



New York Convention Center Operating Corporation

Adopted Annual Budget and Multi-Year Financial Plan

Fiscal Year 2018-19

§ 203.6 Budget and Financial Plan presentation.

- (a) An explanation of the public authority's relationship with the unit or units of government, if any, on whose behalf or benefit the authority was established.**

New York Convention Center Operating Corporation was established by the New York State Legislature in 1979 as a public benefit corporation through Title 27 of the Public Authorities Law. New York Convention Center Operating Corporation was created to operate and maintain the Jacob K. Javits Convention Center (Convention Center). The Convention Center hosts events including conventions, fashion shows, association meetings, and trade shows. The Convention Center spans from 34th Street to 40th Street between 11th and 12th Avenues in Manhattan.

The primary mission of the New York Convention Center Operating Corporation as set forth in its enabling legislation, is to manage and maintain the Javits Center to maximize the Center's positive impact on the economy of the City and the State. New York Convention Center Operating Corporation meet this objective by booking events that bring out-of-town guests to the City to fill its hotel rooms, restaurants, theaters and retail shopping outlets; by stimulating the growth of the local economy through events that benefit New York businesses and inform New York consumers; and by providing work opportunities to its own labor force and to contractors and other service providers.

As a secondary goal, New York Convention Center Operating Corporation strives to operate the facility and to manage its funds in such a way as to be self-supporting. New York Convention Center Operating Corporation meets this objective by directly supplying as many services to its customers as it can efficiently administer, and by carefully managing its expenses.

Finally, New York Convention Center Operating Corporation has added a new goal in recent years: to achieve an expansion and renovation of the existing facility that will better meet the needs of its existing customers and will also allow it to attract new events to benefit the State and City economy. New York Convention Center Operating Corporation meets this objective by soliciting input from its customers and by cooperating with the New York Convention Center Development Corporation to secure the most cost-effective improvements to the Center.

- (b) A description of the budget process, including the dates of key budget decisions.**

Our process for developing the budget begins with the Sales Department identifying each show that is licensed, the shows that are expected to be licensed and estimates of the

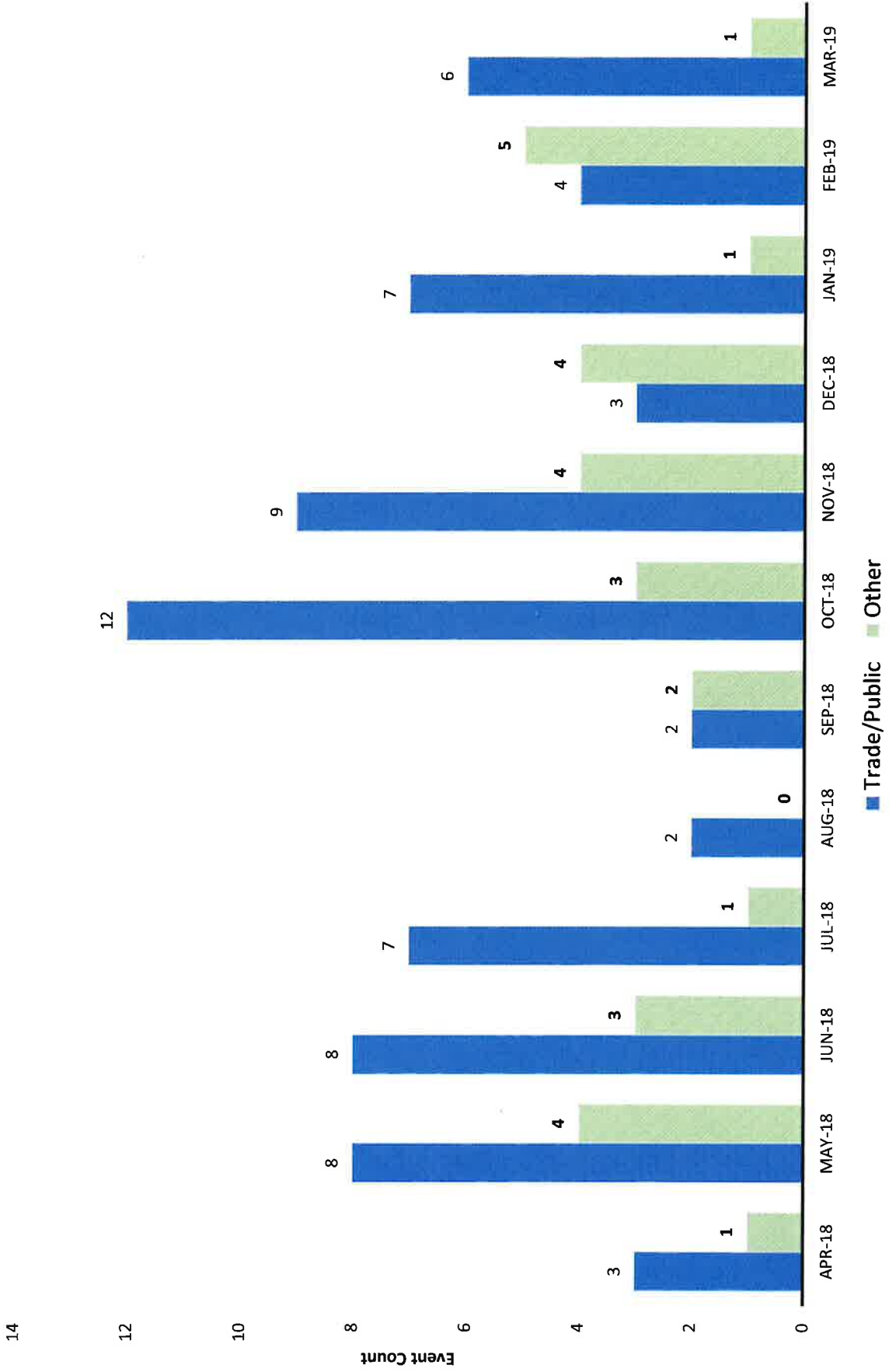
special events based on the previous year. Special events are harder to predict than recurring trade shows. Special Events license their space from as little as a week in advance of the event (i.e. photo shoot) to 6 months in advance for a more complex event (i.e. movie screening). We then use the gross square footage based on the license agreement for which the event has rented. From the gross square footage we determine the net square footage based on historical data and information from the show manager or other venues. The net square footage is the basis for generating the show related revenue and expense. We determine the revenue and expense based on the labor hours projected and apply the labor rates and benefits. The labor rates and benefits are a combination of the current rates, upcoming contractual rate increases and, in the event of an expired contract, an estimate of the rate. In addition to the show labor expense we also have to budget for the house labor expense. We work with the operations department and determine the staffing levels, contractual rates of pay, and the repair and maintenance needs of the building. The repair and maintenance needs continue to increase as the building ages and the infrastructure improvements are completed. The Operations Department works on adjustments to the 5 year plans for both repairs and maintenance and capital improvements based on manpower required and available to complete the projects. Lastly, there are emergency repairs that occur which are estimated based on the age of the facility in addition to the labor demands required as a result of the on-going renovation. In future years we expect to see reduced emergency work as a result of the capital investments made.

(c) A description of the principal budget assumptions, including sources of revenues, staffing and future collective bargaining costs, and programmatic goals.

