

**UNITED NATIONS DEVELOPMENT CORPORATION**

Minutes of a Meeting of the Board of Directors

Held at Two United Nations Plaza, 27th Floor

New York, New York

On September 18, 2024 at 2:00 p.m.

The following directors, constituting a quorum, were present:

George Klein, Chairman

Robert Abrams

Jan Burman

Adolfo Carrion, Jr.

Christine Falvo

Daniel Garodnick (represented by Azka Mohyuddin)

Jessica Healy

Amabel James

Edward Mermelstein

Samuel Natapoff

Joseph Rutigliano

Andy Shenoy

Joel Silverman

The following persons were also present: Robert Cole, Loida Diaz de Jesus, Jorge Ortiz, Robert Schubert, Justin Handman, Anastasiya Lee (UNDC); Cyril Touchard and Samuel Grubner (Fried Frank); Charles Laven (Forsyth Street Advisors); Robert Drillings and Patrick Valentino (Burgher Gray); Sara Kendal and Ryan Arcadia (Turner Construction); Adalgisa Zepetelli and Wayne Mann (Cushman and Wakefield Project Management); and William McKay (Corporate Power). The following persons participated via video conference: Luis Bango (Forsyth Street Advisors); Benjamin Herbst (Goldman Sachs); Warren Ruppel

(CBIZ CPAs); Martin Hammond and Allie Coscia (PFM Asset Management); Marvin Markus (Siebert Williams); Adam Gordon (Nixon Peabody) and Aaron Abraham (Troutman Pepper).

The Chairman presided and Loida Diaz de Jesus acted as secretary for the meeting. The Chairman called the meeting to order at 2:00 p.m.

#### **Minutes of Meeting of March 20, 2024**

The Chairman requested approval of the minutes of the March 20, 2024 Board meeting. On motion made and seconded, the minutes of the March 20, 2024 Board meeting were approved as provided to Board members.

#### **Governance and Compensation Committee Report**

Mr. Cole reported that the Governance and Compensation Committee met on September 9, 2024 to review the Corporation's Mission Statement and Performance Goals for 2025 and its compensation and benefits program.

Mr. Cole stated that the Board reviews the Mission Statement and Performance Goals annually as required under the Public Authorities Law. He reported that at the meeting the Committee and management agreed that the Mission Statement continues to appropriately describes the Corporation's missions and performance goals.

After discussion, and on motion made and seconded, the Board approved the Corporation's Mission Statement and Performance Goals as provided to the Board. Mr. Cole reported that the Committee reviewed the Corporation's compensation and benefits program at the September 9 meeting.

#### **Audit Committee Report**

Mr. Cole reviewed the Audit Committee Report. He reported that the Audit Committee met with representatives of CBIZ CPAs on September 10 to review the Corporation's 2023 Form 990 – Return of Organization Exempt from Income Tax, which was prepared by CBIZ CPAs and Corporation. Mr. Ruppel summarized key sections of the 2023 Form 990.

After discussion, and on motion made and seconded, the Board approved the 2023 Form 990 and authorized its filing with the Internal Revenue Service.

Mr. Cole reported that Mr. Ruppel reviewed his firm's Pre-Audit Presentation for 2024 at the September 10 Audit Committee meeting. Mr. Ruppel reported that audit field work would begin in February 2025 with Audit Committee and Board approval schedule in March 2025.

#### **Finance Committee Report**

Mr. Cole reported that the Finance Committee met on September 10 to review investment performance for the six months ended June 30, 2024. Ms. Coscia provided an overview of the market and summarized investment performance through June 2024. Ms. Coscia stated that all of the Corporation's investments are held in U.S. Treasury securities consistent with PFM's recommendations.

## **Management Report**

Mr. Cole reviewed the Management Report dated September 12, 2024. He stated that Board approval of the 2025 operating budget, 2026-2028 projected operating budgets and statement of 2025-2028 projected capital costs would be requested later during the Board meeting.

### *Results of Operations for the Six Months Ended June 30, 2024*

Mr. Cole reviewed the Corporation's results of operations (unaudited) for the six months ended June 30, 2024 (Attachment 5A to the Management Report). He reported that Net Revenues in excess of Debt Service and Base Rent to New York City for the six months ended June 30, 2024 were \$2.3 million, a decrease of \$1.3 million as compared to the same period in 2023. The decrease in Net Revenues was due primarily to vacancy by the United Nations of approximately half of its leased space at One UN Plaza, with extensions of the UN lease for the space subleased by the United Nations Development Programme ("UNDP") and other UN organizations. The decrease in Net Revenues also reflects an increase of \$770,000 in office expenses reflecting an advance to UNDP of \$1 million (credited against tenant allowances under the future UNDP lease) under a funding agreement. The decrease in Net Revenues was partially offset by an increase in interest income of \$1.4 million and a decrease in administrative expenses of \$250,000.

