

HUGH L. CAREY BATTERY PARK CITY AUTHORITY
Meeting of the Members
200 Liberty Street, 24th Floor
New York, NY 10281
August 25, 2021

Members Present

George Tsunis, Chair
Louis Bevilacqua, Member
Donald Capoccia, Member (via conference call)
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
Gwen Dawson, Vice President, Real Property
Pamela Frederick, Chief Financial Officer/Treasurer
Abigail Goldenberg, General Counsel
Craig Hudon, Vice President of Parks Programming
Susie Kim, Deputy General Counsel
Karl Koenig, Controller
Varun Kohli, Assistant Vice President of Planning and Design
Kevin McCabe, Chief Resilience Officer
Franco Morizio, Assistant Vice President of Construction and Site Management
Lauren Murtha, Paralegal/Assistant Corporate Secretary
Jahmeliah Nathan, Vice President of Administration
Bruno Pomponio, Vice President of Parks Operations
Nicholas Sbordone, Vice President of Communications and Public Affairs
Alexis Torres, Chief of Staff

Others in Attendance: Olivia Moss, HR&A Advisors
Carl Weisbrod, HR&A Advisors
Steve Faber, PFM Asset Management

The meeting, called on public notice in accordance with the New York State Open Meetings Law, convened at 2:15 pm.

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The first item on the agenda was the approval of the minutes of the June 23, 2021 meeting. Upon a motion made by Ms. Gallo and seconded by Mr. Bevilacqua, the following resolution was unanimously adopted:

APPROVAL OF MINUTES OF THE JUNE 23, 2021 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 23, 2021 are hereby approved.

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Next, there were three (3) presentations during the period of public comment, which were read by Mr. Sbordone.

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Ms. Frederick then provided the Members with an update from the Investment Committee, which met for its quarterly meeting earlier that afternoon. She mentioned that the Investment Committee met and was chaired by Board member Catherine McVay Hughes, and attended by Martha Gallo. Also in attendance were the Authority's investment advisors, PFM Asset Management represented by Steve Faber, with Bob Cheddar and Samantha Myers via conference call, and Ramirez Asset Management represented by Lou Sarno. A review of the Quarterly Investment Report for the quarter ending in July 31, 2021 was provided. Mr. Faber then provided a summary of the investment performance, and Mr. Cheddar provided a backdrop to the current markets. The meeting closed with the Committee members mentioning concern about the adequacy of the buildings' operating reserves which Ms. Frederick stated should be discussed with the full Board. The other concern was about how the excess revenues are being used by the State and the City, since the original intent was affordable housing consistent with the strategy of the Authority. Mr. Faber was present and then gave a brief review on the economic environment during the last quarter.

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The next item on the agenda was the M/WBE Utilization Report presented by Ms. Nathan.

Ms. Nathan reported that for the month of June 2021, 27.1% of the Authority's total qualifying expenditures of approximately \$1.4 million was paid to MWBEs. Of that total amount, 10.46% was paid to MBEs, 3.45% to MBE prime contractors, and 7% to MBE subcontractors. And of the total qualifying spend, 16.64% was paid to WBEs, 8.39% to WBE prime contractors, and 8.26% to WBE subcontractors. Of the Authority's approximately \$2.7 million, 19.69% was paid to service-disabled veteran owned businesses.

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

Mr. Jones was pleased to report that construction was underway with the contractor on site for the Ballfields Resiliency Project. He reminded the Members, the Ballfields were the ravaged by Hurricane Sandy, so seeing the panels going up and concrete being poured was exciting. The Members were provided with a few pictures about the work that was underway and is expected to be completed this fall.

On the South Battery Park City Resiliency Project, work continues with AECOM on finalizing the design and engineering with 100% designs planned for the end of September and October. The EIS work continues. Gwen Dawson and team have been working with City DEP for a very long time to come up with an agreement on the interior drainage strategy. And, he noted, an agreement was reached with them utilizing near surface isolation, which is a way to seal and harden the infrastructure at the street level to prevent flooding coming in underneath the ground. He reported being encouraged by recent conversations with them, and mentioned a lot of hard work went into landing this plane and a lot

of credit goes to Gwen for navigating those rocky waters. The design and environmental assessment continues accordingly.

