

# **NEW YORK CONVENTION CENTER DEVELOPMENT CORPORATION**

## **JACOB K. JAVITS CONVENTION CENTER RENOVATION AND EXPANSION CIVIC PROJECT**

### **General Project Plan March 19, 2009**

#### **I. PROJECT IDENTIFICATION AND BACKGROUND**

The Jacob K. Javits Convention Center Renovation and Expansion Civic Project (or the “Project”), currently bounded by 40<sup>th</sup> Street on the north, 34<sup>th</sup> Street at the south, 11<sup>th</sup> Avenue at the east, and 12<sup>th</sup> Avenue at the west is made up of two principal elements which are described in greater detail in this General Project Plan (“GPP” or the “Plan”).

##### **A. Principal Elements of the Project:**

1. Renovation of the Jacob K. Javits Convention Center (or “Javits”) located on the super block bounded by 34<sup>th</sup> Street, 11<sup>th</sup> Avenue, 38<sup>th</sup> Street, and 12<sup>th</sup> Avenue in Manhattan;
2. Expansion of Javits on the block bounded by 39<sup>th</sup> Street, 11<sup>th</sup> Avenue, 40<sup>th</sup> Street and 12<sup>th</sup> Avenue in Manhattan.

##### **B. The New York Convention Center Development Corporation and Operating Corporation**

The New York Convention Center Development Corporation (“NYCCDC”) was created by State statute in 1979 to provide authority and funding for the planning and development of a Convention and Exhibition Facility in New York City. The co-equal stockholders of the Corporation are the New York State Urban Development Corporation (“UDC”), now doing business as the Empire State Development Corporation (“ESDC”), and the Triborough Bridge and Tunnel Authority (“TBTA”).

The 1979 statute also created the New York Convention Center Operating Corporation (“NYCCOC”), a public benefit corporation separate and independent from the NYCCDC. The NYCCOC is responsible for the operation and maintenance of Javits under a long-term lease, and for the approval of the original plans and expansion plans.

C. Background

Javits opened in 1986 as the successor to the Coliseum Convention Center located at 59<sup>th</sup> Street and Broadway. Since its opening, Javits has been New York City’s primary venue for large conventions, exhibitions, and major trade shows. These events are key contributors to the City and State economies, stimulating direct and indirect employment, economic activity and tax revenues, and strongly supporting the City’s hotel, restaurant, and tourism and entertainment industries.

In addition to the existing facility, the NYCCDC has a number of land holdings adjacent to Javits and within the statutorily authorized Project boundary. These include:

1. The block bounded by 33<sup>rd</sup> Street, 11<sup>th</sup> Avenue, 34<sup>th</sup> Street, and 12<sup>th</sup> Avenue;
2. The block bounded by 35<sup>th</sup> Street, 11<sup>th</sup> Avenue, 36<sup>th</sup> Street and the proposed Hudson Boulevard; and
3. The blocks bounded by 38<sup>th</sup> Street, 11<sup>th</sup> Avenue, 40<sup>th</sup> Street and 12<sup>th</sup> Avenue.

In 2004, the legislature, finding that the existing convention facility was inadequate to accomplish its economic development objectives, amended the 1979 legislation to authorize the expansion and renovation of Javits along with the authority to issue additional bonds to fund this expansion and renovation.

In 2005, in accordance with such authority, the Development Corporation issued \$700 million in Hotel Unit Fee-Secured Revenue Bonds (the “Hotel Bonds”) to fund the expansion and renovation. The Bond issue was supported by a \$1.50 hotel tax imposed for a 40-year period on daily hotel room rentals in the five boroughs of New York City. At this time, an architectural team was hired to commence work on the Project.

