

HUGH L. CAREY BATTERY PARK CITY AUTHORITY
Meeting of the Members
One World Financial Center, 24th Floor
New York, NY 10281
July 31, 2014

Members Present

Dennis Mehiel, Chairman/CEO
Frank Branchini, Member
Martha Gallo, Member
Lester Petracca, Member

Authority Staff in Attendance: Lauren Brugess, Legal Executive Assistant/Assistant Corporate Secretary
Gwen Dawson, Vice President, Real Property
Robin Forst, Vice President, External Affairs
Karl Koenig, Controller
Kevin McCabe, Special Assistant to the Chairman/CEO
Brenda McIntyre, Vice President, Human Resources
Robert Nesmith, Chief Contracting Officer
Anthony Peterson, Director of Diversity Programs
Alix S. Pustilnik, General Counsel/Corporate Secretary
Robert M. Serpico, Chief Financial Officer
Seema Singh, Deputy General Counsel/Assistant Corporate Secretary
Alexis Torres, Special Advisor to the President
Ken Windman, Director Facilities Maintenance & Construction

Others in Attendance: Betty Chin, Battery Park City Parks Conservancy Corporation
Marie Corneille, Battery Park City Parks Conservancy Corporation
Tessa Huxley, Battery Park City Parks Conservancy Corporation
Stephen Faber, Public Financial Management, Inc.
Therese Loeb Kreuzer, Downtown Express
Matt Fenton, The Broadsheet

The meeting, called on public notice in accordance with the New York State Open Meetings Law, convened at 9:25 a.m.

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The first item on the agenda was the approval of the minutes of the June 17, 2014 meeting. Upon a motion made by Mr. Petracca and seconded by Ms. Gallo, the following resolution was unanimously adopted:

APPROVAL OF MINUTES OF THE JUNE 17, 2014 MEETING

BE IT RESOLVED, that the minutes of the meeting of the Members of the Hugh L. Carey Battery Park City Authority held on June 17, 2014 are hereby approved.

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Ms. Gallo briefly reported on the discussion that took place during the Audit & Finance Committee meeting. She noted that the financial statements were revised, and that the Audit Plan was updated.

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The next item on the agenda, presented by Mr. Peterson, was the M/WBE Report. Mr. Peterson reported that, in the first quarter, the Authority achieved 30% M/WBE participation. Mr. Peterson then reported that the Competitive Edge Conference, which is designed to assist the growth of Minority and Women Owned Businesses, was a success, with 412 Minority/Women/Disadvantaged/Local Business Enterprises in attendance, accessing an estimated \$30 billion in contracting and procurement opportunities. Mr. Peterson thanked some of the Authority's staff for assisting with the conference.

Mr. Serpico then commended Mr. Peterson on being selected by the New York Women's Chamber of Commerce to receive the "Gentlemen of Quality Award" at this year's New York Women of Excellence Award Ceremony and Fundraising Breakfast.

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The next item on the agenda, presented by Mr. Serpico, was the review of the Investment Performance Report for the period ended April 30, 2014. Mr. Serpico introduced Stephen Faber, managing director of the Authority's investment advisor, Public Financial Management, Inc. ("PFM"), who began PFM's presentation by discussing the performance of the investment portfolio.

Mr. Faber explained that performance for the quarter was very strong. The Authority's short-term income strategy, which is largely comprised of the pledge revenue and project operating funds, represents about \$140 million of the \$190 million in total return accounts. These two funds have been managed according to a total return strategy, which was dominated in this quarter by various liquidity needs, principally debt service, monies transferred into the debt service accounts, and payments of debt service on the outstanding bonds. Nonetheless, these two funds performed in line with their performance benchmark for the quarter, as well as for the past 12 months.

Next, Mr. Faber explained that the longer-term income strategy, which represents about \$50 million over several accounts, had exceptionally strong performance for the quarter. This performance was driven largely by conservative duration positioning, as sought by the Investment Committee, PFM, and Management. Still, Mr. Faber said, there are concerns about the future performance of this portfolio in light of, both uncertainty in the markets and the possibility of rising ten-year Treasury bond (10-Year Treasury) yields. Mr. Faber noted that yields on 10-Year Treasuries had continued to rise, year over year, along with other intermediate Treasury bonds.

