

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

Meeting of the Members
One World Financial Center, 24th Floor
New York, NY 10281
July 30, 2013

Members Present

Dennis Mehiel, Chairman/CEO
Frank J. Branchini, Member
Donald A. Capoccia, Jr., Member
Martha Gallo, Member
Carl Mattone, Member
Lester Petracca, Member

Authority Staff in Attendance: Demetrios A. Boutris, President/Chief Operating Officer
Marc Brotman, Associate General Counsel
Lauren Brugess, Legal Administrative Assistant
Gwen Dawson, Senior Vice President, Real Estate Development &
Management
Anne Fenton, Deputy Chief Operating Officer
Nancy 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
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: Tessa Huxley, Battery Park City Parks Conservancy
Betty Chin, Battery Park City Parks Conservancy
Nancy Buiuid, Battery Park City Parks Conservancy
Roger Bagley, Hawkins, Delafield & Wood LLP
Kristen Johanson, Citi
Tracey Keays, Public Financial Management, Inc.
Therese Loeb Kreuzer, Downtown Express
Rainer Perkins, Citi
Aline Reynolds, Tribeca Trib

The meeting, called on public notice in accordance with the New York State Open Meetings Law, convened at 10:15 a.m.

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The first item on the agenda was the approval of the minutes of the June 18, 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 JUNE 18, 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 June 18, 2013 are hereby approved.

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The next item on the agenda was the Chairman's Report. The Chairman began by formally welcoming Mr. Petracca to the Board. He noted that Mr. Petracca is active in the construction industry and is a lead developer.

Next, Mr. Mehiel asked Mr. Serpico to give an overview of the Capital Plan. Mr. Serpico explained the need for approval of the Capital Plan from the Mayor's Office and the Comptroller's Office. "We have a verbal approval from the Mayor's Office," he noted. Mr. Serpico stated that the Authority had also received "a general concurrence from the Comptroller's Office". He explained that the Capital Plan is not official until both the Mayor and the Comptroller sign the latest settlement agreement amendment. Mr. Mehiel commented that the Authority must go before "the Public Authorities Control Board and get their approval as well".

The Chairman then discussed the status of the West Thames Street Bridge Project. "We now have a structure for an agreement that would allow a design phase to cost approximately \$2 million, which all parties have agreed to." The funding of the design phase of the bridge will actually be carried by the Lower Manhattan Development Corporation, and the Authority will merely be a funding conduit. There has been a lot of discussion about how we can accommodate that requirement, without undue risk to the Authority while remaining in compliance with the applicable federal protocols as to how LMDC money can be dispersed, Mr. Mehiel explained. It is complicated and has taken a little bit of time, but I think that agreement has been reached, he noted.

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The next item on the agenda was the Audit and Finance Committee Report by Ms. Gallo. The first item discussed was the year-to-date financials. The GASB accounting change was discussed which will be implemented a year early and will be built into the Authority's financial statements before the bond offering. Also, Ms. Gallo mentioned, the external auditors discussed the work they have done to make sure the year-to-date items were on track.

Next, Ms. Gallo discussed a review against the Inspector General's Report that Kirk Swanson, the Authority's independent control officer completed six weeks ago. Ms. Gallo mentioned meeting with Mr. Serpico and Mr. Swanson and being more than satisfied that the action plans taken by the Authority satisfy the Inspector General's Report. She also reported that the specifics of an internal contributions policy are still being worked on.

Finally, Ms. Gallo stated that one of the remaining contributions is a fee for the service contract between the Authority and the Downtown Alliance, would be acted on today. In addition, a draft

report by the State Comptroller's Office was received, which reviewed some of the same issues, and during the same time period, that were raised in the Inspector General's Report. "Fortunately we were able to respond with the action plans that we had in place due to the Inspector General's Report." Lastly, Ms. Gallo mentioned, as was discussed in the Audit & Finance Committee, that there was a review of two audit reports and noted that the action plans that need to be in place as a result of the audits are well underway.

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The next item on the agenda was the Investment Committee Report, presented by Ms. Gallo with input from Mr. Mattone. PFM discussed the Authority's investment performance for the quarter ended April 30, 2013 with the Committee, and explained some changes that is being suggested for the Authority's reserve fund.

