

**NYSERDA'S 74TH WASTE AND FACILITIES MANAGEMENT COMMITTEE
MEETING**

January 24, 2024

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Vice Chair Bell:

Okay, good morning. I call this meeting of the Waste and Facilities Management Committee to order notice of this meeting was provided to the Committee Members and to the press on January 17, 2024. I would also like to note that this meeting is being conducted by video conference and the Authority will be posting a video and transcript of the meeting on the web. To confirm that we have a quorum, I would like to ask the Committee to please introduce themselves. I am Chuck Bell, Vice Chair and Chair of the Committee.

Sherburne Abbott:

Shere Abbott, Member of the Committee. Member of the Board.

Chair Kauffman:

Richard Kauffman, Chair of the Authority.

Vice Chair Bell:

Okay, and we have no Members in Albany today. State that for the record. So the first item on our agenda is approval of the minutes of the October 4, 2023 meeting. A copy of the minutes was included with the January 17, 2024 mailing. Are there any comments on the minutes? Hearing none may please have a motion approving the minutes.

Sherburne Abbott:

So moved.

Chair Kauffman:

Second.

Vice Chair Bell:

All in favor, please say aye.

Members of the Committee:

Aye.

Vice Chair Bell:

Any opposed? Okay, the minutes are approved. The next agenda item is a report from Chief Financial Officer Pam Poisson regarding the Authority's fiscal year 2024-25 budget for the West Valley Site Management Program and radioactive waste policy and nuclear coordination activities. Pam.

Pam Poisson:

The Members have requested to recommend the adoption of a resolution, recommending approval of its portions of the Authority's' budget for the fiscal year ending in March 31, 2025.

Many of the details of the budget will be presented in more detail at the Program Planning Committee meeting, which will meet to review its respective portion of the budget after this meeting. So I will today only address the portions that are specifically pertinent to this Committee's review. The budget for the West Valley program for the fiscal year ahead is recommended \$25.8 million. That's identical to last fiscal year's budget and it's in line with our expectations for the State share of federal funding and our spending at the site as guided by the Cooperative Agreement and Consent Decree and the resulting projections for the scope and timing of the work activities. The Cooperative Agreement, which provides basically a 90% versus 10% cost share leads to an approximate expenditure of \$11.9 million in the budget. The Consent Decree costs are about \$8.9 million and the State Licensed Disposal costs are approximately \$3.6 million. Other NYSERDA managed activities, approximately \$1.4 million all coming up to the 25.8. Also as a reference point, the budget contemplates federal funding that remains at approximately \$95.7 million for the fiscal year ahead.

Note that included in the Energy Analysis program budget is funding to meet the requirements under the state's low level radioactive Waste Management Act of 1986 for collecting information and providing regular reports to the Governor and the legislature on low level radioactive waste generation in the State. And these activities are funded with a State appropriation of \$150,000, which is sub allocated from an appropriation provided to the New York State Department of Health intern funded through an assessment collective on operating nuclear power plant licenses that ends budget report. Thank you. Are there any questions?

Vice Chair Bell:

Thank you Pam. Are there any questions or further discussion of this item?

Sherburne Abbott:

The usual question of where are we with DOE?

Vice Chair Bell:

So have there been any changes with respect to our relationship with the Department of Energy and their commitment to fund cleanup activities at the site?

John Williams:

I'd say no. Everything seems to be going well with DOE. The budget process in Washington is a little complicated, but the continuing resolutions are maintaining the DOE'S Environmental Management program at steady state. So presuming that maintains through the course of the year, I think we're seeing that we're on a good course with the department.

Vice Chair Bell:

Any other questions?

Chair Kauffman:

What happens if there isn't a continuing resolution? What contingency plans happen?

John Williams:

So that did come up when there was a risk of the continuing resolution not passing, I believe it was in December. The programs funds are actually, and Janice may be able to correct some terminology here, but they are allocated to a fund that would not be affected by any kind of budgetary constraint. So there are funds in operating budgets that would allow the program to continue its activities. I wanted to say Janice was it might've been like a six month operating budget that the program would've experienced. So I think we do feel like there is a bit of a cushion, but certainly in the federal funding to <inaudible>and that impacted the department's ability to continue the contractor work on site. If the contractor's actually working for the Department of Energy, then we would need to examine how that would affect future demolition activity site.

Chair Kauffman:

So just to follow up on this, so the contract between the contractor is with DOE?

John Williams:

Correct.

