

MOYNIHAN STATION DEVELOPMENT CORPORATION

Meeting of the Board of Directors of the Moynihan Station Development Corporation

At the offices of the
New York State Urban Development Corporation
d/b/a Empire State Development
633 Third Avenue –33rd Floor
New York, New York 10017

Friday

December 13, 2013 – 2:00 p.m.

REVISED PROPOSED AGENDA

CORPORATE ACTION

1. Approval of the Minutes of the July 26, 2013 Directors' Meeting

FOR INFORMATION

2. President's Report (Oral Report)
 - Construction Update
 - C-yard Fan Rooms
 - West End Concourse Steel
 - Plaza Work
 - Connecting Corridor
 - 2014 Look Ahead
 - Events

EXECUTIVE SESSION

3. Real Estate Negotiation Issues (Oral Report)

ITEM 1

MOYNIHAN STATION DEVELOPMENT CORPORATION

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

July 26, 2013

MINUTES

In Attendance

Directors:

John Porcari, Chairman
Karen Hedlund
Anita Romero (via telephone)
Tokumbo Shobowale
Paul Williams

**Present for the Empire
State Development
Corporation:**

Thomas Brennan, Senior Vice President – Internal Audit
Ingrid Barbosa-Santiago, Director of Subsidiary Finance
Joseph Chan, Executive Vice President – Business Development
Natallie Dennery, Senior Counsel
Richard Dorado, Senior Counsel
Andrew Grossman, Senior Director – Finance Admin. Operations
Lawrence Jacobs, Executive Vice President, Legal &
General Counsel
Carlos Otero, Vice President – Contract Admin./Subsidiary
Finance
Mehul Patel, Chief of Staff
Sankar Singh, Manager – Contract Audit & Admin.
Frances Walton, Chief Financial & Administrative Officer

**Present for the
Moynihan Station**

Development Corporation: Fred Bartoli, Project Manager
Michael Evans, Acting President
Rebecca Pellegrini – Project Manager
Regina Stephens, Acting Corporate Secretary

Present for FRA/USDOT: Joe Peraino FRA/USDOT (via video conference)
Amy Tovar, FRA/USDOT
Vincent White FRA/USDOT (via video conference)

Also Attending: Andrew Lynn, PANY&NJ
Angel Martinez, PANY&NJ
Bruno Signorelli, PANY&NJ
Ronald Calvosa, PANY&NJ – Inspector General
Al Fazio, Amtrak
Patrick Flynn, Jones, Lang, LaSalle
Mike Shenot, Jones, Lang, LaSalle
Emil Crutcher, Jones, Lang, LaSalle

The meeting of the Moynihan Station Development Corporation (“MSDC” or the “Corporation”) was called to order by Chairman John Porcari at approximately 2:05 pm. Chairman Porcari noted for the record that the meeting was being web cast. He also noted for the record the Corporation’s policy to welcome public comment on the items on the current Agenda. Chairman Porcari briefly reviewed the protocol for comments.

The first order of business was the approval of the Minutes of the May 23, 2013 Directors meetings. There being no changes or corrections to the minutes, upon motion duly made and seconded, the following resolution was unanimously adopted:

199. MOYNIHAN STATION DEVELOPMENT CORPORATION - APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE MAY 23, 2013 MEETING OF THE DIRECTORS OF THE MOYNIHAN STATION DEVELOPMENT CORPORATION

RESOLVED, that the Minutes of the meeting of the Corporation held on May 23, 2013, are hereby approved and all actions taken by the Directors present at such meeting, as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Corporation.

