

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

Meeting of the Members  
One World Financial Center, 24<sup>th</sup> Floor  
New York, NY 10281  
October 22, 2013

Members Present

Dennis Mehiel, Chairman/CEO  
Frank J. Branchini, Member  
Donald A. Capoccia, Member  
Martha Gallo, Member  
Fernando Mateo, Member  
Carl Mattone, 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  
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  
Seema Singh, Deputy General Counsel, Assistant Corporate Secretary  
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  
Abby Ehlrich, Battery Park City Parks Conservancy  
Tessa Huxley, Battery Park City Parks Conservancy  
James Miner, Battery Park City Parks Conservancy  
Gladys Pearlman, Battery Park City Parks Conservancy  
Matthew Fenton, Battery Park City Broadsheet  
Kathleen Kane, Brookfield Financial Properties  
Andrew Osborne, Brookfield Financial Properties  
Kristen Johanson, Citigroup  
Kevin Lennon, CME Group  
Roger Bagley, Hawkins, Delafield & Wood LLP  
Therese Loeb Kreuzer, Downtown Express  
James Rosenbloom, Goldberg Kohn Ltd.  
Aileen Foley, no affiliation

The meeting, called on public notice in accordance with the New York State Open Meetings Law, convened at 10:30 a.m.

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The first item on the agenda was the approval of the minutes of the September 24, 2013 and October 7, 2013 meetings. Upon a motion made by Mr. Mateo and seconded by Mr. Branchini, the following resolution was unanimously adopted:

**APPROVAL OF MINUTES OF THE SEPTEMBER 24, 2013 AND OCTOBER 7, 2013 MEETINGS**

BE IT RESOLVED, that the minutes of the meetings of the Members of the Hugh L. Carey Battery Park City Authority held on September 24, 2013 and October 7, 2013 are hereby approved.

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The first matter was a presentation of employee recognition certificates given to two Parks employees, James Miner and Gladys Pearlman. There was an incident on the ballfields involving an adult without a child who seemed to be interested in some of the children. As a result, James and Gladys coordinated with PEP, the park enforcement patrol officers, and it was determined that this person was definitely endangering children and, in the end, was arrested. Ms. Huxley commented, "It's what we expect, but it's just a real pleasure to be able to say thank you in public and three cheers." Ms. Dawson then said, "It was such a wonderful result that we had our parks employees who are on the ground, all the time, every day, as well, working collaboratively with the PEP officers..." Mr. Serpico then commended Ms. Huxley and her staff saying, "It's not only a credit to your staff... but the whole parks conservancy. It's exemplary."

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The next item on the agenda was the Chairman's Report. Mr. Mehiel reminded everyone in the room that it has been almost a year since we were flooded due to SuperStorm Sandy. He then asked for Ms. Huxley and Ms. Dawson to give everyone a rundown of where the Authority was and is pre- and post- SuperStorm Sandy. Ms. Huxley gave a synopsis of the damage to the trees, plants and soil. Ms. Dawson then explained the damage to our structures, our buildings and our infrastructure that required immediate attention, most significantly the Community Center and Pier A. She mentioned that the Authority is collaborating with its neighbors and other city and state agencies, including the Port Authority, to compare notes and results of what each entity determines may be able to help our properties withstand this kind of event in the future. In addition, Ms. Dawson stated that the Authority intends, through the following year, to conduct additional assessments of how it can better protect its assets against this kind of event in the future.

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Next, the Chairman updated the Members on the Pier A Plaza. Mr. Mehiel began by explaining that the final piece of funding for Pier A, approximately \$5 million for the Plaza, has been discussed with the New York City Comptroller's Office over the past few weeks. The Comptroller has

not approved the plan to move forward yet, but the Authority's latest proposal is with the Comptroller's staff.

