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BOARD OF DIRECTORS

RuthAnne Visnauskas, Chair, Commissioner of NYSHCR
Robert F. Mujica Jr., Director of Budget
David Kraut
Howard Polivy
Michael Shinozaki

**MINUTES OF THE JULY 23, 2018 SPECIAL MEETING OF THE
ROOSEVELT ISLAND OPERATING CORPORATION BOARD OF DIRECTORS**

A special meeting of the Board of Directors was held at the Cultural Center Theater, 548 Main Street, Roosevelt Island, New York, on July 23, 2018 at 5:30 p.m.¹

Directors Present:

Linda Manley	Representing RuthAnne Visnauskas, RIOC Chair and Commissioner, the New York State Division of Housing and Community Renewal
Monique Reeser	Representing Robert F. Mujica, Director, the State of New York Division of Budget
David Kraut	Director
Michael Shinozaki	Director ²

Directors Absent:

Howard Polivy	Director
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Officers and Staff Attending:

Susan G. Rosenthal	President/Chief Executive Officer
Jacqueline P. Flug	Vice President/General Counsel
Kimberly L. Quinones	Vice President/Chief Financial Officer
Tamara Andreatta	Director of Asset Management
Kevin Brown	Deputy Director of Public Safety Department
Alonza Robertson	Public Information Officer
Lada V. Stasko	Assistant General Counsel

Other Participants:

Barbara B. Brown	Partner, Carter Ledyard & Milburn, LLP
Mark Colon	President, Office of Housing Preservation, the New York State Homes and Community Renewal

¹ The RIOC Board Meeting commenced following a public comment period. The public comment period was not part of the meeting.

² Mr. Shinozaki arrived during the discussion of item #1 of new business.

1 Chair’s Designee Ms. Manley called the Board meeting to order at 5:38 p.m. The roll was
2 called and a quorum found to be assembled and present.

3
4 * * *

5 Ms. Manley noted that the Renwick Ruin Stabilization Project would be discussed out of
6 order, as the first item of new business.

7
8 * * *

9
10 **NEW BUSINESS ITEM #1**

11
12 The first item of new business was the authorization to enter into contract with Walter B.
13 Melvin Architects, LLC for design services for the Renwick Ruin Stabilization Project.

14
15 General Counsel Jacqueline P. Flug provided a brief background of the project. She noted
16 that the Four Freedoms Park Conservancy (“FFPC”) obtained a planning grant for a stabilization
17 study of the Renwick Ruin in 2015. As a result, Walter B. Melvin Architects prepared schematic
18 design drawings for the Renwick Ruin stabilization. RIOC subsequently applied and received
19 funding for the construction phase of a planning grant from New York State to prepare full
20 construction drawings for the Renwick Ruin Stabilization Project. Ms. Flug explained that funding
21 will be provided as reimbursement to RIOC. She further noted that it would be prudent and
22 economical for RIOC to retain Walter B. Melvin Architects, the firm that completed the original
23 schematic drawings, to prepare construction drawings as well. Ms. Flug recommended a single
24 source contract with Walter B. Melvin Architects, LLC for design services for the Renwick Ruin
25 Stabilization Project for Board approval.

26
27 In response to a question from Director Kraut, President Rosenthal noted that while FFPC
28 submitted the original planning grant application, Renwick Ruin stabilization is RIOC’s project.
29 She also noted that the architectural firm of Walter B. Melvin Architects, LLC was chosen by
30 FFPC in 2015.

31
32 Upon a motion duly made, seconded and carried by unanimous vote in favor (Ms. Manley,
33 Ms. Reeser, Mr. Kraut and Mr. Shinozaki), the following resolution was ADOPTED:

34
35 **RESOLUTION**

36
37 **AUTHORIZATION TO ENTER INTO CONTRACT WITH WALTER B. MELVIN**
38 **ARCHITECTS, LLC FOR DESIGN SERVICES FOR THE RENWICK RUIN**
39 **STABILIZATION PROJECT**

40
41
42 **RESOLVED** by the Board of Directors of the Roosevelt Island Operating Corporation of the State
43 of New York (“RIOC”), as follows:

44
45 Section 1. that RIOC is hereby authorized to enter into contract with Walter B. Melvin
46 Architects, LLC for design services for the Renwick Ruin Stabilization
47 Project, upon such terms and conditions substantially similar to those

1 outlined in the Memorandum from Stephen Noone to RIOC Board of
2 Directors/Susan G. Rosenthal dated July 18, 2018, attached hereto;

3
4 Section 2. that the President/Chief Executive Officer or her designee is hereby
5 authorized to take such actions and execute such instruments as she deems
6 necessary to effectuate the foregoing; and

7
8 Section 3. that this resolution shall take effect immediately.

