

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

Meeting of the Members
One World Financial Center, 24th Floor
New York, NY 10281
November 19, 2013

Members Present

Dennis Mehiel, Chairman/CEO
Frank J. Branchini, Member
Donald A. Capoccia, Member
Martha Gallo, Member
Fernando Mateo, Member
Lester Petracca, Member

Authority Staff in Attendance: Lauren Bruggess, Legal Administrative Assistant
Dan Curiale, Director of Financial Reporting
Gwen Dawson, Senior Vice President, Real Estate Development &
Management
Anne Fenton, Deputy Chief Operating Officer
Luis Garcia, Treasurer
Nancy S. Harvey, Senior Counsel, Assistant Corporate Secretary
Karl Koenig, Controller
Kevin McCabe, Assistant to the President
Brenda McIntyre, Senior Vice President of Human Resources
Matthew Monahan, Senior Vice President, Public Information
Anthony Peterson, Director of Diversity Programs
Robert M. Serpico, Executive Vice President, Finance and
Treasurer/Chief Financial Officer
Kirk Swanson, Chief Administrative Officer, Internal Control Officer
and Chief Contracting Officer
Phyllis Taylor, Executive Vice President/General Counsel, Corporate
Secretary

Others in Attendance: Betty Chin, Battery Park City Parks Conservancy
Tessa Huxley, Battery Park City Parks Conservancy
Michael Fortenbaugh, North Cove Marina Management
Matthew Fenton, Battery Park City Broadsheet
Therese Loeb Kreuzer, Downtown Express
Aline Reynolds, Tribeca Trib

The meeting, called on public notice in accordance with the New York State Open Meetings Law, convened at 10:10 a.m.

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The first item on the agenda was the approval of the minutes of the October 22, 2013 meeting. Upon a motion made by Mr. Capoccia and seconded by Mr. Branchini, the following resolution was unanimously adopted:

APPROVAL OF MINUTES OF THE OCTOBER 22, 2013 MEETING

BE IT RESOLVED, that the minutes of the meeting of the Members of the Hugh L. Carey Battery Park City Authority held on October 22, 2013 are hereby approved.

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The next item on the agenda was the Chairman's Report. Mr. Mehiel mentioned that Mr. Petracca had been appointed to the Investment Committee.

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Next, Ms. Gallo reported on the actions taken during the joint Governance and Audit & Finance Committee meetings. She reported to the Members that the Authority's public accountants, Marks Paneth and Shron ("MPS"), presented their annual required communications consistent with AICPA requirements and summarized MPS' salient topics and questions.

At the joint meeting of the Committees, the post-issuance tax compliance policy and procedures for the Authority's bond issuances was also discussed. The Committees approved the policy as drafted, with minor revisions, and directed Management to begin adhering to the policy.

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Mr. Mateo then reported on the actions taken during the Investment Committee Meeting. Steve Faber and Bob Cheddar of PFM, the Authority's financial advisor, presented the investment performance report for the period ended July 31, 2013. There were no issues raised in the presentation and no questions asked. Mr. Mateo mentioned that Mr. Serpico is doing a very good job.

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Next, Mr. Peterson updated the Members on the progress of the workforce report and stated that there are still a few contracts to review and a site visit to a contractor to conduct prior to completion. "The Authority's contractors are all meeting their goals, which is a great thing," Mr. Peterson stated. Mr. Peterson hopes to have the workforce report ready in the next several weeks. He then gave a special thank you to Mr. Serpico and explained that with the recent issuance of the bonds, the Authority is a little over 25% for its M/WBE percentage goals.

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The first item on the agenda, presented by Ms. Dawson, was an authorization to execute a contract with D'Onofrio General Contractors Corp. to install canopies for the Tribeca Pedestrian Bridge. Ms. Dawson began by explaining that these canopies were originally intended to be installed as part of an older contract, but because of the withdrawal of the architect at that time part of the older project was never completed. "The canopies have been in storage since then," she said. The Authority would like to install the canopies now as additional protection against the elements for the Tribeca Pedestrian Bridge elevators. The proposals received for this project were evaluated by an internal evaluation committee, and it is the recommendation of the Real Estate Development and Management

Department that the Authority enter into a contract with D'Onofrio General Contractors Corp. in the amount of \$323,000 for this purpose.

Mr. Mehiel asked what about the timeline for completion of this project. Ms. Dawson replied that the canopies should be installed by spring. There were no further questions.

