



**Battery Park
City Authority**

Annual Report

Fiscal Year 2014



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1. Operations and Accomplishments

In 2014, the Battery Park City Authority (BPCA) continued its mission of providing an attractive mix of retail, commercial, residential, parks and open space for residents, neighbors, local workers, tourists and fellow New Yorkers. Administered by the BPCA, Battery Park City is seen as a model community, pursuing best practices in the area of urban infrastructure, design, and sustainability.

1.1. Key Projects:

BPCA spearheaded several new and on-going maintenance and capital projects, enhancing the public spaces, infrastructure and amenities within Battery Park City.

- **Pier A:** The fit-out of the landmarked Pier A building and the construction of the adjacent Pier A Plaza were completed in 2014, and the historic structure was opened to the public for the first time in November. BPCA's work included:
 - Completion of Pier A Plaza;
 - Repaving of a portion of Battery Place; and
 - Capital repair of underwater clamp system for river water geothermal system.
- **Battery Park City Parks Conservancy (BPCPC) Headquarters:** Design was completed and construction work commenced on a restructuring of the BPCPC Headquarter facility's mechanical system in 2014. The project is to be completed in 2015.
- **Marine Pile Repair/Remediation:** Two phases of BPCA's multi-year marine pile repair and remediation project were completed in 2014, covering 530 piles located under the northern Wintergarden area and the northern end of Rockefeller Park.
- **Pedestrian Bridges:**
 - *Liberty Street (South) Bridge:* In anticipation of completion of final construction of the eastern landing of the Liberty Street Bridge, design changes were completed, and site preparation was conducted. Installation is to be completed in 2015.
 - *Tribeca Bridge:* Fabrication of elevator canopies was commenced, with installation to be completed in 2015.
- **Parks Projects:**
 - *Rockefeller Park Playground & Swing Set:* In-kind replacement of timber swing set and playground safety surface was completed.
 - *Tear Drop Park North:* Replacement of wooden decking was completed in 2014.
 - *Parks Signage:* Replacement of 20-year old park signage in various locations throughout the Battery Park City Parks was completed.
- **General Infrastructure Repair:**
 - *Sinkhole/Settlement Repair:* Sinkhole and settlement repair projects were performed at Second Place, Chambers Street and the Belvedere.
 - *One North End Avenue Ground Settlement Repair:* Assessment and redesign was completed in 2014, with repair work to be performed in 2015.

- **Superstorm Sandy Repair/Resiliency:**
 - *Park Lighting -- North and South Phases:* Replacement of storm-damaged electrical lines was completed in 2014.
 - *Tree Replacement:* After post-storm monitoring of impacted trees, replacement of thirty-three (33) trees was completed in 2014.
 - *Ball field Electrical Service:* The final elements of the Ballfield electrical service replacement were completed in 2014.
 - *Police Memorial/North Cove Marina Electrical Vaults:* Design concept development for alternate above-grade placement of the electrical vaults continued through 2014.
- **Assessment/Design:**
 - *North Cove Marina Assessment:* A complete physical and engineering assessment of the North Cove Marina was performed in 2014. Resulting repair work to be performed in 2015.
 - *Site 23/24 Leak Assessment:* A comprehensive assessment of water infiltration at the facility envelope was completed in 2014. Remedial work will be performed in 2015.
 - *Land Survey:* A comprehensive survey and title report process for the entirety of Battery Park City was commenced in 2014. The project will be completed in 2015.
- **Cooperative Partnering Projects:**
 - *Route 9A Frontage and Security Improvements:* As part of a collaborative project between New York State Department of Transportation (NYSDOT), Brookfield Properties and BPCA, construction of Phase 1 of the frontage project (Albany Street to Liberty Street) was commenced in 2014 and design of Phases 2 and 3 of the project (Liberty Street to Vesey Street) was completed in 2014. Construction of Phases 2 and 3 will be completed by NYSDOT in 2015.
 - *West Thames Pedestrian Bridge:* As part of a collaborative project between the New York City Economic Development Corporation (NYCEDC), the Lower Manhattan Development Corporation and BPCA, the redesign and approval processes for the West Thames Pedestrian Bridge continued during 2014. Construction of the bridge is expected to be commenced by NYCEDC in 2015.

1.2. Public Programming and Community Engagement

During 2014, BPCA staff focused on increasing communication with local elected officials, community and civic groups, as well as with Battery Park City residents. Numerous presentations and updates were offered at civic meetings and Manhattan Community Board 1 hearings; meetings were conducted with residential building managers; and staff worked collectively with elected officials and community members to guarantee continued support and programming for the Community Center at Stuyvesant High School. BPCA utilized social media to further engage stakeholders and the public, launching both Facebook and Twitter accounts to disseminate information and increase communication. BPCA, in partnership with the Battery Park City Parks Conservancy, released a modern, user-friendly website which includes enhanced features such as special and on-going community events, park information and other news.

BPCA expanded its cultural offerings in Battery Park City, supplementing existing Parks Conservancy programs. For the first time, BPCA hosted the Battery Dance Company's Annual Downtown Dance Festival, a five-day event featuring an array of dancers from around the world. The festival is expected to be held again in 2015, complementing other cultural events in both Rockefeller and Wagner Parks.

1.3. Financial Highlights

- **Credit Ratings**

- In September 2014, Battery Park City's senior bonds credit rating outlook was revised upward to (AAA) Stable, the highest attainable rating given by a Credit agency.
- Fitch Ratings Affirmed BPCA's revenue bonds at 'AAA', with its outlook Revised to Stable from Negative. Fitch also affirmed the 'AAA' rating on the following outstanding senior lien revenue bonds issued by the Authority:
 - \$56.6 million series 2009A (federally taxable - BABs)
 - \$31.6 million series 2009B
 - \$407.1 million series 2013A
 - \$6.9 million series 2013B (Federally Taxable Bonds)

- **Summary of FY14 Operating Results**

BPCA achieved excess revenues in the amount of \$167.3 million to be transferred to NYC. Approximately \$124.5 million of PILOT-related excess revenues from operations will be used to fund the City of New York's General Fund. Approximately \$42.8 million will go to the NYC Housing Development Corporation's 421-a fund and the pay-as-you-go capital fund.

BPCA will have satisfied the remaining portion (\$32.6 million) of its \$200 million funding obligation under the 2010 Settlement Agreement for New York City's HDC 421-a housing fund. The remaining \$10.2 million will be the first payment applied to the final \$261 million pay-as-you-go obligation for NYC housing under this agreement.

- **Operating Budget for FY ending October 31, 2015**

- The FY15 Operating Budget of \$28 million is approximately \$144,000 less than the FY14 budget of \$28.1 million. BPCA was under budget for FY14.
- The FY15 budget is the lowest proposed budget in the last twelve years and reflects BPCA's continuing efforts to control costs, increase efficiencies, and utilize a zero based budget approach.



2. Financial Reports

2.1. Summary

The fiscal year ended October 31, 2014 yielded a total of \$256 million in operating revenues, representing an increase of approximately \$19.9 million or 8.4% over the prior fiscal year. Payments in lieu of real estate taxes ("PILOT") revenue totaling approximately \$181.7 million (approximately 71% of the Authority's operating revenues for the fiscal year ended October 31, 2014) increased \$22.2 million or 14% compared to the fiscal year ended October 31, 2013. Base rent increased approximately \$454 thousand or 0.7% to \$62.7 million for the fiscal year ended October 31, 2014. Civic facilities and other operating revenues decreased \$2.5 million or 20 % to \$10 million for the fiscal year ended October 31, 2014. Total operating expenses decreased a net \$871 thousand or 1.9% to \$44.1 million for the fiscal year ended October 31, 2014.

A payment of \$111.5 million was made in June 2014 towards the provision for the transfer to The City of New York (the "City") for the fiscal year ended October 31, 2013. A \$124.5 million provision was recorded during the fiscal year ended October 31, 2014 representing the PILOT related portion of fiscal 2014 excess revenues to be transferred to the City. Generally, the Authority's net position decreases with increases in the amount of excess revenues provided to the City, which has an adverse effect on the Authority's net position.

Pursuant to the 2010 Agreement, the Authority recorded a provision for the transfer of \$42.8 million for the fiscal year ended October 31, 2014. With this provision, the Authority has satisfied the \$200 million contractual obligation to the City Housing Development Corporation ("HDC") '421-A fund.' The provision includes \$10.2 million which is to be applied to the remaining \$261 million commitment to the City for 'pay-as-you-go' housing projects. A payment of \$45.8 million was made in April 2014 towards the provision for the transfer to the City for the fiscal year ended October 31, 2013.

On October 23, 2013, the Authority issued \$356,085,000 (\$407,120,987 inclusive of net premium) of fixed-rate tax exempt Senior Revenue Bonds, Series 2013A (the "2013 Series A Bonds") and \$6,700,000 (\$6,889,064 inclusive of net premium) of federally taxable, fixed-rate Senior Revenue Bonds, Series 2013B (the "2013 Series B Bonds"), for a total of \$414,010,051 fixed rate bonds. In addition, the Authority directly placed \$609,530,000 variable-rate Junior Revenue Bonds with three banks and bank affiliates, comprising \$210,865,000 of Junior Revenue Bonds Series 2013C (the "2013 Series C Bonds") , \$199,330,000 of Junior Revenue Bonds Series 2013D (the "2013 Series D Bonds"), and \$199,335,000 of Junior Revenue Bonds Series 2013E (the "2013 Series E Bonds") for a total of \$1,023,540,051. Proceeds from the 2013 Bonds were used to currently refund all Senior 2003 Series A Bonds (with the exception of \$16.1 million, paid November 1, 2013) and all Junior 2003 Series B and C Bonds; to finance \$85 million of infrastructure and other capital improvements; and to finance approximately \$10.8 million of bond issuance costs. As of October 31, 2014, approximately \$76 million remained in the 2013 project cost fund .

On December 22, 2009, the Authority issued the Senior Revenue Bonds in the total amount of \$89 million (inclusive of a \$1.8 million premium) to finance certain infrastructure and other capital improvements. As of October 31, 2014, approximately \$17.9 million remained in the 2009 Project Cost funds to be used for certain park, street and other infrastructure improvements, the community center and other capital expenditures.

As of October 31, 2014, the Authority has a net receivable of approximately \$726 thousand, having received \$11.5 million in insurance and Federal assistance advances and having paid out \$12.2 million for remediation work for damage caused by Superstorm Sandy. The Authority's management believes that all eligible claims with respect to this damage will be collected from its insurance carriers. Damages



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are being assessed and costs not covered by insurance are being submitted for reimbursement under Federal and State disaster relief programs, which management believes will cover the majority of these costs. Any unreimbursed damages will be paid by the Authority from the corporate insurance reserve fund or bond proceeds.

2.2. Summary Schedule of Revenues, Expenses, and Changes in Net Position (Deficit)

Below is a summary of the Organization's revenues, expenses, and changes in net deficit for the fiscal years ended October 31, 2014 and 2013:

| | October 31 | | 2014 vs 2013 |
|---|-------------------------|----------------------|-------------------------|
| | 2014 | 2013 | |
| Operating revenues: | | | |
| Revenues from ground leases: | | | |
| Base rent | \$ 62,705,939 | 62,252,076 | 453,863 |
| Supplemental rent | 1,561,040 | 1,815,820 | (254,780) |
| Payments in lieu of real estate taxes | 181,660,585 | 159,416,916 | 22,243,669 |
| Civic facilities payments and other | 10,045,796 | 12,559,603 | (2,513,807) |
| Total operating revenues | <u>255,973,360</u> | <u>236,044,415</u> | <u>19,928,945</u> |
| Operating expenses: | | | |
| Wages and related benefits | 13,582,735 | 12,560,909 | 1,021,826 |
| OPEB - Battery Park City Authority | 534,711 | 439,037 | 95,674 |
| OPEB - Battery Park City Parks Conservancy | 2,022,063 | 1,901,745 | 120,318 |
| Other operating and administrative expenses | 12,527,194 | 12,136,017 | 391,177 |
| New York State Cost wide recovery | 5,853,000 | 5,852,795 | 205 |
| Community Center | 531,535 | 2,079,240 | (1,547,705) |
| Depreciation and amortization | 9,065,014 | 10,017,930 | (952,916) |
| Total operating expenses | <u>44,116,252</u> | <u>44,987,673</u> | <u>(871,421)</u> |
| Operating income | <u>211,857,108</u> | <u>191,056,742</u> | <u>20,800,366</u> |
| Nonoperating revenues (expenses): | | | |
| Interest and other income | 2,804,599 | (586,205) | 3,390,804 |
| Other revenue | 3,418 | 226,256 | (222,838) |
| Interest expense, net | (35,124,886) | (36,446,093) | 1,321,207 |
| Bond issuance costs | (12,167) | (10,843,250) | 10,831,083 |
| Provision for transfer to | | | |
| NYC School Construction Authority | — | — | — |
| Provision for transfer to the Port | | | |
| Authority of NY & NJ | (2,103,519) | — | (2,103,519) |
| Provision for transfer to | | | |
| the City of New York | (124,547,666) | (112,084,771) | (12,462,895) |
| Provision for transfer to | | | |
| the City of New York - 2010 Agreement | (42,802,696) | (46,048,371) | 3,245,675 |
| Provision for transfer to | | | |
| New York State - Route 9A Agreement | (1,255,979) | — | (1,255,979) |
| Pier A and Pier A Plaza | | | |
| construction pass through NYC | <u>(5,893,927)</u> | <u>(5,025,956)</u> | <u>(867,971)</u> |
| Total nonoperating expenses, net | <u>(208,932,823)</u> | <u>(210,808,390)</u> | <u>1,875,567</u> |
| Change in net position (deficit) | <u>2,924,285</u> | <u>(19,751,648)</u> | <u>22,675,933</u> |
| Net (deficit), beginning of year | <u>(668,952,359)</u> | <u>(649,200,711)</u> | <u>(19,751,648)</u> |
| Net deficit, end of year | <u>\$ (666,028,074)</u> | <u>(668,952,359)</u> | <u>2,924,285</u> |



Operating Revenues

Overall operating revenues for the year ended October 31, 2014 totaled \$256 million, approximately \$19.9 million higher than the year ended October 31, 2013. Lease revenues consist primarily of base (land) rent and PILOT from long-term leaseholds.

Base rent increased \$454 thousand from \$62.3 million for the year ended October 31, 2013. PILOT revenue totaling approximately \$181.7 million (approximately 71% of the total operating revenues for the fiscal year ended October 31, 2014), increased by \$22.2 million over the fiscal year ended October 31, 2013, which primarily relates to a reduction in 467a real estate tax abatements for residential properties given in the prior year. The change in civic facility payments and other is a \$2.5 million decrease from \$12.6 million for the year ended October 31, 2013 to \$10 million for the year ended October 31, 2014, primarily due to a one-time transaction payment from Liberty View Site D during 2013 that was not repeated in 2014 and the decrease in percentage rents for commercial Towers B and D.

Operating Expenses

Operating expenses totaled approximately \$44.1 million for the fiscal year ended October 31, 2014, representing a net \$871 thousand decrease compared to the fiscal year ended October 31, 2013. The expenses include: wages and related benefits; OPEB; operating and administrative expenses such as security, insurance, rent, maintenance, transportation, legal, financial, and promotional; planning/design expenditures; and depreciation and amortization.

Wages and related benefits totaling \$13.6 million increased \$1 million over the previous fiscal year ended October 31, 2013.

OPEB expenses for the Authority increased for the fiscal year ended October 31, 2014 by \$96 thousand. This was due to the lower normal and interest costs together with an ARC amortization credit determined by the triennial valuation. OPEB costs represent a pro rata share of annual interest and normal costs for postemployment medical benefits for all eligible current employees in accordance with GASB Statement No. 45.

The Conservancy recognized the normal and interest costs of approximately \$2 million for the plan for the fiscal year ended October 31, 2014 which was approximately \$120 thousand higher than the OPEB expenses for the year ended October 31, 2013.

Other operating and administrative expenses increased a net \$391 thousand due to the increase in insurance coverage and security and other site operations.

Expenses relating to the community center at Site 23/24 decreased by \$1.5 million from \$2.1 million for the fiscal year ended October 31, 2013. The prior year expense includes a one-time charge for furniture and equipment totaling approximately \$1.3 million purchased by the Authority and transferred to the operator of the community center in accordance with the operating agreement.

Depreciation and amortization expenses recorded for the fiscal year ended October 31, 2014 of \$9.1 million was \$953 thousand lower than the year ended October 31, 2013.

Nonoperating Revenues (Expenses)

Total nonoperating expenses, net, were approximately \$1.9 million lower for the year ended October 31, 2014 than the year ended October 31, 2013. A provision for a transfer to the City of \$124.5 million in excess revenues was charged to expense for the year ended October 31, 2014, an increase of



approximately \$12.5 million from the year ended October 31, 2013. In addition, a provision for transfer to the City for a 421-A affordable housing fund of \$42.8 million was charged to expense for the year ended October 31, 2014, a decrease of approximately \$3.2 million from the year ended October 31, 2013. There was a provision for transfer to the PANYNJ of approximately \$2.1 million for the fiscal year ended October 31, 2014, an increase of \$2.1 million from the fiscal year ended October 31, 2013. The Authority expended approximately \$5.9 million of capital improvements to Pier A, which is a City-owned asset, and accordingly recorded a provision for transfer to the City for that amount for the fiscal year ended October 31, 2014.

Interest and other income increased by \$3.4 million primarily due to restructuring the long-term investment portfolio during the year ended October 31, 2014. Other revenue decreased \$223 thousand. Net interest expense related to outstanding bonds decreased \$1.3 million, primarily due to the lower costs of capital, compared to the year ended October 31, 2013. Bond issuance costs of approximately \$12 thousand related to the October 2013 bond offering were charged to expense for the fiscal year ended October 31, 2014.

Change in Net Position (Deficit)

The total net deficits at October 31, 2014 and 2013 were \$666 million and \$669 million, respectively.



2.3. Assets and Liabilities (Summary Statement of Net Position)

The summary statement of net position presents the financial position of the Organization. The net position (deficit) is the difference between total assets plus total deferred outflows of resources and total liabilities. A summarized comparison of the Organization's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (deficit) at October 31, 2014 and 2013:

| | October 31 | | 2014 vs 2013 |
|--|-------------------------|----------------------|---------------------|
| | 2014 | 2013 | |
| Assets: | | | |
| Bank deposits, investments and rents and other receivables | \$ 16,990,115 | 28,032,697 | (11,042,582) |
| Bond resolution restricted assets (current and noncurrent) | 389,400,700 | 399,210,547 | (9,809,847) |
| Battery Park City project assets, net | 485,217,744 | 483,510,743 | 1,707,001 |
| Other current and noncurrent assets | 100,055,880 | 104,243,584 | (4,187,704) |
| Total assets | 991,664,439 | 1,014,997,571 | (23,333,132) |
| Deferred Outflows of Resources: | | | |
| Accumulated decrease in fair value of interest rate swaps | 12,079,644 | — | 12,079,644 |
| Unamortized loss on extinguishment of bonds | 22,600,940 | 23,942,588 | (1,341,648) |
| Deferred costs of refunding, less accumulated amortization | 66,345,355 | 70,126,010 | (3,780,655) |
| Total deferred outflows of resources | 101,025,939 | 94,068,598 | 6,957,341 |
| Total assets and deferred outflows of resources | \$ 1,092,690,378 | 1,109,066,169 | (16,375,791) |
| Liabilities: | | | |
| Current liabilities | \$ 261,156,702 | 250,259,717 | 10,896,985 |
| Long-term liabilities | 1,497,561,750 | 1,526,134,156 | (28,572,406) |
| Total liabilities | 1,758,718,452 | 1,776,393,873 | (17,675,421) |
| Deferred Inflows of Resources: | | | |
| Accumulated increase in fair value of interest rate swaps | — | 1,624,655 | (1,624,655) |
| Total deferred inflows of resources | — | 1,624,655 | (1,624,655) |
| Net Position (Deficit): | | | |
| Invested in capital assets, net of related debt | (24,494,670) | (6,333,642) | (18,161,028) |
| Restricted | 68,407,586 | 103,053,163 | (34,645,577) |
| Unrestricted | (709,940,990) | (765,671,880) | 55,730,890 |
| Total net deficit | (666,028,074) | (668,952,359) | 2,924,285 |
| Total liabilities, deferred inflows of resources and net position | \$ 1,092,690,378 | 1,109,066,169 | (16,375,791) |



Assets and Deferred Outflows of Resources

At October 31, 2014, the Organization maintained total assets and deferred outflows of resources of approximately \$1.09 billion, approximately \$16.4 million lower than \$1.12 billion at October 31, 2013.

Bank Deposits, Investments, Rents and Other Receivables

Bank deposits, investments, and rents and other receivables held at October 31, 2014 decreased approximately \$11 million. Bank deposits and investments increased a net \$9.2 million and rents and other receivables decreased by approximately \$20.3 million. The increase in bank deposits and investments primarily relates to an increase in transaction and administrative payments from 2013 held in the Unpledged Revenue Fund. Decreases in rents and other receivables due the Authority of \$20.3 million primarily relate to increases in amounts receivable from the Build America Bonds ("BABS") subsidy and rents receivable of approximately \$586 thousand and \$375 thousand, respectively, offset by decreases in receivables from the City for Pier A restoration expenses, Superstorm Sandy reimbursements, and estimated unused funds due from the Junior Bond defeasance escrow by approximately \$1.3 million, \$9.8 million, and \$10.1 million, respectively.

Bond Resolution Restricted Assets

Bond resolution restricted assets are funds and accounts established in accordance with the 2003, 2009 and 2013 Revenue Bond resolutions. Such assets of approximately \$389.4 million at October 31, 2014 were approximately \$9.8 million lower than the fair value of assets held at October 31, 2013 of \$399.2 million. Funds held in the Pledged Revenue Fund ("PRF") at October 31, 2014 were approximately \$15.6 million more than funds held at October 31, 2013.

Funds held in the Project Operating Fund for payment of budgeted operating expenditures at October 31, 2014 were approximately \$81 thousand higher than at October 31, 2013.

Funds held in the Residual Fund for the benefit of the City were also \$153 thousand higher at October 31, 2014.

Funds held under the resolutions for project infrastructure and certain other asset costs were \$93.9 million as of October 31, 2014, approximately \$22.3 million less than funds held at October 31, 2013. In addition, funds held in the debt service funds were approximately \$1.8 million lower at October 31, 2014 compared to 2013.

Project Assets

At October 31, 2014, the Authority's investment in project assets, net of accumulated depreciation, was approximately \$485.2 million, an increase of \$1.7 million over October 31, 2013.

The Battery Park City project ("Project") consists of approximately 92 acres of landfill created, owned, and operated by the Authority. The Project's plan of development included approximately 35 acres of parkland and open spaces and provides for the construction, by private developers, of approximately 10.2 million square feet of office space, a 500,000-square-foot commodities trading facility, retail space, a marina, two hotels, a multiplex cinema, museums, three public schools, a public library, and approximately 8,600 residential units.



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The Authority's project assets include land, site improvements, and a residential building constructed by the Authority on Site 22. Additionally, condo units owned by the Authority on Sites 1, 16/17, 3, and a community center on Sites 23 and 24, and related infrastructure improvements are included in project assets. The balances at October 31, 2014 and 2013 were as follows:

| | October 31 | | 2014 vs 2013 |
|--|-----------------------|----------------------|--------------------|
| | 2014 | 2013 | |
| Land | \$ 83,015,653 | 83,015,653 | — |
| Site improvements | 386,612,538 | 376,856,244 | 9,756,294 |
| Residential building and condominium units | <u>133,309,670</u> | <u>132,913,755</u> | <u>395,915</u> |
| | 602,937,861 | 592,785,652 | 10,152,209 |
| Less: accumulated depreciation | <u>(117,720,117)</u> | <u>(109,274,909)</u> | <u>(8,445,208)</u> |
| Total Battery Park City project assets | <u>\$ 485,217,744</u> | <u>483,510,743</u> | <u>1,707,001</u> |

For the year ended October 31, 2014, the increase to site improvements of approximately \$9.8 million relates to park improvements in the north and south neighborhoods, the esplanade and restoration of piles, esplanade lighting, as well as work on bridges and other minor capital improvements.

The \$396 thousand increase in residential building and condominium units over October 31, 2013, primarily relates to mechanical system upgrades to the Conservancy's headquarters at Site 3, and work on the community center at Sites 23 and 24.

Other Current and Noncurrent Assets

Other current and noncurrent assets at October 31, 2014 and 2013 were as follows:

| | October 31 | | 2014 vs 2013 |
|---|-----------------------|--------------------|--------------------|
| | 2014 | 2013 | |
| Residential lease required funds | \$ 21,467,676 | 21,424,126 | 43,550 |
| Corporate-designated, escrowed and OPEB funds | 74,061,506 | 76,719,830 | (2,658,324) |
| Bond insurance costs, net | — | — | — |
| Fair value of interest rate swaps | — | 1,624,655 | (1,624,655) |
| Other assets | <u>4,526,698</u> | <u>4,474,973</u> | <u>51,725</u> |
| Total other current and noncurrent assets | <u>\$ 100,055,880</u> | <u>104,243,584</u> | <u>(4,187,704)</u> |

Total other current and noncurrent assets decreased approximately \$4.2 million from \$104.2 million at October 31, 2013 to \$100.1 million at October 31, 2014.

Residential lease required funds increased \$44 thousand from \$21.4 million at October 31, 2013 to \$21.5 million at October 31, 2014 primarily due to interest earned and gains on investments on all residential funds held.



Overall, corporate-designated, escrowed and OPEB funds decreased approximately \$2.7 million from October 31, 2013. Deposits and interest earnings on the Authority and Conservancy OPEB funds accounted for approximately a \$1.6 million increase. There was a \$5 million decrease resulting from withdrawals from the Special Fund for Route 9A pedestrian underpass and Pier A Plaza construction. In addition, insurance reserve funds of \$1.2 million were replenished from Superstorm Sandy receipts, offset by a decrease in advances and reserves of \$335 thousand and a decrease of approximately \$200 thousand in reserves.

The interest rate swap agreements, which continue in effect and continue as an effective hedge, had a positive fair value of \$1.6 million at October 31, 2013, which was recorded as an asset and a deferred inflow of resources. This value decreased \$13.7 million, to a negative fair value of \$12.1 million at October 31, 2014. The negative fair value of \$12.1 million is recorded as a deferred outflow of resources and a liability on the Authority's statement of net position.

Deferred Outflows of Resources

Deferred outflows of resources at October 31, 2014 and 2013 are as follows:

| | October 31 | | 2014 vs 2013 |
|--|----------------|------------|-----------------|
| | 2014 | 2013 | |
| Deferred Outflows of Resources: | | | |
| Accumulated decrease in fair value of interest rate swaps | \$ 12,079,644 | — | 12,079,644 |
| Unamortized loss on extinguishment of bonds | 22,600,940 | 23,942,588 | (1,341,648) |
| Deferred costs of refunding, less accumulated amortization | 66,345,355 | 70,126,010 | (3,780,655) |
| Total deferred outflows of Resources | \$ 101,025,939 | 94,068,598 | 6,957,341 |

The interest rate swap agreements, which continue in effect and continue as an effective hedge, had a positive fair value of \$1.6 million at October 31, 2013, which was recorded as an asset and a deferred inflow of resources. This value decreased \$13.7 million, to a negative fair value of \$12.1 million at October 31, 2014. The negative fair value of \$12.1 million is recorded as a deferred outflow of resources and a liability on the Authority's statement of net position.

The unamortized loss on extinguishment of the 1993, 1996, 2000, and 2003 bonds decreased by \$1.3 million from October 31, 2013 to October 31, 2014. The decrease is a result of the current year amortization.

The deferred cost of refunding decreased by \$3.8 million from October 31, 2013 to October 31, 2014. The decrease is a result of the current year amortization.



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Liabilities

Total liabilities at October 31, 2014 and 2013 were as follows:

| | October 31 | | 2014 vs 2013 |
|--|-------------------------|----------------------|---------------------|
| | 2014 | 2013 | |
| Current liabilities: | | | |
| Accrued interest on bonds | \$ 17,543,216 | 9,902,870 | 7,640,346 |
| Accounts payable and other liabilities | 6,102,998 | 21,808,760 | (15,705,762) |
| Due to the City of New York | 125,163,883 | 112,084,771 | 13,079,112 |
| Due to the City of New York - 2010 Agreement | 43,055,860 | 46,048,371 | (2,992,511) |
| Due to the NYC School Construction Authority | — | 1,898,808 | (1,898,808) |
| Due to the Port Authority of NY & NJ | 869,381 | — | 869,381 |
| Unearned revenue | 44,376,626 | 41,977,645 | 2,398,981 |
| Security and other deposits | 4,738 | 88,492 | (83,754) |
| 2003 Revenue Bonds | — | 16,140,000 | (16,140,000) |
| 2009 Revenue Bonds | 310,000 | 310,000 | — |
| 2013 Revenue Bonds | 23,730,000 | — | 23,730,000 |
| Total current liabilities | 261,156,702 | 250,259,717 | 10,896,985 |
| Noncurrent liabilities: | | | |
| Unearned revenue | 280,607,063 | 292,473,891 | (11,866,828) |
| Security and other deposits | 21,963,822 | 21,925,297 | 38,525 |
| OPEB - Battery Park City Authority | 18,502,073 | 18,456,455 | 45,618 |
| OPEB - Battery Park City Parks Conservancy | 13,789,687 | 11,840,431 | 1,949,256 |
| Fair value of interest rate swaps | 12,079,644 | — | 12,079,644 |
| Imputed borrowing | 66,345,355 | 70,126,010 | (3,780,655) |
| Bonds outstanding: | | | |
| 2003 Revenue Bonds | — | — | — |
| 2009 Revenue Bonds | 87,457,244 | 87,840,093 | (382,849) |
| 2013 Revenue Bonds | 996,816,862 | 1,023,471,979 | (26,655,117) |
| Total noncurrent liabilities | 1,497,561,750 | 1,526,134,156 | (28,572,406) |
| Total liabilities | \$ 1,758,718,452 | 1,776,393,873 | (17,675,421) |

The Organization's total liabilities decreased approximately \$17.7 million from \$1.78 billion at October 31, 2013 to \$1.76 billion at October 31, 2014.

Total liabilities comprise amounts due to the City, accrued interest on bonds, unearned revenue, security and other deposits, OPEB, outstanding bonds, and accounts payable and accrued expenses.

