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A Subsidiary of Empire State Development

ATLANTIC YARDS COMMUNITY DEVELOPMENT CORPORATION
at the New York City Offices of
Empire State Development
633 Third Avenue – 37th Floor Conference Room
New York, New York 10017

Meeting of the Directors

Wednesday
March 29, 2017 at 3:00 pm

PROPOSED AGENDA

CORPORATE ACTION

1. Approval of the Minutes of the September 20, 2016 and November 14, 2016 Directors' Meetings

2. AYCDC FY 2017/2018 Operating Budget Proposal – Approval of the Corporation's Operating Budget for the Fiscal Year 2017/2018 (April 1, 2017 – March 31, 2018)

3. Procurement of Environmental Consulting Services – Recommendation that ESD Directors Amend the Contract with Henningson, Durham & Richardson, Architecture and Engineering, P.C. to Continue to Provide Mitigation Monitoring Consulting Services in Connection with the Atlantic Yards Land Use Improvement and Civic Project; and Authorization to Take Related Actions

FOR INFORMATION

4. President's Report – Corporate Update (Oral Report)

5. Public Comments

Item #1

Minutes of the 9/20/16
AYCDC Directors' Meeting

Atlantic Yards Community Development Corporation
Meeting of the Directors
Held at Empire State Development Offices
37th Floor Conference Room
633 Third Avenue
New York, New York 10017

September 20, 2016

MINUTES

In Attendance Directors:	Howard A. Zemsky – Chairman Shawn Austin (Via Teleconference) Joseph Chan Monsignor Kieran Harrington (Via Teleconference) Elizabeth Harris Daniel Kummer Linda Reardon Jaime Stein Barika X. Williams
AYCDC Staff:	Elizabeth R. Fine – General Counsel Tobi Jaiyesimi – AYCDC Director Elaine A. Kloss – Chief Financial Officer Marion Phillips, III – President Debbie Royce – Corporate Secretary
ESD Staff:	Nicole Jordan – Manager, Community Relations Greg Lynch – Senior Inspector, Atlantic Yards Rachel Shatz – VP, Planning & Environmental Review Robin Stout – Senior Counsel
Also Present:	Scott Solish, Greenland Forest City Partners Members of the Media Members of the Public

Chairman Zemsky asked Marion Phillips to being the meeting with the President's Report before the Directors took any actions that required a quorum.

Mr. Phillips noted the President's Report has two parts – a community relations update and a construction update by Greenland Forest City Partners. Mr. Phillips noted for the Directors that on August 8, 2016 the Brooklyn Arena Local Development Corporation ("BALDC"), approved a bond refinancing for the Barclays Center (the "Arena"). Mr. Phillips explained that the refinancing does not change the Payment In Lieu of Taxes ("PILOT") payments, and savings from the decreased interest rate would go towards the maintenance and operations of the Barclays Center.

Mr. Phillips also noted that there were no updates on the Community Feedback App/digital solution. He explained that a number of different options were still under review and consideration.

Director Stein asked who was responsible for the maintenance of the Arena and for further clarification on the PILOT payments. Mr. Phillips explained that the PILOT payments repay the bonds and are held in an account at Mellon Bank. He added that ESD owns the Arena, but leases it out. In addition he noted that with the amount of events held at the Arena annually, it was important to have a fund set aside for maintenance, and that any PILOT payments in excess of bond repayment obligations are dedicated to such Arena maintenance.

At this point, Chairman Zemsky interjected and officially called the meeting to order. The Chairman reminded the Directors that the meeting was being webcast and that they had received the written materials in advance of the meeting and were free to ask questions at any time. He noted for the record the Corporation's policy which welcomes public comments on items on the meeting's Agenda. He also noted that the public comment period, the final Agenda item, provides members of the public an opportunity to make comments on non-Agenda related matters.

Chairman Zemsky announced that Director Shawn Austin and Director Monsignor Harrington were joining the meeting via teleconference, but that they were precluded from voting on any Agenda items. The Chairman then asked whether anyone had any potential conflict of interest with respect to any of the items on the proposed Agenda. Hearing none, he turned to the first order of business, approving the Minutes of the Directors' meeting on May 17, 2016.

Director Stein noted that on page 14 of the Minutes there was a request by Director Williams for a presentation on the security protocol for the Arena and the project site at today's meeting. In response Chairman Zemsky noted that Director Stein's comment would not change the Minutes, but brought attention to an open item still to be addressed.

Hearing no additional comments or edits from the Directors, upon motion duly made and seconded, the following resolution was unanimously adopted:

ATLANTIC YARDS COMMUNITY DEVELOPMENT CORPORATION – Approval of Minutes of the May 17, 2016 Meeting of the Directors of the Atlantic Yards Community Development Corporation

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RESOLVED, that the Minutes of the meeting of the Corporation held on May 17, 2016 are hereby approved and all actions taken by the Directors present at such meetings as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Corporation.

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Chairman Zemsky then returned the meeting to Mr. Phillips to continue with the President's Report. In response to Director Stein's comment on the Minutes, Mr. Phillips noted that a representative from the Barclays Center was in attendance and would address security protocols.

Mr. Phillips then noted for the Directors that Quality of Life meetings were held with community members on June 14 and September 13, 2016. He advised that in response to community request, the name of the meeting was changed from Community Update back to Quality of Life. Further, he advised that staff also agreed to work with the Mayor's Office on securing meeting attendance and participation by City agencies. Mr. Phillips then turned the meeting over to Ms. Jordan for a Community Relations update.

Ms. Jordan listed the issues discussed at the June 14th and September 13th meetings, including: construction issues and project update (with presentations by the utility company

Con Edison and by construction manager Tishman Construction); timing of meeting notices; questions for NYC DOT concerning traffic and parking; NYPD enforcement issues; Arena refinancing issues; and the construction worker badge ID program. Ms. Jordan also noted that ten incidents had been added to the ESD Incident log: one dust incident; five parking issues; two incidents of falling debris; one utility work street closure issue; and one Arena lighting complaint..

Ms. Jordan explained that ESD continues to host biweekly project site tours with the NYPD and on occasion representatives from the NYC Department of Transportation and 78th Precinct Community Council are also in attendance. Ms. Jordan announced that the next Quality of Life meeting was scheduled for October 18, 2016 and, then welcomed any questions or concerns from Directors.

