

**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 7, 2023 at 2:00 p.m.

The following directors, constituting a quorum, were present:

George Klein, Chairman

Robert Abrams

Jan Burman

Adolfo Carrion, Jr.

Daniel Garodnick (represented by Azka Mohyuddin)

Jessica Healy

David Mack

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); Charles Laven (Forsyth Street Advisors); Benjamin Herbst (Goldman Sachs); Robert Drillings (Burgher Gray); Neil Hood (Fried Frank); and William McKay (Corporate Power). The following persons joined via video: Kenneth Coopersmith (UNDC); Warren Ruppel (Marks Paneth); Martin Hammond and Chris Harris (PFM Asset Management); Ross Silver (Fried Frank) and Scott Gottlieb (CBRE).

The Chairman presided and Loida Diaz de Jesus acted as secretary for the meeting. The Chairman called the meeting to order at 2:05 p.m.

### **Minutes of Meeting of March 30, 2023**

The Chairman requested approval of the minutes of the March 30, 2023 Board meeting. On motion made and seconded, the minutes of the March 30, 2023 Board meeting were approved in the form provided to Board members.

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

Mr. Cole reviewed the Governance and Compensation Committee Report that was provided to the Board. He reported that the Committee met on August 28, 2023 to review the Corporation's Mission Statement and Performance Goals for 2024 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 the Committee concurred with management's view that no changes were needed to the current Mission Statement and Performance Goals for 2024.

After discussion, and on motion made and seconded, the Board approved the Corporation's Mission Statement and Performance Goals in its current form and without any changes, as provided to the Board.

Mr. Cole reported that the Committee reviewed the Corporation's compensation and benefits program at the August 28 meeting.

### **Audit Committee Report**

Mr. Cole reviewed the Audit Committee Report of August 30, 2023. He reported that the Audit Committee met with representatives of CBIZ Marks Paneth on August 29 to review the Corporation's 2022 Form 990 – Return of Organization Exempt from Income Tax, as prepared by

CBIZ Marks Paneth with the Corporation's assistance. Mr. Ruppel summarized key sections of the Form 990.

After discussion, and on motion made and seconded, the Board approved the 2022 Form 990 and authorized its filing with the Internal Revenue Service.

Mr. Cole reported that Mr. Ruppel had reviewed his firm's Pre-Audit Presentation for 2023 with the Audit Committee at the August 29 meeting. Mr. Ruppel advised that audit field work would begin in February 2024, with Audit Committee and Board approval in March 2024 before the issuance of the audited financial statements and submission to the State of New York.

### **Finance Committee Report**

Mr. Cole reported that a Finance Committee had been scheduled on August 29 but did not take place due to the lack of a quorum.

Mr. Hammond summarized the Corporation's investment performance for the six months ended June 30, 2023. He reported that 100% of the Corporation's investments continued to be held in U.S. Treasury securities consistent with PFM's recommendations.

### **Management Report**

Mr. Cole reviewed the Management Report dated August 30, 2023. He noted that Board approval of the Corporation's 2024 operating budget, 2025-2027 projected operating budgets and statement of 2024-2027 projected capital costs would be requested later during the Board meeting.

### **Results of Operations for the Six Months Ended June 30, 2023**

Mr. Cole reviewed the Corporation's results of operations (unaudited) for the six months ended June 30, 2023 (Attachment A 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, 2023 were \$3,572,900, a decrease of 50.2% as compared to the 2022 period. The decrease in Net Revenues was due primarily to vacancy by the United Nations of 186,000 square feet of its space (12 floors) at One UN Plaza effective at the scheduled lease expiration on March 31, 2023. The

decrease in Net Revenues also reflects an increase of \$1.4 million in administrative office expenses due to increases in professional fees relating to new leases at One and Two UN Plaza, planning for a bond financing and related services.

2024 Budget and 2025-2027 Financial Plan

Mr. Cole reviewed the Corporation's Budget and Financial Plans for 2024-2027 and the 2024 Budget of Revenues and Expenses (Attachments B and C, respectively, to the Management Report). Mr. Cole stated that proposed Budgets assumed that new leases would be in place with the UN, UNDP and other tenants. He reported that projected capital costs did not include anticipated costs for building and tenant improvements expected to be funded from bond proceeds.

He reported that the approved Budget and Financial Plans for 2024-2027 in Attachment B would be provided to New York State and posted on the Corporation's website.

After discussion and on motion made and seconded, the Board approved the Corporation's Budget and Financial Plans for 2024-2027 (Attachment B to the Management Report), Budget of Revenues and Expenses for 2024 (Attachment C to the Management Report) and Capital Budgets for 2024-2027 (Attachment D to the Management Report).

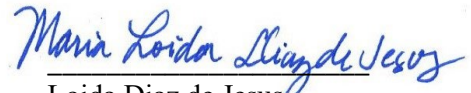
At the Chairman's request and with approval by the Board, the meeting entered executive session to discuss leasing matters. No action was taken by the Board in executive session.

**Other Business**

Mr. Cole requested that the Board ratify the selection of Turner Construction Company as construction manager and Cosentini Associates as MEP engineering firm for the One and Two UN Plaza building projects. Mr. Cole reported that Turner was selected by competitive bid in accordance with the Corporation's Procurement Guidelines. Mr. Cole reported that Cosentini was the engineering firm for the construction of One and Two UN Plaza and was the lowest bidder

among three major engineering firms that submitted bids. After discussion and on motion made and seconded, the Board ratified the selection of Turner and Cosentini as described above.

There being no other business, the meeting was adjourned at 4:19 p.m.

  
Loida Diaz de Jesus  
Acting Secretary