



ANDREW M. CUOMO
Governor

SUSAN G. ROSENTHAL
President & CEO

BOARD OF DIRECTORS

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

**MINUTES OF THE SEPTEMBER 7, 2017 MEETING OF THE
ROOSEVELT ISLAND OPERATING CORPORATION BOARD OF DIRECTORS**

A meeting of the Board of Directors was held at the Cultural Center, 548 Main Street, Roosevelt Island, New York, on September 7, 2017 at 5:30 p.m.¹

Directors Present:

Alejandro J. Valella	Representing RuthAnne Visnauskas, RIOC Chair and Commissioner, the New York State Division of Housing and Community Renewal
Erica Levendosky	Representing Robert F. Mujica, Director, the State of New York Division of Budget
Fay Fryer Christian	Director ²
David Kraut	Director
Howard Polivy	Director
Margaret Smith	Director

Directors Absent:

Michael Shinozaki	Director
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Officers and Staff Attending:

Susan G. Rosenthal	President and Chief Executive Officer
Jacqueline P. Flug	Vice President and General Counsel
Shelton J. Haynes	Vice President of Operations
Kimberly L. Quinones	Vice President and Chief Financial Officer
Guy Biondi	Director of Engineering
Jesenia Carrillo	Maintenance Project Manager
Mary Cunneen	Director of Parks and Recreation
Arthur G. Eliav	Associate General Counsel
Muneshwar Jadgharry	Comptroller

Other Participants:

David Kramer	Principal, Hudson Companies
Christopher Rizzo	Outside Counsel, Carter, Ledyard and Milburn LLP
Michael Russo	Engineering Consultant, Hawkins, Webb and Jaeger, PLLC
Timothy E. Sheehan	Senior Vice President, CBRE Group, Inc.

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

² Ms. Christian left the meeting after President's Report

1 Chair's Designee Mr. Valella called the Board meeting to order at 5:30 p.m. The roll was
2 called and a quorum found to be assembled and present.

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6 **APPROVAL OF MINUTES**

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8 The first item of business was the approval of the minutes of the August 9, 2017 meeting
9 of the RIOC Board of Directors. The proposed draft of the August 9, 2017 Board meeting minutes
10 had been previously distributed to all Board members for their consideration.

11
12 Upon a motion duly made, seconded and carried by six votes in favor (Mr. Valella, Ms.
13 Levendosky, Ms. Christian, Mr. Kraut, Mr. Polivy, and Ms. Smith), the minutes were
14 **APPROVED** and ordered filed.

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18 Chair's Designee Mr. Valella noted that the Board will first address New Business items 8
19 and 9, out of order, to accommodate outside parties.

20
21 **NEW BUSINESS ITEM #8**

22
23 The eighth item of new business was the authorization to amend the contract with
24 Architectural Preservations Studio D.P.C for the Tram station platform repair design.

25
26 Corporation's engineering consultant Mr. Michael Russo briefly discussed the history of
27 the project. Mr. Russo explained that the Engineering Department requested the contractor to
28 address two additional issues in connection with the Tram platform station design, including an
29 Americans with Disabilities Act compliant access ramp and limited contract administration
30 services. Mr. Russo recommended the amendment for Board approval.

31
32 Upon a motion duly made, seconded and carried by unanimous vote in favor (Mr. Valella,
33 Ms. Levendosky, Ms. Christian, Mr. Kraut, Mr. Polivy, and Ms. Smith), the following resolution
34 was ADOPTED:

35
36 **RESOLUTION**

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38 **AUTHORIZATION TO AMEND CONTRACT WITH ARCHITECTURAL**
39 **PRESERVATIONS STUDIO D.P.C. FOR TRAM STATION PLATFORM REPAIR DESIGN**

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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 amend the contract with Architectural
46 Preservations Studio D.P.C for the Tram station platform repair design,

1 upon such terms and conditions substantially similar to those outlined in the
2 Memorandum from Michael Russo to RIOC Board of Directors/Susan G.
3 Rosenthal dated August 19, 2017, attached hereto;

4
5 Section 2. that the President/Chief Executive Officer or her designee is hereby
6 authorized to take such actions and execute such instruments as she deems
7 necessary to effectuate the foregoing; and
8

9 Section 3. that this resolution shall take effect immediately.
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13 **NEW BUSINESS ITEM #9**
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15 The ninth item of new business was the authorization to amend the contract with GC Eng
16 Engineering Associates, P.C. for the Manhattan Tram station elevators design.
17