Director Kummer asked for an explanation of the Arena related complaint. Ms. Jordan explained that a resident e-mailed the Developer, copying ESD, about flashing light from the Arena oculus, and the issue was immediately addressed.

Director Stein then noted a number of issues discussed at the June meeting with the Barclays Center Impact Zone Alliance (BCIZA) and members of the community, which had been addressed in an update sent to the Directors. She noted that a request was made for elected officials to attend the meeting, which they did not, and also that requests for City agency participation be made in a timely manner to ensure attendance. Mr. Phillips noted that ESD

staff will send out requests for Agenda items 30 – 45 days in advance of Quality of Life meetings, and coordinate agency attendance with City officials. He noted that it was important to identify and prioritize requests to relevant agencies in advance so that relevant personnel would be present.

Director Stein noted that it would be helpful when considering the requests to think of the uniqueness of the Project in terms of length and scope, and how it impacts the local community's quality of life. Director Stein also urged increased engagement of elected officials and their attendance at Quality of Life meetings. Mr. Phillips responded that elected officials' offices are usually well represented at Quality of Life meetings and that notices and calendar notifications are sent to their offices, as well as to the local Community Boards.

Director Stein then requested that a copy of a June 14, 2016 letter from Assemblyman Walter Mosley and Chairman Zemsky's response be circulated to the Board of Directors.

Director Williams asked about ways to inform new residents about the Project and available resources for addressing quality of life issues. She suggested notifying new residents via landlords, and being more proactive with the dissemination of Project-related information. Mr. Phillips responded that he will work with the Developer on a strategy for informing new residents about the Project. Director Williams emphasized that the focus should be on the buildings and residents around the Project that continue to be in transition.

Director Kummer asked whether there was a portion of the Quality of Life meeting set aside for people to raise new issues, separate from what was on the agenda. Mr. Phillips explained that the meeting was free flowing and concerns are addressed as they are raised.

Director Williams inquired about the ESD Incident Log. She noted there were items on the log that, while classified as closed, were still considered open for the community and AYCDC Directors. Director Williams specifically highlighted security concerns not just at the Barclays Center, but Project-wide. Ms. Jordan explained that security concerns are discussed during the Project site walks with the 78th Precinct and that NYPD regularly shares observations and concerns with staff. Director Williams then proposed that an inquiry be made into the cost of installing emergency poles throughout the Project site. She expressed concern with improving security especially before the middle school opens, and taking preemptive measures to ensure public safety. Mr. Phillips responded that the ESD team will work with the Developer to improve signage and the visibility of information on the site. He also mentioned making Greg Lynch, ESD's field staff, more visible on site.

Director Stein asked about Tishman construction's presentation during the June 2016 Quality of Life meeting. Specifically, she inquired about the status of the construction worker ID program. In response, Ms. Jaiyesimi explained that the discussion at the June meeting focused on whether a percentage of the total number of construction workers using the hard hats, stickers and tags was available. She advised that a specific number was not available because though all workers are required to participate in the program, some contractors are on

site temporarily, so workers are tagged on a rolling basis. She stated that at the September Quality of Life meeting, the issue was addressed again and it was noted that each contractor will be furnished with their own ID tag printing system so that each contractor on site can expeditiously provide tags for its workers. Ms. Jaiyesimi also explained that in addition to receiving their tags, workers are informed of the Developer's code of conduct.

Mr. Phillips then introduced Scott Solish, a Greenland representative of the Developer, to provide a Developer's construction update.

Mr. Solish started with an update on 461 Dean Street, or "B2". He announced that tenants are expected in the building sometime in the Fall. He also noted that two additional buildings, 535 Carlton Avenue, or "B14", and 550 Vanderbilt Avenue, or "B11", are close to completion, with tenants moving in either late 2016 or early 2017. Mr. Solish noted that the affordable housing lottery for 535 Carlton Avenue received close to 90, 000 submissions. He stated that the 100% affordable building at 38 Sixth Avenue, or "B3", has topped off, with façade panel installations up to the fifth floor. He noted that the building is expected to open in May or June of 2017, and the housing lottery is expected to open early 2017.

Mr. Solish highlighted the underground work happening at the rail yard, specifically the West Portal work underneath Atlantic Avenue. He also gave an update on the sewer and infrastructure work on Pacific Street and parts of Carlton Avenue. He further explained that the work included the relining of old sewer lines and installation of new water main pipes. He

advised that community notices are sent about any changes to the traffic network or the water system.

Director Stein asked for the number of apartments in the affordable and market-rate buildings. Mr. Solish noted that there are 363 apartments in 461 Dean Street (B2), 181 units are affordable; 550 Vanderbilt Avenue (B11) is a market condominium building with 278 units; and 535 Carlton Avenue (B14) and 38 Sixth Avenue (B3) are 100% affordable buildings with 298 units and 303 units respectively.

Director Stein asked if there were any updates on Site 5 or details on the plans presented to the NYC Department of City Planning. Mr. Solish responded that the presentation to the Department of City Planning included possible scenarios under consideration, but no formal proposal had been submitted for General Project Plan (GPP) modifications. Mr. Phillips added that any proposed GPP modifications would come before the AYCDC Board of Directors for advisement to the ESD Directors, and a full public review process.

Director Reardon asked for clarification on the presentation to the Department of City Planning. Mr. Phillips and Mr. Stout explained that, due to pending litigation, Forest City is subject to an injunction prohibiting Forest City from discussing plans for Site 5 with ESD. Director Williams asked if someone other than Forest City could provide an update on Site 5. Mr. Phillips explained that there have been no formal presentations of proposed GPP

modifications. He stated that ESD has not been asked to take any actions, and it would be premature to assume the course of action.

A few Directors asked for details on the pending litigation and injunction. Mr. Stout explained that earlier this year, there were talks of potential changes to Site 5 and B1. In February, he advised that litigation was brought by PC Richards against Forest City Ratner, not ESD, with regards to agreements that may or may not have existed between the parties. He stated that one result of the pending litigation was that the court issued an injunction against Forest City that prohibited conversations with ESD about condemnation of Site 5, where PC Richards currently has a retail location. Therefore, he noted that there has been no conversation since February; but any proposed material changes to the GPP would come before the AYCDC and ESD Directors.