9
10 * * *

11
12 **NEW BUSINESS ITEM #2**

13
14 The second item of new business was the authorization to enter into contract with Rosemar
15 Contracting, Inc. for roadway repair and on-call services.

16
17 Director of Asset Management Tamara Andreatta explained the need for roadway repair
18 services on the Island. She briefly discussed the procurement process noting that only one bidder,
19 Rosemar Contracting, Inc., has responded to the RFP. Ms. Andreatta stated that the work should
20 commence before the winter starts. In response to a question from Ms. Manley, Ms. Andreatta
21 noted that the contract amount is not-to-exceed \$300,000 per year.

22
23 Upon a motion duly made, seconded and carried by unanimous vote in favor (Ms. Manley,
24 Ms. Reeser, Mr. Kraut and Mr. Shinozaki), the following resolution was ADOPTED:

25
26 **RESOLUTION**

27
28 **AUTHORIZATION TO ENTER INTO CONTRACT WITH**
29 **ROSEMAR CONTRACTING, INC. FOR ROADWAY REPAIR AND ON-CALL SERVICES**

30
31
32 **RESOLVED** by the Board of Directors of the Roosevelt Island Operating Corporation of the State
33 of New York (“RIOC”), as follows:

34
35 Section 1. that RIOC is hereby authorized to enter into contract with Rosemar
36 Contracting, Inc. for roadway repair and on-call services, upon such terms
37 and conditions substantially similar to those outlined in the Memorandum
38 from Tamara Andreatta to RIOC Board of Directors/Susan G. Rosenthal
39 dated July 16, 2018, attached hereto;

40
41 Section 2. that the President/Chief Executive Officer or her designee is hereby
42 authorized to take such actions and execute such instruments as she deems
43 necessary to effectuate the foregoing; and

44
45 Section 3. that this resolution shall take effect immediately.

46
47 * * *

1 **NEW BUSINESS ITEM #3**

2
3 The third item of new business was the authorizations related to the amendment to
4 Westview Ground Lease.

5
6 Chief Financial Officer Kimberly Quinones stated that as a result of two years of joint
7 negotiations between the NYS Division of Housing and Community Renewal, RIOC and North
8 Town Phase III Houses, Inc. (“Westview”), the amendment to Westview Ground Lease is the last
9 action to allow Westview to withdraw from the Mitchell-Lama program. Ms. Quinones noted that
10 Ms. Barbara B. Brown, Partner at Carter Ledyard & Milburn, LLP would present the New York
11 State Environmental Quality Review Act (“SEQRA”) findings, while Mr. Mark Colon, President
12 of the Office of Housing Preservation with the New York State Homes and Community Renewal,
13 would discuss the Affordability Plan for Westview.

14
15 Ms. Quinones explained the terms of the proposed ground lease amendment. She noted
16 that under the amendment, the annual ground rent would increase by 10% every five years during
17 the 30-year affordable period, and thereafter, at 4% per year. Ms. Quinones further provided
18 ground rent highlights and discussed revenue sources being used to generate payments under the
19 ground lease. She then discussed the Tax Equivalent Payments (TEP) to the Empire State
20 Development Corp. during a 10-year phase-in of TEP to market rates and thereafter.

21
22 Mr. Colon discussed the major provisions of the Affordability Plan. He stated that under
23 the Affordability Plan, existing Westview tenants would have the right to either purchase their
24 apartments at approximately 30% of market value or to remain as tenants. Rental units would not
25 be subject to immediate rent increases. Mr. Colon explained the new rental terms, opportunities
26 for low-income tenants. He also discussed flip tax proceeds distribution.

27
28 Ms. Quinones noted that renewal of the retail sublease is not a part of the Westview ground
29 lease amendment. She stated that the existing RIOC-Westview sublease is expiring tomorrow,
30 July 24, 2018, and that RIOC would now be leasing the RIOC office space directly from Westview
31 for a period of five years. Ms. Quinones noted that sublease with Hudson Related Retail, LLC
32 (HRR) sets forth certain costs associated with non-renewal of the retail sublease in Westview. She
33 discussed cost components for not renewing the retail sublease and answered questions from Board
34 members.

35
36 Responding to Director Shinozaki’s question, Mr. Colon discussed Westview’s
37 commitments to capital investments. He noted that Westview shall have two reserve funds and
38 explained their purposes.

