

**MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS
OF
PUBLIC REALM IMPROVEMENT FUND GOVERNING GROUP, INC.**
December 13, 2019

The annual Meeting of the Members and Directors of the East Midtown Public Realm Improvement Fund Governing Group was held at 3:06 p.m. on December 13, 2018 at 120 Broadway, New York, NY 10271.

Public notice of this meeting was given and posted 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, Executive Director of the Design Trust for Public Space

The following Members acted by proxy:

- Vicki Been, Deputy Mayor of Housing and Economic Development
- Marisa Lago, Director of the NYC Department of City Planning
- James Patchett, President of the NYC Economic Development Corporation
- Polly Trottenberg, Commissioner of the NYC Department of Transportation
- Melanie Hartzog, Director of the NYC Office of Management and Budget
- Mitchell Silver, Commissioner of the NYC Department of Parks and Recreation
- Lorraine Grillo, Commissioner of the NYC Department of Design & Construction

The following Member was not present:

Manhattan Community Board Five

The following Directors and Alternate Directors were present:

- Hon. Keith Powers, Council Member for District 4
- Hon. Gale Brewer, Manhattan Borough President
- Dan Garodnick, Designee of the Speaker of the Council
- Sandy McKee, Member and Designee of Manhattan Community Board Six
- Susan Chin, Executive Director of the Design Trust for Public Space
- Pedram Mahdavi, Alternate Director for Deputy Mayor of Housing and Economic Development
- Bob Tuttle, Alternate Director for the Director of the Department of City Planning

- Kim Vaccari, Alternate Director of the President of the Economic Development Corporation
- Lizette Christoff, Alternate Director for the Director of the Office of Management and Budget
- Ed Pincar, Alternate Director of the Department of Transportation
- Nicholas Molinari, Alternate Director for the Commissioner of the Department of Parks and Recreation
- Jamie Torres-Springer, Alternate Director for the Commissioner of the NYC Department of Design & Construction

The Meeting of Members commenced, a quorum being present.

- 1. Update on Public Realm Improvements:** DOT and DDC presented an update on improvements to East Midtown’s public realm, Director Pincar announced that DOT had implemented all of the early action items discussed over the previous two years. The process and stakeholder collaboration has provided significant feedback, which will help guide DDC in making stronger decisions when projects reach the capital construction phase.

Regarding the East 43rd Street Shared Street, he noted some of their initial feedback, stating that there are limits to the effectiveness of paint and granite blocks, which currently serve as the primary interim materials. He noted that there’s been an ownership change at the Chrysler building, and that the new owners have different loading needs. He further noted that DOT is considering additional changes and fixes to the shared street, and will study them beginning early 2020 and implement them by that summer. They’re considering changing the paint or markings and a possible directional change.

Regarding the 53rd Street corridor improvements, Director Pincar noted that DOT has implemented a series of painted neckdowns to improve circulation. He also mentioned the refresh of Pershing Square East and the opening of Pershing Square West.

Director Torres-Springer provided an update on the active Capital Program elements. He discussed Pershing West, noting that it opened in Summer 2019 to great enjoyment. He discussed some of the lessons learned, noting that one of the key problems was that they designed the plaza in a way that made them dependent on a single fabricator for specialized bronze elements, and were unable to get them fabricated in the end. The decision was made to open the plaza without all of the bronze elements in place, and DDC is expecting their completion and final installation shortly. He noted that their absence does not appear to detract from the space’s functionality or attractiveness to users.

Director Torres-Springer then provided an update on Pershing East, which he noted is in preliminary design phase and has a Capital Budget of 12 million dollars. He relayed that the project will include seating, trees and plantings, wayfinding, bike-share, LinkNYC, lighting, pedestrian security measures and emergency vehicle access. The design will consider the character and materials of Pershing Square West while balancing access for emergency vehicles. Regarding schedule, DDC has reduced the construction time by six months, bringing the total to one year, six months for the plaza construction. He further noted that the

preliminary design process is intended to wrap up by Summer 2020, with procurement lasting through Winter of 2020, and construction commencing early 2020 and finishing in Summer 2022.

Director Pincar highlighted some of the challenges with E. 43rd Street, re-iterating that DOT would be taking a deeper dive prior to capital build-out. He noted that there are currently sidewalk extensions on both sides of the street, suggesting that one idea would be to extend the markings on the north side to create continuous pedestrian realm and localize deliveries on the southerly side of the Street.