The \$17.7 million decrease in total liabilities is due to:

- a \$7.6 million increase in accrued interest payable on bonds from \$9.9 million at October 31, 2013 to \$17.5 million at October 31, 2014, resulting primarily from the refunding of the 2003 bonds and the issuance of the 2013 revenue bonds in 2013.
- a \$15.7 million decrease in accounts payable and other liabilities from \$21.8 million at October 31, 2013 to \$6.1 million at October 31, 2014, primarily due to approximately \$9.3 million in outstanding bond issuance costs at October 31, 2013 from the 2013 revenue bonds which were paid during fiscal year 2014 and advances of \$8.8 million in funds received for ongoing remediation costs of damages caused by Superstorm Sandy which were applied towards Superstorm Sandy receivables as of October 31, 2014.



- a \$125.2 million liability was recorded for the fiscal year ended October 31, 2014, which includes fiscal 2014 PILOT related excess revenues to be transferred to the City, an increase of \$13.1 million from the prior fiscal year provision of \$112.1 million, which was paid in June 2014.
- a \$43.1 million liability was recorded which includes the fiscal year ended October 31, 2014 for payment under the 2010 Agreement for the City HDC 421-A fund, a decrease of \$3 million over the \$46 million which was charged to operations for the fiscal year ended October 31, 2013 and paid in April 2014.
- a \$1.9 million amount was paid during the fiscal year ended October 31, 2014 for amounts due to the New York City School Construction Authority for the completion of three green building components.
- a \$869 thousand increase in amounts due to the PANYNJ relating to the Authority's agreement to pay up to \$40 million of Special Fund monies for the Route 9A pedestrian underpass.
- a \$9.5 million decrease to \$325 million in total unearned revenue from \$334.5 million at October 31, 2013 primarily due to revenue recognized on leases, such as the Goldman lease (\$2.7 million), Sites 23 and 24 (\$3.3 million), and Site 16/17 (\$2.4 million), as well as other upfront lease payments received during prior years.
- a \$45 thousand decrease in total security and other deposits to \$22 million at October 31, 2014.
- a \$46 thousand net increase in OPEB liability for the Authority relating to the annual normal cost incurred for current employees and interest expense, offset by actual costs for retiree benefits paid. The Authority had an \$18.5 million OPEB liability at October 31, 2014. The annual required OPEB obligation is increased by normal costs for current employees and interest expense and offset by an amortization credit and the actual cost of retiree benefits paid during the year.
- a \$1.9 million net increase in OPEB liability for the Conservancy relating to the annual normal cost incurred for current employees and interest expense, offset by actual costs for retiree benefits. The Conservancy had an \$13.8 million OPEB liability at October 31, 2014. The annual required OPEB obligation is increased by normal costs for current employees and interest expense.
- a \$3.8 million decrease represents the current period amortization of the fair value of the bifurcated Swaps of \$70.1 million on October 23, 2013. The \$70.1 million is being amortized using the straight-line method over the remaining life of the original 2003 bonds.
- a \$383 thousand decrease in 2009 Revenue Bonds outstanding relating to the retirement of principal of \$310 thousand and a \$73 thousand decrease due to the amortization of the net bond premium.
- a \$2.9 million decrease in 2013 Revenue Bonds outstanding due to the amortization of the net bond premium.

Deferred Inflows of Resources

The interest rate swap agreements, which continue in effect and continue as an effective hedge, had a positive fair value of \$1.6 million at October 31, 2013, which was recorded as an asset and a deferred inflow of resources. This value decreased \$13.7 million, to a negative fair



Battery Park City Authority

value of \$12.1 million at October 31, 2014. This \$12.1 million negative fair value is recorded as a deferred outflow of resources and a liability on the Authority's statement of net position.

Net Position (Deficit)

| | October 31 | | 2014 vs 2013 |
|--|-------------------------|----------------------|-------------------|
| | 2014 | 2013 | |
| Net Position (deficit): | | | |
| Invested in capital assets, net of related debt | \$ (24,494,670) | (6,333,642) | (18,161,028) |
| Restricted | 68,407,586 | 103,053,163 | (34,645,577) |
| Unrestricted | <u>(709,940,990)</u> | <u>(765,671,880)</u> | <u>55,730,890</u> |
| Total net position (deficit) | <u>\$ (666,028,074)</u> | <u>(668,952,359)</u> | <u>2,924,285</u> |

The change in total net position (deficit) from October 31, 2013 represents a decrease in the deficit position of \$2.9 million from \$669 million at October 31, 2013 to \$666 million at October 31, 2014.

The net position invested in capital assets, net of related debt, was a deficit of \$24.5 million and \$6.3 million at October 31, 2014 and 2013, respectively. Although investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since capital assets cannot be used to liquidate these liabilities. The Authority's \$68.4 million and \$103.1 million of restricted net assets at October 31, 2014 and 2013, respectively, represent resources that are subject to various external restrictions on how they may be used. These assets are generally restricted under bond resolutions and other agreements and for debt service. The remaining balance is classified as an unrestricted deficit totaling \$709.9 million at October 31, 2014 resulting primarily from debt issued for noncapital purposes of \$513.7 million, and upfront lease payments and deferred PILOT revenue, which are transferred to the City annually or held in the Joint Purpose Fund as restricted assets.



3. Mission Statement and Performance Measures

3.1. Background

The Hugh L. Carey Battery Park City Authority (the “Authority”) is a public benefit corporation created in 1968, by the New York State Legislature, to be responsible for planning, developing and sustaining the residential, commercial, parks and open space located along the Hudson River at the tip of Lower Manhattan in New York City (the “City”). Home to 17,000 people, the work place of 40,000 more, and visited by countless thousands of people a year, New York’s Battery Park City is an asset to both the State and City.

According to the Battery Park City Master Plan of 1979, Battery Park City was envisioned not to be a self-contained community, but rather a neighborhood woven into the fabric of this great city. Through its contributions, the Authority is deeply committed to the mission of providing resources for the good of all neighborhoods throughout the City.

The commitment to sustainability is deeply ingrained in both the Authority and its affiliate, the Battery Park City Parks Conservancy (the “Conservancy”). The Conservancy has implemented sustainable horticultural and maintenance practices throughout the parks system for decades. The first “Green Guidelines” for new residential construction were issued in 2000 to establish a process that is for the creation of environmentally responsible buildings.

Through its layout and geographic orientation, Battery Park City is an intentionally knitted extension of the City’s streets and blocks. The names of streets heading east and west are purposely the same as those on the opposite side of West Street. Battery Park City was never considered an addition to New York City, but rather, a continuation of this dynamic City’s development into the 21st century.

3.2. Public Benefit

All decisions will reflect the public interest and support a public benefit to the Authority’s stakeholders, the City, the Authority’s tenants, residents and workers in Battery Park City, the downtown community, and tourists/visitors to Battery Park City, in the development of properties, creation of spaces, and in the provision of opportunity to the M/WBE community to share in the economic growth of the Battery Park City community. As an integral part of the lower Manhattan fabric, the Authority will seek to cooperate with and support both public and private sector entities whose missions are in concert with that of the Authority, and whose efforts directly benefit furtherance of same.

3.3. Mission Statements

Battery Park City Authority:

The Hugh L. Carey Battery Park City Authority is a New York State public benefit corporation whose mission is to plan, create, co-ordinate and sustain a balanced community of commercial, residential, retail, parks and open space within its designated 92-acre site on the lower west side of Manhattan.



Battery Park City Parks Conservancy:

The Battery Park City Parks Conservancy's mission is to manage, maintain, operate, repair, preserve and program activities to a world class standard for the residential parks, open space, and other public structures located on the 92 acre Battery Park City site on the lower west side of Manhattan.

3.4. The Mission Will be Accomplished by Following these Core Values:

Public-Private Partnerships

Public-private partnerships will continue to be the model for private sector development utilizing a competitive public bid process to optimize value.

Balance and Esthetics

New development will continue according to the approved Master Plan utilizing adaptable and sustainable quality design to create a model mixed use development which exemplifies excellence in architecture and urban planning.

Environmental Responsibility

All new development, as well as maintenance of parks, public spaces, and other property under Authority stewardship, will employ the latest high-performance environmental designs and techniques available.

3.5. Performance Measures

Office Building Development

- The Authority has completed development of the office buildings on its site.

Residential Building Development

- The Authority has completed construction on the last residential building on site, although certain buildings are being renovated by their owners.

Public Building Development

- Pursuant to an agreement with New York City, the Authority was tasked with redeveloping Pier A. The Authority completed the Pier A restoration work in accordance with a design which adhere to its "green" construction standards while preserving the landmarked historic features of the Pier and transforming Pier A into a Downtown New York destination and revenue producing asset.
- The Authority owns condo units around Battery Park City, which are used by museums, a public library, a community center and other cultural institutions.

Battery Park City Community Center (the "Community Center")

- Asphalt Green was chosen as the operator of the Community Center pursuant to a public procurement process. The Community Center, which opened in June 2013 and is located in certain of the Authority's condo units, is home to two swimming pools, a



gymnasium, a fitness center, several classrooms, a teaching kitchen and a theater/auditorium.

Battery Park City's World Class Park System

- The Battery Park City park system is largely built out; however, there is a continuing need for infrastructure maintenance. The Authority annually reviews the maintenance and construction needs of the park system and updates its maintenance and its construction plans accordingly.

Maximize revenues/collect rents and PILOTs due under leases, etc. and minimize operating costs.

- The Authority has been reviewing and continues to review its commercial core leases to ensure that all revenues due to it under these leases are being collected, including periodic audits of leases. Also, it is currently pursuing arbitration to ensure that lease provisions are interpreted in such a way as to maximize these revenue streams.
- The Authority's FY 15 operating budget is the lowest annual budget in 12 years even as non-discretionary costs keep rising.

Maintain high credit ratings, minimize cost of debt service, and mitigate interest rate market risk on variable rate debt in a rising interest rate environment.

- On October 23, 2013, the Authority issued \$356,085,000 (\$407,120,987 inclusive of net premium) of fixed-rate tax exempt Senior Revenue Bonds, Series 2013A (the "2013 Series A Bonds") and \$6,700,000 (\$6,889,064 inclusive of net premium) of federally taxable, fixed-rate Senior Revenue Bonds, Series 2013B (the "2013 Series B Bonds"), for a total of \$414,010,051 fixed rate bonds. In addition, the Authority directly placed \$609,530,000 variable-rate Junior Revenue Bonds with three banks and bank affiliates, comprising \$210,865,000 of Junior Revenue Bonds Series 2013C (the "2013 Series C Bonds"), \$199,330,000 of Junior Revenue Bonds Series 2013D (the "2013 Series D Bonds"), and \$199,335,000 of Junior Revenue Bonds Series 2013E (the "2013 Series E Bonds") for a total of \$1,023,540,051. Proceeds from the 2013 Bonds were used to currently refund all Senior 2003 Series A Bonds (with the exception of \$16.1 million, paid November 1, 2013) and all Junior 2003 Series B and C Bonds; to finance \$85 million of infrastructure and other capital improvements; and to finance approximately \$10.8 million of bond issuance costs.
- The Authority achieved the highest credit rating of triple "AAA" given by the credit agencies for its senior lien debt (uninsured, revenue bonds) and a true fixed-rate interest cost of 2.77%.
- Each series of the approximately \$609,530,000 2013 Series C, D and E Bonds initially bears interest monthly at a variable rate based on a percentage of one-month LIBOR plus a fixed spread. The junior lien variable rate bonds credit rating was upgraded to Aa2 and in the new junior lien bonds refunded auction rate securities which were resetting at a 2x LIBOR rate. The credit rating on junior lien variable rate date was upgraded while lowering the costs of capital and mitigating future interest rate market risks.

Advance sustainable development/operation of Battery Park City

- The construction of Pier A and the Community Center is being accomplished in accordance with the Authority's "green" design and construction guidelines.



Additionally, the Authority is reviewing the feasibility of incorporating additional updated sustainable technologies within existing Battery Park City buildings.

Maximize opportunities for M/WBE participation in Authority contracts and development projects

- The Authority has a long track record of successfully utilizing M/WBE firms to help achieve our mission. The Authority has been able to consistently meet or exceed our annual targets because the Authority has not only adopted aggressive M/WBE goals but has maintained a strong outreach effort in order to expand the network of available firms as well an extensive monitoring program to ensure that we meet our goals. During fiscal year 2013, the Authority built on our already strong program and sought new avenues for increasing our program participation. For the 2014 fiscal year, the Authority achieved 27% M/WBE utilization.

4. Debt Administration

The 2009 Revenue Bonds, issued in December 2009, totaling \$89 million, included \$56.6 million of federally taxable Build America Bonds and \$32.5 million (including a net premium) of tax-exempt bonds. At October 31, 2014, the Authority was responsible for debt service on the 2009 Revenue Bonds of \$87.8 million.

| | Outstanding debt | Fitch | Moody's | Standard & Poor's (S&P) |
|-----------------------------|-----------------------------|--------------|----------------|--|
| 2009 Senior Revenue A Bonds | \$ 56,600,000 | AAA | Aaa | Not rated |
| 2009 Senior Revenue B Bonds | 31,167,245 | AAA | Aaa | Not rated |

The 2013 Revenue Bonds, issued in October 2013, totaling \$1.02 billion, included \$407.1 million (inclusive of net premium) of fixed-rate tax exempt Senior Revenue Bonds Series A and \$6.9 million (inclusive of net premium) of federally taxable, fixed-rate Senior Revenue Bonds, Series B. In addition, the Authority directly placed \$609.5 million variable-rate Junior Revenue Bonds with three banks, comprising \$210.9 million of Series C, \$199.3 million of Series D, and \$199.3 million of Series E. At October 31, 2014, the Authority was responsible for debt service on the 2013 Revenue Bonds of \$1 billion.

| | Outstanding debt | Fitch | Moody's | Standard & Poor's (S&P) |
|-----------------------------|-----------------------------|--------------|----------------|--|
| 2013 Senior Revenue A Bonds | \$ 404,223,418 | AAA | Aaa | Not Rated |
| 2013 Senior Revenue B Bonds | 6,793,444 | AAA | Aaa | Not Rated |
| 2013 Junior Revenue C Bonds | 210,865,000 | Not Rated | Aa2 | Not Rated |
| 2013 Junior Revenue D Bonds | 199,330,000 | Not Rated | Not Rated | Not Rated |
| 2013 Junior Revenue E Bonds | 199,335,000 | Not Rated | Not Rated | Not Rated |

2003 Revenue Bonds

On October 16, 2003, the Authority issued \$406,350,000 (\$433,345,972 inclusive of net premium) of fixed-rate Senior Revenue Bonds, Series 2003A (the "2003 Series A Bonds"), \$235,000,000 of variable-rate Junior Revenue Bonds, Series 2003B (the "2003 Series B Bonds") and \$400,000,000 of variable-rate Junior Revenue Bonds, Series 2003C (the "2003 Series C Bonds"), for a total of \$1,068,345,972 (collectively the "Series 2003 Bonds"). The Series 2003 Bonds were issued for the following purposes:

- A total of \$564,891,733 of bonds (including \$343,017,495 of the 2003 Series A Bonds, \$50,871,502 of the 2003 Series B Bonds, and \$171,002,776 of the 2003 Series C Bonds) were issued to currently refund all the outstanding 1993 Revenue Refunding Bonds, including \$324,045,000 of the 1993 Series A Senior Bonds, \$115,420,000 of the 1993 Series A Junior Bonds, and \$53,075,000 of the Junior Revenue Bonds, Series 2000.
- \$95,755,874 of the 2003 Series C Bonds were issued to advance refund \$74,385,000 of outstanding Junior Revenue Bonds, Series 1996A.
- \$115,160,363 of the 2003 Series B Bonds was issued to finance certain infrastructure and other capital improvements. All of the 2003 Series B bond proceeds were utilized as of October 31, 2012.



In conjunction with the refunding of all of its outstanding revenue bonds on October 16, 2003, the Authority issued \$292,537,963 of bonds (including \$90,328,477 of the 2003 Series A Bonds, \$68,968,136 of the 2003 Series B Bonds, and \$133,241,350 of the 2003 Series C Bonds) to currently refund \$250,390,000 of outstanding 1993 HNYC Senior Bonds.

The refundings resulted in the reacquisition price exceeding the net carrying amount of the refunded debt by \$39 million. The difference between the reacquisition price and the net carrying amount of the refunded debt is reflected on the Authority's balance sheet as an unamortized loss on extinguishment of debt and is being amortized over the life of the old debt with a pro rata charge to interest expense.

All 2003 Series A Bonds maturing after November 1, 2013 were currently refunded on October 23, 2013 and as of that date are no longer debt obligations of the Authority. All of the refunded 2003 Series A Bonds were redeemed on November 22, 2013.

The Authority issued certain of the 2003 Series A Bonds at a discount and others at a premium, resulting in an overall net premium of approximately \$27 million. All unamortized net bond premiums were reclassified to Gain (Loss) on Extinguishment of Debt on October 23, 2013, when the bonds were refunded.

All 2003 Series B Bonds and 2003 Series C Bonds were currently refunded on October 23, 2013 and, as of that date, are no longer debt obligations of the Authority. Redemptions of the Junior Series C hedged Bonds were completed between November 29, 2013 and December 26, 2013.

Swaps

On October 2, 2003, the Authority executed Swaps with three counterparties. The Swaps were executed in conjunction with the Authority's issuance of \$400 million of its 2003 Series C Bonds. The total notional amount of the Swaps was \$400 million. The effective date for the Swaps was October 16, 2003, which coincided with the delivery date of the 2003 Series C Bonds. The Authority executed the Swaps in order to effectively convert the variable-rate 2003 Series C Bonds to a net fixed rate. Based on the Swaps, the Authority owes interest calculated at a fixed rate of 3.452% to the counterparties that is paid semiannually. In return, the counterparties owe the Authority floating-rate interest equal to 65% of 30-day LIBOR, which is paid to the Authority on a monthly basis. The original notional amounts of the Swaps and the amortization thereof match the original principal amount of the refunded 2003 Series C Bonds and the amortization thereof. The Swaps were not terminated in connection with the issuance of



the 2013 Series C, D, and E Bonds or the refunding of the 2003 Series C Bonds nor will the Swaps be treated as Qualified Hedges with respect to the 2013 Series C, D, and E Bonds.

| Deallocation of Swap Principal | Interest-rate swaps | | |
|--------------------------------------|-----------------------|-----------------------|--------------------------------|
| | Payment | Pro-Forma Receipts | Pro-Forma Net payment |
| Year ended October 31: | | | |
| 2015 | \$ 5,450,000 | (12,656,758) | 365,825 (12,290,933) |
| 2016 | 5,450,000 | (12,468,624) | 360,387 (12,108,237) |
| 2017 | 5,450,000 | (12,280,490) | 354,950 (11,925,540) |
| 2018 | 5,450,000 | (12,092,356) | 349,512 (11,742,844) |
| 2019 | 5,450,000 | (11,904,222) | 344,074 (11,560,148) |
| 2020 – 2024 | 29,725,000 | (56,562,315) | 1,634,851 (54,927,464) |
| 2025 – 2029 | 105,825,000 | (48,533,826) | 1,402,799 (47,131,027) |
| 2030 – 2034 | 206,575,000 | (16,565,717) | 478,808 (16,086,909) |
| Totals | \$ 369,375,000 | (183,064,308) | 5,291,206 (177,773,102) |

The above table shows payments based on the Authority's pay-fixed-rate interest rate Swap payment obligation at an effective interest rate of 3.452% while the Authority's variable-rate receipts are based on the floating rate equal to 65% of 30-day LIBOR on October 31, 2014, which the counterparties are obligated to pay the Authority on a monthly basis. Although the pro-forma receipts shown are projected based on the latest interest rate at October 31, 2014 (65% of 0.1535% or 0.0998%), actual receipts will depend on the actual fluctuation of 30-day LIBOR.

The Authority is exposed to a limited degree of counterparty credit risk associated with the Swaps. However, each of the counterparties carries a rating in the "Baa1" or higher category from at least one of the nationally recognized credit rating agencies. The counterparties are required to post collateral to the extent that they experience an appreciable decline in credit rating and the Swaps have positive fair value for the Authority.

The Swaps would expose the Authority to basis risk should its interest payments on the variable-rate Bonds significantly exceed the receipts, which are based on 65% of 30-day LIBOR. On October 23, 2013, the Authority currently refunded its Series 2003 bonds. The interest rates on these bonds were effectively hedged by interest rate swaps, which were bifurcated as of the date of the current refunding. Accordingly, the fair value of the interest rate swaps on October 23, 2013 of negative \$70.1 million was recorded as an imputed borrowing by the Authority. The Authority also recorded the \$70.1 million as a deferred cost of refunding and reduced the deferred outflow of resources that had been recorded to offset the negative fair value of the interest rate swap to zero. Apart from the imputed borrowing, the interest rate swap agreements, which continue in effect and continue an effective hedge, had a fair value of zero at October 23, 2013, which decreased to a negative fair value of \$12.1 million at October 31, 2014. The negative \$12.1 million is recorded as deferred outflow of resources and a liability on the Authority's statement of net position.

2009 Revenue Bonds

On December 22, 2009, the Authority issued \$56,600,000 of fixed-rate Senior Revenue Bonds (federally taxable – Build America Bonds), Series A (the "2009 Series A Bonds") and \$30,635,000 (\$32,446,008



inclusive of net premium) of various fixed-rate Senior Revenue Bonds, Series B (the "2009 Series B Bonds"), for a total of \$89,046,008. The bonds were issued for the following purposes:

- A total of \$85,000,000 of bonds (including \$55,000,000 of the 2009 Series A Bonds, \$30,000,000 of the 2009 Series B Bonds) were issued to finance certain infrastructure and other capital improvements.
- Funds aggregating \$1,544,849, representing the net proceeds of the bond issues after payment of underwriting fees, other issuance costs and allocation of funds to infrastructure and other capital improvements accounts, were deposited into a reserve fund.

The payment of principal commences in November 2032 on the 2009 Series A Bonds, while payment on the 2009 Series B Bonds commenced in November 2010.

The 2009 Series A Bonds were issued as "Build America Bonds" ("BABs") under section 54AA of the U.S. Tax Code for which the Authority expects to receive a cash subsidy payment from the United States Treasury equal to 35% of the interest payable by the Authority on the bonds. For the fiscal years ended October 31, 2014 and 2013, the Authority received payments from the U.S. Treasury in the amount of \$576,508 and \$1,162,488, respectively, pursuant to the subsidy. BABs already issued will continue to receive subsidies. The Authority has no assurances about future legislation or changes that may affect the availability, amount, or receipt of such subsidy payments.

At October 31, 2014, the 2009 Series A Bonds consisted of the following term bonds:

| | Coupon rates | Principal amounts | Interest | BABs subsidy | Interest (net of BABs subsidy) |
|------------------------|--------------|----------------------|-------------------|---------------------|--------------------------------|
| Year ended October 31: | | | | | |
| 2015 | 6.375% | \$ — | 3,608,250 | (1,262,888) | 2,345,362 |
| 2016 | 6.375% | — | 3,608,250 | (1,262,888) | 2,345,362 |
| 2017 | 6.375% | — | 3,608,250 | (1,262,888) | 2,345,362 |
| 2018 | 6.375% | — | 3,608,250 | (1,262,888) | 2,345,362 |
| 2019 | 6.375% | — | 3,608,250 | (1,262,888) | 2,345,362 |
| 2020 – 2024 | 6.375% | — | 18,041,250 | (6,314,438) | 11,726,812 |
| 2025 – 2029 | 6.375% | — | 18,041,250 | (6,314,438) | 11,726,812 |
| 2030 – 2034 | 6.375% | 90,000 | 18,034,238 | (6,311,983) | 11,722,255 |
| 2034 – 2038 | 6.375% | 44,610,000 | 11,894,156 | (4,162,955) | 7,731,201 |
| 2039 – 2040 | 6.375% | 11,900,000 | 379,313 | (132,759) | 246,554 |
| Totals | | \$ <u>56,600,000</u> | <u>84,431,457</u> | <u>(29,551,013)</u> | <u>54,880,444</u> |

The 2009 Series A Bonds maturing after November 1, 2019 are subject to redemption, in whole or in part, at any time on or after November 1, 2019 at the option of the Authority, at a redemption price of par plus interest to the redemption date.

As of October 31, 2014, principal and interest payments due on the 2009 Series B Bonds were as follows:



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| | Coupon rates | | Principal amounts | | Interest |
|------------------------|-----------------|----|----------------------|--|------------|
| Year ended October 31: | | | | | |
| 2015 | 2.50% | \$ | 310,000 | | 1,414,581 |
| 2016 | 2.50% | | 315,000 | | 1,406,769 |
| 2017 | 3.00% | | 335,000 | | 1,397,806 |
| 2018 | 3.00% | | 340,000 | | 1,387,681 |
| 2019 | 3.50% | | 355,000 | | 1,376,369 |
| 2020 – 2024 | 3.50% - 5.00% | | 1,860,000 | | 6,650,056 |
| 2025 – 2029 | 3.50% - 5.00% | | 2,085,000 | | 6,182,856 |
| 2030 – 2034 | 4.00% - 5.00% | | 18,805,000 | | 4,897,309 |
| 2035 | 5.00% | | 5,305,000 | | 132,625 |
| Totals | | \$ | 29,710,000 | | 24,846,052 |

The Authority issued certain of the 2009 Series B Bonds at a premium of approximately \$1.81 million, which is being amortized on a straight-line basis, over the lives of the 2009 Series B Bonds. At October 31, 2014 and 2013, the unamortized net bond premium was approximately \$1.5 million and \$1.5 million, respectively.

2013 Revenue Bonds

On October 23, 2013, the Authority issued \$356,085,000 (\$407,120,987 inclusive of net premium) of fixed-rate tax exempt Senior Revenue Bonds, Series 2013A (the “2013 Series A Bonds”) and \$6,700,000 (\$6,889,064 inclusive of net premium) of federally taxable, fixed-rate Senior Revenue Bonds, Series 2013B (the “2013 Series B Bonds”), for a total of \$414,010,051 fixed-rate bonds. In addition, the Authority directly placed \$609,530,000 of variable-rate Junior Revenue Bonds with three banks or bank affiliates, comprising \$210,865,000 of Junior Revenue Bonds, Series 2013C (the “2013 Series C Bonds”), \$199,330,000 of Junior Revenue Bonds, Series 2013D (the “2013 Series D Bonds”), and \$199,335,000 of Junior Revenue Bonds, Series 2013E (the “2013 Series E Bonds”) for a total of \$1,023,540,051 (collectively, the “2013 Series C, D, and E Bonds”). The 2013 Series C, D, and E Bonds were issued for the following purposes:

- A total of \$948,854,807 of bonds (including \$328,548,428 of the 2013 Series A Bonds and \$620,306,379 of the 2013 Series C, D, and E Bonds) were issued to currently refund \$319,435,000 of the outstanding 2003 Series A Bonds and \$609,825,000 variable-rate bonds, comprising \$235,000,000 of 2003 Series B Bonds and \$374,825,000 of the 2003 Series C Bonds. The balance of the 2003 Series A Bonds (\$16,140,000 outstanding) was retired by the Authority on November 1, 2013 from 2003 bond resolution debt service funds.
- A total of \$85,000,000 (including \$6,800,000 from the 2013 Series B Bonds and \$78,200,000 from the 2013 Series C, D, and E Bonds) was issued to finance certain infrastructure and other capital improvements.
- A total of approximately \$10.8 million of 2013 Series A, B, C, D, and E bond proceeds were used to pay for costs of issuance.

The cumulative unamortized loss on extinguishment of the 1993, 1996, 2000, and 2003 bonds, including the unamortized 2003 bond insurance costs, collectively totaling approximately \$22.6 million at fiscal



Battery Park City Authority

year-end October 31, 2014, is classified in the statement of net position as a deferred outflow of resources and is being amortized over the respective useful life of the corresponding bonds.

As of October 31, 2014, principal and interest payments due on the 2013 Series A Bonds and 2013 Series B Bonds, which are all fixed-rate bonds, were as follows:

2013 A Senior Bonds:

| | Coupon Rate | | Principal amount | Interest |
|------------------------|---------------|----|--------------------|--------------------|
| Year ended October 31: | | | | |
| 2015 | 2.00% | \$ | 18,345,000 | 16,285,250 |
| 2016 | 2.00% - 3.00% | | 14,605,000 | 15,907,725 |
| 2017 | 3.00% - 5.00% | | 20,995,000 | 15,238,775 |
| 2018 | 3.00% - 5.00% | | 22,160,000 | 14,259,900 |
| 2019 | 3.00% - 5.00% | | 23,360,000 | 13,221,900 |
| 2020 – 2024 | 3.00% - 5.00% | | 135,480,000 | 47,430,125 |
| 2025 – 2029 | 5.00% | | 93,705,000 | 15,314,375 |
| 2030 – 2032 | 4.00% - 5.00% | | 27,435,000 | 1,924,750 |
| Totals | | \$ | <u>356,085,000</u> | <u>139,582,800</u> |

2013 B Senior Bonds:

| | Coupon Rate | | Principal amount | Interest |
|------------------------|-------------|----|------------------|----------------|
| Year ended October 31: | | | | |
| 2015 | 2.00% | \$ | 1,005,000 | 123,950 |
| 2016 | 2.00% | | 5,695,000 | 56,950 |
| Totals | | \$ | <u>6,700,000</u> | <u>180,900</u> |

Each series of the 2013 C, D, and E Bonds initially bears interest monthly at a variable rate based on a percentage of one-month LIBOR plus a spread. The Authority has the right to cause the 2013 C, D, and E Bonds to be repurchased from the initial purchasers thereof and remarketed at other variable rates or fixed rates, and also has the right to otherwise purchase or redeem the 2013 C, D, and E Bonds, on certain dates. Any 2013 C, D, and E Bonds that are not so remarketed (or purchased or redeemed) by November 1, 2019 will bear interest thereafter at stepped-up rates that for 180 days will equal 7.5% per annum (or, if greater, a specified prime rate plus 1.5% per annum or a specified federal funds rate plus 2% per annum) and after 180 days will equal 12% per annum (or, if greater, a specified prime rate plus 3.5% per annum or a specified federal funds rate plus 4% per annum). The 2013 C, D, and E Bonds also will bear interest at rates higher than the foregoing if an event of default occurs under the Authority's agreements with the initial purchasers of the 2013 C, D, and E Bonds or if interest on the 2013 C, D, and E Bonds is determined to be includable in gross income for federal income tax purposes. The estimated interest payments for the 2013 C, D, and E Bonds shown in the table titled "2013 C, D, and E Bonds" below are based upon the November 2014 LIBOR rate and the respective variable rates in effect on November 1, 2014 and do not reflect the increased interest payments that would result from such stepped-up rates, default rates or taxable rates becoming effective. In addition, pursuant to agreements between the Authority and the respective initial purchasers of the 2013 C, D, and E Bonds, various



additional fees and other amounts may be payable by the Authority from time to time, each on a basis subordinate to payment of annual debt service on Senior Bonds and Junior Bonds of any Series.