In July 2006, the Boards of the NYCCDC and the ESDC adopted, and the Public Authorities Control Board (PACB) approved, a General Project Plan (the “2006 GPP”) for the expansion and renovation of Javits. Among other things, the 2006 GPP provided for modernization of the existing facility and a 1.335 million square foot expansion, including 340,000 square feet of new exhibit space, 180,000 square feet of new meeting room space, and 815,000 square feet of additional pre-function and back of house space.

The 2006 GPP adopted the following Plan of Finance to fund construction:

City Funding:	\$ 350,000,000
State Funding:	\$ 350,000,000
Hotel Fee Bonds:	\$ 530,000,000
Est. Excess Fees and Interest	\$ 115,000,000
Land Sale (33/34 <sup>th</sup> St. Site):	<u>\$ 339,000,000</u>
<b>TOTAL:</b>	<b>\$1,684,000,000</b>

In December 2006, the architectural team completed the schematic design for the 2006 GPP Project. The design priced the Project over budget, and in an effort to align Project scope with budget, an extensive value engineering exercise was undertaken which resulted in a reduced size of the expansion and eliminated certain facility amenities. The design was subjected to industry and public review between February and April 2007, and was criticized for having too little saleable space and for being operationally inefficient.

In April 2007, an extensive due diligence analysis of the 2006 GPP was undertaken. A peer review of the construction cost estimate was completed in June 2007, revealing significant understatement of Project costs. The actual cost of constructing the Project delineated in the 2006 GPP was estimated to be significantly greater than the \$1.684 billion cost estimated in the 2006 GPP.

Between July and December 2007, an extensive analysis of development alternatives was conducted in consultation with the City and project stakeholders. Throughout this process, NYCCDC met regularly with the Executive Committee of the Hotel Association to share findings and determine industry receptiveness to funding an increase in Project costs with an increase in the hotel tax. The industry opposed any such increase, and, in a letter dated December 4, 2007, requested the City and the State develop a plan to renovate and expand the Javits Center within the original funding limits set forth in the 2006 GPP.

Staff and the Board of Directors of the NYCCDC analyzed a number of concepts and alternatives that would permit the Project to proceed without additional funding. In addition to a renovation, this GPP proposes an expansion of Javits reduced in scope on the 39<sup>th</sup>/40<sup>th</sup> Street site using available funds, as more fully discussed below.

On March 2, 2009, the Board of the NYCCDC adopted this GPP.

Any financing, renovation and expansion of Javits similar to the scope described in the 2006 GPP or otherwise beyond the scope of this GPP would be contingent upon the successful completion of any and all applicable environmental and public review processes required for the adoption of a new General Project Plan.

## **II. THE PROPOSED RENOVATION AND EXPANSION PLAN**

### **A. Analysis of Existing Conditions**

As part of the design development for the renovation, the architectural and engineering team conducted an extensive existing conditions analysis and survey. This analysis built upon an initial Conditions Survey conducted by Thornton Tomasetti in 2005. The following is a summary of the existing condition of major building components.

Roof- The existing roof has failed. The metal deck is corroded. The mechanical systems and extensive maintenance traffic on the roof have caused extensive penetration of the roof surface, resulting in numerous leaks. Flashing at the interface of the roof and the curtain wall has failed, resulting in extensive water infiltration. Repairs can no longer be effectively and economically implemented. Removal and replacement of the existing roof and all roof-mounted equipment is required.

Structural Steel Space Frame- The structural engineer has developed a computer model of the space frame to evaluate current structural capacity and conditions. Based upon this analysis, the structural steel space frame throughout the Crystal Palace, the Level 3 Exhibition Hall, and the Galleria has been determined to be sound. The model was also used to determine that proposed renovation design loads for the roof and curtain wall could be supported. Localized surface corrosion of the space frame nodes and rods exist as a result of extensive water infiltration. Repair of the roof and replacement or refurbishment of the curtain wall is required to create a water tight environment and prevent further corrosion. Existing corrosion will be remediated during the replacement or refurbishment of the curtain wall.

