

**MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS
OF
PUBLIC REALM IMPROVEMENT FUND GOVERNING GROUP, INC.**
December 28, 2021

The annual Meeting of the Members and Directors of the East Midtown Public Realm Improvement Fund Governing Group was held at 10:14 a.m. on December 28, 2021 via video teleconference.

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

The meeting was chaired by Council Member Powers, Vice-Chairperson of the Governing Group, on behalf of Deputy Mayor Been, Chairperson of the Governing Group.

The following Members were present:

- Hon. Keith Powers, Council Member for District 4
- Hon. Gale Brewer, Manhattan Borough President
- Dan Garodnick, Designee of Speaker of the Council
- Sandy McKee, Member and Designee of Manhattan Community Board Six
- Susan Chin, Representative of a citywide civic organization

The following Members acted by proxy:

- Vicki Been, Deputy Mayor of Housing and Economic Development
- Anita Laremont, Director of the NYC Department of City Planning
- Rachel Loeb, President of the NYC Economic Development Corporation
- Henry B. Gutman, Commissioner of the NYC Department of Transportation
- Jacques Jiha, Director of the NYC Office of Management and Budget
- Gabrielle Fialkoff, Commissioner of the NYC Department of Parks and Recreation
- Tom Foley, Commissioner of the NYC Department of Design & Construction
- Vikki Barbero, Member and Designee of Manhattan Community Board Five

The following Directors and Alternate Directors were present:

- Hon. Keith Powers, Council Member for District 4
- Dan Garodnick, Designee of the Speaker of the Council
- Sandy McKee, Member and Designee of Manhattan Community Board Six
- Susan Chin, Representative of a citywide civic organization
- Lizzette Chaparro, Alternate Director for Office of the Manhattan Borough President
- Ali Davis, Alternate Director for Deputy Mayor of Housing and Economic Development
- Bob Tuttle, Alternate Director for the Director of the Department of City Planning
- Fred D'Ascoli, Alternate Director for the President of the Economic Development Corporation

- Sallina Yung, Alternate Director for the Director of the Office of Management and Budget
- Ed Pincar, Alternate Director for the Department of Transportation
- Nicholas Molinari, Alternate Director for the Commissioner of the Department of Parks and Recreation
- Jeff Margolies, Alternate Director for the Commissioner of the NYC Department of Design & Construction
- Layla Law-Gisiko, Member and Alternate Director of Manhattan Community Board Five

The Meeting of Members commenced, a quorum being present.

1. **Directors and Alternate Directors:** It was announced that elections were in order to elect directors and alternate directors of the Corporation. There were no questions or comments. Upon a motion made and unanimously carried, a resolution was adopted for the membership sections at issue to elect the following directors and alternate directors.

Director:

Vicki Been
 Anita Laremont
 Henry B. Gutman
 Gabrielle Fialkoff
 Jacques Jiha
 Rachel Loeb
 Tom Foley
 Susan Chin
 Gale Brewer
 Daniel Garodnick
 Keith Powers
 Vikki Barbero
 Sandy McKee

Alternate Director:

Ali Davis
 Bob Tuttle
 Ed Pincar Jr.
 Nicholas Molinari
 Sallina Yung
 Fred D'Ascoli
 Jamie Torres-Springer
 Spencer Williams
 Lizette Chaparro
 Marianna Vaidman Stone
 Kate Theobald
 Layla Law-Gisiko
 Molly Hollister

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

Pershing Square East

Alternate Director Margolies discussed Pershing Square East, noting that construction would begin the following week. He noted that contractors should be starting test pits at E. 41st Street and Park Avenue, and then putting up fencing around the plaza area while keeping the sidewalk accessible for pedestrians. Completion would take about two years from fall of 2021, when construction officially kicked off. During fall of 2021, the contractor was obtaining appropriate Con-Ed and MTA permits.

Alternate Director Margolies provided an update on the Lexington Avenue thoroughfare improvements, noting that it's a design-build project, which is a relatively new process for the City. DDC has been working through the project labor agreement and expect design-build procurement to begin in early 2022. Design-build contracts allows one team

to do design and construction, and allows DDC to pick the team based on best value rather than a lowest-bid model. He noted that it benefits the project's ADA accessibility improvements and pedestrian safety.

