



ANDREW M. CUOMO
Governor

SHELTON J. HAYNES
Acting President & CEO

BOARD OF DIRECTORS

RuthAnne Visnauskas, Chair, Commissioner of NYSHCR
Robert F. Mujica Jr., Director of BUDGET
Conway S. Ekpo
Jeffrey R. Escobar
David Kapell
David Kraut
Howard Polivy
Michael Shinozaki

**MINUTES OF THE AUGUST 5, 2020 SPECIAL MEETING OF THE
ROOSEVELT ISLAND OPERATING CORPORATION BOARD OF DIRECTORS**

A meeting of the Board of Directors was held via videoconference on August 5, 2020 at 5:30 p.m.

Directors Present:

Linda Manley	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
Conway Ekpo	Director
Jeffrey Escobar	Director
David Kapell	Director ¹
David Kraut	Director
Howard Polivy	Director
Michael Shinozaki	Director

Officers and Staff Attending:

Shelton J. Haynes	Acting President/Chief Executive Officer
Gretchen K. Robinson	Vice President/General Counsel
Anthony Amoroso	Deputy Director of Public Safety Department
Kevin Brown	Director of Public Safety Department
Arthur G. Eliav	Associate General Counsel
Lada V. Stasko	Assistant General Counsel

Others Attending:

Barbara B. Brown	Partner, Attorney, Carter Ledyard & Milburn LLP
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¹ Mr. Kapell left the meeting before the executive session.

1 Chair's Designee Ms. Linda Manley stated that this is a Special Meeting of the Board of
2 Directors. Therefore, there will be neither public comment session, nor an Acting President's report.

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6 Gretchen K. Robinson, Vice President/General Counsel called the Board meeting to order at
7 5:09 p.m. The roll was called, and a quorum found to be assembled and present.

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11 **NEW BUSINESS ITEM #1**

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13 The first item of new business was the authorization to approve mortgage refinancing by
14 Rivercross Tenants' Corp.

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16 Chair's Designee Linda Manley stated that this matter was discussed during a Real Estate
17 Development Advisory Committee ("REDAC") meeting held earlier today, prior to this Special
18 Board meeting. She introduced RIOC's real estate outside counsel, Barbara B. Brown of Carter
19 Ledyard and Milburn LLP, to the Board.

20
21 Ms. Brown explained the terms of the Rivercross Tenants' Corp. mortgage and the proposed
22 refinancing. She mentioned that the Rivercross ground lease obligates Rivercross to obtain RIOC's
23 consent to a mortgage. In 2011, RIOC consented to Rivercross obtaining a \$50,000,000 loan from
24 NCB. She explained that the loan was for a ten-year term with an interest rate of 4.64 %. She noted
25 that during that time the parties exchanged fairly standard documentation, which included an Estoppel
26 Certificate and a Non-Disturbance and Attornment Agreement. She further stated the lender agreed
27 not to disturb RIOC's occupancy of the commercial space it sublets in Rivercross.

28
29 Ms. Brown stated Rivercross now seeks to refinance their mortgage with a \$67,000,000
30 mortgage and a \$2,900,000 revolving line of credit secured by a second leasehold mortgage for a ten-
31 year term. She noted that while the interest rate of the new mortgages will not be locked in until after
32 RIOC's consent has been obtained, it is anticipated that the interest rate of the new mortgages will be
33 approximately 3%.

34
35 Ms. Brown noted that the new mortgage is similar in form to the existing one. However,
36 Rivercross intends to use the loan proceeds remaining after satisfaction of the existing mortgage to
37 fund reserves, which is a major difference with the existing mortgage. The Rivercross ground lease
38 obligated Rivercross to use insurance for the condonation proceeds for restorations before any funds
39 to be given to the mortgagee. Ms. Brown noted that this provision was deleted in the new mortgage.
40 She stated that RIOC has requested that the language requiring the money to be paid first as required for
41 restoration of the Premises pursuant to the Ground Lease be restored. She mentioned that Rivercross
42 stated for the language to be changed, they would need to obtain a waiver from Fannie Mae.

43
44 Director Kapell stated that the REDAC Chair Howard Polivy has recused himself from
45 discussion and vote on this item. Ms. Manley suggested that Mr. Kappel share the REDAC
46 recommendations before the vote:

1 REAL ESTATE DEVELOPMENT ADVISORY COMMITTEE REPORT:
2

3 The Real Estate Development Advisory met on August 5, 2020 to discuss mortgage
4 refinancing by Rivercross Tenants' Corp.
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6 Director Kappel mentioned that Mr. Polivy recused himself from deliberations on this item as
7 a shareholder in Rivercross. Mr. Kapell stated that the Committee members shared concerns raised
8 by RIOC's outside counsel. He stated that the Committee recommended that it would be in the best
9 interest of the Corporation to table this item and reconvene at a later date, once the mortgage
10 refinancing terms are revised.
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12 * * *
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14 In response to Ms. Manley's inquiry, RIOC's management team and outside counsel agreed
15 to re-engage with Rivercross's counsel and reschedule a meeting to further discuss this item.
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17 Upon a motion duly made, seconded and carried by unanimous vote in favor (Ms. Manley,
18 Ms. Levendosky, Mr. Escobar, Mr. Ekpo, Mr. Kraut, Mr. Kappel and Mr. Shinozaki), the new
19 business item #1 was TABLED.
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24 **EXECUTIVE SESSION**
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26 Chair's Designee Ms. Manley stated that the Board would like to adjourn into executive
27 session to discuss pending litigation.
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29 Upon a motion duly made, seconded, and carried by a unanimous vote in favor (Ms. Manley,
30 Ms. Levendosky, Mr. Ekpo, Mr. Escobar, Mr. Kraut, Mr. Polivy, and Mr. Shinozaki), the open
31 meeting was adjourned for the Directors to go into executive session at 5:17 p.m.
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33 Upon the return of the Directors from executive session at 6:10 p.m., Ms. Manley noted that
34 no votes were taken during the executive session.
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38 Upon a motion duly made, seconded and carried by unanimous vote in favor (Ms. Manley,
39 Ms. Levendosky, Mr. Ekpo, Mr. Escobar, Mr. Kraut, Mr. Polivy, and Mr. Shinozaki), the meeting
40 was adjourned at 6: 11 p.m.
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Gretchen K. Robinson, Secretary