

**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 March 30, 2023 at 2:00 p.m.

The following directors, constituting a quorum, were present:

George Klein, Chairman

Adolfo Carrión, Jr.

Christine Falvo

Daniel Garodnick (represented by Azka Mohyuddin)

Jessica Healy

Amabel James

Edward Mermelstein

Joseph Rutigliano

Joel Silverman

The following persons were also present: Robert Cole, Jorge Ortiz, Kenneth Coopersmith, Justin Handman, Anastasiya Lee and Loida Diaz de Jesus (UNDC); Charles Laven (Forsyth Street Advisors); Scott Gottlieb (CBRE); Thomas Barrett (Barrett Builders) and William McKay (Corporate Power, IT consultant). The following persons participated via video conference: Robert Abrams, Samuel Natapoff and Andy Shenoy (members of the UNDC Board of Directors); Marvin Markus (Siebert Williams); Ross Silver and Brian Heilwell (Fried Frank); Warren Ruppel and Phillip Marciano (Marks Paneth) and Samantha Myers (PFM Asset Management).

The Chairman presided and Loida Diaz de Jesus acted as secretary for the meeting. The Chairman called the meeting to order at 2:06 p.m.

The Chairman introduced Azka Mohyuddin who was representing *ex officio* member Daniel Garodnick, the Chair of the New York City Planning Commission.

**Minutes of Meeting of September 15, 2022**

The Chairman asked the Board to consider the minutes of the meeting of September 15, 2022, in the form provided to Board members. On motion made and seconded, the minutes of the September 15, 2022 meeting were approved.

**Election of Officers**

The Chairman reported that he was reappointed as Chairman by Mayor Eric Adams for a three-year term expiring on August 8, 2025.

The Chairman stated that the officers of the Corporation are appointed by the Board at the annual meeting, to hold office for one year and until their successors are elected and qualified. The Chairman recommended the reappointment of each officer named below to their current position.

Robert Cole	Executive Vice President and General Counsel, Secretary
Kenneth Coopersmith	Vice President
Loida Diaz de Jesus	Vice President
Jorge Ortiz	Vice President, Treasurer

On motion made and seconded, the Board reappointed the above individuals to their current positions, to hold office for one year and until their successors are elected and qualified.

**2022 Measurement Report**

Mr. Cole reviewed the Corporation’s 2022 Measurement Report. The Measurement Report, which is required under the Public Authorities Law, measures the Corporation’s performance each year against goals set forth in the Mission Statement. The 2022 Measurement Report was previously discussed with the Governance and Compensation Committee and provided to the Board for its review.

After discussion and on motion made and seconded, the Board approved the Corporation's 2022 Measurement Report as provided to the Board.

### **Finance Committee Report**

Mr. Cole reported that the Finance Committee met on March 16, 2023, to review the Corporation's investment performance for 2022 with investment advisor PFM Asset Management. Ms. Myers from PFM provided an overview of current economic trends and forecasts for the year ahead. Ms. Meyers discussed the Corporation's investment performance for 2022. She reported that all of the Corporation's investments managed by PFM were held in U.S. Treasury securities consistent with the Corporation's Investment Guidelines, the Indenture for the 2019 bonds and New York State investment requirements for public authorities. She advised that PFM had considered other permitted investments such as GSE's (Fannie Mae or Freddie Mac securities) or commercial paper as possible investment opportunities but found better value in Treasury securities.

### **Board Consideration of Annual Reports**

Mr. Cole referred to the Corporation's Investment Report for 2022, Report on Prompt Payment for 2022 and Procurement Contract Report for 2022, each as required by the Public Authorities Law. He asked for a motion from the Board to approve each Report, and on motion made and seconded, the following resolutions were unanimously adopted:

**RESOLVED, that the Annual Investment Report for 2022, in the form presented at the meeting, be, and it hereby is, approved, ratified and confirmed.**

**RESOLVED, that the Annual Report on Prompt Payment for 2022, in the form presented at the meeting, be, and it hereby is, approved, ratified and confirmed.**

**RESOLVED, that the Corporation's officers are authorized to submit, via the PARIS on-line reporting system, the Annual Procurement**

**Contract Report for 2022, which includes the information presented to the Board of Directors at its meeting on March 30, 2023.**

**Audit Committee Report**

Mr. Klein reported that the Corporation's independent auditors, CBIZ Marks Paneth, reviewed the results of the 2022 audit and the draft financial statements (the "2022 Financial Statements") at the Audit Committee meeting on March 16, 2023.