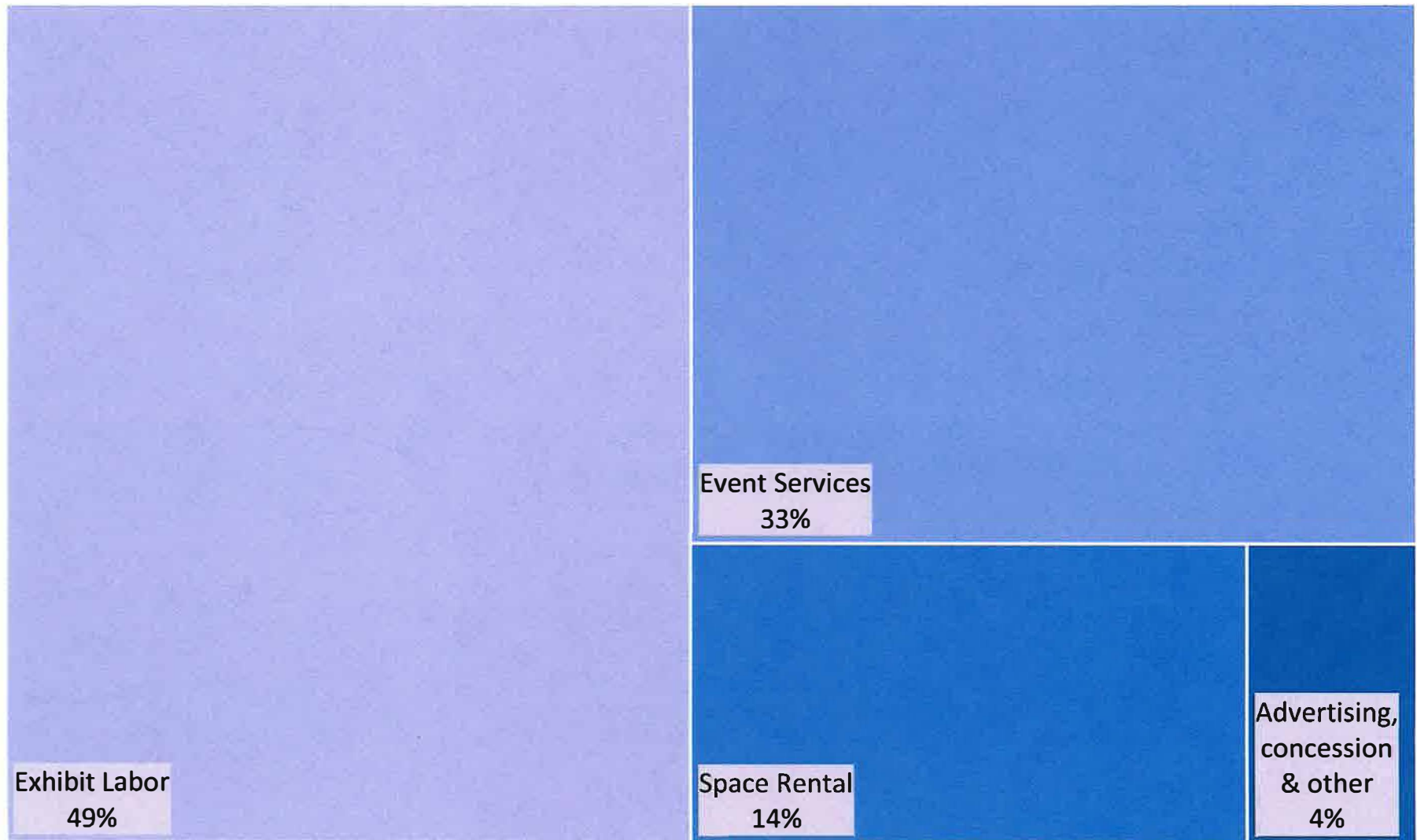
Please see attached.

BUDGET & FINANCIAL PLAN							
BUDGETED REVENUES, EXPENDITURES, AND CHANGES IN CURRENT NET ASSETS							
		Last Year	Current Year	Next Year			
		(Actual)	(Estimated)	(Adopted)	Proposed	Proposed	Proposed
		2017	2018	2019	2020	2021	2022
REVENUE & FINANCIAL SOURCES							
Operating Revenues							
	Charges for services	171,606,080	173,266,881	175,865,884	178,943,537	182,969,767	188,458,860
	Rental & financing income	28,945,878	28,453,074	28,453,074	29,306,666	29,306,666	30,332,400
	Other operating revenues	405	0	0	0	0	0
Nonoperating Revenues							
	Investment earnings	212,711	354,778	358,326	361,909	365,528	369,183
Total Revenues & Financing Sources		200,765,074	202,074,733	204,677,284	208,612,112	212,641,961	219,160,443
EXPENDITURES							
Operating Expenditures							
	Salaries and wages	92,571,064	96,775,992	105,268,828	107,374,204	109,629,063	112,369,789
	Other employee benefits	68,568,064	71,682,685	73,116,339	74,578,665	76,070,239	77,591,643
	Professional services contracts	8,373,258	7,819,532	7,936,825	8,055,877	8,176,716	8,340,250
	Supplies and materials	3,608,044	3,279,726	3,312,523	3,362,211	3,429,455	3,498,044
	Other operating expenditures	20,878,913	18,211,142	18,438,782	18,715,363	19,089,671	19,471,464
Nonoperating Expenditures							
	Payment of principal on bonds and financing arrangements	0	0	0	0	0	0
	Interest and other financing charges	49,927	19,269	19,751	20,244	20,751	21,269
	Other nonoperating expenditures	0	0	0	0	0	0
Total Expenditures		194,049,271	197,788,346	208,093,047	212,106,566	216,415,893	221,292,460
Capital Contributions		0	0	0	0	0	0
Excess (deficiency) of revenues and capital contributions over expenditures		6,715,804	4,286,387	(3,415,763)	(3,494,453)	(3,773,932)	(2,132,017)