2013 C, D, and E Junior Bonds:

| | Junior C | | Junior D | | Junior E | | Total | |
|------------------------|-------------------|------------------|-------------------|---------------|-------------------|---------------|------------|------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| Year ended October 31: | | | | | | | | |
| 2015 | \$ 1,190,000 | 1,471,890 | 1,595,000 | 1,393,698 | 1,595,000 | 919,229 | 4,380,000 | 3,784,817 |
| 2016 | 1,235,000 | 1,463,403 | 1,830,000 | 1,381,676 | 1,830,000 | 911,300 | 4,895,000 | 3,756,379 |
| 2017 | 1,185,000 | 1,454,933 | 1,855,000 | 1,368,742 | 1,855,000 | 902,769 | 4,895,000 | 3,726,444 |
| 2018 | 1,235,000 | 1,446,463 | 1,825,000 | 1,355,825 | 1,830,000 | 894,238 | 4,890,000 | 3,696,526 |
| 2019 | 1,185,000 | 1,437,993 | 1,260,000 | 1,344,997 | 1,255,000 | 887,096 | 3,700,000 | 3,670,086 |
| 2020 – 2024 | 6,590,000 | 7,057,295 | 6,895,000 | 6,586,533 | 6,895,000 | 4,344,132 | 20,380,000 | 17,987,960 |
| 2025 – 2029 | 21,320,000 | 6,712,265 | 32,975,000 | 5,988,639 | 32,975,000 | 3,949,888 | 87,270,000 | 16,650,792 |
| 2030 – 2034 | 21,310,000 | 5,635,245 | 66,440,000 | 4,295,468 | 66,440,000 | 2,833,143 | ##### | 12,763,856 |
| 2035 – 2039 | 60,155,000 | 4,426,748 | 69,105,000 | 1,800,437 | 69,110,000 | 1,187,526 | ##### | 7,414,711 |
| 2040 – 2043 | <u>95,460,000</u> | <u>1,417,080</u> | <u>15,550,000</u> | <u>54,581</u> | <u>15,550,000</u> | <u>35,998</u> | ##### | <u>1,507,659</u> |
| Total | \$ ##### | 32,523,315 | ##### | 25,570,596 | ##### | 16,865,319 | ##### | 74,959,230 |

Debt service on the 2003 Swap agreements and the 2009 and 2013 Bonds is secured by and is payable, after satisfaction of certain administrative, operating, and maintenance obligations of the Authority, solely from certain pledged lease revenues and Swap receipts which are required to be deposited and maintained in the Pledged Revenue Fund ("PRF") established under the 2003 General Bond Resolution. The PRF, including income and earnings on investments thereof, has been pledged and assigned to a trustee for the benefit of the owners of the 2009 Bonds and the 2013 Bonds and certain other beneficiaries, as their respective interest may appear. In addition, the Bonds, and certain swap payments and reimbursement obligations, are secured by the Reserve Fund established under the 2003 General Bond Resolution. The rights to payment of the 2009 and 2013 Senior Bonds, senior swap payments, and senior reimbursement obligations from amounts in the PRF and the Reserve Fund are senior to the rights to payment of the 2013 Junior Bonds, junior swap payments, and junior reimbursement obligations from such amounts. As of each November 1, amounts in the PRF in excess of funding requirements for project operating expenses and certain other amounts will be transferred into an unpledged Residual Fund and may be used by the Authority for other purposes.



5. Compensation Schedule

5.1. Battery Park City Authority Compensation*

| Name | Title | Salary | Department |
|---------------------|--|--------------|------------------|
| Hyman, Shari | President & COO | \$225,000.00 | Executive |
| Serpico, Robert | Executive Vice President/Treasurer/CFO | \$205,000.00 | Finance |
| Pustilnik, Alix | General Counsel | \$175,000.00 | Legal |
| Singh, Seema | Deputy General Counsel | \$160,000.00 | Legal |
| Dawson, Gwen | Vice President, Real Property | \$160,000.00 | Real Property |
| Jones, Benjamin | Vice President, Administration | \$160,000.00 | Administration |
| McIntyre, Brenda | Vice President, Human Resources | \$150,000.00 | Human Resources |
| Koenig, Karl | Controller | \$150,000.00 | Finance |
| Garcia, Luis | Assistant Treasurer | \$150,000.00 | Finance |
| Kim, Susie | Associate General Counsel | \$140,000.00 | Legal |
| Forst, Robin | Vice President, External Affairs | \$130,000.00 | External Affairs |
| Buquicchio, Anthony | Director, Site Management & Security | \$130,000.00 | Real Property |
| Howard, Angela | Senior Director, Project Management | \$126,000.00 | Real Property |
| Tam, John | MIS Director | \$120,000.00 | MIS |
| Nesmith, Robert | Chief Contracting Officer | \$120,000.00 | Administration |
| Ganci, Joseph | Director, Design | \$115,000.00 | Real Property |
| Curiale, Daniel | Director, Financial Reporting | \$110,000.00 | Finance |
| Windman, Kenneth | Director, Facilities & Constr. | \$110,000.00 | Real Property |

*List of BPCA Benefits Provided: Medical, Vision, Dental, Hearing, Prescription, Wellness, Transit, Flexible Spending with Match, Deferred Compensation (optional), Short and Long Term Disability, Workers Compensation, M/C Life Insurance (optional), Municipal Credit Union (optional), State Pension, Annual Leave, Sick Leave, Bereavement Leave, Holidays, FMLA, Leave for Voting, Leave for Bone Marrow or Organ Donation, Leave for Breast Cancer and Prostate testing, Leave for Jury Duty, Unemployment Insurance, Meal and Travel Reimbursement, Direct Deposit (optional), Employee Assistance Program

5.2. Battery Park City Parks Conservancy*

| Name | Title | Salary | Department |
|-------------------|----------------------------------|--------------|-------------------|
| Huxley, Tessa | Executive Director | \$139,693.14 | Executive |
| Pomponio, Bruno | Director, Maintenance | \$105,533.07 | Maintenance |
| Fleisher, Eric T. | Director, Horticulture | \$105,016.85 | Horticulture |
| Ehrlich, Abigail | Director, Parks Programming | \$105,009.15 | Parks Programming |
| Chin, Betty | Director, Finance/Administration | \$103,714.30 | Administration |

*List of BPCPC Benefits Provided: Medical, Vision, Dental, Hearing, Prescription, Wellness, Transit, Flexible Spending with Match, 401K, CIRS Pension, Short and Long Term Disability, Sun Life Insurance, Workers Compensation, Municipal Credit Union (optional), Uniform Allowance, Sick Leave, Annual Leave, Bereavement Leave, Holidays, FMLA, Leave for Voting, Leave for Bone Marrow or Organ Donation, Leave for Breast Cancer and Prostate Testing, Leave for Jury Duty, Unemployment Insurance, Meal and Travel Reimbursement, Direct Deposit (optional), Employee Assistance Program



5.3. Biographical Information

5.3.1. *Battery Park City Authority*

Anthony Buquicchio

Director, Site Management and Security

Anthony joined Battery Park City in June of 2013. He worked with a NY construction management firm for 8 years from 2005 to 2013, and worked as a contractor doing home improvement from 2001 through 2005. Anthony worked for a manufacturing and distribution company from 1984 until 1999. In that time he progressed from purchasing agent to warehouse manager of a 250,000 square foot facility. He then managed another distribution warehouse until 2001.

Daniel Curiale

Director of Financial Reporting

Mr. Curiale received a Bachelor of Science from New York University, and his Master of Science from Baruch College. After graduating from NYU in 2006, Mr. Curiale began his career with Ernst & Young, LLP. Later he moved on to Lambrides, Lamos & Taylor, LLP and then Marks Paneth and Shron, LLP. Mr. Curiale joined the Authority in December 2012 as the Director of Financial Reporting.

Gwen Dawson, Esq.

Vice President, Real Property

Gwen Dawson began her professional career practicing law in Denver, Colorado, focusing on real estate and business law. She later transitioned to full-time real estate planning and development with a focus on large-scale public-private development projects in urban settings. Prior to joining Battery Park City Authority, Ms. Dawson worked with the Mayor's Office of the City and County of Denver and the Colorado Community College System.

Robin Forst

Vice President of External Affairs

Ms. Forst received both her Bachelor of Science and Master of Science degrees from Cornell University. Upon completion of her studies, she joined ABC (now the Disney Company) in corporate human resources and later moved into human resources consulting. After working for two small firms, she started Forst Associates, Inc. where she was president for ten years. In the aftermath of 9/11, Ms. Forst moved into the public sector, and spent three years working in the New York City Council. She then joined the newly created Lower Manhattan Construction Command Center in 2005 and moved to Battery Park City Authority in 2014 as Vice President External Relations.

Joseph Ganci

Director of Design

Mr. Ganci received a Bachelor of Architecture with a concentration in Construction Management from Pratt Institute in 2001. While completing his formal classroom education and after graduation, Mr. Ganci worked in a select number of architectural and consulting firms before joining the Battery Park City Authority in 2014 as Design Director.

Luis Garcia

Treasurer

Mr. Garcia received his Bachelor's Degree in Accounting from Adelphi University Class and his Master's Degree in Computer Science from Pace University. He began working at BPCA in 1985 and held numerous positions over the years including Accountant, Senior Accountant, Director of Accounting, and



Assistant Treasurer. From 2003-2007 he also served a Treasurer of the Battery Park City Parks Conservancy. Prior to coming to BPCA, Mr. Garcia working in the banking industry as an accountant and also as an Internal Branch Auditor.

Angela M. Howard

Senior Project Manager

Angela Howard has over twenty-six years experience in the field of real estate, construction and construction management in New York City. After studying Mechanical Engineering, she has worked as a mechanical designer and project manager, a Construction Manager, and an Owner's Representative for large institutional, educational and commercial facilities. She has spent half of her career at the Dormitory Authority and Columbia University, having focused her efforts on non-profit and institutional work. Signature projects include the renovation of Butler Library at Columbia University, renovation of the concourse at Rockefeller Center, and the renovation of the Main Reading Room and Public Catalog Library at the New York Public Library.

Shari Hyman, Esq.

President and Chief Operating Officer

Shari C. Hyman was appointed President and Chief Operating Officer of the Battery Park City Authority in February 2014. Immediately prior to her appointment as President, Ms. Hyman served as Commissioner and Chair of the New York City Business Integrity Commission under Mayor Michael R. Bloomberg from 2011 to 2014. Between 2006 and 2011, Ms. Hyman served in multifaceted positions in the Bloomberg Administration including Chief of Staff to the Deputy Mayor for Operations, Senior Counsel and Director of Business Acceleration where she focused on streamlining City operations to help small businesses, including the design and implementation of the New Business Acceleration Team (NBAT), a multi-agency program enabling new restaurant and retail owners to open their doors more quickly through a consolidated and coordinated inspection process. Ms. Hyman also served as First Deputy Criminal Justice Coordinator in New York City's Office of the Criminal Justice Coordinator as well as Director of the Mayor's Office of Special Enforcement (OSE), a multi-agency taskforce dedicated to handling quality of life issues city-wide where she garnered international attention for anti-counterfeiting efforts on Canal Street in operation "counterfeit triangle." Ms. Hyman began her career as an Assistant District Attorney in the Manhattan District Attorney's Office under Robert M. Morgenthau where she served for over a decade. Ms. Hyman holds a JD from Northwestern University and a BA from Columbia University.

Benjamin Jones, PMP

Vice President of Administration

Mr. Jones received his Bachelor of Arts degree from Gettysburg College and his Master of Public Administration degree from American University. Prior to his employment at BPCA, he worked for organizations including KPMG's State and Local Government Consulting Practice, the New York City Department of Buildings, and the New York City Mayor's Office of Operations. Benjamin is a certified Project Management Professional.

Susie Kim

Associate General Counsel

Ms. Kim received a Bachelor of Arts in Political Science from Columbia University, and her J.D. from Fordham University School of Law. After graduating from law school in 2002, Ms. Kim began her career with LeBoeuf, Lamb, Greene & MacRae LLP. In 2006, Ms. Kim joined the firm of Loeb & Loeb LLP. Ms. Kim joined the Authority's legal group in July 2014.



Karl Koenig, CPA

Controller

Karl Koenig graduated Queens College with a triple concentration in German, Accounting, and Economics. He worked for 3 years as an auditor for the NYC Comptroller's Office where he passed the CPA exam. He spent 4 years at a midsize accounting firm performing various audits and prepared taxes for non-profit and for profit entities. He then spent 8 years as the director of Finance for a non-profit organization. He currently is the Controller for Battery Park City Authority.

Brenda McIntyre

Vice President of Human Resources

Ms. McIntyre received her Bachelor of Science degree from Southern Vermont College and she has her Master of Science in Industrial Labor Relations from Baruch College. Prior to her employment as BPCA, she was the Assistant Commissioner of Human Resources and Labor Relations at NYC Department of Health & Mental Hygiene for seven years. Prior to that position, she worked for four years at NYC Department of Information & Technology as the Director of 311. Her original position at that same agency was Director of Labor & Employee Relations. Ms. McIntyre got her start in city government at the NYC Taxi & Limousine Commission as the Director of Labor Relations & EEO. She also served as independent arbitrator and as an EEO mediator. Prior to moving to and working for the City of New York, she worked for 15 years as a civilian employee in a local police department as a Crime Prevention Practitioner and a union president. She has received certifications from Cornell University in Labor Relations, EEO and Mediation.

Robert Nesmith

Chief Contracting Officer

Mr. Nesmith received a Bachelor of Arts in Government Affairs from John Jay College and earned a Masters of Arts in Urban Affairs from Queens College. Mr. Nesmith began his career in government at the New York City Comptroller's Office in 1992. He is a graduate of the NYC Management Academy. After 20 years of service at the NYC Comptroller's Office, Mr. Nesmith joined the Authority in February 2013. He was made Chief Contracting Officer in May 2014.

Alix Pustilnik

General Counsel

Alix S. Pustilnik became General Counsel of the Battery Park City Authority in May 2014. A life-long New Yorker, she began her career as an Assistant District Attorney in New York County, where she prosecuted white collar and official corruption cases. Subsequently, she became the Senior Staff Attorney at the Commission to Combat Police Corruption during Mayor Rudolf W. Giuliani's administration. From 1999 through 2005 she was a litigator at Schulte Roth & Zabel, where, among other things, she represented a corporation that was the target of a year-long grand jury investigation, resulting in no charges; helped to secure a victory at trial on behalf of a major real estate building and operating company involved in a lease dispute with an anchor tenant; and counseled a large European bank in connection with its internal investigation of a \$500,000,000 Enron-related transaction. From 2006 through 2014, Ms. Pustilnik served New York City Council Speaker Christine C. Quinn as Deputy Legislative Director. During that time, Ms. Pustilnik played a key role in increasing government contracting opportunities for minority and women owned businesses, simplifying and improving the regulatory environment for businesses operating in New York City, and improving oversight of the New York City Police Department. Ms. Pustilnik was a Coro Fellow, and received her undergraduate degree from Columbia University and her law degree from Harvard.



**Battery Park
City Authority**

Robert M. Serpico

Chief Financial Officer

Mr. Serpico has been with the Authority since June 1986 and has been chief financial officer since December 1987. In addition, Mr. Serpico has served as President and Chief Executive Officer of the Battery Park City Parks Conservancy, an Authority affiliate responsible for care of the parks in Battery Park City for 17 years and is now Treasurer. He was formerly Regional Controller for Continental Telecom, Inc. from 1983 through 1986 and prior 6 years was in private sector audit jobs including the Controllership Division of American Express Company. MBA, BS Syracuse University- Accounting, Finance, Operations.

Seema Singh, Esq.

Deputy General Counsel

Ms. Singh received both a Bachelor of Science and a Bachelor of Applied Science from the University of Pennsylvania, and her J.D. from the Georgetown University School of Law. After graduating from law school in 2002, Ms. Singh began her career with LeBoeuf, Lamb, Greene & MacRae LLP before lateralizing over to Bingham McCutchen LLP. Ms. Singh joined the Authority in March 2012, and was made Deputy General Counsel in May 2013.

John Tam

Director of IT

John Tam received his Bachelors of Science in Electrical Engineering from University at Buffalo. He has worked in the IT field for over 20 years. His work includes multiple industries from public utilities, healthcare, investment banks, and government. He spent the last 10 years as LAN administrator at Lower Manhattan Development Corporation in providing and maintaining an IT infrastructure network before joining Battery Park City Authority.

Kenneth Windman

Director, Facilities Maintenance & Construction

Kenneth has been employed by the Battery Park City Authority since 1985, spending the first 20 years in the Site Management Department, performing facilities management, security, safety and special events. The second part of his tenure at BPCA has been managing projects for site construction and restorations and managing large scale maintenance projects for the Battery Parks City Parks Conservancy. Kenneth has received his Associate Degree in Business Administration from the State University of New York at Delhi and his Bachelor's Degree in Business Administration from the State University of New York at New Paltz.

5.3.2. *Battery Park City Parks Conservancy*

Betty Chin

Director, Finance/Administration

Mrs. Chin received a Bachelor of Business Administration in Public Accountancy from Bernard M. Baruch College. After graduating in 1988, Mrs. Chin began her auditing career at the New York State Office of the Comptroller before joining the Authority as the Senior Accountant in July 1990, and was subsequently promoted to the Accounting Manager's position. In February 1999, Mrs. Chin moved onto the Controller's position with the Damon Runyon Cancer Research Foundation. Mrs. Chin joined the Conservancy in July 2002 as the Director of Administration & Finance.



**Battery Park
City Authority**

Abigail M. Ehrlich

Director of Parks Programming

Ms. Ehrlich received her B.A. from Connecticut College and a M.S. from the Bank Street Graduate School of Education. Prior to becoming Director of Parks Programming, Battery Park City Parks Conservancy in 1998, she managed School and Family Programs at the Museum of Television & Radio and the Whitney Museum of American Art. She was a museum educator at the University of Washington's Henry Art Gallery, The Brooklyn Museum and The Frick Collection, and program manager for Washington State Arts Commission's public art in public schools.

Eric "T" Fleisher

Director of Horticulture

Mr. Fleisher is the Director of Horticulture at Battery Park City Parks Conservancy. A national leader in the field of sustainable horticulture, Fleisher has brought this 37-acre oasis of parkland on the Hudson River to the forefront as the only public garden space in New York City to be maintained completely organically. His methods are based on the development of balanced soil ecology, with an emphasis on composting, water conservation, and the use of nontoxic means of pest and disease control. A 2008 Loeb Fellow at Harvard University, Mr. Fleisher has a certificate in Advanced Environmental Studies and is continuing to develop protocols to help landscapes recover from the 20th century's chemical interventions.

Tessa Huxley

Executive Director

Tessa Huxley has been Executive Director of the Battery Park City Parks Conservancy for twenty-seven years. She holds a degree in Horticulture from Hampshire College and was a Loeb Fellow in Environmental Design at the Harvard University Graduate School of Design. A founder of the American Community Gardening Association, she worked in the community greening movement for over ten years before being asked to take the idea of BPCPC and turn it into a reality. She started as a staff one and now runs an organization of over 100 people dedicated to managing and operating the parks and open spaces of Battery Park City in a sustainable and community friendly manner.

Bruno Pomponio

Director of Maintenance

Mr. Pomponio joined Battery Park City Parks Conservancy in 1997 as a plumber. In 1998 he was promoted to foreman of the Maintenance Department, and in 1999 to Director of the Maintenance Department. He is certified by U.S. Department of Labor Occupational Safety and Health Administration (OSHA) to conduct training in occupational safety and health standards, and received accreditation in Construction Project Management from New York University. Prior to joining Battery Park City Parks Conservancy, he was employed by New York Public Library as a plumber.

6. Projects Undertaken

1. **Pier A:** The fit-out of the landmarked Pier A building and the construction of the adjacent Pier A Plaza were completed in 2014, and the historic structure was opened to the public in November. BPCA's work included:
 - Completion of Pier A Plaza;
 - Repaving of a portion of Battery Place; and
 - Capital repair of underwater clamp system for river water geothermal system.
2. **Battery Park City Parks Conservancy (BPCPC) Headquarters:** Design was completed and construction work commenced on a restructuring of the BPCPC Headquarter facility's mechanical system in 2014. The project is to be completed in 2015.
3. **Marine Pile Repair/Remediation:** Two phases of BPCA's multi-year marine pile repair and remediation project were completed in 2014, covering 530 piles located under the northern Wintergarden area and the northern end of Rockefeller Park.
4. **Pedestrian Bridges:**
 - (a) *Liberty Street (South) Bridge:* In anticipation of completion of final construction of the eastern landing of the Liberty Street Bridge, design changes were completed and site preparation was conducted. Installation will be completed in 2015.
 - (b) *Tribeca Bridge:* Fabrication of elevator canopies was commenced, with installation to be completed in 2015.
5. **Parks Projects:**
 - (a) *Rockefeller Park Playground & Swing Set:* In-kind replacement of timber swing set and playground safety surface was completed.
 - (b) *Tear Drop Park North:* Replacement of wooden decking was completed in 2014.
 - (c) *Parks Signage:* Replacement of 20-year old parks signage in various locations throughout the Battery Park City Parks was completed.
6. **General Infrastructure Repair:**
 - (a) *Sinkhole/Settlement Repair:* Sinkhole or settlement repair projects were performed at Second Place, Chambers Street and the Belvedere.
 - (b) *One North End Avenue Ground Settlement Repair:* Investigation and design of was completed in 2014, with repair work to be performed in 2015.
7. **Superstorm Sandy Repair/Resiliency:**
 - (a) *Park Lighting -- North and South Phases:* Replacement of storm-damaged electrical lines was completed in 2014.
 - (b) *Tree Replacement:* After post-storm monitoring of impacted trees, replacement of thirty-three (33) trees was completed in 2014.
 - (c) *Ballfield Electrical Service:* The final elements of the Ballfield electrical service replacement were completed in 2014.
 - (d) *Police Memorial/North Cove Marina Electrical Vaults:* Design concept development for alternate above-grade placement of the electrical vaults continued through 2014.



8. Assessment/Design:

- (a) *North Cove Marina Assessment*: A complete physical and engineering assessment of the North Cove Marina was performed in 2014. Resulting repair work to be performed in 2015.
- (b) *Site 23/24 Leak Assessment*: A comprehensive assessment of water infiltration at the facility envelope was completed in 2014. Remedial work will be performed in 2015.
- (c) *Land Survey*: A comprehensive survey and title report process for the entirety of Battery Park City was commenced in 2014. The project will be completed in 2015.

9. Cooperative Partnering Projects:

- (a) *Route 9A Frontage and Security Improvements*: As part of a collaborative project between New York State Department of Transportation (NYSDOT), Brookfield Properties and BPCA, construction of Phase 1 of the frontage project (Albany Street to Liberty Street) was commenced in 2014 and design of Phases 2 and 3 of the project (Liberty Street to Vesey Street) was completed in 2014. Construction of Phases 2 and 3 will be completed by NYSDOT in 2015.
- (b) *West Thames Pedestrian Bridge*: As part of a collaborative project between New York City Economic Development Corporation (NYCEDC), the Lower Manhattan Development Corporation and BPCA, design of and design approval processes for the West Thames Pedestrian Bridge continued during 2014. Construction of the bridge is expected to be commenced by NYCEDC in 2015.



7. Property Acquisition/Disposal Summary

| | |
|--|---|
| Name | Gigino's |
| Address | 20 Batter Place, NY NY 10004 |
| Description | Restaurant space within Wagner Park Pavilion (total 3,171 sf) |
| Estimated FM Rental Value | \$123,669/year or \$39/sf |
| FMV Determined By | Professional Market Rent Appraisal |
| Transaction Type | Lease Extension |
| Transaction Date | January 1, 2014 |
| Leaser Rate | \$27/sf + 8.5% Percentage Rent |
| Lease Extension Period | 24 months |
| Was Lease Extension Competitively Bid | No |
| Why not | The existing 14.5 year lease term was extended in order to allow the opportunity to gauge the economic impact of the opening of Pier A before issuing the new RFP for the lease of the space. |
| Tenant | Gigino at Wagner Park LLC c/o Giraldi Suarez Productions |
| Address | 270 Lafayette Street, NY NY 10012 |



8. Code of Ethics

GUIDELINES REGARDING CONFLICTS OF INTEREST AND ETHICAL STANDARDS

As a public entity, the Authority has a responsibility for maintaining the highest level of honesty, ethical conduct, and public trust in all of its activities. To meet this responsibility, this Conflict of Interest Policy has been adopted concerning important aspects of ethical conduct.

This policy states in specific form the Authority's position on conflicts of interest. Personal integrity is the cornerstone of this policy. Each employee has the primary responsibility for avoiding financial and other interests that could create a conflict or the appearance of a conflict with his or her job.

When an employee, regardless of level or job assignment, is in a position where his or her financial interest or involvement in a transaction may present a conflict of interest or the appearance of such a conflict, the employee must immediately notify the Authority's Ethics Officer (the "Ethics Officer") and disqualify himself or herself from participation in the transaction until advised in writing that he or she may continue to participate in the transaction.

Any person who has a question as to whether a prospective personal or business transaction, or relationship with a contractor, vendor, or consultant, may be a violation of this policy or of the Public Officers Law should consult with the Ethics Officer and may also request in writing, where appropriate, a formal or informal opinion of the New York State Joint Commission on Public Ethics ("JCOPE").

Each State agency has an obligation under the Public Officer's Law to appoint an ethics officer. The Ethics Officer has duties that include, but are not limited to, providing Authority personnel with opinions regarding ethical issues, ensuring the propriety of outside activities in which Authority personnel wish to engage, and ensuring Authority personnel receive the required ethics training. The Ethics Officer is also responsible for ensuring that all employees required to do so file their financial disclosure forms with JCOPE, and for informing JCOPE of all new hires at the agency who are required to file financial disclosure forms. In addition to this, the Ethics Officer must report the receipt of honoraria by Authority employees to JCOPE.

Violations of the guidelines outlined below (the "Guidelines") may be cause for disciplinary action up to and including termination, as well as criminal prosecution and/or fines up to (\$10,000) ten thousand dollars.

A. Application

1. Public Officers Law

The Guidelines, as they relate to employees, are divided into three basic categories:

- General ethical standards;
- Issues arising during the course of employment; and
- Issues arising in connection with termination of employment and post-employment activities.

The Guidelines are drawn from and based on Sections 73 and 74 of the Public Officers Law. While the Guidelines in some instances may go further than the underlying statutory



provisions, the statute is paramount and controlling to the extent, if any, that it is more limiting or restrictive than the Guidelines. In view of the strong identification of the Guidelines with the statute, staff should also be aware of the possibility that in violating the Guidelines, a statutory provision may be violated as well, with potentially serious consequences, because the legislation creating the Authority makes its officers and employees subject to Section 73 and 74 of the Public Officers Law. Moreover, certain employees are subject to the financial disclosure and reporting requirements of Section 73-a of the Public Officers Law. Copies of these sections of the Public Officers Law may be obtained from the Human Resources Department. Any questions that arise regarding the Public Officers Law should be addressed to the Ethics Officer.

B. Guidelines

1. Guidelines of General Application

- a. No employee should have any interest, financial or otherwise, direct or indirect, or engage in any activity, including any business transaction, professional activity or incur any obligation of any nature, which is in substantial conflict with the proper discharge of his or her duties in the public interest, whether such conflicts be real or apparent, existing or potential.
- b. Each employee should pursue a course of conduct that will avoid encouraging the public to assume or believe that he or she is likely to engage in acts that would violate his or her trust.

2. Ethical Standards

It shall be a breach of ethical standards for any employee to:

- a. Use his or her position as an employee of the Authority to secure unwarranted privileges or exemptions for him or herself or another.
- b. Disclose, or use to further his or her personal interest or the interest of another (including, without limitation, the purchase or sale of property or securities), information acquired by him or her during the course of his or her official duties, which would not otherwise be a matter of public knowledge or information.

3. Issues During Employment

a. General Standards

In connection with any activities outside of the performance of the employee's official duties at the Authority, no outside activity whether or not for compensation (including any such activity for or before any public agency) should be undertaken nor should any employee engage in any conduct, which would:

- i. Impair or appear to impair the independent judgment of the employee in the exercise of his or her duties;
- ii. Require an allocation of an amount of time sufficient to impair the performance of the employee's obligation to the Authority;



- iii. Result in an identification of the employee's outside activities with those of the Authority;
- iv. Result in a transaction as representative of the Authority with any business entity in which he or she has a direct or indirect financial interest that might reasonably tend to conflict with the proper discharge of his or her official duties; or
- v. Create the impression, reasonably inferable, that any person may improperly influence him or her or unduly enjoy his or her favor in the performance of his or her official duties, or that he or she is affected by the kinship, rank position or influence of any party or person.

b. Investment Guidelines

No employee should have any:

- i. Direct or indirect financial interest that conflicts or appears to conflict with his or her responsibilities to the Authority; or
- ii. Financial interest, direct or indirect, or engage in any business or transaction or professional activity or incur any obligation of any nature, which is in substantial conflict with the proper discharge of his or her duties in the public interest.

Investments in municipal bonds or other governmental obligations, including obligations of the Federal government, the State, or any of their agencies or subdivisions, including the Authority, are permitted. Caution must be exercised in making such investments where the employee is privy to information by reason of his or her employment activities that is not public information at the time of his or her investment in order to avoid possible infractions of Federal Securities laws.