Exterior Curtain Wall- Systemic failure of the curtain wall is causing extensive water infiltration resulting in corrosion of the structural mullion system and the interior structural space frame. Horizon skylights must be replaced with new skylights as a result of excessive snow loads. The anchors attaching the vertical curtain wall to the structural space frame and the horizontal mullion system require reinforcement due to excessive wind loads. The curtain wall must be replaced or substantially refurbished.

Mechanical, Electrical and Plumbing Systems- The roof-top mechanical units and distribution system have exceeded their useful life, and require high levels of maintenance to keep the units operational. The remaining MEP systems require various levels of repair, replacement and upgrading to bring them into compliance with the State Energy Code. When all systems have been remediated as recommended, the building will experience a 26% decrease in energy consumption, resulting in an approximately \$1.5 million decrease in annual energy expenditures.

## B. The Renovation Program

The renovation program for Javits is designed to respond to the immediate needs of the convention and trade show industry, improve the existing building conditions and enable the Center to continue operating, and to complement the ongoing development of the West Side.

Existing operating conditions will remain unchanged. Trucks will continue to marshal on the 33/34<sup>th</sup> Street Site, as noted in the attached Site Plan, and will service the Center through the existing loading docks.

Construction is scheduled and sequenced to maintain existing operations at all times. The renovation will be implemented in order of priority need, as outlined below. All construction work will be competitively bid with add/deduct alternates to maintain effective cost controls.

<u>PRIORITY</u>	<u>SCOPE OF WORK</u>
#1	<u>ROOF</u> Repair/replace the metal deck; replace roof with new conventional system roof; membrane protection: concrete pavers or vegetated mat. 25-year, no dollar limit warranty for full roof system, inclusive of maintenance warranty for vegetated mat. Bid both pavers and vegetated mat to achieve lowest cost and maintain a competitive bidding environment
#2	<u>CURTAIN WALL</u> Replace or refurbish (replace glazing; reinforce anchors and horizontal mullions) existing exterior curtain wall. Bid both curtain wall replacement and refurbishment to achieve lowest cost and maintain competitive bidding environment.
#3	<u>ROOF-TOP MECHANICAL UNITS</u> Replace roof-top mechanical units (heating and cooling system) with high energy efficient equivalents. Replace associated duct work and electrical feeds.
#4	<u>EXTERIOR DOORS</u> Replace exterior doors and hardware. Connect doors to security and fire command system.
#5	<u>LIFE SAFETY SYSTEMS</u> Remediate/upgrade life safety system including fire doors, fire alarms, strobes, and sprinklers.
#6	<u>STRUCTURAL SPACE FRAME</u> Remediate corrosion of interior structural space frame. Selective reinforcement of structural members.
#7	<u>MECHANICAL, ELECTRICAL AND PLUMBING SYSTEMS</u> Repair, replace, and upgrade systems and components as necessary. Bring systems into compliance with State energy code. Relocate transformer yard.
#8	<u>SECURITY SYSTEMS</u> Upgrade security control and equipment rooms. Install perimeter security system. Install new public address system. Upgrade CCTV system.

- #9                    EXHIBITION HALL AND CRYSTAL PALACE LIGHTING  
Replace with energy efficient fixtures to meet State energy code.
- #10                  PAINT SPACE FRAME IN L3 EXHIBITION HALL  
Paint new work to match existing. Replace broken ceiling tiles.
- #11                  EXTERIOR SITE WORK  
Site utilities and security. Paving, Storm water storage. Landscaping

C.     The Expansion Program

A 100,000 square foot expansion is proposed for the block bounded by 39<sup>th</sup> Street, 11<sup>th</sup> Avenue, 40<sup>th</sup> Street, and 12<sup>th</sup> Avenue. The expansion, a pre-engineered manufactured structure, will contain 40,000 net square feet of exhibition space. Pre-function and registration areas, support and core functions (restrooms, food service areas), and a truck court and loading docks will be located within the remaining 60,000 square feet.