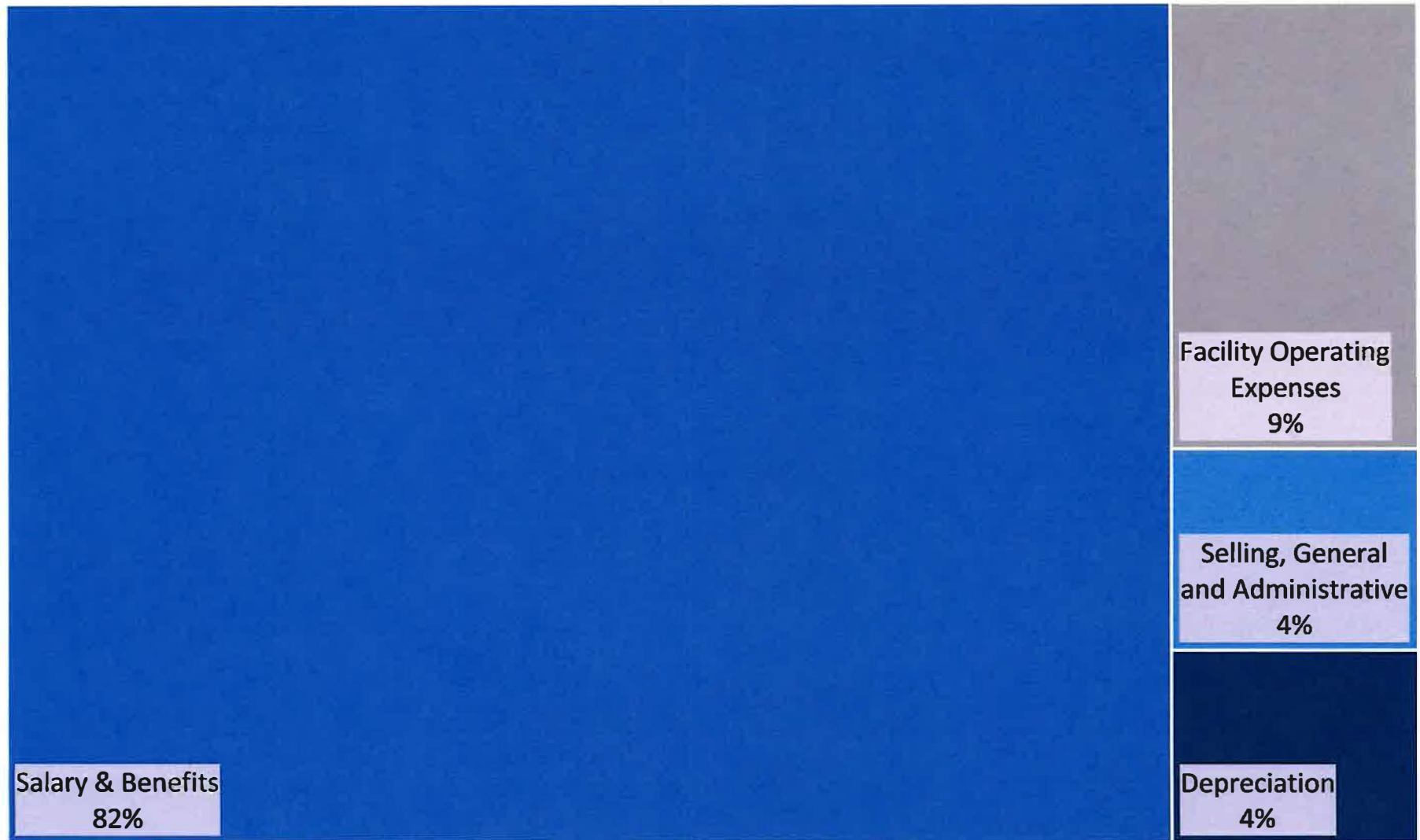
New York Convention Center Operating Corporation Plan Events - April 1, 2018 - March 31, 2019



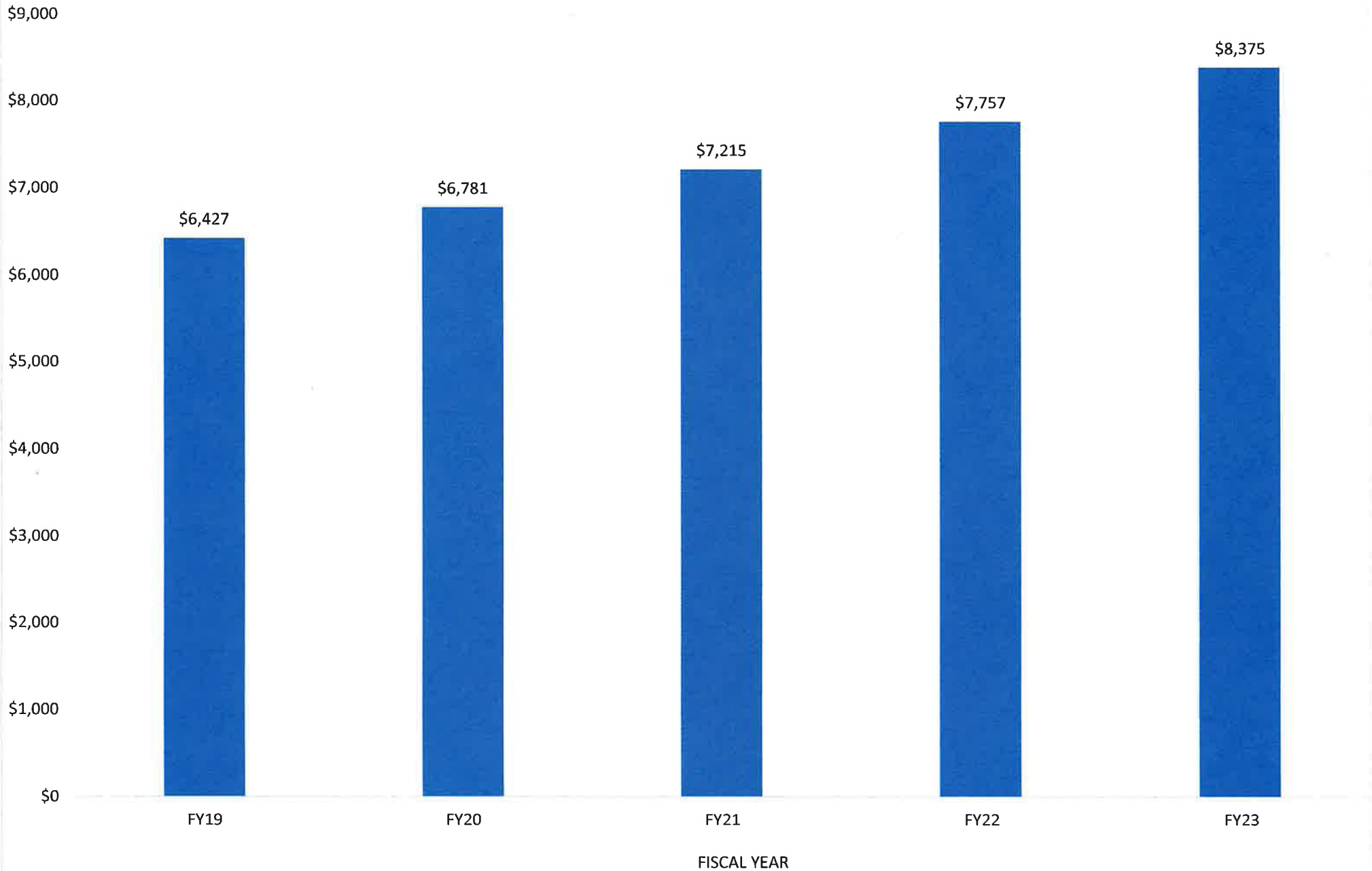
New York Convention Center Operating Corporation
FY19 Total Plan Revenue - \$204.7M



New York Convention Center Operating Corporation
FY19 Total Plan Expenses - \$208.1M



New York Convention Center Operation Corporation
5 Year Repair and Maintenance Plan (In 000's)



**New York Convention Center Operating Corporation
5 Year Repair and Maintenance Plan**

					Does not include expansion		
	Description	FY19	FY20	FY21	FY22	FY23	Total
1	General	\$ 1,481,543	\$ 1,570,436	\$ 1,680,367	\$ 1,848,403	\$ 2,033,244	\$ 8,613,993
2	IT - hardware and software	2,265,893	2,458,494	2,692,051	2,961,256	3,286,994	13,664,686
3	Building Management / Fire Alarm / CCTV / Security Alarms	439,410	461,380	489,063	523,298	565,161	2,478,312
4	Exterior Envelop / Glass / Curtain Wall Stainless Steel Cleaning	606,516	620,163	637,218	656,334	669,461	3,189,692
5	Elevator and escalator	1,633,395	1,670,146	1,716,075	1,767,557	1,820,584	8,607,758
5 Year Repair and Maintenance Plan		\$ 6,426,757	\$ 6,780,619	\$ 7,214,773	\$ 7,756,848	\$ 8,375,444	\$ 36,554,441

(d) A self-assessment of budgetary risks.