* * *

Chairman Porcari presented the next Agenda item requesting authorization to appoint Michael Evans as President of the Corporation. Chairman Porcari stated that Mr. Evans is doing an excellent job as Acting President, and as Vice President Michael was extremely helpful in successfully moving the Project through the process of Phase 1. He further stated that Mr. Evans is currently preparing for Phase 2 of the Project which will consist of work in the train hall. Director Paul Williams added that it's a pleasure working with Mr. Evans and that he is looking forward to continuing working with him as the Project moves forward into Phase 2. Director Karen Hedlund also commented that it's been a pleasure working with Mr. Evans over the past several months, particularly in working with him through Steering Committee issues.

Following the Directors comments, Chairman Porcari requested a motion for approval, upon motion duly made and seconded, the following resolution was unanimously adopted:

200. New York (New York County) – Moynihan Station Development Corporation – Appointment of Michael Evans as President
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RESOLVED that, based on the materials presented to this meeting, a copy of which is hereby ordered to be filed with the records of the Corporation, the Corporation hereby appoints Michael Evans as President of the Corporation, to have and to hold all the powers of President, effective from February 21, 2013 until his earlier resignation or removal; and be it further

RESOLVED that in accordance with and for all purposes of the Corporation By-Laws, including the indemnification provisions thereof, Michael Evans is an "officer" of the Corporation.

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Chairman Porcari then asked Michael Evans to present the next Agenda item, requesting acknowledgement and confirmation of the Corporation's use of Moynihan Phase 1 contingency funds for C-Yard change orders relating to unforeseen conditions.

Mr. Evans explained that as a result of his individual conversations with the Board members and at the request of Chairman Porcari, the Directors are requested to confirm that they have been briefed on the change orders related to the unforeseen condition in the C-Yard, as well as confirm authorization to use contingency funds for Moynihan Station Phase 1 to cover the cost of these change orders. Mr. Evans briefly discussed the details of the change order before turning the presentation over to Angel Martinez and Bruno Signorelli from the Port Authority of New York and New Jersey ("PANYNJ") to discuss the work that is presently going on in the C-Yard, as well as what some of the challenges that have been encountered, how the challenges are being worked through with Amtrak and LIRR and what's planned for the next several weeks.

Angel Martinez gave a brief description of where the Project is currently. He stated that the Project is 32 percent completed inclusive of the change order and work continues to be on going in multiple areas of the Project.

Following Mr. Martinez's briefing, Bruno Signorelli continued stating that 20 percent of the steel has been installed in the C-Yard. He continued to explain the teams challenge with the structural stability of the rock pockets inability to carry the load of the steel in the fan

rooms. Mr. Signorelli stated that after review of their options to resolve the structural stability issues it was determined that it would be quicker and more cost effective to install rock bolts to stabilize the rock pockets. Mr. Signorelli further stated that there are two (2) locations where the rock bolts will not work, and two columns will be installed. He explained that this work will have no effect on the schedule however, it will affect cost and as a result a request for a four (4) week extension of the C-Yard outage has been made to Amtrak and the LIRR.

Lastly Mr. Signorelli discussed the work that they plan for the next several weeks which includes, installing steel plates and fasteners for the West End Concourse in preparation for steel installation in early September, as well as foundations between tracks and installation of demo shield over platform 10 for the north demolition work.

Following Mr. Signorelli's report, Mr. Evans informed the Directors that the Project team is working with Amtrak and LIRR on the issue of extending the weekend outages and that they have been very cooperative in trying to accommodate their request.

Director Paul Williams asked Mr. Martinez if the PANYNJ was confirming that the basis of their review of the C-Yard issues, particularly as it relates to the piles and the wall reinforcement, is an unforeseen condition and not anything missing in the design or error or omission. Mr. Signorelli responded that from PANYNJ's perspective it's an unforeseen condition.