Director Kummer emphasized his concern that while Forest City might be prohibited from discussing its plans with the State, other actions and talks were happening, effectively leaving the AYCDC Directors misinformed. Mr. Phillips and Mr. Stout both reiterated that Project documents would not be modified without presentation to the AYCDC Directors and a lengthy public review process.

Director Williams stressed the importance of keeping Directors informed on topics discussed at Quality of Life meetings, and also inquired whether B4 was still slated to start construction May 2017. Mr. Solish explained that the development schedule Director Williams

was referencing for construction start dates is a conceptual plan of how the Project would be phased and nothing was set in stone. He noted that the Directors would be informed when there was an update on the groundbreaking for B4. Director Williams asked for a list of the next set of buildings scheduled to come on line. Mr. Solish answered that the next two buildings were 615 Dean Street (B12) and 664 Pacific Street (B15).

The discussion then turned to the marketing and advertising of the affording housing lotteries at the Project. Director Williams expressed concern that the affordable units were advertised without detailed information on income bands and application requirements. Mr. Solish explained that the flyer Director Williams referenced was for an information session about the lottery application process. He stated that additional printed advertisements were widely distributed in newspapers, to local elected officials, community boards, and schools.

Terence Kelly, Community Relations representative for the Barclays Center, gave an overview of Arena security measures, but also explained that the protocols could not be publicly discussed in detail. He assured the Directors that all event plans are coordinated with NYPD, even before the event is officially booked. During events he noted that there is full police detail inside and outside of the Arena, in addition to Traffic Enforcement Agents (TEAs) and Pedestrian Traffic Managers. He advised that Arena personnel also provide an additional safety net for safe passage across Atlantic and Flatbush Avenues, and a deterrent against bad behavior. In addition Mr. Kelly said it was important to listen to the community's concerns and make adjustments as necessary.

Chairman Zemsky then turned to meeting over to Ms. Jordan to call the speakers wishing to make public comments for the record.

Representing the Carlton Avenue Block Association, Elizabeth Martin was the first speaker. Ms. Martin expressed concern with the construction activity at 535 Carlton Avenue (B14) and how it was impacting the neighborhood. She displayed a metal bolt which she believed to have been cut from the front façade of 535 Carlton Avenue and wondered why the proper safety measures were not in place to prevent the bolt from flying over the construction fence. She noted that given its size, it posed a great safety risk to pedestrians and motorists. Ms. Martin also mentioned the importance of protecting the trees on Carlton Avenue; and preventing vehicles from damaging the trees leaning into the street.

Ms. Jordan offered to follow-up with Ms. Martin directly and address her concerns in detail. Ms. Martin wanted to state for the record that she and her neighbors have concerns about vibration monitoring and damages to their homes. In closing, Ms. Martin also wanted clarification of the Developer's commitment to offer either double paned or storm windows.

The next speaker was Steve Ettlinger representing the Barclays Center Impact Zone Alliance (BCIZA). Mr. Ettlinger asked whether Directors were aware of a June 14, 2016 letter from elected officials to Chairman Zemsky; and a recently published 2014 academic presentation by Arana Hankin, a former ESD employee. Mr. Ettlinger noted that it was important for the Directors to be aware of both documents as they raised important issues

from two different perspectives. Mr. Ettlinger also asked whether the State responded to social media posts.

Peter Krashes spoke next, representing the Dean Street Block Association. Mr. Krashes supported Ms. Martin's comments and also emphasized how the Project's duration impacts the local community, including neighborhood trees. Mr. Krashes questioned the previously released development schedule, and discussed the aggregation of 311 complaints and interagency coordination and ESD accountability. He also mentioned timeliness of the notices for Quality of Life meetings, and elected officials' participation in Project related meetings.

After the public comment period, Director Williams suggested public comments and questions received at Director meetings be added to the ESD Incident Log to ensure that the responses are tracked. Mr. Phillips responded that a follow-up memo is sent to Directors after each Director meeting responding to question and comments raised, public comment included. Director Williams clarified that she wanted to ensure that responses to public comments were sent to the speakers. Ms. Jordan noted that memos to the Directors are publicly posted, and Ms. Jaiyesimi indicated that she will work on a system for following up with speakers accordingly.

Director Stein then requested the appendices to HDR's first quarter report. She also inquired about signage around the site, the metrics and monitoring protocols, and also an update on the Noise Receptor Control Program. HDR representative Jennifer Bienemann noted

that Ms. Jaiyesimi could provide a copy of the appendices upon Directors' request. She also noted that the signage at the site was installed a month and a half ago, and will be covered in the third quarter report. Director Stein asked whether the signage would help mitigate the problems with trucks on Carlton Avenue. Ms. Bienemann explained that the signs were not for directing truck traffic, but instead provided reminders about following truck protocols and idling requirements for the site.

Director Stein asked whether the appendices included information on the outreach and success of the Noise Receptor Control Program. Ms. Bienemann explained that the appendices included a detailed spreadsheet with all of the pertinent information on the program.

Director Stein then asked, as a follow-up to a meeting with members of the community and the Barclays Center Impact Zone Alliance (BCIZA), about the status of collecting 311 complaints. Ms. Jaiyesimi gave a synopsis of her discussions with representatives of the Mayor's Office, noting that 311 data could be aggregated by address, borough or zip code, but could not be tagged in Project specific terms. She noted that Residents are encouraged to forward 311 complaint numbers to the State and that complaints posted on Atlantic Yards Watch are also monitored.

Director Williams suggested possibly using signage around the site to advertise ways the community can file complaints and voice concerns, including a uniform social media tag line. Director Kummer asked if it were possible to search 311 data for specific words or terms. Ms.

Jaiyesimi explained that the data could not be searched by word. Further she noted that the data is made public either quarterly or bi-annually via an NYC open source platform, and sent to Community Boards and the Public Advocate's office. She explained that if a 311 complaint were filed today, the information would be sent to the relevant City agency and the data not available for another three to six months. She further explained that the most efficient way for ESD to track 311 complaints is for residents to send the complaint number so it is added to the ESD log.