Access to the Exhibition Structure will be provided through a 15’ wide connecting corridor linking the expansion to the existing Javits Center at the level 2 concourse. Additional access will also be provided directly from 39<sup>th</sup> and 40<sup>th</sup> Streets, to allow for independent use of the facility. Access is also provided to the exhibition floor from a plaza located along the southern edge of the expansion, to allow for loading and unloading of privately operated vehicles. This Plaza can also be used for outdoor functions under seasonal conditions.

The expansion will be fully serviced with HVAC, water, and electric, telephone, and cable in floor boxes. The height of the column-free space is 25 feet at its lowest point. Hang points will be located on a 20’ x 20’ grid with a hanging capacity of 3,000 lbs. per point. Construction will comply with the 2008 New York City Building Code.

During the renovation, when portions of Javits are taken out of service, this expansion will enable Javits to remain open and fully operational at all times and to maintain the same amount of exhibition space in service at all times. Upon completion of the renovation, the 40,000 square feet of exhibition space will remain in service and will complement existing operations.

D.     Plan of Finance

In 2005, the Development Corporation issued \$700 million in Hotel Unit Fee-Secured Revenue Bonds (the “Hotel Bonds”) to fund the expansion and renovation of Javits. The Bond issue was supported by a \$1.50 hotel tax imposed for a 40-year period on daily hotel room rentals in the five boroughs of New York City. The issue produced approximately \$530 million in construction proceeds and an estimated projection of \$115 million in excess hotel unit fees and interest earnings; of which, at December 2008,

approximately \$140 million had been expensed in land acquisitions, demolition, site clearance and soft costs.

The proposed Plan of Finance for the GPP is comprised of \$390 million in remaining Bond proceeds, \$65 million in excess earnings, and approximately \$8 million in unrestricted NYCCDC funds. As additional interest earnings are released, or as other funds become available, they will be applied to the renovation program outlined herein.

<u>SOURCES</u>		<u>USES</u>	
Hotel Fee Bonds	\$390,000,000	Renovation	\$391,267,450
Est. Excess Earnings	\$ 65,000,000	Expansion	\$ 38,750,000
Unrestricted Funds	\$ 8,000,000	Soft Costs	<u>\$ 32,982,550</u>
<b>TOTAL</b>	<b><u>\$463,000,000</u></b>	<b>TOTAL</b>	<b><u>\$463,000,000</u></b>

E. Schedule

Renovation	2009 through 2013
Expansion	2009 through 2010

**III. STATE AND CITY FINANCIAL BENEFITS**

Because of the very strong attraction of New York City as a convention, trade show, and event destination, Javits operates at or near full capacity and has been forced to turn away new business, despite its physical limitations and deficiencies. Improvements to the existing facility will enable Javits and New York City to maintain their position in this highly competitive industry.

Economic Impact From Operations- In January 2004, the NYCCOC retained PricewaterhouseCoopers to prepare a market and economic analysis of Javits. Based upon a 2008 update of this analysis, it is estimated that Javits currently generates the following economic impact for the State and City of New York:

Number of Annual Events	73
Average Show Attendance	15,200
Total Annual Attendance	1,113,000
Annual Hotel Room Nights	860,000
Annual Direct Spending	\$1,089,000,000
Annual Sales	\$1,936,000,000
Annual Employment	20,600
Annual Income From Employment	\$791,000,000
City Fiscal Impact	\$76,000,000
State Fiscal Impact	\$70,000,000
MTA Sales Tax	\$2,600,000

Economic Impact During Construction- During the construction period, the economic impact to the State and City of New York in direct and indirect sales resulting from the renovation and expansion of Javits is expected to be approximately \$880,000,000. The renovation and expansion of Javits is expected to generate approximately 9,000 direct and indirect construction and construction-related jobs during the construction period 2010 through 2013.

