

CITY OF NEW YORK CONFLICTS OF INTEREST BOARD

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October 8, 2020

Vicki L. Been
Deputy Mayor for Housing and Economic Development
Office of the New York City Mayor
City Hall
New York, New York 10007

Re: Conflicts of Interest Board Case No. 2020-375 (James Patchett)

Dear Deputy Mayor Been:

This is in response to your letter to the Conflicts of Interest Board (the “Board”), dated July 21, 2020, designating, pursuant to Board Rules Section 1-13(e)(1), James Patchett, President of the New York City Economic Development Corporation (“EDC”), to use City time and City resources to work for the Alliance for Coney Island, Inc., New 42nd Street, Inc., NYC & Company, Inc., and Prospect Park Alliance, Inc. (collectively, the “Organizations”), and requesting approval, pursuant to Board Rules Section 1-13(e)(2), for Mr. Patchett to take part in business dealings between the City and the Organizations.

Relevant Facts

As President of EDC, Mr. Patchett leads the City’s economic development agency. EDC promotes economic growth in the City by developing real estate in coordination with both public and private partners, providing policy advice, managing City properties and assets, and investing in and providing financial tools to businesses.

You advise that Mr. Patchett serves as an *ex-officio* non-voting member on the boards of the following entities:

- **The Alliance for Coney Island, Inc.**, was formed in 2012 for stakeholders to collaborate in the redevelopment of Coney Island. According to its bylaws, the Alliance for Coney Island (the “Alliance”) has 14 directors, four of whom are *ex-officio* non-voting directors: the Brooklyn Borough President, the City Council Member representing Coney Island, the District Manager of Community Board 13 in Brooklyn, and the President of EDC. The remaining 10 directors are executives associated with Coney Island businesses. As an *ex-officio* director, Mr. Patchett would be involved in the Alliance’s receipt of

discretionary funds through the New York City Department of Youth and Community Development and the New York City Department of Small Business Services and the Alliance's collaboration with the New York City Department of Transportation on a project extending streetscape amenities on Mermaid Avenue.

- **The New 42nd Street, Inc.**, was established by the City and New York State in 1990 as part of their plan to redevelop 42nd Street between 7th and 8th Avenues in Manhattan. As part of this plan, New 42nd Street was given 99-year leases for the block's seven historic theaters, owned by the City, for the purposes of finding new uses for the spaces. EDC has served as the City's lease administrator since the reversion. According to its bylaws, New 42nd Street has 27 directors and three *ex-officio* non-voting directors: the Commissioner of the New York City Department of Cultural Affairs, the Chair of the New York State Council on the Arts, and the President of EDC. In addition to serving as the City's lease administrator for the theaters, EDC has made loans to New 42nd Street. Additionally, in light of reductions in payments to New 42nd Street after changes to the terms of the leases, and subject to the approval of the EDC board, EDC will make payments to New 42nd Street so that it will continue to receive the same amount initially agreed to in the leases.

You advise that Mr. Patchett has been appointed by the Mayor to the boards of the following entities:

- **NYC & Company, Inc.**, incorporated in 1935 as the New York Convention and Visitors Bureau, Inc. and renamed NYC & Company, Inc. in 1999, serves as the official marketing organization and convention and visitors bureau for the City. NYC & Co.'s board consists of up to 85 members. Of those, NYC & Co.'s bylaws specify that the Mayor shall appoint up to five City officials (of which Mr. Patchett is one). The remaining board members represent a cross section of industries in the City, including travel and tourism, the arts, marketing, media, and education. Members of NYC & Co.'s board, other than the five Mayoral appointees, are selected by a Nominating Committee and presented to the board for approval. Board members serve two-year terms and are often reappointed. NYC & Co. is the holder of a sole-source contract with the New York City Department of Small Business Services to provide tourism, marketing, and licensing services to the City. NYC & Co. also acts as the City's agent to execute aspects of two other contracts: (1) the New York City Department of Information Technology and Telecommunications' contract with CityBridge for the LinkNYC system; and (2) the New York City Department of Transportation's franchise contract with JCDeaux regarding street furniture. In addition to its work on those three contracts, NYC & Co. has been involved in the City's contract with the Internet Corporation of Assigned Names and Numbers for the .nyc top-level domain and for advertising related to those efforts.

