

HUGH L. CAREY BATTERY PARK CITY AUTHORITY
Meeting of the Members
200 Liberty Street, 24th Floor
New York, NY 10281
December 11, 2018

Members Present

George Tsunis, Chairman
Louis Bevilacqua, Member
Martha Gallo, Member
Anthony Kendall, Member
Catherine McVay Hughes, Member
Lester Petracca, Member

Authority Staff in Attendance: Benjamin Jones, President and Chief Executive Officer
Debbie Addison, Director of Project Management & Planning
Sharmila Baichu, Vice President of Human Resources
Brett Beecham, Associate General Counsel
Marie Cornielle, Deputy Treasurer
Gwen Dawson, Vice President, Real Property
Pamela Frederick, Chief Financial Officer/Treasurer
James Gallagher, Assistant General Counsel
Abigail Goldenberg, General Counsel
Nimisha Haribaran, Executive Assistant/Contract Manager
Craig Hudon, Director of Parks Programming
Karl Koenig, Controller
Eric Munson, Vice President of Administration & Strategic Planning
Lauren Murtha, Paralegal/Assistant Corporate Secretary
Robert Nesmith, Chief Contracting Officer
Bruno Pomponio, Director of Parks Operations
Kim Robledo, Associate Project Manager
Nicholas Sbordone, Director of Communications and Public Affairs
Nicole Stallworth, Associate General Counsel
Alexis Torres, Chief of Staff
Ryan Torres, Associate Director of Parks Operations
Kenneth Windman, Director of Facilities & Infrastructure Management

Others in Attendance: Robert Cheddar, PFM Asset Management
Samantha Myers, PFM Asset Management
Ira Isaguirre, Ramirez Asset Management
Louis Sarno, Ramirez Asset Management
Various Members of the Public

The meeting, called on public notice in accordance with the New York State Open Meetings Law, convened at 10:46 a.m.

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The first item on the agenda was the approval of the minutes of the October 29, 2018 meeting. Upon a motion made by Ms. McVay Hughes and seconded by Mr. Bevilacqua, the following resolution was unanimously adopted:

APPROVAL OF MINUTES OF THE OCTOBER 29, 2018 MEETING

BE IT RESOLVED, that the minutes of the meeting of the Members of the Hugh L. Carey Battery Park City Authority held on October 29, 2018 are hereby approved.

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The next item on the agenda was the M/WBE Utilization Report presented by Mr. Nesmith.

Mr. Nesmith reported that for the month of October, 2018, 30.01% or \$532,405.63 of the Authority's total allowable expenditures of \$1,774,175.79 was paid to M/WBEs.

Of this total amount, approximately 16% or \$276,318.29 was paid to MBEs, and approximately 14% or \$256,087.34 was paid to WBEs. 25.09% (\$445,126.55) of these amounts were paid directly to M/WBEs — 12.85% (\$227,990.97) to MBEs and 12.24% (\$217,135.58) to WBEs. 4.92% (\$87,279.08) was paid to MWBEs as Sub-Contractors — 2.72% (\$48,327.32) to MBEs and 2.20% (\$38,951.76) to WBEs. And for the Second Quarter of Fiscal year 2018, 10.45% (\$51,350.96) of the Authority's total allowable expenditures of \$491,421.61 was paid to SDVOBs.

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There were four individuals who presented comments during the period of public comment.

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The next item on the agenda was the Investment Committee report presented by Ms. Frederick.

Ms. Frederick stated that the Investment Committee met earlier this morning for its quarterly report and in attendance were the Chair, Lester Petracca, Catherine McVay Hughes and Martha Gallo. Also in attendance were our investment advisors, PFM Asset Management as well as Ramirez Asset Management. A statement of ESG Investment Principles were agreed to and will be incorporated into the Investment Guidelines which will be brought to the full Board in January. The primary outcome is that the Authority encourages investment managers to include ESG as an investment factor when making investment decisions. We continue to prohibit investments in companies that are heavily reliant on fossil fuels and we will also continue to invest the portfolio based on risk and return when making investment decisions.

The second topic that was covered were benchmarks, she noted. PFM and Ramirez provided the committee with a detailed review and analysis of the benchmarking practices being applied toward the Authority's investments and used as performance measures for the total return accounts. She mentioned the next meeting will be on January 29th ahead of the next Board meeting.