New York Convention Center Operating Corporation prepares a self-assessment of budgetary risks and reviews it on an annual basis with the Finance and Audit Committee before the new fiscal year budget is recommended for approval by the Board of Directors.

(e) A revised forecast of the current year's budget.

Once approved by Broad of Director the budget is not revised as year progresses.

(f) A reconciliation that identifies all changes in estimates from the projections in the previously approved budget or plan.

Once approved by Broad of Director the budget is not revised as year progresses.

(g) A statement of the last completed fiscal year's actual financial performance in categories consistent with the proposed budget or financial plan.

Please see attached.

NEW YORK CONVENTION CENTER OPERATING CORPORATION
CONDENSED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Plan vs. Actual As of March 31, 2017 (000's)

	Actual (000's)	Plan (000's)	Variance (000's)
Operating Revenue			
Space Rental	\$ 28,946	\$ 29,534	\$ (588)
Services	162,769	178,342	(15,573)
Other	8,838	8,757	81
Total Operating Revenue	<u>200,552</u>	<u>216,633</u>	<u>(16,080)</u>
Operating Expenses			
Employee compensation and benefits	158,258	177,306	(19,047)
Facility operating expenses	17,914	19,543	(1,629)
Selling, general and administrative expenses	8,740	8,438	302
Annual other postemployment benefits expenses	2,881	2,881	-
Total Operating Expenses	<u>187,793</u>	<u>208,167</u>	<u>(20,375)</u>
Depreciation and Amortization	<u>6,207</u>	<u>5,866</u>	<u>341</u>
Income (Loss) from Operations	6,553	2,599	3,954
Total Non-Operating Income	<u>163</u>	<u>26</u>	<u>137</u>
Change in Net Position	<u>\$ 6,716</u>	<u>\$ 2,625</u>	<u>\$ 4,091</u>

- (h) A projection of the number of employees, including sources of funding, the numbers of full-time and full-time equivalents, and functional classifications.**

FY19 Headcount Request		
	Full Time	Part Time
Administration	142	36
House Labor	185	66
Show Labor	0	3,733
TOTAL	327	3,835

- (i) A statement of each revenue-enhancement and cost-reduction initiative that represents a component of any gap-closing program and the annual impact on revenues, expenses and staffing.**

None.

- (j) A statement of the source and amount of any material non-recurring resource that is planned for use in any given fiscal year.**

None.

- (k) A statement of any transactions that shift material resources from one year to another and the amount of any reserves.**

None.

- (l) A statement of borrowed debt projected to be outstanding at the end of each fiscal year covered by the budget or financial plan; the planned use or purpose of debt issuances; scheduled debt service payments for both issued and proposed debt; the principal amount of proposed debt and assumed interest rate(s); debt service for each issuance as a percentage of total pledged revenues, listed by type or category of pledged**

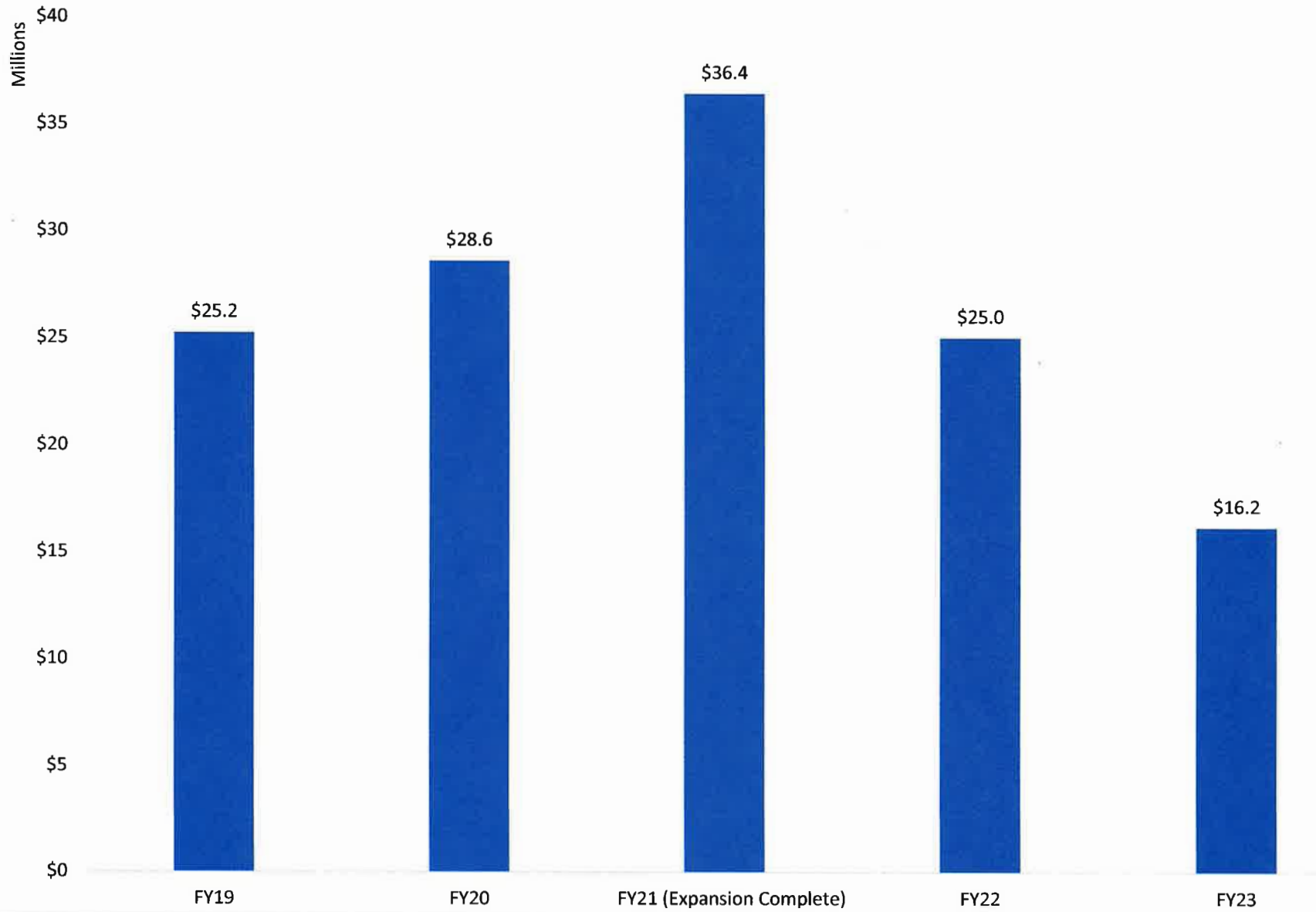
revenues; cumulative debt service as a percentage of available revenues; and amount of debt that can be issued until legal limits are met.

None.

(m)A statement of the annual projected capital cost broken down by category and sources of funding, and for each capital project, estimates of the annual commitment, total project cost, expected date of completion and the annual cost for operating and maintaining those capital projects or capital categories that, when placed into service, are expected to have a material impact on the operating budget.

Please see attached.

