

HUGH L. CAREY BATTERY PARK CITY AUTHORITY
Meeting of the Members
200 Liberty Street, 24th Floor
New York, NY 10281
August 27, 2019

Members Present

George Tsunis, Chairman
Louis Bevilacqua, Member
Anthony Kendall, Member
Catherine McVay Hughes, Member

Authority Staff in Attendance: Benjamin Jones, President and Chief Executive Officer
Sharmila Baichu, Vice President of Human Resources
Marie Baptiste, Deputy Treasurer
Anthony Buquicchio, Senior Project Manager
Gwen Dawson, Vice President, Real Property
Abby Ehrlich, Director of Community Partnerships and Engagement
Pamela Frederick, Chief Financial Officer/Treasurer
James Gallagher, Associate General Counsel
Abigail Goldenberg, General Counsel
Nimisha Haribaran, Executive Assistant/Contract Manager
Craig Hudon, Director of Parks Programming
Susie Kim, Deputy General Counsel
Karl Koenig, Controller
Della Lee, Administrative Assistant, Real Property
Eric Munson, Chief Operating Officer
Lauren Murtha, Paralegal/Assistant Corporate Secretary
Robert Nesmith, Chief Contracting Officer
Bruno Pomponio, Director of Parks Operations
Aline Reynolds, Technical Communications Manager
Nicholas Sbordone, Director of Communications and Public Affairs
Alexis Torres, Chief of Staff
Ryan Torres, Associate Director of Parks Operations
Kenneth Windman, Director of Facilities & Infrastructure Management

Others in Attendance: Robert Pattison, Morgan Stanley
Various Members of the Public

The meeting, called on public notice in accordance with the New York State Open Meetings Law, convened at 1:38 p.m.

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The first item on the agenda was the approval of the minutes of the June 25, 2019 meeting. Upon a motion made by Mr. Kendall and seconded by Ms. McVay Hughes, the following resolution was unanimously adopted:

APPROVAL OF MINUTES OF THE JUNE 25, 2019 MEETING

BE IT RESOLVED, that the minutes of the meeting of the Members of the Hugh L. Carey Battery Park City Authority held on June 25, 2019 are hereby approved.

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There was one individual who presented during the period of public comment.

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The next item was the review of the Bond Closing by Ms. Frederick.

Ms. Frederick began explaining that on August 6th the Authority completed its 2019 bond offering consistent with the structure and the timeline approved by the Board at the May meeting. Certain proceeds from the bond issuance were used to fund certain Series 2009A and 2009B fixed rate bonds, for \$86.6 million, and the series 2013C D E variable rate direct placement bonds for \$586 million. In addition, the Authority raised a new \$100 million, which is being designated to fund Phase 1 of the \$204 million capital plan. We were also pleased to have retained our AAA bond rating by both Moody's and Fitch. In total the Authority raised \$672,845.00. This included \$222,845.00 of senior lien fixed rate bonds with the terms ranging from 8 years to 30 years, which was for a 21-year average life, and an all in cost of 3.26%. In addition, \$76 million of the fixed rate bonds were issued as the Authority's inaugural Sustainability Bonds whose designation was a key driver in attracting ESG investors, and contributed to tightening spreads on that related series.

In addition, the fixed rate bond offerings were 4.79 times oversubscribed with total orders exceeding \$1 billion thus serving to reduce our pricing by as much as 11 basis points. In all nearly 70% of the orders were from institutional investors, while 30 % were from retail investors. The offering size was reduced by a release of nearly \$44 million in debt service reserve funds which helped in terms of the total amount outstanding.

She continued to explain that in addition to the \$222.8 million in Senior lien fixed rate bonds, \$450 million of SIFMA based Junior lien variable rate bonds with 5-year maturity were issued. Of this, \$300 million were issued as variable rate demand bonds also known as VRDBs, which re-set weekly using SIFMA. These are being remarketed under two tranches by Morgan Stanley and TD Securities. These VRDBs are backed by a TD Bank \$300 million standby bond purchase agreement liquidity facility. In addition, \$150 million of the SIFMA variable rate direct placement bonds were purchased by RBC. The all-in costs of the 2019 SIFMA variable rate offerings compare favorably to the refinanced 2013 LIBOR floating rate bonds, and resulted in a savings to the Authority with spreads tightened from a range of 65-70bps to 43-60bps, as well as the elimination of a further 20 basis points in tax-related fees. So all in that's about 30 basis point savings on the variable rate.