Mr. Ruppel reviewed the results of the 2022 audit. He stated that an unqualified opinion on the 2022 Financial Statements would be issued, and that there were no disagreements with management during the audit. Mr. Ruppel stated that the audit did not detect any material weaknesses or significant deficiencies in the Corporation's internal control measures.

Mr. Ruppel reported that the 2022 Financial Statements included a reserve of \$6,131,080 from amounts that would otherwise be considered Consolidated Surplus for 2022.

Mr. Cole stated that approval of the 2022 Financial Statements and the reserve would be requested later during the Board meeting.

**Management Report**

Mr. Cole referred to the Management Report dated March 23, 2023. He reported that net revenues for 2022 were approximately \$14.1 million, a decrease of 13.3% over 2021 results. He advised that, as described in the Management Report, the decrease in net revenues reflected (i) an increase in operating expenses mainly attributable to the reinstatement of full cleaning, security and other services that were reduced during the pandemic when building occupancy rates were low and (ii) higher utility costs for electricity and steam. He reported that administrative office expenses increased in 2022 due to increases in professional fees relating to the Corporation's long-term leasing program at One and Two UN Plaza.

Mr. Cole reported that, from 2022 net revenues of approximately \$14.1 million, the Corporation deposited \$8 million into the renewal and replacement fund to pay costs for capital improvement projects previously approved by the Board.

Mr. Cole stated that the 2022 Financial Statements included a reserve of \$6,131,080, equal to 100% of the amounts that would otherwise constitute 2022 Consolidated Surplus under the Corporation's leases with the City of New York. He advised that management, with the concurrence of the Audit Committee, recommended that the Board establish this reserve to fund building and tenant improvements costs at One and Two UN Plaza or for other corporate purposes.

Mr. Cole advised that 90% of \$6,131,080, would be payable to the City as additional City rent if the Board did not establish this reserve. He reported that the draft 2022 Financial Statements would be modified if the Board did not establish the reserve.

Following discussion, and on motion made and seconded, the Board unanimously approved the following resolutions:

**WHEREAS, the Corporation's Phase II Lease with the City of New York (the "Phase II Lease") requires that the Corporation pay to the City as additional rent under the Phase II Lease ninety percent (90%) of Consolidated Surplus; and**

**WHEREAS, the Phase II Lease defines Consolidated Surplus as the excess of the Corporation's revenues during a fiscal year over payments for current expenses, debt service and the performance of the Corporation's other obligations under its financing documents, and base rent to the City, less reserves approved by the Corporation's Board of Directors in accordance with the Phase II Lease.**

**NOW THEREFORE, BE IT RESOLVED, that pursuant to the Phase II Lease, establishment of a reserve of \$6,131,080 be and hereby is approved, such reserve to be available for the Corporation to pay costs**

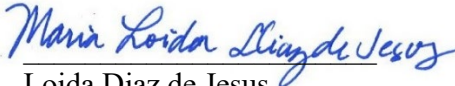
**related to capital improvement projects at One and Two UN Plaza, costs related to lease renewals at One and Two UN Plaza, or other corporate purposes, with such reserve to be established from 2022 net revenues of the Corporation that would constitute, if such reserve were not established, the Corporation's 2022 "Consolidated Surplus," as defined in the Phase II Lease.**

Mr. Cole requested Board approval of the 2022 Financial Statements. On motion made and seconded, the Board approved the 2022 Financial Statements.

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

**Other Business**

There being no other business, the meeting was adjourned at 4:15 p.m.

  
Loida Diaz de Jesus  
Acting Secretary