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The next item on the agenda was the Resiliency Update presented by Mr. Jones.

Mr. Jones began by reporting that we are continuing to make progress with both the South Battery Park City ballfields design and engineering for resiliency, and detailed project schedules for both of those projects were provided. Some of the milestones we have had are community meetings for both of these projects and survey work has been done on both fronts. We started drafting the boring plan, he noted, with the geotechnical engineers and in addition to other measures we are expecting the coastal modeling to be refined later this month, which will really help inform the scope and scale of the resiliency needs for that portion of the project.

The ballfields and community center project also had the community meeting, the geotechnical work was completed and later this month we are expecting STV's basis of design report, which will also inform the scope of the resiliency measures needed. In other news, we updated our website with a featured link to resiliency, that now serves as a repository for all of the resiliency information and measures that the Authority has undertaken and is pursuing. He mentioned we released the RFP for the North Battery Park City resiliency project and we have also engaged the Mayor's office of sustainability to collaborate on Battery Park City-wide retrofit strategy for carbon greenhouse gas reduction strategies in all of the buildings here.

Lastly, he said we are in the final phase of our discussions with the Mayor's office and Comptroller's office to finalize their capital plan approval, and they have indicated early support for our resiliency scope and we are expecting funding to be approved for the design and engineering phases and then continue the conversation for the next steps once we have more information from those efforts.

Craig Hudon then briefly talked about the Parks Winter Program and Calendar of Events, which he noted includes more than 600 programs and events for newborns, children, families, adults and seniors taking place through April. He said they try to provide something for everyone at the public spaces and community centers in Battery Park City.

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Ms. Gallo made a motion to enter Executive Session, which was seconded by Mr. Bevilacqua, to discuss the negotiations related to the lease of real property, the publicity of which could substantially affect the value of the relevant properties, and to discuss matters relating to the promotion of an employee. The Members entered Executive Session at 11:10 a.m.

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Upon a motion made by Ms. McVay Hughes and seconded by Mr. Bevilacqua. The Members exited Executive Session at 12:10 p.m. At this time Mr. Petracca left the meeting.

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The next item on the agenda, presented by Ms. Dawson, was an authorization to enter into a contract with Walker Diving Underwater Construction, LLC for the South Cove Jetty.

One of the primary elements of South Cove is a large, curving pedestrian-accessible wooden jetty (the "Jetty") that extends into the water like a pier at the southern end of the Cove. In 2018, the

Real Property Department assigned one of its on-call engineers to perform an underwater structural inspection of the Jetty. The inspection disclosed that several timbers and bracing connections require replacement, along with various repairs to some of the wooden piles and replacement of all of the deck boards is also required. As an interim measure, in anticipation of the required structural restoration work and in accordance with the engineer's recommendations, the Authority has removed several of the overhead timbers from the Jetty and secured off a portion of the Jetty from public access. There was no discussion on this item.

Upon a motion made by Mr. Kendall and seconded by Ms. McVay Hughes, the following resolution was unanimously adopted:

AUTHORIZATION TO EXECUTE CONTRACT WITH WALKER DIVING UNDERWATER CONSTRUCTION, LLC FOR THE SOUTH COVE JETTY DECKING REPLACEMENT AND BRACING RESTORATION PROJECT

BE IT RESOLVED, that in accordance with the materials presented to this meeting, the President and Chief Executive Officer (the "President") of the Authority or her/his designee(s) be, and each of them hereby is authorized to enter into a thirteen-month contract (the "Contract") with Walker Diving Underwater Construction, LLC for the South Cove Jetty Decking Replacement and Bracing Restoration Project in the lump-sum amount of \$1,554,188; and be it further

RESOLVED, that the President of the Authority or her/his designee(s) be, and each of them hereby is, authorized and empowered to execute and deliver the Contract on behalf of the Authority, subject to such changes as the officer or officers executing the Contract shall, with the advice of counsel, approve as necessary and appropriate and in the best interest of the Authority, such approval to be conclusive evidence by the execution and delivery of the Contract; and be it further

RESOLVED, that the President of the Authority or her/his designee(s) be, and each of them hereby is, authorized and empowered to execute all such other and further documents, and to take all such other and further actions as may be necessary, desirable or appropriate, in connection with the transactions contemplated in the foregoing resolutions, and any such execution of documents and any other and further actions heretofore taken are hereby ratified and any actions hereafter taken are confirmed and approved.

