

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

Meeting of the Members
One World Financial Center, 24th Floor
New York, NY 10281
June 18, 2013

Members Present

Dennis Mehiel, Chairman/CEO
Frank J. Branchini, Member
Donald A. Capoccia, Jr., Member
Fernando Mateo, Member
Carl Mattone, Member

Authority Staff in Attendance: Demetrios A. Boutris, President/Chief Operating Officer
Lauren Bruggess, Legal Administrative Assistant
Gwen Dawson, Senior Vice President, Real Estate Development & Management
Sidney Druckman, Director, Special Projects
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
Nidia Reeder, Permit and EAP Coordinator
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
Danielle Applebaum, Buck Consultants
Harvey Sobel, Buck Consultants
Roger Bagley, Hawkins, Delafield & Wood LLP
Trista Miller, Goldman Sachs
Tracey Keays, PFM
Reagan Calhan, Willis
Andrew Catapano, Willis
Ken Colluci, Willis
Christopher Franks, Willis
Alex Littlejohn, Willis
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 10:20 a.m.

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The first item on the agenda was the approval of the minutes of the May 23, 2013 meeting. Upon a motion made by Mr. Branchini and seconded by Mr. Mateo, the following resolution was unanimously adopted:

APPROVAL OF MINUTES OF THE MAY 23, 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 May 23, 2013 are hereby approved.

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The next item on the agenda was the Chairman's Report. First, Mr. Mehiel reported to the Members, and to the public, on the progress of Asphalt Green, and their occupancy and operation of the Community Center. Asphalt Green was granted access to the premises for purposes of preparation for the opening, so that the formal handover and their grand opening could occur on June 15th. That date was met, he noted, and the Community Center was handed over to Asphalt Green. Mr. Mehiel wanted to express "...our warm wishes, welcome them into the community, and our confidence that at the end of the day this is going to prove to be a valuable part of this community, and we're pleased that we've reached this milestone."

Next, Mr. Mehiel discussed Pier A. He commended Gwen Dawson and her team for working around the clock and doing a stellar job. Six months were lost, Mr. Mehiel reported, as a result of SuperStorm Sandy and the handover date was now June 30th instead of this past December. Ms. Dawson mentioned the anticipated opening date is now late spring 2014.

Mr. Mehiel then praised the work of the Conservancy's parks crew. He stated for the record, "...that Tessa and her crew, as I'm sure they've done in the past, but this is the first year I've been here to witness it kind of secondhand through the senior staff here at the Authority, just do yeoman's work in gearing up for those much more intense activities, as far as I understand, handling it all seamlessly; we haven't had any complaints, problems. So just a little bit of public recognition, Tessa, for your staff and please convey to them my personal gratitude for the efforts."

Next Mr. Mehiel reported on the Capital Plan, which was submitted to the Comptroller's Office and to the City Administration, and at the moment, awaits the approval of the Administration. He reported being hopeful that by the time we convene in July we will have both those approvals. He also reported there will be a potential impact on our calendar, in getting into the capital markets in September, if we did not have these approvals. It is also important that the Authority obtains the Public Authorities Control Board's approval in August. The Members' formal approval of the Capital Plan is necessary before the materials are sent to the Public Authorities Control Board.

Mr. Mehiel noted there was nothing to report on the West Thames Street Bridge but that it was one of the components of the capital plan that requires City approval.

Lastly, Mr. Mehiel discussed the elimination of the Emergency Contract Subcommittee, which was comprised of him, Mr. Capoccia, the construction staff and headed by Gwen Dawson. Mr. Mehiel went on to thank Mr. Capoccia by stating, "The time that you put in, and the expertise that you bring to the issues was of great value of the Authority, and I don't know how we would expedite the way we did it to meet this

calendar without the capacity to understand what the staff was telling us, do the diligence on the individual basis that you did, looking beyond those recommendations to the nature of the agreements with those contractors. So that was terrific, and I just want to express my gratitude.” Mr. Capoccia responded by commending Ms. Dawson and her team stating that they “...presented the material in a way that was easily digested and understood...” Ms. Taylor stated the Subcommittee sunsets by the operation of its authorizing Resolution on June 30th to which Mr. Mehiel stated that effective July 1st, we would be back to normal protocol, consistent with the regulations under which we operate.