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Next, Mr. Peterson discussed the M/WBE Report. He reported that for the first quarter of the 2013-2014 fiscal year the Authority has achieved 24% M/WBE participation, above the goal which is 20%. Mr. Peterson mentioned that the Competitive Edge Conference took place this past Thursday, which is a conference designed to assist Minority and Women Owned Businesses grow. It was a success with 350 people attending, including 224 M/WBE companies. "The purpose of the Conference is to help these businesses grow and provide them with the opportunity to bid on some work at Battery Park City, but also with city, state and some federal agencies that were there." Mr. Serpico then commended Mr. Peterson on a great presentation at the Conference, one that was well received, to which Mr. Mehiel stated, "...you know, we've got the best guy in all the authorities and all the agencies, we know that."

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The only item on the Consent Agenda was the authorization to proceed with the design phase of the West Thames Bridge Project, as modified. Mr. Mehiel asked if there were any questions on this item; there were none.

Upon a motion made by Mr. Capoccia and seconded by Mr. Mattone, the following resolutions were unanimously adopted:

AUTHORIZATION TO PROCEED WITH THE DESIGN PHASE OF THE WEST THAMES STREET BRIDGE PROJECT

BE IT RESOLVED, that the President and Chief Operating Officer (the "President") of the Battery Park City Authority (the "Authority") or his designee(s) be, each of them hereby is, authorized and empowered to enter into one or more written agreements with the City of New York, acting through the New York City Economic Development Corporation, and the Lower Manhattan Development Corporation (collectively, the "Agreements") to act as a conduit for up to \$2.02 million for the design phase of the West Thames Street Bridge Project (the "Bridge Project"); 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 Agreements on behalf of the Authority, subject to such changes as the officer or officers executing the Agreements 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 Agreements; 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 review and discussion of the documents relating to the Authority's 2013 Bond Financing was tabled until after Executive Session.

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The second corporate action item on the agenda, presented by Ms. Dawson, was the ratification, confirmation and authorization of actions taken by the Authority's Emergency Contracts Sub-Committee through June 30, 2013. Ms. Dawson stated that "since the time of the formulation of the Sub-Committee, through its sunset at the end of June, there have been expenditures approved in the total amount of \$12,352,673.04. Funds will still be spent for storm remediation from this point forward for a little while because all of the projects have not been finished." However, when appropriate, these items will be presented to the full Board for approval.

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

RATIFICATION, CONFIRMATION AND AUTHORIZATION OF ACTIONS TAKEN BY THE BATTERY PARK CITY AUTHORITY EMERGENCY CONTRACTS SUB-COMMITTEE THROUGH JUNE 30, 2013, AS SET FORTH ON THE ATTACHED SCHEDULE A

WHEREAS, the Members approved a delegation of authority to the Emergency Contracts Sub-Committee on January 29, 2013 to approve Emergency Contracts, as such term is defined in the January 29, 2013 resolution (copy attached), up to an aggregate amount not-to-exceed \$6 million, which amount was last increased to a not-to-exceed amount of \$16 million by resolution dated April 16, 2013, payable from corporate insurance reserves and advances on insurance proceeds; and

WHEREAS, pursuant to the delegations, the Emergency Contracts Sub-Committee has approved Emergency Contracts in the total amount of \$12,352,673.04 through June 30, 2013, as set forth in Exhibit A.

NOW THEREFORE BE IT RESOLVED, that in accordance with the materials presented at this meeting, the actions of the Emergency Contract Sub-Committee, as set forth in the attached "Schedule A," are hereby ratified, confirmed and authorized; 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 transactions 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 next item on the agenda, presented by Ms. Fenton, was the authorization to enter into an agreement with The Alliance for Downtown New York, Inc. (the "Downtown Alliance"). The Downtown Alliance currently provides a free shuttle bus service called the Downtown Connection throughout Battery Park City and Lower Manhattan, Ms. Fenton explained. "The daily buses have become a very important amenity to the residents of Battery Park City and with that in mind we are recommending that management enter into a contract for services with the Downtown Alliance for \$632,000, for the calendar year 2013, for the continued funding of the bus service." She also mentioned that we expect the Alliance will work with the current bus operator and with Anthony Peterson to assist the bus operator to become a State-certified M/WBE. Ms. Fenton continued to explain that all funds that are paid to the Downtown Alliance must be used for the shuttle bus service and any funds that are not used directly for the shuttle bus will be returned to the Authority.

Mr. Capoccia asked if someone in the Finance Department reviewed this expenditure as being reasonable. Mr. Mehiel concurred that the Authority should have a sense that the expenditures are reasonable in the circumstances and the cost is rational. Mr. Mehiel stated that "at the end of this contract year the Authority should be given a recap and shown how this \$632,000 [was spent] and the service related to it compared to the entire service."

