

Approved 4/12/23



**BOARD OF DIRECTORS MEETING
NEW YORK CONVENTION CENTER OPERATING CORP.**

655 West 34th Street
New York, NY 10001-1188

MINUTES

DATE: February 9, 2023
Time: 1:00 PM
Location: Large Conference Room and Audio/Video Webex

MEMBERS PRESENT:

Lee H. Perlman, Chairman
Quenia Abreu - Webex
Hugh L. Carey II
Joseph F. Chan
Fred W. Dixon
Brian O'Dwyer - Webex
Gary Lavine - Webex
Andrew Murstein - Webex

STAFF:

Alan E. Steel, CEO
Bradley A. Siciliano, President
Doreen Guerin, SVP, Sales & Marketing
Mark S. Sims, SVP & CFO
Christine McMahon, SVP, Labor Relations and Show Operations
Sonia Low, VP, General Counsel and Corporate Secretary
Timothy Gaburungyi, SVP & CIO
Kenneth Sanchez, Chief Sustainability Officer and SVP, Facilities Management
Kenneth Dixon, SVP of Security & Safety Solutions
Tony Sclafani, SVP & CCO – Webex
Shane Beardsley, VP Guest Experiences
Melissa Kanes, Paralegal

ABSENT:

Christine Ferer
Ronald Goldstock
Steven C. Koppel
Joseph Spinnato

GUESTS/VISITORS:

None.

OTHERS PRESENT:

None.

Call to Order	The meeting of the Board of Directors for the New York Convention Center Operating Corporation (CCOC) was called to order at 1:05 p.m. A quorum was present. The meeting was presided over by Lee H. Perlman, Chairman.
Agenda	Discussion
I. Approval of the Minutes	<p><u>Approval of the Minutes of December 5, 2022 (Attachment 23-01)</u></p> <p>A motion was made and seconded to approve the minutes of the Board of Directors meeting held on <u>December 5, 2022</u>. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1561</u> NOW THEREFORE BE IT RESOLVED that the minutes of the Board of Directors meeting held on <u>December 5, 2022</u>, are hereby approved.</p>
II. Corporate Matters	<p>Before proceeding further, Mr. Perlman asked the Directors whether anyone had any potential conflict of interest with respect to any of the items on the agenda and requested that they make an appropriate disclosure on the record and the individual with such conflict would recuse themselves from any discussion or vote with regards to such item or items. No one identifying any conflict at this time, the meeting proceeded.</p> <p><u>CEO’s Report - Alan Steel (Attachment 23-02)</u></p> <p>Mr. Steel first reported on the status of event operations at the Javits Center. A total of 22 events were booked during the first quarter of 2023. Mr. Steel noted that 62% of the events booked in 2023 were new business and non-trade show events, such as corporate or special events. Mr. Steel also noted that the Javits Center is expecting to continue steady growth in 2023 and reach pre-pandemic levels of event activity in 2024.</p> <p>Mr. Steel then presented a slide that compared FY 2020 event revenue to FY 2023 event revenue. The FY 2020 event revenue consisted of the following: 58% from Trade Shows, 25% from Public Shows, Special Events accounted for 13%, 3% from Corporate Events and 1% from Conferences. The FY 2023 event revenue in comparison consists of 38% from Trade Shows, 23% from Public Shows, 19% from Special Events, 14% from Corporate Events and Conferences accounted for 6% of the revenue. Therefore, in FY 2023, there is an increase in corporate and conference events. Mr. Steel also presented a slide on Revenue Percentage by Event Type, which includes events being held at the Javits North space.</p>