Director Chin noted that the space currently feels neither like a pedestrian space nor a car-friendly one. She asked how DOT evaluates the performance and where they might end up. Director Pincar re-emphasized that they had made many changes to the paintings and markings so far to accommodate construction, delivery changes, and were now working closely with the BID and local stakeholder's needs. He further noted that the elements are moveable, and that DOT can make the changes season by season to optimize its operation and is making note of what configurations work best and which do not. Director McKee also asked whether these difficulties point to the shared street being more optimal as a permanently interim treatment with more flexibility. DOT emphasized that they're committed to and believe strongly in the transformative nature of the capital build out. Director McKee followed up by asking if it were better to locate more permanent build-outs towards the avenue intersections and leave the middle portion more flexible. DOT said they would consider this suggestion.

Director Garodnick asked about the ownership change, and what impacted DOT's considerations for changes to the shared street's configuration. Director Pincar highlighted that it was the number of trucks and timing of deliveries that had changed, and that additional day-to-day operations that were driving their thinking.

Director Garodnick asked how much of the \$6.2 million allocated to the project had been spent to date. DOT and DDC were not sure and would follow up with that information, but suspected it to be a small portion of those funds. Director Pincar clarified as well that no capital dollars had been spent at this point, and that all funding for the interim treatment comes out of DOT's expense budget. Director Torres-Springer relayed that, of the \$6.2 million that had been allocated, a figure in the range of \$100,000 to \$200,000 had been spent on the preliminary design process.

Director Garodnick noted that the Governing Group had allocated \$14.9 million to Pershing East, and that capital buildout was, as of now, slated to cost \$12 million. He asked where the discrepancy came from. Director Torres-Springer noted that he would double-check. He noted that the capital buildout typically reflects hard costs, and that the design costs and other soft costs may have been left out of the \$12 million figure.

Regarding the Lexington Avenue thoroughfare improvements, Director Pincar noted that 12.8 million had been allocated and that the neckdowns were in the scoping process. He further noted that they've run into challenges with some of the underground infrastructure.

DOT recently completed a bus enhancement project to the north of the improvement area, and were considering an overall vision of how to improve the operation of Lexington Avenue in East Midtown. They plan to put forward ideas in 2020 or 2021 to improve bus operations, pedestrian circulation and pedestrian safety. Director Torres-Springer clarified that the neckdowns were funded, and were in the scoping phase. Since the preliminary schedule will come out of the scoping process, DDC noted that they'll come back to the Governing Group with more details as the process advances. He further noted that the survey will largely determine timing and complexity.

Regarding the Park Avenue Medians, DOT relayed that they're closely coordinating with Metro North Railroad on their large scale, two-decade plan to reconstruct the train shed that runs underneath Park Avenue. 270 Park Avenue, the new JPMorgan headquarters, will be first section of the train shed to be reconstructed because of the site's redevelopment, and this presents an opportunity to consider a design vision for the Park Avenue Malls and work with local stakeholders. The relevant City agencies, the BID and local stakeholders are already beginning conversations, and a meeting had been held the previous week. There's serious consideration as to how Park Avenue could be re-envisioned and how it could operate in a way that better serves pedestrians and Midtown as a whole. Director Pincar noted that there are a tremendous amount of details to work through in 2020.

Hon. Director Powers asked about the timeline to determine what can happen above ground. He noted that JPM brings this conversation to the forefront and wanted to understand when final decisions would need to be made about vision and basic geometry. Director Pincar highlighted that DOT has studied what an extended footprint for the medians could look like, and that DCP has analyzed this in terms of traffic in the EIS, and confirmed that traffic could continue to flow at an appropriate rate. DOT believes that the more immediate question is what we would like to see within that expanded footprint. To illustrate the question, he cited as examples a large mall with more plantings, an active design layout, something akin to the Broadway Malls, or something more akin to the Allen Street Malls, which facilitate north-south circulation. Director Pincar flagged that the challenge will be timing vis-à-vis JPMorgan. He noted that the solution for the malls in front of 270 Park could be temporary, but that overall the mall redevelopment will be subject to Metro North's schedule, as well as whether private developments along Park come online, and even a temporary intervention in front of 270 may impact what can be done to the malls north and south of it. He said that more information and answers will be forthcoming.

