispositions of CCDC excess property. The Operating Budget is approximately 17% less than last year's budget of $551,638.

The proposed Capital Budget for FY 2023-24 in the amount of $23,450,000 is expected to fund: (1) any final fire alarm upgrade work as necessary to secure final permits; (2) DASNY, Project Manager, counsel, and other remaining consultant oversight work; and (3) Javits Capital Improvements as allowed under the Reimbursement Agreement between CCDC and CCOC previously authorized by the Directors. In keeping with current practice, Directors will be asked to approve individual contracts or expenditures as required. As set forth in the attachment to these materials, Construction Costs are essentially concluded and other costs are significantly reduced from last year's budget, reflecting the continuing close-out nature of the work to be performed in the coming fiscal year. It is expected that the preponderance of Project funds essentially will be exhausted in FY 2023-24.

III. ENVIRONMENTAL REVIEW

ESD staff, on behalf of CCDC, has determined that the requested authorization to adopt Annual Operating and Capital Budgets constitutes a Type II action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. Any construction activities related to capital expenses set forth in the FY 2023-24 budget have been addressed by prior SEQRA environmental reviews, and therefore no further environmental review is required in connection with the requested authorization.

IV. REQUESTED ACTIONS

The Directors are requested to authorize adoption of CCDC's Annual FY 23-24 Operating Budget in the total amount of $458,073 and of CCDC's Annual FY23-24 Capital Budget in the total amount of $23,450,000, as set forth in the attachments, and to delegate authority to appropriate CCDC officers to take related actions.

ATTACHMENTS

Resolutions
Proposed Annual Operating Budget for FY 2023-24
Proposed Annual Capital Budget for FY 2023-24

March 15, 2023

New York (New York County) – New York Convention Center Development Corporation ("CCDC") – Jacob K. Javits Convention Center ("Javits") – Renovation and Expansion Civic and Land Use Improvement Project (the "Project") – Authorization to Adopt Annual Operating and Capital Budgets for FY 2023-24; and Authorization to Take Related Actions

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RESOLVED, that, in accordance with the materials presented at this meeting and ordered filed with the records of the Corporation (the "Materials"), the Corporation hereby adopts the Annual Operating and Capital Budgets for FY 2023-24 presented to this meeting and included in the Materials, subject to the availability of funds; and be it further

RESOLVED, that, the President or appropriate designee(s) be, and each of them hereby is, authorized and directed, in the name of 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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Empire State Development
NY Convention Center Development Corp.
FY 2023-24 Proposed Operating Budget

	Board Approved Budget FY 2022-23	Proposed Budget FY 2023-24
PERSONAL SERVICES		
Salaries	$ 233,196	$ 217,423
Fringe Benefits	97,942	89,143
TOTAL PERSONAL SERVICES	$ 331,138	$ 306,566
HEADCOUNT	1.5	1.0
NON-PERSONAL SERVICES		
Professional Fees		
Legal / Accounting Fees	$ 50,000	$ 50,000
Consultant Fees	100,000	50,000
Total Professional Fees	$ 150,000	$ 100,000
Other Non-Personal Services		
Employee Travel & Meals	$ 3,000	$ 3,000
On-line Services/ Due & Subscriptions	500	500
Office Occupancy Expenses	25,000	25,000
Insurance	25,000	11,007
Other Outside Services	10,000	5,000
Telephone/Internet	3,000	3,000
Office Supplies and Expense	3,000	3,000
Computers/Software/Equipment	1,000	1,000
Total Other Non Personal Services	$ 70,500	$ 51,507
TOTAL NON-PERSONAL SERVICES	$ 220,500	$ 151,507
TOTAL OPERATING BUDGET	$ 551,638	$ 458,073

Empire State Development
NY Convention Center Development Corp.
FY 2023-24 Proposed Capital Budget

	Board Approved Budget FY 2022-23	Proposed Budget FY 2023-24
Acquistion Costs	$ -	$ -
Design & Other Soft Costs	2,000,000	1,800,000
Legal Costs	1,000,000	2,700,000
Property Management/Maintenance Costs	2,000,000	1,000,000
Insurance	1,000,000	1,000,000
Demolition & Site Clearance	-	-
Construction Costs	42,883,269	7,800,000
Other Misc. Costs	1,000,000	9,150,000
TOTAL CAPITAL BUDGET	$ 49,883,269	$ 23,450,000

Item II. B.