<p>II. Corporate Matters (Continued)</p>	<p>Mr. Steel next reported on the recent events at the Javits Center which included the National Retail Federation’s The Big Show, New York Boat Show, Travel and Adventure Show, Meet the Breeds, Texworld New York City, Apparel Sourcing New York City, Curve New York and NY Now.</p> <p>Mr. Steel discussed several positive developments in connection with the rebound of New York City tourism. NYC & Company announced in December that more than 56 million travelers visited New York City last year, which is more than a 71% increase since 2021. The demand for hotels has remained strong and has been supported by a steady increase in midweek business travel. In addition, the Javits Center received a 15% increase in events in 2022 compared to those events in the same period in 2021. NYC & Company expects more than 62 million visitors to visit the New York City in 2023.</p> <p>Mr. Steel next presented an update on the Javits Center’s fire alarm system. In December 2022, there were three days of testing with the FDNY Fire Alarm Inspection Unit. Currently, only a small number of items remain to be corrected. The outstanding corrective work items include installing the return duct smoke detector in room 509-C4 in the North Building and weather-rated devices in the truck marshaling facility, providing for all fire smoke dampers in the South Building to close upon activation of any associated alarm and post fire smoke purge.</p> <p>Mr. Steel reported on the newly renovated Command Center, which includes a 24-hour expanded security operations center, redundant capability from a satellite command center in the expansion, a 22 monitor Orion video wall, 2,500 camera streams, 29 license plate readers, Briefcam video analytics, Geospacial campus grid technology that is shared with first responders, TV monitors to track building management systems and a fire command and crisis communication center.</p> <p>Mr. Steel also reported on the Javits Center’s logistics system, which provides for information on truck staging in the truck marshaling facility. The Level 2 space will be properly used to reduce congestion on 12th Ave for the NY NOW move-out period. This is a key feature of the expansion project to accelerate operations while reducing traffic on Manhattan’s West Side. The Javits Center participated in the development of this system with a company, and as that company sells the system to other convention centers, the Javits Center will be able to generate revenue from the sale of this product. Mr. Steel also described the truck marshaling scoreboard system which has been deployed with the use of Meraki cameras and N-Wave sensors. These features provide 99% accuracy with a one- to two-second time delay in reporting occupancy status of loading docks. The scoreboard provides crisp video resolution, refreshes upon demand and shows all GC assigned docks. Field testing for this system will continue through February, and the impact of an improved system will be seen by the third quarter.</p>
---	---

<p>II. Corporate Matters (Continued)</p>	<p>Next Mr. Steel discussed the casino proposal. The public process to award a license to operate up to three casinos in New York City has commenced. Among the proposals, one will be from the developer of Hudson Yards, Related Companies, in conjunction with Wynn Resorts. The proposal would create a casino on the western rail yards, between West 33rd Street and West 26th Street from 11th to 12th Avenues. The Javits Center has not yet been asked to offer a view of this potential development but expects consultation. The Javits Center has solicited input from customers, business partners and employees on the potential impact. The Members had a general discussion about this topic.</p> <p>Mr. Steel informed the Board on the new Cultivated menu for 2023. Brooklyn Grange has designed a new crop plan and the catering team is utilizing crop varieties that are intended to be grown this season. This allows the farm to maximize inclusion of its crops in all BEO submissions. In addition, the farm will be able to grow cut flowers to be utilized for décor elements throughout the Javits Center. Microgreens will be implemented to reduce waste.</p> <p>Mr. Steel discussed the updated kiosks that are in use at the Javits Center. The designs of two informational kiosks at the front entrance of the Crystal Palace near West 35th Street and West 36th Street have been updated. The kiosks now display key information about the history, operations and latest improvements of the Javits Center. This includes recent videos and live camera feeds of the green roof, beehives and the rooftop farm.</p> <p>Mr. Steel reported that the 2022 Annual Report is completed and will be distributed to the Board in the next few weeks. Highlights of the report include the first full calendar year of events since the start of the pandemic, first full season of the rooftop farm, new leaders that have joined the team, infrastructure improvements and the new Ambassador program.</p>
<p>III. Committee Reports</p>	<p><u>A. Audit & Finance Committees – Ronald Goldstock and Gary Lavine, Committee Chairmen</u></p> <p>It was reported that the Audit and Finance Committees met prior to the Board meeting today to discuss the procurement summaries and general items introduced by Mr. Sims for the Members’ consideration.</p> <p><u>Financial Report</u></p>