For the purpose of determining whether an indirect investment exists, employees are urged to disclose any financial interests or investments held by members of their families on their Financial Disclosure form, so that the facts may be analyzed to ascertain whether it is of sufficient magnitude to require preventive action.

c. Outside Employment and Activities

Employees should be aware that as a condition of their employment they are expected to devote full business time to their official responsibilities at the Authority. While outside activities are not precluded (see Title 19, parts 930 and 932, of the codes, rules, and regulations of the State of New York ("19 NYCRR Part 930 and Part 932")), employees should take care to avoid any outside employment or activity that would:

- i. Require or induce the employee to disclose confidential information gained from Authority employment;
- ii. Involve the employee on behalf of parties who have a substantial business relationship with the Authority, or should have any business relationship with the Authority where the performance of the employee's duties directly involves him or her in such relationship;



- iii. Result in the engagement of the employee to perform regular and substantial outside consulting or professional activities, including serving as a consultant, regular teaching, any business other than a passive investment activity, or any legal practice, or result in the maintenance of any publicly-listed place of business; or
- iv. Lead the public to associate the personal business or activities of the employee with the Authority, rather than the employee individually. In performing personal business activities, care should be exercised to avoid the implication of any endorsement of such activities on the part of the Authority. Authority stationery should not be used in conducting the personal affairs or business of any employee, nor should office space be used to such end.

An employee may attend and participate in political functions without violating Section 3.a. (iii) or 3.c. (iv) above, provided that he or she makes a good faith effort to make it clear that he or she is doing so in his or her personal capacity and not on behalf of the Authority. Mere mention of, or reference to, his or her affiliation or title with the Authority will not of itself constitute a violation of those sections.

d. Gifts and Outside Compensation

- i. No employee should accept any outside compensation or thing of value for work required by or connected with his or her Authority employment, unless the employee has complied with the provisions of 19 NYCRR Part 930.
- ii. No employee, spouse or dependent child of an employee shall solicit, accept or receive any gift having a nominal value whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form, under circumstances in which it could reasonably be inferred that the gift was intended to influence him or her, or could reasonably be expected to influence him or her, in the performance of his or her official duties or was intended as a reward for any official action on his or her part.

e. Political Activity Policy

While Authority employees are free to participate in the political process on their own time, there must be a clear separation between political activities and the discharge of their duties as Authority employees. No Authority employee is to conduct political activities during work hours. Any political activity must be performed after normal work hours or while on vacation or personal leave. In addition, Authority equipment, vehicles and office space are to be used for official Authority business only.

f. Receipt of Honorarium

The receipt of honorarium or outside speaking fees must be approved in advance by the President and Chief Operating Officer, and a fee cannot be received from any organization that is regulated by or negotiates with Authority employees acting in their official capacity. A fee cannot be received by an Authority employee from



an individual or organization that attempts to influence Authority positions or actions. An employee receiving approvals to accept such a fee cannot also be paid by the Authority for delivering a speech or rendering a service. Authority personnel, equipment and time cannot be used to prepare for delivery of a speech or to render a service for which an honorarium is to be received unless the honorarium is paid to the Authority. No honorarium is permitted when the Authority sends an employee as its representative to an event to make a speech or perform a service. If an employee is required to file a Financial Disclosure form under the Ethics in Government Act, he or she must disclose the receipt of honorarium in excess of \$1,000 from any source.

4. Post-Authority Employment

- a. Pre-departure Negotiations – No employee, while involved in dealings with a private firm on the Authority's behalf, may discuss with representatives of that firm possible future employment with the firm, nor should employees participate in any activity on behalf of the Authority with respect to an entity with which they are negotiating or have made arrangements for post-Authority employment. All employees should immediately notify the Ethics Officer of any understanding or arrangement for employment upon leaving the Authority as promptly as possible after such arrangement is made.
- b. Two-year Prohibition – No person who has served as an Authority officer or employee shall for a period of two years after the termination of such service or employment appear or practice before the Authority or receive compensation for any services rendered by such former officer or employee on behalf on any person, firm corporation or association in relation to any case, proceeding application, or other matter before the Authority. The only exception to this law is that former Authority employees may become employees (not consultants) to federal, state or local government entities.
- c. Lifetime Prohibition – No person who has served as an Authority officer or employee shall, after the termination of such service or employment, appear, practice, communicate or otherwise render services before any state agency or receive compensation for any such services rendered by such former officer or employee on behalf of any person, firm, corporation or other entity in relation to any case, proceeding, application or transaction with respect to which such person was directly concerned and in which he or she personally participated during the period of his or her services or employment, or which was under his or her active consideration.

C. Administrative Procedures

1. Administrative Responsibility

- a. Subject to the power of the President and Members ultimately to determine all matters encompassed by these Guidelines and to designate any other or further officers of the Authority to administer same, the officer of the Authority responsible



for administering these Guidelines shall be the Ethics Officer, in consultation with the General Counsel.

The Ethics Officer is hereby authorized, in consultation with the General Counsel, to establish appropriate procedures to implement these Guidelines, including procedures for disclosure of actual or potential problems and appropriate review of such problems by individuals designated by him or her.

- b. It is recognized that the Guidelines are, by their nature, general in scope and do not take account of the many factual circumstances that can arise and to which their application may be unclear or, in some case, inappropriate. At the same time it is also recognized that disclosure of potential conflicts or ethical problems to the Ethics Officer and/or JCOPE is necessary. In view of the foregoing, it shall be the obligation of each employee to bring any circumstances believed to present a potential violation of these Guidelines (including any circumstances to which the employee is unsure whether or not the Guidelines apply) to the attention of the Ethics Officer and obtain JCOPE's advice where there may be a violation of the Public Officers Law.

2. Acting in Good Faith

Anyone filing a complaint concerning a violation or suspected violation of these Guidelines must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the applicable guideline. The making of allegations that prove not to be substantiated and that prove to have been made maliciously or with knowledge as to their falsity will be viewed as a serious disciplinary offense.

3. Administrative Remedies

In addition to any remedies, civil or otherwise, which the Authority may have against any employee who shall breach these guidelines, and any applicable penalties under the Public Officers Law, the Authority may impose any one or more of the following:

- a. Oral or written warnings;
- b. Suspension with or without pay for a specified period of time;
- c. Termination of employment



Battery Park City Authority Board Member Responsibilities

Board members shall at all times adhere to the highest standards of ethical conduct and shall discharge their duties as a fiduciary, acting solely in the interests of BPCA. Whenever the Board takes action, it exercises its independent judgment on an informed basis that the action is in the best interests of BPCA. In doing so, each Board member may rely to a significant extent on information and advice provided by management and independent advisors.

In addition to the general standards expected of a Board member, the following is a summary of the general duties of a BPCA Board member.

- **Education and Training**

- New Board members will be required to participate in a “New Member Orientation Session,” led by the General Counsel and such outside participants as the General Counsel deems appropriate.

The Orientation Session shall include, at a minimum, the following components:

1. An overview of the New Member Orientation Manual, which shall be distributed to the member at the Orientation Session;
 2. Review of Board member Fiduciary Responsibilities; and
 3. A review of the financials of BPCA, including budgets and the capital plan.
 4. A review of the State’s Ethics Laws, Rules and Regulations.
- Board members shall thereafter participate in fiduciary and ethics training sessions at least once every two years.

- **Conflicts of Interest**

- Provided that Board members take precautions to avoid a conflict of interest, or the appearance thereof, the New York State Ethics Commission has permitted certain activities that may otherwise be prohibited pursuant to the code of ethics provisions of Public Officers Law §74.
- Board members must fully disclose any existing relationships, whether business or personal, that they have that may lead to a conflict of interest in writing to the Board prior to any discussion or vote thereon.
- Conflicted Board members may not take part in any presentation, proposal, discussion or vote on any contract or issue in which they are conflicted, nor may they discuss, review or vote on any presentation or proposal from a business entity that is a competitor of an entity through which they are conflicted.
- Conflicted Board members may not discuss BPCA with the entity or person through whom they are conflicted, nor may the conflicted Board member perform any services in relation to BPCA for the entity or person through whom they are conflicted.



- If a Board member has a business conflict, such conflicted Board member may not perform services, discuss BPCA with his or her colleagues, nor share in the net revenues¹ generated by the source of such business conflict.
- Conflicted Board members may not discuss the specifics of the provision of services by the business through which he or she is conflicted, nor that of any of its competitors that have been retained, or supervise any such services performed during the term of the contract.

- **Attendance**

- Board members are expected to attend all Board meetings.
- Board members are expected to attend the annual Board meeting.
- If appointed to a committee, Board members are expected to attend all meetings of the respective committee.
- Staff will provide Board members with a calendar of Board meetings for the upcoming year at the January Board meeting.
- Once the calendar for a year is established, Board members should immediately notify the Corporate Secretary of any scheduling conflicts and thereafter manage their schedules to avoid creating additional conflicts.

- **Committee Service**

- Each Board member should serve on one or more standing committees of the Board.
- Board members may be asked to participate on ad hoc committees that may be convened from time to time to perform specific, defined tasks.

- **Preparation**

- Board members should review and be prepared to discuss materials prepared and circulated by staff for each board meeting.

- **Collegiality**

- Board members shall make every effort to engage in collegial deliberations, maintain an atmosphere where Board or committee members can speak openly and freely, explore ideas before becoming committed to positions, and seek information necessary to fulfill their duties from staff and other Board members.

¹ We will discuss “net revenues” further, if and when, BPCA or the Board retains any such services.



9. Assessment of the Effectiveness of Internal Controls

Battery Park City has followed a process that assessed and documented the adequacy of its internal control structure and policies for the year ending October 31, 2014. To the extent that deficiencies were identified, the authority has developed corrective action plans to reduce corresponding risks.

In June 2011, the Authority appointed an internal auditing firm and requested that it perform an Authority-wide risk assessment of its operations. The internal auditors prepared a risk assessment, pursuant to The Standards for the Professional Practice of Internal Auditing which states that its plan of engagements should be based on a risk assessment, undertaken periodically, for which the input of the organization and its Board of Directors was considered.

The purpose of the risk assessment is to enable the Authority to:

- prioritize audit projects by level of potential risk
- determine the nature, timing, and extent of internal audit steps and
- procedures in direct relation to the level of the risk
- develop a plan for performing internal audit projects in risk areas to minimize
- the risk of loss to the Company
- use internal audit staff's and management's time in an effective and efficient manner

Based on the conclusions as to potential risk, a determination was made as to what processes would be reviewed and when. The risk assessment consisted of the following interwoven steps:

- Interview the Board, Management and independent auditors for their inputs as to process risk, as well as organizational risk
- Review available documentation and previous audit reports
- Identify key processes within the Organization
- Identify potential risks associated with each process
- Prioritize processes and the related risks by assigning risk ratings

BPCA's management and its outsourced internal auditor revised the entity wide risk assessment in 2014. As a result of this risk assessment, risks identified in the prior assessment were reassessed and the Multi Year Internal Audit Plan, formed based on the earlier risk assessment was continued. The Internal Audit Plan continues to extensively address the operations of the Authority and the Conservancy. Internal Audits completed or substantially completed during FY 2014 included: Cash Management, Investment, IT General Controls, Purchases and Procurement and Financial Reporting. Audits completed in recent years include calculations and billings of PILOT (Payment in Lieu of Taxes), Revenue from Contingent Rentals, Disbursements / Electronic Funds Transfer, Employee Time Keeping, Entity Level Controls – Roles and Responsibilities of the Internal Controls office; and Contracting of Services. The Risk Assessment and the Internal Audit Reports are reviewed by the Audit Committee and approved by the Board. A summary of internal auditor's observations and recommendations along with a record of management responses and implementation of those recommendations are memorialized in the Authority's Internal Controls Reference manual. Revisions to the Procurement Guidelines, Employee Handbook, and MIS Policy were also undertaken during the year and will further strengthen the control environment upon their adoption.



10. Statutory Basis

NY CLS Pub A § 1970 (2012)

§ 1970. Short title

This title shall be known and may be cited as the "battery park city authority act".

NY CLS Pub A § 1971 (2012)

§ 1971. Statement of legislative findings and purposes

It is hereby found and declared that there exists on the lower West side of the county of New York, North of Battery Park and on and adjacent to the Hudson River, a blighted area, defined in this title as the Battery Park project area, marked by substandard, insanitary, deteriorated and deteriorating conditions, in which area there exists obsolete and dilapidated buildings and structures, including piers, of defective construction and outmoded design, lacking proper sanitary facilities and adequate fire and safety protection, and with insufficient light and ventilation and inadequate maintenance; buildings or structures abandoned or not utilized in whole or in part; obsolete systems of utilities; poorly or improperly designed street patterns and intersections with inadequate access to areas; traffic congestion; and obsolete street widths, sizes and shapes, all of which hamper and impede the proper and economic development of such area and of the city of New York and of the state as a whole.

It is further found and declared that such area is no longer suitable or useful for piers or for facilities appurtenant to the loading and unloading of commercial cargo, and that retaining piers in such area creates a blighting effect on such area and on surrounding areas and is detrimental to the development of such area and to the growth and prosperity of the county and city of New York and of the state as a whole.

It is hereby declared that the improvement of such area, the elimination of pier facilities and of the present structures therein, and the replanning, reconstruction and redevelopment of such area including the filling of the Hudson River at such area up to the present pierhead line, the preparation of the resulting land for development, and the creation in such area, in cooperation with the city of New York and the private sector, of a mixed commercial and residential community, with adequate utilities systems and civic and public facilities such as schools, open public spaces, recreational and cultural facilities, is necessary for the prosperity and welfare of the people of the city of New York and of the state as a whole, and is a public use and public purpose for which tax exemptions may be granted, and that the powers and duties of battery park city authority as hereinafter recited are necessary and proper for the purpose of achieving such ends.

It is hereby further found and declared that there continues to exist throughout the city of New York a seriously inadequate supply of safe and sanitary dwelling accommodations for persons and families of low income. This condition is contrary to the public interest and threatens the health, safety, welfare, comfort and security of the people of the state. The ordinary operations of private enterprise cannot provide an adequate supply of safe and sanitary dwelling accommodations at rentals which persons and



families of low income can afford. In order to encourage the investment of private capital and provide such dwelling accommodations, provision should be made for mortgage loans at low interest rates to housing companies which, subject to regulations as to rents, profits, dividends and disposition of their property, supply such dwelling accommodations and other facilities incidental or appurtenant thereto to such persons and families.

Therefore, it is hereby found and declared that Battery Park city authority, through the issuance of bonds and notes to the private investing public, by encouraging maximum participation by the private sector of the economy, including the sale or lease of the authority's interest in projects at the earliest time deemed feasible, and through participation in programs undertaken by the state, its agencies and subdivisions, and by the federal government, may provide or obtain the capital resources necessary to provide dwelling accommodations for persons and families of low income, and facilities incidental or appurtenant thereto, and, where necessary, to carry out the clearance, replanning, reconstruction and rehabilitation of such substandard and insanitary areas.

It is hereby further found and declared that the acquisition and construction of adequate, safe and sanitary dwelling accommodations for persons and families of low income and such facilities as may be incidental or appurtenant thereto, are public uses and public purposes for which public money may be loaned and private property may be acquired and tax exemptions granted, and that the powers and duties of battery park city authority or its subsidiaries as hereinafter recited are necessary and proper for the purpose of achieving the ends here recited.

NY CLS Pub A § 1972 (2012)

§ 1972. Definitions

As used in this title, the following words and phrases shall have the following meanings unless the context shall indicate another or different meaning or intent:

- (1) "Authority". The corporate governmental agency created by section nineteen hundred seventy-three of this title.
- (2) "Bonds" and "Notes". The bonds, notes and obligations issued by the authority pursuant to this title.
- (3) "City". The city of New York.
- (4) "Comptroller". The comptroller of the State of New York.
- (5) "Battery Park project area". All that portion of the City of New York, County of New York, State of New York generally bounded by the easterly line of West Street, the northerly line of lot number 10 in block 130 as shown on the tax maps of the City of New York, borough of Manhattan, and its extensions easterly to West Street and westerly to the United States pierhead line as now constituted, the said United States pierhead line, the lands of Battery Park and the southerly line of Battery Place.
- (6) "Project". One or more works or improvements including lands, buildings, improvements, real, personal or mixed property or any interest therein, acquired, owned, constructed, reconstructed,



rehabilitated or improved by the authority, or caused to be acquired, owned, constructed, reconstructed, rehabilitated or improved by the authority within the project area as defined herein, all as the authority shall deem necessary, together with lands, buildings and improvements outside the project area required for relocation of city facilities and for vehicular and pedestrian access roads, rights of way, utility and other easements to and from the project area all as the authority shall deem necessary and as shall be determined by agreement with the city.

(7) "Project cost". The sum total of all costs incurred by the authority in carrying out all works and undertakings which the authority deems reasonable and necessary for the development of the project. These shall include but are not necessarily limited to the costs of all necessary studies, surveys, plans and specifications, architectural, engineering or other special services, acquisition of land and any building thereon, site preparation and development, construction, reconstruction, rehabilitation and improvement of the project area; the necessary expenses incurred in connection with the initial occupancy of the project; the administrative and operating expenses of the authority; the cost of financing the project, including interest on bonds and notes issued by the authority to finance the project from the date thereof to the date when the authority shall determine that the project be deemed substantially complete; the cost of other necessary items, including any indemnity and surety bonds and premiums on insurance, legal fees, fees and expenses of trustees, depositaries and paying agents for the bonds and notes issued by the authority; relocation costs, all as the authority shall deem necessary and the costs of acquisition and construction of lands, buildings and improvements outside the project area for relocation of city facilities whether such costs are incurred by the authority or by the city for and on behalf of the authority and for vehicular and pedestrian access roads, rights of way, utility and other easements to and from the project area, all as the authority shall deem necessary and as shall be determined by agreement with the city.

(8) "Real property". Lands, structures, improvements, franchises and interests in land, including lands under water, waterfront property, marginal streets and riparian rights, space rights and air rights and any and all other things and rights usually included within said term and any fixtures, equipment and article of personal property affixed to or used in connection therewith. Real property shall also mean and include any and all interests in such property less than full title, such as easements, incorporeal hereditaments and every estate, interest or right, legal or equitable, including terms for years and liens thereon by way of judgments, mortgages or otherwise, and also all claims for damages for such real estate.

(9) "State". The state of New York.

(10) "State agency". Any officer, board, department, commission, bureau, division, public corporation, agency or instrumentality of the state.

(11) "Subsidiary". A corporation created pursuant to section nineteen hundred seventy-four-a of this title.

(12) "Residential housing facilities". One or more works or improvements containing one or more residential dwelling units, including, but not limited to, single room occupancy units, and including the real and personal property acquired, owned, constructed, equipped, improved, enlarged, rehabilitated or renovated to provide such accommodations and such incidental and appurtenant commercial, social, recreational or communal facilities, to be located without the Battery Park project area and within the city.

(13) "Excess revenues". All revenues from the Battery Park project area in excess of those needed



(i) to satisfy bond and note covenants (other than as they relate to bonds and notes issued pursuant to section nineteen hundred seventy-four-c of this title and section six hundred fifty-four-c of the private housing finance law) including those covenants which require that the authority maintain its revenues and reserve funds in an amount necessary to permit it to discharge its debt service obligations,

(ii) to fulfill its legal and financial commitments, and

(iii) to pay its operating and maintenance expenses.

(14) "Housing New York program". The housing New York program established by section four of the housing New York program act.

(15) "Housing New York corporation". The subsidiary corporation of the New York city housing development corporation created by section six hundred fifty-four-c of the private housing finance law.

NY CLS Pub A § 1973 (2012)

§ 1973. Battery park city authority

(1) There is hereby created the battery park city authority which shall be a body corporate and politic, constituting a public benefit corporation. Its membership shall consist of [fig 1] seven members to be appointed by the governor with the advice and consent of the senate. One of the members first appointed shall serve for a term ending four years from January first next succeeding his appointment; one of such members shall serve for a term ending five years from such date; and one of such members shall serve for a term ending six years from such date. Provided, however, that two board members first appointed on or after the effective date of the chapter of the laws of two thousand five which amended this subdivision shall serve an initial term of two years; provided further that two other board members first appointed on or after the effective date of the chapter of the laws of two thousand five which amended this subdivision shall serve an initial term of four years. Their successors shall serve for terms of six years each. Members shall continue in office until their successors have been appointed and qualified and the provisions of section thirty-nine of the public officers law shall apply. In the event of a vacancy occurring in the office of a member by death, resignation or otherwise, the governor shall appoint a successor with the advice and consent of the senate to serve for the balance of the unexpired term.

(2) The members shall elect the chairman of the authority from among their number. The members shall serve without salary or other compensation, but each member shall be entitled to reimbursement for actual and necessary expenses incurred in the performance of his or her official duties. Anything to the contrary contained herein notwithstanding, any member who serves as an employee of the authority shall be entitled to receive such salary as the members may determine for services as such employee.

(3) Such members other than those serving as employees of the authority may engage in private employment, or in a profession or business. The authority, its members, officers and employees shall be subject to the provisions of sections seventy-three and seventy-four of the public officers law.

(4) Notwithstanding any inconsistent provision of law, general, special or local, no officer of the state or of any civil division thereof shall be deemed to have forfeited or shall forfeit his office or employment by reason of his acceptance of membership on the authority created by this section.



(5) The governor may remove any member for inefficiency, neglect of duty or misconduct in office after giving him a copy of the charges against him and an opportunity to be heard, in person or by counsel, in his defense, upon not less than ten days notice. If any such member shall be removed, the governor shall file in the office of the department of state a complete statement of the charges made against such member and his findings thereon, together with a complete record of the proceedings.

(6) The authority and its corporate existence shall continue until terminated by law, provided, however, that no such law shall take effect so long as the authority shall have bonds, notes and other obligations outstanding, unless adequate provision has been made for the payment thereof in the documents securing the same. Upon termination of the existence of the authority, all its rights and properties shall vest in the state.

(7) A majority of the members of the authority shall constitute a quorum for the transaction of any business or the exercise of any power or function of the authority. The authority may delegate to one or more of its members, or to its officers, agents or employees, such powers and duties as it may deem proper.

NY CLS Pub A § 1974 (2012)

§ 1974. Powers of the authority

The authority shall have power:

1. To sue and be sued;
2. To have a seal and alter the same at pleasure;
3. To acquire, lease, hold, mortgage and dispose of real property and personal property or any interest therein for its corporate purposes;
4. To acquire, construct, improve, enlarge, operate and maintain a project within the project area as defined herein and all other structures, appurtenances and facilities necessary or convenient in connection therewith, provided, however, that all contracts for construction let by the authority shall be let in conformity with the provisions of section one hundred thirty-five of the state finance law except that contracts for construction let by subsidiaries of the authority shall be governed instead by the applicable provisions of the private housing finance law;
5. To appoint officers, agents and employees, prescribe their qualifications and duties and fix their compensation;
6. To make by-laws for the management and regulation of its affairs, and, subject to agreements with bondholders, for the regulation of the projects;
7. With the consent of the city to use agents, employees and facilities of the city, paying to the city its agreed proportion of the compensation or cost;



8. To make contracts and to execute all necessary or convenient instruments, including leases and subleases, evidences of indebtedness, negotiable or non-negotiable;
9. To engage the services of consultants on a contract basis for rendering professional and technical assistance and advice;
10. To accept grants, loans or contributions from the United States, or the state or the city, or any agency or instrumentality of any of them, or from any other source and to expend the proceeds for any corporate purpose;
11. To fix, establish and collect rates, rentals, fees and other charges for the use of the project, subject to and in accordance with such agreements with bondholders and noteholders as may be made as hereinafter provided;
12. To create subsidiaries pursuant to section nineteen hundred seventy-four-a of this title;
13. To lend or donate monies, whether secured or unsecured, to any subsidiary, and to purchase, sell or pledge the shares, bonds or other obligations or securities thereof, on such terms and conditions as the authority may deem advisable;
14. To make loans secured by a first mortgage, and to make temporary loans or advances, to any housing company organized to provide housing within the Battery Park city project area pursuant to and subject to the provisions of article two, article four or article eleven of the private housing finance law, including any subsidiary of the authority, and to undertake commitments therefor. Any such commitments or loans may contain such terms and conditions not inconsistent with the provisions of this title as the authority may deem necessary or desirable to secure repayment of its loan, the interest, if any, thereon and other charges in connection therewith;
15. Subject to the provisions of any contract with noteholders or bondholders, to sell, at public or private sale, any mortgage or other security for a mortgage loan made by the authority;
16. In connection with the making of mortgage loans and commitments therefor, to make, fix or establish and collect such fees and charges, including but not limited to reimbursement of all costs of financing by the authority, service charges and insurance premiums, as the authority shall determine to be reasonable subject to the provisions of any contract with noteholders or bondholders;
17. To procure or agree to the procurement of insurance or guarantees from the federal government of the payment of any bonds or notes, mortgages or any other evidences of indebtedness issued by the authority or its subsidiaries, including the power to pay premiums on any such insurance;
18. Subject to the provisions of any contract with noteholders or bondholders, to consent to the modification, with respect to rate of interest, time of payment of any installment of principal or interest, security or any other term, of any mortgage, mortgage loan, mortgage loan commitment, contract or agreement of any kind to which the authority is a party;
19. In connection with any property on which the authority has made a mortgage loan, to foreclose on any such property or commence any action to protect or enforce any right conferred upon the authority by any law, mortgage, contract or other agreement, and to bid for and purchase such property at any foreclosure or at any other sale, or acquire or take possession of any such property; and in such event the authority may complete, administer, pay the principal of and interest on any obligations incurred in connection with such property, and dispose of, and otherwise deal with, such property, in such manner as may be necessary or desirable to protect the interests of the authority therein;



20. To manage any project, whether or not then owned or leased by the authority, and to enter into agreements with the state or any municipality or any agency or instrumentality thereof, or with any person, firm, partnership or corporation, either public or private, for the purpose of causing any project to be managed;

21. To procure insurance against any loss in connection with its property and other assets and operations in such amounts and from such insurers as it deems desirable;

22. Notwithstanding the provisions of this title or of any other law, general, special or local, whenever the authority shall find that the maximum rentals charged tenants of the dwellings in any project financed by the authority in whole or in part shall not be sufficient, together with all other income of the mortgagor, to meet within reasonable limits all necessary payments to be made by the mortgagor of all expenses including fixed charges, sinking funds, reserves and dividends, to request the mortgagor to make application to vary the rental rate for such dwellings so as to secure sufficient income, and upon failure of the mortgagor to take such action within sixty days after receipt of written request from the authority to do so, to vary such rental rate by action of the authority.[;] [n1]

23. To do all things necessary or convenient to carry out the powers expressly given in this title.[;]
[n2]

24. To borrow money and issue negotiable bonds, notes or other obligations and to provide for the rights of the holders thereof;

25. To carry out its powers and responsibilities with respect to the chapter of the laws of nineteen hundred ninety which enacted this subdivision.

NY CLS Pub A § 1974-a (2012)

§ 1974-a. Subsidiaries; how created

1. The authority by resolution from time to time may direct any of its members, officers or employees to organize one or more wholly-owned subsidiary corporations pursuant and subject to article two, article four or article eleven of the private housing finance law. Such resolution shall prescribe the purposes for which such subsidiary is to be organized.

2. The authority may transfer to any subsidiary any money or real or personal or mixed property or any project in order to carry out the purposes of this title. Each such subsidiary shall have all the privileges, immunities, tax exemptions and other exemptions of the authority to the extent the same are not inconsistent with the statute or statutes pursuant to which such subsidiary was organized. Except as may be inconsistent with the provisions of this title, such subsidiary shall have all the rights and powers granted to housing companies by the private housing finance law and by any other statute pursuant to which such subsidiary was organized.

3. No member or officer of the authority shall receive any additional compensation, either direct or indirect, other than reimbursement for actual and necessary expenses incurred in the performance of his duties, by reason of his serving as a member, director, trustee or officer of any subsidiary.



NY CLS Pub A § 1974-b (2012)

§ 1974-b. Lease and other agreements

1. As used or referred to in this title, unless a different meaning clearly appears from the context:

(a) "owner" shall mean any individual, partnership, trust or public or private corporation (including a cooperative housing corporation), holding the tenant's interest in a residential lease.

(b) "residential lease" shall mean a lease, sublease or other agreement that relates to all or a portion of a project, where all of such project, or the portion thereof to which such lease, sublease or other agreement relates, is designed and intended for the purpose of providing housing accommodations and such facilities as may be incidental thereto, the landlord's interest in which is held by the authority at the time such lease, sublease or other agreement is entered into.

(c) "underlying parcel" shall mean a parcel subject to a residential lease; provided, however, that in any case where the tenant's interest in a residential lease is held by a unit owner, "underlying parcel" shall mean the parcel in which the unit is included.

(d) the terms "unit owner" and "unit" shall have the meanings specified in section three hundred thirty-nine-e of the real property law. The term "parcel" shall have the meaning specified in section one hundred two of the real property tax law; provided, however, that in any case where the tenant's interest in a residential lease is held by a unit owner, "parcel" shall mean the real property deemed to be a parcel pursuant to paragraph (a) of subdivision two of section three hundred thirty-nine-y of the real property law.

2. (a) If an underlying parcel is exempt from real property taxes, or no real property taxes are payable with respect thereto, pursuant to the provisions of section nineteen hundred eighty-one of this title or of section twenty-two of chapter one hundred seventy-four of the laws of nineteen hundred sixty-eight, the residential lease for such underlying parcel shall provide for the payment by the owner of such residential lease to the authority of annual or other periodic amounts equal to the amount of real property taxes that otherwise would be paid or payable with respect to such underlying parcel, after giving effect to any real property tax abatements and exemptions, if any, which would be applicable thereto, if the provisions of section nineteen hundred eighty-one of this title or of section twenty-two of chapter one hundred seventy-four of the laws of nineteen hundred sixty-eight were not applicable to such underlying parcel.

(b) If an underlying parcel is owned by the city of New York, the residential lease for such underlying parcel shall provide for the payment by the owner of such residential lease to the city of New York of annual or other periodic amounts equal to the amount of real property taxes that are payable with respect to such underlying parcel, after giving effect to any real property tax abatements and exemptions, if any, which are applicable thereto.

(c) Where the owner of a residential lease is assessed for real property taxes with respect to the underlying parcel subject to such residential lease pursuant to section five hundred two of the real property tax law and section three hundred thirty-nine-y of the real property law, payment of such real



property taxes shall be credited against the annual or periodic amounts of tax equivalency payments, payments in lieu of taxes or similar payments required to be paid under such residential lease.