In response to a question from Vice Chair Powers, Alternate Director Margolies noted that this would result in a three-year process as opposed to four-to-five as would be the case under a design-bid-build model. He hoped that the process could be shortened to one-to-two years. In response to a question from Director Chin, he noted that the design-build team would be a single unit that could be comprised of a design team and a contracting team that would work in tandem. Director Chin nevertheless expressed concern that in this setup that the contractor would be in charge. Alternate Director Margolies noted that DDC would be able to present project updates, so that the process would not happen in a vacuum. Alternate Director Law-Gisiko asked about the bidding and selection process. Alternative Director Margolies described the bidding process, noting that a call is put out to the industry on DDC's website, and it is also advertised elsewhere. DDC then receives requests for qualifications from firms. DDC reviews the teams' credentials and creates a shortlist, from which the final team is selected, based on best value. He re-iterated that selection is based on the best quality and value, as opposed to the lowest bid, which can be required by state law in a design-bid-build process. Alternative Director Margolies said that he would get back to the Governing Group regarding the protocol for cost overages under a design-build scenario.

East 43rd Street Shared Street

Alternative Director Margolies then discussed the E. 43rd Street shared street initiative. He noted that the project paused during the pandemic, but resuscitated during May of 2021, and that DOT and DDC were still working on the schematic geometric design. He expected public outreach to commence in 2022 with the BID, and the design phase to last until early 2023. He clarified for Director McKee that this is a design-bid-build project, and that the design is being undertaken by a consulting firm that's working with DOT and DDC. He further elaborated that the design-build process is relatively new and is ramping up, so not every project is eligible.

Park Avenue Medians

Alternate Director Pincar provided an update on the Park Avenue Medians project. He noted that the City agencies believe that the Governing Group is able to fund a landscape architect as part of the project, who will help come up with a grand vision for the corridor. He relayed that DOT would be releasing an RFP in Spring of 2022 for the portion of the corridor between 46th Street and 57th Streets. Submissions will be reviewed following release of the RFP, and the selected team would work on their preliminary design by winter of 2022, and would submit their final report and vision by summer of 2023.

Alternate Director Pincar noted that DOT is currently in the scoping process for the RFP, and that the final scope will require extensive outreach and community engagement. This will include the Community Boards, local elected officials, BIDs, property owners, tenants and residents. The proposals will have to address technical requirements for the

spaces, including design elements, seating, art activation, location of potential concessions, underground irrigation and landscaping design.

In response to a question from Director Garodnick, Alternate Director Pincar noted that budget would be discussed during the team selection process, and that DOT would report back to the Governing Group during those discussions for input. Ultimately, the Governing Group will decide whether or not to move forward with the funding. However, he clarified that he anticipated that DOT would select the team based on best value and quality of the team, would then negotiate the budget, and then would report back to the Governing Group regarding whether or not to proceed.

Director Garodnick asked for clarity on the selection process if the Governing Group believed that the negotiated budget was too costly, whether there was room for re-negotiation with the selected team. Alternate Director Pincar relayed that he would have to check in with DOT's ACCO and return to the Governing Group for an answer. Director Garodnick wondered if it would be possible for there to be an interim process whereby DOT comes back to the Governing Group with the shortlisted teams and those teams' tentative budgets, so that the Governing Group can get a sense of a cost ballpark, and then authorize expenditures of PRIF funds up to a certain amount. Alternate Director Pincar re-iterated that he would be meeting with the ACCO in early 2022 and would report back.

Alternate Director Davis clarified that the ACCO is the administration's chief contracting officer, who deals with all variety of government procurement rules. Director Chin inquired as to whether DOT had a strong sense of what the budget may be, and Alternate Director Pincar said that he would follow up offline. He reiterated for Director McKee that this would be a visioning process as opposed to a final design. He explained that it would create a block-by-block blueprint for a future design and construction team during the two-decade MNR trainshed rehabilitation project. He noted that each future block will require approval by the public design commission as well.

Alternate Director Law-Gisiko asked whether representatives from MNR could attend the next Governing Group meeting for further discussion of the challenges of the trainshed rehabilitation.

Director Chin asked why the scope did not extend from building line to building line, noting that it would allow for a more comprehensive study of the corridor as well as more creative programming. She emphasized the importance of coordinating the sidewalk's design with the mall redesign, citing Wacker Drive in Chicago as an example where these two elements are well integrated. Director Pincar noted that the landscape architect and visioning process would necessarily have to consider the thoroughfare curblines to curblines, especially given that the medians would be traversable. However, he said that he would have to speak further with his team and MNR regarding the feasibility of making improvements to the sidewalk areas.

