

A. Carnegie Hall – Studio Tower Renovation Phase III (Backstage) Capital (W902)
September 14, 2010

General Project Plan

Grantee: Carnegie Hall Corporation (“Carnegie Hall”)

ESD Investment: A grant of up to \$5,000,000 to be used for a portion of the cost of Phase III of the renovation project.

Project Location: 881 Seventh Avenue, New York, New York County

NYS Empire Zone (or equivalent): N/A

Project Completion: September 2013

Grantee Contact: David Freudenthal, Director of Government Relations
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Project Team:

Project Management	Javier Roman-Morales
Affirmative Action	Laverne Poole
Design & Construction	Barbara Helm
Environmental	Soo Kang

Project Description:

Background

Built by Andrew Carnegie in 1891, the landmark concert hall was purchased in 1960 by the City of New York and is managed by the not-for-profit Carnegie Hall Corporation. As a world stage, Carnegie Hall is recognized for launching artistic careers as well as for serving established artists. Every program is in direct support of Carnegie Hall’s mission: to make the highest quality music widely available to everyone in fulfillment of the belief in the transformative power of music. Carnegie Hall presents more than 200 events each year, and is also home to more than 500 independently produced events each season. These events draw more than 750,000 visitors annually to the three major performance spaces: the 2,804-seat Isaac Stern Auditorium; the 599-seat Zankel Hall; and the 268-seat Weill Recital Hall.

The Weill Music Institute is Carnegie Hall’s educational arm, providing resources to more than 100,000 individuals annually. Woven into the fabric of the Carnegie Hall concert season, the programs occur at Carnegie Hall, in schools and throughout neighborhoods, providing musical opportunities for everyone from preschoolers to adults, new listeners to emerging professionals. In partnership with the New York City Department of Education,

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The Academy, a program of The Julliard School and the Carnegie Hall/Weill Music Institute, provides a two-year fellowship program for the finest post-graduate young musicians in the United States.

The overall renovation project will improve the backstage area and create a new Education Wing, while making significant improvements to the landmark building, including upgrades to infrastructure and offices. As a City, State and National Historic Landmark, Carnegie Hall is committed to safeguard the 119-year old building's historic value and elements. The upgrades include fire protection, environmental controls and building security, as well as significantly improved ADA access. In addition, the renovation project will increase energy efficiency and achieve LEED Silver certification as required by Local Law 86 of 2005.

The ESD Directors approved project U805, a \$5,000,000 Community Enhancement Facilities Assistance Program ("CEFAP") grant on December 18, 2006, for a portion of the planning and design costs for the renovation of facilities to house a new education center. The design team, led by Iu + Bibliowicz, has been working on a design for the project since being engaged for a master plan in October 2006. The construction documents were filed and approved by the New York City Landmark Preservation Commission in the summer of 2009 and by the Department of Buildings in fall 2009. The initial phase of the construction began in summer 2009, with the subgrade of mechanical, electrical and plumbing ("MEP") relocations and upgrades to set the stage for the rest of the project to be completed in 2013. Heavy construction will be phased during the next several summer dark periods, which have been expanded from two to four months to facilitate the project, with Carnegie Hall concerts to continue to take place from October through May of each season. As of August 2010, Carnegie Hall expended approximately \$29 million for the renovation project, which includes design, planning and construction costs.

In addition to the Studio Towers, the renovation project includes:

- Phase I – Education Wing - twenty-four new music rooms, including fifteen practice rooms, five teaching studios, three medium-size ensemble rooms, and one large ensemble room, all with exterior noise isolation and interior acoustics; outfit new conduit infrastructure to accept communications technologies; new support spaces, including offices for staff on the South 12th floor and a conference center for large gatherings on the South 9th floor; and upgrade archives with state-of-the-art high-density storage including a research room for visitors.
- Phase II – Offices and Terrace - Carnegie Hall will consolidate most administrative offices on three floors, increasing efficiency through shared resources, including staff and equipment, and facilitating interdepartmental communications. The renovation will allow for standardization of office sizes, configurations and workstations, as well as technology which will reduce the total square footage dedicated to administrative staff.

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The LEED goals for the project will be further advanced by a roof terrace on the main roof of the building above the offices. The terrace has been designed to reflect light and reduce the heat island effect which will reduce future energy needs.

The project was designed by Iu + Bibliowicz Architects, LLP, and will be constructed by Tishman, both New York City firms. The two firms were selected through a competitive bid process authorized by the Carnegie Hall Board of Trustees (the “Trustees”). Additional funding will be secured through more than \$75M in Trustee pledges and private sector fundraising efforts, a commitment of over \$44.3M from the City of New York, a \$1M grant from DASNY, two grants totaling \$44,956 from New York State Council for the Arts (“NYSCA”), and a bond issue that has netted more than \$56M for this project. The total project cost for the project is estimated to be more than \$187M, with an anticipated completion date in 2013.