Director Reardon then asked for an update on the scheduled dates for the removal of the construction fences on Carlton Avenue, Dean Street and Vanderbilt Avenue. Mr. Phillips responded that the information can be sent to the Directors via email and also presented at the next Quality of Life Meeting.

Hearing no further business, the meeting was adjourned by Chairman Zemsky at 4:43 p.m.

Respectfully submitted,

Debbie Royce
Corporate Secretary

Minutes of the 11/14/16 AYCDC Directors' Meeting

Atlantic Yards Community Development Corporation
Meeting of the Directors
Held at Empire State Development Offices
37th Floor Conference Room
633 Third Avenue
New York, New York 10017

November 14, 2016

MINUTES

In Attendance	
Directors:	Howard A. Zemsky – Chairman Shawn Austin Julene Beckford Elizabeth Harris Daniel Kummer Tamara McCaw Linda Reardon Cy Richardson Jaime Stein Barika X. Williams
AYCDC Staff:	Elizabeth R. Fine – General Counsel Tobi Jaiyesimi – AYCDC Director Marion Phillips, III – President Debbie Royce – Corporate Secretary
ESD Staff:	Nicole Jordan – Manager, Community Relations Greg Lynch – Senior Inspector, Atlantic Yards Rachel Shatz – VP, Planning & Environmental Review Robin Stout – Senior Counsel
Also Present:	Ashley Cotton, Greenland Forest City Partners Scott Solish, Greenland Forest City Partners Members of the Media Members of the Public

The meeting of the Atlantic Yards Community Development Corporation ("AYCDC") was called to order at 3:10 p.m. by Chairman Zemsky. The Directors were reminded that the

meeting was being webcast and that they had received the written materials in advance of the meeting and were free to ask questions at any time. He noted for the record the Corporation's policy which welcomes public comments on Agenda items, and non-Agenda items during the public comment period.

Chairman Zemsky then introduced Cy Richardson, the newest member of the AYCDC Board, appointed by the Brooklyn Borough President. The Chairman asked whether anyone had any potential conflict of interest with respect to any of the items on the proposed Agenda. Hearing none, he announced that the Minutes of the Directors' meeting held on September 20, 2016 were not yet ready for approval. Chairman Zemsky then turned the meeting over to Marion Phillips to provide the President's Report as an informational item. Mr. Phillips noted that his President's Report would be presented in three segments: an overview of Project activity since the first AYCDC Director meeting in February 2015; a community relations update from Nicole Jordan; and a construction update from the Project developer.

Mr. Phillips gave an overview of conditions existing at the site around the time of the first AYCDC meeting in February 2015. He noted the work at the Long Island Rail Road Yard was still ongoing; the Green Roof on the Barclays Center was in the early stages of construction; and there were still cranes active on Atlantic Avenue. He further noted that there was no activity at the B3 site; activity had resumed at the B2 site; and ESD had taken seven properties by condemnation at the B6 and B 15 sites.

Speaking on current conditions at the site, Mr. Phillips explained that the Arena green roof is complete; and work continues at the LIRR Yard, including excavation and foundation prep work for future buildings. He stated that 461 Dean Street ("B2") has been issued a Temporary Certificate of Occupancy (TCO); 38 Sixth Avenue ("B3") has topped out with façade panel installations 50 percent complete; and 550 Vanderbilt Avenue ("B11"), a market rate condo building, and 535 Carlton Avenue ("B14,") a 100 percent affordable building, are both expecting TCOs in 2016. He advised that the publicly accessible Open Space will be available by the second quarter of 2017. He further noted that pre-existing improvements on the B15 site have been demolished, and excavation and foundation work is expected to commence after resolution of pending litigation on site access to the lot's adjacent building. He stated that B15 will be the site of an NYC DOE district-wide middle school. He further stated that infrastructure work, including re-lining parts of the sewer system and installing new water main pipes, continues along Pacific Street.

Mr. Phillips spoke about addressing community concerns and responding to quality of life issues. He explained the daily role of ESD field staff and on-site consultants STV and HDR. ESD staff conducts bi-monthly site walks with the 78th Precinct and as necessary invite representatives from the Department of Transportation. Mr. Phillips also highlighted the ongoing coordination with the Community Affairs Unit at the Mayor's Office to ensure that city agencies are represented at Quality of Life meetings.

Addressing concerns previously raised by Director Williams, Mr. Phillips explained that

there will be updates from the School Construction Authority (SCA) about site logistics when the middle school at B15 is close to opening.

Mr. Phillips explained that all of these Project oversight activities will continue even as completed buildings begin to be occupied. Speaking on the request for a community feedback app, Mr. Phillips explained that changes would be made to the Atlantic Yards Project website to help improve communication with the community. Director Austin asked whether it was necessary to consider the app, given the other ways available to contact ESD staff and address complaints. Mr. Phillips stated that the app was intended to be a portal for government agencies and community groups, but the idea could not be executed.

Director Kummer asked whether the Atlantic Yards Project website could be accessible on a mobile device and Mr. Phillips replied in the affirmative. Director Reardon then inquired about the previously discussed RFP for the app. Mr. Phillips explained that the idea for an app was discussed prematurely, and it was not feasible to connect government agencies and private entities via a web portal. Director Williams then noted the importance of outreach to and updating new residents, especially through social media platforms. Mr. Philips spoke on the coordinated efforts with the Developer to reach new residents and a strategy for distributing information.

Director Austin noted that there are services that monitor social media traffic and track comments and postings. Director Stein added the importance of tracking 311 complaints and

having aggregate social media data to address concerns and gauge the AYCDC Board's performance. Mr. Phillips noted that an inquiry will be made into services that track social media content, and that staff will continue effort to remain accessible and responsive to the community and Directors. Director Williams suggested the use of a common social media tag line to help funnel Project related complaints. In response, Ms. Jaiyesimi noted the difficulty of tracking social media posts. She stressed the importance of utilizing ESD's existing comment framework, and listed the various ways residents can contact ESD with comments, including email, phone, or in-person. Director Austin reiterated the idea of using services that can help monitor social media posts.