39
40 Finally, Ms. Brown, RIOC’s outside counsel, briefly discussed SEQRA requirements for
41 affordable housing actions. She noted that the proposed amendment is considered a Type II action
42 under SEQRA, and therefore, does not require environmental review. However, out of an
43 abundance of caution, RIOC has performed such review. Ms. Brown presented SEQRA findings
44 for the proposed ground lease extension. She concluded that the proposed action would not result
45 in any significant adverse impact on the environment. In addition, the proposed action would not
46 have any coastal impact. Ms. Brown stated that RIOC is in position to issue a negative declaration
47 under SEQRA.

1 Chair’s Designee Ms. Manley stated that the Board has been provided with two alternative
2 resolutions. She stated that the Board will be voting on the resolution which authorizes the
3 President of RIOC “to negotiate and thereafter execute the Proposed Amendment, substantially in
4 accordance with the terms set forth in the Affordability Plan.” In response to questions from
5 Directors Kraut and Shinozaki, Ms. Manley confirmed that the terms of the proposed amendment
6 would have to match what is being approved now. In case of any differences, the amendment
7 would go back to the Board for a vote.
8

9 Upon a motion duly made, seconded and carried by unanimous vote in favor (Ms. Manley,
10 Ms. Reeser, Mr. Kraut and Mr. Shinozaki), the following resolution was ADOPTED:
11

12 **RESOLUTIONS**

13 **AUTHORIZATIONS RELATED TO AMENDMENT TO**

14 **WESTVIEW GROUND LEASE**

15 WHEREAS, North Town Phase III Houses, Inc. (“Owner”), is the lessee under a Ground
16 Lease from the New York State Urban Development Corporation (“UDC”) dated April 25, 1973,
17 as amended by undated First Amendment To Ground Lease, Second Amendment to Ground Lease
18 dated as of December 31, 1974, and Third Amendment to Ground Lease dated as of January 31,
19 1997 (collectively, the “Ground Lease”) governing a Mitchell-Lama building with 361 residential
20 rental units (“Westview”); and

21 WHEREAS, UDC's interest in the Ground Lease has been assigned to the Roosevelt Island
22 Operating Corporation (“RIOC”); and

23 WHEREAS, the Owner wishes to end Westview’s participation in the Mitchell-Lama
24 program, and in conjunction therewith, convert the property into condominium and cooperative
25 units, and refinance the mortgage on the property; and, in order to do so, needs to extend the term
26 of the Ground Lease, which expires in 2028; and

27 WHEREAS, in exchange for the extension of the Ground Lease and a below market ground
28 rent, the Owner has agreed to create and implement a 30-year Affordability Plan approved by New
29 York State Division of Housing and Community Renewal (the “Affordability Plan”), and has
30 agreed that the terms of the Affordability Plan will be incorporated into the agreement pursuant to
31 which the Ground Lease will be amended and extended (the “Proposed Amendment”); and

32 WHEREAS, by resolution of the Board of Directors of RIOC dated February 18, 2010, the
33 President of RIOC was authorized and directed to take such steps to negotiate an appropriate
34 amendment and extension of the Ground Lease on terms mutually satisfactory to both parties, and
35 in compliance with the terms of the Public Authorities Law and to cause an explanatory statement
36 of the proposed transaction to be prepared and transmitted to those parties entitled to receive same
37 under the Public Authorities Law; and

38 WHEREAS, an explanatory statement was forwarded to such parties on March 19, 2018;
39 and

1 WHEREAS, in conjunction with the extension of the Ground Lease, the parties also intend
2 to enter into an agreement whereby RIOC will have the right to occupy the office space it is
3 currently occupying for a term of up to five years, with no rent to be paid for the first three years
4 of such occupancy; and

5 WHEREAS, RIOC has received a valuation letter in connection with the proposed
6 transaction; and

7 WHEREAS, RIOC has prepared a New York State Short Environmental Assessment Form
8 to assess impacts of the proposed Amendment on the environment in accordance with the
9 requirements of the New York State Environmental Quality Review Act (“SEQRA”);

10 NOW, THEREFORE, be it

11 RESOLVED that RIOC shall serve as lead agency for the environmental review pursuant
12 to SEQRA of the Proposed Amendment, which review has been coordinated with other necessary
13 reviews pursuant to other applicable laws and regulations; and

14 RESOLVED, that RIOC hereby approves the Short Environmental Assessment Form and
15 Addendum (“SEAF”) in the form submitted to this meeting, a copy of which is hereby ordered
16 filed with the records of RIOC; and

17 RESOLVED, that on the basis of the SEAF, including its Addendums, RIOC hereby (a)
18 determines that the Proposed Amendment will not, either individually or cumulatively with other
19 actions, have a significant adverse environmental impact and, accordingly, that no environmental
20 impact statement is required under SEQRA; and (b) authorizes the issuance of a Negative
21 Declaration under SEQRA; and