Director Garodnick asked whether the result of the landscape architect's work would be a implementable design, or a series of options and concepts. Alternate Director Pincar stated that the final product would be a clear design and vision for the overall corridor. He reiterated the outreach that DOT had done with the community to begin to inform what type of programming would be preferred for the spaces, and that the landscape architect would hone this vision into an iconic design. He highlighted that the reconstruction process would take decades, and that each section would have to go through the standard outreach and community board process at the time of construction. However, the landscape architect's design document would prevent the resultant product from being a hodge-podge of treatments. He noted that the vision would be sufficiently detailed to include landscaping designs.

Hon. Ms. Brewer noted that removal of any trees associated with either the existing conditions or interim treatments could be challenging for some local stakeholders, noting the recent controversy around the deconstruction of East River Park. Alternate Director Pincar discussed some of the challenges around trees and noted that the design would have to strike a balance of landscaping and programmable pedestrian space, and had to take account for necessary security measures. Hon. Ms. Brewer, Director Chin further discussed the importance of landscaping and trees, and Alternate Director Pincar suggested that they provide recommendations and comments on the scope for the RFP. Hon. Ms. Brewer asked if there were similar boulevards that were part of major infrastructure projects elsewhere, and Director Chin said that she'd follow up separately with Hon. Ms. Brewer to show her examples.

3. Development Update

DCP provided an update on proposed development within the East Midtown Subdistrict. Alternate Director Tuttle noted that 1 Vanderbilt Avenue was fully operational and that its public realm improvements were open to the public. He noted that construction on 270 Park Avenue was well underway, and that it would include a public plaza when completed.

He discussed the Grand Hyatt redevelopment, noting that the project completed the land use review process earlier in the month and would be making a contribution to the PRIF estimated at \$30 million, but that it would be deposited at a later and that DCP would keep the Governing Group apprised of when that may happen.

Alternate Director Tuttle also discussed the redevelopment of 343 Madison Avenue, which was approved pursuant to the Vanderbilt Corridor regulations, meaning that there would be no associated contribution to the PRIF. He noted that the project would deliver significant transit improvements, some of which were included as part of the East Midtown rezoning.

He then discussed 415 Madison Avenue, which had recently deposited \$4.8 million into the PRIF, via a combination of the purchase and transfer of landmark development rights from St. Bartholomew's, and through the overbuilt-rebuild provisions of Zoning Resolution section 81-643. He noted that the funds had already been deposited in the

PRIF's account. He then flagged that there were two additional projects, one located on Madison between 51st and 52nd, and the other on Park and 55th, that are in the pre-certification process with City Planning. Hon. Ms. Brewer initiated a discussion about many of the arts-related initiatives that were associated with recent land use approvals, including 343 Madison Avenue and the Grand Hyatt Redevelopment. She asked the group how greater awareness could be raised for the general public around these initiatives and programming, as well as the successes of the rezoning itself. Director Chin suggested that prominent architectural journalists such as Justin Davidson or Michael Kimmelman could be encouraged to write pieces on the subject. There was further discussion about the public benefits of recent projects in East Midtown and the successes of the rezoning. Alternate Director Law-Gisiko flagged that the Community Board was particularly happy with a number of aspects of the Grand Hyatt project.

Alternate Director Law-Gisiko posed two questions to DCP. She asked how the Grand Hyatt's transfer of development rights from Grand Central Terminal would be effectuated, and when it would happen. She also asked about the transaction structure of the transfer of development rights associated with 415 Madison Avenue. She noted that JPMorgan had originally purchased the rights to the development rights from St. Bartholomew's, and expressed concern of JPMorgan acting effectively as a middleman in the transaction and transfer between the landmark and 415 Madison Avenue. She expressed concern that entities could effectively purchase and hold large amounts of development rights for redistribution. Alternate Director Tuttle noted that DCP would provide responses to her questions and thanked Hon. Ms. Brewer, Hon. Mr. Powers and Director Chin for their discussion as to how to better promote the positive outcomes of the Greater East Midtown rezoning.

There were no further questions and the Members Meeting was closed.

The Meeting of Directors commenced, a quorum being present.