### *2025 Budget and 2026-2028 Financial Plan*

Mr. Cole reviewed the Corporation's Budget and Financial Plans for 2025-2028 and the 2025 Budget of Revenues and Expenses (Attachments 5B and 5C, respectively, to the Management Report). Mr. Cole noted that the budgets assume (i) commencement of new leases with the UN at Two UN Plaza and UNDP at One UN Plaza on January 1, 2025 and (ii) closing of new bonds in the fourth quarter of 2024 to fund project costs for the renovation of One and Two UN Plaza. He reported that the Corporation may submit updated and adjusted budgets to the State if timing of the leases and/or bonds changes, or if the leases are not executed and the bonds do not close.

He reported that the approved Budget and Financial Plans for 2025-2028 in Attachment 5B would be provided to the State and posted on the Corporation's website.

After discussion and on motion made and seconded, the Board approved the Budget and Financial Plans for 2025-2028 (Attachment 5B to the Management Report), Budget of Revenues and Expenses for 2025 (Attachment 5C to the Management Report) and Capital Budgets for 2025-2028 (Attachment 5D to the Management Report).

At the Chairman's request and with approval by the Board, the meeting entered executive session to discuss leasing matters. No action was taken by the Board in executive session.

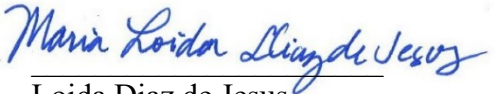
## **Project Update**

The Chairman requested Board approval for the following: (i) resolutions (Attachment A) in granting authority to the Chairman and Mr. Cole to execute and deliver the One and Two UN Plaza leases with the UN and UNDP;(ii) the Construction Management Agreement with Turner Construction Company and (iii) Project Labor Agreement resolutions and related documents (Attachment B).

Following discussions and on motion made and seconded, the Board approved all the matters described above.

**Other Business**

There being no other business, the meeting was adjourned at 3:30 p.m.

  
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Loida Diaz de Jesus  
Acting Secretary

## ATTACHMENT A

### RESOLUTION OF THE BOARD OF DIRECTORS OF THE UNITED NATIONS DEVELOPMENT CORPORATION

WHEREAS, the City of New York, as landlord, and UNDC, at tenant, are parties to a certain lease, dated August 1, 1972 (as amended, the “**1 UNP City Lease**”), under which the City of New York leases to UNDC the land and building located at One United Nations Plaza (the “**1 UNP Building**”);

WHEREAS, UNDC desires to lease a portion of the 1 UNP Building to the United Nations Development Programme (the “**Proposed UNDP Lease**”), which lease will be materially consistent with the term sheet attached hereto as Exhibit A except as set forth herein;

WHEREAS, Bishop Trading Company, as landlord, and UNDC, at tenant, are parties to a certain lease, dated August 1, 1980 (as amended, the “**2 UNP Bishop Lease**”), under which Bishop Trading Company leases to UNDC certain land located at Two United Nations Plaza;

WHEREAS, the City of New York, as landlord, and UNDC, at tenant, are parties to a certain lease, dated May 8, 1981 (as amended, the “**2 UNP City Lease**”), under which the City of New York leases to UNDC the building located at Two United Nations Plaza (the “**2 UNP Building**”);

WHEREAS, UNDC desires to lease a portion of the 2 UNP Building to the United Nations (the “**Proposed UN Lease**,” together with the Proposed UNDP Lease, the “**Transaction**”), which lease will be materially consistent with the term sheet attached hereto as Exhibit B except as set forth herein;

NOW THEREFORE, BE IT:

RESOLVED, that the Transaction is hereby approved and ratified;

RESOLVED, that UNDC shall execute such instruments, documents and agreements, and perform its obligations thereunder or in connection therewith, as may be necessary or desirable to effect the Transaction or that may be required or otherwise necessary to consummate the foregoing described Transaction including, without limitation, the Proposed UNDP Lease, the Proposed UN Lease, agreements, amendments, affidavits, indemnities, guaranties, ratifications, escrow agreements, subordination agreements, license agreements, contracts, confirmations, assumption agreements, certificates, all on such terms and conditions as George Klein, Chairman of the Board of Directors, and Robert Cole, Executive Vice President and General Counsel, together deem necessary or advisable (collectively, the “**Transaction Documents**”); and that George Klein and Robert Cole, together, are hereby and without the necessity for joinder of any other person, authorized, empowered and directed for and on behalf of UNDC to execute and deliver the Transaction Documents in the form and upon the terms as they may jointly approve, such approval to be conclusively established by their joint execution and delivery of the Transaction Documents.