Director Williams asked about a request for emergency call boxes and blue lights to address security concerns around the site. Ms. Jaiyesimi explained that emergency call boxes or blue lights are usually found on college campuses, and such calls are directed to the institution's security department. Noting that most phones have the ability to call 911, and the obstacles to installing emergency call boxes (including cost), Ms. Jaiyesimi emphasized a focus, in connection with the B15 school opening, on coordinating with the Department of Education and School Construction Authority to address site safety issues for the new school. Director Williams then asked who was responsible for security around the Project site. Mr. Phillips explained that fenced in construction areas are the Developer's responsibility, but any public safety and security issue was under NYPD's jurisdiction.

Citing the confusion around a recent dust incident, Director Stein noted the need to

explain the various levels of oversight and jurisdiction for work at the Project site. Mr. Phillips responded that staff would work with the community to better address public safety and environmental concerns.

Nicole Jordan then gave the Community Relations update. She listed issues discussed at the November 1, 2016 Quality of Life Meeting, adding that there were presentations by the Developer, NYC Department of Transportation (DOT), and NYC Department of Environmental Protection (DEP). She noted that a representative from NYC Department of Buildings (DOB) was also present. She advised there were six incidents added to the log since the last AYCDC meeting: one air quality related incident; two vibration monitoring; and three miscellaneous incidents: one each related to parking signage; traffic; and construction fences. Ms. Jordan closed her report by announcing that the next Quality of Life meeting was scheduled for December 13, 2016 and that the 2017 meeting schedule will be distributed before the end of the year.

Director Stein asked about NYPD's attendance at Quality of Life meetings. Ms. Jordan responded that NYPD does not always participate in the community meetings, but she maintains on open line of communication with the local precinct. She stated the best avenue for the community to address concerns and request information from NYPD is through the monthly precinct council meetings. Mr. Phillips solicited Director Stein's assistance in reaching out to City Hall about the NYPD's participation in community meetings. Director Stein responded that the precinct had expressed concern with the demand of attending numerous

community meetings, but she will reach out to City Hall on the matter. Director McCaw commented that a number of incidents on the ESD Incident Log were under the jurisdiction of the NYPD. Ms. Jordan responded that there were no issues on the log that the precinct was not aware of.

Director Williams stated that it was important to have the NYPD represented at Quality of Life Meetings so members of the community can voice security and public safety concerns and it was explained that the precinct maintains a good relationship with ESD staff and has attended previous Quality of Life meetings even if they do not give a formal presentation.

The meeting then turned to the Developer's construction update. Ashley Cotton and Scott Solish started the presentation by addressing the third quarter financial report for Forest City Realty Trust, a publicly traded Real Estate Investment Trust (REIT). Ms. Cotton explained that there was an impairment on non-depreciable real estate of $307 million for Forest City Realty Trust, not Greenland USA or the joint venture. She added that the report did not change the joint venture's ongoing commitment to the Project, and that additional information on the third quarter report was available online.

Ms. Cotton noted that four buildings with 1,200 apartments, 779 of which are affordable units, are scheduled to open soon. She explained that while the Pacific Park development plan was predetermined, each new building is thought of as a new investment.

Ms. Cotton noted that market conditions, cost of construction, and unresolved issues with the 421a program were factors considered in the investment evaluation.

Ms. Cotton indicated that early construction work has begun at Sites B15 and B12, and then continued her presentation with updates on construction activity at the four buildings nearing completion. She advised that 461 Dean Street ("B2") received its first Temporary Certificate of Occupancy (TCO) and residents; the lottery for 38 Sixth Avenue ("B3") a 100 percent affordable building is anticipated to open by the end of the year; the lottery for 535 Carlton Avenue ("B14") a 100 percent affordable building has closed, and occupancy is expected after the New Year. She stated that at 550 Vanderbilt Avenue, a market condo building ("B11"), occupancy also is expected after the New Year.

Ms. Cotton discussed anticipated changes to construction fences along Carlton and Vanderbilt Avenues and Dean Street, which will allow for 36 parking spaces to be restored and she noted that nine trees will be planted around 535 Carlton Avenue ("B14") and 13 around 550 Vanderbilt Avenue ("B11"). Ms. Cotton added that the fence around block 1129 will eventually be removed on the corners of Vanderbilt and Carlton Avenues, but will remain at 16 ft. in the middle of the block, around "B12" and "B13."

Turning to an update on the Open Space, Ms. Cotton highlighted the different areas that will be accessible around "B11" and "B14." She said that the Open Space will be delivered in

phases, with temporary interim conditions due to construction staging for other buildings and the railyard. She stated that planting for the Open Space is expected to begin in the Spring.

Ms. Cotton announced that Terence Kelly, Community Relations representative for the Barclays Center, will be transitioning out of the role. She introduced Vice President of Community Relations Roland Guevara, who will be handling community relations matters in the interim. Mr. Guevara formally introduced himself to the Directors, noting his previous work experience and current role at the Barclays Center. He announced the implementation of the Barclays Center Cares Calendar which will allow residents to post about local events and community resources on the arena website. Mr. Guevara added that he was excited about working with the community and welcomed questions and comments from the Directors.

Director Reardon asked if it were possible, given the potential construction slowdown, to reconfigure the fences around 615 Dean Street. Ms. Shatz responded that the 16 ft. fences are a requirement of the Project's Memorandum of Environmental Commitments (MEC) to mitigate the noise and dust impacts of the construction and any changes to the construction fence would be for logistical reasons. Director Reardon asked whether a delay in the construction schedule could be considered a valid reason for changing the fence. Ms. Shatz explained that changes to the fence would entail a lengthy and expensive endeavor as the structure is not easily moved. Director Reardon added that should the construction be delayed long enough it was important that the community not be burdened by the presence of the fence and a narrower roadway.

Ms. Cotton explained that there were fences around "B13" and "B12" and both sites did not have a mandate to commence construction anytime soon. She also noted that while the fences are required by the State, there was a request to not have 16 ft. fences at future building sites. Ms. Shatz clarified that 16 ft. fences were not required in other locations for logistical reasons, not simply because it was requested by the Developer. She added that the request for changes to the fence at Dean Street will be reviewed.

Director Williams then inquired about the location, hours of operation and accessibility of the Project's Open Space. Mr. Solish explained that the location of the Open Space was dictated by the Design Guidelines, that there will be no gates, and that there would be signage stating the rules and hours of operation and accessibility similar to other public spaces. Ms. Cotton also noted that the hours of operation for the Open Space, sunrise to sunset, was discussed when the design was presented to the Board last summer.