The variable rate bonds are being hedged by the existing swaps. They were amended to SIFMA for five years at an incremental cost of 5-6 basis points. So we now have swap rates of 3.49% to 3.51%. With \$342 million in remaining notional, given amortization, this leaves about 12% of the total debt as unhedged floating rates. While the structure of the 2019 bonds were much more complex than those issued in 2013, the cost of issuance per \$1,000 in bonds was much lower, declining from \$11 to \$5.7. However, a significant portion of the 2013 costs related to a much larger New York State bond issuance cost, which we were able to have waived for the bonds refunded in 2009. So that resulted in a pretty tremendous savings for us. Other new features in 2019 in addition to the

Sustainability Bond designation were the creation of the BondLink investor relations website, and the launch of a media radio and online marketing campaign. Several key approvals were completed, most notably the settlement agreement that is entered into with New York City Mayor as well as the New York City Comptroller. We also received the approval of the New York State Public Authority's Control Board. The transaction was led by the Senior Managing Underwriter, Morgan Stanley, and Rob Pattison is here with us today. It also included Co-Senior Manager, Ramirez & Co, and Co-Managers, Drexel Hamilton, Siebert Cisneros Shank and RBC Capital Markets. BPCA was also advised by PFM Financial Advisors, Hawkins, Delafield & Wood and Mohanty Gargiulo.

Mr. Jones thanked Ms. Frederick and her team and all the individuals who were involved and worked together on the bond deal transaction. The Chairman also thanked the team noting he was very grateful for the work.

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

Mr. Munson reported that for the month of June 2019 36% of the Authority's total qualifying expenditures of \$551,672.55 paid to M/WBEs. Of that amount approximately 17% was paid to MBEs, and approximately 19.6%, was paid to WBEs. Just shy of 16% of these amounts were paid directly to M/WBEs as primes and 20% was paid to MWBEs as sub-contractors.

He also reported that for the month of July 2019, 25.81% of the Authority's total qualifying expenditures of \$1,583,551.57 was paid to M/WBEs. Of that amount approximately 20%, was paid to MBEs, and approximately 5%, was paid to WBEs. 14.34% was paid directly to M/WBEs as primes and 11.47% was paid to MWBEs as sub-contractors.

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Mr. Hudon, the Director of Parks Programming, then presented the highlights of the fall calendar. He noted the calendar featured more than 400 activities for all ages that will activate the parks and public spaces in Battery Park City with an emphasis on physical and mental wellness, art making, nature education and play, with performances in the creative arts. He also mentioned the new offerings this fall featuring an outdoor adventure series with rock climbing, orienteering, map time, hiking skills, campfire songs, and a relational meditation series happening in Rector Park. He also said we will be highlighting the newly renovated South Cove with a migration celebration, exploring the birds, fish and insects that pass through Battery Park City on their seasonal journey. We have a public art and garden tour highlighting landscape as art in Battery Park City. There are two new afterschool series for kids: a nature club called Wings, Feathers and Fins, and a kids' baking club. We also have a cooking series at 6 River Terrace, and a gift-making workshop as we head into the holiday season. Returning favorites like Docapella, our collegiate acapella singing festival, our Go-Fish public fishing celebrations, and many other programs will be happening as they have in past years.

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Mr. Jones then acknowledged the service of Della Lee, of the Real Property Department who is retiring after more than 35 years of service with the Battery Park City Authority. She initially worked out of a trailer watching and helping this organization grow and was the first person from the Authority

to move into our offices here in the World Financial Center. Her tenure here has spanned five governors, five mayors, and eleven Presidents.

Ms. Dawson added that Della has been an incredible part of the Real Property team. We have relied on Della for a long time and will miss her terribly but we are very excited for her to go into this next phase of her life. We wish her all the best and thank her so much for her service.

