

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

Meeting of the Members
One World Financial Center, 24th Floor
New York, NY 10281
February 27, 2013

Members Present

Dennis Mehiel, Chairman/CEO
Frank J. Branchini, Member
Donald A. Capoccia, Jr., Member
Martha J. Gallo, Member (by phone)
Carl Mattone, Member

Authority Staff in Attendance: Demetrios A. Boutris, President/Chief Operating Officer
Lauren Bruggess, Administrative Assistant
Gwen Dawson, Senior Vice President, Asset Management
Anne Fenton, Deputy Chief Operating Officer
Kevin McCabe, Assistant to the President
Matthew Monahan, Senior Vice President, Public Information
Anthony Peterson, Director of Diversity Programs
Robert M. Serpico, Senior Vice President, Finance and Treasurer/Chief Financial Officer
Seema Singh, Senior Counsel
Kirk Swanson, Chief Administrative Officer, Internal Control Officer and Chief Contracting Officer
Phyllis Taylor, Executive Vice President/General Counsel, Corporate Secretary

Others in Attendance: Tessa Huxley, Battery Park City Parks Conservancy
Betty Chin, Battery Park City Parks Conservancy
Roger Bagley, Hawkins, Delafield & Wood
Lloyd Lowy, Hawkins, Delafield & Wood
Timothy Froessel, Holland & Knight
Stephen Shapiro, Holland & Knight
David Emil, Lower Manhattan Development Corporation
Phil Plotch, Lower Manhattan Development Corporation
Matt Best, Mayor's Office
Penny King, Mayor's Office
Jeff Mandel, Mayor's Office
Seth Myers, Mayor's Office
Camden Ackerman, Speaker Sheldon Silver's Office

The meeting, called on public notice in accordance with the New York State Open Meetings Law, convened at 10:02 a.m.

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The first item on the agenda was the approval of the minutes of the January 29, 2013 meeting. Upon a motion made by Mr. Branchini and seconded by Mr. Mattone, the following resolution was unanimously adopted:

APPROVAL OF MINUTES OF THE JANUARY 29, 2013 MEETING

BE IT RESOLVED, that the minutes of the meeting of the Members of the Hugh L. Carey Battery Park City Authority held on January 29, 2013 are hereby approved.

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The next item on the agenda was the Chairman's report. After discussion, the Members determined that going forward, Authority meetings will be scheduled on the third Tuesday of each month at 10 a.m., with the exception of the March meeting, which will be on the fourth Tuesday, and that each meeting will be preceded by a meeting of one of the Authority's committees, as applicable. At Mr. Mehiel's request, Ms. Taylor agreed to circulate a schedule of proposed committee meetings.

Next, Mr. Mehiel updated the Members and the public on the status of the progress of the Asphalt Green Community Center. He explained that, due to flood damage, the date by which Asphalt Green will be granted access to "to the Community Center to begin their preparations is still a moving target." He noted that this has given rise to significant unanticipated expenses on the part of Asphalt Green as they defer their opening date. He noted that "the specific dates are going to have an impact on the nature of [Asphalt Green's] summer programming," and stated that "it [i]s a very high priority."

Then, Mr. Mehiel explained that the Authority's proposed bonding capability, of approximately \$300 million, did not get into the Executive Budget submitted by the Governor. He explained that the consequence is that the Authority will need legislative action in order to obtain that authorization. He reported that he met with the Governor's Senior Staff last week to discuss this matter. He noted that the Members should be aware that if the Authority does not receive this additional bonding authority, then it will make getting into the Executive Budget next year a much higher priority.

Next, Anthony Peterson presented an update on Diversity issues. He explained that he will participate in upcoming networking events to discuss opportunities for M/WBE's in construction, as well as other fields. Mr. Mehiel asked if Mr. Peterson is prepared to assist in implementing M/WBE's into the West Thames Bridge project as well. Mr. Peterson said that he will work with the other entities involved and forward all opportunities to M/WBE's.

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The next item on the agenda was the ratification, confirmation and approval of actions taken by the Authority's Emergency Contracts Sub-Committee. Mr. Mehiel noted the extraordinary efforts of Mr. Capoccia in heading up this Subcommittee. Then Ms. Dawson presented an update on the Superstorm Sandy remediation efforts and Subcommittee process. She reported that, since the last Members' Meeting, the Authority has incurred additional costs, with the Subcommittee's approval most notably, the Authority entered into a contract with Applied Landscape Technologies for \$1,095,000.00.

Ms. Dawson explained that, of the Subcommittee's delegated authority of \$13.5 million, there have been approved expenditures in the amount of \$6,049,078.82, leaving additional authority of \$7,450,921.18. She also noted that the Authority has received insurance advances for these remediation projects in the amount of \$1,750,000.00, with additional advances expected within the next two to three weeks.

Mr. Mehiel observed that current estimates for the remediation work exceed the Subcommittee's delegated authority. Ms. Dawson confirmed that the Authority would not exceed the delegated authority before the next meeting, so no further action is needed at this time.

Mr. Capoccia stated that "within the next 30 days we will know the full extent of all the remediation costs, provided that we have seen everything at this point." He noted that hopefully no more unforeseen conditions will arise.