RESOLVED, that any and all actions by George Klein and Robert Cole, respectively, for and on behalf of and in the name of UNDC before or following the adoption of the foregoing resolutions, in connection with the Transaction or any of the foregoing matters, including without limitation negotiation of the terms of the Transaction or execution and delivery of the Transaction Documents, be, and they are hereby ratified, confirmed and approved in all respects for all purposes.

*[Exhibits Follow]*

## ATTACHMENT B

### RESOLUTION OF THE BOARD OF DIRECTORS OF THE UNITED NATIONS DEVELOPMENT CORPORATION CREATING A POLICY REGARDING THE USE OF A PROJECT LABOR AGREEMENT FOR THE UNDC ONE & TWO UN PLAZA RENOVATION PROJECT

WHEREAS, Governor George E. Pataki issued Executive Order No. 49, dated February 12, 1997, and Governor Kathy Hochul issued Executive Order No.1, dated August 24, 2021, continuing in effect said Executive Order No. 49, which directs State agencies to establish procedures regarding the utilization of project labor agreements with respect to construction projects;

WHEREAS, under decisions of the New York State Court of Appeals, project labor agreements are permissible only if certain criteria are satisfied; and

WHEREAS, Section 222 of the New York Labor Law authorizes the Corporation to require a contractor awarded a contract, subcontract or other agreement for a project to enter into a project labor agreement (as defined in Section 222) for the work involved with such project provided that (1) the Corporation has determined that its interest in obtaining the best work at the lowest possible price, preventing favoritism, fraud and corruption, and other considerations such as the impact of delay, the possibility of cost savings advantages, and any local history of labor unrest, are best met by requiring a project labor agreement and (2) the Corporation includes a requirement in its contract documents that all contractors and subcontractors performing work on the project be bound by the terms of the project labor agreement; and

WHEREAS, under Section 222, any contract or subcontract for a project undertaken by the Corporation that is subject to a project labor agreement is not subject to the requirements of separate specifications (referred to as the Wicks Law) for plumbing, heating, ventilation and air conditioning, and electrical work; and

WHEREAS, consistent with the provisions of Section 222 and Executive Order No. 49, the Corporation desires to utilize a project labor agreement for the UNDC One and Two UN Plaza Renovation Project (the "Project") if and only if the Corporation determines that the use of such project labor agreement will provide for the cost efficient, safe, quality, and timely completion of the Project in compliance with the principles established under decisions of the New York State Court of Appeals and under Executive Order No. 49 and Section 222.

NOW THEREFORE BE IT RESOLVED as follows:

1. The Board of Directors of the Corporation hereby approves and adopts the policies and procedures set forth in the attached "Annex A" regarding the utilization of a project labor agreement on behalf of the Corporation for the Project.
2. This Resolution shall take effect immediately.

Annex A

**POLICY OF THE UNITED NATIONS DEVELOPMENT CORPORATION  
REGARDING UTILIZATION AND NEGOTIATION OF PROJECT LABOR  
AGREEMENTS**

1. OBJECTIVES OF A PROJECT LABOR AGREEMENT. The Corporation will approve a Project Labor Agreement (“PLA”) for the UNDC One and Two UN Plaza Renovation Project (the “Project”) only if it is demonstrated to the Corporation’s Board of Directors, and the Board of Directors determines, that the PLA, as required by Labor Law §222, is in furtherance of the purposes of competitive bidding statutes, including promoting the Corporation obtaining the best work at the lowest possible price while preventing favoritism, fraud and corruption. Therefore, a PLA will be used only if a determination is made by the Corporation that it will provide significant economic savings. To substantiate any projected economic savings, the Corporation will require a properly documented study demonstrating that the use of the PLA will promote the objective of completing the Project at the lowest reasonable cost.

Any such PLA may not discriminate in favor of or against union or non union contractors or employees. In addition, so long as any such PLA is in furtherance of the primary objectives described in the preceding paragraph, said PLA may also be used to achieve other subsidiary purposes. These objectives may include such goals as: improved employment opportunities for minorities, women and economically disadvantaged individuals; maximizing project safety conditions; increasing apprenticeship levels; and ensuring a reliable source of skilled and experienced union and non-union labor. These purposes, however, may not be considered as primary objectives in evaluating use of any such PLA.