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

AUTHORIZATION TO EXECUTE A CONTRACT WITH D'ONOFRIO GENERAL CONTRACTOR CORP. ("D'ONOFRIO") FOR INSTALLATION SERVICES RELATING TO THE TRIBECA PEDESTRIAN BRIDGE CANOPY

BE IT RESOLVED, that in accordance with the materials presented to this meeting, the President of the Authority or his designee(s) be, and each of them hereby is, authorized to enter into a contract with D'Onofrio for services relating to the installation of the Tribeca Pedestrian Bridge Canopy in the amount of \$323,000; and be it further

RESOLVED, that the President of the Authority or 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 interests of the Authority, such approval to be conclusively evidenced by the execution and delivery each contract; and be it further

RESOLVED, that the President of the Authority or his designee(s) be, and each of them hereby is, authorized and empowered to execute all such other and further documents, and then take all such other and further actions as may be necessary, desirable or appropriate, in connection with the contract contemplated in the foregoing resolution, and any such execution of documents and any other 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 an authorization to create an Other Post-Employment Benefits Trust (the "OPEB Trust"), presented by Mr. Serpico. He began by mentioning to the Members that the Authority and the Conservancy both provide healthcare plans that have post-retirement benefits and that Authority employees become eligible upon reaching the retirement age of 55 years with 10 years of State service. The Authority has segregated accounts for itself and for the Conservancy on the Authority's balance sheets. The OPEB Trust annual liabilities are being funded in accordance with the actuarially determined liability in order to have the funded assets keep pace with the increasing accrued OPEB liability.

The OPEB Trust resolution simply gives Management the authority to begin the legwork to form such a trust, Mr. Serpico explained. Also, before the Authority executes the trust documentation, Management will ask for a formal approval for that purposes from the Members. Mr. Serpico further stated that the Authority required approval to move the segregated accounts from its balance sheet to an irrevocable trust. This authorizes the OPEB Trust formation work to begin.

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

AUTHORIZATION TO CREATE AN IRREVOCABLE OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) TRUST

BE IT RESOLVED, that in accordance with the materials submitted at this meeting, the President of the Authority or his designee(s) be, and each of them hereby is, authorized and empowered to create an OPEB Trust; and be it further

RESOLVED, that the President of the Authority or his designee(s) be, and each of them hereby is, authorized and empowered to take all such other and further actions as may be necessary, desirable or appropriate, in connection with the creation of the irrevocable OPEB Trust, as contemplated in the foregoing resolution, and any other and further actions heretofore taken are hereby ratified and any actions hereafter taken are confirmed and approved; and be it further

RESOLVED, that in accordance with the materials submitted at this meeting, prior to execution of the Trust Agreement, Management will present the terms and conditions of the Trust Agreement, including funding arrangements, to the Members for review and consideration.

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The next item on the agenda was an authorization to execute a contract with Elite Construction of NY LLC, presented by Ms. Dawson. She began by explaining that this is for the construction management of the mechanical repair and retrofitting of the Conservancy’s Headquarters.

Ms. Dawson briefly explained that the mechanical system was based on two geothermal wells, which failed to function as expected. Through an investigation, recommendations were given to staff on the appropriate methodology for getting the mechanical system operating capacity required to meet the Conservancy’s needs. Ms. Dawson further explained that the Authority will now install a chiller plant within the Conservancy’s Headquarters. This project will last approximately 18 months.

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

AUTHORIZATION TO EXECUTE A CONTRACT WITH ELITE CONSTRUCTION OF NY LLC FOR CONSTRUCTION MANAGEMENT SERVICES IN CONNECTION WITH THE MECHANICAL SYSTEM MODIFICATION PROJECT AT THE BATTERY PARK CITY PARKS CONSERVANCY HEADQUARTERS

BE IT RESOLVED, that in accordance with the materials presented to this meeting, the President of the Authority or his designee(s) be, and each of them hereby is, authorized to enter into a contract with Elite Construction of NY LLC for construction management services in connection with the mechanical system modification project at the Battery Park City Parks Conservancy Headquarters in the amount of \$294,000; and be it further

RESOLVED, that the President of the Authority or 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 interests of the Authority, such approval to be conclusively evidenced by the execution and delivery the contract; and be it further

RESOLVED, that the President of the Authority or his designee(s) be, and each of them hereby is, authorized and empowered to execute all such other and further documents, and then take all such other and further actions as may be necessary, desirable or appropriate, in connection with the services contemplated in the foregoing resolution, and any such execution of documents and any other 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. Taylor, was the adoption of the Post-Issuance Tax Compliance Policy and Procedures. This item was presented during the joint Governance and Audit & Finance Committees meeting and was now being recommended to the Board for adoption.

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

ADOPTION AND IMPLEMENTATION OF THE POST-ISSUANCE TAX COMPLIANCE POLICY AND PROCEDURES.

BE IT RESOLVED, that the Post-Issuance Tax Compliance Policy and Procedures (the "Policy"), substantially in the form presented at this meeting, be, and hereby are approved; and be it further

RESOLVED, that the President of the Authority or 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 adoption and implementation of the Policy, and any such further actions heretofore taken with respect to the Policy are hereby ratified and approved.