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

Mr. Jones began by noting that since the last meeting a lot of progress has been made with regards to resiliency. Three of our four resiliency projects are underway. With regards to the Ball Fields project, we had our third open community meeting. Our community engagement process in general has been very helpful for us and has resulted in some valuable input. And so we're continuing to proceed with a design that is informed in part by discussions with the community. A steel plate wall will afford us protection, allow for faster implementation, and will be less expensive than the originally contemplated concrete solutions. We're working ardently on that design and engineering and are anticipating going to the City soon for the next round of approvals for the actual infrastructure work for that project.

With regards to South Battery Park City, he continued, our design and engineering is underway. In particular, our collaboration with the multitude of different state and city stakeholders has really stepped up as we start to flesh out the designs for this which extend into the Battery. And also I should note that the Museum of Jewish Heritage, which is a part of the resiliency design has been very helpful and supportive. We had a kickoff with the AECOM team for the North Battery Park City project and so that is now forging ahead. And with regard to sustainability in particular we're pursuing a sustainability plan for the Authority and are in the middle of the procurement process and have garnered a lot of interest in that endeavor. And Ms. McVay Hughes had noted rightly that you know we talk a lot about energy efficiency with regards to sustainability but it is worth noting for the record that we are also concerned with our water footprint as well, and are doing a number of things with regards to that.

Ms. Frederick talked to you about the sustainability financing which is exciting. Also, 100 Resilient Cities has completed the first phase of our strategic plan which includes a strong resiliency component. The resiliency assessment is complete and we have provided you copies.

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The next item on the agenda, presented by Ms. Dawson, was an authorization to increase the fiscal year 2019 on-call general contractor spending authority and to account for such increase by reallocating funds within the approved Fiscal Year 2019 capital budget.

Ms. Dawson began with a request for 1) an increase in the fiscal year 2019 on-call general contracting spending authority, and 2) to account for that increase by reallocating funds within the approved fiscal year 2019 capital budget. The Real Property Department has historically maintained a series of on-call contracts for the disciplines of construction manager, general contractors and engineers. The budget for those amounts historically has been budgeted under the capital budget and would have been accounted either to specifically budgeted projects or under an "on-call contracts" line

item. In October of 2018, we adopted and the Board approved a pre-qualified vendor policy. And it resulted in a change to the way that we address the on-call contracts and has resulted in a couple of complications that we need to address by doing a modification of the spending authority.

Under the new prequalified vendor policy, she continued to explain, a panel of prequalified on-call providers would be brought to the Board after a competitive procurement. The Board would approve that slate of on-call service providers and then the spending authority provided for those resulting contracts would be a set amount that would be approved by the Board or it would be tied to an allocated amount in the budget. We had allocated \$1.8 million under the on-call line in our fiscal year 2019 budget. When we brought the on-call general contractor approval to the Board for the slate of new service providers we took a portion of that \$1.8 million, \$650,000, and set that amount as the maximum spending authority for on-call general contractors. This \$650,000 amount did not contemplate the on-call general contracting work performed during the fiscal year that were accounted for in separate line items elsewhere in the FY19 capital budget. Consequently we now need to increase that spending authority. The approval, in order to cover the on-call services general contractor service is already rendered and those that we anticipate for the remainder of the fiscal year needs to be increased from the \$650,000.00 previously approved by the Board to \$1,474,793.00, which is an increase of \$824,793.00.

In addition, we are proposing to reallocate \$608,598.00 from the "General Infrastructure" line item in the capital budget to the "On-Call Contracts" budget line, which is of course a reallocation. It does not increase the overall capital expenditures and it allows us to complete the fiscal year and provide for the expenditures that we are anticipating for on-call general contractors and other on-call disciplines for the remainder of the fiscal year.