Chair Kauffman:

And so if there's eventual run out of funding, if there's a, we're not an obligor to keep funding if DOE doesn't fund Right?

John Williams:

I would say that if there is no activity at the site that is being supported by funds, I think we would just

Chair Kauffman:

And by virtue of the fact that there was a stop and there was an increase in costs as a result of the, we still would have to fulfill our cost share even though it was due to the problems of feds.

John Williams:

Correct? Well I would say that, so the way to think of the delineation, the West Valley Demonstration program is a department of energy responsibility to move that project forward. So this is all of the demolition. There are other State obligations that manage on the site. So for instance, the State license disposal area would still be an ongoing obligation that we would need to make sure we had appropriate support for that. And Janice correct me if that is an overstatement.

Janice Dean:

I think that's correct. And just to be clear, there is no, we have not received any communications from the Department of Energy of late that would cause any concerns about the ongoing activities at the site at this time.

Chair Kauffman:

Thank you.

Vice Chair Bell:

Okay. Any other questions or discussion? So a resolution regarding approval of the Authority's fiscal year 2024-25 budget was included in your materials and it's located at the last page of the budget package. And this is approval of the budget for the West Valley site management and remediation activities. May please have a motion recommending that the Board adopt the resolution approving the Authority's fiscal year 2024-25 Budget?

Chair Kauffman:

Second.

Vice Chair Bell:

All in favor please say aye.

Members of the Committee:

Aye. Aye.

Vice Chair Bell:

Any opposed? Motion is carried. Resolution is approved. The fiscal year 2024-25 budget is recommended for approval. Next on the agenda is a status report on the Authority's various facilities. Chief Financial Officer Pam Poisson will present this report as well. Pam,

Pam Poisson:

As you know, NYSERDA maintains offices downstate upstate and New York State's western regions with the headquarters in Albany. All properties are leased except for two, our current headquarters at 17 Columbia Circle in Albany and STEP, which is discussed separately today terms for our leased space and several years from now except for our supplemental Albany space at 15 Columbia Circle, which at present ends in December this year. That context is noted in last January's Waste and Facilities Committee meeting. Several factors have been driving a reassessment of our office spaces and development of plans to update 'em. We do intend to make continued and timely progress on our energy efficiency in building electrification goals per our mission and Executive Order 22 in Albany, our 17 Columbia Circle building is showing its age and it needs some upgrades soon to remain a viable long-term headquarters. There's also an opportunity there to right-size workspaces that are currently a little bit larger than average for prevailing trends in order to help shift funds elsewhere where growth is needed.

And meanwhile, the lease for 15 Columbia Circle is scheduled to terminate last year or this year as I mentioned, which really does necessitate a decision soon to vacate or renew. And it's unclear that the landlord is interested in renewing. So there's some motivating factors there to re-look at this. And of course our growing team scope and size as we've had additional funding and scope of work assigned to NYSERDA really requires that we continue some hiring is recommended in the budget and our hope would be that we can support continued hiring in New York City and Buffalo as well as Albany. And so that's trying to balance out the whole of the offices. So in that context, we've proceeded with an analysis of office consolidation and update options and we are looking at potential space updates that we believe can be undertaken in a very fiscally responsible manner.

And we also see that the timing is right for this work. So now we're here in New York City, I'm sure that we're all aware that this is a soft commercial real estate market in general, especially for the types of properties that we are seeking. And so there's a good leverage opportunity if we move fairly quickly. Our telework policy plus now improved technology and still improving technology and digitization options really afford an opportunity to monetize parts of our space that previously were dedicated to large storage and physical files so we can better utilize those. So the analysis does indicate a viable path to modernize our workspaces in a way that's cost effective and allows us to boost efficiency engagement and we believe collaboration across the team, that's the attached. And so the strategic assessment and update planning is being conducted in line with the steps previously articulated to this Committee.

So since our last discussion, we've done three key things. We engaged with other key stakeholders including staff input forming an advisory team with representatives across NYSERDA. We've developed a communications plan and we've informed OGS, chamber and subtenants of our potential direction. We obtained expertise in negotiating strength through a competitive process. We selected Cresa, a strategic real estate planning and tenant rep firm so that they could help us assess challenges and opportunities and also do market analysis and financial analysis using a good deal of rigor. They're working in sequence from Albany to New York City, then to the western region and looking not just at those analyses, but also understanding the dynamics of our team and plans for future staffing. And third, we incorporated into our proposed budget for this year the estimated capital investment that would be needed for this coming fiscal year to retrofit 17 Columbia Circle or a similar space so that we can house all of our Albany team together, have the per person footprint be closer to standard and in that manner foregoing the need to keep leasing supplemental space and all that while taking measurable steps toward building electrification plans. So further analysis is underway and I think you're going to be hearing a little bit, more as it evolves. I want to pause here. I know Kevin Hunt, I believe also has an update for us on the STEP property and Chuck, sorry, Chair Bell with your approval, I will turn it over to Kevin.