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The next item on the agenda, presented by Ms. Frederick was an authorization to amend the contract with CBRE for Real Estate Consulting Services.

In April 2011, CBRE was awarded a \$225,000 contract, executed January 27, 2012, for a three-year term to serve as the Authority's on-call real estate consultant to advise on matters relating to long-term residential and commercial ground leases. Since that time CBRE has been involved in all key lease negotiations and has developed extensive knowledge of BPCA ground leases, tenants, and BPCA's structure and policy matters. Since its original execution in 2012, the contract has been amended for both time and value on numerous occasions. Currently, the not-to-exceed value of the contract is \$1,572,000.00, an amount approved by the Board in October 2015. The remaining unused amount on the contract is approximately \$476,000. While additional money is not currently needed, it is hereby requested that the contract be extended for an additional six (6) months. The Authority is

engaged in extensive ground lease negotiations, primarily focused on rent resets and CBRE remains a critical partner in these negotiations. There was no discussion on this item.

Upon a motion made by Mr. Kendall and seconded by Ms. McVay Hughes, the following resolution was unanimously adopted:

AUTHORIZATION TO AMEND THE CONTRACT WITH CBRE, INC.

BE IT RESOLVED, that in accordance with the materials submitted at this meeting, the President and Chief Executive Officer (the "President") of the Battery Park City Authority or her/his designee(s) be, and each of them hereby is, authorized and empowered to execute an amendment to the contract (the "Amendment") with CBRE, Inc. to extend the contract term from December 30, 2018 to June 30, 2019; and be it further

RESOLVED, that the President of the Authority or her/his designee(s) be, and each of them hereby is, authorized and empowered to execute and deliver the Amendment on behalf of the Authority, subject to such changes as the officer or officers executing the Amendment shall, with the advice of counsel, approve as necessary and appropriate in the best interest of the Authority, such approval to be conclusively evidenced by the execution and delivery of the Amendment; and be it further

RESOLVED, that the President of the Authority or her/his designee(s) be, and each of them hereby is, authorized and empowered to execute all such other and further documents, and to take all such other and further actions as may be necessary, desirable or appropriate, in connection with the transactions contemplated in the foregoing resolutions, and any such execution of documents and any other further actions heretofore taken are hereby ratified and any actions hereafter taken are confirmed and approved.

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The next item on the agenda, presented by Ms. Goldenberg, was an authorization to execute a lease extension with Gigino at Wagner Park, LLC ("Gigino's").

On March 19, 1999, the Members authorized a lease agreement (the "Lease") with Gigino's for the fit-out and operation of a restaurant in Robert F. Wagner, Jr. Park, consisting of 3,170 square feet of space, including both indoor and outdoor patio areas. The selection of Gigino's followed a public advertisement for a new operator to succeed the prior restaurant operator.

The original Lease term expired on September 30, 2011, at which time the Authority extended the lease from 2011 through October 1, 2013 (First Lease Extension); from October 1, 2013 through December 31, 2013 (Second Lease Extension); and from January 1, 2014 through December 31, 2015 (Third Lease Extension). The First, Second and Third Amendments were all approved by the Board and fully executed. On December 4, 2015, the Board authorized a two-year extension, extending the term of the lease from January 1, 2016 through December 31, 2017. It appears from the Authority's records that, due to an administrative oversight at the time, the approved amendment was not prepared and executed, and no amendment has been entered into since. Accordingly, Gigino's has effectively been a month-to-month tenant under the terms of the Third Amendment. Notably, Gigino's has paid all rents due, and has continued to comply with the terms of their lease throughout.

Accordingly, the Legal Department recommends that the Lease between the Authority and Gigino's be extended for a period of an additional three (3) years through December 31, 2021 (the "Fourth Lease Extension"). Under the Fourth Lease Extension the annual rent would remain at \$85,000 plus 8.5% of total gross annual receipts above the minimum annual rent. The Fourth Lease Extension would add a termination at will provision exercisable by the Authority, and all other key terms of the Third Lease Extension would remain unchanged.