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Next, Mr. Peterson presented the M/WBE Report. He mentioned that the Authority is currently at 26% participation, even though the State goal is 20%. Out of \$5,002,451.00 in total expenditures, \$1,308,026.00 went to M/WBEs, which is a very good quarter as far as our expenditures. He also noted that the Parks Conservancy was included for the first time and he commended Tessa, Betty and Phil Mason on a great job.

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The first item on the agenda, presented by Mr. Serpico, was the approval of the budget for the fiscal year ending October 31, 2014. Mr. Serpico began with an overview of the fiscal year ending October 31, 2013. He explained that the Authority will get an infusion of money as a result of the recent bond financing. The real cost of capital of the bond financing was below 3%, he reported. Due to the good work on the financing and keeping costs tight on the fiscal year 2013 budget, the City will receive almost \$155 million in excess revenues, Mr. Serpico stated.

The proposed fiscal year 2014 operating expense budget of \$28.1 million is approximately \$125 thousand less than the fiscal year 2013 budget of \$28.2 million. The fiscal year 2014 budget is the lowest proposed budget in the last eleven years and reflects the implementation of the Authority's reorganization plan.

Next, the capital budget was discussed and explained by Ms. Dawson. Before she began, Mr. Serpico mentioned that this is an aggressive capital plan. Ms. Dawson then elaborated by stating this was due significantly in part because the Authority had to completely re-prioritize everything that it did this past year to focus on storm remediation, which led to putting some of last year's priorities on the back burner until this year. Following her opening remarks, Ms. Dawson reviewed the specific projects included in the Authority's 2013 Capital Plan.

Upon a motion made by Mr. Branchini and seconded by Mr. Capoccia, the following resolutions were approved by a 6-1 vote, with Ms. Gallo voting against the resolutions.

**APPROVAL OF AUTHORITY BUDGET FOR FISCAL YEAR ENDING OCTOBER 31, 2014**

BE IT RESOLVED, that the budget of the Authority for the fiscal year ending October 31, 2014, substantially in the form presented to this meeting be, and hereby is, approved and ordered filed with the records of the Authority; and be it further

RESOLVED, that the Chief Financial Officer of the Authority or his designee(s) be, and each of them hereby is, directed to file said budget and related information with all parties as required pursuant to all outstanding bond resolutions, agreements and requirements of law.

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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, the proposed acquisition of securities, or sale or

exchange of securities and personnel matters. The Members entered Executive Session at 11:39 a.m. Staff was excluded from a portion of the Executive Session. Mr. Capoccia and Mr. Mateo left the meeting during Executive Session.

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The Members exited Executive Session at 1:00 p.m. and resumed the public meeting.

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The next item on the agenda was an authorization to execute a contract amendment with S.J. Electric, Inc., presented by Ms. Dawson. She began by explaining that S J. Electric, Inc. is the electrical contractor for the community center and was awarded their contract in 2010. Ms. Dawson described the history of the project and changes in its funding. She requested that the Board increase the current contract value, which is \$3,954,947.09, to a new total of \$4,120,625.09 to cover the change orders that have been submitted since June 30, 2013.

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

**AUTHORIZATION TO EXECUTE CONTRACT AMENDMENT WITH S.J. ELECTRIC, INC.**

BE IT RESOLVED, that, in accordance with the information presented today, the President of the Authority, or his designee, is hereby authorized and empowered to execute, on behalf of the Authority, an amendment to the existing contract between the Authority and S.J. Electric, Inc. to increase the current contract value of the contract from \$3,954,947.09 to \$4,120,625.09; 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 amendment on behalf of the Authority subject to such changes as the officer or officers executing such contract 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 such documents; 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 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 further actions heretofore taken are hereby ratified and any actions hereafter taken are confirmed and approved.

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The final item on the agenda was an authorization to amend the Large Scale Commercial Development Plan (the "LSCDP") and to issue a Determination of Non-Significance (the "Negative Declaration") relating to the Sixth Amendment to the LSCDP, presented by Ms. Singh.