- **Prospect Park Alliance, Inc.**, was founded in 1984 to provide resources to operate and maintain Prospect Park. According to its bylaws, Prospect Park Alliance has 39 directors. Two are appointed by the Mayor, who has appointed Mr. Patchett; two are appointed by the Brooklyn Borough President; and the following four individuals serve as *ex-officio* directors: the President of Prospect Park Alliance, the City Council Member representing the district, the Commissioner of the New York City Department of Parks and Recreation (“DPR”), and the Brooklyn Borough President. The remaining 31 directors are elected by the Prospect Park Alliance’s board. The Prospect Park Alliance has entered into the following contractual agreements with DPR: a license agreement for the operation and maintenance of Prospect Park; license agreements relating to the operation of specific concessions in the park; an agreement for design, construction, and construction management services under which DPR issues work orders to the Prospect Park Alliance related to capital projects in Prospect Park; agreements with DPR and with third parties relating to special events in Prospect Park; and agreements with DPR relating to programs and operations in the park. Additionally, the Prospect Park Alliance advocates for capital and expense funding for Prospect Park from City elected officials.

By your letter to the Board, you approve of Mr. Patchett’s performing work for the Organizations as part of his EDC job and, in doing so, participating in any business dealings between the Organizations and the City.

Relevant Law

Charter Section 2604(b)(2), as interpreted in Board Rules Section 1-13, prohibits a public servant’s use of City time or City resources for non-City purposes.

Board Rules Section 1-13(e) provides that an agency head may designate a public servant to perform work on behalf of a not-for-profit corporation, association, or other such entity that operates on a not-for-profit basis, including serving as a board member or other position with fiduciary responsibilities, provided that: (i) there is a demonstrated nexus between the proposed activity, the public servant’s City job, and the mission of the public servant’s agency, and such work furthers the agency’s mission and is not undertaken primarily for the benefit or interests of the not-for-profit; (ii) the designated public servant takes no part in the entity’s business dealings with the City at the entity or at his or her agency; and (iii) within 30 days the written designation is disclosed to the Board and will be posted on the Board’s website.

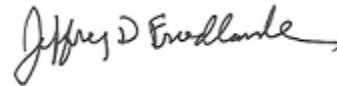
A public servant designated pursuant to Board Rules Section 1-13(e)(1) may take part in the entity’s business dealings with the City at the entity and/or at his or her agency if, after written approval of the agency head, the Board determines that there is a demonstrated nexus between the proposed participation, the public servant’s City job, and the mission of the public servant’s agency; and that such participation furthers the agency’s mission and is not undertaken primarily for the benefit or interests of the not-for-profit entity. See Board Rules Section 1-13(e)(2).

Advice

The Board has determined, based on the above representations and your written approval, that there is a demonstrated nexus between Mr. Patchett's job as President of EDC, his proposed work for the Organizations, and the mission of EDC. The Board has also determined that Mr. Patchett's participation in the business dealings between the City and the Organizations furthers EDC's mission. Accordingly, Mr. Patchett may use City time and City resources to perform work for the Organizations and may be involved in business dealings between the Organizations and the City. See Board Rules Section 1-13(e)(2).

The advice conveyed in this letter is conditioned on the correctness and completeness of the facts supplied to us. If such facts are in any respect incorrect or incomplete, the advice we have given to you may not apply. If at any time you would like further advice based on a change of circumstances or additional information, please contact us.

Very truly yours,

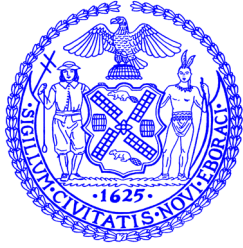


Jeffrey D. Friedlander
Chair

Nisha Agarwal
Fernando A. Bohorquez, Jr.
Wayne G. Hawley

cc: Meredith J. Jones
James Patchett

Anthony W. Crowell did not participate in the decision of this matter.