Director Torres-Springer highlighted that up-front it's important to know where curb lines will be in a reconstructed street, and that factors concerning basic geometry and below-grade infrastructure should inform the vision overall and vice versa. Director Chin asked DOT about the traffic analysis and then asked Mr. Cerullo if the Grand Central Partnership had a different vision than DOT for the medians.

Mr. Cerullo thanked the Governing Group for their focus on this intervention, and discussed some of the early results of the Partnership's stakeholder outreach and visioning process. He noted that Metro North will be ready to begin work by the third quarter of 2020, meaning that geometries and infrastructure-related needs that would support a specific design (such as

power or irrigation) must be determined as soon as is possible. He suggested that DOT begin their design outreach process with the Community. He highlighted that the blocks north and south of the malls fronting on 270 Park will be impacted as well, so traffic needs must be discussed. He re-emphasized the importance of establishing a list of needs with respect to mall infrastructure.

Mr. Cerullo also discussed the Partnership's visioning process and design principles. He noted that the malls need not be uniform in design, but need to be iconic and should emphasize walkability, accessibility, activation, a sense of cohesiveness, a New York-ness and participatory process. He stated that one mall could be a garden, another could be a stage, and another an art gallery. He noted that these various ideas highlight the importance of establishing necessary infrastructure to facilitate a wide range of designs. He re-stated that additional weight-bearing measures, irrigation and power should be considered.

Director Pincar also noted that 1 Vanderbilt Avenue is proceeding with the construction of its plaza. He reminded the Governing Group that, as part of the original EIS, there was a requirement to convert Vanderbilt Avenue between East 43rd to East 44th Street to one-way southbound. This creates an opportunity for DOT to look at the existing block and determine whether any pedestrian safety or pedestrian flow upgrades could be implemented, whether on that block or Vanderbilt Avenue. DOT noted that this would be on their radar for the mid-to-long term, but that it could lead DOT to return to the Governing Group with a proposal for a capital improvement, either on that block or corridor-wide. He emphasized that Vanderbilt Avenue could be another corridor with the potential to be transformed in a beautiful way.

- 2. Update on MTA Improvements:** Ms. Schreiberman updated the Governing Group on an improvement to the 51st Street Station on the Lexington Avenue line that was presented to the Governing Group meeting held on May 1, 2019. Ms. Schreiberman gave a brief overview of the improvement and reviewed its dimensions and location. She noted that at her previous presentation to the Governing Group she had been asked to determine how many people would use the new entrance and to provide preliminary cost estimates. She relayed that the entrance was projected to have 8,000 weekday entries and exits, with 900 per hour in the a.m. peak and 1100 per hour in the p.m. peak. According to Ms. Schreiberman, MTA's preliminary cost estimate for the new entrance would be \$19 million in 2015 dollars and, escalated to mid-2022 would cost \$24 million. She emphasized that these figures were rough and should be used for comparative purposes only. She noted that an engineering study would be able to produce more precise figures, but that the group could not fund an engineering study without also funding the capital build-out. Therefore, there would be some risk if the group wanted to pursue the project.

Hon. Director Powers asked as to whether MTA would be able to cover cost overruns, to which MTA replied that it would not be able to do so. Ms. Schreiberman emphasized that MTA has ambitious five-year goals to upgrade ADA accessibility at stations citywide, and can't take on the risk of overruns here. Director Garodnick inquired as to whether MTA could undertake an engineering study in advance. Ms. Schreiberman relayed that MTA is using every available contractor to their maximum ability for their ADA accessibility initiative, and have been told that there's no additional bandwidth for the next six months. MTA had tried

to see if the engineering study could be done either in-house or with their contractors and was told that both were at capacity.

Director Garodnick noted that in light of these facts it seemed unreasonable to take the risk in funding this initiative and asked clarifying questions about the dimensions of the improvement at grade and whether it would require a curb extension. The proposal would require a small curb extension. Director Mahdavi inquired as to the engineering study's cost estimate. Ms. Schreiber relayed that the study's cost was estimated at \$2 million, and that its result would ultimately narrow the improvement's projected cost to a margin of error of five percent, as opposed to 20 percent or more without the study.