FOR CONSIDERATION
March 15, 2023

TO: The Directors

FROM: Robin J. Stout

SUBJECT: New York (New York County) – New York Convention Center Development Corporation ("CCDC") – Jacob K. Javits Convention Center ("Javits")

REQUEST FOR: Appointment of CCDC Officers

I. BACKGROUND

CCDC is a subsidiary of New York State Urban Development Corporation dba Empire State Development ("ESD") and is the corporate entity responsible for implementing and overseeing capital development and construction at Javits. Pursuant to CCDC By-Laws, CCDC officers "shall be a President, a Secretary, one or more Assistant Secretaries, a Treasurer, one or more Assistant Treasurers". Additionally, the Directors may appoint other officers, including Vice President(s), with such authority as determined by the Directors.

The current CCDC officers, pursuant to 2017 CCDC Director authorization, are:

President.....Robin Stout
Chief Financial Officer.....Raymond Orlando*
General Counsel.....[Vacant]*
Deputy General Counsel.....Goldie Weixel*
Secretary.....Deborah Royce*
Assistant Secretary.....[Vacant]
Treasurer.....Matthew Bray*
Assistant Treasurer.....Peter Heilbrunn

*Ex Officio with corresponding ESD position.

II. NEW OFFICERS

In order to efficiently direct CCDC affairs on a day-to-day basis, given Robin Stout's resignation and pending retirement, staff proposes that:

(a) Rebecca Pellegrini be appointed as CCDC President to replace Robin Stout;

(b) Arden Sokolow, Executive Vice President of ESD's Real Estate Department, be appointed as CCDC Vice President (such Vice President position to be Ex Officio with the Executive Vice President of ESD's Real Estate Department) to assist in carrying out CCDC obligations as necessary; and
(c) The remaining CCDC officers as set forth above be otherwise unchanged.

Ms. Pellegrini has been with ESD since 2006 and currently is Executive Director of the Moynihan Train Hall, another recently completed major construction project in west Midtown Manhattan, where she coordinates the interests of the myriad Moynihan stakeholders. Prior to that, Ms. Pellegrini served as Manager of Moynihan's Finance and Administration.

Ms. Sokolow leads ESD's Real Estate Department overseeing economic development and housing projects throughout New York State. Prior to joining ESD she was EVP of Affordable Housing for Douglaston Development. Ms. Sokolow also previously was Chief of Staff at the NYC Housing Authority, Regional Director for Multifamily Housing at the US Department of Housing and Urban Development, and held a variety of leadership positions at NYC Department of Housing Preservation and Development.

III. ENVIRONMENTAL REVIEW

ESD staff, on behalf of CCDC, has determined that the requested authorization constitutes a Type II action as defined by the New York State Environmental Quality Review Act and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with the authorization.

IV. REQUESTED ACTION

The Directors are requested to appoint CCDC officers as set forth in these materials.