18 Corporation's engineering consultant Mr. Michael Russo briefly discussed the history of
19 the project and explained that additional services were required to comply with unforeseen New
20 York City requirements including completing certain applications and compiling documentation
21 for two presentations to Community Board 8. Mr. Russo then recommended the amendment for
22 Board approval.
23

24 Upon a motion duly made, seconded and carried by unanimous vote in favor (Mr. Valella,
25 Ms. Levendosky, Ms. Christian, Mr. Kraut, Mr. Polivy, and Ms. Smith), the following resolution
26 was ADOPTED:
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28 **RESOLUTION**
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30 **AUTHORIZATION TO AMEND CONTRACT WITH GC ENG ENGINEERING**
31 **ASSOCIATES, P.C. FOR MANHATTAN TRAM STATION ELEVATORS DESIGN**
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33
34 **RESOLVED** by the Board of Directors of the Roosevelt Island Operating Corporation of the State
35 of New York ("RIOC"), as follows:
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37 Section 1. that RIOC is hereby authorized to amend the contract with GC Eng
38 Engineering Associates, P.C. for the Manhattan Tram station elevator
39 design, upon such terms and conditions substantially similar to those
40 outlined in the Memorandum from Michael Russo to RIOC Board of
41 Directors/Susan G. Rosenthal dated August 19, 2017, attached hereto;
42

43 Section 2. that the President/Chief Executive Officer or her designee is hereby
44 authorized to take such actions and execute such instruments as she deems
45 necessary to effectuate the foregoing; and
46

47 Section 3. that this resolution shall take effect immediately.

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5 The Board then returned to addressing the New Business items in their original order.

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7 **NEW BUSINESS ITEM #1**

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9 The first item of new business was the authorization to amend the contract with Hawkins
10 Webb Jaeger for engineering consultant services.

11
12 Corporations' Vice President of Operations Shelton Haynes noted that there is a continuing
13 need for engineering consulting services, and that he, therefore, recommends an approval of the
14 extension of this contract. In response to Director Christian's inquiry, President and CEO
15 Rosenthal advise the Board that RIOC was publishing an RFP for a new architectural and
16 engineering panel, as the last panel's term has expired. Furthermore, the Corporation is limited in
17 its hiring of in-house engineers, both in terms of overall headcount and salaries to be paid to
18 employees. Director Christian noted that she will vote for the amendment because she realizes the
19 need to have someone working on the current projects. Director Polivy noted that the overall
20 employee headcount may be reviewed as part of the budgeting process.

21
22 Upon a motion duly made, seconded and carried by unanimous vote in favor (Mr. Valella,
23 Ms. Levendosky, Ms. Christian, Mr. Kraut, Mr. Polivy, and Ms. Smith), the following resolution
24 was ADOPTED:

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26 **RESOLUTION**

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28 **AUTHORIZATION TO AMEND CONTRACT WITH HAWKINS WEBB JAEGER, PLLC**
29 **FOR ENGINEERING CONSULTING SERVICES**

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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 amend the contract with Hawkins Webb
36 Jaeger, PLLC for engineering consulting services, upon such terms and
37 conditions substantially similar to those outlined in the Memorandum from
38 Shelton J. Haynes to RIOC Board of Directors/Susan G. Rosenthal dated
39 September 1, 2017, attached hereto;

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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

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

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2 **NEW BUSINESS ITEM #2**
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4 The second item of new business was the authorization to enter into the Fifth Amendment
5 of the Southtown Development Agreement.
6

7 In response to Director Christian's comment that the Real Estate Development Advisory
8 Committee did not vote to approve this item, General Counsel Jaqueline Flug noted that, as a
9 matter of protocol, new business items do not require committee review or approval to be brought
10 for a Board vote. Ms. Christian noted that the materials for the item were provided close to the
11 meeting and that she did not have ample time to review them. As such she made a motion to table
12 this item until Board members had more time to review it. Director Margie Smith seconded the
13 motion.
14

15 Chief Financial Officer Kimberly Quinones noted that there were no substantial changes
16 to the proposal since the last meeting of the Real Estate Development Advisory Committee
17 (REDAC) where this item was discussed. Ms. Quinones also noted that RIOC's outside counsel,
18 real estate consultants and Southtown development principal were all present to answer any
19 questions of the Board. Ms. Quinones further noted that in accordance with the provisions of the
20 Public Authorities Accountability Act (PAAA), RIOC is required to take certain proposed
21 measures at least ninety days before the closing, which must occur in late December to qualify for
22 the New York City affordability program in question. As such the vote could not be postponed by
23 more than a week or so. Mr. David Kramer, Principal at Hudson Companies, further elaborated
24 on the timeline.
25

