

TO: Board of Directors

FROM: Paul Kelly, General Counsel and Executive Vice President

SUBJECT: February 6, 2019 Minutes

DATE: April 10, 2019

A regular meeting of the Board of Directors of Brooklyn Navy Yard Development Corporation (“BNYDC”) was held at the Brooklyn Navy Yard, 141 Flushing Avenue, Suite 801, Brooklyn, New York on February 6, 2019.

The following Board members were present and participating at the meeting:

Henry B. Gutman, Chair	Amani Martin
Ofer Cohen	Ronald McCain
Lisa Davis	Daniel McQuade
Adam Friedman	Ramon Peguero
Abby Hamlin	Wendy Rowden
Kei Hayashi	William Turner
Jillian Joseph	Toni Yuille-Williams
Meredith Kane	Henry Berger
Joseph Kohl-Riggs	

By invitation of the Board, members of the BNYDC staff were also present.

1. Henry B. Gutman chaired the meeting. He stated that a quorum of the Directors was present, and that the meeting, having been duly convened, could transact business.

2. Resolved, that the minutes of the meeting of the Directors held on December 12, 2018 be accepted.

Being duly made, a motion to approve item 2 was carried.

3. The Chair and President gave their reports. There were no Committee reports provided at the meeting.

4. Resolved, that BNYDC is authorized to re-elect the following individuals as officers of the Corporation to the BNYDC officer positions set forth below:

1. David Ehrenberg, President
2. Clare Newman, Vice President
3. Jocelynn Rainey, Vice President
4. Michael Kelly, Vice President
5. Wimal Ariyawansa, Treasurer
6. Paul Kelly, Secretary
7. Julia Miller, Assistant Secretary

Being duly made, a motion to approve item 4 was carried.

5A. Wimal Ariyawansa presented the December 2018 Financial Statement.

5B. Resolved, that BNYDC is authorized to enter into a new contract for professional services with Marks Paneth LLP, selected by publicly advertised RFP, to provide an annual audit, single audits, prepare forms 990 and Char 500, and prepare reports on consolidated financial statements at a cost of \$259,000 plus 15% contingency for a duration of five years.

5C. David Ehrenberg and Wimal Ariyawansa presented a debt dashboard discussion to the Directors. The debt summary memo attached to the February Board packet as Item 5C summarized the loans of BNYDC and its affiliated entities, the annual debt service, the debt service coverage ratio and other information. The Directors asked questions which were answered by David and Wimal. It was noted that a paragraph was missing from the memo and the directors were advised that a corrected memo would be circulated after the Board meeting. This was a non-voting item.

Being duly made, a motion to approve items 5A and 5B was carried.

6A. Resolved, that BNYDC is authorized to amend by change order its contract for construction services with Razaline Builders, Inc. to repaint the BNYDC 292 offices and to upgrade the bathroom accessories, by adding an additional scope of work to include painting the remaining HVAC units and radiators, insulating the remaining steam pipes, demolishing the main hallway doorways, and painting the main corridor, at a total cost of \$115,200 plus 20% contingency, for a duration of two months.

6B. Resolved, that BNYDC is authorized to amend by change order its contract for construction services with Farragut Builders II Inc to include floor installations and upgrade of the bathroom fixtures in Building 292, by adding a new scope of work to include the supply and installation of additional carpet for the security office, the installation of new tile flooring in both sergeant quarters, and the supply and installation of specified blinds in the remaining offices, at a total cost of \$108,745 plus 20% contingency, for a duration of two months.

6C. Resolved, that BNYDC is authorized to amend by change order its contracts for professional services with PAL Environmental Services and CORE Environmental Consultants, Inc. to increase the contract costs for both contracts by \$400,000 to complete the ongoing asbestos abatement and air monitoring work at Building 127. The total costs for both contracts will not exceed \$900,000.

6D. Resolved, that BNYDC is authorized to enter into a new contract for professional services with Energy Spectrum, selected by sole source, to complete any and all required paperwork between BNYDC, its tenants, and the appropriate NYC agencies to ensure that NYC Energy Cost Savings Program (ECSP) savings will be provided to the enrolled BNYDC tenants. Energy Spectrum will perform all monthly calculations and submit all ongoing required paperwork to ensure such tenants continue to receive the savings throughout the ECSP term, at a cost of 10% of the cost savings provided to BNYDC tenants during the term of this contract. The contract will be for an initial term of one year with the contract automatically renewing each year (unless cancelled by either party) for as long as enrolled BNYDC tenants continue to receive electricity cost savings through the ECSP.