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November 24, 2020

James Patchett
President & CEO
New York City Economic Development Corporation
110 William Street
New York, New York 10038

Re: Conflicts of Interest Board Case Nos. 2020-347/a-c
(Jeffrey Gambrell, Julie Stein, Doug Thiede, and Carlo Yuvienco)

Dear President Patchett:

This is in response to your letter to the Conflicts of Interest Board (the “Board”), dated July 23, 2020, as well as additional communications between your agency and Board staff, designating, pursuant to Board Rules Section 1-13(e)(1), Julie Stein, Jeffrey Gambrell, Doug Thiede, and Carlo Yuvienco, employees of the New York City Economic Development Corporation (“EDC”), to use City time and City resources to work for BioBAT, Inc. You also request a determination by the Board, pursuant to Board Rules Section 1-13(e)(2), that these employees may take part in business dealings between BioBAT and the City.

Relevant Facts

You advise the Board that Julie Stein is a Senior Vice President and Jeffrey Gambrell is an Assistant Vice President in EDC’s Asset Management Department, which oversees strategies for EDC-managed commercial real estate, transportation, port, critical infrastructure, and energy assets. Ms. Stein oversees the management of the Brooklyn Army Terminal (“BAT”), a City-owned industrial complex with rentable manufacturing, commercial, and residential space. Mr. Gambrell is responsible for leasing activities at BAT, including for BioBAT tenants at BAT, and he assists with BAT budgeting.

You advise that Doug Thiede is a Senior Vice President and Carlo Yuvienco is a Vice President in EDC’s Initiatives Department, which implements strategic long-term investments in public-private partnerships that advance the City’s key economic sectors, including technology, advanced manufacturing, life sciences, cybersecurity, healthcare, and fashion. Mr. Thiede manages LifeSci NYC, an initiative to invest \$500 million to make the City a top life science hub. Mr. Thiede is also responsible for the marketing and promotion of life sciences in the City. Dr. Yuvienco is a senior LifeSci NYC team member, where he manages the Applied Research &

Development infrastructure project, supports investing in early stage companies, and leads the LifeSci NYC internship program.

You advise the Board that BioBAT is a not-for-profit corporation created by EDC and the Research Foundation of the State University of New York (“SUNY”). BioBAT supports the advancement of the life science industry in the City by providing facilities and resources for scientific research and advanced manufacturing at BAT; BioBAT subleases BAT space from EDC. BioBAT also participates in the LifeSci NYC internship program.

Pursuant to its by-laws, BioBAT has a twelve-member board of directors: five appointed by EDC, five appointed by the SUNY Research Foundation, and up to two independent directors elected jointly by EDC and the SUNY Research Foundation. Directors serve three-year terms, and the board chooses its officers. You have appointed Ms. Stein, Mr. Gambrell, Mr. Thiede, and Dr. Yuvienco to serve on BioBAT’s board: Ms. Stein was appointed in November 2019 and serves as Vice Chair of the board; Mr. Gambrell was appointed in September 2020 and serves as Secretary of the board; Mr. Thiede was appointed in November 2017 and is in the process of being reappointed; Dr. Yuvienco was appointed in October 2019. BioBAT directors attend quarterly meetings to discuss and vote on budget matters, life science strategic planning, BAT sub-leasing plans, and marketing proposals.

By your letter to the Board, you approve Ms. Stein, Mr. Gambrell, Mr. Thiede, and Dr. Yuvienco (the “Employees”) performing work for BioBAT as part of their EDC jobs and, in doing so, participating in BioBAT’s business dealings with the City. You further state your belief that the Employees’ work for BioBAT will further EDC’s mission to increase life science tenants at BAT and expand the City’s life science footprint.

Relevant Law

Charter Section 2604(b)(2), as interpreted in Board Rules Section 1-13, prohibits a public servant’s use of City time or resources for non-City purposes.