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The next item on the agenda, also presented by Ms. Taylor, was an authorization to amend the contract with Hawkins Delafield & Wood LLP ("Hawkins"). Ms. Taylor explained that Hawkins was awarded a contract to serve as the Authority's bond counsel in January and that Hawkins also served as bond counsel on the Authority's latest issuance. There were a number of structuring scenarios in the last deal, and the Authority settled on a final, not to exceed fee of \$400,000 for Hawkins' services.

This amount was already approved by the Board, Ms. Taylor added, because it was included in the 2013 bond financing budget, which included all of the costs of issuance of that deal. However, because of Hawkins' contract, she further explained, we will increase the current contract, which simply represents the amount that they are going to be paid for the services provided on the last transaction. Once Hawkins is paid, the contract amount will be reduced by a similar amount of money, because they are actually being paid out of bond funds.

Upon a motion made by Mr. Capoccia and seconded by Mr. Mateo, the following resolution was approved:

AUTHORIZATION OF AMENDMENT TO 2013 CONTRACT WITH HAWKINS DELAFIELD & WOOD LLP

BE IT RESOLVED, that in accordance with the materials submitted at this meeting, the President of the Authority or his designee(s) be, and each of them hereby is, authorized and empowered to execute an amendment (the "Amendment") to the 2013 contract with Hawkins Delafield & Wood LLP, for legal services in connection with the Authority's recent bond offering, increasing the amount payable thereunder by an amount not to exceed \$400,000, which amount will be reduced by \$400,000 upon payment of bond counsel fees due and owing to Hawkins Delafield & Wood LLP in connection with the 2013 bond offering; and be it further

RESOLVED, that the President of the Authority or 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 conclusively evidenced by the execution and delivery of the Amendment; and be it further

RESOLVED, that the President of the Authority or 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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A motion was made to enter into Executive Session to discuss matters pertaining to the proposed acquisition, sale or lease of real property, personnel matters and litigation. The Members entered Executive Session at 10:30 a.m. Staff was excluded from a portion of the Executive Session.

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The Members exited Executive Session at 12:03 p.m. and resumed the public meeting.

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The final item on the agenda was the authorization to amend the NYMEX Ground Lease. Mr. Mehiel explained that this authorization would conditionally grant approval for the construction of an additional 50,000 square feet inside the NYMEX building by filling in a trading floor with a high ceiling with no change to the exterior or the envelope of the building. With the 10% increase in the square footage, the Authority would ask for, and expect to receive, a 10% increase in the ground rent payments. This authorization is conditioned upon approval from the Governor and the Mayor.

There were no further questions.

Upon a motion made by Mr. Capoccia and seconded by Mr. Mateo, the following resolution was approved:

AUTHORIZATION TO EXECUTE A FIRST AMENDMENT TO THE GROUND LEASE BETWEEN BATTERY PARK CITY AUTHORITY AND BOP ONE NORTH END LLC AND AUTHORIZATION TO EXECUTE AN AMENDMENT TO THE 1979 MEMORANDUM OF UNDERSTANDING BETWEEN THE STATE OF NEW YORK, THE CITY OF NEW YORK AND BATTERY PARK CITY AUTHORITY

BE IT RESOLVED, that the Members hereby authorize the President of the Authority or his designee(s), and each of them hereby is, authorized and empowered to execute and deliver the First Amendment to the Ground Lease between Battery Park City Authority and BOP One North End LLC, substantially in the form described at this Meeting, subject to such changes as the officer or officers executing the First Amendment shall, with the advice of counsel, approve as necessary and appropriate and in the best interest of the Authority, such approval to be conclusively evidenced by the execution and delivery of the First Amendment; and be it further

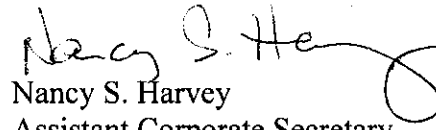
RESOLVED, that the Members hereby authorize the President of the Authority or his designee(s), and each of them hereby is, authorized and empowered to execute and deliver the First Amendment to the 1979 Memorandum of Understanding between the State of New York, the City of New York and Battery Park City Authority, substantially in the form described at this Meeting, subject to the approval of the State of New York and the City of New York; and be it further

RESOLVED, that the President of the Authority or her 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 transaction 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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There being no further business, upon a motion by Mr. Capoccia and seconded by Mr. Mateo, the Members unanimously voted to adjourn the meeting. The meeting thereupon adjourned at 12:05 p.m.

Respectfully submitted,


Nancy S. Harvey
Assistant Corporate Secretary