New York Convention Center Operating Corporation 5 Year Capital Plan (000's)



Jacob K. Javits Convention Center - 5 Year Proposed Capital Budget Plan - Fiscal Year 2019

	Description	Priority (Life Safety/Essential/High/Medium/Low)	FY19	FY20	FY21 Expansion Complete	FY22	FY23	Total
1	Replace Fire Alarm System - Life Safety	A	-	1,250,000	1,500,000	-	-	2,750,000
2	Mechanical Equipment Room Upgrades - HVAC system replacement - Exceeded Life Expectancy (Executive Order 88)	A	1,340,000	1,340,000	-	-	-	2,680,000
3	Replacement of Lighting Controls in 1A, 1D, 1E & 3D Halls - Exceeded Life Expectancy (Executive Order 88) phase 1-3D	A	320,000	320,000	320,000	-	-	960,000
4	Concrete Side Walk Repairs (Liability Risk) and Exterior Expansion Joints Replacement	A	300,000	300,000	300,000	300,000	-	1,200,000
	A Total		1,960,000	3,210,000	2,120,000	300,000	-	7,590,000
5	Perimeter Building Hardening -Ballards Enhanced Security Requirements	LS	2,000,000	2,000,000	2,000,000	-	-	6,000,000
	LS Total		2,000,000	2,000,000	2,000,000	-	-	6,000,000
6	Facility Audio System Replacement 1A - Exceeded Life Expectancy	E	600,000	-	-	-	-	600,000
7	Replace 1986 black top - Level 1 & Level 3 (Level 3 1st yr. Aug-Sep)	E	1,100,000	1,100,000	250,000	250,000	-	2,700,000
	E Total		1,700,000	1,100,000	250,000	250,000	-	3,300,000
8	Card Access IT Closets C Cure	H	319,000	-	-	-	-	319,000
9	Elevator & Escalators Mechanical Upgrades - Code Compliance	H	300,000	400,000	400,000	400,000	400,000	1,900,000
10	Replacement Floor Ports - Exceeded Life Expectancy	H	200,000	500,000	500,000	400,000	370,000	1,970,000
11	Comprehensive Restroom Renovations - Public Space	H	560,000	500,000	500,000	500,000	500,000	2,560,000
12	Replace original Loading Dock Vertical Rolling Gates with Egress Doors to conform to expansion	H	575,000	575,000	575,000	575,000	-	2,300,000
13	Level 1 Food Court Renovation	H	-	-	-	-	3,645,000	3,645,000
14	Main Kitchen	H	-	-	-	-	4,700,000	4,700,000
15	Signage Package Code Compliance & Structural Support at Truck Check-in Stations	H	185,000	-	-	-	-	185,000
16	Renumber the Exhibit Hall Signage to Coordinate with Expansion	H	-	-	1,000,000	1,000,000	-	2,000,000
17	Exterior Lighting Upgrades Entire Bldg. Perimeter (Second Phase)	H	540,000	-	-	-	-	540,000
18	Pedestrian Access Stairs at 34th & 11th Ave - South Egress	H	-	-	-	250,000	-	250,000
	H Total		2,679,000	1,975,000	2,975,000	3,125,000	9,615,000	20,369,000
19	Additional Meeting Rooms/Retail on Level 2	M	-	-	1,550,000	-	-	1,550,000
20	Ceiling Upgrades in Customer Areas -Incomplete Renovation Work	M	-	1,030,000	-	-	-	1,030,000
21	Ceiling Upgrade (speakers, lighting, wiring & labor)exceeds life expectancy & to match expansion - 1A/1E/3D	M	2,750,000	2,720,000	2,500,000	2,750,000	-	10,720,000
22	Interior Benches and Furniture	M	-	690,000	-	-	-	690,000
23	Level 1 Meeting Room/Corridor Renovations 1A, 1B, 1C, 1E	M	-	-	4,250,000	4,000,000	-	8,250,000
24	Level 1 Special Events Hall Upgrades	M	-	-	5,000,000	3,250,000	-	8,250,000
25	Level 2 Meeting Room/Corridor Renovations	M	-	-	4,540,000	4,540,000	-	9,080,000
26	River Pavilion Banquet Kitchen	M	-	1,540,000	500,000	-	-	2,040,000
27	Content Delivery Electronic Signage and Media	M	-	2,022,373	2,022,373	2,022,373	-	6,067,118
	M Total		2,750,000	8,002,373	20,362,373	16,562,373	-	47,677,118
28	Expo Hall Entrance Vestibules	L	240,000	720,000	-	-	-	960,000
29	Internal/External Concrete or Steel Remediation	L	-	-	-	-	3,780,000	3,780,000
	L Total		240,000	720,000	-	-	3,780,000	4,740,000
	Total CCDC		11,329,000	17,007,373	27,707,373	20,237,373	13,395,000	89,676,118
30	Setup Equipment - Black Folding Chairs	A	108,405	118,800	131,175	143,550	49,500	551,430
31	Setup Equipment - Folding Chair Storage Racks	A	10,500	11,900	13,300	14,700	-	50,400
32	Food Service Stations for Meetings Rooms (Centerplate) Level 2- 2 Stations as Phase 1	A	218,000	-	-	-	-	218,000
33	Material Storage Organization for Show Electric/Setup/Finance/F&B (5S)(FY18-West Side of 3D&3E)	A	300,000	300,000	-	-	-	600,000
34	Interior Expansion Joints Replacement from Existing 30 yr. Equipment	A	350,000	-	-	-	-	350,000

Jacob K. Javits Convention Center - 5 Year Proposed Capital Budget Plan - Fiscal Year 2019