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The next item on the agenda, presented by Ms. Dawson, was an authorization to fund, as part of the Route 9A Project (defined below), security-related improvements or enhancements to the frontage area on the eastern boundary of the World Financial Center Towers B and C, from Liberty Street to Vesey Street (the "Frontage Area").

Ms. Dawson began by explaining that the Lower Manhattan transportation infrastructure and streets, including the Frontage Area, experienced significant damage as a result of the September 11, 2001 terrorist attacks. In response, Ms. Dawson said, the New York State Department of Transportation (“NYSDOT”) has undertaken construction and remediation efforts to restore complete functionality to West Street/New York State Route 9A (the “Route 9A Project”). As part of the Route 9A Project, the Authority has been working with NYSDOT and Brookfield Properties on providing security improvements to the Frontage Area, including rated security walls and a number of static and retractable bollards (the “Security Improvements”).

Last year, Ms. Dawson continued, the Board approved a payment to NYSDOT to participate in the Security Improvements for Phase One of the Route 9A Project. NYSDOT is now prepared to commence the final two phases of the Route 9A Project, Phases Two and Three, which cover the Frontage Area. Ms. Dawson explained that the Authority has worked closely with NYSDOT and Brookfield in preparing plans and signs for the Security Improvements, and that a budget has been prepared by NYSDOT, and approved by our working group, the total value of which is \$3,056,265.00. Ms. Dawson stated that, of the total budget, the Authority would assume responsibility for \$2,292,199.00 and Brookfield would assume responsibility for \$764,066.00. The Security Improvements are planned to be completed by next spring.

Upon a motion made by Ms. Gallo and seconded by Mr. Petracca, the following resolution was approved:

AUTHORIZATION TO FUND THE IMPROVEMENTS RELATING TO THE TOWERS B AND C WESTERN FRONTAGE AREA AS PART OF THE ROUTE 9A PROJECT

BE IT RESOLVED, that the President & Chief Operating Officer (the “President”) of the Authority or her/his designee(s) be, each of them hereby is, authorized and empowered to fund the Improvements, as defined in the attached Memorandum, relating to the Towers B and C western frontage area as part of the Route 9A Project, in the amount of \$2,292,199; and be it further

RESOLVED, that the President of the Authority or her/his designee(s), and each of them hereby is, authorized and empowered to fund the Improvements on behalf of the Authority, subject to such changes as the officer or officers authorizing the fund improvements shall, with the advice of counsel, approve as necessary and appropriate and in the best interest of the Authority, such approval to be conclusive evidence by the execution and delivery of the contract; and be it further

RESOLVED, that the President of the Authority or her/his designee(s) be, and each of them hereby is, authorized and empowered to execute all such other and further documents, and to take all such other and further actions as may be necessary, desirable or appropriate, in connection with the transactions contemplated in the foregoing resolutions, and any such execution of documents and any other and further actions heretofore taken are hereby ratified and any actions hereafter taken are confirmed and approved.

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The next item on the agenda, presented by Ms. Dawson, was an authorization to enter into a contract with Tomco Mechanical Corp. (“Tomco”) to provide mechanical system modification

construction services at the Battery Park City Parks Conservancy Headquarters, located at 75 Battery Place (the "Conservancy Headquarters").

Ms. Dawson began by explaining that the Authority completed in 2010 its fit-out of the Conservancy Headquarters. The Conservancy Headquarters was originally designed to be heated and cooled by means of two standing column geothermal wells, which were to supply enough water flow to cool and heat the Conservancy Headquarters. After installation and the move-in, it was discovered that the geothermal wells had inadequate capacity to operate the Conservancy Headquarters' HVAC system. Additionally, the Conservancy Headquarters' ventilation and exhaust systems were not coordinating properly with those of 75 Battery Place.