Vice Chair Bell:

Sure, Kevin,

Kevin Hunt:

Good morning all and thank you Pam. Dare I question do the Members have a copy of the STEP map?

Peter Costello:

I'm going to put that up during an executive session cap.

Kevin Hunt:

Okay. So I guess for background, the Board back in 2021 authorized NYSERDA or the Authority to dispose of the Saratoga Technology+ Energy Park. We issued a solicitation and competitively selected C.B Richard Ellis to represent us as our real estate broker. In June of 2022, the Authority entered into a letter of intent with G&G Industrial Lighting for the purchase and sale of 10 Hermes Road, which is a five-acre parcel, improved to the 20,023,000 square foot building and 30 Hermes Road, a contiguous parcel with 15 acres. G&G is a manufacturer and

distributor of LED lighting products. They were looking to relocate their offices, their headquarters from Clifton Park, New York to Malta on December 20, 2022, the Authority entered into a purchase and sale agreement with G&G Lighting under which G&G Lighting would acquire both parcels for \$1.3 million. G&G Lighting is required to maintain the existing trails that transact those parcels in accordance with the PAAA. Both 10 Hermes Road and 30 Hermes Road were appraised to determine the fair market value combined range of values was 1.225 million to 1.46 million with the \$1.3 million purchase price following within that range following an extended due diligence and municipal approvals. Title was transferred on November 15, 2023 with the Authority receiving \$1.3 million. This concludes my report on this item.

Vice Chair Bell:

Super. Thank you so much. Are there any questions for Pam or for Kevin? I did have a couple questions for you Pam. One was, I was just curious about what the time horizon is for planning for new office space because sometimes organizations experience significant growth in three to five years. And just wondering if you are budgeting in some type of growth factor to allow for expansion or additional office needs if our programs expand.

Pam Poisson:

Yeah, that's a great question. We've actually laid out a plan, at least based on what we can see on the near term horizon that would allow for the projections to be accommodated, which is greater than what we have now. We are still in the process of looking further down the road, I think with a number of factors as the State budget moves forward, some other things that we'll talk about later today, we'll inform our thinking around some additional be required. So I think the short answer is yes, but more to come on that.

Vice Chair Bell:

Okay, fantastic. Thank you. And also, I was just curious, does the State have a process for the reuse of other State facilities that might become available for an agency such as NYSERDA that we're in touch with OGS or the others that process?

Pam Poisson:

Great point. We are actually, we've had a few conversations with them and what we've heard from them is right now they do not unfortunately have anything that would apply to our needs because of the footprint that they started to accommodate. They have signaled that there are other agencies that may be looking for space, but at present, nothing in the Albany area or even New York City for that matter, that would be sufficient to house the whole team. But we are staying in regular communications with them as we are with Chamber.

Vice Chair Bell:

Okay, terrific. Thank you. Any other questions for Pam or Kevin? Thank you so much for your reports. The next agenda item concerns an executive session Section 105 of the Public Officer's Law authorizes the Members to convene in executive session in order to discuss a proposed sale acquisition or lease of real property. May I please have a motion to enter into executive session for the purpose of discussing a proposed sale acquisition or lease of real property?

Sherburne Abbott:

So moved.

Vice Chair Bell:

A second please. All in favor please say aye.

Members of the Committee:

Aye.

Vice Chair Bell:

And the opposed. Okay. This Committee will now enter into executive session with the Officers Director of Internal Audit, Mary Peck, Senior Counsel Sara LeCain and Project Manager Kevin Hunt. During that time, the webcast will remain up and upon our return we will reconvene the meeting. Thank you. I now reconvene the meeting in open session. No formal action was taken during the executive session. The final agenda item is other business. Is there any other business? Hearing none. May please have a motion to adjourn.

Sherburne Abbott:

So moved.

Vice Chair Bell:

All in favor, please say aye.

Members of the Committee:

Aye.

Vice Chair Bell:

Opposed? Meeting is adjourned.