2. PROCEDURES FOR APPROVAL. A PLA for the Project shall not be utilized unless there has been compliance with paragraphs (a), (b), (c) and (d) of this Section.
  - a. A PLA Impact Analysis fulfilling the requirements of Section 3 of this Policy is prepared;
  - b. The members of the Board have authorized the use of a PLA for the Project; and
  - c. The Executive Vice President or his designee finds that the terms of the proposed PLA are in furtherance of the objectives of this Policy and consistent with the PLA Impact Analysis.

If the Corporation utilizes a PLA for the Project and lets one or more contracts for work to be performed pursuant to such PLA, it shall be forwarded to the Commissioner of Labor for a determination of the interaction, if any, between Article 8 of the Labor Law and such PLA.

3. PLA IMPACT ANALYSIS. Any analysis concerning the use of a PLA for the Project must demonstrate that the inclusion of the project labor agreement specification in contracts will result in the lowest reasonable cost because of the size, complexity and duration of the



project. The analysis should consider such factors as:

- a. the percentage of union and non-union contractors expected to bid on the Project;
- b. an analysis of local collective bargaining agreements to determine their number and diversity and whether a project labor agreement will result in significant cost savings by harmonizing their divergent provisions;
- c. the likelihood that labor unrest will occur on the Project;
- d. the economic impact that any delays resulting from such labor unrest or otherwise will have on the Project; and
- e. an analysis of the size and likely duration of the Project to determine whether a PLA will be beneficial by providing continuity in the terms and conditions that will govern the Project through its completion.

In documenting how the PLA will achieve significant economic savings, the analysis should consider how the PLA will alter provisions in existing collective bargaining agreements relating to, among other things (i) wages, including provisions relating to overtime and shift differentials; (ii) work rules and practices; and (iii) productivity, safety, efficiency and dispute resolution. The analysis should also recite any subsidiary proposed objectives to be achieved by the PLA and discuss how the PLA will promote those objectives.

4. OTHER PROVISIONS. The Corporation shall not be a party to the PLA and shall have no liability whatsoever under the PLA. The PLA may not be construed as limiting the sole discretion of the Corporation to determine which contractors shall be awarded contracts or to terminate, delay or suspend the Project work, in whole or in part.

DATED:

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE UNITED NATIONS DEVELOPMENT CORPORATION REGARDING USE OF A PROJECT LABOR AGREEMENT FOR THE UNDC ONE AND TWO UN PLAZA RENOVATION PROJECT**

WHEREAS, at the meeting of the Board of Directors on September 18, 2024, the Board adopted the Resolution Creating a Policy Regarding the Use of a Project Labor Agreement for the UNDC One and Two UN Plaza Renovation Project (the “Project”);

WHEREAS, representatives of the Building and Construction Trades Council of Greater New York and Vicinity (“BCTC”) and of Turner Construction Company, with the concurrence of the Corporation’s representatives, have agreed on final terms for the Project Labor Agreement for the Project, including its memo of understanding (the “PLA”), a copy of which has been available to the Board for review;

WHEREAS, in accordance with the policies and procedures set forth in said Annex A, Turner has prepared a study (the “Turner Study”), a copy of which has been available to the Board for review, that assesses the economic benefits to the Corporation attributable to the PLA, including estimated cost savings of \$26,235,220 through the application of standardized 8 hour day and standard holidays, the use of more apprentices, no strike provisions, the Wicks Law exemption, and the restriction on the use of temporary services;

WHEREAS, in accordance with the policies and procedures set forth in said Annex A, the Corporation’s Executive Vice President, in consultation with the Corporation’s Director of Design and Construction, has found and provided to the Board said finding in writing (the “Finding”), to the effect that the terms of the PLA are in furtherance of the objectives set forth in Annex A and are consistent with the Turner Study;

WHEREAS, based on the Turner Study and the Finding, and considering all relevant information, the Board has determined that the PLA will provide for the cost efficient, safe, quality, and timely completion of the Project in compliance with the principles established under applicable New York laws and Executive Orders of the Governor of New York, including best meeting the Corporation’s interests in obtaining the best work at the lowest possible price and in preventing favoritism, fraud and corruption, and that the Turner Study demonstrates that including the PLA as part of the controlling documents under contracts for construction will result in the lowest reasonable cost for construction of the Project.

**NOW THEREFORE BE IT RESOLVED:**

1. The PLA, as presented at the meeting of the Board, is authorized for use for the Project;
2. Execution of the PLA by Turner Construction Company, as the Corporation’s construction manager, is approved;
3. The Corporation’s Executive Vice President or his designee is authorized to note on the signature page of the PLA the Corporation’s approval thereof; and
4. This Resolution shall take effect immediately.