V. RECOMMENDATION

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

ATTACHMENT
Resolutions

March 15, 2023

New York (New York County) – New York Convention Center Development Corporation ("CCDC") – Jacob K. Javits Convention Center ("Javits") -- Appointment of CCDC Officers

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RESOLVED, that, in accordance with the materials presented to this meeting and ordered filed with CCDC records (the "Materials"), the Directors do hereby appoint the following CCDC officers, until their earlier resignation or removal:

President.....Rebecca Pellegrini
Vice President.....Arden Sokolow**
Chief Financial Officer.....Raymond Orlando*
General Counsel.....[Vacant]*
Deputy General Counsel.....Goldie Weixel*
Secretary.....Deborah Royce*
Assistant Secretary.....[Vacant]
Treasurer.....Matthew Bray*
Assistant Treasurer.....Peter Heilbrunn

*Ex Officio with corresponding ESD position
** Ex Officio with Executive Vice President of ESD Real Estate Department

and be it further

RESOLVED, that, as set forth in the Materials, Mr. Orlando, Ms. Weixel, Ms. Royce, Mr. Bray and ESD General Counsel are appointed Ex Officio with the corresponding position at New York State Urban Development Corporation dba Empire State Development ("ESD"); meaning that the holder of such ESD position shall be deemed to be the corresponding officer of CCDC; and be it further

RESOLVED, that, as set forth in the Materials, Ms. Sokolow is appointed Ex Officio with the Executive Vice President of ESD's Real Estate Department; meaning that the holder of such ESD position shall be deemed to be a Vice President of CCDC; and be it further

RESOLVED, that, in accordance with and for all purposes of CCDC By-Laws, the positions of President, Vice President, Chief Financial Officer, General Counsel, Deputy General Counsel, and Treasurer are "officers" of the Corporation with full signing authority on behalf of CCDC; and be it further

RESOLVED, that, the President of the Corporation or appropriate designees be, and each of them hereby is, authorized to take any and all actions necessary to implement the foregoing resolutions.

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Item III. A.

FOR CONSIDERATION
March 15, 2023

TO: The Directors

FROM: Robin J. Stout

SUBJECT: New York (New York County) – New York Convention Center Development Corporation ("CCDC") – Jacob K. Javits Convention Center ("Javits")

REQUEST FOR: Authorization to Amend a Contract with the Law Firm of Venable LLP ("Venable") for Legal Services; and to Take Related Actions

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I. Background of CCDC-Venable Contract for Construction Legal Services

In June 2017 CCDC Directors authorized CCDC to contract with Schiff Hardin LLP ("Schiff") for construction legal services. Schiff's lead attorney on the representation, Ken Roberts, provided satisfactory service. In 2020, Mr. Roberts moved from Schiff to Venable. Therefore, CCDC's contract with Schiff was assigned to Venable. Venable assisted CCDC through completion of transformer and expansion construction and continues to provide satisfactory service in connection with final construction close-out.

II. CCDC Need for Real Estate Legal Services

Separately, in June 2012 CCDC Directors authorized CCDC to contract with Shearman & Sterling LLP ("Shearman") for real estate legal services. Shearman's lead attorney on the representation, Chris Smith, provided satisfactory service. In 2018, Mr. Smith moved from Shearman to DLA Piper ("DLAP"). Therefore, CCDC's contract with Shearman was assigned to DLAP. Now, however, DLAP has determined not to continue this representation.

Real estate legal services continue to be needed in at least two areas: (1) disposition of two undeveloped CCDC properties: (a) the former Javits 'truck marshalling yard' (the NYC block bound by 11th and 12th Avenues and 33rd and 34th Streets); and (b) 'Site K' (fronting 11th Avenue between 35th and 36th Streets); and (2) CCDC coordination with an undeveloped site owned by New York City at the southwest corner of 11th Avenue and 40th Street, which is contiguous with the new Javits expansion. There also may be various other real estate matters involving Javits and neighboring properties.

Therefore, given that CCDC's real estate issues continue, it would be prudent for CCDC to retain successor real estate counsel.

III. Selection Process for Successor Real Estate Counsel

CCDC's parent, New York State Urban Development Corporation dba Empire State Development ("ESD"), after public solicitation on behalf of itself and its subsidiaries (including CCDC), regularly approves a list of legal counsels available for legal work on an as-needed basis, after approval of individual retention contracts, without the need for further public solicitation. This action is taken to permit ESD and its subsidiaries to respond to project needs expeditiously while having the benefits of a broad solicitation of qualified counsel. The current list of "pre-qualified" counsel was approved by ESD Directors on March 24, 2022 and adopted by CCDC Directors on September 28, 2022.