**IV. BUILDING CODE**

Construction of the Project will conform to the New York City Building Code, with such variances as may be approved by the New York City Department of Buildings.

**V. ENVIRONMENTAL REVIEW**

Pursuant to the requirements of the State Environmental Quality Review Act and the implementing regulations of the New York State Department of Environmental Conservation, ESDC staff, on behalf of the NYCCDC, performed an uncoordinated review of the GPP. ESDC determined the Unlisted Action would not have the potential for any significant adverse impacts. Accordingly, a Determination of No Significant Effect on the Environment has been made and a Negative Declaration has been issued by the ESDC.

**VI. DESIGN AND CONSTRUCTION**

Design and Construction (D&C) staff will continue to participate in the Project by attending progress meetings, reviewing design/construction documents at various stages of completion, reviewing cost estimates, bids, and contracts, monitoring construction, and visiting the site at its discretion. D&C staff will review payment requests and requisitions, approve change orders, and recommend payment when D&C requirements have been met.

**VII. AFFIRMATIVE ACTION**

ESDC's Non-Discrimination and Affirmative Action policies will apply. All Contracting parties will be required to demonstrate best efforts to achieve a 20% Minority/Women-owned Business Enterprise contractor and/or sub-contractor participation goal during the development of this Project, and an overall goal of 25% minority and female workforce participation during construction.

**VIII. UDC ACT SECTION 10(d) and 10(g) FINDINGS**

The NYCCDC is empowered pursuant to Section 10 of the UDC Act to undertake projects upon making the necessary statutorily mandated findings.

A. Civic Project Findings

1. That there exists in the area in which the project is to be located, a need for the educational, cultural, recreational, community, municipal, public service or other civic facility to be included in the project;

There exists within the Project location on the west side of Manhattan in New York City a need for the Project. In the 2004 amendments, the Legislature found that "...the existing convention and exhibition center facility is inadequate to accomplish the objectives set forth by this act and that expansion and renovation...is advantageous to the economy of the city and state of New York and is in the public interest".

2. That the project shall consist of a building or buildings or other facilities which are suitable for educational, cultural, recreational, community, municipal, public service or other civic purpose.

The Project shall consist of facilities suitable for the civic purpose of providing additional convention center and trade show space.

3. That such project will be leased to or owned by the state or an agency or instrumentality thereof, a municipality or an agency or instrumentality thereof, a public corporation, or any other entity which is carrying out a community, municipal, public service or other civic purpose, and that adequate provision has been, or will be, made for the payment of the costs of acquisition, construction, operation, maintenance and upkeep of the project.

As described herein, the Project will be owned by the NYCCDC, a subsidiary of the ESDC. As described herein in the Plan of Finance, the cost of acquisition and construction of the Project is fully funded. The NYCCOC is responsible for the operation and maintenance of the Project.

4. That the plans and specifications assure or will assure adequate light, air, sanitation and fire protection.

The Project is designed to, and will be built in accordance with, the New York City Building Code, with such variance as may be approved by the New York City Department of Buildings.

B. Findings For All ESDC Projects

That there is a feasible method for the relocation of families and individuals displaced from the project area into decent, safe and sanitary dwellings, which are or will be provided in the project area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities, at rents or prices within the financial

means of such families or individuals, and reasonably accessible to their places of employment.