Upon a motion made by Mr. Kendall and seconded by Ms. McVay Hughes, the following resolution was unanimously adopted:

AUTHORIZATION TO EXECUTE FOURTH LEASE EXTENSION WITH GIGINO AT WAGNER PARK, LLC

BE IT RESOLVED, that in accordance with the materials presented to this meeting, the President and Chief Executive Officer of the Authority (the "President") or her/his designee(s) be, and each of them hereby is authorized to execute an extension (the "Fourth Lease Extension") for the Lease with Gigino at Wagner Park, LLC for the operation of a restaurant in Robert F. Wagner Jr. Park; and be it further

RESOLVED, that the President or her/his designee(s) be, and each of them hereby is authorized and empowered to execute and deliver the Fourth Lease Extension on behalf of the Authority, subject to such changes as the officer or officers executing the Fourth Lease Extension, shall, with the advice of counsel, approve as necessary and appropriate and in the best interests of the Authority, such approval to be conclusively evidenced by the execution and delivery of the Fourth Lease Extension; and be it further

RESOLVED, that the President or her/his designee(s) be, and each of them hereby is, authorized and empowered to execute all such other and further documents and to take all such other and further actions as may be necessary, desirable or appropriate in connection with the transactions contemplated in the foregoing resolutions, and any such execution of documents and any other further actions heretofore taken are hereby ratified and any actions hereafter taken are confirmed and approved.

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The next item on the agenda, presented by Ms. Goldenberg, was an authorization to amend the lease with Pier A Battery Park.

Ms. Goldenberg began by explaining that in 2011, the Authority entered into a 25 year lease agreement with the current operator of what is referred to as our Pier A, the restaurant and bar facility located at Pier A. Since then we have amassed additional data about actual economics associated with operating that business and have received word from the operators of Pier A that the current lease structure is proving in actuality to be unfeasible and in fact they have fallen behind in their rent payments as a result of the lack of feasibility from an economic perspective. Obviously this is an important part of our community and our primary goal here is to have a successful business there and make sure that it continues to contribute to the thriving nature of the neighborhood.

As a result of that, she mentioned, we worked with them to restructure to some extent the pertinent terms of their lease. It still maintains a fair, equitable and reasonable rental payment to the Authority, but it more accurately reflects the realities particularly with regard to seasonality, so the other provision in the lease amendment is that there is a rollercoaster payment to reflect the seasonality

of their business. Again, the net of it is that we do have a fair and reasonable revenue stream from the property.

Upon a motion made by Mr. Bevilacqua and seconded by Ms. Gallo, the following resolution was unanimously adopted:

AUTHORIZATION TO AMEND THE LEASE WITH PIER A BATTERY PARK ASSOCIATES, LLC

BE IT RESOLVED, that the President and Chief Executive Officer (the "President") of the Battery Park City Authority (the "Authority") or his designee(s) be, and each of them hereby is, authorized and empowered to enter into an amendment (the "Amendment") to the Lease with Pier A Battery Park Associates, LLC to modify the amount and schedule of Base Rent and Deferred Rent payable thereunder; and be it further

RESOLVED, that the President or his designee(s) be, and each of them hereby is, authorized and empowered to execute and deliver the Amendment on behalf of the Authority, subject to such changes as the officer or officers executing the Amendment shall, with the advice of counsel, approve as necessary and appropriate and in the best interest of the Authority, such approval to be conclusively evidenced by the execution and delivery of the Amendment; and be it further

RESOLVED, that the President or his designee(s) be, and each of them hereby is, authorized and empowered to execute all such other and further documents, and to take all such other and further actions as may be necessary, desirable or appropriate, in connection with the transactions contemplated in the foregoing resolutions, and any such execution of documents and any other and further actions heretofore taken are hereby ratified and any actions hereafter taken are confirmed and approved.

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The Chairman then put forth a resolution for the appointment of a new Chief Operating Officer for the Battery Park City Authority.