The Project

The project consists of Phase III of the capital renovations, which include improvements to the backstage area. The improvements include: expanding the backstage from three floors to six floors; restoring access to stage left (currently, the doors leading from stage left go to a dead-end space); addition of two orchestra rooms - one at the level of Stern Auditorium stage and another that will double as a green room - for a total of five; and consolidating dressing rooms to comply with ADA requirements and noise isolation between rooms and from the street.

As a result of this overall renovation project, Carnegie Hall will maximize the full potential of the landmark structure by fully modernizing, reconfiguring and significantly expanding backstage spaces and updating building systems, life safety, fire protection, energy efficiency, traffic patterns, and security. The project creates a variety of exciting new resources: a large ensemble room; rehearsal spaces; practice rooms; and teaching studios. The new facilities will enable Carnegie Hall to increase the number of people that it serves - young musicians, students, educators, and audience members, and to integrate more fully the artistic programming that is presented in its three performance spaces with education activities.

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Financing Uses	Amount	Financing Sources	Amount	Percent
Construction	\$122,753,417	ESD Grant	\$5,000,000	2.67%
CM Fee/General Conditions	27,236,165	ESD Grant (CEFAP;U805; approved 12/18/06)	5,000,000	2.67%
Construction Contingency	13,000,000	City of New York Grants	44,308,628	23.66%
Design	13,907,057	DASNY Grant	1,000,000	0.53%
Consultants	3,737,707	NYSCA Grant	44,956	0.02%
Insurance/Inspections/Permits	1,100,000	Grantee Bond Issue	56,482,113	30.16%
FFE	3,340,000	Grantee Equity and Fundraising	75,447,125	40.29%
Non-Construction Contingency	2,208,476			
Total Project Costs	\$187,282,822	Total Project Financing	\$187,282,822	100.00%

Financial Terms and Conditions:

1. The Grantee will reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be obligated to advise ESD of a material adverse change in its financial condition prior to disbursement.
3. Up to a total of \$5,000,000 will be disbursed to Grantee, up to \$1,666,666 per year, during the course of the backstage renovation, in compliance with Design and Construction requirements, and in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. The final 10% of the Grant (\$500,000) will be disbursed to the Grantee upon completion of the project, as evidenced by a certificate of occupancy and documentation of eligible project costs totaling \$187,282,822. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenditures must be incurred on or after April 1, 2009 to be considered eligible project costs.
4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$5,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

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Design & Construction:

Carnegie Hall is a landmark concert hall managed by the Carnegie Hall Corporation. The project consists of Phase III of capital renovations which include improvements to the backstage area. The improvements include expansion of the stage area, restoring access to stage left, addition of orchestra rooms, and consolidation of dressing rooms.

The project has been designed by Iu + Bibliowicz, who is known to ESDC.

ESDC will reimburse up to \$5,000,000 for construction costs. The construction documents will be reviewed and payments will be made when Design and Construction requirements have been met.

Environmental Review:

The Trust for Cultural Resources of the City of New York, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. This review, which was coordinated with ESD as an involved agency, found the project to be a Type I Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on November 16, 2009. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

Due to the site’s inclusion on the New York State and National Registers of Historic Places and designation as a National Historic Landmark, ESD has confirmed that the project sponsor consulted with the New York State Office of Parks, Recreation and Historic Preservation (“OPRHP”) and will adhere to OPRHP’s conditions pursuant to the requirements of Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law. No further consultation is required provided that the conditions specified in OPRHP’s letter, dated November 4, 2009, are met.

Affirmative Action:

ESD’s Non-Discrimination and Affirmative Action policy will apply. Carnegie Hall is encouraged to use its best efforts to achieve Minority/Women-owned Business Enterprise participation of not less than 15% of the total dollar value of work performed pursuant to contracts or purchase orders entered into in connection with the pre-construction and construction work related to project, and to include minorities and women in any job opportunities created by the project.

Statutory Basis – Arts and Cultural Projects:

The project was authorized in the 2009-2010 New York State budget and reappropriated in the 2010-2011 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

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New York (New York County) – Carnegie Hall – Studio Tower Renovation Phase III
(Backstage) Capital – Arts and Cultural Projects - Determination of No Significant Effect on
the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Carnegie Hall
– Studio Tower Renovation Phase III (Backstage) Capital Project, the Corporation hereby
determines that the proposed action will not have a significant effect on the environment.

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