Board Rules Section 1-13(e) provides that an agency head may designate a public servant to perform work on behalf of a not-for-profit corporation, association, or other such entity that operates on a not-for-profit basis, including serving as a board member or other position with fiduciary responsibilities, provided that: (i) there is a demonstrated nexus between the proposed activity, the public servant’s City job, and the mission of the public servant’s agency, and such work furthers the agency’s mission and is not undertaken primarily for the benefit or interests of the not-for-profit; (ii) the designated public servant takes no part in the entity’s business dealings with the City at the entity or at his or her agency; and (iii) within 30 days the written designation is disclosed to the Board and will be posted on the Board’s website.

A public servant designated pursuant to Board Rules Section 1-13(e)(1) may take part in the entity’s business dealings with the City at the entity and/or at his or her agency if, after written approval of the agency head, the Board determines that there is a demonstrated nexus between the proposed participation, the public servant’s City job, and the mission of the public servant’s

agency; and that such participation furthers the agency's mission and is not undertaken primarily for the benefit or interests of the not-for-profit entity. See Board Rules Section 1-13(e)(2).

Advice

The Board has determined, based on the above representations and your written approval, that there is a demonstrated nexus between the Employees' City jobs, their proposed work for BioBAT, and the mission of EDC. The Board has also determined that the Employees' participation in the business dealings between the City and BioBAT furthers EDC's mission. Accordingly, the Employees may use City time and City resources to perform work for the BioBAT and may be involved in these business dealings between BioBAT and the City. See Board Rules Section 1-13(e)(2).

The advice conveyed in this letter is conditioned on the correctness and completeness of the facts supplied to us. If such facts are in any respect incorrect or incomplete, the advice we have given to you may not apply. If at any time you would like further advice based on a change of circumstances or additional information, please contact us.

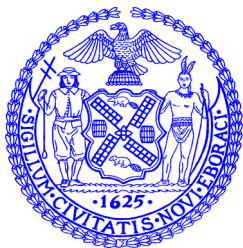
Very truly yours,



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Anthony W. Crowell
Wayne G. Hawley

cc: Meredith J. Jones
Jeffrey Gambrell
Julie Stein
Doug Thiede
Carlo Yuvenco



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November 24, 2020

James Patchett
President & CEO
New York City Economic Development Corporation
110 William Street
New York, New York 10038

Re: Conflicts of Interest Board Case No. 2020-346 (Alex Costas)

Dear President Patchett:

This is in response to your letter to the Conflicts of Interest Board (the “Board”), dated July 23, 2020, as well as additional communications between your agency and Board staff, designating, pursuant to Board Rules Section 1-13(e)(1), Alex Costas, an employee of the New York City Economic Development Corporation (“EDC”), to use City time and City resources to work for the Sanitation Foundation and NYC & Company, Inc. (the “Organizations”). You also request a determination by the Board, pursuant to Board Rules Section 1-13(e)(2), that Mr. Costas may take part in business dealings between the Organizations and the City.

Relevant Facts

You advise the Board that at EDC Mr. Costas is a Senior Vice President in the Marketing Department, responsible for EDC marketing strategies and events. Mr. Costas oversees NYC & Co.’s contract with EDC to provide marketing campaigns for tourism, industry trade shows, and conventions and its contract to manage EDC’s intellectual property, including trademark, copyright, and domain name registrations and applications. Mr. Costas works closely with EDC departments that manage sustainability initiatives and circular business practice projects. In February 2020, Mr. Costas worked with the Sanitation Foundation to plan and promote Refashion Week, the Sanitation Foundation’s sustainable fashion event co-sponsored by EDC and held at an EDC facility.

You further advise that Mr. Costas was selected to serve as an independent board member of the Sanitation Foundation in June 2020 for a two-year term. The Sanitation Foundation, formerly the Foundation for New York's Strongest, is a not-for-profit organization incorporated by the New York City Department of Sanitation (“DSNY”) to advance the principles of waste elimination, recycling, and reuse and partners with local companies on sustainability initiatives. The Sanitation Foundation has a nine-member board of directors: one director is appointed by the

DSNY Commissioner and the other eight are independently selected and approved by the board. Directors attend bimonthly meetings and vote on programming matters, including funding requests from DSNY for environmental and sanitation programs, professional development and training programs for DSNY employees, and the establishment of a DSNY museum. The Sanitation Foundation has registered with the Board as a not-for-profit organization affiliated with an elected official pursuant to Chapter 9 of Title 3 of the New York City Administrative Code.