NY CLS Pub A § 1974-c (2012)

§ 1974-c. Additional powers of the authority

1. It is hereby found and declared that the legislature, pursuant to the housing New York program act, has established a housing New York program under which the city of New York, any agency or instrumentality thereof (other than the housing New York corporation) and the New York city housing development corporation will cause the acquisition, construction, equipping, improving, rehabilitation and renovation of dwelling accommodations within the city of New York for persons and families for whom the ordinary operations of private enterprise cannot supply such accommodations; that such program is necessary in order to increase the presently inadequate supply of dwelling accommodations in such city for persons and families of low and moderate income; that such program shall require a substantial commitment of funds from public sources; and that the need for such moneys necessitates that the authority be granted the additional powers and be made subject to the additional requirements of this section. The legislature therefore finds that the authority, subject to the terms and conditions specified herein, should be given the power to assign certain excess revenues to secure bonds and notes to be issued by the housing New York corporation for use by the city of New York, and any agency or instrumentality thereof (other than the housing New York corporation) or the New York city housing development corporation in the housing New York program; that the assignment of such excess revenues for the financing of residential housing facilities in accordance with the housing New York program is a public purpose for which moneys may be granted; and that the powers and duties of the authority as recited in this section are necessary and proper for achieving the ends herein recited.

2. In addition to the powers of the authority set forth in section nineteen hundred seventy-four of this title, the authority shall have the power:

- (a) to borrow money by issuing bonds and notes and to issue such bonds and notes for the purposes of
 - (i) repaying appropriations from the state to the authority in accordance with the provisions of any repayment agreements with the state,
 - (ii) furthering the development of the infrastructure of the Battery Park project area, and
 - (iii) refunding any bonds and notes of the authority issued pursuant to this section;
- (b) subject to the provisions of any contract with noteholders and bondholders, to
 - (i) pledge any excess revenues or assets (other than real property) of the authority, including, but not limited to such excess revenues as the authority shall deem necessary, to secure any bonds or notes issued by the authority pursuant to this section and
 - (ii) assign such excess revenues as the authority shall deem necessary to secure any bonds or notes issued or any agreements entered into by the housing New York corporation pursuant to section six hundred fifty-four-c of the private housing finance law or pay any expenses related thereto for the purpose of financing the acquisition, construction, equipping, improvement, enlargement, rehabilitation



and renovation of residential housing facilities in accordance with the provisions of the housing New York program and to enter into any agreement or execute any document to accomplish the foregoing;

(c) to procure insurance, letters of credit or other credit enhancements with respect to its bonds or notes issued pursuant to this section and to pay the premiums and fees therefor;

(d) to adopt, amend or rescind rules and regulations appropriate to carry out its corporate purposes and to establish such requirements and enter into such agreements to achieve the objectives of this section; and

(e) to exercise any and all other powers authorized by this title and not inconsistent with the provisions of this section.

3. Notwithstanding any contrary provision of law, general, special, or local, no moneys of the authority, or moneys received from the authority, which are expended pursuant to a chapter of the laws of nineteen hundred eighty-six entitled "An Act to enact the housing New York program act for the purpose of establishing a housing New York program and to amend the public authorities law, in relation to authorizing Battery Park city authority to assign excess revenues to secure bonds to be issued by the housing New York corporation and the private housing finance law, in relation to creating such corporation and authorizing the financing of certain housing accommodations within the city of New York", shall be used by the authority, directly or indirectly, for the design, planning, acquisition, financing, construction or implementation of any landfill or any pilings, platforms, decks or similar structures and in addition, any dredging or filling activities, in the Hudson river between the northern boundary of the Battery Park project area as provided for in subdivision five of section nineteen hundred seventy-two of this title and forty-second street in the city of New York except to the extent that such activities are necessary to maintain the Battery Park project area landfill site, nor shall any such moneys authorized to be assigned or pledged by such act be assigned or pledged, directly or indirectly, to secure or pay the debt service on any bonds or notes issued or any agreements entered into by the housing New York corporation if the proceeds of such bonds or notes are to be used directly or indirectly, or the purpose of such agreements is to accomplish directly or indirectly, any of the prohibited activities listed in this subdivision.

4. No excess revenues may be assigned by the authority to the housing New York corporation to finance residential housing facilities pursuant to section six hundred fifty-four-c of the private housing finance law unless the authority has entered into an agreement or agreements with the housing New York corporation, which provides, in addition to any other terms and conditions, that:

(a) such residential housing facilities are to provide dwelling accommodations which are to be occupied by persons and families for whom the ordinary operations of private enterprise cannot provide an adequate supply of safe, sanitary and affordable dwelling accommodations;

(b) neither the state nor the authority are to have any responsibility as to the financing, operation, maintenance, repair or use of such residential housing facilities unless otherwise specifically provided by law;

(c) the housing New York corporation shall use the moneys assigned to it by the authority pursuant to this section to secure and pay bonds and notes issued to finance residential housing facilities in accordance with provisions of the housing New York program and shall comply with the terms and conditions of the housing New York program act and this section; and



(d) the timing, amount, maturity schedule and all other terms and conditions of any issuance of bonds or notes by the housing New York corporation pursuant to section six hundred fifty-four-c of the private housing finance law, will provide for the authority's requirements as to the development, management or operation of the project and the effect of such terms and conditions on the availability of excess revenues and the pledge or assignment thereof.

5. For the purposes of furthering the development of the infrastructure of the Battery Park project area and repaying appropriations from the state to the authority pursuant to this section, the authority may, in addition to the authorization contained in subdivision one of section nineteen hundred seventy-seven-a of this title, borrow money by issuing bonds or notes in an aggregate principal amount not exceeding one hundred million dollars plus a principal amount of bonds or notes issued

(i) to fund any related debt service reserve fund,

(ii) to provide capitalized interest, and

(iii) to provide fees and other charges and expenses, including underwriters' discount, related to the issuance of such bonds or notes and the maintenance of such reserves, all as determined by the authority, excluding bonds and notes issued to refund outstanding bonds and notes issued pursuant to this section.

In computing the total principal amount of bonds and notes that may at any time be issued for any purpose under this title, the amount of the outstanding bonds or notes that constitutes interest under the United States Internal Revenue Code of nineteen hundred fifty-four, as amended to the effective date of this section, shall be excluded.

6. The authority may covenant and consent that the interest on any of its bonds or notes issued pursuant to subdivision five of this section shall be includible, under the United States Internal Revenue Code of nineteen hundred fifty-four or any subsequent corresponding internal revenue law of the United States, in the gross income of the holders of the bonds or notes to the same extent and in the same manner that the interest on bills, bonds, notes or other obligations of the United States is includible in the gross income of the holders thereof under said Internal Revenue Code or any such subsequent law.

7. The state of New York does pledge to and agree with the holders of any bonds or notes issued by the housing New York corporation under section six hundred fifty-four-c of the private housing finance law, that the state will not limit or alter the rights hereby vested in the authority to fulfill the terms of any agreements made with such corporation to assign any excess revenues, or in any way impair the rights and remedies of such corporation thereunder, until the bonds and notes, together with interest thereon, interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of the bondholders and noteholders are fully met and discharged.

8. It is the intention of the legislature that any assignment of excess revenues or portion thereof by the authority pursuant to this section shall be valid and binding from the time when the assignment is made in accordance with its terms; that the excess revenues so assigned by the authority shall immediately be subject to the lien of such assignment without any physical delivery thereof or further act, and that the lien of any such assignment shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the authority irrespective of whether such parties have notice thereof. Neither the resolution or any other instrument by which an assignment is created need be recorded.



NY CLS Pub A § 1974-d (2012)

§ 1974-d. Contracts

In connection with development, construction, operations and maintenance contracts for projects of the authority, minority and women-owned business enterprises and minority group members and women shall be given the opportunity for meaningful participation. The authority shall establish measures and procedures to secure meaningful participation by minority and women-owned business enterprises on contracts for projects of the authority. Such measures and procedures shall also promote the employment of minority group members and women on such contracts. For the purposes thereof, "minority business enterprise" shall mean any business enterprise which is at least fifty-one per centum owned by, or in the case of a publicly owned business, at least fifty-one per centum of the stock of which is owned by citizens or permanent resident aliens who are Black, Hispanic, Asian or American Indian, and such ownership interest is real, substantial and continuing and "women-owned business enterprise" shall mean any business enterprise which is at least fifty-one per centum owned by, or in the case of a publicly owned business, at least fifty-one percent of the stock of which is owned by citizens or permanent resident aliens who are women and such ownership interest is real, substantial and continuing. The provisions of this section shall not be construed to limit the ability of any minority or women-owned business enterprise to bid on any contract. In order to implement the requirements and objectives of this section in connection with such projects, the authority shall be responsible for monitoring compliance with the provisions hereof, providing advice on the availability of competitive qualified minority and women-owned business enterprises to perform contracts proposed to be awarded, and making recommendations to improve the access of minority and women-owned business enterprises to these contracts.

NY CLS Pub A § 1975 (2012)

§ 1975. Moneys of the authority

1. All moneys of the authority from whatever source derived shall be paid to the treasurer of the authority and shall be deposited forthwith in a bank or banks in the state designated by the authority. The moneys in such accounts shall be paid by the treasurer or other agent duly designated by the authority on requisition of the chairman of the authority or of such other person or persons as the authority may authorize to make such requisitions. All deposits of such moneys, shall, if required by the authority, be secured by obligations of the United States or of the state of New York of a market value equal at all times to the amount of the deposit and all banks and trust companies are authorized to give such security for such deposits. The obligations shall either be deposited with the treasurer or be held by a trustee or agent satisfactory to the authority. The comptroller and his legally authorized representatives are authorized and empowered from time to time to examine the accounts and books of the authority, including its receipts, disbursements, contracts, leases, sinking funds, investments and any other records and papers relating to its financial standing.



2. Notwithstanding any provision of law to the contrary, the authority is hereby authorized to contribute [fig 1] two hundred million dollars to the state treasury to the credit of the general fund.
3. Any moneys of the authority, including the proceeds of bonds or notes, not required for immediate use may, at the discretion of the authority be invested in obligations of the state or of the United States of America or obligations the principal of and interest on which are guaranteed by the state or the United States of America, or in any other obligations in which the comptroller of the state of New York is authorized to invest pursuant to section ninety-eight of the state finance law.
4. The authority shall have power to contract with holders of any of its bonds or notes, as to the custody, collection, securing, investment, and payment of any moneys of the authority, of any moneys held in trust or otherwise for the payment of bonds or notes, and to carry out such contract. Moneys held in trust or otherwise for the payment of bonds or notes or in any way to secure bonds or notes and deposits of such moneys may be secured in the same manner as moneys of the authority, and all banks and trust companies are authorized to give such security for such deposits.
5. Subject to the provisions of any contract with bondholders or noteholders and to the approval of the comptroller, the authority shall prescribe a system of accounts.

NY CLS Pub A § 1976 (2012)

§ 1976. Bonds of the authority

1. [As amended by L 1969, ch 624] The authority shall have power and is hereby authorized from time to time to issue its negotiable bonds for any corporate purpose, including incidental expenses in connection therewith. The authority shall have power from time to time and whenever it deems refunding expedient, to refund any bonds by the issuance of new bonds, whether the bonds to be refunded have or have not matured, and may issue bonds partly to refund bonds then outstanding and partly for any other corporate purpose. Except as may be otherwise expressly provided by the authority, every issue of bonds by the authority shall be general obligations payable out of any moneys, earnings, or revenues of the authority, subject only to any agreements with the holders of particular bonds, pledging any particular moneys, earnings or revenues. Whether or not the bonds are of such form and character as to be negotiable instruments under article eight of the uniform commercial code, the bonds shall be and are hereby made negotiable instruments within the meaning of and for all the purposes of article eight of the uniform commercial code, subject only to the provisions of the bonds for registration.

1. [As amended by L 1969, ch 972] The authority shall have power and is hereby authorized from time to time to issue its negotiable bonds in conformity with applicable provisions of the uniform commercial code for any corporate purpose, including incidental expenses in connection therewith. The authority shall have power from time to time and whenever it deems refunding expedient to refund any bonds by the issuance of new bonds, whether the bonds to be refunded have or have not matured, and may issue bonds partly to refund bonds then outstanding and partly for any other corporate purpose. Except as may be otherwise expressly provided by the authority, every issue of bonds by the authority shall be general



obligations payable out of any moneys, earnings, or revenues of the authority, subject only to any agreements with the holders of particular bonds, pledging any particular moneys, earnings or revenues.

2. The bonds shall be authorized by resolution of the authority and shall bear such date or dates, mature at such time or times, bear interest at such rate or rates, be in such denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in such medium of payment at such place or places, and be subject to such terms of redemption prior to maturity as such resolution or resolutions may provide.

3. All bonds of the authority shall be sold at public or private sale as may be determined by the authority.

4. Any resolution or resolutions authorizing any bonds or any issue of bonds may contain provisions, which shall be a part of the contract with the holders of the bonds thereby authorized, as to

(a) pledging all or any part of the moneys, earnings, income and revenues derived from the project to secure the payment of the bonds or of any issue of the bonds, subject to such agreements with bondholders as may then exist;

(b) the rates, rentals, fees and other charges to be fixed, established and collected and the amounts to be raised in each year thereby, and the use and disposition of the earnings and other revenues;

(c) the setting aside of reserves and the creation of sinking funds and the regulation and disposition thereof;

(d) limitations on the right of the authority to restrict and regulate the use of the project;

(e) limitations on the purposes to which and the manner in which the proceeds of sale of any bonds or any issue of bonds may be applied;

(f) limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured, and the refunding of outstanding bonds or other bonds;

(g) the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto, and the manner in which such consent may be given;

(h) the creation of special funds into which any earnings or revenues of the authority may be deposited;

(i) the terms and provisions of any mortgage or trust deed or indenture securing the bonds or under which the bonds may be issued;

(j) vesting in a trustee or trustees such properties, rights, powers and duties in trust as the authority may determine which may include any or all of the rights, powers and duties of the trustee appointed by the bondholders pursuant to section nineteen hundred eighty-three of this title, and limiting or abrogating the right of the bondholders to appoint a trustee under such section or limiting the rights, powers and duties of such trustee;

(k) defining the acts or omissions to act which shall constitute a default in the obligations and duties of the authority to the bondholders and providing the rights and remedies of the bondholders in the event of such default, including as a matter of right the appointment of a receiver, provided, however, that



such rights and remedies shall not be inconsistent with the general laws of this state and other provisions of this title;

- (l) limitations on the power of the authority to sell or otherwise dispose of its properties;
- (m) limitations on the amount of moneys derived from the project to be expended for operating, administrative and other expenses of the authority;
- (n) the protection and enforcement of the rights and remedies of the bondholders;
- (o) the obligations of the authority in relation to the construction, maintenance, operation, repairs and insurance of the project and the safeguarding and application of all moneys;
- (p) the payment of the proceeds of bonds and revenues of the project to a trustee or other depository, and for the method of disbursement thereof and such safeguards and restrictions as the authority may determine;
- (q) any other matters, of like or different character which may in any way affect the security or protection of the bonds.

5. It is the intention of the legislature that any pledge of earnings, revenues or other moneys made by the authority shall be valid and binding from the time when the pledge is made; that the earnings, revenues or other moneys so pledged and thereafter received by the authority shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and that the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the authority irrespective of whether such parties have notice thereof. Neither the resolution nor any other instrument by which a pledge is created need be recorded.

6. Neither the members of the authority nor any person executing the bonds or other obligations shall be liable personally on the bonds or other obligations or be subject to any personal liability or accountability by reason of the issuance thereof.

7. The authority shall have power out of any funds available therefor to purchase (as distinguished from the power of redemption hereinabove provided) any bonds and all bonds so purchased shall be cancelled.

8. In the discretion of the authority, the bonds may be secured by a trust indenture by and between the authority and a corporate trustee, which may be any trust company or bank having the powers of a trust company in the state of New York. Such trust indenture may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the authority in relation to the construction, maintenance, operation, repair and insurance of the project, and the custody, safeguarding and application of all moneys. The authority may provide by such trust indenture for the payment of the proceeds of the bonds and the revenues of the project to the trustee under such trust indenture or other depository, and for the method of disbursement thereof, with such safeguards and restrictions as it may determine. All expenses incurred in carrying out such trust indenture may be treated as a part of the cost of maintenance, operation and repairs of the project. If the bonds shall be secured by a trust indenture the bondholders shall have no authority to appoint a separate trustee to represent them.



NY CLS Pub A § 1977 (2012)

§ 1977. Notes of the authority

The authority shall have power and is hereby authorized to issue negotiable bond anticipation notes in conformity with applicable provisions of the uniform commercial code and may renew the same from time to time but the maximum maturity of such notes, including renewals thereof, shall not exceed seven years from the date of issue of such original note. Such notes shall be payable from any moneys of the authority available therefor and not otherwise pledged or from the proceeds of sale of the bonds of the authority in anticipation of which they were issued. The notes may be issued for any corporate purpose of the authority. Whether or not the notes are of the form and character as to be negotiable instruments under article eight of the uniform commercial code, the notes shall be and are hereby made negotiable instruments within the meaning of and for all the purposes of article eight of the uniform commercial code, subject only to provisions of the notes for registration. The notes shall be issued in the same manner as the bonds and such notes and the resolution or resolutions authorizing the same may contain any provisions, conditions or limitations which the bonds or a bond resolution of the authority may contain. Such notes may be sold at public or private sale. The authority shall have power to make contracts for the future sale from time to time of the notes, pursuant to which the purchaser shall be committed to purchase the notes from time to time on terms and conditions stated in the contracts, and the authority shall have power to pay such consideration as it shall decree proper for such commitments. In case of default on its notes or violation of any obligations of the authority to the noteholders, the noteholders shall have all the remedies provided herein for bondholders. Such notes shall be as fully negotiable as the bonds of the authority.

NY CLS Pub A § 1977-a (2012)

§ 1977-a. Bond and Note Authorization

1. (a) For the purpose of financing project costs for the project for the Battery Park project area other than the financing of loans, advances and mortgage loans to housing companies organized to provide housing within the Battery Park project area, the authority may issue bonds and notes in an aggregate principal amount at any one time outstanding not exceeding three hundred million dollars, excluding bonds and notes issued to refund outstanding bonds and notes.

(b) Commodities and futures exchange facility. For the purpose of financing project costs to further the development of a commodities and futures exchange facility as part of the project to be located in the Battery Park project area, the authority may, in addition to the authorizations contained elsewhere in this title, borrow money by issuing bonds or notes in an aggregate principal amount not exceeding one hundred ten million dollars plus a principal amount of bonds or notes issued (i) to fund any related debt service reserve fund, (ii) to provide capitalized interest, and (iii) to provide fees and other charges and expenses, including underwriters' discount, related to the issuance of such bonds or notes and the maintenance of such reserves, all as determined by the authority, excluding bonds and notes issued to



refund outstanding bonds and notes issued pursuant to this section. The authority may make loans from the proceeds of such issuance and may make temporary loans or advances, for the purpose of developing a commodities and futures exchange within the Battery Park project area, and may undertake commitments therefor. Any such loans, advances or commitments shall be secured by a mortgage on or security interest in the property interests of such exchanges within the Battery Park project area and shall contain such terms and conditions not inconsistent with the provisions of this title as the authority may deem necessary or desirable to secure payment of its loan, the interest thereon and other charges in connection therewith.

(c) Additional authorizations. In addition to the authorizations contained elsewhere in this title, the authority may issue indebtedness for the purpose of refunding outstanding indebtedness of the housing New York corporation which is secured by revenues of the authority, and indebtedness for the purpose of refunding such refunding indebtedness issued by the authority including the funding of reserves and providing for fees and other charges and expenses, including underwriters' discounts, related to the issuance of such refunding bonds or notes, all as determined by the authority.

(d) Additional authorizations. For the purpose of financing capital costs in connection with development of the project area, the authority may, in addition to the authorizations contained elsewhere in this title, borrow money by issuing bonds or notes in an aggregate principal amount not exceeding one hundred fifty million dollars plus a principal amount of bonds or notes issued (i) to fund any related debt service reserve fund, (ii) to provide capitalized interest, and (iii) to provide for fees and other charges and expenses including any underwriters' discounts, related to the issuance of such bonds or notes, all as determined by the authority, excluding bonds and notes issued to refund outstanding bonds [bonds] [n1] and notes issued pursuant to this section.

(e) Additional authorizations. For the purpose of financing costs of the state, the authority may, in addition to the authorizations contained elsewhere in this title, borrow money by issuing bonds or notes in an aggregate principal amount not exceeding two hundred fifty million dollars plus a principal amount of bonds or notes issued (i) to fund any related debt service reserve fund, (ii) to provide capitalized interest, and (iii) to provide for fees and other charges and expenses including any underwriters' discounts, related to the issuance of such bonds or notes, all as determined by the authority, excluding bonds and notes issued to refund outstanding bonds and notes issued pursuant to this section.

2. For the purposes of financing loans, advances and mortgage loans to housing companies organized pursuant to article two, article four or article eleven of the private housing finance law, including subsidiaries of the authority, for housing accommodations to be erected in the Battery Park project area, the authority may issue bonds and notes in an aggregate principal amount at any one time outstanding not exceeding four hundred million dollars, excluding bonds and notes issued to refund outstanding bonds and notes.

3. The fixing of the statutory maximums as provided in subdivisions one and two of this section shall not be construed as constituting a contract between the authority and the holders of its bonds or notes that additional bonds and notes may not be issued subsequently by the authority in the event that such statutory maximums shall subsequently be increased by law.



4. The authority shall have the power to enter into interest rate exchange agreements, which shall mean written contracts entered into in connection with the issuance of authority debt or in connection with such authority debt already outstanding [fig 1] to provide for [fig 2] exchange of payments based upon fixed and/or variable interest rates, and shall be for exchanges in currency of the United States of America only. The authority shall have the power: (a) until December thirty-first, two thousand three, to enter into such interest rate exchange agreements [fig 3], and (b) thereafter to enter into replacements and substitutions for and amendments to exchange agreements, provided that no such replacement, substitution or amendment shall increase the notional principal amount under an exchange agreement or extend the term of an exchange agreement. The authority shall be subject to subdivision three of section sixty-nine-d of the state finance law.

NY CLS Pub A § 1977-b (2012)

§ 1977-b. Reserve funds and appropriations

1. In addition to setting aside of such other reserves or sinking funds as it shall deem advisable and necessary, and the regulation and disposition thereof, the authority shall create and establish a special fund to be known as and hereinafter called the "Battery Park project area capital reserve fund" and shall pay into such fund (a) any moneys appropriated and made available by the state only for the purposes of such fund, (b) any proceeds of sale of any bonds issued to finance the Battery Park project area to the extent provided in the resolution of the authority authorizing the issuance thereof, (c) any funds directed to be transferred by the authority to such fund, and (d) any other moneys made available to the authority only for the purposes of such fund from any other source or sources. The moneys held in or credited to such capital reserve fund, except as hereinafter provided, shall be used solely for the payment of the principal of such bonds or of the sinking fund payments hereinafter mentioned with respect to such bonds, the purchase or redemption of such bonds, the payment of interest on such bonds, or the payment of any redemption premium required to be paid when any of such bonds are redeemed prior to maturity; provided, however, that moneys in such fund shall not be withdrawn therefrom at any time in such amount as would reduce the amount of such fund to less than the amount of the Battery Park project area capital reserve fund requirement hereinbelow referred to, except for the purpose of making with respect to such bonds payment, when due, of principal, interest and the sinking fund payments hereinafter mentioned for the payment of which other moneys of the authority are not available. Moneys in such capital reserve fund not required for immediate use of disbursement may be invested in obligations of the state or the United States of America or obligations the principal and interest of which are guaranteed by the state or the United States of America or obligations of agencies of the United States of America which may from time to time be legally purchased by savings banks of the state as investment of funds belonging to them or in their control. In computing the amount of such capital reserve fund for the purposes of this section, securities in which all or a portion of such fund are invested shall be valued at par or, if purchased at less than par, at their cost to the authority.

2. The authority shall not issue any of such bonds at any time secured by such capital reserve fund if the amount in such capital reserve fund at the time of issuance does not equal or exceed the amount of said capital reserve fund requirement unless the authority at the time of issuance of such bonds shall deposit in such fund from the proceeds of such bonds or other sources an amount which together with the amount then in such fund will not be less than the amount of said capital reserve fund requirement.



3. In order to assure the continued operation and solvency of the authority for the fulfillment of its corporate purposes with respect to the Battery Park project area, the chairman of the authority shall annually, on or before December first, make and deliver to the governor and director of the budget his certificate stating the sum, if any, required to restore such capital reserve fund to the amount as of the particular date of computation equal to the greatest (herein sometimes called the "Battery Park project area capital reserve fund requirement") of the respective amounts for the then current or any future fiscal year of the authority, of annual debt service with respect to such bonds, such annual debt service for any fiscal year being the amount of money equal to the aggregate of (a) all interest payable during such fiscal year on all such bonds outstanding on said date of computation, plus (b) the principal amount of all such bonds outstanding on said date of computation which mature during such fiscal year, plus (c) all amounts specified in any resolution of the authority authorizing any of such bonds as payable during such fiscal year as a sinking fund payment with respect to any of such bonds which mature after such fiscal year, all calculated on the assumption that bonds will after said date of computation cease to be outstanding by reason, but only by reason, of the payment of bonds when due and the payment when due and application in accordance with the resolution authorizing those bonds of all of such sinking fund payments payable at or after said date of computation; and there shall be annually apportioned and paid to the authority for deposit in such capital reserve fund the sums so certified by the chairman of the authority. All sums so apportioned and paid shall be deposited by the authority in such capital reserve fund. The principal amount of bonds secured by such capital reserve fund to which state funds are apportionable pursuant to this subdivision shall be limited to the total amount of bonds and notes outstanding on the effective date of this act, plus the total amount of bonds and notes contracted after the effective date of this act to finance projects in progress on the effective date of this act as determined by the New York state public authorities control board created pursuant to section fifty of this chapter whose affirmative determination shall be conclusive as to all matters of law and fact solely for the purposes of the limitations contained in this subdivision, but in no event shall the total amount of bonds so secured by such a capital reserve fund or funds exceed two hundred million dollars, excluding bonds issued to refund such outstanding bonds until the date of redemption of such outstanding bonds. As outstanding bonds so secured are paid, the amount so secured shall be reduced accordingly but the redemption of such outstanding bonds from the proceeds of refunding bonds shall not reduce the amount so secured.

4. All amounts paid over to the authority by the state pursuant to the provisions of this section shall constitute and be accounted for as advances by the state to the authority and, subject only to the rights of the holders of any bonds or notes of the authority theretofore or thereafter issued, shall be repaid to the state from all available operating revenues of the authority in excess of the capital reserve fund requirement and operating expenses.

5. As used in this section,

(a) the term "operating expenses" for the fiscal year shall mean ordinary expenditures for operation and administration of the authority; and

(b) the term "available operating revenues" for the fiscal year shall mean all amounts received on account of rentals and fees charged by the authority, if any, and income or interest earned or added to funds of the authority due to the investment thereof, and not required under the terms or provisions of



any covenant or agreement with holders of any bonds or notes of the authority to be applied to any purposes other than payment of expenses of the authority.

6. This section is applicable only to the Battery Park project area capital reserve fund.

NY CLS Pub A § 1977-c (2012)

§ 1977-c. Reserve funds and appropriations for loans, advances and mortgage financing to housing companies

1. Definitions.

(a) "Revenues". All amounts received on account of fees and other charges imposed by the authority for loans, advances and mortgage loans, if any, and all or any part of the moneys received in payment of loans, advances and mortgage loans and interest thereon, including prepayments.

(b) "Housing loan capital reserve fund requirement". The amount of money, as of any particular date of computation and with reference to outstanding bonds issued by the authority for the purposes of financing loans, advances and mortgage loans to housing companies, equal to the greatest of the respective amounts for the then current or any future fiscal year of the authority, of annual debt service with respect to such bonds.

For purposes of the housing loan capital reserve fund requirement, "annual debt service" shall mean an amount of money equal to the aggregate of:

(i) All interest payable during such fiscal year on all such bonds outstanding on said date of computation; plus,

(ii) The principal amount of all such bonds outstanding on said date of computation which mature during such fiscal year; plus,

(iii) All amounts specified in any resolution of the authority authorizing any of such bonds as payable during such fiscal year as a sinking fund payment with respect to any of such bonds which mature after such fiscal year, such sinking fund payments to be calculated on the assumption that bonds will after said date of computation cease to be outstanding by reason, but only by reason, of the payment of bonds when due and the payment when due and application in accordance with the resolution authorizing those bonds of all of such sinking fund payments payable at or after said date of computation.

(c) "Operating expenses". All ordinary expenditures for operation and administration of the authority in connection with its loans, advances and mortgage loans to housing companies.

(d) "Amortized value". When used with respect to securities purchased at a premium above or a discount below par, the value as of any given date obtained by dividing the total amount of the premium or discount at which such securities were purchased by the number of days remaining to maturity on such securities at the time of such purchase and by multiplying the amount so calculated by the number of days having passed since the date of such purchase; and (a) in the case of securities purchased at a premium, by deducting the product thus obtained from the purchase price, and (b) in the case of securities purchased at a discount, by adding the product thus obtained to the purchase price.



2. Reserve funds.

- (a) In addition to the setting aside of such other reserves or sinking funds as it shall deem advisable and necessary, and the regulations and disposition thereof, the authority may create and establish one or more capital reserve funds for bonds issued by the authority for the purposes of financing loans, advances and mortgage loans to housing companies.
- (b) The authority shall pay into each such fund:
- (i) any monies appropriated and made available by the state only for the purposes of such fund;
 - (ii) any proceeds of the sale of any bonds issued to the extent provided in the resolution of the authority authorizing the issuance of such bonds;
 - (iii) any moneys directed to be transferred by the authority to such fund; and
 - (iv) any other moneys made available to the authority only for the purposes of such fund from any other source or sources.
- (c) The moneys held in or credited to each such capital reserve fund, except as hereinafter provided, shall be used solely for the payment of the principal of bonds issued to finance loans, advances and mortgage loans to housing companies or of the sinking fund payments with respect to such bonds, the purchase or redemption of such bonds, the payment of interest on such bonds or the payment of any redemption premium required to be paid when any of such bonds are redeemed prior to maturity; provided, however, that moneys in such capital reserve fund shall not be withdrawn therefrom at any time in such amount as would reduce the amount of such fund to less than the amount of the housing loan capital reserve fund requirement therefor, except for the purpose of making with respect to such bonds payment, when due, of principal, interest and the sinking fund payments for the payment of which other moneys of the authority are not available. All income or interest earned by, or increment to, each such capital reserve fund due to the investment thereof may be transferred by the authority to other funds or accounts of the authority to the extent it does not reduce the amount of such capital reserve fund below the housing loan capital reserve fund requirement therefor.
- (d) Moneys in such a capital reserve fund not required for immediate use or disbursement may be invested in obligations of the state or the United States of America or obligations the principal of and interest on which are guaranteed by the state or the United States of America or obligations of agencies of the United States of America or obligations which may from time to time be legally purchased by savings banks of the state, as investment of funds belonging to them or in their control. In computing the amount of a capital reserve fund for the purposes of this section, securities in which all or a portion of such fund are invested shall be valued at par if purchased at par or, if purchased at other than par, at their amortized value.
- (e) The authority shall not issue any bonds at any time secured by such a capital reserve fund if the amount in the capital reserve fund which will secure such bonds at the time of issuance does not equal or exceed the amount of the housing loan capital reserve fund requirement for such fund unless the authority at the time of issuance of such bonds shall deposit in such fund from the proceeds of such bonds or other sources an amount which together with the amount then in such fund will not be less than the amount of the housing loan capital reserve fund requirement for such fund.