Director Stein asked if the firm that presented the Open Space design to the Board was still involved in the Project. Ms. Cotton responded in the affirmative, and Mr. Solish added that the phasing of the interim conditions for the Open Space was contemplated in the Project documents.

Directors Williams suggested making changes to the size and placement of signs advertising units and signs providing project information. She also asked about the distribution of Area Medium Income (AMI) bands at 535 Carlton Avenue "B14." Ms. Cotton responded that

distribution of AMI bands at B14 was not available, but upon approval by the NYC Housing Development Corporation (HDC) the final list can be provided. She stressed that various AMIs bands would be evenly distributed around the building.

Director Williams then asked about Forest City Realty's earnings report and its impact on the Project and the Joint Venture. Ms. Cotton responded that though there is a delay in the previously expected start of construction at two buildings, the Developer's contractual construction obligations remain unchanged and will be met. Director Williams added that the earnings report noted various market factors as reason for the delay in building construction. Ms. Cotton explained that the use of 100% union labor, the lack of 421a benefits for 18 months and a flooded market of rentals were all factors in the rising cost of construction.

Director Williams asked whether the Developer had approached City or State government about tax abatement alternatives to the 421a Program. Ms. Cotton responded that a 421a resolution was critical, and that the lack of 421a benefits has impacted construction citywide, not just Forest City or the Project. Chairman Zemsky added that it was important to note that there were a lot of circumstances that created an unfavorable investment for the Developer, circumstances which have led to some delays.

Director Stein asked if there was any advancement on Site 5 and whether there was an ongoing Supplemental Environmental Impact Statement. Ms. Cotton responded that there was

no update or advancement on Site 5, and emphasized that Directors would be informed of any changes.

Chairman Zemsky then transitioned the meeting to the public comment period. The first speaker was Anurag Heda representing the Dean Street Block Association. Mr. Heda spoke about Forest City Realty Trust's recent disclosure about delays to the Project, and the long term adverse impact to the community. He mentioned a letter sent to ESD President Zemsky from local elected officials about the Project and noted the need for transparency and community involvement going forward.

Gib Veconi, representing the Prospect Heights Neighborhood Development Council, spoke about the need for a system to consolidate all Project related incidents. Mr. Veconi took issue with Forest City Realty Trust's use of 2035 as the project end date. He also added that in past meetings members of the public were given the opportunity to comment on Agenda items as they were discussed, not just during the public comment period at the end of the meeting.

Speaking on behalf of the Carlton Avenue Block Association, Elizabeth Martin presented pictures of dust clouds caused by construction activity across the street from her home. She noted concerns with the possible health and environmental impacts from the dust. Jim Vogel, a Pacific Street resident, spoke on the need for improved accountability and addressing community concerns. Mr. Vogel mentioned delays in the construction schedule, parking for construction workers, and the completion of the permanent Long Island Rail Road Yards.

Nicole Jordan noted that the dust activity mentioned during the public comment period was listed on the ESD log as item number 173 and that the Department of Environmental Protection visited the site and determined that there were no contaminants in the dust.

Hearing no further business, the meeting was adjourned by Chairman Zemsky at 4:24 p.m.

Respectfully submitted,

Debbie Royce
Corporate Secretary

Item #2

NEW YORK STATE OF OPPORTUNITY. | Atlantic Yards Community Development Corporation

A Subsidiary of Empire State Development

FOR CONSIDERATION
March 29, 2017

TO:	The Directors
FROM:	Marion Phillips, III
SUBJECT:	Atlantic Yards Community Development Corporation FY 2017-18 Operating Budget Proposal
REQUEST FOR:	Approval of the Corporation's Operating Budget for the Fiscal Year ("FY") 2017-18 (April 1, 2017 – March 31, 2018)

I. Background

New York State Finance Law requires that prior to the commencement on April 1 of each new fiscal year, the Directors of Atlantic Yards Community Development Corporation ("AYCDC" or the "Corporation") adopt an annual operating budget. Attached for your review and approval is the proposed operating budget (the "Operating Budget") for the Atlantic Yards Community Development Corporation for FY 2017-18 (April 1, 2017 – March 31, 2018).

II. AYCDC FY 2017-18 Operating Budget Summary

The Operating Budget proposes a total of $178,288 in personal services (salaries and fringe benefits for two employees) and a total of $51,712 in non-personal services (primarily occupancy and other administrative expenses). The total of all budgeted personal and non-personal expenses for FY 2017-18 is $230,000. The Corporation's FY 2017-18 operating budget is expected to be funded in its entirety from an imprest account maintained at and by Empire State Development and funded by project developers.

III. Environmental Review

Approval of the Corporation's Operating Budget for FY 2017-18 constitutes a ministerial action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations for the New York State Department of Environmental Conservation. No further environmental review is required in connection with this request.

IV. Recommendation

Based upon the foregoing, the Directors are requested to ratify and approve the Corporation's proposed FY 2017-18 Operating Budget in the amount of $230,000.

V. Attachments

Resolution
AYCDC – FY 2017-18 Operating Budget

March 29, 2017

ATLANTIC YARDS COMMUNITY DEVELOPMENT CORPORATION – AYCDC FY 2017-18 Operating Budget – Approval of the Corporation's Operating Budget for FY 2017-18 (April 1, 2017 – March 31, 2018)

BE IT RESOLVED, based on the materials at this meeting and ordered filed with the Corporation (the "Materials"), the Corporation's proposed FY 2017-18 Operating Budget is hereby approved, and adopted in all respects, substantially in the form set forth in the materials and subject to the availability of funds; and be it further

RESOLVED, that the Officers of the Corporation and/or appropriate designees, and each of them hereby are, authorized and directed to take all actions and execute all documents in connection with the establishment and implementation of the Corporation's Budget; and be it further

RESOLVED, that the President of the Corporation or his designee 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 resolution.