Hon. Director Powers and Director Garodnick noted that it would be difficult to commit to a project without knowing the full cost and without the engineering study, although Hon. Director Powers noted that there could be some openness in the future to sharing the cost of this improvement with the MTA.

Development Update: DCP provided an update on proposed development within the East Midtown Subdistrict. Regarding Tower Fifth, Director Tuttle noted that there's been no further movement and that the City has no further information. Regarding 270 Park Avenue, Director Tuttle noted that JPMorgan is moving forward with construction, which will have an impact on Metro North's operations and train shed. He noted that they will be presenting their public space design at the next Governing Group meeting, and reiterated that the development will have 2.4 million square feet of commercial floor area and 12,000 employees. Regarding the Grand Hyatt's redevelopment, he noted that the project has been in the news, but has not started its official application process with City Planning. He noted that it is expected to produce approximately 2 million square feet of mixed office and hotel floor area. Regarding One Vanderbilt Avenue, Director Tuttle relayed that it will be opening August 4, 2020, and its transit improvements will need to be completed before tenanting. Director Tuttle also relayed information to the Governing Group on 415 Madison Avenue, a new East Midtown site located on the block north of 270 Park Avenue's Madison Avenue frontage. He noted that this project has not officially started with DCP either, but that there have been media reports. He noted that there are on-site transit easements for East Side Access, but information is limited at this time. Director Tuttle noted that DCP would continue to update the Governing Group as more information becomes available about developments on private property to allow the Governing Group to use that information in its decision-making process.

Director Garodnick inquired as to whether Grand Hyatt or Tower Fifth would generate funds for the Public Realm Improvement fund. Director Tuttle said that all of them will generate some funds, but the amount will not be known until more formal application materials have been submitted to DCP. He noted that the Grand Hyatt is in a transit improvement zone and would be required to provide transit improvements in addition to a contribution to the Public Realm Improvement Fund.

There were no further questions and the Governing Group updates were closed.

3. **Directors and Alternate Directors:** It was announced that elections were in order to elect Directors and Alternate Directors of the corporation. Director Chin noted that she was leaving the Design Trust for Public Space, and that Director Snow had already left. She was in the process of conversations with Hon. Director Brewer, who had worked with the former Deputy Mayor to appoint her. She noted that additional follow-up was needed. Hon. Director Powers suggested that the group move on with elections and update the director list as needed, and that they would look to Hon. Director Brewer for guidance. Director Tuttle noted that Director Snow would have to be removed as an alternate director. Upon a motion made and unanimously carried, Director Snow was removed as an alternate director.

There were no further questions or comments. Upon a motion made and unanimously carried, a resolution was adopted for the amended membership sections at issue to elect the following Directors and Alternate Directors.

Director:

Vicki Been
 Marisa Lago
 Polly Trottenberg
 Mitchell Silver
 Melanie Hartzog
 James Patchett
 Lorraine Grillo
 Susan Chin
 Gale Brewer
 Daniel Garodnick
 Keith Powers
 Vikki Barbero
 Sandy McKee

Alternate Director:

Pedram Mahdavi
 Bob Tuttle
 Ed Pincar
 Nicholas Molinari
 Lizette Christoff
 Kim Vaccari
 Jamie Torres-Springer
 (vacant)
 Lizette Chaparro
 Marianna Vaidman Stone
 (vacant)
 Clayton Dean Smith
 Molly Hollister

3. **Annual Report:** It was announced that Director Vaccari would present the Annual Report on behalf of Director Patchett. She noted that the Annual Report was a reiteration of the financial report approved from the September 24th meeting, when audited financial statements were presented. She noted that it is in PAAA template, and presented the assets and liabilities of the fund from the past fiscal year, which ended June 30, 2019. She highlighted that the current balance is \$42,073,341, and that they received one deposit and earned interest, which accounts for the total balance. She noted that no expenses or disbursements were made during that period. Neither were any amendments to the investment guidelines passed. She reiterated that there were 13 Governing Group members during that period, and were no investments at the time as of year's end. She stated that the names and addresses of Governing Group members can be found at the Department of City Planning.