3. Preservation of solvency.

- (a) In order to assure the continued operation and solvency of the authority for the fulfillment of its corporate purposes, the chairman of the authority shall annually, on or before December first, make and



deliver to the governor and director of the budget his certificate stating the sum, if any, required to restore each capital reserve fund to the housing loan capital reserve fund requirement therefor. There shall be annually apportioned and paid to the authority for deposit in each such capital reserve fund the sum so certified by the chairman of the authority as required to restore such capital reserve fund to the housing loan capital reserve fund requirement therefor. All sums so apportioned and paid shall be deposited by the authority in the respective capital reserve funds. The principal amount of bonds secured by a capital reserve fund or funds to which state funds are apportionable pursuant to this paragraph shall be limited to the total amount of bonds and notes outstanding on the effective date of this act, plus the total amount of bonds and notes contracted after the effective date of this act to finance projects in progress on the effective date of this act as determined by the New York state public authorities control board created pursuant to section fifty of this chapter whose affirmative determination shall be conclusive as to all matters of law and fact solely for the purposes of the limitations contained in this paragraph, but in no event shall the total amount of bonds so secured by such a capital reserve fund or funds exceed eighty-five million dollars, excluding bonds issued to refund such outstanding bonds until the date of redemption of such outstanding bonds. As outstanding bonds so secured are paid, the amount so secured shall be reduced accordingly but the redemption of such outstanding bonds from the proceeds of refunding bonds shall not reduce the amount so secured.

(b) All amounts paid over to the authority by the state pursuant to the provisions of this section shall constitute and be accounted for as advances by the state to the authority and, subject only to the rights of the holders of any bonds or notes of the authority theretofore or thereafter issued, shall be repaid to the state from all available revenues of the authority in excess of housing loan capital reserve fund requirements and operating expenses.

4. Applicability. This section is applicable solely to capital reserve funds for bonds issued to finance housing loans, advances and mortgage loans and is not applicable to the Battery Park project area capital reserve fund.

NY CLS Pub A § 1978 (2012)

§ 1978. Agreements of the state

The state of New York does pledge to and agree with the holders of the bonds and notes that the state will not limit or alter the rights hereby vested in the authority to acquire, lease, mortgage or dispose of real or personal property or any interest therein or construct, improve, enlarge, operate and maintain the project, to fix, establish and collect the rates, rentals, fees and other charges referred to in this act and to fulfill the terms of any agreements made with the holders of the bonds and notes, or in any way impair the rights and remedies of such bondholders and noteholders until the bonds and notes, together with interest thereon, interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of the bondholders and noteholders are fully met and discharged.

NY CLS Pub A § 1979 (2012)



§ 1979. State and city not liable on bonds and notes

The bonds, notes and other obligations of the authority shall not be a debt of the state of New York or of the city, and neither the state nor the city shall be liable thereon, nor shall they be payable out of any funds other than those of the authority.

NY CLS Pub A § 1980 (2012)

§ 1980. Bonds and notes legal investments for public officers and fiduciaries

The bonds and notes are hereby made securities in which all public officers and bodies of this state and all municipalities and municipal subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, and all other persons whatsoever, who are now or may hereafter be authorized to invest in bonds or other obligations of the state, may properly and legally invest funds, including capital in their control or belonging to them. The bonds and notes are also hereby made securities which may be deposited with and may be received by all public officers and bodies of this state and all municipalities and municipal subdivisions for any purpose for which the deposit of bonds or other obligations of this state is now or may hereafter be authorized.

NY CLS Pub A § 1981 (2012)

§ 1981. Exemption from taxes

1. It is hereby determined that the creation of the authority and the carrying out of its corporate purposes is in all respects for the benefit of the people of the state of New York, the county of New York, and the city, and is a public purpose, and the authority shall be regarded as performing a governmental function in the exercise of the powers conferred upon it by this title and shall be required to pay no taxes upon any of the properties acquired by it or under its jurisdiction or control or supervision or upon its activities.

2. All bonds, notes and other obligations issued pursuant to this title, together with the income therefrom, as well as the income and property of the authority, shall be exempt from taxation, except for transfer and estate taxes.

NY CLS Pub A § 1982 (2012)

§ 1982. Tax contract by the state

The state of New York covenants with the purchasers and with all subsequent holders and transferees of bonds and notes issued by the authority pursuant to this title, in consideration of the acceptance of and



payments for the bonds and notes, that the bonds and notes of the authority issued pursuant to this title and the income therefrom, and all moneys, funds and revenues pledged to pay or secure the payment of such bonds and notes, shall at all times be free from taxation except for transfer and estate taxes.

NY CLS Pub A § 1983 (2012)

§ 1983. Remedies of bondholders

1. In the event that the authority shall default in the payment of principal or interest on any issue of the bonds after the same shall become due, whether at maturity or upon call for redemption, and such default shall continue for a period of thirty days, or in the event that the authority shall fail or refuse to comply with the provisions of this title, or shall default in any agreement made with the holders of any issue of the bonds, the holders of twenty-five per centum in aggregate principal amount of the bonds of such issue then outstanding, by instrument or instruments filed in the office of the Register of the city of New York in the county of New York and proved or acknowledged in the same manner as a deed to be recorded, may appoint a trustee to represent the holders of such bonds for the purposes herein provided.

2. Such trustee may, and upon written request of the holders of twenty-five per centum in principal amount of such bonds then outstanding shall, in his or its own name

(a) by mandamus or other suit, action or proceeding at law or in equity enforce all rights of the bondholders, including the right to require the authority to collect revenues, rates, rentals, fees and other charges adequate to carry out any agreement as to, or pledge of such revenues, rates, rentals, fees and other charges and to require the authority to carry out any other agreements with the holders of such bonds and to perform its duties under this title;

(b) bring suit upon such bonds;

(c) by action or suit in equity, require the authority to account as if it were the trustee of an express trust for the holders of such bonds;

(d) by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the holders of such bonds;

(e) declare all such bonds due and payable, and if all defaults shall be made good then with the consent of the holders of twenty-five per centum of the principal amount of such bonds then outstanding, to annul such declaration and its consequences.

3. The supreme court shall have jurisdiction of any suit, action or proceeding by the trustee on behalf of bondholders.

4. Before declaring the principal of all such bonds due and payable the trustee shall first give thirty days' notice in writing to the authority.

5. Any such trustee whether or not the issue of bonds represented by such trustee be declared due and payable, shall be entitled as of right to the appointment of a receiver of any part or parts of the project



the revenues of which are pledged for the security of the bonds of such issue, and such receiver may enter and take possession of such part or parts of such project, and, subject to any pledge or agreement with bondholders, shall take possession of all moneys and other property derived from such part or parts of such project and proceed with any construction thereon or the acquisition of any property, real or personal, in connection therewith which the authority is under obligation to do, and to operate, maintain and reconstruct such part or parts of the project and collect and receive all revenues thereafter arising therefrom, subject to any pledge thereof or agreement with bondholders relating thereto, and perform the public duties and carry out the agreements and obligations of the authority under the direction of the court. In any suit, action or proceeding by the trustee the fees, counsel fees and expenses of the trustee and of the receiver, if any, shall constitute taxable disbursements and all costs and disbursements allowed by the court shall be a first charge on any revenues derived from the project.

6. Such trustees shall in addition to the foregoing have and possess all of the powers necessary or appropriate for the exercise of any functions specifically set forth herein or incident to the general representation of bondholders in the enforcement and protection of their rights.

NY CLS Pub A § 1984 (2012)

§ 1984. Actions

In any case founded upon tort a notice of claim shall be required as a condition precedent to the commencement of an action or special proceeding against the authority or any officer, appointee or employee thereof, and the provisions of section fifty-e of the general municipal law shall govern the giving of such notice. An action against the authority for wrongful death shall be commenced in accordance with the notice of claim and time limitation provisions of title eleven of article nine of this chapter.

NY CLS Pub A § 1985 (2012)

§ 1985. Limitation of liability

Neither the members of the authority, nor any person or persons acting in its behalf, while acting within the scope of their authority, shall be subject to any personal liability resulting from the acquisition, construction, improvement, enlargement, operation and maintenance of the project, or any part or parts thereof, or from carrying out any of the powers expressly given in this act.

NY CLS Pub A § 1986 (2012)

§ 1986. Assistance by state officers, departments, agencies and commissions



- (1) The department of audit and control, department of law, the division of housing and community renewal and all other state agencies may render such services to the authority within their respective functions as may be requested by the authority.
- (2) Upon request of the authority, any state agency is hereby authorized and empowered to transfer to the authority such officers and employees as it may deem necessary from time to time to assist the authority in carrying out its functions and duties under this title. Officers and employees so transferred shall not lose their civil service status or rights.

NY CLS Pub A § 1987 (2012)

§ 1987. Separability

If any section, clause or provision of this title shall be held unconstitutional, or be ineffective in whole or in part, to the extent that it is not unconstitutional or ineffective, it shall be valid and effective and no other section, clause or provision shall, on account thereof, be deemed invalid or ineffective.

NY CLS Pub A § 1988 (2012)

§ 1988. Effect of inconsistent provisions

In so far as the provisions of this title are inconsistent with the provisions of any other act, general or special, the provisions of this title shall be controlling.



11. Description of Authority and its Board Structure

The Battery Park City Authority (the “Authority”) is a Public Benefit Corporation, established in 1969 to create, develop and maintain a balanced community of commercial, residential, retail, and park space within its designated 92-acre site located in the southwestern tip of Manhattan. In order to meet this mandate, the State Legislature empowered the Authority to plan, create, coordinate and sustain a balanced community of commercial, residential, retail, parks and open space within its designated 92-acre site on the lower west side of Manhattan.

11.1. Committees and Committee Members

The Authority has a seven member board who serve without compensation although, as currently constituted, there are only five members. During 2014, the board members were: Dennis Mehiel, Frank J. Branchini, Donald A. Capoccia, Jr., Martha J. Gallo, and Lester Petracca. The board has three committees: Investment Committee, Governance Committee and Audit & Finance Committee. The members of each committee are:

Investment Committee:

Lester Petracca, Chair

Martha J. Gallo

Vacancy

Chairman Dennis Mehiel, Ex-officio

Governance Committee:

Donald A. Capoccia, Chair

Lester Petracca

Vacancy

Chairman Dennis Mehiel, Ex-officio

Audit and Finance Committee:

Martha J. Gallo, Chair

Frank J. Branchini

Donald A. Capoccia

Chairman Dennis Mehiel, Ex-officio

11.2. Board Meetings and Attendance

*Indicates a meeting of the Directors of the Battery Park City Parks Conservancy

BOARD MEETINGS

January 28, 2014

Members Present

Dennis Mehiel, Chairman/CEO

Donald A. Capoccia, Jr., Member

Martha J. Gallo, Member

Lester Petracca, Member



February 18, 2014

Members Present

Dennis Mehiel, Chairman/CEO

Frank J. Branchini, Member

Martha J. Gallo, Member

Lester Petracca, Member

March 20, 2014

Members Present

Dennis Mehiel, Chairman/CEO

Frank J. Branchini, Member

Donald A. Capoccia, Jr., Member

Lester Petracca, Member

May 6, 2014*

Members Present

Dennis Mehiel, Chairman/CEO

Frank J. Branchini, Member

Martha J. Gallo, Member

Lester Petracca, Member

June 17, 2014

Members Present

Dennis Mehiel, Chairman/CEO

Frank J. Branchini, Member

Donald A. Capoccia, Jr., Member

Martha J. Gallo, Member

July 31, 2014

Members Present

Dennis Mehiel, Chairman/CEO

Frank J. Branchini, Member

Martha J. Gallo, Member

Lester Petracca, Member

September 23, 2014*

Members Present

Dennis Mehiel, Chairman/CEO

Frank J. Branchini, Member

Martha J. Gallo, Member

Lester Petracca, Member

October 22, 2014*

Members Present

Dennis Mehiel, Chairman/CEO

Frank J. Branchini, Member

Donald A. Capoccia, Jr., Member

Martha J. Gallo, Member



December 4, 2014*

Members Present

Frank J. Branchini, Acting Chairman/ Member

Donald A. Capoccia, Jr., Member

Martha J. Gallo, Member

Lester Petracca, Member

COMMITTEE MEETINGS

AUDIT and FINANCE COMMITTEE MEETINGS

May 6, 2014

Members Present

Frank J. Branchini, Member

Martha J. Gallo, Member

July 31, 2014

Members Present

Frank J. Branchini, Member

Martha J. Gallo, Chairman

Lester Petracca, Member

Dennis Mehiel, Ex-Officio Member

GOVERNANCE COMMITTEE MEETINGS

March 20, 2014

Members Present

Donald Capoccia, Chair

Lester Petracca, Member

INVESTMENT COMMITTEE MEETINGS

March 20, 2014

Members Present

Lester Petracca, Chair

Dennis Mehiel, Ex-Officio Member



11.3. Description of Major Units and Number of Employees

The Authority has 50 employees. Major units include:

- **Administration:** The Battery Park City Authority Administration Department serves the Authority through its ongoing efforts to efficiently organize people, processes, and resources to best establish effective, economical, and reliable systems that help ensure BPCA's integrity and mission. To that end, BPCA maintains administrative programs in procurement, internal control, risk assessment, diversity, information technology, general administrative services, and other administrative concerns.
- **Finance:** The Battery Park City Authority (BPCA) Finance Department oversees the financial functions of the Authority and Battery Park City Parks Conservancy (the "Conservancy" or "BPCPC"). In general, it is responsible for the investing and safe-guarding of corporate assets, the collection of ground rents and payments in lieu of taxes (PILOT), civic facility maintenance fees (CFM) and other revenues, maintaining the Authority's debt structure by issuing bonds and paying debt service, processing payments for capital and operating expenditures in compliance with procurement guidelines and budgetary authorizations, creating and monitoring the fiscal year operating budget, processing payroll, managing investments and cash flow management, preparing the Authority's financial statements, and all required financial reporting due to federal and state requirements. In addition, the BPCA finance department coordinates with the Battery Park City Parks Conservancy in reporting on the "Organization" (which is the consolidated financial statements of the BPCA + BPCPC).
- **Human Resources:** The Human Resources Department provides the leadership, service, expertise, policies and standards necessary to support BPCA and BPCPC as an employer. The department provides numerous services to all employees in support of the Authority's mission, providing support and guidance in areas such as benefits, compensation, recruitment, employee relations, and staff development. We actively promote a positive work environment while maintaining necessary processes and procedures required by BPCA's employment-related policies.
- **Legal:** The Legal Department provides legal services to all BPCA and BPCPC departments and offices. Responsibilities include corporate governance, litigation, employment concerns, contract matters, regulatory and compliance matters, debt issuance, and coordination of Board meetings and related Member concerns. The General Counsel serves as the Corporate Secretary to the Board.
- **Real Property Department:** The Real Property Department is responsible for the safeguarding, optimization and value enhancement of the BPCA's real property assets for the benefit of the Authority, the community, New York City and the State of New York. This responsibility constitutes a primary element of the Authority's overall purpose and mission. Management of



the department includes policy development along with practical responsibility for management, maintenance, improvement, enhancement and security of the Authority's real property assets and oversight of all related operational and support processes.

In addition the Authority has a subsidiary, The Battery Park City Parks Conservancy. Created in 1987, the Conservancy is a 501c3 not for profit which manages and maintains the nearly 36 acres of world-class parks and open space in Battery Park City. The Conservancy's Horticulture Department cares for the gardens, planting beds, and trees within the parks; the Maintenance Department provides in-house electrical, plumbing, masonry, and general maintenance services; the Programming Department plans and organizes a wide variety of entertainment and educational programs throughout the year; while the Conservancy's Administration Department works to make sure that BPCPC meets its mandate to keep Battery Park City's parks in first-class condition. All departments observe and implement sustainable (green) initiatives and practices. The conservancy has 72 full-time employees and 16 part-time employees



12. Charter and By-Laws

BYLAWS OF THE BATTERY PARK CITY AUTHORITY (as amended through May 23, 2013)

ARTICLE I - THE AUTHORITY

Section 1. Description. The Battery Park City Authority ("Authority") is a body corporate and politic of the State of New York, constituting a public benefit corporation, created by and having the powers and functions set forth in the Battery Park City Authority Act as amended (the "Act").

Section 2. Seal of Authority. The seal of the Authority shall be in the form of a circle and shall bear the name of the Authority and the year of its creation.

Section 3. Office of the Authority. The office of the Authority shall be located at One World Financial Center, (200 Liberty Street), in the City of New York, State of New York, or at such other location as the Members of the Authority may determine. The Authority may have offices at such other place or places within The City of New York as it may from time to time designate by resolution.

ARTICLE II – MEMBERS AND OFFICERS

Section 1. Members. The affairs of the Authority shall be managed by the Members, who shall be appointed and shall serve as provided in the Act. Members shall serve without salary or other compensation.

Section 2. Officers. The officers of the Authority shall be a Member who shall serve as Chairman; a Member who shall serve as Vice Chairman; a President; a Chief Executive Officer; an Executive Vice President and General Counsel; a Chief Operating Officer; an Executive Vice President, Finance and Treasurer/Chief Financial Officer; one or more Senior Vice Presidents; one or more Vice Presidents; a Controller; a Corporate Secretary and Assistant Corporate Secretaries and such other officers as may be designated by resolution of the Authority; and any officer may hold more than one of these offices.



Section 3. Chairman. The Chairman of the Authority (hereinafter referred to as “Chairman”) shall be elected from among the Members of the Authority and shall hold office until his/her successor is elected and qualified. The Chairman shall have primary responsibility for overseeing the development, management and implementation of corporate strategy, policies and procedures that facilitate achievement of the Authority’s mission. In keeping with this responsibility, the Chairman shall preside at all meetings of the Members of the Authority and shall have such other duties as the Members may direct. Nothing herein shall prevent the Chairman from concurrently serving as an officer of the Authority, in a position to which he is appointed by the Members.

Section 4. Vice Chairman. The Vice Chairman of the Authority shall be elected from among the Members of the Authority at each annual meeting of the Authority, and shall hold office until his/her successor is elected and qualified. Upon written designation of the Chairman from time to time and for the period specified in any such designation, the Vice Chairman of the Authority shall serve as acting Chairman. In the absence of the Chairman from a meeting of the Members of the Authority the Vice Chairman shall preside thereat. The Vice Chairman shall have such other duties as the Members may direct.

Section 5. Chief Executive Officer. The Chief Executive Officer, who shall serve as the chief executive of the Authority, shall be elected by the Members of the Authority and shall hold office until his/her successor is elected and qualified.

Section 6. President. The President of the Authority shall be elected by the Members of the Authority. The President shall have general responsibility for the day-to-day administration and management of the Authority, within the framework established by federal, state and local laws and in accordance with the rules and policies adopted by the Members of the Authority, including the initiation, planning and carrying out of the projects, programs and other activities of the Authority. The President shall have the power to delegate authority and assign duties to employees of the Authority, and shall have the power to requisition monies of the Authority, and to sign vouchers, requisitions and other instruments made by the Authority. The President shall have such other powers and duties pertaining to his/her office as are prescribed by law or in these Bylaws or as may be assigned to him/her from time to time by the Authority. Nothing herein shall prevent the President from concurrently serving in another office of the Authority, to which he/she is elected by the Members.



Section 7. Chief Operating Officer. The Chief Operating Officer, under the direction of the President, shall perform all the duties incident to his/her position and office and such other duties as shall from time to time be assigned to him/her by the President. The Chief Operating Officer is authorized to request monies of the Authority, and to sign vouchers, requisitions and other instruments made by the Authority. Nothing herein shall prevent the Chief Operating Officer from concurrently serving in another office of the Authority, to which he/she is elected by the Members.

Section 8. Executive Vice President and General Counsel. The Executive Vice President and General Counsel, under the direction of the President, shall perform all the duties incident to his/her position and office and such other duties as shall from time to time be assigned to him/her by the President. The Executive Vice President and General Counsel is authorized to requisition monies of the Authority, and to sign vouchers, requisitions and other instruments made by the Authority. The performance of any such duty by the Executive Vice President and General Counsel shall be conclusive evidence of the power to act.

Section 9. Executive Vice President, Finance and Treasurer/Chief Financial Officer; Controller. The Executive Vice President, Finance and Treasurer/Chief Financial Officer, under the direction of the President, shall be the chief fiscal officer of the Authority. He/She shall be in charge of the books and accounts of the Authority and have supervision of the accounting procedures and fiscal operations of the Authority and shall perform such other duties of his/her office and position as shall from time to time be assigned to him/her by the President. The Controller, under the direction of the Executive Vice President, Finance and Treasurer/Chief Financial Officer, shall perform all the duties incident to his/her position and office and such other duties as shall from time to time be assigned to him/her by the Executive Vice President, Finance and Treasurer/Chief Financial Officer.

Section 10. Other Officers. The Officers of the Corporation other than the designated herein, as may be designated from time to time by resolution of the Authority, shall perform all the duties incident to their respective positions and offices and such other duties as shall from time to time be assigned to them by the Members.

Section 11. Appointment and Removal. The President or the President/Chief Executive Officer of the Authority shall be appointed by the Members, and may be removed, either with or without cause, at any time by action of the Members. The President, in consultation with the Chief Executive



Officer, shall appoint and remove, either with or without cause, all other officers of the Authority, except for the Executive Vice President and General Counsel, the Chief Operating Officer, and the Executive Vice President, Finance and Treasurer/Chief Financial Officer, all of whom shall be appointed and removed, either with or without cause, by the President, in consultation with the Members. The Chairman may be removed, either with or without cause, as an officer of the Authority at any time from such office by vote of the other Members, but may be removed as a Member only by the Governor in accordance with the Act. The President or the President/Chief Executive Officer may be removed, either with or without cause, at any time by action of the Members. Any person appointed as an officer of the Authority shall have such term as may be fixed.

ARTICLE III - MEETINGS

Section 1. Annual Meeting. The annual meeting of the Authority shall be held on the first day of November of each year at a place and time designated by the Chairman or such later day in each calendar year as the Chairman may determine.

Section 2. Meetings. The Chairman may, when he deems it expedient, and shall upon the request of any Member of the Authority or the President, call a meeting of the Authority. At any such meeting any and all matters may be considered and acted upon by the Members of the Authority present, whether or not such matters were specified in the call. Meetings shall be held in facilities that permit barrier-free physical access to the physically handicapped, as defined in subdivision five of section fifty of the public buildings law. The call for a meeting specifying the time and place of the meeting shall be delivered in person or mailed to the business or home address of each Member of the Authority at least three days prior to the date of such special meeting. If the office of the Chairman is vacant or if the Chairman is unable to perform such duties by reason of illness, disability or absence and has not designated in writing the Vice Chairman to perform such duties at such time, any Member may call a meeting of the Authority. Public notice of the time and place of a meeting scheduled at least one week prior thereto shall be given to the news media and shall be conspicuously posted in one or more designated public locations at least seventy-two hours before such meeting, and on the Authority's website prior to a meeting. Such public notice shall provide that videoconferencing shall be used, if applicable. Public notice of the time and place of every other meeting shall be given, to the extent practicable, to the news media and shall be conspicuously posted in one or more designated public locations at a reasonable time prior thereto. Notice



**Battery Park
City Authority**

of any meeting of the Authority need not be given to a Member if waived in writing by him/her either before or after such meeting, or if he/she shall be present at such meeting. No notice need be given of any meeting if all the Members then in office shall be present thereat. Notice of an adjourned meeting need not be given to any Member present at the time of the adjournment. The President shall be given notice of and be permitted to attend all meetings of the Authority.

Section 3. Quorum. At all meetings of the Authority, a majority of the whole number of the Members shall constitute a quorum and not less than a majority of the whole number of Members may perform and exercise the powers authorized and provided in the Public Authorities Law of the State of New York. For the purposes of this Section, the words “whole number” shall be construed to mean the total number of Members which the Authority would have were there no vacancies and were none of the Members disqualified from voting.

Section 4. Order of Business. At the regular meetings of the Authority the Chairman shall determine the order of business.

Section 5. Resolutions. All resolutions adopted by the Members shall be recorded in or attached to a journal of the proceedings of the Authority.

Section 6. Manner of Voting. The voting on all questions of the meetings of the Authority shall be by roll call if requested by two of the Members, and wherever a resolution has been unanimously adopted it may be recorded as such. The yeas and nays shall be entered upon the minutes of such meeting only in the event of an abstention or a negative vote by any Member; except that the election of officers may be by majority vote without the necessity of recording the individual votes upon the minutes.

Section 7. Participation in Meeting by Videoconference. Notwithstanding anything elsewhere contained in these Bylaws, any one or more Members of the Authority may participate in a meeting of the Members by means of videoconferencing equipment allowing all persons participating in the meeting to see and hear each other at the same time. Participation by such means shall constitute presence in person at a meeting of the Members. In the event any Member is present at a meeting of the Members by means of conference telephone, such Member may not speak, vote or otherwise participate in the meeting, and his or her presence shall not constitute presence in person at a meeting of the Members for quorum purposes.



Section 8. Certification of Resolutions. The Corporate Secretary or any Assistant Corporate Secretary is authorized to certify, when required, the records, proceedings, documents or resolutions of the Members and to affix the seal of the Authority to all contracts, documents and instruments to be executed by the Authority.

ARTICLE IV – COMMITTEES

Section 1. Audit and Finance Committee. There shall be an audit and finance committee which shall consist of three Members designated by the Chairman, one of whom the Chairman shall appoint as Chair of the Committee. The Chairman shall be an additional non-voting member of the committee, provided that if there shall be any vacancy or vacancies in the whole number of the Members as prescribed by law, the Chairman may serve as a voting member of the committee. Each member of the committee shall be an “independent member,” as defined in Public Authorities Law § 2825 (2). Members of the committee shall possess the necessary skills to understand the duties and functions of the committee and shall be familiar with corporate financial and accounting practices. The duties and responsibilities of the committee shall be to: (a) recommend to the Board the hiring of a certified independent accounting firm for the Authority; (b) establish the compensation to be paid to such firm; (c) provide direct oversight of the performance of the independent audit performed by the accounting firm hired for such purposes and (d) review proposals for the issuance of debt by the authority and to make recommendations.

Section 2. Governance Committee. There shall be a governance committee which shall consist of three Members designated by the Chairman, one of whom the Chairman shall appoint as Chair of the committee. The Chairman shall be an additional non-voting member of the committee, provided that if there shall be any vacancy or vacancies in the whole number of the Members as prescribed by law, the Chairman may serve as a voting member of the committee. Each member of the committee shall be an “independent member,” as defined in Public Authorities Law § 2825 (2). Members of the committee shall possess the necessary skills to understand the duties and functions of the committee. The duties and responsibilities of the Committee shall be to: (a) keep the board informed of current best governance practices; (b) review corporate governance trends; (c) recommend updates to the Authority’s corporate governance principles; (d) advise appointing authorities on the skills and experiences required of potential board members; (e) examine ethical and conflict of interest issues; (f) perform board self-evaluations; and (g) recommend bylaws which include rules and procedures for conduct of board business. In addition,



the Committee shall perform compensation-related duties and responsibilities, such as (a) considering policies regarding the payment of salaries, compensation and reimbursement of expenses for the chief executive and management; and (b) making such other recommendations regarding compensation as the Committee may deem appropriate.

Section 3. Investment Committee. There shall be an investment committee which shall consist of three Members designated by the Chairman, one of whom the Chairman shall appoint as Chair of the committee. The Chairman shall be an additional non-voting member of the committee, provided that if there shall be any vacancy or vacancies in the whole number of the Members as prescribed by law, the Chairman may serve as a voting member of the committee. Each member of the committee shall be an “independent member” as defined in Public Authorities Law § 2825(2). Members of the committee shall possess the necessary skills to understand the duties and functions of the committee and shall be familiar with general investment policies and best practices. The duties and responsibilities of the Committee shall be to (a) approve the investment and risk limits for the investment portfolio; (b) review the investment policies for the Authority; (c) approve the annual investment program; (d) authorize investments and ratify investments made pursuant to delegated authorities; (e) review the investment performance of the Authority’s accounts and funds; (f) review the organization and staffing of the investment management advisory function; and (g) review the quality of the investment services provided to the Authority.

Section 4. Additional Committees. The Members shall have the authority to establish, by resolution, any additional committees or subcommittees it determines are necessary connection with the discharge of its oversight functions.

ARTICLE V - FISCAL YEAR

The fiscal year of the Authority shall commence November 1 of each calendar year and conclude October 31 of the following calendar year.

ARTICLE VI - INDEMNIFICATION

Section 1. Purpose and Definitions. The purpose of this Article is to provide for and regulate indemnification of Members, officers and employees of the Authority. In this Article, the following terms shall have the meanings indicated below, except where the context clearly requires otherwise.