For the North and West Resiliency Project, the project is now underway, the progressive design build strategy with AECOM onboard to develop the program requirements. The first of several community meetings took place and went well. In a couple of weeks, he said, the first milestone of the project which is the issuing of an RFQ for the progressive design build would take place and responses will be shared with the Board. The next milestone will be to issue an RFP for the design builder in January.

And then finally, on the Sustainability front, he mentioned that RFI was issued to all of the buildings in Battery Park City with data received back from two-thirds of them. This request was to get inventory to see where each building stands with regard to sustainability practices but also projects in the pipeline being planning, as well as projects are on each building's wish list. This request was necessary in order to align the buildings with incentives and pilot programs that are available to help all advance sustainability goals. He then mentioned the new Zero Waste Project for Zero Waste Parks. The Parks Operation facility is expanding the project to the rest of the neighborhood by measuring the waste baseline for the next several months. A lot of opportunities to reduce waste was found and will be the next part of this project.

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The next item on the agenda, presented by Ms. Frederick, was the authorization to file the "Proposed Budget and Financial Plan" for Fiscal Year 2022 pursuant to section 2801 of the Public Authorities Law.

Ms. Frederick began by stating this was a requirement of the Authorities Budget Office to submit this plan and have it posted in PARIS. The plan reflects the prior year actuals, the current year budget, and then is projected out for three years. She noted it was not standard financial layout because we have to conform to the PARIS formatting requirements, but was pretty consistent with the numbers that we would find in our budget. This will be posted in PARIS, and will be available online as well. She noted it was consistent with what has been done in the past several years which is getting the Board's approval of the plan and then providing the certification on PARIS.

Upon a motion made by Ms. Gallo and seconded by Ms. Mc Vay Hughes, the following resolutions were unanimously adopted:

AUTHORIZATION TO FILE THE "PROPOSED BUDGET AND FINANCIAL PLAN" FOR FISCAL YEAR 2022 PURSUANT TO SECTION 2801 OF THE PUBLIC AUTHORITIES LAW

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 file the " Proposed Budget and Financial Plan" for fiscal year 2022 pursuant to Section 2801 of the Public Authorities Law.

RESOLVED, that the President of the Authority, or her/his designee 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 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. Nathan, was the authorization to enter into an agreement with Shoreline Graphics for printing services.

Ms. Nathan explained that the Authority uses a third-party vendor to develop printed versions of a variety of its public facing documents. These include among other items program and event guides, marketing post cards, letterhead, and business cards. These services are currently provided by Shoreline Graphics, an MWBE however, their contract recently expired. So on May 11, 2021, BPCA issued an MWBE SDVOB discretionary procurement for these services. The opportunity was advertised on the New York State Contract Reporter, and in Minority Commerce Weekly. In addition, it was sent directly to twenty-seven firms found on the Office of General Services (“OGS”), and Empire State Development Corporation's databases, and was also posted on the Authority's website. Five firms submitted proposals in response to this procurement and of the five responses, she explained, an evaluation committee made up of Authority staff determined that Bell Imaging and Shoreline Graphics provided the best responses to the solicitation and demonstrated sufficient experience in providing similar services for other entities.

Ms. Nathan then explained in order to evaluate costs, proposers were asked to provide a comprehensive pricing for a representative sample of products that the Authority expects to purchase. The Authority mostly utilizes printing services for program and event guides much more than other marketing materials. In reviewing Bell Imaging's costs, which was \$1,919.00 for 24 pages, and \$5,032.00 for 28 pages it was determined that Shoreline Graphics was the lowest bidder because their rates were \$1,469.00 for 24 pages, and \$1,675.00 for 28 pages. Shoreline Graphics provided the Authority with excellent service over the course of their recent contract with the Authority. They submitted a complete and professional proposal in response to this new solicitation, and they provided in aggregate the cheapest pricing that we are deeming fair and reasonable. The evaluation committee has therefore determined that Shoreline Graphics is the best value proposer, and as such, the request was to enter into an agreement with Shoreline Graphics to provide comprehensive printing, mailing, and shipping services for a three-year term and a not to exceed contract value of \$150,000.00.