6E. Resolved, that BNYDC is authorized to amend by change order its contract for professional services with COWI for construction administration services during the construction phase of the BNYDC ferry landing, at an additional cost of \$50,000 due to delays in construction, for a total cost of \$325,000.

6F. Resolved, that BNYDC is authorized to enter into a new contract for construction services for the demolition of Building 42/46 with Niram, Inc., selected by a publicly advertised request for bids. The services to be provided by Niram, Inc. will include the retention of a licensed architect or engineer to prepare safety site plans, to obtain a demolition permit, to remove all material containing asbestos, to demolish the building, and to dispose of and/or recycle all materials and building equipment, at a cost of \$238,700 plus 15% contingency, for a duration of approximately six months.

Being duly made, a motion to approve items 6A, 6B, 6C, 6D, 6E, and 6F was carried.

7A. Resolved, that BNYDC is authorized to enter into a new lease with Steiner Studios LLC or its affiliate for the entirety of Building 2 and the adjacent land, approximately 67,293 and 24,924 square feet respectively, at a cost of \$11 per square foot for Building 2 and \$2 per square foot for the adjacent lands with 10% escalations every five years. The lease will contain a rent FMV reset to be negotiated at a later date. Steiner will receive five 10-year renewal options which could lead to a term coterminous with City's lease to BNYDC, less one day, or June 29, 2111. Steiner will receive four years of free rent starting on the lease effective date. Steiner's renovation scope for Building 2 includes a complete gut renovation, an upgrade to all building systems, and a build-out of one or two sounds stages within Building 2.

7B. Resolved, that BNYDC is authorized to enter into a lease with WeWork for the side-loading berth known as Berth 7B located on the Yard's new ferry dock. In consideration for the lease agreement, WeWork, together with its landlord, BNY Tower Associates LLC, contributed financially to the construction of the dock. BNYDC anticipates the total development cost of the dock to be up to \$9 million, which would result in a \$3.8 million contribution by WeWork, which is approximately 42.26% (a fixed percentage irrespective of final costs) of the total development cost of the dock. The lease shall be coterminous with WeWork's lease with BNY Tower Associates LLC for WeWork's premises at Dock 72, which consists of an initial 20-year term and two 5-year renewal terms, commencing on June 26, 2015. WeWork shall pay; (i) a nominal rent of \$1 per year for exclusive use of the WeWork Berth and non-exclusive use of the dock; (ii) fifty percent (50%) of the fixed costs related to the operation, maintenance, and repair of the dock; and (iii) one hundred percent (100%) of the costs related to the operation, maintenance, and repair of the dock that vary depending on usage and which can be attributable and allocable to WeWork's usage of the dock.

Being duly made, a motion to approve items 7A and 7B was carried.

8A – 8C. Resolved, that the following leasing actions be approved:

8A. New Tenants:

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| i. Atoms, Inc. | Building 77, | Suite 701 |
| ii. Lecker Foods Hospitality Group LLC | Building 77, | Retail 3 & Storage Space 3 |

8B. Renewing Tenants:

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| i. Bien Hecho, LLC | Building 3, | Suite 1110 |
| ii. Robert Clark Photography LLC | Building 280, | Suite 819 |
| iii. Royal Supply Corporation | Building 3, | Suite 101 |
| iv. Noori Liquidation Center, Inc. | Building 3, | Suites 311 & 312 |

8C. Existing Tenant Expansions:

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| i. Abby Lichtman Design LLC | Building 62, | Suite 202 |
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Being duly made, a motion to approve all leasing items in 8A, 8B, and 8C was carried.

9A. Resolved, that BNYDC is authorized to enter into a new contract for services with Optimus Ride Inc., chosen by sole source, to operate a fleet of self-driving vehicles to provide shuttle service from the ferry dock to the public street to transport non-BNY tenants and non-registered visitors that commute via the public ferry, at a cost of \$480,000, for a duration of two years.



Brooklyn Navy Yard
Development Corporation
BrooklynNavyYard.org

Building 77
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Brooklyn, NY 11205

Being duly made, a motion to approve item 9A was carried.

10. The Chair noted that staff had prepared additional informational items that were distributed at the meeting.

11. With no further business to conduct, the Chair called for a motion to adjourn the meeting, which was duly made and carried.

Paul Kelly, Secretary of the Corporation