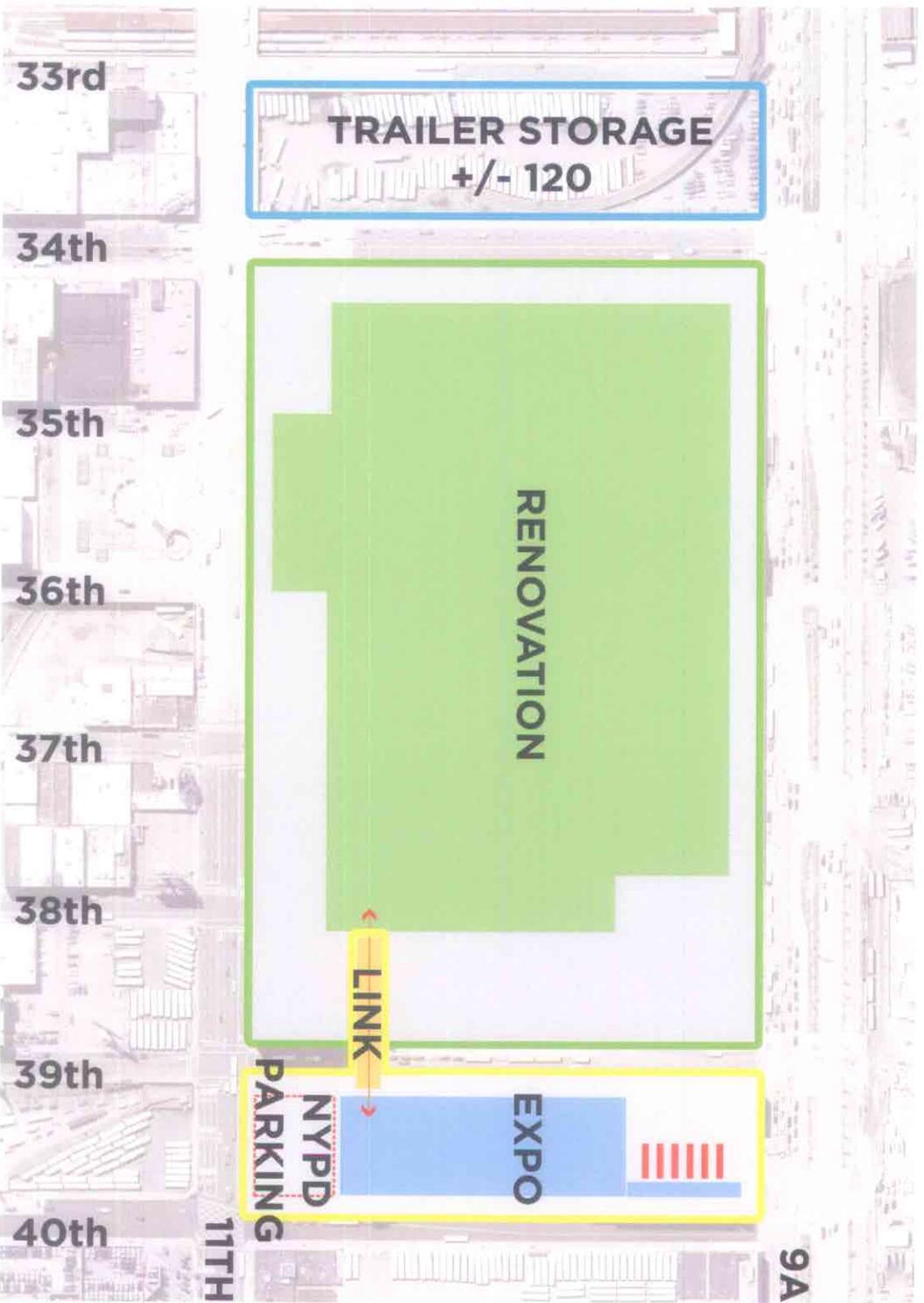
No families or individuals will be displaced as a result of the Project.