CCDC President and ESD Legal Department staff recently reviewed the experience, qualifications, and availability of pre-qualified real estate counsel for large complicated real estate transactions and solicited three of the pre-qualified firms. After such review of responses, CCDC and ESD Legal recommend that Venable be retained to perform real estate legal services for CCDC. Venable's response specifically addressed, and reflected a clear understanding of, the required work. Staff also believes there would be benefits to having CCDC construction and real estate matters handled by the same firm. That would avoid potentially conflicting advice and overlapping assignments, and offers the advantage of consistent contact and billing.

Venable remains one of the largest and most highly regarded law firms in New York City and has been retained by ESD and its subsidiaries for other significant real estate matters, which it has handled satisfactorily. Venable has experience and expertise relating to use of ESD's statutory powers to maximize the value of ESD real estate. For these reasons, staff believes Venable is highly suited to provide CCDC with real estate counsel generally, and specifically with regards to the disposition of CCDC owned properties.

Pursuant to State Finance Law Section 139-j and 139-k, and CCDC's policy related thereto, staff has again: (a) considered Venable's ability to perform the services required; and (b) consulted the list of contractors determined to be non-responsive bidders and debarred officers maintained by the New York State Office of General Services. Based on such review, staff has determined Venable to be responsible.

IV. Proposed Amendment to the CCDC-Venable Contract

Based on the above-described circumstances, CCDC staff recommends that the current CCDC-Venable contract be amended as follows:

Scope of Services:	The current 'Construction Legal Services' scope would be expanded to include 'Real Estate Legal Services' as described in these materials.
Contract Term:	The current 8/31/23 contract term would be extended by two years to 8/31/25.
Contract Amount:	The current contract not-to-exceed balance would be increased by the remaining balance in CCDC's former Shearman/DLAP contract, or approximately $740,000, which balance would be transferred to the amended CCDC-Venable contract.
Funding Source(s):	Hotel Unit Fee Bond Proceeds (remains unchanged)

As with the current CCDC-Venable construction contract, Venable would agree to be compensated at ESD's standard hourly rates, subject to possible increase to Venable's customary rates if an arrangement is made with a private developer to pay such costs.

V. Non-Discrimination / Contract Diversity

ESD's Non-Discrimination and Contractor & Supplier Diversity policies apply to the contract. Venable would continue to be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprises ("MWBEs") for any contractual opportunities generated in connection with the contract, and to use Good Faith Efforts (pursuant to 5 NYCRR Section 142.8) to achieve meaningful MWBE participation.

VI. Environmental Review

ESD staff, on behalf of CCDC, has determined that the requested authorization constitutes a Type II action as defined by the New York State Environmental Quality Review Act and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with the authorization.

VII. Requested Actions

The Directors are requested to: (1) make a determination of responsibility with respect to Venable; and (2) authorize CCDC to amend CCDC's current contract with Venable on the terms and conditions set forth in these materials.

VIII. Recommendation

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

Attachments

Resolutions

March 15, 2023

NEW YORK CONVENTION CENTER DEVELOPMENT CORPORATION (NEW YORK COUNTY) – Jacob K. Javits Convention Center ("Javits") – Authorization to Amend a Contract with the Law Firm of Venable LLP ("Venable") for Legal Services; and to Take Related Actions

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RESOLVED, that based on the materials presented at this meeting, a copy of which is hereby ordered to be filed with the records of the Corporation (the "Materials"), the Corporation hereby finds Venable to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to amend its contract with Venable, substantially on the terms and conditions as set forth in the Materials; and be it further

RESOLVED, that the President and appropriate designee(s) be, and each of them hereby is, authorized to take such action and execute such documents as may be necessary or appropriate to carry out the foregoing Resolutions.

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