There was no MWBE Report.

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Mr. Mehiel stated there is a retirement coming up, and then turned the meeting over to Mr. Serpico for his thoughts on Ms. Druckman. Mr. Serpico said, “For over a quarter of a century now...Sidney has been an integral part of the Authority’s success in building out this city. Through the years, Sidney’s help forged the Authority’s brand. She’s been on the forefront of many, many programs here. Also, she served as our Ambassador, sort of a hostess and a docent to all that came to visit Battery Park City to learn about our successes here and our many accomplishments. And the city would not have been built out, wouldn’t be this – I call it the shining city on the Hudson – without her. So I speak for many, many, expressing gratitude and appreciation, and good wishes to Sidney Druckman.”

Mr. Monahan then expressed his gratitude by saying, “As Bob had mentioned, just about everything you see in this room, as well as on your way around Battery Park City has had a part, or has been touched by Sidney’s creativity, her persistence and her total dedication to a Battery Park City and what it’s supposed to be.”

Ms. Druckman stated that “It’s been a privilege working here, truly. I thank you all. I thank you for being friends, a couple of mentors, and I will miss you.”

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The first item on the Consent Agenda was the ratification, confirmation and authorization to execute a third amendment to the Project Operating Agreement presented by Ms. Singh. She began by stating that last month the Members voted on the Second Amendment to the Project Operating Agreement. That document specifically provided for uniform minimum retail operating hours in the World Financial Center and for cross property retail use restrictions she explained.

Last month there was also an authorization to amend the Large Scale Commercial Development Plan (the “LSCDP”) to permit a physical or cultural health establishment, and allow for clothing and variety of stores of up to 10,000 square feet per establishment. In order to fully implement the changes to the LSCDP, she continued, the Members were asked to ratify, confirm, and authorize an execution of a third amendment to the Project Operating Agreement, specifically to allow for a physical or cultural health establishment, and to allow for clothing and variety of stores of 10,000 square feet or less per establishment.

There were no questions. Following an up and down vote, the following resolutions were unanimously adopted:

RATIFICATION, CONFIRMATION AND AUTHORIZATIN TO EXECUTE A THIRD AMENDMENT TO THE PROJECT OPERATING AGREEMENT (THE “POA AMENDMENT”) AMONG THE

AUTHORITY, BROOKFIELD PROPERTIES, TOWER B CO., TOWER C CO., TOWER D CO., TRSCO AND AMERICAN EXPRESS COMPANY

BE IT RESOLVED, that the Members hereby ratify, confirm and authorize the President of the Authority or his designee(s), and each of them hereby is, authorized and empowered to execute and deliver the Third Amendment to the POA on behalf of the Authority, substantially in the form described at this Meeting, subject to such changes as the officer or officers executing the POA 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 POA Amendment; 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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The second item on the Consent Agenda, presented by Mr. Boutris, was the authorization to use interim funds for the Pier A Plaza, Route 9A and the Liberty Street Pedestrian Bridge projects. Mr. Boutris reminded the Members that back in January they approved a declaration of the Authority's intent to reimburse funds advanced for certain capital projects planned in the Fiscal Year 2013 Capital Plan.

There were no questions. Following an up and down vote, the following resolutions were unanimously adopted:

AUTHORIZATION TO USE INTERIM FUNDS FOR CONSTRUCTION AND OTHER SERVICES RELATING TO THE PIER A PLAZA PROJECT, THE ROUTE 9A PROJECT AND THE LIBERTY STREET BRIDGE PROJECT (COLLECTIVELY, THE "PROJECTS")

BE IT RESOLVED, that in accordance with the materials presented to this meeting, the President/Chief Operating Officer (the "President") of the Authority or his designee(s) be, and each of them hereby is, authorized to use Interim Funds for the Projects; 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 appropriate documentation 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 transactions 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 first item on the agenda, presented by Mr. Serpico, was the authorization to enter into a bond purchase agreement with underwriters. Twenty-one proposals were evaluated and the criteria was outlined and established, with the help of Tracey Keays from PFM, in selecting and recommending the underwriters.

