

Approved – 6/22/20



**BOARD OF DIRECTORS MEETING
NEW YORK CONVENTION CENTER OPERATING CORP.
655 West 34th Street
New York, NY 10001-1188**

MINUTES

MEMBERS PRESENT:

Henry R. Silverman, Chairman of the Board
Robert Azeka
Hugh L. Carey II
J. Lee Compton
Fred W. Dixon
Ronald Goldstock
Edward P. Kane
Steven C. Koppel
Gary Lavine
Brian O'Dwyer
Lee H. Perlman
Mark Schienberg
Christy Ferer

ABSENT:

George Tsunis
Andrew Murstein
Joseph E. Spinnato

OTHERS PRESENT:

DATE: April 22, 2020
Time: 1:00 p.m.
Location: Audio/Video Webex

STAFF:

Alan E. Steel, President & CEO
Bradley A. Siciliano, Chief Operating Officer
Doreen Guerin, SVP Sales & Marketing
Sonia Low, VP, General Counsel & Corporate Secretary
Melanie McManus, SVP & CFO
Christine McMahon, SVP, HR & Labor Solutions
Mark Sims, SVP & CIO
Tim Gaburungyi, VP, IT Solutions
Kenneth Sanchez, SVP Facilities Management
Kenneth Dixon, VP Security & Safety Solutions
Tony Sclafani, SVP & CCO
Mike Ruberry, VP Event Solutions & Set-Up
Mariam Karim, VP Guest Experiences
Markus Sztejnberg, Associate General Counsel
Shirley Coley, Legal Assistant

Guests/Visitors:

Robin Stout, President, NY Convention Center Development Corporation (CCDC)

Call to Order	The meeting of the Board of Directors for the New York Convention Center Operating Corporation (CCOC) was called to order at 1:00 p.m. A quorum was present. The meeting was presided over by Henry R. Silverman, Chairman. In light of safety concerns related to the COVID-19 outbreak, the meeting was conducted via WebEx rather than in person as authorized by Executive Order 202.1 and the applicable extensions of such Order.	
Agenda	Discussion	
I. Corporate Matters	<p>The board meeting was called to provide for a status update on the Javits Medical Station.</p> <p><u>President's Report - Alan Steel (Attachment 20-37)</u></p> <p>Mr. Steel presented Mr. Stout to provide an update on the expansion project. Mr. Stout reported that the Lendlease Turner (LLT) expansion work is “on pause” as it is not deemed to be “essential”. A notice was issued on March 28th to wind down the work. Mr. Stout confirmed that the site is secure. The Tishman generator work, on the other hand, is continuing as that work is deemed “essential” and it is critical to have stand-by generators for the Javits Medical Station. The life-safety generator was activated as of April 11th and three stand-by generators were operational as of April 18th. LLT is planning how to restart work once the expansion is no longer “on pause”. There was a general discussion on whether the pause in work will impact the budget. Mr. Stout reported that the transformer work was accelerated and not delayed, and that change orders have been received and will be negotiated. Regarding the expansion work, Mr. Stout stated that they have not received any change orders, and that work was slowing down even before the “pause” because there were workers at less than full capacity or who committed to other jobs.</p> <p>Mr. Steel reported on the history and timeline of the Javits Medical Station beginning with a site visit on March 19th by the U.S. Army Corps of Engineering (US ACE). Designs for Phase 1 were drawn up</p>	

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I. Corporate Matters (continued)	<p>with the architecture firm for Javits Center for approximately 500 patient units, with each unit capable of containing two patient beds. On March 24th, designs were completed, and the buildout for Phase 1 was completed by Javits Center staff on March 27th. On March 27th, medical equipment and patient units were ready to be utilized. On March 30th, the buildout for Phase 2 of 1000 patient units began, and the first patient arrived on that same day. Phase 2 was delivered on April 1st. Phase 3 of the buildout of 600 patient units started on April 3rd and was completed on April 7th. Javits staff, along with key vendors put in hard work and effort to get the buildout completed timely. Mr. Steel noted that the costs of the buildout at the Javits Center were significantly less expensive when compared to those in other convention centers and locations and completed in a far shorter time. Next, Mr. Steel presented the current status of the Javits Medical Station: 1056 patients treated to date, 212 patients currently being treated, 15 patients in the ICU and 5 deaths to date. The numbers are relatively low but there was capacity for a potential surge. A significant challenge was presented when the facility was converted from a non-COVID-19 medical facility to a COVID-19 medical facility. New requirements included installing HEPA air filters and additional sanitization features were triggered. The US ACE have been impressed by the CCOC staff members assisting them. Mr. Steel reported that the Javits Center provided all that was requested. Northwell Hospital is overseeing clinical operations, the U.S. Army is providing medical staff, and US ACE will be ending the build project and leaving by May 4th. Management is working on the contract with OGS for ongoing expenses associated with the Javits Medical Station.</p> <p>Mr. Steel discussed the coronavirus impact on events. There have been no events since March 10th and there are no events scheduled through the end of June. While some revenues have been generated from construction and use of the facility as a medical station, there is no indication of when the medical station use will end or when events will begin again. For the events industry, the business of selling services for a short period has changed dramatically. The immediate, short-term concerns are the restart date and restart conditions. The long-term concerns are viability of the current events calendar and possible restrictions on meetings and gatherings. There is still much uncertainty.</p> <p>Mr. Steel indicated the hope to recommence events in July. The shows that are taking place in the next twelve or eighteen months will be smaller and have less customers. Given the absence of revenue, steps have been taken to reduce operating costs, including placing some staff on a reduced work schedule or</p>	
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Approved – 6/22/20