- (1) “action or proceeding” means any civil action or other civil judicial proceeding, any proceeding by or before an administrative agency or official investigatory body, any appeal from or judicial review of actions taken in any of the foregoing proceedings, and includes any such proceeding which is threatened, but does not include any criminal action or proceeding;
- (2) “party to an action or proceeding” means a person made, or threatened to be made, a defendant or respondent or otherwise a party in any action or proceeding, and includes a person called upon, voluntarily or by subpoena, to give testimony, produce documents or respond to interrogatories in connection with an action or proceeding;
- (3) “Member” means each Member of the Authority appointed or serving ex officio;
- (4) “officer” means the Chairman, the Vice Chairman, the President, the Chief Executive Officer of the Authority and each person who has held or who holds from time to time any office so designated by the Authority for the purpose of this article;
- (5) “employee” means each employee of the Authority who is not also a Member or officer;
- (6) “subsidiary or affiliate” includes each subsidiary or affiliate of the Authority;
- (7) “Member”, “officer” and “employee” of the Authority each includes persons who formerly served in such capacity and the estates of deceased persons who had served in such capacity; and each such term includes persons serving or who formerly served ex officio or by designation of the Authority as a director, officer or employee of any subsidiary or affiliate of the Authority, and the estates of deceased persons who had served in such capacity, provided that insofar as this Article distinguishes between Members or officers of the Authority, on the one hand, and employees, on the other, the status with respect to indemnification of a person who served in any capacity with a subsidiary or affiliate and who concurrently was a Member or officer of the Authority shall be that of a Member or officer, and the status of all other such persons shall be that of an employee of the Authority; and
- (8) “applicable standard of conduct” means:



- (i) with respect to an action or proceeding in which it is alleged that physical harm was caused to the person or property of a complainant or any harm was caused to his/her reputation, that such harm did not result from the willful and wrongful act or gross negligence of the Member, officer or employee seeking to be indemnified hereunder, or
- (ii) with respect to any other action or proceeding, that the Member, officer or employee seeking to be indemnified hereunder acted in good faith for a purpose which he/she reasonably believed to be in the best interests of the Authority and had reasonable cause to believe his/her conduct was lawful.

Section 2. General Scope of Indemnification. The Authority shall, to the fullest extent permitted by law, indemnify any person who becomes a party to an action or proceeding by reason of the fact that he/she is or was a Member, officer or employee of the Authority against judgments, penalties, amounts paid in settlement and reasonable expenses, including attorneys' fees, actually and necessarily incurred as a result thereof, unless the conduct of such Member, officer or employee in the matters at issue in such action or proceeding is found, in the manner prescribed in this Article, not to have met the applicable standard of conduct.

Section 3. Representation of Persons Indemnified. The Authority may, either by its own staff counsel or by outside counsel of its choice, assume the representation of any person who becomes a party to the action or proceeding, except in situations in which (i) choice of counsel is governed by statute, or (ii) the Authority's counsel determines that it is inappropriate or inadvisable for such person to be represented by counsel chosen by the Authority. In the event the Authority does not assume such representation, such person shall have the right to engage private counsel of his choice and the Authority shall have the obligation of indemnification for the reasonable fees and expenses of such private counsel as provided in this Article; provided, however, that the Authority as a condition to such indemnification for the cost of private counsel may, and where the Attorney General has so required as a condition to indemnification by the State of New York pursuant to statute shall, require appropriate groups of persons to be represented by the same counsel; and further provided, however, that the Authority as a condition to such indemnification shall: 1) review and approve the terms of such engagement of private counsel to determine reasonableness of such fees and expenses; and 2) require such persons to execute an agreement in writing that any sums advanced under this Article 6 shall be repaid if the person receiving such advances



is ultimately found not to be entitled to indemnification, or to the extent the expenses so advanced by the Authority exceed the indemnification to which he/she is ultimately found to be entitled.

Section 4. Advances of Expenses. (a) A Member or officer who becomes a party to an action or proceeding may request that the Members authorize the Authority to advance expenses pending the final disposition of such action or proceeding. Upon such request: (i) if there is a quorum of Members who are not parties to such action or proceeding, the Members shall make a tentative finding as to whether it then appears that the requesting Member or officer has met the applicable standard of conduct; or (ii) if such a quorum of Members is not obtainable with due diligence, the Members shall obtain an opinion in writing of outside legal counsel as to whether it then appears that such standard of conduct has been met by the requesting Member or officer. If a quorum of Members makes such findings or outside legal counsel gives such opinion, the Members shall authorize the Authority to pay, and the Authority shall pay, from time to time in advance of the final disposition of the action or proceeding, reasonable expenses as described in Section 2 incurred by such Member or officer in connection with such action or proceeding. The amounts of payments made to counsel engaged by the Authority and private counsel engaged to represent Members and officers indemnified under this Article shall be periodically reported to the Members by the Executive Vice President/General Counsel.

(b) Reasonable expenses as described in Section 2 incurred by an employee who becomes a party to an action or proceeding shall be paid by the Authority from time to time pending the final disposition of such action or proceeding without necessity for any authorization, findings, or other action by the Members prior to the making of such advances; provided, however, that the Members (i) may make a tentative finding at any time prior to the final disposition of such action or proceeding that it then appears that an employee has clearly not met the applicable standard of conduct, or may seek an opinion in writing of outside legal counsel with respect to that issue, and if such a tentative finding shall be made or a negative opinion on that issue shall be given, no further advances under this paragraph shall be made with respect to expenses of such employee, and (ii) may determine, or provide for the determination of, the reasonableness of expenses sought to be advanced. The amounts of payments made to counsel engaged by the Authority and private counsel engaged to represent employees indemnified under this Article shall be periodically reported to the Members by the Executive Vice President/General Counsel.

Section 5. Indemnification on Final Disposition. (a) A person who has been wholly successful, on the merits or otherwise, in the defense of an action or proceeding shall be deemed to have



met the applicable standard of conduct and shall be entitled to indemnification against reasonable expenses as described in Section 2, and the Authority shall make such indemnification without necessity for any authorization, findings or other action by the Members prior to such indemnification, except that the Members may determine, or provide for the determination of, the reasonableness of such expenses.

(b) A Member or officer who has not been wholly successful in the defense of an action or proceeding, or who was a party to an action or proceeding without being a defendant or respondent therein, may request indemnification from the Authority. Upon such request: (i) if there is a quorum of Members who are not and were not parties to such action or proceeding, the Members shall make a finding as to whether the requesting Member or officer has met the applicable standard of conduct; or (ii) if such a quorum of Members is not obtainable with due diligence, the Members shall obtain an opinion in writing of outside legal counsel as to whether such standard of conduct has been met by the requesting Member or officer. If a quorum of Members makes such finding or outside legal counsel gives such opinion, the Members shall authorize, and the Authority shall make, indemnification as provided in Section 2, upon a determination by the Members (or a person or body designated by the Members) that expenses sought to be indemnified were reasonable and actually and necessarily incurred as a result of the action or proceeding, and that any amounts paid in settlement (unless approved by the Members prior to such settlement) were reasonable in the circumstances.

(c) An employee who has not been wholly successful in the defense of an action or proceeding, or who was a party to an action or proceeding without being a defendant or respondent therein, may request indemnification from the Authority. Upon such request: The President shall notify the Members in writing of such request and of the particulars submitted by such employee in support of it, and the President may submit to the Members any further information or comments he thinks appropriate. Within two weeks after the next meeting of the Members following such submission, the Authority shall make indemnification as provided in Section 2, unless the Members shall have found that such employee has not met the applicable standard of conduct, or shall have decided to seek an opinion in writing of outside counsel with respect to that issue (in which event indemnification shall be made within six weeks after such meeting unless a negative opinion on that issue shall have been given), or unless and to the extent that the Members (or a person or body designated by the Members) shall have determined that expenses sought to be indemnified were not reasonable or not actually and necessarily incurred as a result



of the action or proceeding, or that amounts paid in settlement (unless approved by the Members prior to such settlement) were not reasonable in the circumstances.

Section 6. Insurance. The Authority may, to the fullest extent permitted by law, purchase and maintain insurance on behalf of any Member, officer or employee of the Authority to indemnify such person in instances in which he/she has the right of indemnification by the Authority under the provisions of this Article.

Section 7. Applicability of this Article. (a) The provisions of this Article shall inure only to Members, officers and employees of the Authority, as defined herein, shall not enlarge or diminish the rights of any other party to an action or proceeding, and shall not impair, limit or modify the rights and obligations of any insurer under any policy of insurance. This Article is to be construed liberally in favor of each Member, officer or employee, to the fullest extent permitted by law, and any ambiguity, uncertainty or reasonable doubt as to facts, interpretation or legal conclusions shall be resolved in favor of such Member, officer or employee.

(b) The provisions of this Article shall be in addition to and shall not supplant any indemnification by the State heretofore or hereafter conferred upon any Member, officer or employee by any statute, by Section 18 of the Public Officers Law, or otherwise; provided, however, that the Authority recognizes that its obligation to provide indemnification in accordance with this Article is primary and any obligation of the State to provide indemnification is secondary, in circumstances where both may be applicable.

(c) This Article shall be applicable, to the fullest extent permitted by law, to any claim for indemnification made after its adoption as a bylaw of the Authority, whether the action or proceeding to which such claim relates commenced, or the matters at issue therein occurred, before or after the adoption of this Article. It is contemplated that no subsequent amendment, supplement or repeal of this Article which deprives a Member, officer or employee of any substantial right or benefit conferred herein will be made applicable with respect to any claim for indemnification arising out of conduct of such Member, officer or employee occurring or alleged to have occurred after the adoption of this Article and prior to such amendment, supplement or repeal.

(d) Unless and until this Article shall be amended, supplemented or repealed in accordance with Article VII, the provisions of this Article shall constitute a contract between the Authority and each



Member, officer or employee for indemnification in accordance with the provisions of this Article. In the event that any Member, officer or employee shall be aggrieved by a determination of the Authority or the Members or outside counsel made under this Article, or by a failure of the Authority or the Members to act as provided herein, he/she shall be entitled to seek appropriate relief against the Authority in any court of competent jurisdiction within the State of New York in accordance with the standards for indemnification set forth herein.

ARTICLE VII- AMENDMENTS

These Bylaws may be amended, supplemented or repealed by resolution duly adopted by a majority vote of all the Members of the Authority at any meeting, provided that written notice of the proposed amendment, supplement or repeal shall have been presented for discussion at the meeting immediately preceding the meeting at which the proposed amendment, supplement or repeal is considered.



BYLAWS
of the
BATTERY PARK CITY PARKS CONSERVANCY CORPORATION
(as amended through May 23, 2013)

ARTICLE I
Sole Member

Section 1. Qualification. The sole member of the Conservancy shall be Battery Park City Authority (the “Authority”). The members of Authority shall from time to time designate in writing any and all of its members or officers as representative(s) of the members in the exercise of the Conservancy’s membership rights and obligations, and such designation shall be filed in the Conservancy’s minute book.

Section 2. Meetings. There shall be an annual meeting of the sole member, for the election of directors and the conduct of such other business as may come before the meeting, to be held on the first day of November of each year, at a place and time designated by the President or the Chairman of the board of directors (the “Board”), or such later day in each calendar year as the President or the Chairman of the Board may determine. Special meetings of the sole member may be called at any time by the President or the Board, and shall be held at the time and place set forth in the notice of meeting.

Section 3. Notice of Meetings. Notice of each meeting of the sole member shall be given to the designated representative or representatives of the sole member by the Secretary not less than ten (10) nor more than fifty (50) days before the meeting. Such notice shall set forth the place, date and hour of the meeting and, in the case of a special meeting, the purpose or purposes of the meeting.

ARTICLE II
Board of Directors

Section 1. Number and Qualification. The affairs of the Conservancy shall be managed by the board. The initial directors shall be those persons whose names and addresses are set forth in the Certificate of Incorporation and they shall serve until the first annual meeting of the board and until the election and qualification of their successors. Thereafter, the number of directors shall be a number equal to the number of persons concurrently serving as members of the Authority and such directors shall be elected at the annual meeting of the sole member or at any adjournment thereof. No person shall be eligible for election as a director who shall not concurrently be serving as a member of the Authority. If more than one director shall be elected from among such officers at any one annual election, the sole member shall designate the order of election of such directors. At such time as the Governor of New York



shall fill such vacancy or vacancies as may occur in the membership of the Authority, such director or directors elected from among such other officers (in the opposite order from the order of their election) shall cease to serve on the Board, and the newly appointed member or members of the Authority shall be elected to the Board pursuant to the provisions of Section 2 of this Article. Subject to the preceding sentence of this Section, each director shall continue in office until the earlier of the next annual meeting of the sole member held after the election of such director and the election and qualification of a successor or until such time as he or she ceases to serve as a member or officer of the Authority. The directors shall serve without salary or other compensation.

Section 2. Resignation and Removal. Any director may resign by a notice in writing to the President or the Secretary. The acceptance of any such resignation, unless required by the terms thereof, shall not be necessary to make the same effective. Any director may be removed at any time either for or without cause by a vote of the sole member or for cause only by a vote of the directors, provided there is a quorum of not less than a majority of the entire Board present at the meeting at which such action is taken.

ARTICLE III Meetings of the Board

Section 1. Annual and Special Meetings. An annual meeting of the Board shall be held immediately following the annual meeting of the sole member. The President or any member of the Board may call a special meeting of the Board on not less than five (5) day's notice, given by mail, telegraph or telephone. All meetings of the board shall be held at such place within or without the State of New York as shall be designated in the notice of the meeting.

Section 2. Quorum and Board Action. A majority of the entire Board shall constitute a quorum for the transaction of business at meetings of the Board and, except as otherwise expressly required by statute or these Bylaws, all matters shall be decided by the vote of a majority of the directors present; but in the absence of a quorum those present at the time and place set for a meeting of the Board may take an adjournment from time to time, until a quorum shall be present.

Section 3. Participation by Videoconference. Any one or more members of the board or of a committee thereof may participate in a meeting of the board or the committee by means of videoconferencing equipment allowing all persons participating in the meeting to see and hear each other at the same time. Participation by such means shall constitute presence in person at the meeting. In the event any member of the board is present at a meeting of the board by means of conference telephone, such member may not



speak, vote or otherwise participate in the meeting, and his or her presence shall not constitute presence in person at a meeting of the board for quorum purposes.

ARTICLE IV

Committees

Section 1. Audit and Finance Committee. There shall be an audit and finance committee which shall consist of three directors designated by the Chairman, one of whom the Chairman shall appoint as Chair of the committee. The Chairman shall be a non-voting member of the committee. To the extent practicable, members of the Committee should be familiar with corporate financial and accounting practices. The duties and responsibilities of the Committee shall be: (a) to recommend to the Directors the hiring of a certified independent accounting firm for the Conservancy; (b) establish the compensation to be paid to such firm; and (c) to provide direct oversight of the performance of the independent audit performed by the accounting firm hired for such purposes. Any action taken by the Committee between meetings of the Board shall be reported to the Board at its next meeting.

Section 2. Governance Committee. There shall be a governance committee which shall consist of three directors designated by the Chairman, one of whom the Chairman shall appoint as Chair of the committee. The Chairman shall be a non-voting member of the committee. The duties and responsibilities of the Committee shall be: (a) to keep the Directors informed of current best governance practices; (b) to review corporate governance trends; (c) to update the Conservancy's corporate governance principles; and (d) to advise appointing authorities on the skills and experiences required of potential board members. In addition, the Committee shall perform compensation-related duties and responsibilities, such as (a) considering policies regarding the payment of salaries, compensation and reimbursement of expenses for the president and management; and (b) making such other recommendations regarding compensation as the Committee may deem appropriate. Any action taken by the Committee between meetings of the Board shall be reported to the Board at its next meeting.

ARTICLE V

Officers

Section 1. Election. At the annual meeting, or at any adjournment thereof, the board shall elect the following officers: a President, an Executive Director, a Vice President, a Secretary and a



Treasurer. Any such office not filled at the annual meeting or adjournment thereof may be filled by the Board at any meeting. The Board may at any meeting by resolution elect and define the duties of such other officers as it may from time to time determine. The same person may be elected to more than one office, except that the offices of the President and Secretary shall not be held by the same person. A vacancy in any office may be filled by the Board at any meeting. All officers shall hold office at the pleasure of the Board or until their respective successors shall have been elected and qualified. The officers shall receive such salaries or other compensation as may be authorized by the Board.

Section 2. Resignation and Removal. Any officer may resign at any time by delivering a written notice of resignation to the president or the Secretary of the Conservancy. The acceptance of any such resignation, unless required by the terms thereof, shall not be necessary to make the same effective. Any officer may be removed at any time for or without cause by the Board.

Section 3. President. The President of the Authority shall serve as the President of the Conservancy, and shall be the chief executive officer of the Conservancy and shall have general supervision over the business of the Conservancy and its several officers, subject, however, to the control of the Board. Except as otherwise hereinafter provided by the Bylaws, or by resolution duly adopted at any meeting of the Board, the president shall have the power to sign for the Conservancy all agreements and formal instruments and to perform such acts as usually pertain to the office or president. In the absence or disability of the President, the Vice President (or, if there be more than one, the Vice Presidents in the order of their election) or any employee of the Conservancy when specifically authorized by resolutions of the Board or by written directive of the president shall have the powers and perform the duties of the President. In the event of the absence or disability of the President and the Vice President (or, if there be more than one, each Vice President), a person may be appointed by the Board to discharge the President's functions in whole or in part, as the Board may specify.

Section 4. Executive Director. The Executive Director shall have general responsibility for the day-to-day administration and management of the Conservancy, in accordance with policies adopted by the Directors, and shall have such other duties as shall from time to time be assigned to him/her by the President or the Board. The Executive Director shall report directly to the President of the Conservancy or his designee who shall be a Vice President of the Conservancy.



Section 5. Vice President. The Vice President (or if there be more than one, each Vice President) shall assist the President in the supervision of the business of the Conservancy and its several officers and shall have such other powers and duties as the Board may prescribe.

Section 6. Treasurer. The Treasurer shall perform in general all the duties incident to the office of Treasures: the Treasurer shall have the custody of the funds and securities of the Conservancy, shall be in charge of the disbursement of its money and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Conservancy, shall exhibit such books of accounts and records at the office of the Conservancy to any of the directors at any time upon request and shall render a detailed statement to the directors as often as they shall require it, shall deposit the funds of the Conservancy in such banks or trust companies as the Board may designate from time to time and shall deposit any securities of the Conservancy with such banks or trust companies or, in such vault or vaults as the board may designate from time to time. The withdrawal of such funds or securities shall be made only on the signature or signatures of such one or more of the directors, officers or employees of the Conservancy as the Board may designate from time to time for such purpose. The treasurer shall perform such other duties as the Board may prescribe from time to time. In the absence or disability of the Treasurer, any Assistant Treasurer elected by the Board shall have the powers and perform the duties of the Treasurer.

Section 7. Secretary. The Secretary shall take and keep true minutes of all meeting of the Board and of committees of the Conservancy, shall have custody of the corporate seal, and shall have the authority to affix the same to any instrument requiring it, and when so affixed, to attest it. The Secretary shall notify directors of their election and of any meetings, as required by these Bylaws, shall prepare and present the business to be acted upon at meetings of the Board and of committees, under the general direction of the President, and shall perform in general all the duties incident to the office of Secretary and such other duties as the Board may prescribe. In the absence or disability of the Secretary, any Assistant Secretary elected by the Board (or if there be more than one, the Assistant Secretaries in the order of their election) shall have the powers and perform the duties of the Secretary.

ARTICLE VI

Fiscal Year

The Conservancy's fiscal year shall commence on November 1 of each calendar year and conclude October 31 of the following calendar year.



ARTICLE VII

Contracts, Checks and Other Instruments

The Board may authorize any officer or officers, in the name of or on behalf of the Conservancy, to enter into any contract or to execute and to deliver any instrument, or to sign checks, drafts, endorsements, notes or other evidences of indebtedness of the Corporation. Such authority may be general or confined to specific instances, but unless so authorized by the Board or by these Bylaws, no officer shall have the power or authority to bind the Conservancy by any contract or engagement or to render it peculiarly liable for any purpose or for any amount. The Board, in its discretion, may reject any grant, gift or bequest if its conditions might conflict with or jeopardize the Conservancy's charitable purposes. The Board shall have the final authority to make all grants and other charitable expenditures, and nothing in the Article shall constitute any restriction of or limitation on any powers of the Board conferred by statute or by these Bylaws.

ARTICLE VIII

Indemnification

Section 1. Purpose and Definitions. The purpose of this Article is to provide for and regulate indemnification of Directors, officers and employees of the Conservancy. In this Article, the following terms shall have the meanings indicated below, except where the context clearly requires otherwise.

- (1) “action or proceeding” means any civil action or other civil judicial proceeding, any proceeding by or before an administrative agency or official investigatory body, any appeal from or judicial review of actions taken in any of the foregoing proceedings, and includes any such proceeding which is threatened, but does not include any criminal action or proceeding;
- (2) “party to an action or proceeding” means a person made, or threatened to be made, a defendant or respondent or otherwise a party in any action or proceeding, and includes a person called upon, voluntarily or by subpoena, to give testimony, produce documents or respond to interrogatories in connection with an action or proceeding;
- (3) “Director” means each Director of the Conservancy appointed or serving ex officio;
- (4) “officer” means the Chairman, the Vice Chairman, the President, the Executive Director, the Chief Executive Officer of the Conservancy and each person who has held or who holds from time to time any office so designated by the Conservancy for the purpose of this Article;



- (5) "employee" means each employee of the Conservancy who is not also a Director or officer;
- (6) "subsidiary or affiliate" includes each subsidiary or affiliate of the Conservancy;
- (7) "Director", "officer" and "employee" of the Conservancy each includes persons who formerly served in such capacity and the estates of deceased persons who had served in such capacity; and each such term includes persons serving or who formerly served ex officio or by designation of the Conservancy as a director, officer or employee of any subsidiary or affiliate of the Conservancy, and the estates of deceased persons who had served in such capacity, provided that insofar as this Article distinguishes between Directors or officers of the Conservancy, on the one hand, and employees, on the other, the status with respect to indemnification of a person who served in any capacity with a subsidiary or affiliate and who concurrently was a Director or officer of the Conservancy shall be that of a Director or officer, and the status of all other such persons shall be that of an employee of the Conservancy; and
- (8) "applicable standard of conduct" means:
 - (i) with respect to an action or proceeding in which it is alleged that physical harm was caused to the person or property of a complainant or any harm was caused to his/her reputation, that such harm did not result from the willful and wrongful act or gross negligence of the Director, officer or employee seeking to be indemnified hereunder, or
 - (ii) with respect to any other action or proceeding, that the Director, officer or employee seeking to be indemnified hereunder acted in good faith for a purpose which he/she reasonably believed to be in the best interests of the Conservancy and had reasonable cause to believe his/her conduct was lawful.

Section 2. General Scope of Indemnification. The Conservancy shall, to the fullest extent permitted by law, indemnify any person who becomes a party to an action or proceeding by reason of the fact that he/she is or was a Director, officer or employee of the Conservancy against judgments, penalties, amounts paid in settlement and reasonable expenses, including attorneys' fees, actually and necessarily incurred as a result thereof, unless the conduct of such Director, officer or employee in the matters at issue in such action or proceeding is found, in the manner prescribed in this Article, not to have met the applicable standard of conduct.



Section 3. Representation of Persons Indemnified. The Conservancy may, either by its own staff counsel or by outside counsel of its choice, assume the representation of any person who becomes a party to the action or proceeding, except in situations in which (i) choice of counsel is governed by statute, or (ii) the Conservancy's counsel determines that it is inappropriate or inadvisable for such person to be represented by counsel chosen by the Conservancy. In the event the Conservancy does not assume such representation, such person shall have the right to engage private counsel of his choice and the Conservancy shall have the obligation of indemnification for the reasonable fees and expenses of such private counsel as provided in this Article; provided, however, that the Conservancy as a condition to such indemnification for the cost of private counsel may, and where the Attorney General has so required as a condition to indemnification by the State of New York pursuant to statute shall, require appropriate groups of persons to be represented by the same counsel; and further provided, however, that the Conservancy as a condition to such indemnification shall: 1) review and approve the terms of such engagement of private counsel to determine reasonableness of such fees and expenses; and 2) require such persons to execute an agreement in writing that any sums advanced under this Article 8 shall be repaid if the person receiving such advances is ultimately found not to be entitled to indemnification, or to the extent the expenses so advanced by the Conservancy exceed the indemnification to which he/she is ultimately found to be entitled.

Section 4. Advances of Expenses. (a) A Director or officer who becomes a party to an action or proceeding may request that the Directors authorize the Conservancy to advance expenses pending the final disposition of such action or proceeding. Upon such request: (i) if there is a quorum of Directors who are not parties to such action or proceeding, the Directors shall make a tentative finding as to whether it then appears that the requesting Director or officer has met the applicable standard of conduct; or (ii) if such a quorum of Directors is not obtainable with due diligence, the Directors shall obtain an opinion in writing of outside legal counsel as to whether it then appears that such standard of conduct has been met by the requesting Director or officer. If a quorum of Directors makes such findings or outside legal counsel gives such opinion, the Directors shall authorize the Conservancy to pay, and the Conservancy shall pay, from time to time in advance of the final disposition of the action or proceeding, reasonable expenses as described in Section 2 incurred by such Director or officer in connection with such action or proceeding. The amounts of payments made to counsel engaged by the Conservancy and private counsel



engaged to represent Directors and officers indemnified under this Article shall be periodically reported to the Directors by the Executive Vice President/General Counsel..

(b) Reasonable expenses as described in Section 2 incurred by an employee who becomes a party to an action or proceeding shall be paid by the Conservancy from time to time pending the final disposition of such action or proceeding without necessity for any authorization, findings, or other action by the Directors prior to the making of such advances; provided, however, that the Directors (i) may make a tentative finding at any time prior to the final disposition of such action or proceeding that it then appears that an employee has clearly not met the applicable standard of conduct, or may seek an opinion in writing of outside legal counsel with respect to that issue, and if such a tentative finding shall be made or a negative opinion on that issue shall be given, no further advances under this paragraph shall be made with respect to expenses of such employee, and (ii) may determine, or provide for the determination of, the reasonableness of expenses sought to be advanced. The amounts of payments made to counsel engaged by the Conservancy and private counsel engaged to represent employees indemnified under this Article shall be periodically reported to the Directors by the Executive Vice President/General Counsel.

Section 5. Indemnification on Final Disposition. (a) A person who has been wholly successful, on the merits or otherwise, in the defense of an action or proceeding shall be deemed to have met the applicable standard of conduct and shall be entitled to indemnification against reasonable expenses as described in Section 2, and the Conservancy shall make such indemnification without necessity for any authorization, findings or other action by the Directors prior to such indemnification, except that the Directors may determine, or provide for the determination of, the reasonableness of such expenses.

(b) A Director or officer who has not been wholly successful in the defense of an action or proceeding, or who was a party to an action or proceeding without being a defendant or respondent therein, may request indemnification from the Conservancy. Upon such request: (i) if there is a quorum of Directors who are not and were not parties to such action or proceeding, the Directors shall make a finding as to whether the requesting Director or officer has met the applicable standard of conduct; or (ii) if such a quorum of Directors is not obtainable with due diligence, the Directors shall obtain an opinion in writing of outside legal counsel as to whether such standard of conduct has been met by the requesting Director or officer. If a quorum of Directors makes such finding or outside legal counsel gives such opinion, the Directors shall authorize, and the Conservancy shall make, indemnification as provided in Section 2, upon a determination by the Directors (or a person or body designated by the Directors) that expenses sought



to be indemnified were reasonable and actually and necessarily incurred as a result of the action or proceeding, and that any amounts paid in settlement (unless approved by the Directors prior to such settlement) were reasonable in the circumstances.

(c) An employee who has not been wholly successful in the defense of an action or proceeding, or who was a party to an action or proceeding without being a defendant or respondent therein, may request indemnification from the Conservancy. Upon such request: The President shall notify the Directors in writing of such request and of the particulars submitted by such employee in support of it, and the President may submit to the Directors any further information or comments he thinks appropriate. Within two weeks after the next meeting of the Directors following such submission, the Conservancy shall make indemnification as provided in Section 2, unless the Directors shall have found that such employee has not met the applicable standard of conduct, or shall have decided to seek an opinion in writing of outside counsel with respect to that issue (in which event indemnification shall be made within six weeks after such meeting unless a negative opinion on that issue shall have been given), or unless and to the extent that the Directors (or a person or body designated by the Directors) shall have determined that expenses sought to be indemnified were not reasonable or not actually and necessarily incurred as a result of the action or proceeding, or that amounts paid in settlement (unless approved by the Directors prior to such settlement) were not reasonable in the circumstances.

Section 6. Insurance. The Conservancy may, to the fullest extent permitted by law, purchase and maintain insurance on behalf of any Director, officer or employee of the Conservancy to indemnify such person in instances in which he/she has the right of indemnification by the Conservancy under the provisions of this Article.

Section 7. Applicability of this Article. (a) The provisions of this Article shall inure only to Directors, officers and employees of the Conservancy, as defined herein, shall not enlarge or diminish the rights of any other party to an action or proceeding, and shall not impair, limit or modify the rights and obligations of any insurer under any policy of insurance. This Article is to be construed liberally in favor of each Director, officer or employee, to the fullest extent permitted by law, and any ambiguity, uncertainty or reasonable doubt as to facts, interpretation or legal conclusions shall be resolved in favor of such Director, officer or employee.



(b) The provisions of this Article shall be in addition to and shall not supplant any indemnification by the State heretofore or hereafter conferred upon any Director, officer or employee by any statute, by Section 18 of the Public Officers Law, or otherwise; provided, however, that the Conservancy recognizes that its obligation to provide indemnification in accordance with this Article is primary and any obligation of the State to provide indemnification is secondary, in circumstances where both may be applicable.

(c) This Article shall be applicable, to the fullest extent permitted by law, to any claim for indemnification made after its adoption as a bylaw of the Conservancy, whether the action or proceeding to which such claim relates commenced, or the matters at issue therein occurred, before or after the adoption of this Article. It is contemplated that no subsequent amendment, supplement or repeal of this Article which deprives a Director, officer or employee of any substantial right or benefit conferred herein will be made applicable with respect to any claim for indemnification arising out of conduct of such Director, officer or employee occurring or alleged to have occurred after the adoption of this Article and prior to such amendment, supplement or repeal.

(d) Unless and until this Article shall be amended, supplemented or repealed in accordance with Article VII, the provisions of this Article shall constitute a contract between the Conservancy and each Director, officer or employee for indemnification in accordance with the provisions of this Article. In the event that any Director, officer or employee shall be aggrieved by a determination of the Conservancy or the Directors or outside counsel made under this Article, or by a failure of the Conservancy or the Directors to act as provided herein, he/she shall be entitled to seek appropriate relief against the Conservancy in any court of competent jurisdiction within the State of New York in accordance with the standards for indemnification set forth herein.

ARTICLE IX

Waiver of Notice

Whenever any notice is required to be given under the provisions of the laws of the State of New York or under the provisions of the Certificate of Incorporation or these Bylaws, a waiver thereof, in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to the

ARTICLE X



**Battery Park
City Authority**

Amendments

These Bylaws may be amended, supplemented or repealed (i) at any meeting of the sole member, or (ii) provided that written notice of the proposed amendment, supplement or repeal has been sent at least five (5) days in advance of the date set for a Board meeting, at the second regularly scheduled meeting after written notice has been given.