As a result, Ms. Dawson explained, OLA Associates ("OLA") had been retained to investigate and evaluate the existing systems and recommend modifications that would allow the systems to operate according to their original design parameters. OLA's primary recommendation involves abandoning the geothermal wells and installing an interior chiller plant within the Conservancy Headquarters (the "Mechanical System Modification Project"). In September 2013, Ms. Dawson added, OLA was retained to be the design engineer for the Mechanical System Modification Project. In June 2014, the Authority issued a request for proposals for the performance of construction services for the Mechanical System Modification Project. A total of five proposals were received. Three of those proposals were determined to be responsive, and were evaluated by an internal selection committee, which selected Tomco. It was recommended that the Board authorize the Authority enter into an agreement with Tomco in the amount of \$2,956,000.00 to provide the necessary construction services for the Mechanical System Modification Project.

Upon a motion made by Ms. Gallo and seconded by Mr. Petracca, the following resolution was approved:

AUTHORIZATION TO ENTER INTO A CONTRACT WITH TOMCO MECHANICAL CORP. FOR THE BATTERY PARK CITY PARKS CONSERVANCY HEADQUARTERS – MECHANICAL SYSTEM MODIFICATION CONSTRUCTION SERVICES

BE IT RESOLVED, that in accordance with the materials presented to this meeting, the President and Chief Operating Officer (the "President") of the Authority or her/his designee(s) be, and each of them hereby is, authorized to enter into a contract (the "Contract") with Tomco Mechanical Corp. for the Battery Park City Parks Conservancy Headquarters – Mechanical System Modification Construction Services in the lump sum amount of \$2,956,000.00; and be it further

RESOLVED, that the President of the Authority or her/his designee(s) be, and each of them hereby is, authorized and empowered to execute and deliver the Contract on behalf of the Authority, subject to such changes as the officer or officers executing the Contract shall, with the advice of counsel, approve as necessary and appropriate and in the best interest of the Authority, such approval to be conclusive evidence by the execution and delivery of the Contract; and be it further

RESOLVED, that the President of the Authority or her/his designee(s) be, and each of them hereby is, authorized and empowered to execute all such other and further documents, and to take all such other and further actions as may be necessary, desirable or appropriate, in connection with the transactions contemplated in the foregoing resolutions, and any such execution of documents and any other and further actions heretofore taken are hereby ratified and any actions hereafter taken are confirmed and approved.

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The next item on the agenda, presented by Ms. Dawson, was an authorization to enter into a contract change order with SDL Group, Inc. ("SDL") for the repair of the Chambers Street wheelchair ramp.

Ms. Dawson began by explaining that SDL had been hired previously pursuant to a competitive procurement process to repair various sinkholes that have occurred in various locations throughout Battery Park City. During the recent reconstruction of the Chambers Street area, the Authority's attention was directed to a nearby wheelchair ramp that was experiencing significant water pooling, resulting in an unsafe condition for persons using the ramp, Ms. Dawson noted. Pursuant to an investigation of the area by SDL, the Authority's on-call engineer, KS Engineers P.C. ("KS Engineers"), and Authority staff, it was discovered that a condition was causing water to collect in the low area of the ramp. KS Engineers designed a repair, and in the interests of public safety, SDL performed the repair work in June 2014 at a cost of \$19,788.55.

Upon a motion made by Ms. Gallo and seconded by Mr. Branchini, the following resolution was approved:

AUTHORIZATION TO ENTER INTO A CHANGE ORDER WITH SDL GROUP, INC. FOR REPAIR OF THE CHAMBERS STREET WHEELCHAIR RAMP

BE IT RESOLVED, that in accordance with the materials presented to this meeting, the President and Chief Operating Officer (the "President") of the Authority or her/his designee(s) be, and each of them hereby is, authorized to enter into a change order (the "Change Order") with SDL Group Inc. for repair of the Chambers Street wheelchair ramp in the amount of \$19,788.55, which will increase the contract amount to a new total of \$255,051.02; and be it further

RESOLVED, that the President of the Authority or her/his designee(s) be, and each of them hereby is, authorized and empowered to execute and deliver the Change Order on behalf of the Authority, subject to such changes as the officer or officers executing the Change Order shall, with the advice of counsel, approve as necessary and appropriate and in the best interest of the Authority, such approval to be conclusive evidence by the execution and delivery of the Change Order; and be it further

RESOLVED, that the President of the Authority or her/his designee(s) be, and each of them hereby is, authorized and empowered to execute all such other and further documents, and to take all such other and further actions as may be necessary, desirable or appropriate, in connection with the transactions contemplated in the foregoing resolutions, and any such execution of documents and any other and further actions heretofore taken are hereby ratified and any actions hereafter taken are confirmed and approved.

