

BOARD AGENDA SUMMARY SHEET

Committee or Board: Board	Date: September 11, 2020	Board Meeting Date: September 23, 2020
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For All Board Voting Items:

Title of Agenda Item: Approval of the Operating Agreement with New York State Office of Parks, Recreation and Historic Preservation for the Jones Beach Energy and Nature Center

Consent Agenda: Yes No **Accompanying Presentation:** Yes No

Recommendation from Committee: N/A F&A; GP&P; Oversight & Clean Energy

LIPA Presenter: Michael Deering **PSEG Long Island Presenter:** N/A

For Contract Approvals Only:

RFP: Yes No **Term:** 25 years

Requested Action:	The Board is requested to approve and adopt a resolution authorizing the Chief Executive Officer or his designee to execute a Cooperative Programming and License Agreement (the “Operating Agreement”) between LIPA and New York State Office of Parks, Recreation and Historic Preservation (“Parks”) to fund the operation and programming of an energy and nature education center at Jones Beach State Park (the “Center”) that has been jointly developed by LIPA and Parks.
Summary: (include proposed amendments to Board Policies, if applicable)	<p>On February 13, 2018, Parks, LIPA and PSEG Long Island entered into a Letter of Intent (“LOI”), under which the parties agreed to jointly develop the Center and to enter into Memorandum of Agreements and an Operating Agreement to fund its design, construction and operation. LIPA and Parks entered into Memorandum of Agreements on May 8, 2018 and February 14, 2019, to fund the design and construction phases of this project, which are now largely complete.</p> <p>Execution of the Operating Agreement was agreed to under the LOI and is necessary for the parties to complete the project and fund the Center’s programming and other operating expenses. Under the Operating Agreement, LIPA and Parks share the costs of operating the Center, but LIPA’s contribution is subject to an annual cap with any cost overages the responsibility of Parks. The energy portion of the Center, which will have programming and educational materials administered by LIPA’s Service Provider, is approximately half of the square footage of the Center. The Operating Agreement has a term of 25 years and its total cost to LIPA is approximately \$6.4 million.</p>

FOR CONSIDERATION

September 23, 2020

TO: The Board of Trustees

FROM: Thomas Falcone

SUBJECT: Approval of the Operating Agreement with New York State Office of Parks, Recreation and Historic Preservation for the Jones Beach Energy and Nature Center

Requested Action

The Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) is requested to approve and adopt a resolution authorizing the Chief Executive Officer or his designee to execute a Cooperative Programming and License Agreement (the “Operating Agreement”) between LIPA and New York State Office of Parks, Recreation and Historic Preservation (“Parks”) to fund the operation and programming of an energy and nature education center at Jones Beach State Park (the “Center”) that has been jointly developed by LIPA and Parks.

Background

On February 13, 2018, Parks, LIPA and PSEG Long Island entered into a Letter of Intent (“LOI”), under which the parties agreed to jointly develop the Center and to enter into Memorandum of Agreements and an Operating Agreement to fund its design, construction, and operation. LIPA and Parks entered into Memorandum of Agreements on May 8, 2018 and February 14, 2019, to fund the design and construction phases of this project, which are now largely complete.

The Center is an innovative public-private partnership that aims to further understanding of the interplay between human action, energy use, and environmental conservation. The Center will be used for educational, training, promotional and recreational activities and will be open to the public year-round. The Center, a net-zero energy building, will set an example of sustainable and resilient design, and through a variety of hands-on exhibits and programs, visitors to the Center will gain an understanding of Long Island's various ecosystems and learn how to use energy wisely and create a more resilient and sustainable future. The Center will be an interactive facility for visitors of all ages to become smart energy consumers and stewards of the environment.

The Board received an overview presentation of the Center at the December 18, 2019, Board Meeting and has approved funding for the Center as part of the annual budget process.

Discussion

Execution of the Operating Agreement was agreed to under the LOI and is necessary for the parties to complete the project and fund the Center’s programming and other operating expenses. Under the Operating Agreement, LIPA and Parks share the costs of operating the Center, but LIPA’s contribution is subject to an annual cap with any cost overages the responsibility of Parks. The

energy portion of the Center, which will have programming and educational materials administered by LIPA's Service Provider, is approximately half of the square footage of the Center. The Operating Agreement has a term of 25 years and its total cost to LIPA is approximately \$6.4 million.

Recommendation

Based on the foregoing, I recommend approval of the above-requested action by adoption of a resolution in the form of the attached draft resolution.

Attachments

Exhibit "A" Resolution

RESOLUTION APPROVING THE OPERATING AGREEMENT WITH NEW YORK STATE OFFICE OF PARKS, RECREATION AND HISTORIC PRESERVATION FOR THE JONES BEACH ENERGY CENTER

WHEREAS, LIPA, jointly with Parks, has developed an energy and nature education center (the "Center") at Jones Beach State Park; and

WHEREAS, the Center's construction is nearly complete and is scheduled to open to the public in the coming weeks; and

WHEREAS, it is in the best interest of LIPA to execute a Cooperative Programming and License Agreement at the favorable terms outlined in the accompanying memo.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees (the "Board") authorizes the Chief Executive Officer or his designee(s) to execute the Cooperative Programming and License Agreement with New York State Office of Parks, Recreation and Historic Preservation and any other related agreements and arrangements, consistent with the terms of the accompanying memorandum, and to perform such further acts and deeds as may be necessary, convenient or appropriate, in the judgment of the Chief Executive Officer or his designee.

Dated: September 23, 2020