Description	Priority (Life Safety/Active /Essential/ High/ Medium/ Low)	FY19	FY20	FY21	FY22	FY23	Total
				Expansion Complete			
A Total		986,905	430,700	144,475	158,250	49,500	1,769,830
35 Yard Management Docking Software	H	500,000	500,000	500,000	-	-	1,500,000
36 Increase/replace loading dock cameras	H	150,000	-	-	-	-	150,000
37 Perimeter Defender Software	H	100,000	-	-	-	-	100,000
38 Replace Pick Up Truck	H	55,000	-	-	-	-	55,000
39 Install Chemical Distribution Centers	H	125,000	-	-	-	125,000	250,000
40 Inventory Management	H	95,000	-	30,000	-	-	125,000
41 Setup Equipment - 40" - 48" Risers	H	-	70,000	35,000	-	-	105,000
42 Setup Equipment - 48" ADA Ramp	H	-	-	15,000	-	-	15,000
43 Setup Equipment - 72" Banquet Round Tables	H	56,880	16,700	16,700	16,700	8,350	115,330
44 Setup Equipment - 72" Rounds Storage Racks	H	6,420	4,158	4,620	4,620	2,310	22,128
45 Setup Equipment - 8' x 30" Tables	H	41,600	14,560	15,600	9,360	4,680	85,800
46 3 & 4 Wheel Electric Carts (4 total)	H	39,070	-	-	-	-	39,070
47 Level 2 Administrative Bathrooms	H	150,000	-	-	-	-	150,000
48 Elevator Cabin Upgrades - 16 (Cargo Elevator)	H	155,000	-	390,000	-	-	545,000
49 Labor Entrance	H	375,000	-	-	-	-	375,000
50 Building Information Modeling	H	330,000	-	-	-	-	330,000
51 Informational Display Structure - 2	H	-	-	-	250,000	-	250,000
52 Lego - Extension for Existing Model	H	50,000	-	-	250,000	-	300,000
53 Microphone Replacement Due to FCC Regulations on Frequency	H	150,000	150,000	-	-	-	300,000
54 Customer VOIP Phones	H	30,000	30,000	30,000	30,000	30,000	150,000
55 Oracle SmartView	H	250,000	-	1,378,000	-	-	1,628,000
56 Par Can Replacement	H	83,333	83,333	83,333	83,333	83,333	416,665
57 I-Expense Implementation	H	50,000	-	-	-	-	50,000
58 Replacement of Credit Card Processor	H	250,000	-	-	-	-	250,000
59 Jake Subsequent Phases	H	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000
60 Network Refresh	H	2,400,000	4,800,000	-	-	-	7,200,000
H Total		7,442,303	7,668,751	4,498,253	2,644,013	2,253,673	24,506,993
61 Replace AED Machines	M	-	210,000	-	-	-	210,000
62 Gunshot Detection Software Throughout Halls	M	400,000	-	-	-	-	400,000
63 Concierge Desk	M	70,000	-	-	-	-	70,000
64 Set Up Solution Space Rendering	M	-	450,000	-	-	-	450,000
65 Modify Coat Check - Add Dispatch System	M	50,000	-	-	-	-	50,000
66 Setup Equipment - 20 x 40 Dance Floor	M	-	-	40,000	-	-	40,000
67 Setup Equipment - 54" Banquet Round Tables	M	-	16,875	16,875	16,875	8,438	59,063
68 Setup Equipment - 54" Rounds Storage Racks	M	-	2,772	2,772	2,772	1,386	9,702
69 Setup Equipment - 6' x 18" Tables	M	24,000	-	17,100	19,665	10,688	71,453
70 Setup Equipment - 6' x 30" Tables	M	24,000	12,950	13,875	8,325	4,163	63,313
71 Setup Equipment - 8' x 18" Tables	M	-	22,200	26,640	31,820	9,625	90,285
72 1D North Corridor Centerplate Renovation	M	63,250	-	-	-	-	63,250

Jacob K. Javits Convention Center - 5 Year Proposed Capital Budget Plan - Fiscal Year 2019

	Description	Priority (Life Safety/Active /Essential/ High/ Medium/ Low)	FY19	FY20	FY21 Expansion Complete	FY22	FY23	Total
73	Landscaping (New Planters, Median, Sidewalks, etc.-34th to 40th St on 12th Ave)	M	800,000	700,000	700,000	-	-	2,200,000
74	Landscaping (New Planters, Median, Sidewalks, etc.-34th St between 11th to 12th Ave)	M	850,000	-	-	-	-	850,000
75	Level 1 Dmarc Room Renovations	M	112,500	-	-	-	-	112,500
76	Relocate Retail Tenants	M	50,000	50,000	50,000	50,000	-	200,000
77	River Pavilion Carpet Replacement	M	-	342,000	-	-	-	342,000
78	Sustainability - Energy Efficient Lighting, Bee Keeping, Alternative Power, etc.	M	150,000	150,000	350,000	350,000	-	1,350,000
79	Solar Power	M	2,750,000	-	-	-	-	2,750,000
80	Meeting Room Wizard	M	35,000	-	-	-	-	35,000
81	Document Imaging Upgrade	M	-	-	-	1,378,000	-	1,378,000
82	Disaster Recovery-Software Implementation Support & Equipment	M	-	411,077	400,000	-	-	811,077
83	Oracle Modules - Upgrade to Cloud and Complete Final Phase to move to project centric approach	M	-	-	1,674,719	-	-	1,674,719
84	Event Audio High End Speakers and Mixers	M	30,000	30,000	30,000	30,000	30,000	150,000
85	Event Video (Displays for Customers)	M	25,000	25,000	25,000	25,000	25,000	125,000
86	Exhibitor CRM (Customer Relationship Management) Solution	M	-	450,000	-	-	-	450,000
	M Total		5,433,750	2,872,874	3,346,981	1,912,457	439,299	14,005,361
87	Setup Equipment - 36" x 36" Tables	L	-	-	15,375	-	-	15,375
88	Setup Equipment - Standing Podiums	L	-	16,000	16,000	-	-	32,000
89	Show Manager Offices Renovation	L	-	540,000	-	-	-	540,000
90	Cisco UCS remote desk-top solution-VMWare & Citrix for Non-Oracle Applications	L	-	-	619,377	-	-	619,377
91	Hardware & Software inventory management- PCs/Monitors/Lap-Tops/Window 10/Scanner	L	57,600	63,850	57,600	63,850	63,850	306,750
	L Total		57,600	619,850	708,352	63,850	63,850	1,513,502
	Total CCOC		13,920,558	11,592,175	8,698,061	4,778,570	2,806,322	41,795,686
		A	1,960,000	3,210,000	2,120,000	300,000	-	7,590,000
		LS	2,000,000	2,000,000	2,000,000	-	-	6,000,000
		E	1,700,000	1,100,000	250,000	250,000	-	3,300,000
		H	2,679,000	1,975,000	2,975,000	3,125,000	9,615,000	20,369,000
		M	2,750,000	8,002,373	20,362,373	16,562,373	-	47,677,118
		L	240,000	720,000	-	-	3,780,000	4,740,000
	Total CCDC 5 Year Capital Plan		11,329,000	17,007,373	27,707,373	20,237,373	13,395,000	89,676,118
		A	986,905	430,700	144,475	158,250	49,500	1,769,830
		H	7,442,303	7,668,751	4,498,253	2,644,013	2,253,673	24,506,993
		M	5,433,750	2,872,874	3,346,981	1,912,457	439,299	14,005,361
		L	57,600	619,850	708,352	63,850	63,850	1,513,502
	Total CCOC 5 Year Capital Plan		13,920,558	11,592,175	8,698,061	4,778,570	2,806,322	41,795,686
	Total CCOC & CCDC 5 Year Capital Plan		25,249,558	28,599,548	36,405,434	25,015,943	16,201,322	131,471,804

CCDC

CCOC



OPS Capital Projects Narrative

Replace Fire Alarm System - Life Safety - Assets Reaching Life Expectancy - Necessary to Accommodate Expansion (Active)

The existing fire alarm system, although fully operational and in compliance with Fire Department of New York code requirements, is outdated. It was originally designed to 1968 building code. With over 30 years of use, and despite recent investments undertaken as part of the Center's renovation, the system is reaching its life expectancy. This project proposes to undertake a capital improvement plan to install a new fire alarm system in the existing building to ensure compatibility with the new life safety systems specified for the Javits expansion in accordance with Building Fire Codes for New York City and New York State. The project calls for the new fire alarm system to be fully installed, tested, certified, operational and interconnected with the expanded building upon the completion of the expansion.

Mechanical Equipment Room Upgrades - HVAC system replacement - Assets Have Exceeded Life Expectancy - Compliance with Executive Order 88 (Active)

This project is required to renovate and modernize our existing mechanical and electrical infrastructure within seven mechanical equipment rooms scattered across the existing building. This original equipment was scheduled to be replaced as part of the recent Renovation Project but was eliminated due to concerns about available funds. All mechanical equipment as well as supporting electrical systems have exceeded intended useful life and will not survive another three years. The equipment provides cooling and heating to meeting rooms, exposition halls, kitchens, back of the house and public circulation spaces. With this investment, the new equipment will be aligned with Executive Order 88, supporting the building's energy conservation initiatives, provide comfort cooling and heating to the center's visitors and will be LEED Silver compliant. The new fixed assets useful life will be approximately 20 years.