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The next item on the agenda, presented by Ms. Dawson, was an authorization to enter into a change order with Tully Construction Company, Inc. ("Tully") to increase the value of its contract with the Authority. Ms. Dawson noted that this change order is related to the reconstruction of the South (Liberty Street) Pedestrian Bridge (the "Bridge"), the eastern portion of which was destroyed in the September 11, 2001 terrorist attacks, and had previously spanned Route 9A/West Street ("West

Street") at Liberty Street and provided a pedestrian connection between Battery Park City and the World Trade Center site.

Ms. Dawson explained that the Authority has been working with NYSDOT, the Port Authority of New York and New Jersey (the "Port Authority"), and Brookfield Properties ("BFP") to reconstruct the eastern extension of the Bridge (the "Bridge Extension Project"). In 2009, an agreement was entered into by the Authority, BFP and others, whereby \$4,405,000 of insurance proceeds were allocated to the cost of the Bridge Extension Project. Ms. Dawson noted that although the Bridge Extension Project has been postponed and deferred on numerous occasions, it is anticipated that the work will be completed by the Authority this year.

In 2006, the Authority entered into an agreement with the Bridge's original engineer, Thornton Tomasetti, Inc. ("Thornton Tomasetti"). Later, in 2009, the Authority entered into a contract with Tully to be the general contractor on the Bridge Extension Project. The Port Authority and NYSDOT designed the Bridge's new eastern landing (the "Design"). The Design has been changed a number of times, with the Design now calling for the roof of the Port Authority's Vehicle Security Center ("VSC") to support the Bridge's eastern termination landing.

Ms. Dawson continued to explain that the Port Authority prepared the cut-outs for the VSC connections to the Bridge. However, it was later discovered that the cut-outs did not match exactly the beams already fabricated for the Bridge. As a result, Thornton Tomasetti designed an alternative solution that would allow the Bridge to make a proper connection to the VSC. This alternative design requires welding steel plates to the bottom of the Bridge's beams so that they can be joined properly to the VSC, which, in turn, required Tully to fabricate additional steel and perform additional survey work, resulting in a change order in the amount of \$196,913.51.

Upon a motion made by Ms. Gallo and seconded by Mr. Branchini, the following resolution was approved:

AUTHORIZATION TO ENTER INTO CHANGE ORDER #5 WITH TULLY CONSTRUCTION COMPANY, INC. TO INCREASE THE CONTRACT VALUE

BE IT RESOLVED, that in accordance with the materials presented to this meeting, the President and Chief Operating Officer (the "President") of the Authority or her/his designee(s) be, and each of them hereby is, authorized to enter into Change Order #5 with Tully Construction Company, Inc. for the South (Liberty Street) Pedestrian Bridge to increase the contract amount by \$196,913.51 to a new total of \$4,021,800.00; and be it further

RESOLVED, that the President of the Authority or her/his designee(s) be, and each of them hereby is, authorized and empowered to execute and deliver the amendment on behalf of the Authority, subject to such changes as the officer or officers executing the amendment shall, with the advice of counsel, approve as necessary and appropriate and in the best interest of the Authority, such approval to be conclusive evidence by the execution and delivery of the contract; and be it further

RESOLVED, that the President of the Authority or her/his designee(s) be, and each of them hereby is, authorized and empowered to execute all such other and further documents, and to take all such other and further actions as may be necessary, desirable or appropriate, in connection with the transactions contemplated in the foregoing resolutions, and any such execution of documents and any other and

further actions heretofore taken are hereby ratified and any actions hereafter taken are confirmed and approved.