Ms. Gallo stated, "I think the work we're doing on remediation is fabulous." Next, she said that the Members should discuss prevention for the future. She reported that the Members should be thinking about best practices, infrastructure and other strategic questions. "I think we owe the community some time and energy," she said. Mr. Mehiel stated that it is worth having a dialogue with others in the area and possibly utilizing outside consultants to assist the Authority in this regard.

Ms. Dawson stated that, as part of the Authority's remediation efforts, Management is taking steps to prevent similar future damage, such as applying heavier turf to the Ballfields.

Ms. Gallo stated that other entities in Battery Park City, as part of Zone A, are investing in consultants and studies. Ms. Dawson explained that the sea wall was inspected and is fine, as far as storm damage is concerned. She noted that Management plans to have a follow-up infrastructure study done. Mr. Mehiel stated that once Management decides how it will proceed with regard to Battery Park City infrastructure improvements in the future, Management will circulate a memo to the Members for informational purposes.

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The next item on the agenda was a presentation by representatives of the City of New York regarding the West Thames Street Bridge Project. Mr. Jeff Mandel, of the Mayor's Office, presented some highlights regarding the West Thames Street Bridge Project. He noted the efforts and collaboration of the City of New York and Battery Park City Authority. Then, Mr. Best, also of the Mayor's Office, gave a presentation on the proposed plans for the West Thames Bridge. A copy of his presentation will be filed with the minutes.

Mr. Best reported that the City is commencing design and environmental studies. Together, he said, hard construction costs and project soft costs will be in the range of \$21.5 million dollars. This would leave a contingency budget of four million dollars, he explained. "[O]ur number one focus of this project from a budgetary standpoint is to minimize how much we have to tap into the contingency," he said.

Mr. Mandel explained that the current proposal is for the Authority to fund the initial work for design and environmental work and for Lower Manhattan Development Corporation ("LMDC") to provide the overarching majority of the rest of the funding, up to \$22 million. To the extent that the project costs exceed \$22 million, which is anticipated, he said, then the Authority would cover up to \$4 million in contingency costs.

Ms. Gallo asked whether there would be elevators on both sides of the bridge. Mr. Best explained that there will be at least one elevator and either a ramp or another elevator on the other side of the bridge. Deciding what to put on the other side of the bridge will require balancing capital construction costs versus ongoing operating maintenance costs, he said.

Ms. Gallo inquired whether the cost overruns would be borne by the Authority. She noted that the Authority ran into such a situation at Pier A. Mr. Mandel stated that the Pier A project should be separated from

this project. "That's a far more complicated project," he said. He explained that overruns are something that will have to be figured out. He noted that there is an ample contingency.

Mr. Mehiel stated to Mr. Emil, that he understands the process to be that LMDC will reimburse the Authority after the Authority fronts funds for the project. Mr. Emil agreed. "The timeliness of how we can interact with LMDC for reimbursement will be highly critical in terms of our own results in our own fiscal year," Mr. Mehiel said. Mr. Emil explained that LMDC's authorization is currently capped at \$20 million for this project.

Mr. Mehiel explained that, with regard to potential cost overruns or delayed reimbursement, the Authority, "will try to drive a process to get an MOU that's definitive in terms of how we will cope with these contingencies so everybody understands the ground rules in advance." He said that he wants to have the mechanisms in place.

Mr. Mehiel continued by stating the Authority wants to understand the risk and what the potential outcomes are so that "we have an understanding in advance how to deal with those." He explained that the two major issues for the Authority are material cost overruns and substantial delays on reimbursement.

Mr. Mandel suggested that this discussion continue in a private forum.

Mr. Emil stated that the LMDC Board shares the Authority's concerns. He explained that it is both the practice of the LMDC Board and a federal requirement that LMDC not fund a project unless it is confident that there is funding in place to finish the project. LMDC does not want to give the impression that it has additional funds to allocate to this project, he said. He stated that he believes LMDC will be able to handle to cash flow issues on this project.

Mr. Mehiel said that he appreciates LMDC's sensitivity to these issues. He said that it makes sense to address these issues now, rather than later, when there is a crisis.

Mr. Emil stated, "the [LMDC] Board is very excited about this project.... [I]t's a high priority and we are very happy that the Authority can build it and that we can participate, and I look forward to working with you."

Mr. Capoccia asked for information regarding the revolving line and whether the Authority will be reimbursed on a 30 day basis. Mr. Emil explained that it is not really a 30 day basis. The Authority can provide copies of anticipated draws in advance, but they will not be reimbursed by LMDC until funds are actually expended.

Last, Mr. Mehiel noted that the Authority will need to obtain the approval of the Comptroller and the Mayor for this project.

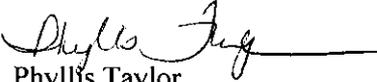
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Next, upon a motion made by Mr. Capoccia and seconded by Mr. Branchini, the Members voted unanimously to conduct an executive session pursuant to Section 105.1 of the Public Officers Law to discuss matters pertaining to litigation in connection with Superstorm Sandy. No actions were taken by formal vote at the executive session, and the meeting of the Members thereupon resumed after the conclusion of the executive session.

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There being no further business, the Members unanimously voted to adjourn the meeting. The meeting thereupon adjourned at 11:55 a.m.

Respectfully submitted,


Phyllis Taylor
Corporate Secretary

Attachments:

Storm Damage Cost Summary

West Thames Bridge Project Presentation