Replacement of Lighting Controls in Halls 1A, 1D, 1E, 3D - Assets Have Exceeded Life Expectancy - Compliance with Executive Order 88 (Active)

After thirty years of use, the buildings lighting dimmers and lighting systems are no longer supported. Replacement parts are neither manufactured nor found in the market. The proposed replacement system will meet Executive Order 88 requirements, reduce electrical faults, allow for customer flexibility, assist with energy reduction and ease technical lighting installations and programming. The investment is necessary to continue to operate and provide essential customer needs.

Concrete Side Walk Repairs - Assets Have Exceeded Life Expectancy - Life Safety - Liability Risk (Active)

Perimeter pedestrian sidewalks need to be replaced at numerous locations. The Center's sidewalks span over six New York City blocks and exposure to the elements have caused many failing points creating structural weakness, trip hazards, delamination and expansion joint failures. The scope of work entails replacing non-repairable sections of surrounding sidewalks North, South, East and West of the Center within property boundary lines. This project was identified as high priority following an extensive risk assessment study performed by outside industry experts.

Replacement of Lighting Controls in Halls 1A, 1D, 1E, 3D (Active)

After 30 years of use, the building's lighting dimmers and lighting systems are no longer supported. Replacement parts are neither manufactured nor found in the market. The proposed replacement system will meet Executive Order 88 requirements, reduce electrical faults, allow for customer flexibility, assist with energy reduction, and ease technical lighting installations and programming. The investment is necessary to continue to operate and provide essential customer needs.

Mechanical Equipment Room Upgrades (Active)

This improvement is required to renovate and modernize Javits existing mechanical and electrical infrastructure within seven mechanical equipment rooms scattered across the existing building. This original equipment was scheduled to be replaced as part of the recent Renovation Project but was eliminated due to concerns about available funds. All mechanical equipment as well as supporting electrical systems have exceeded intended useful life. The equipment provides cooling and heating to meeting rooms, exposition halls, kitchens, back of the house, and public circulation spaces. With this investment, the new equipment will be aligned with Executive Order 88, supporting the building's energy conservation initiatives, provide comfort cooling and heating to Javits visitors, and will be LEED Silver compliant. The new fixed assets useful life will be approximately 20 years.

Heating for Loading Dock Doors (Active)

This improvement is to replace the heating units at the loading dock doors which will assist with energy efficiency and the comfort of the exhibitors. Existing units are original equipment which has exceeded its life expectancy.

Renovation of Existing Truck Ramp (Approved)

To optimize the functioning of existing Javits, and as part of planning for transformer and expansion construction work, CCDC and CCOC have engaged in discussions concerning the currently existing truck ramp which provides access from 12th Avenue to the current loading docks on the west side of existing Javits and its relationship to the transformer building being constructed. That ramp now passes under the erected steel frame of the transformer building and will continue to do so when the transformer building is complete. CCOC, CCDC, and CCDC transformer consultants are examining the condition, height, and slope of the existing ramp and it is expected that, to maximize and maintain the ramp's utility, renovation of the ramp will be required. The cost of such renovation and improvement is being estimated, but is not expected to exceed \$900,000. It is proposed that this capital improvement be funded from the above-described previously authorized but presently uncommitted capital improvement funds.

Perimeter Security - 34th Street Gates - Assets Have Exceeded Life Expectancy - Enhanced Security requirements (Essential)

This project is to replace existing, manually operated truck exit gates at 34th Street inner roadway. The gates control and secure ingress and egress for trucks using loading docks located at the first and third levels of the Center. They also secure the building from unauthorized access by pedestrians seeking to enter the building from 34th Street. The existing manual gates are approximately 30 years old, weigh over 4000 lbs. are hazardous in operation, and the structural supports are failing. Replacing

and modernizing these gates will reduce operational inefficiencies and potential damage claims from operators and create greater security control.

Perimeter Building Hardening -Bollards - Enhanced Security requirements

This project is part of a broader security and anti-terrorism measure and is specifically designed to strengthen the building perimeter against vehicle based threats. Passive and active protection bollards will be installed along vehicular accessible areas primarily at eleventh avenue sidewalks. The project will consist of removing sections of sidewalk at the property line, installing structural supports for bollards and re-building new sidewalks at applicable areas. With this investment, the Center will be consistent with Department of Homeland Security and New York Police Department building protection programs designed to minimize vulnerabilities and increase visitor safety. The plan will use equipment equal or like that which is used at other landmark buildings in New York City and other convention centers in urban environments.

Replace 1986 1st Level Black Top with Concrete Slabs - Assets Have Exceeded Life Expectancy - Liability Risk (Essential)

The Center has a total of 26 docks for truck loading and off-loading activity into the building. The high volume of heavy truck activity and the age of the surfaces installed have caused significant deterioration in the black top pavement surface which exceeds acceptable wear and tear. The surface has become indented and pot holed and is a hazard. This project will replace large sections of bituminous pavement and reinforce slots at loading docks with a concrete structural slab with a life expectancy of 15 years.

Elevator & Escalators Mechanical Upgrades - Code Compliance

This project is to bring the remaining 5 elevators up to code for ADA compliance and fire safety compliance.

Replacement of Floor Ports-Exceeded Life Expectancy

This project is to replace the legacy floor ports that have exceeded life expectancy. These floor ports are the source for plumbing, electrical power and internet for the exhibitors and event producers.

Comprehensive Restroom renovation in public spaces

This project is to fully renovate the public space restrooms including all fixtures and the ventilation system. The public restrooms are in the meeting room areas and exposition halls.



ITS Capital Projects Narrative

Facility Audio System Replacement 1A- Exceeded Life Expectancy

This project is to acquire and install a new Audio System headend for Hall 1A. The Audio system headend that this project contemplates will be disassembled and decommissioned because it is in the path of the high voltage power lines which will be installed as part of power distribution plan from the new Transformer Building. These power lines will also introduce significant electromagnetic interference making it necessary to relocate the new Audio system headend to an adjoining room. This audio system has been specified to provide seamless integration into existing and future AV over IP infrastructure. It will also integrate into public safety annunciator systems to enable communication in an emergency. This project signifies the first phase towards a new comprehensive audio plan for the existing building and the expansion building.

Content Delivery - Electronic Signage and Media

This project is the comprehensive facility plan for software that provides management of content delivery through digital signage and displays to integrate the expansion building with the existing facility. This software will enable us to control, deliver and monitor all displays throughout the facility. This includes meeting rooms, the television network, the sky theatre, the marquis, outside bus displays and any other signage and communication medium in the facility. This software will also integrate into public safety so that they can communicate in an emergency.

EBMS Upgrade

This project is to upgrade our current event organizer Customer Relationship Management (CRM) to the latest version which provides portable device opportunity, more automation and web enabled solution.

Customer VOIP Phones

Ongoing inventory management for customer rented phones.

Document Imaging Upgrade

This project is to replace Kwiktag our current document imaging system because it is an archaic technology which is difficult to support and does not have the full functionality that we need. A new optical character recognition (OCR) will increase efficiency and productivity within payables and other departments.