By your letter to the Board, you state your belief that Mr. Costas's work for the Sanitation Foundation furthers EDC's mission by fostering collaboration between EDC and the Sanitation Foundation on sustainability initiatives and circular business practice projects and will help market EDC initiatives in these areas.

In October 2020, the Board approved your participation in the business dealings between NYC & Co. and the City as part of your designation by the Deputy Mayor for Housing and Economic Development to serve on the board of NYC & Co. See COIB Case No. 2020-375. You advise that you have designated Mr. Costas to serve on the NYC & Co. board as your alternate.

NYC & Co. was incorporated in 1935 as the New York Convention and Visitors Bureau, Inc. and renamed NYC & Company, Inc. in 1999, serves as the official marketing organization and convention and visitors bureau for the City. NYC & Co.'s board consists of up to 85 members. Of those, NYC & Co.'s bylaws specify that the Mayor shall appoint up to five City officials (of which you are one). The remaining board members represent a cross section of industries in the City, including travel and tourism, the arts, marketing, media, and education. Members of NYC & Co.'s board, other than the five Mayoral appointees, are selected by a Nominating Committee and presented to the board for approval. Board members serve two-year terms and are often reappointed. NYC & Co. is the holder of a sole-source contract with the New York City Department of Small Business Services to provide tourism, marketing, and licensing services to the City. NYC & Co. also acts as the City's agent to execute aspects of two other contracts: (1) the New York City Department of Information Technology and Telecommunications' contract with CityBridge for the LinkNYC system; and (2) the New York City Department of Transportation's franchise contract with JCDeaux regarding street furniture. In addition to its work on those three contracts, NYC & Co. has been involved in the City's contract with the Internet Corporation of Assigned Names and Numbers for the .nyc top-level domain and for advertising related to those efforts.

Relevant Law

Charter Section 2604(b)(2), as interpreted in Board Rules Section 1-13, prohibits a public servant's use of City time or resources for non-City purposes.

Board Rules Section 1-13(e) provides that an agency head may designate a public servant to perform work on behalf of a not-for-profit corporation, association, or other such entity that operates on a not-for-profit basis, including serving as a board member or other position with fiduciary responsibilities, provided that: (i) there is a demonstrated nexus between the proposed activity, the public servant's City job, and the mission of the public servant's agency, and such work furthers the agency's mission and is not undertaken primarily for the benefit or interests of

the not-for-profit; (ii) the designated public servant takes no part in the entity's business dealings with the City at the entity or at his or her agency; and (iii) within 30 days the written designation is disclosed to the Board and will be posted on the Board's website.

A public servant designated pursuant to Board Rules Section 1-13(e)(1) may take part in the entity's business dealings with the City at the entity and/or at his or her agency if, after written approval of the agency head, the Board determines that there is a demonstrated nexus between the proposed participation, the public servant's City job, and the mission of the public servant's agency; and that such participation furthers the agency's mission and is not undertaken primarily for the benefit or interests of the not-for-profit entity. See Board Rules Section 1-13(e)(2).

Advice

The Board has determined that, based on the above representations and your written approval, there is a demonstrated nexus between Mr. Costas's City job, his proposed work for the Organizations, and the mission of EDC. The Board has also determined that Mr. Costas's additional participation in the business dealings between the City and the Organizations furthers EDC's mission. Accordingly, Mr. Costas may use City time and City resources to perform work for the Organizations and may be involved in these further business dealings between the Organizations and the City. See Board Rules Section 1-13(e)(2).

The advice conveyed in this letter is conditioned on the correctness and completeness of the facts supplied to us. If such facts are in any respect incorrect or incomplete, the advice we have given to you may not apply. If at any time you would like further advice based on a change of circumstances or additional information, please contact us.