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The next item on the agenda, presented by Mr. Serpico, was an authorization to enter into an agreement with the Alliance for Downtown New York, Inc. (the "Downtown Alliance") for the funding of free bus services to Lower Manhattan.

Mr. Serpico explained that the Downtown Alliance currently provides a free shuttle bus service, the "Downtown Connection," throughout Lower Manhattan. The service provided by the Downtown Connection was, in 2009, expanded to increase connections to northern Battery Park City. There are 37 stops on the Downtown Connection, of which 18 are located in Battery Park City. Additionally, 45% of all rides begin and 49% end in Battery Park City, he mentioned. Mr. Serpico added that, in light of the great service provided by the Downtown Connection to Battery Park City residents and the community, it was recommended that the Authority enter into a contract with the Downtown Alliance for the 2014 calendar year for continued funding of the Downtown Connection. Mr. Serpico explained that this is a perennial agreement between the Authority and the Downtown Alliance, and noted that the amount of this contract has not increased over the last few years.

After it was confirmed by Mr. Serpico that the Downtown Alliance's contract with the current Downtown Connection operator is set to expire in 2015, Chairman Mehiel recommended, given the size of the Authority's funding for the bus service, that the Authority be given an opportunity to be involved in the selection process for the next operator, so that the Authority has an opportunity to promote M/WBE participation.

Upon a motion made by Mr. Petracca and seconded by Ms. Gallo, the following resolution was approved:

AUTHORIZATION TO ENTER INTO AN AGREEMENT WITH THE ALLIANCE FOR DOWNTOWN NEW YORK, INC.

BE IT RESOLVED, that in accordance with the materials presented to this meeting, the President & Chief Operating Officer (the "President") of the Authority, or her/his designees be, and each of them hereby is, authorized and empowered to execute an agreement providing for a payment to The Alliance for Downtown New York, Inc. in the amount of \$632,000 for calendar year 2014; and be it further

RESOLVED, that the President of the Authority, or her/his designees be, and each of them hereby is, authorized and empowered to execute all such other and further documents, and take all such other and further actions as may be necessary, desirable or appropriate in connection with the transaction contemplated in the foregoing resolution, and any such execution of documents and any other and further actions heretofore taken are hereby ratified and any actions hereafter taken are confirmed and approved.

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The next item on the agenda was the appointment and confirmation of Benjamin A. Jones as the Vice President of Administration. The Chairman noted that Mr. Jones comes from the Mayor's Office of Housing Recovery and Office of Operations.

Upon a motion made by Mr. Petracca and seconded by Ms. Gallo, the following resolution was approved:

APPOINTMENT OF THE VICE PRESIDENT, ADMINISTRATION OF THE BATTERY PARK CITY AUTHORITY (THE "AUTHORITY")

BE IT RESOLVED, that pursuant to Article II, Section 10 of the Authority's Bylaws, the following person is hereby appointed to the office indicated next to his name to serve until his successor shall be duly elected, unless he resigns, is removed from office or is otherwise disqualified from serving as an officer of the Authority, and that he shall take his office on August 11, 2014:

Vice President, Administration.....Benjamin A. Jones

and be it further

RESOLVED THAT Benjamin A. Jones shall and is hereby authorized to do all the acts, deeds and things which are necessary, desirable, appropriate and attendant to performing the duties for the aforesaid appointment.

This resolution shall take effect immediately and shall be filed in the Authority's official corporate records.

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Ms. Gallo made a motion to enter Executive Session to discuss matters pertaining to litigation and the proposed acquisition, sale, or lease of real property, which was seconded by Mr. Branchini. The Members entered Executive Session at 10:21 a.m.


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The Members exited Executive Session at 10:42 a.m. and resumed the public meeting.

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There being no further business, upon a motion by Ms. Gallo and seconded by Mr. Branchini, the Members unanimously voted to adjourn the meeting. The meeting thereupon adjourned at 10:45 a.m.

Respectfully submitted,


Lauren Brugess
Assistant Corporate Secretary