Ms. Singh began by explaining that one of the Authority's tenants wanted to increase their square footage from 500,000 gross square feet to 550,000 gross square feet, which would result in an amendment to the LSCDP. In addition, she continued, in connection with the amendment, the Authority performed an environmental review under the State Environmental Quality Review Act. Management has determined that the proposed Sixth Amendment will not have a significant impact on the environment and would also like to request the issuance of a Negative Declaration.

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

**AUTHORIZATION TO ISSUE A NEGATIVE DECLARATION RELATING TO THE AMENDMENT OF THE LARGE SCALE COMMERCIAL DEVELOPMENT PLAN, DATED AS OF JUNE 10, 1980 (AS AMENDED, THE "LSCDP")**

WHEREAS, the commercial center of Battery Park City is governed by the LSCDP, which controls use, bulk and other land use requirements; and

WHEREAS, an amendment to the LSCDP (the "LSCDP Amendment"), amending the bulk regulations in Subsection 3.2 governing the NYMEX building to allow for a Floor Area Ratio ("FAR") of approximately 13.00 and increased gross square footage of 550,000 are required; and

WHEREAS, the Authority's management has determined that the LSCDP Amendment is not a "major modification" to the LSCDP; and

WHEREAS, the LSCDP Amendment requires certain approvals by the Members, and such approvals are actions subject to the New York State Environmental Quality Review Act ("SEQRA") and the City Environmental Quality Review ("CEQR"); and

WHEREAS, the Authority declared its intent to the New York City Planning Commission (the "City Planning Commission") (the only other involved agency) to serve as lead agency for purposes of conducting the environmental review of the LSCDP Amendment required under SEQRA and CEQR; and

WHEREAS, the Authority has prepared a Short Environmental Assessment Form (the "EAF") to examine the potential environmental impacts of the LSCDP Amendment; and

WHEREAS, the EAF examines the LSCDP Amendment's potential to result in significant adverse impacts in the following areas: land use, zoning and public policy; community facilities; open space; historic resources; urban design and visual resources; natural resources; hazardous materials; water and sewer infrastructure; solid waste and sanitation services; energy; transportation; air quality; greenhouse gas emissions; noise; public health; neighborhood character; and construction impacts; and

WHEREAS, as stated in the EAF, no significant adverse impacts would occur as a result of amending the LSCDP to increase (a) the FAR and (b) the gross square footage in Subsection 3.2 of the LSCDP.

NOW, THEREFORE, BE IT RESOLVED, that the Notice of Determination of No Significance for the LSCDP Amendment is hereby approved.

**AUTHORIZATION TO ENTER INTO AN AMENDMENT TO THE LARGE SCALE COMMERCIAL DEVELOPMENT PLAN, DATED AS OF JUNE 10, 1980 (AS AMENDED, THE "LSCDP")**

WHEREAS, the commercial center of Battery Park City is governed by the LSCDP, which controls use, bulk and other land use requirements; and

WHEREAS, an amendment to the LSCDP (the "LSCDP Amendment"), amending the bulk regulations in Subsection 3.2 governing the NYMEX building to allow for a Floor Area Ratio ("FAR") of approximately 13.00 and increased gross square footage of 550,000 are required; and

WHEREAS, the Authority's management has determined that amending the bulk regulations in Subsection 3.2 to allow for a FAR of approximately 13.00 and increased gross square footage of 550,000 are not "major modifications" to the LSCDP.

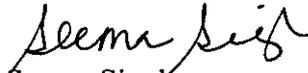
NOW, THEREFORE, BE IT RESOLVED, that the President of the Authority, or his designee(s) be, and each of them hereby is, authorized and empowered to execute and deliver the amendment to the LSCDP in the form presented to this meeting, subject to such changes as the officer or officers executing such amendment 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 such documents; 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 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 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 Ms. Gallo and seconded by Mr. Mattone, the Members unanimously voted to adjourn the meeting. The meeting thereupon adjourned at 1:08 p.m.

Respectfully submitted,

  
Seema Singh

Assistant Corporate Secretary