26 The duly made and seconded motion to table New Business item #2 did not carry, with
27 three (3) votes in favor (Ms. Christian, Mr. Polivy and Ms. Smith) and three (3) voted against (Mr.
28 Valella, Ms. Levendosky and Mr. Kraut). As such, discussion of this item continued.
29

30 Ms. Quinones provided a brief historical overview of the pending offer. She noted that the
31 form of the lease for Southtown buildings 8 and 9 was agreed upon in the Third Amendment to
32 the Development Agreement. The new proposal offers a far deeper and more sustained
33 affordability than any prior Southtown building. Ms. Quinones described the proposed levels of
34 affordability and noted that they are guaranteed for at least thirty years. In exchange, RIOC would
35 provide a discount of approximately 13% on the ground rate.
36

37 Timothy E. Sheehan, Senior Vice President of RIOC's real estate consultant firm of CBRE
38 Group, Inc. further elaborated on the advantages of the proposed affordability plan. Ms. Quinones
39 also noted that part of the new deal would include new offices for RIOC in Southtown. In response
40 to Board Members' inquiries regarding a comparison between this proposal and other
41 developments on Roosevelt Island, President Rosenthal noted that such a comparison would not
42 be helpful because there was an existing deal in place and the only relevant comparison is between
43 that old deal and the currently proposed offer. Mr. Sheehan further explained key points of the
44 comparison between the old and the new proposals.
45

46 General Counsel Flug noted that the developer agreed to give priority to Roosevelt Island
47 residents in applying for affordable units in the new building if such priority is deemed to be in

1 accordance with the law. Ms. Quinones outlined the next steps that would be taken to proceed
2 with this proposal. RIOC’s outside counsel, Christopher Rizzo of Carter Ledyard and Milburn
3 LLP noted that this item will require one more vote in December when the Board will be called
4 upon to approve the actual lease, zoning resolution amendment and environmental findings. Mr.
5 Rizzo, however, noted that he would not view that vote as an opportunity to re-address any of the
6 financial terms.

7
8 Director David Kraut noted that to him this looks like the best deal in terms of affordability
9 that RIOC can get, and that, therefore, he will vote for the proposal. Chair’s designee Mr. Valella
10 noted that two primary State agencies that deal with affordability are closely monitoring this deal
11 and believe to be excellent in terms of affordability. Director Howard Polivy noted that Chair
12 Visnaukas reviewed the affordability component of the proposal at the last REDAC meeting and
13 was impressed with its contents.

14
15 Upon a motion duly made, seconded and carried by a four votes in favor (Mr. Valella, Ms.
16 Levendosky, Mr. Kraut and Mr. Polivy), and two votes against (Ms. Christian and Ms. Smith) the
17 following resolution was ADOPTED:

18
19 **RESOLUTION**

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21 **AUTHORIZATION TO ENTER INTO THE FIFTH AMENDMENT**
22 **OF THE SOUTHTOWN DEVELOPMENT AGREEMENT**
23

24
25 **RESOLVED** by the Board of Directors of the Roosevelt Island Operating Corporation of the State
26 of New York (“RIOC”), as follows:

27
28 Section 1. that RIOC is hereby authorized to negotiate and enter into the Fifth
29 Amendment of the Southtown Development Agreement, upon such terms
30 and conditions substantially similar to those outlined in the Memorandum
31 from Kimberly L. Quinones to the Board of Directors dated September 5,
32 2017, attached hereto;

33
34 Section 2. that the President/Chief Executive Officer or her designee is hereby
35 authorized to take such actions and execute such instruments as she deems
36 necessary to effectuate the foregoing; and

37
38 Section 3. that this resolution shall take effect immediately.

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42 **NEW BUSINESS ITEM #3**

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44 The third item of new business was the presentation of the Proposed Budget for the Fiscal
45 Year 2018-19.

