

**COMMITTEE ON OPERATIONS
MINUTES
Thursday, February 24, 2000**

	Page
Action on Minutes	1
Queens West Waterfront Development – Queens West Development Corporation – Approval for the Provision of Additional Funds for the Acquisition of Stage I Properties – Parcels 8, 9 and 11	2

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COMMITTEE ON OPERATIONS
Thursday, February 24, 2000**

(1)

PRESENT:

Hon. Charles A. Gargano, Chair
Hon. Kathleen A. Donovan, Vice-Chair
Hon. Anastasia M. Song
Hon. James Weinstein
Committee Members

Richard A. Aronow, Attorney, Law
Daniel D. Bergstein, Secretary
Lillian C. Borrone, Director, Port Commerce
Gregory G. Burnham, Chief Technology Officer
Ernesto L. Butcher, Chief Operating Officer
Jeffrey S. Green, General Counsel
Marylee Hannell, Executive Assistant to the Chief of Staff
Louis J. LaCapra, Chief of Staff
Frank Mahoney, General Manager, Network Services, Information Services
Gregory Matviak, General Manager, Waterfront Development Projects, Port Commerce
Fred V. Morrone, Director, Public Safety
Cherrie L. Nanninga, Acting Deputy Chief Financial Officer/Director, Real Estate

The meeting was called to order in executive session by the Chair at 12:10 p.m. and ended at 12:30 p.m.

Action on Minutes

The Secretary reported that the Minutes of the meeting of February 25, 1999 have been signed and distributed to the Commissioners and the staff; whereupon, the Committee approved the Minutes of the meeting of February 25, 1999.

QUEENS WEST WATERFRONT DEVELOPMENT - QUEENS WEST DEVELOPMENT CORPORATION - APPROVAL FOR THE PROVISION OF ADDITIONAL FUNDS FOR THE ACQUISITION OF STAGE I PROPERTIES - PARCELS 8, 9 AND 11

It was recommended that the Committee on Operations authorize the Executive Director to arrange for the payment of additional funds for any and all costs necessary to advance the acquisition of property in the Stage I development area by the Queens West Development Corporation (QWDC), through condemnation, for the purpose of development of the Queens West Waterfront Development Project (Project). These funds will be allocated against the Port Authority's \$25 million authorized for Stage I property acquisition by the Board on January 7, 1992 from the overall \$125 million Port Authority commitment to the Project.

This action will permit the acquisition through condemnation of the property comprising Parcels 8, 9 and 11 of Stage I of the Project under the Empire State Development Corporation's Eminent Domain Procedures Law (EDPL).

In November 1994, the QWDC Directors authorized the QWDC to hold a public hearing pursuant to Article 2 of the EDPL with respect to Stage I of the Project. On September 6, 1995, a duly noticed public hearing on the proposed condemnation was held in Long Island City. In October 1995, the Directors determined that it was appropriate for QWDC to acquire some or all of the property located within the Stage I area of the Project to facilitate and effectuate the Project and authorized QWDC to exercise its power of condemnation. The Determination and Findings were published in November 1995, in accordance with the EDPL. During 1996, condemnation and fee appraisals were conducted by independent consultants hired by QWDC. Appraisals were updated in August 1998. Appraisals have been accepted by QWDC, New York City Economic Development Corporation, New York State Empire State Development Corporation and Port Authority staff.

On February 13, 1997, the QWDC Board authorized QWDC, pursuant to the EDPL, to make offers for the purchase of properties comprising Parcels 8, 9, and 11 to the current owners. QWDC was also authorized to request funding for this transaction from the Port Authority's commitment to the Project, and the Stage I property acquisition allocation of \$25 million, as embodied in the 1992 Municipal Agreement authorized by the Board at its meeting of January 7, 1992.

In accordance with EDPL procedures: a) QWDC sought and received the approval of the Public Authorities Control Board for these transactions; b) purchase offers were made to the owners and accepted; and, c) the court is now determining the final settlement price. In anticipation of concluding this process, QWDC undertook updated appraisals to reflect changes in market values for the properties in order to secure the funding commitments from the Port Authority necessary to complete the transactions. Accordingly, QWDC has determined that an additional sum, \$4 million, will be necessary and has requested authorization by the Committee for the additional funds required.

The Committee's approval would be consistent with the January 7, 1992 Board authorization, which requires that the property acquisitions authorized by such action be subject to the approval of the Committee. Such property acquisitions were also contingent on a City of New York (City) commitment to invest approximately \$44 million in the Project. The City has reconfirmed its commitment by providing \$30 million to QWDC to date for construction of Stage I infrastructure.

These Port Authority funds will be provided to QWDC through the existing February 1998 Funding Agreement for the funds previously allocated.

Pursuant to the foregoing report, the following resolution was adopted by the Committee in executive session with Commissioners Donovan, Song and Weinstein voting in favor; Commissioner Gargano abstaining; none against:

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to arrange for the payment of additional funds for any and all costs necessary to advance the acquisition of property in the Stage I development area by the Queens West Development Corporation (QWDC), through condemnation, for the purpose of development of the Queens West Waterfront Development Project (Project), such funds to be allocated against the Port Authority's \$25 million authorized for Stage I property acquisition by the Board on January 7, 1992 from the overall \$125 million commitment to the Project; and it is further

RESOLVED, that the form of all contracts and agreements, in each case, in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

Whereupon, the meeting was adjourned.

Secretary