**IX. ATTACHMENTS**

1. Site Plan and Renderings of Javits Convention Center Renovation and Expansion

# GENERAL PROJECT PLAN

2009-2013



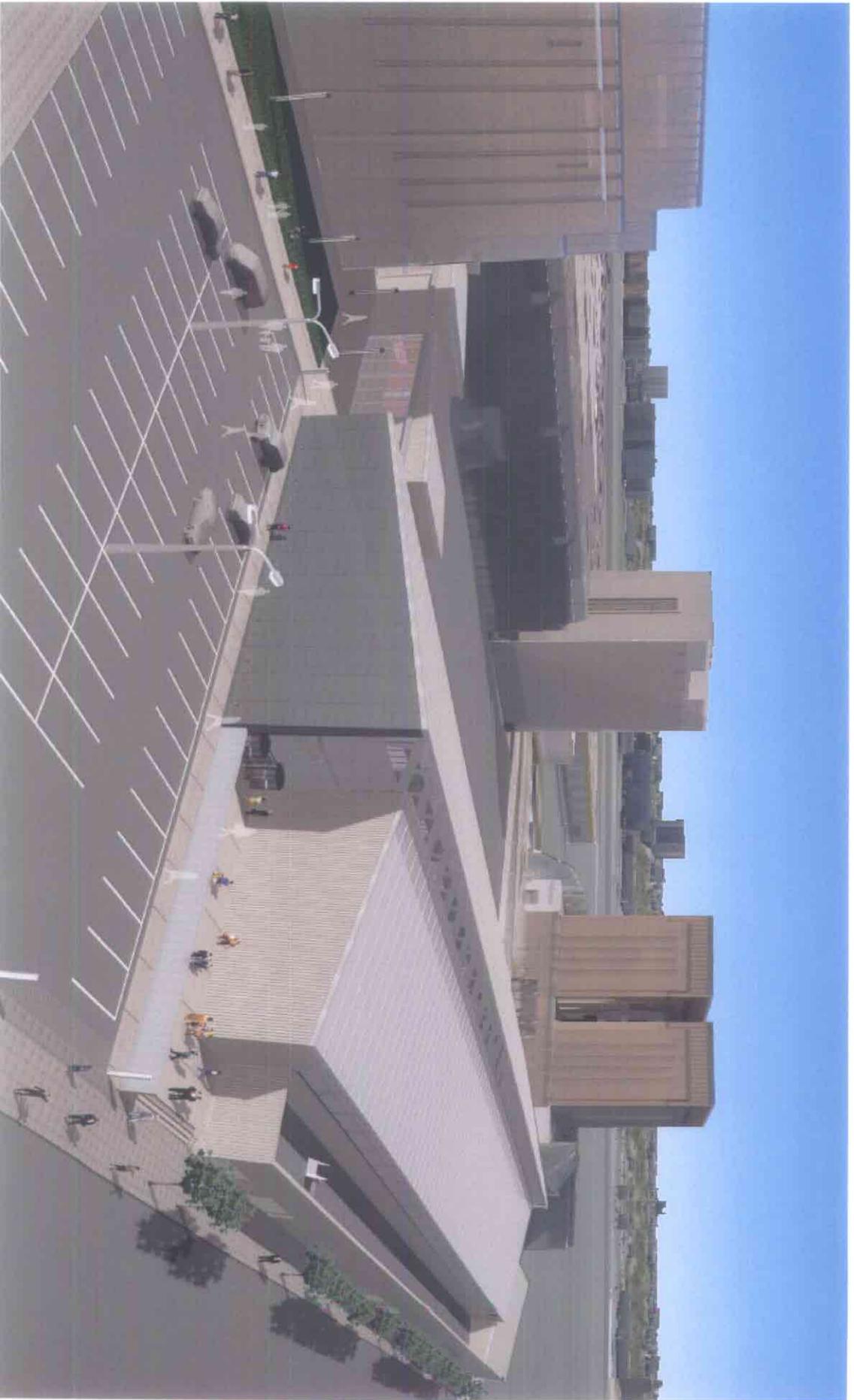


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**PROPOSED VIEW OF CORNER OF 34TH ST. AND 11 TH AVE.**

Presentation to Board of Directors  
2 March 2009





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**PROPOSED VIEW AT CORNER OF 40TH ST. AND 11 TH AVE.**

Presentation to Board of Directors  
2 March 2009