22 RESOLVED that the Board of Directors further finds as follows:

- 23 1. it is within the mission and statutory purposes of RIOC to maintain high quality,
24 affordable housing stock on Roosevelt Island;
- 25 2. in the absence of the Proposed Amendment, the Owner would be within its right
26 under § 35 of the New York State Private Housing Finance Law to remove
27 Westview from the Mitchell-Lama program;
- 28 3. the extension of the term of the Ground Lease is necessary in order to allow the
29 Owner to make desirable capital improvements to Westview;
- 30 4. in exchange for such extension at a below market ground rent, the Owner agrees to
31 maintain as affordable at least 55 percent of the Westview units for a period of
32 thirty years;
- 33 5. these actions are consistent with RIOC’s mission and statutory purposes to maintain
34 affordable housing; and
- 35 6. there is no reasonable alternative to this transaction that would achieve the same
36 purpose.

1 and be it further

2 RESOLVED, that the President of RIOC be, and she hereby is, authorized and directed, in
3 compliance with the terms of the Public Authorities Law, to negotiate and thereafter execute the
4 Proposed Amendment, substantially in accordance with the terms set forth in the Affordability
5 Plan; and

6 RESOLVED, that the President/Chief Executive Officer or her designee be, and she hereby
7 is, authorized and directed to take such further actions and execute such further documents as are
8 necessary or desirable to effectuate the foregoing; and

9 RESOLVED, that these resolutions shall take effect immediately.

10 * * *

11
12 **PRESIDENT’S REPORT**

13
14 President Rosenthal noted that she is glad that the Board voted in favor of the Westview
15 lease amendment and the Affordability Plan. She thanked the staff at Empire State Development
16 Corp., New York State Division of Housing and Community Renewal and Mr. Hirschhorn of
17 Westview for negotiating this deal in good faith. She also thanked New York State Assembly
18 Member Seawright and other public officials who worked on this matter.

19
20 Ms. Rosenthal stated that due to concerns expressed by residents regarding water quality
21 at the Island’s drinking fountains, RIOC has shut down the water supply systems in all parks and
22 playgrounds (except for in comfort stations), and started testing to determine water potability. She
23 noted that preliminary lab results are not conclusive, and that further testing will be performed.
24 RIOC has also retained an engineering firm to perform assessment of all RIOC water fountain set-
25 ups, as well as to provide a remediation plan.

26
27 Ms. Rosenthal further provided updates on RIOC’s current projects. She noted that Helix
28 ramp renovation project has entered its final phase, which will last 30 days. Ms. Rosenthal also
29 noted that some additional work was performed under the Tram platform in Manhattan, and certain
30 trip hazards were addressed. The construction for the new Tram elevator is expected to last one
31 year and will require removal of five trees.

32
33 Ms. Rosenthal stated that the Youth Center is closed for renovation. The youth programs
34 will be temporarily relocated to the Sportspark. Ms. Rosenthal noted the success of the soccer
35 program. She stated that Ms. Erica Spencer-El, Director of the Youth Center Department, will
36 have a presentation on the youth programs at the next Board meeting.

37
38 Ms. Rosenthal noted that the Capobianco Field and Blackwell Playground would be closed
39 for renovations at the end of August. They will have new play surface and equipment installed.
40 Finally, Ms. Rosenthal stated that RIOC is moving forward with Hope Memorial and will be
41 partially reimbursed by the City Council.

42 * * *

1 **COMMITTEE REPORTS**

2
3 **AUDIT COMMITTEE**

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5 Committee Member Mr. Kraut stated that the Audit Committee did not meet.

6
7 **GOVERNANCE COMMITTEE**

8
9 Committee Member Mr. Kraut stated that the Governance Committee did not meet.

10
11 **OPERATIONS ADVISORY COMMITTEE**

12
13 Committee Chair Mr. Shinozaki stated that the Operations Advisory Committee did not
14 meet.

15
16 **REAL ESTATE DEVELOPMENT ADVISORY COMMITTEE**

17
18 Committee Member Kraut stated that the Real Estate Development Advisory Committee
19 met on July 18, 2018 in executive session to discuss the Westview Ground Lease negotiations. No
20 votes were taken.

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22 * * *

23
24 Upon a motion duly made, seconded and carried by unanimous vote in favor (Ms. Manley,
25 Ms. Reeser, Mr. Kraut and Mr. Shinozaki), the meeting was adjourned at 6:12 p.m.

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28 _____
Jacqueline P. Flug, Secretary