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

AUTHORIZATION INCREASE THE FISCAL YEAR 2019 ON-CALL CONTRACTOR SPENDING AUTHORITY AND REALLOCATE FUNDS BETWEEN LINE ITEMS IN THE FISCAL YEAR 2019 CAPITAL BUDGET

RESOLVED, the not-to-exceed amount previously approved by the Members for the fiscal year ending October 31, 2019 to be expended under the terms of on-call general contractor contracts of \$650,000, is hereby amended, by an increase of \$824,793, to the not-to-exceed amount of \$1,474,793; and be it further

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, each of them hereby is, authorized and empowered to execute contracts with its Pre-Qualified General Contractors on an as-needed basis, in accordance with the requirements of the Authority's Pre-Qualified Vendor Policy, to perform on-call general contracting services for an amount not to exceed \$1,474,793 for Fiscal Year 2019; and be it further

BE IT RESOLVED, the capital budget of the Authority for the fiscal year ending October 31, 2019, approved at the October 29, 2018 meeting (the "FY 2019 Capital Budget"), be, and hereby is, approved to be amended by a reallocation of \$608,598 from the "General Infrastructure" line-item to the "On-Call Contracts" line item in the FY 2019 Capital Budget and ordered filed with the records of the Authority; 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 any documents, file said budgeted and related information with all parties as required pursuant to all outstanding bond resolutions, agreements and requirements of law and to take all such other and further actions as may be necessary, desirable or appropriate in connection with the transactions contemplated in the foregoing resolution, and any such execution of documents and any other and further actions heretofore taken are hereby ratified and any actions hereafter taken are confirmed and approved.

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The next item on the agenda, presented by Ms. Dawson, was an authorization to amend the contract with Greenway USA, L.L.C. for the P.S./I.S. 89 Playground Restoration & Modification Project.

Ms. Dawson began explaining that this is a contract amendment in the form of a change order for the PSIS 89 playground restoration and modification project. We entered into a contract with Greenway USA, LLC earlier this year to perform one of our planned capital projects which is the restoration and modification of the PS-89 playground. That playground had experienced some significant deterioration since its opening in 2000 and required some extensive work. The scope of that work included the demolition of the playground's existing play structure, furnishing of a new play structure, replacement of the playground's asphalt surface, the elimination of some of the trees and planting bed and planting of some new trees. We entered into a contract in June 2019 with Greenway USA in the amount of \$497,440.00 to perform the project. Because the amount of the project was less than \$500,000.00 and the term of the contract was less than one year it did not require Board approval at the time. Since that time, however, Greenway has encountered an unforeseen condition in the form of a concrete slab that is underneath the otherwise asphalt substrate beneath the playground. That was something that the initial probes that were performed by the designer of the project did not find and so it was thus not included as part of the scope of work. Part of that concrete slab had to be removed in order for Greenway to complete the scope of work for the project. The additional cost that was associated with that additional work was a lump sum price of \$4,323.26. We considered that to be a very reasonable amount however, that amount when combined with the original contract value caused the contract value to exceed \$500,000.00 and triggered the need for us to get Board approval for that contract amendment.

Ms. McVay Hughes asked whether this would delay the opening of the playground. Ms. Dawson responded that two thirds of the playground would be accessible with the remaining one third to be accessible in several weeks. The trees will be planted during the planting season in October.

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

AUTHORIZATION TO EXECUTE AN AMENDMENT, IN THE FORM OF A CHANGE ORDER (THE "AMENDMENT") WITH GREENWAY USA, L.L.C ("GREENWAY") FOR THE P.S./I.S. 89 PLAYGROUND RESTORATION & MODIFICATION PROJECT

BE IT RESOLVED, that in accordance with the materials submitted at this Board meeting, the President and Chief Executive Officer (the "President") of the Battery Park City Authority (the "Authority") or his/her designee(s) be, and each of them hereby is, authorized and empowered to

execute an amendment, in the form of a charge order, to increase the value of the contract with Greenway for the P.S./I.S.89 Playground Restoration & Modification Project by \$4,323.26, from the lump-sum amount of \$497,440.00 to the lump-sum amount of \$501,763.26; and,

RESOLVED, that the President or his/her designee(s), 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 conclusive evidence by the execution and delivery of the Amendment; and be it further,

RESOLVED, that the President or his/her designee(s) be, and each of them hereby is, authorized and empowered to execute all such other and further documents, and to take all such other and further actions as may be necessary, desirable or appropriate, in connection with the 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 Mr. Munson, was an authorization to enter into an agreement with The Alliance for Downtown New York, Inc.