13. Material Changes in Operations

None.



14. Four Year Financial Plan

| FOUR YEAR FINANCIAL PLAN | | | | | |
|---|------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| BATTERY PARK CITY AUTHORITY: OPERATING & CAPITAL BUDGET SUMMARY* | | | | | |
| For the Fiscal Years Ending October 31, 2014 thru 2018 | | | | | |
| (in 000s) | | | | | |
| | Estimated FY 2014 | Proposed FY 2015 | Proposed FY 2016 | Proposed FY 2017 | Proposed FY 2018 |
| OPERATING BUDGET | | | | | |
| Operating Revenues | | | | | |
| Sublease rentals | \$244,752 | \$247,421 | \$256,784 | \$274,882 | \$289,120 |
| One-time payments from new leases | 780 | - | - | - | - |
| Other | - | - | - | - | - |
| | \$245,532 | \$247,421 | \$256,784 | \$274,882 | \$289,120 |
| Non-Operating Revenues | | | | | |
| Investment Earnings | | | | | |
| SWAP payments received (65% of LIBOR)/BABS Subsidy | 1,543 | 1,650 | 1,153 | 1,153 | 1,153 |
| Interest earned | 11,049 | 1,500 | 1,500 | 1,500 | 1,500 |
| | 12,592 | 3,150 | 2,653 | 2,653 | 2,653 |
| Total Receipts: | \$258,124 | \$250,571 | \$259,437 | \$277,535 | \$291,773 |
| EXPENDITURES | | | | | |
| Operating Expenditures | | | | | |
| Total operating expenses * | \$27,608 | \$27,968 | \$28,527 | \$29,098 | \$29,680 |
| Other non-operating expenditures (NYS Cost Recovery Fee) | 8,559 | 6,169 | 6,167 | 6,167 | 6,167 |
| | \$36,167 | \$34,137 | \$34,694 | \$35,265 | \$35,847 |
| Non-Operating Expenditures | | | | | |
| Interest and Other Financing Charges | | | | | |
| Debt service on restructured debt | 60,932 | 63,000 | 65,000 | 65,000 | 65,000 |
| Swap agreement & auction agent fees | 68 | - | - | - | - |
| Total Debt Service: | \$61,000 | \$63,000 | \$65,000 | \$65,000 | \$65,000 |
| Total Expenditures: | \$97,167 | \$97,137 | \$99,694 | \$100,265 | \$100,847 |
| Excess Funds Subject to Settlement Agreement: | \$160,957 ** | \$153,434 | \$159,743 | \$177,270 | \$190,926 |
| CAPITAL BUDGET | | | | | |
| Proceeds from Debt Issuance (beginning of year balance) | 108,471 | 93,874 | 36,915 | 21,915 | 6,915 |
| Capital expenditures | 14,597 | 56,959 | 15,000 | 15,000 | 15,000 |
| Proceeds from Debt Issuance | - | - | - | - | 80,000 |
| Capital funds remaining | \$93,874 | \$36,915 | \$21,915 | \$6,915 | \$71,915 |

*Budget summaries include all costs for Battery Park City Parks Conservancy

**Approximately \$2 million will be added to excess revenue per the 2013 Amendment to the settlement agreement.

NOTE - The approved Fiscal Year 2015 Budget and Projections for Fiscal Years 2016 to 2018 are subject to change based on several factors many of which are not within BPCA's management control. Such factors include: the NYC real estate tax policy, additional bond proceeds required to finance infrastructure, and market conditions effecting cost of capital. Estimated projections 2016 to 2018 not presented to or approved by BPCA Board.

15. Board Performance Evaluations

| | Battery Park City Authority Board Self-Evaluation for Calendar Year 2014 | 2014 Results | | | | |
|----|---|---------------------|---|---|---|---|
| | | Rating | | | | |
| | | Low-----→High | | | | |
| | | 1 | 2 | 3 | 4 | 5 |
| | I. Organization's Mission and Purpose | | | | | |
| A. | You are familiar with the Battery Park City Authority mission and statutory responsibilities? | | | | | 5 |
| | | | | | | |
| B. | All Board Members are familiar with the current purpose of the Authority? | | | | 1 | 4 |
| | | | | | | |
| C. | The current mission statement is appropriate for the organization's role for the next three to five years? | | | | 3 | 2 |
| | | | | | | |
| D. | The policies, practices and decisions of the Board are always consistent with this mission? | | | | 1 | 4 |
| | | | | | | |
| E. | Board Members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles? | | | | 1 | 4 |
| | | | | | | |
| F. | You are knowledgeable about the existing partnerships that the Authority has? | | | | 3 | 2 |
| | | | | | | |
| G. | You are familiar with the Parks Conservancy mission? | | | | 1 | 4 |
| | | | | | | |
| H. | You are familiar with the Parks Conservancy programs? | | | | 3 | 2 |
| | | | | | | |
| | II. Strategic Planning | Low-----→High | | | | |
| | | 1 | 2 | 3 | 4 | 5 |
| A. | All Board Members have input in the strategic planning process? | | | | 2 | 2 |
| | | | | | | |
| B. | The Board currently has a strategic vision of how the organization should be evolving over the next one, three, and five years? | | | | 1 | 2 |
| | | | | | | |

| | | | | | | |
|--|---|------------------|--|---|---|---|
| C. | The Board periodically engages in a strategic planning process that helps it to consider how the organization should meet new opportunities and challenges? | | | 2 | 1 | 1 |
| III. Fiscal Oversight/Sound Risk Management | | Low ----- → High | | | | |
| A. | The Board ensures that the budget reflects the priorities established in the strategic plan? | | | | 1 | 3 |
| B. | The Board ensures that the annual report reflects the priorities established in the strategic plan? | | | | 2 | 2 |
| C. | The Board has time to review the annual report? | | | | 3 | 2 |
| D. | The Board receives financial reports on a regular basis? | | | | | 5 |
| E. | Financial reports are understandable, accurate and timely? | | | | | 5 |
| F. | The Board considers all recommendations made in the annual independent auditor's report and management letter? | | | | | 5 |
| G. | The Board periodically reviews the effectiveness of the auditing firm? | | | | | 5 |
| H. | The Board has established appropriate investment policies? | | | | | 5 |
| I. | The Board annually reviews and understands BPCA's investment portfolio? | | | | | 5 |
| J. | The Board periodically reviews the adequacy of insurance carried by the Authority? | | | | 1 | 4 |
| K. | The Board provides adequate oversight of the contracting processes and procedures? | | | | | 5 |



| | | | | | | |
|---|--|--|--|--|---------------|---|
| L. | The Board has enough knowledge about current litigation matters? | | | | 1 | 4 |
| IV. Relationship between the Board and Staff | | | | | Low-----→High | |
| A. | The roles of the Board Members are clearly defined and understood? | | | | 1 | 4 |
| B. | The roles of the staff are clearly defined and understood? | | | | 1 | 4 |
| C. | Mutual responsibilities of Board Committees are clearly understood? | | | | | 5 |
| D. | The responsibilities of staff assigned to assist the Board Committees are clearly understood? | | | | 2 | 3 |
| E. | Current Board Committee structure and composition contributes to Board productivity? | | | | 1 | 4 |
| F. | Individual Board Members communicate effectively with executive staff so as to be well informed on the status of all important issues? | | | | 2 | 3 |
| V. Board Oversight | | | | | Low-----→High | |
| A. | Board Members are knowledgeable about the Authority's programs, financial statements, and other transactions? | | | | 1 | 4 |
| B. | Board Members are knowledgeable about the Authority's compliance and reporting obligations? | | | | 2 | 3 |
| C. | Board meetings facilitate open, deliberative and thorough discussion, and the active participation of Board Members? | | | | | 5 |
| D. | Board Committee meetings facilitate open, deliberative and thorough discussion, and the active participation of Board Members? | | | | | 5 |



| | | | | | | | |
|--|---|-------------------------|--|--|--|--|-----------------|
| E. | Executive Session meetings facilitate open, deliberative and thorough discussion, and the active participation of Board Members? | | | | | | 5 |
| F. | The Executive Sessions as currently constituted are effective and efficient? | | | | | | 5 |
| G. | Individual Board Members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required? | | | | | | 5 |
| H. | The Board meets to review and approve all documents and reports prior to public release and is confident that the information being presented is accurate and complete? | | | | | | 2 3 |
| I. | The Board exercises appropriate oversight of the President and other executive staff, including setting performance expectations and reviewing performance annually? | | | | | | 2 2 1 |
| J. | The Board has identified the areas of most risk to the Authority and works with management to implement risk mitigation strategies before problems occur? | | | | | | 2 3 |
| VI. President and Chief Executive Officer | | Low ----- → High | | | | | |
| A. | The Board gives the President enough authority, responsibility and support to lead the staff and manage the organization successfully? | | | | | | 2 3 |
| B. | The President provides the Board with sufficient information to enable Members to make informed decisions? | | | | | | 5 |
| VII. Efficiency of Operations | | Low ----- → High | | | | | |
| A. | The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Authority? | | | | | | 2 3 |

| | | | | | |
|-----------|--|--|--|---|---|
| B. | The Board sets clear and measurable performance goals for the Authority that contribute to accomplishing its mission? | | | 1 | 2 |
| | | | | | |
| C. | The decisions made by the Board Members are arrived at through independent judgment and deliberation, free of political influence, pressure or self-interest? | | | 1 | 4 |
| | | | | | |
| D. | Board Members receive clear agendas and supporting written materials? | | | | 5 |
| | | | | | |
| E. | Board Members receive written board materials sufficiently prior to board and committee meetings to allow for review? | | | | 5 |
| | | | | | |
| F. | Board Members stay abreast of issues and devote enough time to learn the Authority's operations to be helpful in guiding the organization's mission and performance? | | | 2 | 3 |
| | | | | | |
| G. | Board Members stay abreast of issues and devote enough time to learn the Parks' operations to be helpful in guiding the organization's mission and performance? | | | 2 | 3 |
| | | | | | |
| H. | The Board focuses much of its attention on long-term, significant policy issues rather than short-term administrative matters? | | | 1 | 3 |
| | | | | | |
| I. | Board Members have adequate opportunities to discuss issues and ask questions? | | | 2 | 3 |
| | | | | | |
| J. | Your participation in Board meetings is meaningful? | | | 3 | 2 |
| | | | | | |
| K. | The frequency of board meetings is appropriate for the responsible discharge of the Board's responsibilities? | | | | 5 |
| | | | | | |
| L. | All Board Members are actively engaged in the work of the board? | | | 1 | 4 |
| | | | | | |



| | | | | | | | |
|------------------------------------|--|---------------|--|--|---|---|---|
| M. | Board Members demonstrate leadership and vision and work respectfully with each other? | | | | | | 5 |
| VIII. Conflict of Interests | | Low-----→High | | | | | |
| A. | The Board has in place an effective conflict of interest policy for itself and staff? | | | | | 2 | 3 |
| B. | The Board has in place an effective code of conduct for itself and staff? | | | | | 2 | 3 |
| IX. Training | | Low-----→High | | | | | |
| A. | The ethics training that you received was helpful in the performance of your duties as a Board Member? | | | | | 1 | 4 |
| B. | The fiduciary training that you received was helpful in the performance of your duties as a Board Member | | | | | 1 | 4 |
| C. | There are other trainings that you could receive that would help you better perform your duties as a Board Member? | | | | 1 | 2 | 2 |



16. Assets and Services Procured Without Competitive Bidding

**Schedule of assets and services purchased with-out Competitive Bidding
Fiscal Year end October 31, 2014**

| Vendor Name | Procurement Description | Amount Expended For Fiscal Year |
|--|--|--|
| Benefit Analysis, Inc | BPCPC-Administer employee benefits | \$1,650.00 |
| Neopost /MailFinance Inc | BPCPC-Postal machine rental | \$1,828.33 |
| Xerox Corporation | BPCPC-copier lease | \$1,933.00 |
| Empire Mechanical Services,Inc | BPCPC-HVAC /mechanical services | \$2,851.00 |
| Harris, Rothenberg International, Inc. | BPCPC-Employee assistance service | \$4,950.00 |
| Ashay Communications, Inc./dba Ashay Media Group | Management of the Competitive Edge's Website | \$5,000.00 |
| Battery Park City Community Emergency Response Team, Inc. | BPC Block Party | \$5,000.00 |
| Building Green LLC | Educational workshop | \$5,000.00 |
| Nelson A. Rockefeller Empire State Porfomaning Arts Center | Facility Rental | \$5,000.00 |
| NY Building Congress, Inc. | Ny Building Congress membership | \$5,000.00 |
| NYS Office of General Services | Sponsorship | \$5,000.00 |
| PWC | Membership | \$5,000.00 |
| Wilde, Key | BPCPC-Performer | \$5,000.00 |
| Sids Supply Company, Inc. | BPCPC-Plumbing supplies & parts | \$5,023.34 |
| Paramount Technologies, Inc | Workplace maintenance | \$5,034.20 |
| Dirt Company-Northeast, Inc. | BPCPC-soil amendment | \$5,050.00 |
| B & H Photo-Video, Inc. | BPCPC-Computer, office & music equipment /supplies | \$5,068.77 |
| Iron Mountain Inc | BPCPC-Offsite storage fee | \$5,272.14 |
| Hanrahan & Meyers Architects | General Planning Design Expense | \$5,375.00 |
| Whitey's Tire Service | BPCPC-Automotive parts | \$5,380.00 |
| Wilmington Trust Company | Bond Issuance cost | \$5,451.53 |
| Heron, Molly | BPCPC-Instructor | \$5,520.00 |
| Active World Solutions | BPCPC-Uniforms | \$5,597.85 |
| Crain Communications Inc/dba Crain's NY Business | Advertising and promotion site managemtn | \$5,632.50 |
| Glenwood Mason Supply Co., Inc. | BPCPC-Sand | \$5,725.00 |
| Barnes, Mary | BPCPC-Performer | \$5,760.00 |
| Pansini Stone Setting | Police Memorial Plaques | \$5,800.00 |
| ADP Screening & Selection Services | Payroll Processing | \$5,936.13 |
| Salestrom Design, Inc. | BPCPC-Design Sevice | \$6,000.00 |
| Suzi Music, LLC | BPCPC-Performer | \$6,000.00 |
| Exterior Design dba The Perennial Farm | BPCPC-Plants | \$6,187.15 |
| Pleasant Run Nursery, Inc. | BPCPC-Plants | \$6,219.70 |
| D'Onofrio General Contractors Corp. | Construction | \$6,271.50 |
| Whitehouse & Company | New York Police memorial design fees | \$6,300.00 |
| AIA New Dimensions in Mktg, Inc. | Promotional products | \$6,355.95 |
| Ninth Ward Touring, Inc | BPCPC-Performer | \$6,500.00 |



Battery Park City Authority

| Vendor Name | Procurement Description | Amount Expended For Fiscal Year |
|--|--|---------------------------------|
| Tantalum Bolt & Fastener, LLC | Hardware | \$6,527.50 |
| United States Merchants Protective Co., Inc. | BPCPC-Fire and alarm monitoring | \$6,544.08 |
| Thomson Reuters-West | Publication | \$6,570.94 |
| Hawkins, Delafield & Wood | Legal | \$6,638.54 |
| Tec Solutions Concepts, Inc. | BPCPC-electric locks & keys system | \$6,774.00 |
| Image Master, Inc. | Bond Issuance cost | \$6,863.38 |
| River Terrace Associates, LLC | Water for Solaire, Teardrop Par, and BPCPC | \$6,877.05 |
| NYC Business Integrity Commission | BPCPC-Permit application and finger printing fee | \$6,950.00 |
| Dahlin, Paul | BPCPC-Performer | \$6,971.04 |
| Battery Dance Company | Festival Donation | \$7,000.00 |
| Sentry Electric LLC | BPCPC-Electrical supplies | \$7,118.00 |
| Lands' End Inc | BPCPC-Uniforms | \$7,155.06 |
| Beds & Borders, Inc. | BPCPC-Plants | \$7,174.91 |
| Granicus, Inc. | Webcasting Services | \$7,200.00 |
| Studio Instrument Rentals, Inc | BPCPC-Instrument rental | \$7,264.80 |
| New York City Water Board | Water | \$7,281.58 |
| SAND Automotive Warehouse LLC | BPCPC-Automotive parts | \$7,309.60 |
| Kim Champion | BPCPC-Instructor | \$7,425.00 |
| Micro Force, Inc. | BPCPC-Consultation | \$7,872.50 |
| Citrix Systems, Inc. | Support/service | \$7,980.00 |
| Technico Marine Corp | BPCPC-Warehouse Sevice | \$8,000.00 |
| Langan Engineering Environmental | Service for Police Memorial, Electric& Mechanic | \$8,048.40 |
| Megan Paznik | Video Production | \$8,200.00 |
| New York State Industries for the Disabled, Inc. | BPCPC-Cleaning service | \$8,283.91 |
| PFM Asset Management | Investment | \$8,500.00 |
| GLAC Seat Inc. | BPCPC-Umbrellas with hydraulic system | \$8,685.60 |
| McCue Gardens | BPCPC-Plants | \$8,692.30 |
| Sun Ra Arkestra | BPCPC-Performer | \$8,700.00 |
| J & F Supply | BPCPC-Snow melt | \$8,800.00 |
| NYS Child Support Processing Center | Child Support | \$8,803.72 |
| Bobcat of New York | BPCPC-Vehicle parts & repair service | \$8,958.98 |
| Pacific Lawn Sprinklers, Inc. | Ballfield irrigation | \$9,185.00 |
| The Broadsheet, Inc | BPCPC-Avertisement | \$9,335.00 |
| Healthy Clean Buildings | BPCPC-Cleaning supplies | \$9,418.58 |
| Dept. of the Treasury IRS | Employee Taxes | \$9,471.66 |
| Henge, Inc. | BPCPC-Outdoor ping pong table | \$9,598.00 |
| Phil Wang | Hummingbird update | \$9,600.00 |
| Pete Stuifbergen Bulb Import Co | BPCPC-Plants | \$9,649.87 |
| Sun Life Insurance & Annuity Company | BPCPC-Life insurance | \$9,960.69 |
| Metropolitan Life Insurance Company | Insurance | \$11,119.26 |
| Automatic Data Processing | Payroll Services | \$11,186.76 |
| Digital Assurance Certification, LLC | Bond Issuance cost | \$11,500.00 |
| Proftech LLC | Supplies | \$11,623.92 |
| Bear Sterns Securities Corp | Financial Services | \$11,757.90 |



Battery Park City Authority

| Vendor Name | Procurement Description | Amount Expended For Fiscal Year |
|---|--|---------------------------------|
| Betty Kiley dba Bettye LaVette LLC | BPCPC-Performer | \$12,000.00 |
| Iron Mountain | Support/service | \$12,929.61 |
| Citibank, N.A. dba ExxonMobil Business Card | BPCPC-Fuel | \$13,156.50 |
| New Computech Inc. | Supplies | \$13,308.18 |
| FM Office Express Inc./dba FM Office Environments | Supplies | \$13,897.83 |
| CDW Government, Inc. | BPCPC-Computer equipment | \$13,948.38 |
| Abacus Group | BPCPC-BPCPC-Temporary services | \$14,004.00 |
| Glatfelter Brokerage Service | BPCPC-Worker's Compensation broker fee | \$14,782.70 |
| Image Marketing Inc. | Webinar Series | \$15,000.00 |
| Independent Media Sales & Services | Supplies | \$15,000.00 |
| Corporate Computer Solutions, Inc. | Privacy screens | \$15,785.70 |
| Motorworks Clean Vehicles, Inc. | BPCPC-Electric vehicle | \$16,326.30 |
| Randive Inc. of New Jersey | Installation at Pier A | \$16,375.00 |
| Derive Technologies LLC | Cisco Smartnet | \$16,377.40 |
| School Specialty Inc | BPCPC-Art and sport supplies | \$16,449.14 |
| Public Interest Network | BPCPC-Telephone & internet service | \$17,147.88 |
| Franklin Covey Client Sales, Inc. | Consulting | \$17,915.52 |
| Verizon | Telephone | \$19,306.23 |
| Staples Advantage | BPCPC-Office & cleaning supplies | \$20,010.78 |
| Savaco Inc. | Pier A inconecel clamps | \$21,108.33 |
| Lincoln Life & Annuity Company of New York | Insurance | \$21,122.99 |
| Cellco Partnership/dba Verizon Wireless | Wireless Provider | \$21,311.83 |
| TIAA-CREF | Retirement | \$21,478.87 |
| Socius1, LLC/dba Socius | Microsoft dynamios plus plan renew | \$21,503.75 |
| Pinnacle Medical PC | BPCPC-medical service | \$22,894.07 |
| Podell Schwartz Schechter & Banfield LLP | Bond Issuance cost | \$24,810.00 |
| The Bank of New York | Financial Services | \$24,850.00 |
| WEB Trucking Corp. | BPCPC-Warehouse Sevice | \$25,200.00 |
| Checker Glass Corp. | BPCPC-Viracon insulted unit | \$27,850.00 |
| F & F Industrial Equipment Corp. | BPCPC-Maintenance supplies & tools | \$27,899.37 |
| CDW Government, Inc. | Supplies | \$30,091.90 |
| Hempstead Lincoln Mercury Motors Corp | BPCPC-Vehicle | \$30,752.00 |
| Crown Lift Trucks | BPCPC-Taylor Dunn trucks | \$30,885.58 |
| Verizon Business | Telephone | \$31,012.58 |
| State Insurance Fund | insurance | \$31,657.27 |
| Verizon Wireless Services | BPCPC-celluar service | \$32,243.07 |
| Clark Equipment Company dba Bobcat Company | BPCPC-Vehicle | \$32,758.40 |
| Con Edison | BPCPC-Gas & electric utilities | \$34,558.69 |
| Essco Distributors, Inc. | BPCPC-Equipment and parts for Chipper | \$35,390.00 |
| NYS Dept. of Labor-UI DIV | unemployment services | \$36,271.38 |
| American Express | Credit card | \$39,451.82 |
| NYSERDA | Pier A | \$39,637.37 |
| GOV Connection, Inc. | Supplies | \$44,023.04 |
| Con Edison | Electric | \$44,129.88 |



| Vendor Name | Procurement Description | Amount Expended For Fiscal Year |
|--|--|---------------------------------|
| New York State OGS | Disaster Recovery | \$47,988.15 |
| American Forest Products LLC dba Tulnay Lumber | BPCPC-Lumber | \$48,413.25 |
| ADP, Inc. | BPCPC-Payroll processing service | \$49,851.74 |
| Sid Tool Co., Inc. dba MSC Industrial Supply Co. Inc | BPCPC-Maintenance supplies & tools | \$50,523.59 |
| Hartford Fire Insurance Company | Insurance | \$60,545.01 |
| W. W. Grainger, Inc. dba Grainger | BPCPC-Maintenance supplies & tools | \$63,775.61 |
| United Rentals (North America), Inc. | BPCPC-air conditioning rental | \$64,173.76 |
| Municipal Credit Union | Credit Union | \$66,149.12 |
| The New York Public Library, Astor, Lenox, and Tilden Foundation | Goldman Library funds | \$83,857.45 |
| Benefit Analysis, Inc. | Benefit | \$99,370.90 |
| Fitch Ratings, Inc. | Credit ratings | \$100,000.00 |
| Dell Marketing L.P. | Support/service | \$103,114.29 |
| Dell Marketing LP | BPCPC-Computer equipment | \$104,292.83 |
| Chapman and Cutler LLP | Bond Issuance cost | \$105,000.00 |
| Access Staffing, LLC | Temp services | \$112,590.00 |
| NYS Empl. Ret. System | Retirement | \$120,871.88 |
| Asphalt Green, Inc. | Operator-Community Center | \$155,712.69 |
| New York State Insurance Fund | BPCPC-Disability insurance | \$163,915.07 |
| Hugh Wood Inc. | Auto and commercial property mobile equipment | \$168,580.00 |
| Advantage Facilitation Services | Pile remediation/ seawall construction | \$182,572.98 |
| NYS Deferred Compensation Plan | Deferred Compensation | \$184,035.19 |
| Moody's Investor's Serv. | Housing Issues | \$195,000.00 |
| New York Power Authority | BPCPC-Electric utilities | \$294,162.62 |
| CIRS | BPCPC-Pension cost | \$392,625.00 |
| New York Power Authority | Utility | \$422,006.17 |
| NYC Water Board | BPCPC-Water utilities | \$471,313.19 |
| Regatta Property LLC | Rent | \$521,203.97 |
| NYS & Local Employees' Retirement System | Retirement | \$604,682.00 |
| Brookfield Properties One WFC Co. LLC | Rent | \$947,312.80 |
| NYS Employees' Health | Health | \$1,167,632.96 |
| NYSHIP-Employee Benefits Division | BPCPC-Medical, dental & hearing insurance | \$1,209,671.46 |
| State of New York Dept. of Transportation | Route 9A reconstruction | \$1,470,913.00 |
| Willis of New York, Inc. | Insurance | \$1,742,887.94 |
| NYC School Construction Authority | Site 2b | \$1,898,808.00 |
| PANYNJ | Liberty Street bridge + Vesey St Underpass tax | \$2,623,619.00 |
| NYS Dept of Tax.& Finance | | \$5,853,000.00 |
| Battery Park City Parks | Parks Funding | \$9,182,320.66 |



17. Material Pending Litigation

9/11 Litigation

Approximately 800 claims have been asserted against the Authority in the United States District Court for the Southern District of New York (the “Court”) by Plaintiffs who worked in and around the World Trade Center site after the September 11th attack (collectively, the “9/11 Claims”). Some of the Plaintiffs had performed clean-up activities for ground lessees of the Authority and for the tenants of commercial and residential buildings in Battery Park City. Plaintiffs seek damages arising from the alleged failure of the Authority and others to adequately protect them against exposure to potential toxins. The Authority’s ground leases provide for ground lessees to indemnify the Authority against certain claims. To date, Brookfield, Merrill Lynch and Lefrak, the lessee under the Gateway Plaza Sublease, have agreed to assume the defense of the 9/11 Claims related to the premises that they control. The Authority is pursuing the tender of the remaining claims to its other ground lessees. Certain of the Authority’s insurers have taken the position that their insurance policies for the applicable period do not provide coverage to the Authority for these claims.

In November 2010, off-site cases (i.e. cases in the area surrounding the World Trade Center site, such as those in Battery Park City) were permitted to proceed with litigation. However, the James Zadroga 9/11 Health and Compensation Act of 2010 (the “Zadroga Act”) bars Plaintiffs participating in the amended 2001 Victim Compensation Fund (the “amended VCF”) from suing the Authority and requires them to drop their lawsuits, thereby reducing the Authority’s potential exposure. A total of 153 Plaintiffs with claims against the Authority chose to drop their lawsuits and participate in the amended VCF. The Court has so ordered these dismissals and 153 cases against the Authority have been dismissed with prejudice.

The Court subsequently dismissed an additional 81 cases against the Authority with prejudice due to the Plaintiff’s failure to properly verify their responses under oath as required by the Court ordered database of off-site cases. The Second Circuit, Court of Appeals recently affirmed the dismissal of these cases. Out of 81 cases, 74 of those cases had also elected to participate in the VCF and were included in the Court’s order dismissing the 153 cases referenced above.

As a result of a motion to dismiss those cases where the Plaintiffs did not allege a physical injury, alleged only a fear of cancer or only sought medical monitoring, the Court dismissed a further 104 cases against the Authority with prejudice. The dismissal of these cases was appealed by the Plaintiffs to the Second Circuit, Court of Appeals. The Second Circuit affirmed the dismissals in part, but revived many of the cases and remanded them to the Court for further analysis as to whether the cases should be dismissed per the Second Circuit’s guidelines.

As a result of the revival of some of the cases referenced above, there are 133 cases involving Stuyvesant High School and 132 cases involving Hudson View East.

The Authority is named as a defendant in 7 of the 9 first phase cases and discovery has been completed on those cases. The Authority has successfully tendered its defense to its lessees in 3 of those cases. The Court ordered a second phase of discovery, which has been completed. The second phase consists of 30 cases and the Authority is named as a defendant in 25 of those cases. However, many of these Plaintiffs are making claims against the Authority for locations where the Authority is receiving a defense and indemnification from Brookfield, Merrill Lynch or Lefrak. The Court has recently ordered a third phase of discovery to consist of an additional 30 cases. Of the cases that were selected for the third phase, the Authority is a defendant in 7 cases. The third phase of discovery has recently commenced.



All fact discovery on all Plaintiffs in Phase I and Phase II discovery is completed. Fifteen cases from the combined Phase I and Phase II Plaintiffs have been selected for trial. Of the 15 cases selected for trial, the Authority was a defendant in 7 of those cases in which its defense has not been assumed by another entity.

The Authority submitted a motion for summary judgment on each of the 7 trial cases in which it is a defendant. As a result of the filing of that motion, Plaintiffs' counsel agreed to discontinue 2 of the cases. One of those cases was the first case set for trial. All of the motions have been fully submitted, and the Authority is awaiting a decision.

The first trial has been adjourned from November 13, 2014 to March 2, 2015. The Court also intends for a second case to be assigned for trial on March 2, 2015. The Court extended the time for completion of expert discovery for the first trial group to December 31, 2014, including the completion of all expert depositions. As counsel has not concluded whether the likelihood of an unfavorable outcome is either probable or remote, counsel did not express an opinion as to the likely outcome of the matter.

Crana Electric, Inc. Litigation

Crana Electric, Inc. ("Crana") entered into a contract with the Authority to perform work in connection with the renovation of Pier A, a landmark property located on the Hudson River. After the conclusion of Crana's work on the project, it submitted a claim for extra work and delay damages in the amount of \$1,551,129.18. On February 4, 2014, Crana commenced this purported "hybrid" action/proceeding alleging that the Authority had failed to render a determination on Crana's claim in accordance with the terms of the contract, and seeking an award of the damages stated in Crana's claim. The Authority denies all of the allegations stated in Crana's petition, and is vigorously defending the proceeding. The Authority has filed a motion to dismiss the proceeding, which is still pending. The Authority and Crana have agreed to mediate this dispute, and a mediation is scheduled to begin on January 21, 2015. The court proceeding is presently stayed pending mediation. An evaluation of the potential for an unfavorable result cannot be made at this time, as it is early in the process.