Very truly yours,



Jeffrey D. Friedlander
Chair

Nisha Agarwal
Fernando A. Bohorquez, Jr.
Anthony W. Crowell
Wayne G. Hawley

cc: Meredith J. Jones
Alex Costas



One Liberty Plaza
New York, NY 10006
T: 212 619 5000
edc.nyc

December 3, 2020

BY EMAIL

New York City Conflicts of Interest Board
2 Lafayette Street, Suite 1010
New York, New York 10007
Attention: Ethan Carrier, General Counsel, carrier@coib.nyc.gov

Re: Not-for-profit corporation board designation of New York City Economic Development Corporation ("NYCEDC") employee pursuant to Board Rule §1-13(e)

Dear Conflicts of Interest Board:

In accordance with Board Rule §1-13(e)(1)(iv), I write to notify you that I have designated Meredith Jones, in her official capacity as General Counsel of NYCEDC to serve on the Board of Directors of the World Trade Center Captive Insurance Company (the "WTC Captive") and to utilize NYCEDC time, resources, and equipment in the performance of such work.

Ms Jones is NYCEDC's General Counsel and she will not be compensated for her activities at the WTC Captive, but will use reasonable and incidental NYCEDC time and resources to fulfill this service. Ms Jones was first appointed to the WTC Captive's board in 2006 by the Mayor and she has been reappointed as a member the Mayor annually since that time since that time.

The WTC Captive was created by the City using \$1 billion in funding from the U.S. Federal Emergency Management Agency in July 2004 to cover the risks assumed by the City and its approximately 145 private contractors working without commercial insurance coverage for claims resulting from clean up work done after the September 11, 2001 attacks on the World Trade Center. The WTC Captive board is composed of 5 members, 4 of whom are designated by the City and one of whom is designated by the private contractors. Since its inception the WTC Captive has successfully settled claims brought by over 10,000 persons involved in the clean up of the World Trade Center site, paying claimants over \$700 million. It has also been successful in obtaining payments from certain private insurance companies under policies written by those companies. Resolution of these claims has enabled the City and its contractors to move forward with the task of rebuilding from the attacks, which aligns with NYCEDC's work together with community stakeholders and City agencies to rebuild Lower Manhattan after 9/11. Ms Jones's service on the WTC Captive board furthers NYCEDC's mission by preserving continuity in the board members involved in the resolution of remaining claims, and helping to advance the success of NYCEDC's rebuilding efforts.

As General Counsel, Meredith manages the Legal Department of NYCEDC. She is responsible for overseeing NYCEDC's litigation and transactional legal projects, as well as compliance with general corporate law. NYCEDC serves as the City's economic development arm. One of

NYCEDC's key activities was helping the City recover from the devastation the 9/11 attacks brought to the City's economy. Part of recovering from that devastation was to provide financial protection to the City and its contractors from any claims brought by persons involved in the clean-up of the 9/11 site. NYCEDC's understanding of finance, coupled with its mission of promoting economic recovery, made it natural for a person who was the President of NYCEDC to be appointed to the Captive's board. Because the major issues that faced the Captive were legal issues – how the Captive would defend claims brought against its insureds, as well as obtaining payments on third party insurance policies the City had been able to obtain to protect it and its contractors—the President believed that having NYCEDC's General Counsel serve as his alternate would be beneficial to understanding and counseling the Captive in these matters. By the time that President resigned from NYCEDC the major issues facing the Captive were how it would handle these legal matters. At that juncture certain of the Captive's remaining board members asked to have Meredith appointed in place of the resigning NYCEDC President because of the critical knowledge that she had accumulated while serving as an alternate.

Your consideration of this request is greatly appreciated. Please do not hesitate to contact me at jpatchett@edc.nyc.

Sincerely,



James Patchett
President

cc: Christopher Hammer, Deputy General Counsel, hammer@coib.nyc.gov
Meredith J. Jones, General Counsel, NYCEDC