	<p>on furlough beginning on April 24th. Management will continue to monitor the financial situation and determine what, if any, additional cost saving measures might be taken. Sales activity is focused on rescheduling and rebooking, and the sales team is focusing on new business which will be reported once the agreement is finalized. One of the obstacles in restarting events will be concerns over traveling to NYC. Staff has been coordinating with Mr. Dixon of NYC & Co. on strategies of bringing visitors back to New York and the Javits Center. Mr. Dixon reported on the hotel community and activity—hotel occupancy was at 30% across the five boroughs with the majority of those occupied by health care workers and first responders as well as their families and those individuals looking to quarantine or isolate themselves from their families. The hotel community remains united and there are stories of hotels donating free rooms.</p> <p>II. Contracts Status</p> <p>There was a general discussion on decontamination and sanitization of the Javits Center.</p> <p>Ms. Low reported on the status of contracts related to the medical center. The Javits Center has successfully signed the following contracts: two agreements with OGS for use of the Javits Center as a temporary emergency warehouse and as a temporary medical station; and one with the US Army Corps of Engineering for Phases 2 and 3 buildout of the medical station. Ms. Low discussed that the contract is not signed and management has been diligently following up with OGS on services and fees associated with the Phase 1 of the buildout, operational and maintenance costs, Phases 2 or 3 maintenance costs, the Command Center set up and the restoration and sanitization phase. Ms. Low noted the need to get this contract signed so that the Javits Center could be reimbursed for costs incurred. OGS indicated that it was being reviewed at the highest level of the Division of Budget (DOB). Ms. Low stated that on the insurance front, since the last board meeting on March 11th, the Javits Center converted into a COVID-19 medical station. As a result, the Center had to obtain additional insurance coverage resulting in higher premiums. Chamber and DOB are aware of the costs and are committed to finding a funding mechanism for the insurance costs.</p> <p>III. Financial Report</p> <p><u>Financial Report</u></p> <p>Ms. McManus reported that canceled events related to coronavirus for Fiscal Year 2020 and Fiscal Year 2021 amounted to a \$33.3 million of revenue lost. For Fiscal Year 2021, postponed events currently</p>	
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Approved – 6/22/20

	<p>amounted to \$41.5 million in revenue. Management has not yet determined the probable decrease in size of events should they be able to host them later in the year. Management will have to revisit the 2021 operating plan when they have more concrete information on when and how they will be able to operate in the future. Regarding procurements, the Procurement Guidelines (under Section v. 1(h)) allow the Center to make procurements without competitive processes in emergency situations. Also, the Executive Orders have suspended standard procurement processes under PAL 2879 of the Public Authorities Law through May 7th. CCOC has procured \$7.9 million in goods and services to facilitate the build and maintenance of the medical facility.</p> <p>Ms. McManus also reported that CCOC has been reimbursed for the temporary emergency warehouse use and logistics of \$432,000. In addition, USACE approved \$8.9 million dollars for the buildup of Phase 2 and Phase 3. The OGS contract represents a higher amount but it has not yet been signed. Approximately \$22.9 million has been billed in total and Javits Center is estimating about \$2.5 million weekly to maintain the medical station.</p> <p>Cash and investments are at \$60 million with \$38 million Board Designated funds for OPEB, and \$22 million remaining as available cash. If no agreement is reached with OGS, management will need to request the release of restrictions on the OPEB funds to meet cash needs.</p> <p>Preliminary unaudited Fiscal Year 3/31/2020 results are approximately \$2.2 million in operating surplus before depreciation, and after depreciation of \$6.6 million, an operating loss of (\$4.4 million), and after interest income of \$1.4 million, resulted in a net loss of (\$2.9 million).</p>	
IV. Other Business	None	
V. Adjournment	By motion and agreement, the meeting was adjourned at 1:50 PM with the next meeting to be held on June 22, 2020.	



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