There being no other questions and/or comments by the Directors, Chairman Porcari requested a motion for approval, upon motion duly made and seconded, the following resolution was unanimously adopted:

201. New York (New York County) – Moynihan Station Development Corporation
Acknowledgement and Confirmation of the Corporation's Use of Moynihan Phase 1
Contingency Funds for C-Yard Change Orders Relating to Unforeseen Conditions

RESOLVED that, based on the materials presented to this meeting, a copy of which is hereby ordered to be filed with the records of the Corporation (the "Materials"), the Board acknowledges that it has been briefed on the status of change orders described in the Materials relating to unforeseen conditions during the course of construction of the fan room structures in C-Yard; and be it further

RESOLVED that, the Board confirms the Corporation's use of Moynihan Phase 1 contingency funds for payment of the cost of the change orders in the manner described within the Materials.

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Chairman Porcari requested that Mr. Evans present the next Agenda item regarding a contract for events management services at the James A. Farley Building ("Farley Building").

In his presentation Mr. Evans explained to the Directors that during the prior week he had requested authorization from the ESD's board of Directors to enter into a contract for events management and marketing services for the two main event spaces at the Farley Building. He reminded the Directors that previously MSDC and ESD had taken steps to activate part of the Farley Building to generate revenue and create business, as well as awareness about the Project. Mr. Evans stated that he felt that they have been successful in

accomplishing both efforts. He further stated that over a \$1 million had been raised from events in the past year and that the revenue raised from these events will assist in supporting building operations and other expenses.

Mr. Evans explained that through a competitive process, MSDC, ESD and PANJNJ staff solicited for a firm that would have exclusive rights to book and manage events for the Farley Building space. The selection Committee unanimously recommended the Skylight Group (“Skylight”). He stated that Skylight is responsible for running events for the High Line and was responsible for renting the Farley Building space for Fashion week over the past year.

Mr. Evans expects to enter into a contract with Skylight in the next few weeks. He stated that Skylight will be responsible for putting together a full marketing plan, and have already started showing the space. He further stated that Skylight will be compensated for the events they bring to the building.

Director Paul Williams asked how Skylight will be compensated for their services. Mr. Evans explained that Skylight will be compensated from a percentage of the gross booking fee which starts at 20 percent of the booking fee and once the fees hit one and a half million in gross revenues for the year the percentage will increase to 25 percent, and then 30 percent when the gross revenues reach two and a half million. Skylight will enter into a contract with event producers for each event.

Director Karen Hedlund asked if MSDC will incur any cost for any of the events. Mr. Evans responded that MSDC would not incur any cost for the events.

Director Tokumbo Shobowale asked if filming opportunities were also included in the contract with Skylight. Mr. Evans responded that Skylight's compensation will be the same for all events, including filming opportunities. However, if the Corporation is approached directly by a film company we are not obligated to use Skylight's services, but they may bring their own film opportunities to the Corporation.

Following Mr. Evan's presentation and comments and questions by the Directors, Chairman Porcari called on Al Fazio of Amtrak to give a presentation regarding major projects throughout the New York metro area.

Mr. Fazio gave a brief presentation, discussing the details on how major New York projects are organized and how they are supported and managed from: track usage, engineering, construction and protection viewpoint.

Following Mr. Fazio's presentation, Chairman Porcari entertained a motion to conduct an Executive Session pursuant to paragraph (h) of Subdivision 1 of Section 105 of the New York State Open Meetings Law. Upon motion duly made and seconded, the following resolution was unanimously adopted:

202. EXECUTIVE SESSION – Pursuant to Paragraph (h) of Subdivision 1 of Section 105 of the New York State Open Meeting Law

RESOLVED, that the Directors conduct an Executive Session to consider matters pertaining to paragraph (h) of Subdivision 1 of Section 105 of the New York State Open Meetings Law.

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The meeting was temporarily adjourned to conduct the Executive Session. All persons were requested to leave the room with the exception of the Directors, member of ESD's senior staff and others.

Once the meeting was back in Open Session, Chairman Porcari noted for the record that no votes were taken during the Executive Session.

There being no additional business, the meeting was adjourned at approximately 2:49 p.m.

Respectfully submitted,

Regina Stephens
Acting Corporate Secretary