<p>III. Committee Reports (Continued)</p>	<p><u>Procurement Summaries for Approval (Attachments 23-03 through 23-05)</u> Before Mr. Sims presented the Board Members with procurements for approval, he provided a summary of the procurement process. The Chairman advised the Members that by voting to approve the listed procurements, the Board Members would be passing separate resolutions reflecting each procurement individually; and the minutes will reflect that each procurement was the subject of a separate resolution.</p> <p><u>Approval of Contract – CrowdRx (Attachment 23-03)</u></p> <p>Mr. Sims presented a procurement summary seeking Board approval to award a contract to CrowdRx to provide emergency medical services at the Jacob K. Javits Convention Center (Javits Center). The contract term is for 3 years at an estimated total cost of \$1,190,450 (Year 1: \$372,383, Year 2: \$396,212, Year 3: \$421,855). The contract period is from March 1, 2023 to February 28, 2026 with an option to renew up to an additional two years.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1562</u> NOW THEREFORE BE IT RESOLVED that the award of a contract to CrowdRx to provide emergency medical services at the Javits Center for 3 years for the contract period March 1, 2023 to February 28, 2026 at an estimated total cost of \$1,190,450, with an option to renew up to an additional two years, is hereby approved.</p> <p><u>Approval of Contract – Beau Dietl & Associates/Stapleton Security Inc. (Attachment 23-04)</u></p> <p>Mr. Sims presented a procurement summary seeking Board approval to award two contracts for event security guard services at the Jacob K. Javits Convention Center (Javits Center). Each contract term is for 3 years at an estimated total cost of \$16,463,125 (Beau Dietl & Associates: \$8,190,885 and Stapleton Security: \$8,272,240). Each contract period is from March 1, 2023 to February 28, 2026 with an option to renew up to an additional two years.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p>
--	---

<p>III. Committee Reports (Continued)</p>	<p><u>Resolution No. 1563</u> NOW THEREFORE BE IT RESOLVED that the award of two contracts for event security guard services at the Javits Center for 3 years for the contract period March 1, 2023 to February 28, 2026 at an estimated total cost of \$16,463,125 (Beau Dietl & Associates: \$8,190,885 and Stapleton Security: \$8,272,240) with an option to renew up to an additional two years, is hereby approved.</p> <p><u>Approval of Contract – Door Automation Corporation (Attachment 23-05)</u> Mr. Sims presented a procurement summary seeking Board approval to award a single source contract to Door Automation Corporation to provide Blasi doors preventive maintenance services at the Jacob K. Javits Convention Center (Javits Center). The contract is for 3 years at an estimated cost of \$274,960 (Years 1 and 2: \$90,150, Year 3: \$94,660). The contract period is from March 1, 2023 to February 28, 2026.</p> <p>A motion was made and seconded. The following resolution passed by unanimous vote:</p> <p><u>Resolution No. 1564</u> NOW THEREFORE BE IT RESOLVED that the award of a single source contract to Door Automation Corporation to provide Blasi doors preventive maintenance services at the Javits Center for 3 years at an estimated cost of \$274,960 (Years 1 and 2: \$90,150, Year 3: \$94,660) for the contract period March 1, 2023 to February 28, 2026, is hereby approved.</p> <p><u>Review of Procurement Summaries – (Attachments 23-06 through 23-15)</u> Mr. Sims stated that previously approved service procurement contracts that extended for more than one year were being submitted for annual Board review as required by CCOC’s procurement guidelines. The procurement summaries were included with the packet sent to the Board in advance of the meeting.</p> <p><u>Procurement Contracts for Review:</u> ADP, Inc., Crothall Healthcare, Inc., Brooklyn Grange, LLC, Building Intelligence Inc., New York City Audubon, Cummins Sales and Services, Daikin Applied Americas Inc., ASCO Power Services Inc., EFPR Group LLP and See Factor Industry, Inc.</p>
--	---

III. Committee Reports (Continued)	Vendor	Procurement Review Period	Review Period Amount	
		ADP, Inc.	2/3	\$132,000
		Crothall Healthcare, Inc.	2/3	\$680,751
		Brooklyn Grange, LLC	3/5	\$459,758
		Building Intelligence Inc.	3/5	\$544,803
		New York City Audubon	2/3	\$90,760
		Cummins Sales and Services	2/5	\$51,501
		Daikin Applied Americas, Inc.	2/3	\$93,600
		ASCO Power Services	2/5	\$69,690
		EFPR Group LLP	5/5	\$87,400
		See Factor Industry Inc.	4/5	\$300,000

Financial Update:

Mr. Sims presented the Board with the Financial Report for the month-to-date and year-to-date (YTD) ending as of December 31, 2022. For the month of December, Mr. Sims reported that the Javits Center had a total of nine events, of which six were recurring events and three were new events. The total operating revenue for the month was \$13,358,000, which was approximately \$1,500,000 better than plan due to approximately \$1,500,000 in F&B commission and \$500,000 from four unplanned events, partially reduced by approximately \$500,000 in planned event performance. The total operating expenses for the month were \$13,163,000, which was \$740,000 lower than plan due to \$1.2 million savings associated with the service revenue variance, lower cost in GASB 68, OPEB and house labor, offset by \$352,000 to plan in facility costs due to timing of demand response credit and increased elevator maintenance costs. Demand response is a measure for reducing energy loads in response to supply constraints, generally during periods of peak demand. This is budgeted for on an annual basis, and when there is a credit, the Javits Center receives a check for that credit. Operating Surplus before depreciation was \$2,289,000 favorable to plan, and Net Surplus after depreciation and interest was \$2,522,000 favorable to plan, due to the net of revenue and expenses previously described.

<p>III. Committee Reports (Continued)</p>	<p>Year to date, Mr. Sims reported that the Javits Center had a total of 88 events from April 2022 to December 2022, of which 60 were recurring events and 28 were new events. The total operating revenue YTD was \$131,004,000, which was approximately \$22,000,000 better than plan due to approximately \$20,300,000 from 24 unplanned events and over plan performance of events, approximately \$1,100,000 reduction from three cancelled events and approximately \$2,700,000 F&B commission. Total operating expenses YTD were \$128,233,000, which is approximately \$5,700,000 higher than plan, primarily driven by an increase in labor for events. Operating Surplus before depreciation and Net Surplus after depreciation and interest were approximately \$16,700,000 and \$17,900,000, respectively, favorable to plan due to the net of revenue and expenses previously described.</p> <p>The Board held a general discussion about the Financial Report. Mr. Perlman and Mr. Carey praised the senior management team from a financial perspective for being able to manage the budget, particularly the expenses, well.</p> <p><u>B. Human Resources Committee/EEO – Hugh L. Carey, II, Committee Chairman</u></p> <p>No report.</p> <p><u>C. Facilities/Operations Committee – Joseph Chan, Committee Chairman</u></p> <p>No report.</p> <p><u>D. Sales & Marketing Committee – Doreen Guerin, Chairman (Attachment 23-16)</u></p> <p>Ms. Guerin reported on behalf of the Sales & Marketing Committee and presented the event calendar for the first quarter of 2023. She stated that the Javits Center booked 22 events during this quarter. NRF, which represents the consumer and retail markets, was very successful this year with over 35,000 attendees. Ms. Guerin noted that there is a shift in the scheduling of shows as the Javits Center will be hosting the Toy Fair for the first time since the pandemic began, in the last quarter (instead of in the first quarter) of 2023. Ms. Guerin reported that, in the prior year, the corporate market was surging upwards and scheduling as many events as possible. This year, however, the corporate market is pulling back and not scheduling as many events in the first quarter. Due to market implications, companies are being cautious and scaling back on the number of events and days the events are being held. Ms. Guerin noted that the corporate events often must be set up within 90 days of signing the license agreements so there is a short turnaround time in planning and preparation. Mr. Perlman stated that the new norm is to plan events much quicker which demonstrates the nimbleness of the Javits Center team.</p>
--	---

Approved 4/12/23



<p>III. Committee Reports (Continued)</p>	<p>Ms. Guerin then reported that during the fourth quarter of 2022, the Javits Center hosted 15 trade shows, three public shows and 4 conferences/meetings. Ms. Guerin then provided a sales and marketing update. She stated that the Sales team recently returned from the Professional Convention Management Association Convening Leaders Annual Meeting and reported that corporate planners presented a more cautious point of view towards scheduling events due to inflation and other reasons.</p> <p><u>E. Governance Committee - Ronald Goldstock, Committee Chairman</u> No report.</p>
<p>IV. Other Business</p>	
<p>V. Adjournment</p>	<p>By motion and agreement, the meeting was adjourned at 1:56 p.m. with the next meeting to be held on March 29, 2023.</p>