1 Corporation's Comptroller Muneshwar Jadgharry presented highlights of the proposed
2 budget. In response to and inquiry from Director Christian, Mr. Jagdharry noted that once the
3 leases for the final Southtown buildings are signed, certain payments to consultants that helped
4 negotiate these deals will become due. Ms. Quinones noted that the presented budget reflects old
5 assumptions regarding Southtown. She stated that the budget will be updated based on the changes
6 approved at this meeting, and that the bottom-line numbers will look even more favorable to RIOC
7 because of bigger upfront payments.

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11 **NEW BUSINESS ITEM #4**

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13 The fourth item of new business was the authorization to enter into contract with the New
14 York State Department of Transportation for the striping and painting of the Roosevelt Island
15 roads.

16
17 General Counsel Jacqueline Flug noted the need for re-striping and painting of the Island
18 roads with thermoplastic reflective paint. She noted that most vendors approved by the Office of
19 General Services are located upstate and consider Roosevelt Island to be a small job. RIOC,
20 therefore, contacted the New York State Department of Transportation (DOT) as they have bulk
21 contracts for this type of work throughout the State.

22
23 Ms. Flug further noted that DOT's contractor will do the work which will be overseen by
24 DOT and RIOC. DOT will pay the contractor in the first instance, and then RIOC will reimburse
25 the DOT. In response to Director Smith's question, Ms. Flug noted that the work needs to be
26 completed before the end of the season. Ms. Smith requested that RIOC staff members contact
27 the relevant New York City department to compare prices for similar work.

28
29 Upon a motion duly made, seconded and carried by unanimous vote in favor (Mr. Valella,
30 Ms. Levendosky, Ms. Christian, Mr. Kraut, Mr. Polivy and Mr. Smith) the following resolution
31 was ADOPTED:

32
33 **RESOLUTION**

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35 **AUTHORIZATION TO ENTER INTO CONTRACT WITH NEW YORK STATE**
36 **DEPARTMENT OF TRANSPORTATION FOR STRIPING AND PAINTING OF**
37 **ROOSEVELT ISLAND ROADS**

38
39
40 **RESOLVED** by the Board of Directors of the Roosevelt Island Operating Corporation of the State
41 of New York ("RIOC"), as follows:

42
43 Section 1. that RIOC is hereby authorized to enter into contract with New York State
44 Department of Transportation for the striping and painting of roads on
45 Roosevelt Island, upon such terms and conditions substantially similar to
46 those outlined in the Memorandum from Shelton J. Haynes to RIOC Board
47 of Directors dated August 30, 2017, attached hereto;

1 **NEW BUSINESS ITEM #10**

2
3 The tenth item of new business was authorization of expenditure of funds to Roosevelt
4 Island Youth Program.

5
6 Ms. Kimberly Quinones recommended the expenditure to ensure continued operation of
7 the Youth Center for another three months.

8
9 Upon a motion duly made, seconded and carried by unanimous vote in favor (Mr. Valella,
10 Ms. Levendosky, Ms. Christian, Mr. Kraut, Mr. Polivy, and Ms. Smith), the following resolution
11 was ADOPTED:

12
13 **RESOLUTION**

14
15 **AUTHORIZATION OF EXPENDITURE OF FUNDS**
16 **FOR ROOSEVELT ISLAND YOUTH PROGRAM**
17

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19 **RESOLVED** by the Board of Directors of the Roosevelt Island Operating Corporation of the State
20 of New York (“RIOC”), as follows:

21
22 Section 1. that the expenditure of funds for Roosevelt Island Youth Program, Inc. upon
23 the terms and conditions substantially similar to those outlined in the
24 Memorandum from Sean Singh to RIOC Board of Directors/Susan G.
25 Rosenthal dated August 30, 2017, attached hereto, is hereby authorized;

26
27 Section 2. that the President/Chief Executive Officer or her designee is hereby
28 authorized to take such actions and execute such instruments as she deems
29 necessary to effectuate the foregoing; and

30
31 Section 3. that this resolution shall take effect immediately.

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35 **NEW BUSINESS ITEM #11**

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37 The eleventh item of new business was authorization to enter into a Fourth Modification
38 Agreement with the Roosevelt Island Racquet Club Associates.

39
40 Ms. Flug noted that Roosevelt Island Racquet Club Associates (RIRCA) wants to make
41 certain renovations to the clubhouse. RIOC noted that the canopy over the walkway is falling
42 apart. The parties agreed to address both issues as described in the memorandum presented to the
43 Board. Ms. Flug recommended the modification for Board approval.