Eleven firms, out of the twenty-one, were selected for interviews based on content, completeness and compliance with the RFP. The interview group consisted of Management from Operations, Legal and Finance, along with our Financial Advisor, PFM, leading the way. He presented for the Members' approval, authorization to enter into a Bond Purchase Agreement with the lead senior book running manager, Citigroup Global Markets. Mr. Serpico mentioned that Citigroup has handled our debt before and that it was a very close, competitive contest. "We have...some of the best bankers in the world in New York City," Mr. Serpico said. The decision came down to who had the edge, based on the entirety of the group, and Citigroup was recommended as the lead.

Mr. Serpico went on to explain that it was also decided that the Authority would work with a senior co-manager and the minority firm of Samuel A. Ramirez & Co., Inc. was chosen for that second spot. Furthermore, out of the eleven, a co-managing group was selected to help market and sell our bonds. With the help of our Financial Advisor, he explained, and based on the competitive process, the interviews and the selection team's rankings, the five co-managers selected were Merrill Lynch, J.P. Morgan Chase, Wells Fargo, Lebenthal, and Rice Securities.

Mr. Serpico noted that the back-up memo provided by PFM described the process and the interviews, and explained that clarity, command of financing plan, innovative ideas, familiarity with the Battery Park City debt and cohesiveness of the team were all criteria for this selection.

Mr. Branchini questioned Bank of America's high tied score, and Mr. Serpico and Ms. Keays clarified that that score was just for the written portion of the evaluation, and that the selection was based on a combined score of written, oral and other factors.

Mr. Capoccia recused himself from voting on this item.

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

AUTHORIZATION TO ENTER INTO A BOND PURCHASE AGREEMENT WITH UNDERWRITERS

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 and empowered to enter into an agreement (the "Agreement") with the following underwriters in connection with the issuance of debt securities by the Authority:

Senior book-runner	Citigroup Global Markets, Inc.
Co-senior manager	Samuel A. Ramirez & Co., Inc. (MBE firm)
Co-managers	* Merrill Lynch, Pierce, Fenner & Smith, Inc. <i>(Bank of America Merrill Lynch)</i> * J.P. Morgan Chase Securities LLC <i>(a sub of JP Morgan Chase & Co.)</i> * Wells Fargo Bank. N. A. Municipal Products Group * Lebenthal & Co., LLC <i>(WBE firm)</i> * Rice Securities, LLC d/b/a Rice Financial Products Company <i>(MBE firm)</i>

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 Agreement on behalf of the Authority, subject to such changes as the officer or officers executing the Agreement 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 Agreement; 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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The next item on the agenda was an approval to amend the guidelines for the Interest Rate Exchange Agreement, presented by Ms. Taylor. She began by explaining that the Authority was authorized by statute to issue integrated exchange agreements in May of 2003, in connection with the Authority's 2003 bond offering. The Authority entered into six swap agreements with three counter parties- Citibank, J.P. Morgan and Merrill Lynch, for a total of about \$400 million.

Prior to issuing the swaps, the statute required that the Authority develop guidelines for use of the swaps, which the Members adopted in September 2003. In addition, the State monitors the use of swaps by all entities in the state and they require that the Authority submit a monthly report, including a summary of the terms of all of the swaps that have been executed and are still in place, to the State Division of Budget, the Senate, and the Assembly, as well as the State Comptroller.