Director Garodnick asked whether there were rules protecting the Governing Group's funds from other agencies or a future mayor. Director Vaccari noted that anyone seeking to obtain funds would have to go through an OMB process to be spent. Since EDC is holding the funds, and it's invested in the fund's name, any disbursement or payments of expenses would

need to be voted upon by the Governing Group. She reiterated that there is no other mechanism to access the fund, and that the Governing Group constituted a totally separate legal entity with its own bylaws, governing board and tax identification number, so it must have the vote of board to undertake any disbursement. She also noted that the fund earned \$400,000 in interest prior to investment, just from sitting in a bank account.

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 Directors, held on September 24, 2019, was in order. Hon. Director Powers noted a correction to the Annual Audit Committee Report section to reflect a contribution of \$41,672,875 to the Public Realm Improvement Fund. There were no further questions or comments. Upon a motion made and unanimously carried, the meeting minutes were adopted.
2. **Treasurer's Report:** It was announced that approval of Treasurer's Annual Report was in order. Upon a motion made and unanimously carried, the Treasurer's Report was adopted. It was noted that the document would be executed by the President and Treasurer.
3. **Annual Investment Report:** Director Vaccari presented the annual investment report to the Governing Group. She noted that an investment account had been opened as a result of bylaw changes made during the previous meeting. Investments will be made pursuant to the Governing Group's investment guidelines, which have the objectives of preservation of principle, maintenance of liquidity, and maximization of return. Director Vaccari explained that the guidelines allow investments in treasuries, agencies, or highly rated commercial paper for a period of no more than five years. The allocation of investments are US treasuries, 27 percent; US agencies, 23 percent; commercial paper, 24.4 percent; and cash and cash equivalents, 25 percent. Director Vaccari noted that there is currently no cash flow and it is unknown when disbursements will be needed; therefore, funds are being kept liquid. The investment has generated \$49,964 to date. Fees are 8 basis points, which amounts to roughly \$33,600 annually.
4. **Annual Update to the Concept Plan:** DOT presented the Annual Report for the Concept Plan, noting that it remains as it did last year, although as DOT discussed in their earlier presentation, the agency is working on a number of ideas that may result in updates to the plan in 2020.

Director Garodnick asked if the Governing Group should formally consider any additional disbursements to fund for their next meeting. Director Pincar noted that DOT was not recommending any formal process, although he noted that it was worth discussing the existing balance and when the next East Midtown developments would be coming online, which would signify more incoming funds to the Public Realm Improvement Fund. He re-emphasized DOT and DDC's discussion of further improvements to the Vanderbilt Corridor. He suggested that spending on a smaller project that's available near-term may preclude a

more transformative improvement that could come online with new development and additional funds. He noted that they could be recommending new projects next year, which may make the decision-making process for the Governing Group easier.

Director Chin asked whether the Governing Group would be able to kicks-start the Park Avenue Mall interventions and build upon the Grand Central Partnership's efforts. Director Pincar said that Metro North demonstrated great willingness to incorporate a revised mall design at their expense. He explained that the additional expense of widening the malls is not all that great. He further noted that the original concept plan's Park Avenue intervention cost well over \$100 million, whereas now any intervention would be significantly cheaper because, effectively, Metro North is doing the bulk of the structural work.

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.

5. **Approval of Report of Board Performance Evaluations:** It was announced that adoption of the Board Performance Evaluation Report. Upon a motion made and unanimously carried, the report was approved.
6. **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)
James Patchett (Treasurer)
Marisa Lago (Secretary)

7. **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:

James Patchett (Chair)
Melanie Hartzog
Keith Powers
Vicki Been (ex officio)

8. **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:

Marisa Lago (Chair)
Melanie Hartzog
Gale Brewer

Vicki Been (ex officio)

9. **Business Improvement District Update:** Mr. Cerullo thanked the Governing Group on behalf of himself and the East Midtown Partnership. He noted that the malls are the highest priority, and extolled the early successes of Pershing Square West. He thanked the City writ large for their diligent work and support in realizing the intervention.

10. **New Business:** Hon. Director Brewer inquired about the Park Avenue Medians and asked as to whether a High Line-esque intervention were feasible. She inquired as to the next steps in the visioning process. Director Pincar re-iterated his previous comments about next steps and timing. No additional business was proposed.

11. **Adjournment:** There being no further business to come before the meeting, the meeting of the Board of Directors was adjourned at 4:19 p.m.

COMMON ABBREVIATIONS

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