Upon a motion made by Mr. Bevilacqua and seconded by Ms. McVay Hughes, the following resolution was unanimously adopted:

APPOINTMENT OF CHIEF OPERATING OFFICER OF THE BATTERY PARK CITY AUTHORITY (THE "AUTHORITY") AND RATIFICATION, CONFIRMATION AND AUTHORIZATION TO SIGN FINANCIAL AND BANK-RELATED DOCUMENTATION, INCLUDING CHECKS, VOUCHERS, REQUISITIONS AND OTHER INSTRUMENTS

BE IT RESOLVED, that pursuant to Article II, Section 10 of the Authority's Bylaws, the following person is hereby appointed to the office indicated next to his name to serve until his successor shall be duly elected, unless he resigns, is removed from office or is otherwise disqualified from serving as an officer of the Authority, and that he shall take his office on December 11, 2018:

Chief Operating Officer.....Eric Munson

and be it further

RESOLVED, that Eric Munson is hereby authorized to do all the acts, deeds and things which are necessary, desirable, appropriate and attendant to performing the duties for the aforesaid appointment; and be it further

RESOLVED, that any actions taken as may be necessary, desirable or appropriate, in connection with the duties contemplated in the foregoing resolutions, and any further actions taken prior to the date hereof are hereby ratified, confirmed and approved; and be it further

RESOLVED, that consistent with the Battery Park City Authority's (the "Authority") enabling legislation and By-Laws, we hereby ratify, confirm and authorize the officers identified below and on the attached Incumbency Certificate to transact business and issue instructions to banking and financial institutions on behalf of the Authority, provided that any documentation relating to such transactions that exceeds \$25,000 must be signed by at least two of the following Authorized Officers: Benjamin Jones, President & Chief Executive Officer, Abigail Goldenberg, General Counsel, Pamela Frederick, Chief Financial Officer/Treasurer, and Eric Munson, Chief Operating Officer. This authorization shall include, but not be limited to, execution of documentation in connection with financial and banking transactions, requisitions of monies, signing of checks, vouchers, requisitions and other instruments made by the Authority or to which the Authority may be a party; and be it further

RESOLVED, that any and all actions taken by any of the Authorized Officers in connection with the above transactions, actions or filings are hereby ratified, confirmed and approved; and be it further

RESOLVED, that the Assistant Corporate Secretary of the Authority be, and hereby is, directed to file this resolution with the minutes of this meeting.

This resolution shall take effect immediately and shall be filed in the Authority's official corporate records.

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There being no further business, upon a motion made by Mr. Bevilacqua and seconded by Ms. McVay Hughes, the Members unanimously voted to adjourn the meeting. The meeting thereupon adjourned at 12:35 p.m.

Respectfully submitted,


Lauren Murtha
Assistant Corporate Secretary

Public Comment
December 11, 2018 Board Meeting

1. **Justine Cuccia**: So as Nick said, I'm a resident of Battery Park City for almost three decades now, shockingly to me, and I'm here today in my capacity as a co-founder of Democracy for Battery Park City. So I want to talk to you because while sustainability and resiliency are vital concerns I want to talk to you about a third equally vital concern and urgent priority, the financial viability of our neighborhood. Issues such as ground rent, pilot, new bond debt, and the 2069 end of the ground rent, ground lease, keep residents like me awake at night. And the prospect of being financially swamped for us is just as bad as being literally inundated with water. That you are aware and already engaged on these issues is a great first step.

Ongoing discussions with stakeholders, such as the Homeowner's Coalition, Gateway Plaza, the commercial tenants are good at second steps but, the long-term viability of Battery Park City will not be possible without changes to the assumptions in forming this dialogue. Here's what I propose: First, the Battery Park City Authority should consider a moratorium on any new bond debt, and I say this because mortgages, having a bond debt mortgages the future of everybody who lives here by encumbering future revenues that might otherwise be devoted to affordability. Second, commit to funding resiliency and sustainability measures from the Joint Purpose Fund, which will soon begin accumulating many millions of dollars per years as the BPCA finishes paying off its obligations under the most recent settlement agreement. Third, as the existing settlement agreement expires, this community should have a voice and a seat at the table in negotiating the next one.

This new agreement should be based on a policy that I call One Million Dollars is Enough. This policy would mean that annual payments by the Authority to the City should be capped at \$1 million with all the additional revenue redirected to affordability in Battery Park City and that includes financing sustainability, affordability and what goes on here, all the capital projects. Please know that I'm not suggesting that the Authority should not undertake the important resiliency project that it's not planning, nor am I suggesting that they should not do South End Avenue repairs and changes that they're doing. Instead, I'm asking that we pay for these things and plan for the things in a way that safeguards Battery Park City's future financially as well as physically. Thank you.