Upon a motion made by Ms. Gallo and seconded by Mr. Capoccia, the following resolutions were unanimously adopted:

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/COO of the Authority, or 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 2013; and be it further

RESOLVED, that the President/COO of the Authority, or his designees be, and each of them hereby is, authorized and empowered to execute all such other and further documents, and the 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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At this point, 10:49 a.m., Mr. Branchini left the meeting.

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The next item on the agenda, presented by Ms. Dawson, was an authorization to enter into a contract with D'Onofrio General Contractors Corporation ("D'Onofrio") for the Police Memorial Electrical Reconstruction Services. She began by explaining that the Battery Park City Police Memorial (the "Memorial") is located at Liberty Street and South End Avenue and was built by the Authority and dedicated in 1997. The electrical equipment for the Memorial is located in a subterranean vault, and during Superstorm Sandy, the vault filled with water up to about nine feet and all of the equipment was ruined and required replacement.

"Given that only one proposal was received, we asked our on-call cost estimator, VJ Associates, to prepare an independent cost estimate so that we had something to compare the proposal against," Ms. Dawson explained. The results of this independent cost estimate confirmed that the price proposed by D'Onofrio was reasonable for the project's scope of work and therefore the Board was asked to approve the contract with D'Onofrio General Contractors Corporation in the amount of \$532,000 for the reconstruction of the Memorial's electrical and mechanical equipment.

Ms. Dawson then explained that it was determined that the Authority would rather not have this subterranean vault be the repository for all of this equipment in the future and that an above ground structure will be designed to house the bulk of this equipment going forward. The timeline for the repairs will start immediately. She further explained that the electrical equipment has a long lead time, and the equipment needs to be ordered and the Authority also has to get the Electrical Advisory Board's approval. The water features are scheduled to be working for the Memorial by the time of the annual dedication service on October 11th. The remainder of the electrical equipment, the lights, would be completed by the end of October.

After a discussion relating to the timing of the reconstruction work to be performed at the Memorial, Mr. Mehiel stated that the October 11th ceremony is important. Mr. Mehiel also said that the Authority would find a way to properly get through that ceremony. He continued that to the extent the Authority is able to do that, and to adjust the reconstruction schedule to put the equipment out of harm's way at least for this hurricane season, it would be the prudent thing to do. Ms. Dawson then confirmed the Members' recommendation to move forward with ordering the equipment and preparing for the reconstruction, but that the installation itself would occur after November 1st.

Upon a motion made by Ms. Gallo and seconded by Mr. Capoccia, the following resolutions were unanimously adopted:

AUTHORIZATION TO ENTER INTO A CONTRACT WITH D'ONOFRIO GENERAL CONTRACTORS CORPORATION FOR POLICE MEMORIAL ELECTRICAL RECONSTRUCTION SERVICES.

BE IT RESOLVED, that the President/Chief Operating Officer (the "President") of the Authority or his designee(s) be, each of them hereby is, authorized and empowered to enter into a contract with D'Onofrio General Contractors Corporation for Police Memorial Electrical Reconstruction Services in the not to exceed amount of \$532,000.00; and be it further

RESOLVED, that the President of the Authority or his designee(s), 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 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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Mr. Capoccia then made a motion to enter Executive Session, which Ms. Gallo seconded. The Members entered Executive Session at 11:08 a.m.

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The Members exited Executive Session at 12:42 p.m. upon a motion by Mr. Petracca, which was seconded by Ms. Gallo.

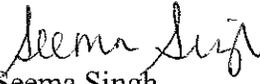
Upon a motion made by Mr. Capoccia and seconded by Ms. Gallo, the following items were unanimously approved:

(1) the Authorizing Resolution; (2) the Series 2013A Bonds Resolution, the Series 2013B Bonds Resolution, the Series 2013C Bonds Resolution, the Series 2013D Bonds Resolution, the Series 2013E Bonds Resolution; (3) a Preliminary Plan of Finance; (4) the 2013 Capital Plan; and (5) Authorization to Submit an Application to the New York State Public Authorities Control Board ("PACB") for approval of the Issuance of the Authority's 2013 Bonds. The Authorizing Resolution and the related Series 2013 Resolutions are attached to these Minutes.

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There being no further business, upon a motion by Mr. Capoccia and seconded by Ms. Gallo, the Members unanimously voted to adjourn the meeting. The meeting thereupon adjourned at 12:44 p.m.

Respectfully submitted,


Seema Singh
Assistant Corporate Secretary