44
45 Upon a motion duly made, seconded and carried by unanimous vote in favor (Mr. Valella,
46 Ms. Levendosky, Ms. Christian, Mr. Kraut, Mr. Polivy, and Ms. Smith), the following resolution
47 was ADOPTED:

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RESOLUTION

AUTHORIZATION TO ENTER INTO FOURTH MODIFICATION AGREEMENT WITH
THE ROOSEVELT ISLAND RACQUET CLUB ASSOCIATES

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

Section 1. that RIOC is hereby authorized to enter into a fourth amendment modification agreement with the Roosevelt Island Racquet Club Associates, upon such terms and conditions substantially similar to those outlined in the Memorandum from Jacqueline P. Flug to RIOC Board of Directors dated September 7, 2017, attached hereto;

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

Section 3. that this resolution shall take effect immediately.

PRESIDENT’S REPORT

President Susan G. Rosenthal started off by thanking the public for its continued patience in dealing with transportation challenges. She noted that Tram platform repair is proceeding ahead of schedule. Also, the newly launched ferry is a great addition to the Island’s variety of modes of transportation. Ms. Rosenthal noted that she received complaints about the lack of shuttle buses on weekend. Unfortunately, there were no bus drivers available on short notice.

President Rosenthal noted that the Blackwell House interior restoration contract was signed, and that RIOC is expecting staging and logistic plans to be worked out in the next few days. The Youth Center’s new roof was completed in three weeks. The old roof has been removed. Engineering drawings for all renovations at the Youth Center are scheduled for completion this month. They will then be put out with an RFP.

Ms. Rosenthal noted that the competitive grant for Youth Center Operator applications are due October 13 and there will be a walkthrough next Friday. The Seawall railings contract is being finalized. The SBS approved the design and RIOC is waiting for City to issue permit to contractor.

In other news, Con Ed is starting work of laying pipes and restoring Z-bricks on Roosevelt Island on September 18, 2017. The work is expected to last to four to five weeks. Unfortunately, only one bid was received for the Tram elevator RFP, and RIOC is closely reviewing it.

1 Ms. Rosenthal noted that the Helix ramp is truly in need of repair, and the window of
2 opportunity to repair it is now, before construction on Island dramatically increases and the snow
3 arrives. A viewing of the mockup of the welcome sign is being coordinated.
4

5 Finally, Ms. Rosenthal stated that RIOC is moving forward in a coordinated effort with
6 Hudson Related Realty to create Winter Wonderland decorations on Main Street. Fall for Arts
7 Festival is planned for September 23, 2017. Tomorrow is the last day to apply. RIOC is also
8 moving forward with the bathrooms at Firefighters Field project.
9

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12 **COMMITTEE REPORTS**

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14 **AUDIT COMMITTEE**

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16 Committee Chair Howard Polivy stated that the Audit Committee met on August 29, 2017
17 to discuss the proposed budget for fiscal year 2018-19.
18

19 **GOVERNANCE COMMITTEE**

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21 Committee Chair Margie Smith stated that the Governance Committee met on July 25,
22 2017. The Committee discussed certain provisions of the Open Meetings Law based on the
23 memorandum it received from General Counsel Jacqueline Flug. The Committee also discussed
24 certain potential amendments to the Corporation's By-laws. Lastly, the Committee went into
25 executive session to discuss the results of the RIOC Board Member evaluations. No votes were
26 taken in the executive session.
27

28 **OPERATIONS ADVISORY COMMITTEE**

29
30 The Operations Advisory Committee did not met.
31

32 **REAL ESTATE DEVELOPMENT ADVISORY COMMITTEE**

33
34 Committee Chair Mr. Polivy stated that the Real Estate Development Advisory Committee
35 met on August 22, 2017. The Committee received a presentation by Crown Castle NG East LLC
36 regarding proposed cellular service infrastructure improvements on Roosevelt Island. The
37 Committee also went into executive session to discuss the proposed amendments to agreements
38 for Southtown Buildings 8 and 9. No votes were taken in the executive session.
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42 **PUBLIC SAFETY REPORT**

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44 Chair's Designee Valella noted that the Public Safety Report was included in the Board
45 package.
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Upon a motion duly made, seconded and carried by unanimous vote in favor (Mr. Valella, Ms. Levendosky, Ms. Christian, Mr. Kraut, Mr. Polivy and Ms. Smith), the meeting was adjourned at 7:45 p.m.

Jacqueline P. Flug, Secretary