Oracle SmartView

Oracle Smart View for Office (Smart View) provides a common Microsoft Office interface designed specifically for Oracle's Enterprise Performance Management (EPM) and Business Intelligence (BI). Using Smart View, you can view, import, manipulate, distribute and share data in Microsoft Excel, Word and PowerPoint interfaces. It is a comprehensive tool for accessing and integrating EPM and BI content from Microsoft Office products. This software will enable us to automate reporting in an Excel add-on. This will eliminate manual preparation of event profit and loss statements, balance sheet, income statement and cash flow reporting. After the initial set-up of the reporting they are push button with updated data. This will provide a state of the art management dashboard to executives indicating

key performance metrics. This will be almost real time as the system will provide data from the day prior.

Par can Replacement

Ongoing inventory management for customer rented par cans.

I-Expense Implementation

This software is to automate credit card and personal expense reimbursement. This software enables employees to attach receipts to charges in real time and allows finance approval prior to payment. This will eliminate manual entry, reconciliation, chasing of employees to get their credit card expense reports in timely and eliminate the Organization from paying any unauthorized charges.

Replacement of Credit Card Processor

The current credit card processor does not have an interface to the CPQ cloud ordering system and does not have the most sophisticated devices that allow for the best security when processing credit cards i.e. chip readers. The Organization will need to change to a more sophisticated credit card processor to enable the best security available to protect customer orders.

Jake Subsequent Phases

This project is for the additional phases of the configure price quote (CPQ) ordering system and to update functionality of the customer ordering system. Integrations with Oracle Projects, OM, Inventory, Primavera (PM tool), chat, etc.

Disaster Recovery-Software Implementation Support & Equipment

This project is to establish a second data center in the expansion facility so that we have a backup site which does not exist today. This will protect the Organization from business disruption in the case of a disaster or when preventive annual maintenance is being performed.

Network Refresh

This project is to completely refresh the active Network components in the data center and all information technology (IT) closets throughout the facility (i.e. switches, firewalls, access points, routers, core switches, etc.) to keep up with evolving technology advancements so that we can continue to provide the best customer service, maintain competitiveness in the industry, attract and keep high impact technology events and integrate with the requirements of the expansion. For fiscal year 2019 the \$2M is necessary to update the Wireless network and the supporting network infrastructure including replacement of access switches. For fiscal year 2020 the \$4.8M is to replace the core switches and align with the technology infrastructure to allow us to integrate with the expansion.

Oracle Modules – Upgrade to Cloud and Complete Final Phase to move to project centric approach

This project is to completely upgrade to cloud from oracle bear metal and complete the final phase to move to project centric approach. All Oracle modules will need to be updated accordingly.

Event Audio High End Speakers and Mixers

Ongoing inventory management for customer rented speakers and mixers through the show electric department.

Event Video (Displays for customers)

Ongoing inventory management for customer rented televisions.

CISCO UCS remote desk-top solution VMWare & Citrix for Non-Oracle Applications

Implementation of a virtual desk top solution which will allow us to use the power of the server to run applications with heavy demand. All the calculations are done on the server rather than on individual computers. There is also a server for computer aided design (CAD). The benefit of the system is that the server is faster and more efficient and we don't need to deploy expensive individual computers. With the data maintained on the server there is no risk to lose work on individual computers.

Hardware & Software inventory management

Ongoing inventory management for internal use personal computers, monitors, laptops, Windows 10 and scanners.

Exhibitor CRM (Customer Relationship Management) Solution

This project is to implement customer sales and communication automation that interfaces with the ordering and event calendar systems. This will provide our service teams with a tool to communicate with exhibitors and for exhibitors to communicate with us. The tool captures historic data related to communications. This tool will also provide state of the art advertising and allow us to prospectively upsell.



Security Capital Projects Narrative

Exterior Camera Replacement (Active)

This improvement is the final phase and completion of the CCTV Camera project. This will provide for the replacement of legacy cameras that are at the end of their useful life and the installation of new cameras along the perimeter of the facility to expand security.

Card Access IT Closets

This project is required to secure access from the public to the IT closets, HVAC room, high voltage rooms (approx. 50 throughout the facility) which contain the critical systems. This project will provide access control on the closets to only authorized staff through the C-Cure card access system. This will reduce the likelihood of a terror, sabotage, theft, vandalism or a cyber attack.

Yard Management Docking Software

This software will provide the ability to schedule and manage the 53 loading docks and marshaling yard of the existing facility to appropriately control the staging of trucks and effective use of the loading docks. The software has a built-in security component, online scheduling and the ability to transfer documents electronically. The software will interface with the trusted driver program. This project needs to be implemented in a phased approach to incorporate the existing facility and then the additional 26 loading docks related to the expansion. This project will significantly reduce traffic congestion on area roadways, reduce our carbon footprint and introduce appointment based scheduling for truck arrivals at the Javits Center. The project will leverage technology and our infrastructure to become increasingly efficient and provide a marshaling and yard management platform which will be deployed to general contractors for joint usage.

Replace automated external defibrillator (AED) Machines

Replacement of approximately 60 AED machines throughout the facility as the current units are approximately 7 years old. The useful life of the unit is approximately 5 years and it is prudent to replace them before 7 years. The batteries were replaced in calendar year 2016 so full replacement of all units should be performed in calendar year 2019.

Gunshot detection software

This software will automatically alert the command center the exact location in the Center where a gunshot was fired. The acoustic software has never generated a false positive to date. The software will immediately notify the NYPD and all employees, contractors, vendors and event staff with access to the software. All such persons will receive the information in real time with the ability to immediately evacuate the Center or avoid the area where gunshots were detected. Attributes of the software include decreasing police response time by several minutes and the ability to mitigate casualties inside and outside the Center. Boston Convention Center currently uses the software on a limited basis. The software can also integrate with card access and life safety systems as desired.

Increase & replace loading dock cameras

This project is to replace legacy end of life cameras and increase the closed-circuit television (CCTV) presence in all areas of loading docks. There are approximately 24 cameras that need to be replaced

and 12 additional cameras to be installed to mitigate the current blind spots to provide complete coverage. The estimated cost includes labor to install.

Perimeter Defender Software

This project is to implement a software that will enable the Center to detect human movement without false positives (i.e. pigeons, HVAC unit noise and air emissions, etc.) in areas where human movement is prohibited (i.e. HVAC or mechanical equipment rooms). This software will provide proactive monitoring and real-time analytics as opposed to post-incident analytics that are currently used as an investigative tool. This software will allow the Center to monitor the rooftop and other areas of concern. This software will also allow proactive securing of the show floor in the evening during off hours and prevent penetration to the Center. This software will add an additional layer of security for the Center.



JAVITS
CENTER

**Certification of Assumptions and Method of Estimation for Budget and
Financial Plan 2018 - 2022 in accordance with the Comptroller's
Regulation 203.9 Certification**

To the best of my knowledge and belief after reasonable inquiry, the Jacob K. Javits Convention Center of New York's 2018 - 2022 Budget and Financial Plan approved by its Board and was based on reasonable assumptions and methods of estimation and is in conformance with the State Comptroller adopted Regulation 2NYCRR Part 203, Budget and Financial Plan Format, Supporting Documentation and Monitoring – Public Authority.

Melanie McManus, CFO

Melanie McManus
Chief Financial Officer

12/29/17

Date