Mr. Munson explained that for the past 16 years the Authority has partnered with Downtown Alliance on free shuttle service in Lower Manhattan and, particularly during Lower Manhattan's rebuilding, it has proven to be a vital resource for commuters, for seniors, and for other community members to get around the neighborhood and elsewhere in Lower Manhattan. Based on the ridership survey Downtown Alliance conducted last year, an estimated 44% of rides originate or terminate at one of the 17 stops in Battery Park City, where 38% of those who were surveyed lived and where 22% of those who were surveyed work. All in total the bus transports an estimated 640,000 residents, workers, visitors around the area. Downtown Alliance has a contract with Golden Touch Transportation to provide bus service through November of 2020 and in the year ahead they'll be soliciting bids for a new provider of this service. Based on feedback from you all, from the Board last year, we have been proactively working with Downtown Alliance to prioritize finding energy efficient buses ideally electric buses through this upcoming contract and that remains our goal. In the meantime, as the Alliance has their operator under contract for the coming 15 months Mr. Munson requested approval to enter into an agreement to cover our historic share of supportive bus operations in calendar years 2019 and 2020. Historically, Downtown Alliance's cost for providing this service has just slightly exceeded \$2.1 million with direct program expenses around \$1.5 million and the Authority's annual contributions since 2010 have been \$632,000 or about 42% of the direct program expenses. As such, we're seeking approval to enter into an agreement with the Alliance for Downtown New York for 2019 and 2020 for \$1,264,000.00 an amount equal to that \$632,000.00 a year.

Ms. McVay Hughes noted the decrease in ridership in recent years. Mr. Munson responded that the Downtown Alliance credits the decrease with the overall drop in ridership with the MTA overall.

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

AUTHORIZATION TO ENTER INTO AN AGREEMENT WITH THE ALLIANCE FOR DOWNTOWN NEW YORK, INC.

BE IT RESOLVED, that in accordance with the materials presented to this meeting, the President & Chief Executive Officer (the "President") of the Authority, or her/his designees be, and each of them hereby is, authorized and empowered to execute an agreement providing for a payment to The Alliance for Downtown New York, Inc. in the amount of \$1,264,000 for calendar years 2019 and 2020; and be it further

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

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Mr. Bevilacqua made a motion to enter Executive Session, which was seconded by Mr. Kendall, to discuss the negotiations related to the lease of real property, the publicity of which could substantially affect the value of the relevant properties. The Members entered Executive Session at 2:17 p.m.

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Upon a motion made by Mr. Bevilacqua and seconded by Mr. Kendall, the Members exited Executive Session at 3:05 p.m.

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There being no further business, upon a motion made by Mr. Kendall and seconded by Mr. Bevilacqua, the Members unanimously voted to adjourn the meeting. The meeting thereupon adjourned at 3:06 p.m.

Respectfully submitted,



Lauren Murtha
Assistant Corporate Secretary

Public Comment
August 27, 2019

1. **Maryanne Braverman**: Okay, I'm really here to give you an update on a topic that I've brought to you many times and to give you some good news. So for the last two summers, the Connection Bus has had to skip the stops along the Battery because ticket hawkers selling tickets for tour boats have been crowding them with tourists that they've gotten onto their tours and making an unsafe condition on the buses. So I am delighted to see that one pier owner or operator has taken a stand. New York Waterways told the boat owners using their eastside pier that they will lose their docking space if their tickets are given to individual ticket hawkers to sell on the street. Of course, tickets can still be sold online or at the pier where the boats dock but not by accosting people as they're walking by. I hope the Port Authority will take similar action with their pier in Battery Park City so that this problem can be solved. It would be wonderful if the free downtown connection shuttle buses can utilize all the stops by next summer. So I'm asking this Board to use their influence with the Port Authority if they are subject to any influencing, to make this happen. So thank you.