2. **Maryanne Braverman**: Good morning. I have two topics to bring up. One is regarding the ticket hawkers and their effect on the downtown connection bus and the other is the stairlift in the new community space. An email was sent to me this morning which I had not had a chance to read before I got here. I don't a hundred percent remember things as I see here, so I'll just leave it at that. My primary concern that I had expressed a few months back was that we tackle the problem at the top and not the bottom. So right now there's a lot of chasing around after the ticket sellers who are desperate people trying to earn a living.

I believe that we have to tackle this at the level of the licensing, of the third-party vendors who are giving tickets to people to sell on the street. At one point in this meeting like this, Dennis Mill(ph) had asked that the legal team here look at the situation with Consumer Affairs so that, and I would just like feedback on that. I'd like to know where things stand, who are the vendors, when are their licenses expiring, what can we do to tackle that. Secondly, on the chairlift, it's three years since this new space was planned in 200 Rector Place. When it began to open, the first problem was no one was trained to use the chair lift. So it was not functioning. And then the second problem was that it is extraordinarily unreliable. So I would like some transparency about how this chair lift was chosen, why it was chosen, and why no one was trained properly well in advance of the opening so that this thing could allow

seniors who are wanting to use that space to come in, be lifted up the stairs, and go to whatever function we're having. Thank you.

3. **Ms. Ann Schwalbenberg:** Hi there. I know that the stair lift was defective and that you're working on it because I'm a primary user of it. But my real purpose this morning is to really give you my concerns about Brookfield changing the lobby of this building. I think it will be criminal if they sit there and destroy the marble floor that is there. If they destroy the stairways that go up. I mean every time I walk into this building, in any case where were they when we had and it was on two levels? If they wanted a restaurant why weren't they doing that? Where were they when Fox & Hounds was converted from a really nice restaurant and I'm sure it was because they raised the lease rates, to a children's center. And are they really getting their money's worth out of the children's center instead of out of Fox & Hounds? The idea that they are going to destroy the marble floors that are incredible design in this building is a major concern to me.

And destroying the staircases that go up and down. All of it to just dumb down the lobby area into some food vendor place, whether it's with Dunkin' Donuts, because they only want to use chains, they don't want anything special, they want only chains to be in this building and so that I think is a crime to destroy the lobby of this building. To throw a few chairs and tables around that's fine, but that's not what it means to sit there and put food vendors in this building, in the lobby, and they never talked about what they're doing about on the second floor. Are they planning to close in that area because people meet and greet there, they do business there, they do all kinds of things. I mean our seniors meet there all the time.

And so what are they doing about the second floor? Which is what they're saying that they want on the first floor is so people can sit there and meet. Well, people are already doing that on the second floor. In any case, I understand that it's their building and there's probably little that anybody can say about it since it's their building and they can design it however they want. But I want to put it on the record. Thank you.

4. **Ms. Taylor Banning:** Hello, good morning. I'm Taylor Banning and I wanted to take this opportunity to say thank you actually. I grew up in this neighborhood and as an adult have chosen to live here, and just last month when we got hit with that big snowstorm I was reminded how lucky I am and grateful I am to live here. I live on Rector Place and my window overlooks the Oval Park and some trees were draped in snow and the weight of the snow caused the branches to break and I work from home so I watched this happen and it was really sad.

And the next morning less than 24 hours after the trees had fallen into the road and onto the park our Parks Department had come, Battery Street Parks had come and worked clearing the area, were trimming the branches, making that tree stable and healthy and I was really moved and touched that I actually put on my coat and ran downstairs and thanked them, and asked what they did with the branches and I asked if they had anything to spare and one of the gardeners was actually using a handsaw and came down from his crane and shaved a nice piece for me so I could bring it home and keep it.

And it's really special because I grew up watching this tree grow and I'm glad it was okay and healthy and I'm grateful to learn that the pieces of the tree are made into mulch and I told my friends and my family like I sort of kept them updated on the process over the day and they're like you're crazy but we love that you love trees and I was like I really do and I'm so privileged and lucky to be able to live in a place like Battery Park City. And I just want to say thank you.