1. **Adoption of Meeting Minutes:** It was announced that adoption of the meeting minutes from the Meeting of Members and Directors, held on October 18, 2021, was in order. There were no questions or comments. Upon a motion made and unanimously carried, the meeting minutes were adopted.
2. **Annual Update to the Concept Plan:** DOT presented the Annual Report for the Concept Plan, noting that it remains as it did last year. He highlighted that 2021 provided a good learning experience regarding open spaces, based on their experiences with the Open Streets program, and that this could inform additions or modifications to the Concept Plan moving forward. He noted that DOT has started implementing interim treatments on the west side of Lexington Avenue, which are not in the Concept Plan. He noted that if they prove successful, DOT would be open to introducing them into the Concept Plan for capital build-out. He clarified for Director Chin that the landscape architect did not need to be included in the Concept Plan.

It was announced that approval of the Concept Plan Update was in order. Upon a motion

made and unanimously carried, the Concept Plan Update was adopted.

3. **Allocation of Funds:** It was announced that a vote on the allocation of PRIF funds was in order. Hon. Mr. Powers noted that the Zoning Resolution and bylaws require a vote on whether to spend down PRIF funds in the event that more than \$20 million remain unallocated fund for more than three years. He noted that the Governing Group shall be required to hold the vote to either fund the public realm improvement projects or to retain the funds. He explained that in 2018, a \$41.8 million contribution was placed into the fund in association with the redevelopment of 270 Park Avenue, meaning that the PRIF balance had been above \$20 million for three years.

He indicated that it was the Chair's recommendation that the funds be retained in order to provide the capital build out of projects in the Concept Plan that already had funds allocated to them.

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

4. **Officers:** It was announced that elections were in order to elect Officers of the Corporation. There were no questions or comments. Upon a motion made and unanimously carried, a resolution was adopted for the membership sections at issue to elect the following Officers of the Corporation:

Keith Powers (Vice-Chairperson)
Rachel Loeb (Treasurer)
Anita Laremont (Secretary)

5. **Audit Committee:** It was announced that elections were in order to elect members of the Audit Committee. There were no questions or comments. Upon a motion made and unanimously carried, a resolution was adopted for the membership sections at issue to elect the following members to the Audit Committee:

Rachel Loeb (Chair)
Jacques Jiha
Keith Powers
Vicki Been (ex officio)

6. **Governance Committee:** It was announced that elections were in order to elect members of the Governance Committee. There were no questions or comments. Upon a motion made and unanimously carried, a resolution was adopted for the membership sections at issue to elect the following members to the Governance Committee:

Anita Laremont (Chair)
Jacques Jiha
Gale Brewer
Vicki Been (ex officio)

7. **Business Improvement District Update:** Mr. Cerullo thanked the Governing Group and discussed positive trends in Midtown’s recovery, noting a 130 percent increase in pedestrian activity over the course of 2021. He noted that all of the hotels in the GCP’s district had reopened, with the exception of the permanent closing of the Roosevelt Hotel. He thanked the Governing Group members for their service, some of whom would be moving on to different positions in the coming administration. He gave an extra thank you to Hon. Ms. Brewer, commending her dedication and standard-setting tenure as an elected official.

Mr. Cerullo relayed that in his experience users in the area seek activated, engaged space (with performances, art and music) and then true passive spaces with amenities such as tables and chairs and kiosks. He noted that keeping spaces attractive and welcoming is key to their use. He emphasized the success of Pershing Square West, but flagged that there were still many challenges with the East 43rd Street shared street. A major focus for the bid would be continuing to make their spaces attractive and inviting to users, and creating distinct spaces for passive and active use. He emphasized that funding for programing and managing the spaces would be key to their long term success.

8. **Additional Business:** Director Chin spoke to the memory and legacy of Don Elliot, who passed away the Sunday prior. Mr. Elliot was a former City Planning Commission chair and a champion of planning in Manhattan.
9. **Adjournment:** There being no further business to come before the meeting, the meeting of the Board of Directors was adjourned at 11:40 a.m.

COMMON ABBREVIATIONS

ABO | NYS Authorities Budget Office
BID | business improvement district
CPC | NYC City Planning Commission
DCP | NYC Department of City Planning
DDC | NYC Department of Design and Construction
DEP | NYC Department of Environmental Protection
DOB | NYC Department of Buildings
EMP | East Midtown Partnership BID
FDNY | Fire Department of the City of New York
GCP | Grand Central Partnership BID
LIRR | Long Island Rail Road
MNR | Metro-North Railroad
MTA | Metropolitan Transportation Authority
NYCEDC | NYC Economic Development Corporation
NYCT | New York City Transit
NYPD | NYC Police Department
OMB | NYC Office of Management and Budget
PAAA | Public Authorities Accountability Act