* * *

Empire State Development
Atlantic Yards Comm Dev. Corp.
Operating Budget Plan FY 2017-18

	Budget Plan FY 2016-17	Budget Plan FY 2017-18
PERSONAL SERVICES (PS)		
Salaries	91,234	129,194
Fringe Benefits	34,669	49,094
TOTAL PERSONAL SERVICES	**125,903**	**178,288**
HEADCOUNT	1.0	2.0
NON-PERSONAL SERVICES (PS)		
Professional Fees		
Legal / Accounting Fees	0	0
Consultant Fees	45,000	0
Total Professional Fees	**45,000**	**0**
Other Non-Personal Services		
Employee Travel & Meals	1,000	0
On-line Services/ Due & Subscriptions	1,000	0
Office Occupancy Expenses	10,000	11,097
Insurance	30,597	35,115
Repairs/ Maint /Prop Mgmt/ Outside Serv.	10,000	5,500
Telephone/Fax/Internet	500	0
Office Supplies / Printing / Advertising	500	0
Computers/Software/Equipment	500	0
Total Other Non Personal Services	**54,097**	**51,712**
TOTAL NON-PERSONAL SERVICES (NPS)	**99,097**	**51,712**
TOTAL PS & NPS	**225,000**	**230,000**

Item #3

NEW YORK STATE OF OPPORTUNITY. | Atlantic Yards Community Development Corporation

A Subsidiary of Empire State Development

FOR CONSIDERATION
March 29, 2017

TO:	The Directors
FROM:	Marion Phillips, III
SUBJECT:	Procurement of Environmental Consulting Services
REQUEST FOR:	Recommendation that ESD Directors Amend the Contract with Henningson, Durham & Richardson, Architecture and Engineering, P.C. to Continue to Provide Mitigation Monitoring Consulting Services in Connection with the Atlantic Yards Land Use Improvement and Civic Project; and Authorization to Take Related Actions

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CONTRACT NEED AND JUSTIFICATION

I. CONTRACT SUMMARY

Consultant:	Henningson, Durham & Richardson, Architecture and Engineering, P.C ("HDR" or "Consultant")
Scope of Services:	Consultant would continue to provide Owner's Representative services for mitigation monitoring in connection with the required environmental mitigation measures for the Atlantic Yards Land Use Improvement and Civic Project
Total Amendment Amount:	Not to exceed $500,000
Amendment Term:	One (1) year with same scope and same annual compensation (not to exceed $500,000)
Funding Source:	Imprest Account (To be funded by Project developer)

II. BACKGROUND

In 2006, ESD completed the State Environmental Quality Review ("SEQRA") process and affirmed the General Project Plan ("GPP") for the Atlantic Yards Land Use Improvement and Civic Project (the "Project"). The Project consists of: the approximately 18,000-seat Barclays Arena, which has hosted hundreds of sporting and entertainment events since opening in September 2012; the development of a reconfigured and improved LIRR Vanderbilt train yard and subway facility improvements; the development of 16 buildings for residential, office and retail uses, including up to 6,430 units of housing, which will include 4,500 rental units of which 2,250 units (50%) will be affordable to low, moderate, and middle income households; and the creation of eight acres of publicly accessible open space.

ESD, as the lead agency for SEQRA, prepared a Draft and Final Environmental Impact Statement to address the potential environmental impacts that could result from the Project. During the public comment period on the Draft Environmental Impact Statement ("DEIS"), ESD received public comments requesting that it put into place a mechanism to require Project developer to implement the numerous project-related environmental commitments and mitigation measures described in the DEIS. To address these comments, the Final Environmental Impact Statement ("FEIS") stated that ESD would require Project developer to enter into contractual obligations to implement required environmental impact avoidance and mitigation measures. The FEIS further provided that, during construction of the Project, ESD would retain the services of appropriate professionals to monitor and ensure compliance with the same.

A document titled "Memorandum of Environmental Commitments for the Atlantic Yards Project" dated December 8, 2006 (the "Memorandum") describes the specific avoidance and mitigation measures that Project developer is required to undertake in connection with the Project and the role of the environmental monitor to be retained by ESD. The Memorandum commitments are enforceable against Project developer through the contractual documents that have been entered into between ESD and developer. The Memorandum has been amended twice since 2006, the most recent amendment (the "Second Amended Memorandum of Environmental Commitments") was prepared in connection with the Supplemental EIS ("SEIS") that ESD approved in 2014. ESD had been directed by court order to prepare an SEIS to address and analyze the potential significant adverse impacts resulting in a delay in construction completion. The SEIS also took into account certain modifications to the GPP regarding transfer of floor area and on-site parking requirements.

III. CONSULTANT SELECTION PROCESS

ESD advertised a Request for Proposals ("RFP") in the Contract Reporter for the Environmental Monitor on February 5, 2007 but did not receive any qualified proposals. The RFP was subsequently modified to more specifically describe the desired services and the name of the RFP was changed to "Owners Representative – Mitigation Monitor" with the intention of clarifying the services to be contracted. A short list of eight potentially qualified engineering

and/or construction management firms was identified and the RFP was sent directly to the short list of firms. Of the eight firms that were sent the RFP, three proposals were received by the submission deadline. These three proposals were reviewed by ESD staff and outside environmental counsel. Based on the quality of their proposal, the demonstrated experience of the team assembled to perform the work, and results from checking project references, ESD staff recommended that ESD Directors authorize retention of HDR to perform the mitigation monitor responsibilities. ESD Directors authorized an initial contract of up to ten years, the then-expected life of the Project.

HDR has extensive experience as both an owner's representative and as environmental consultant for some of the City's most significant initiatives. HDR is currently the mitigation monitor for the Columbia University Manhattanville construction project, the NYU Campus Expansion, the Essex Crossing Redevelopment Project and the West Village Residencies project. HDR has nearly 10,000 employees and 200 offices nationwide. HDR's New York Department has almost 500 employees from which they draw from to accommodate the numerous technical areas covered by the mitigation commitments.

ESD has had a positive experience with HDR throughout the contract. Staff believes it to be prudent to maintain owner's representative services to conduct mitigation monitoring of construction activities to ensure that environmental mitigation measures, as required of the Developer by the Memorandum, are provided throughout construction. Accordingly, staff recommends amending the existing ESD-HDR contract term for one (1) year to assure continuity of services for the near term construction of the Project.