At this point all of the six swaps are still in effect, Ms. Taylor reported, and as long as those swap agreements are in effect, the Authority has to have valid swap guidelines in place. Title Seven of the Dodd-Frank Wall Street Reform and Consumer Protection Act, enacted in July 2010, created a new regulatory scheme, aspects of which affect swap arrangements. As a result of that legislation, we were required to amend our swap guidelines. One of the more significant changes, Ms. Taylor noted, is that the legislation requires that anyone who appoints a swap agreement must employ a Qualified Independent Representative (the "QIR") who has a history in the swap market and acts in the best interest of the entity issuing or executing a swap. This requirement was also built into the revised swap guidelines.

The QIR will assist the Authority in evaluating any swap transaction, help prepare and define the policies and procedures that apply, and work the market in terms of preparing the bid for proposals and reviewing them with the entity involved, as well as rendering a fair market price opinion on the swap arrangement. In addition, the Members have to understand all the risk associated with the swap agreement, and they have to make a determination that any modification or termination of that agreement is still in the best interest of the entity. She noted that the summary of the changes and requirements are with the materials.

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

ADOPTION OF AMENDED GUIDELINES FOR THE USE OF INTEREST RATE EXCHANGE AGREEMENTS

WHEREAS, the Battery Park City Authority (the "Authority") is authorized by subdivision 4 of Section 1977-a of the Public Authorities Law to enter into interest rate exchange agreements; and

WHEREAS, subdivision 4 of Section 1977-a states that the Authority shall be subject to subdivision 3 of Section 69-d of the State Finance Law which requires that the Members of the Authority adopt guidelines relating to the use of interest rate exchange agreements; and

WHEREAS, the Members adopted Guidelines for the Use of Interest Rate Exchange Agreements on September 22, 2003 (the "Guidelines"); and

WHEREAS, it is necessary to modify the Guidelines to reflect changes imposed by the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Amended Guidelines").

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby adopts the attached Amended Guidelines presented to the Members at this meeting regarding the use of interest rate exchange agreements; and

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 implementation of the Amended Guidelines as 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 last item on the agenda, presented by Mr. Serpico, was the acceptance of the recommended 2013-2014 insurance renewal program and the authorization to pay insurance premiums. Mr. Serpico began by explaining that the higher insurance costs are a result of enhanced coverages and higher premiums. He stated that "We went over every nook and cranny of this project site, and all its exposure areas, both physical and otherwise." With that, Mr. Serpico turned the item over to Andrew Catapano of Willis.

Mr. Catapano explained that the coverage was enhanced after the storm. He also mentioned that they have another two weeks to negotiate with the carriers even further on the quotes they put out, as well as potential alternative quotes. Mr. Catapano then delineated the various types of coverage that is included in the Authority's insurance program, with tentative quotes. Ms. Taylor said she will email the final numbers to the Chairman and the Members when they become available.

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

AUTHORIZATION TO ACCEPT THE ATTACHED INSURANCE RENEWAL PROGRAM AND AUTHORIZATION TO PAY THE RELATED INSURANCE PREMIUMS

BE IT RESOLVED, that in accordance with the materials presented at this meeting, the Members hereby accept the attached Insurance Renewal Program and Schedule and authorize Management to pay the related Insurance Premiums as outlined in the attached Schedule; 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 Insurance Program Renewal and Schedule and related documentation and pay the Insurance Premiums, subject to such changes as the officer or officers, with the advice of counsel, shall approve as necessary and appropriate and in the best interest of the Authority; 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 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.

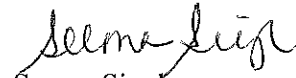
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Mr. Serpico then introduced Harvey Sobel, from Buck Consultants, who explained OPEB (Other Post-Employment Benefits), the post-retirement medical benefits. Buck is hired by the Authority, Mr. Sobel explained, to do the tri-annual review of the post-retirement medical benefits liability and how much the Authority has to fund to keep pace with the obligation to pay retirees and the current work force, as they accrue their benefits over time.

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There being no further business, upon a motion by Mr. Branchini and seconded by Mr. Mattone, the Members unanimously voted to adjourn the meeting. The meeting thereupon adjourned at 12:18 p.m.

Respectfully submitted,



Seema Singh

Assistant Corporate Secretary