IV. SCOPE OF WORK

Consultant will continue to monitor certain impact avoidance and mitigation measures described in the FEIS and set forth in the Memorandum. These include, but are not limited to:

- handling of hazardous materials at the site, including (i) development and implementation of procedures for pre-demolition removal of PCB-containing equipment in accordance with applicable regulations; (ii) implementation of dust suppression techniques during the demolition of buildings and any excavation, grading or earth-moving activities at the project site; (iii) additional subsurface investigations as needed to refine and supplement soil and groundwater sampling data previously collected; (iv) remediation of contaminated material where necessary (unless such activities is overseen by NYSDEC or NYCDEP); and (v) prior to remediation and excavation at the site, development and subsequent implementation of the Construction Health and Safety Plan and Community Air Monitoring Plan;

- certain issues pertaining to construction, including (i) incorporation of necessary environmental commitments into construction contracts; (ii) routing of truck

deliveries to minimize traffic impacts; (iii) designation of on-site staging areas to reduce truck queueing and materials storage in the streets; (iv) provision of an appropriate number of on-site construction worker parking spaces; (v) certain issues pertaining to noise mitigation, including use of equipment with the noise levels described in the FEIS, scheduling work to reduce night time and weekend noise, use of electrical powered equipment where feasible, location of noisy equipment away from the site perimeter, maintenance of noise barriers, use of quite construction procedures, maintenance of noise mufflers and use of noise curtains; (vi) provision of double-glazed windows and alternative ventilation for certain residential locations; (vii) provision of storm windows for certain windows of the Pacific Branch of the Brooklyn Public Library and the Temple of Restoration; (viii) the construction-related air quality impact avoidance measures; and (ix) rodent control;

- protection of cultural resources near the Project site from being impacted by construction on the Project site, as required by the Letter of Resolution;

- review of the effectiveness of any modified design for stormwater management facilities;

- review of fuels or boiler technologies other than those described in the FEIS;

- review any proposed changes in the location of HVAC intakes in the event that the design of the relevant P0roject buildings changes from the design subject to air dispersion modeling in the FEIS and/or SEIS; and

- review of adjustments to optimize the effectives of demand management measures to limit automobile traffic in connection with arena operation.

V. CONTRACT – NEED FOR AMENDMENT; PRICE AND FUNDING

The original contract, initiated in June 2007, assumed that construction of the Project would be completed in ten years, hence the contract term established at that time. While considerable progress has been made on constructing the Project, completing the Project in ten years will not be realized. Currently, in addition to the arena and a new subway entrance, two residential buildings have been completed and have tenants, and two additional residential buildings will be accepting occupants shortly. There are also two parcels on which excavation has begun for residential buildings, one containing a school. In addition, construction in the railyard to support six residential buildings is well underway.

In light of this construction activity, there is clearly a need to continue monitoring the required environmental commitments. Although it was evident at the time of the preparation of the SEIS that the maximum ten year term of HDR's contract would expire before Project completion, ESD staff had assumed a new procurement process would be undertaken nearing

the time of the contract's expiration. Although it is still ESD's intent to hold a competitive solicitation for the next phase of Project construction and mitigation monitoring, ESD staff feels it is prudent to seek authorization for a short-term extension at this time to maintain the services of HDR until phasing of the remaining Project construction can be better defined. ESD staff anticipates that once the Project construction schedule information necessary for issuing an adequate competitive solicitation is provided, a new RFP will be issued. Until such time, ESD believes the Project is best served by maintaining HDR as the mitigation monitor by extending its current contract.

The contract is billed on a time and materials basis, with an allowance for an annual escalation of the Consumer Price Index (CPI) + 2%, provided that the escalation does not exceed the actual labor rate for any employee performing work under the contract. The contract originally was approved for $360,000 in 2007, its first year, has been renewed on an annual basis. It has been renewed for $500,000 per year since 2012, to a total contract value of $4,145,000.

ESD will continue to be reimbursed by Project developer for all contractual costs incurred by ESD under the contract with the HDR. ESD has never advanced any funds during the term of the current contract and is not anticipated to advance any funds for the proposed contract extension.

VI. RESPONSIBLE PARTY

Pursuant to State Finance Law Sections 139-j and 139-k and the Corporation's policy related thereto, staff has: (a) considered Consultant's ability to perform the services provided for in the proposed contract; and (b) consulted the list of offerers determined to be non-responsible bidders and debarred offerers maintained by the New York State Office of General Services. Based on the foregoing, staff considers Consultant to be responsible.

VII. ENVIRONMENTAL REVIEW

Staff has determined that the requested authorization to extend the term of HDR's contract constitutes a Type II action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations promulgated by the NYS Department of Environmental Conservation. No further environmental review is required in connection with this authorization.

VIII. NON-DISCRIMINATION AND CONTRACTOR & SUPPLIER DIVERSITY

ESD's Non-Discrimination and Contractor & Supplier Diversity policies apply to the Contract. HDR is required to include minorities and women in any job opportunities created, to solicit and utilize Minority- and Women-Owned Business Enterprises ("MWBEs") for any contractual opportunities generated in connection with the Project and is required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 30% related to the total value of ESD's funding.

IX. REQUESTED ACTION

The AYCDC Directors are requested to recommend that the ESD Directors authorize an extension of ESD's contract with HDR for owner's representative services for mitigation monitoring on the terms and conditions set forth in these materials for one (1) year.

X. RECOMMENDATION

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

XI. ATTACHMENT

Resolution

March 29, 2017

ATLANTIC YARDS COMMUNITY DEVELOPMENT CORPORATION – Brooklyn (Kings County) – Atlantic Yards Land Use Improvement Project and Civic Project - Recommendation that ESD Directors Authorize the Amendment of the Contract with Henningson, Durham & Richardson, Architecture and Engineering, P.C. to Continue to Provide Owner's Representative Services for Mitigation Monitoring in Connection with the Atlantic Yards Arena and Redevelopment Project; and Authorization to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation (the "Materials"), the Corporation hereby recommends that the ESD Directors authorize, on the terms and conditions set forth in the Materials, an amendment of ESD's contract with Henningson, Durham & Richardson, Architecture and Engineering, P.C. to continue to provide owner's representative services for mitigation monitoring in connection with the Atlantic Yards Arena and Redevelopment Project; and be it further

RESOLVED, that the President is authorized and directed, in the name and on behalf of the Corporation, to take any and all such actions as may be necessary or appropriate to effectuate the foregoing resolutions, including making report to and submitting materials to the ESD Directors.

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