Ms. McVay Hughes wanted to note that Shoreline would use fully recycled paper which is part of the criteria for our sustainability goals.

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

AUTHORIZATION TO ENTER INTO AN AGREEMENT WITH SHORELINE GRAPHICS FOR COMPREHENSIVE PRINTING, MAILING AND SHIPPING SERVICES

BE IT RESOLVED that in accordance with the materials presented to this meeting, the President and Chief Executive Officer of the Hugh L. Carey Battery Park City Authority (the “President”) or her/his designee(s) be, and each of them hereby is, authorized and empowered to enter into an agreement with Shoreline Graphics to provide comprehensive printing, mailing, and shipping services for a period of three years for a not-to-exceed amount of \$150,000.00, 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 agreement on behalf of the Hugh L. Carey Battery Park City Authority, subject to such changes as the officer or officers 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 contract; 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. Nathan, was the authorization to enter into an agreement with New York State Industries for the Disabled for secure document destruction.

Ms. Nathan began by stating the Authority was seeking document destruction services to meet its ongoing needs. Per our guidelines, she explained, the Authority must procure from preferred source vendors if the commodities or service needed can be provided by one. As per the OGS list of preferred service offerings, both the New York State Industries for the Disabled (“NYSID”) and the New York State Preferred Source Programs for People who are Blind (“NYSPSP”) are able to provide secure document destruction services. BPCA reached out to both of these vendors. The latter, NYSPSP, declined to bid on the project stating that they lacked the capacity at this time. NYSID provided a list of rates for secure document destruction services which included \$3.55 per banker's box for 150 boxes, and \$7.42 per legal box for 50 boxes. These prices are based on rates set by the OGS, and were notably lower than NYSID's rates when the Authority utilized them in 2018. She noted the rates for the services procured by a third-party vendor were checked and were \$6.82 per bankers' box, plus a retrieval fee of \$4.72 per box, while NYSID's rates were lower with no retrieval fee. Therefore, the preferred source vendor NYSID represents the best value for BPCA. Based on this, we are seeking approval to enter into an agreement with NYSID to provide secure document destruction services for a term of three years and for a not to exceed amount of \$36,000.00.

Upon a motion made by Ms. Gallo and seconded by Ms. Mc Vay Hughes, the following resolutions were unanimously adopted:

AUTHORIZATION TO ENTER INTO AN AGREEMENT WITH NEW YORK STATE INDUSTRIES FOR THE DISABLED

BE IT RESOLVED that in accordance with the materials presented to this meeting, the President and Chief Executive Officer of the Hugh L. Carey Battery Park City Authority (the “President”) or her/his designee(s) be, and each of them hereby is, authorized and empowered to enter into an agreement with New York State Industries for the Disabled to provide secure document destruction services for a term of three (3) years and for a not-to-exceed amount of \$36,000.00, 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 contract on behalf of the Hugh L. Carey Battery Park City Authority, subject to such changes as the officer or officers shall, with the advice of counsel, approve as necessary and appropriate and in the best interests of the Conservancy, such approval to be conclusively evidenced by the execution and delivery of the contract; 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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Mr. Bevilacqua made a motion to enter Executive Session, which was seconded by Ms. Gallo, to discuss certain 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 2:50 p.m.

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There being no further business, upon a motion made by Ms. Gallo and seconded by Mr. Bevilacqua, the Members unanimously voted to adjourn the meeting. The meeting thereupon adjourned at 4:50 p.m.

Respectfully submitted,


Lauren Murtha
Assistant Corporate Secretary

Public Comment
August 25, 2021

1. Pat Smith: Thank you, ladies, and gentlemen of the Board. For inviting us here today. With us is Justine Cuccia, who is a member of our Board, others who work with commitments who couldn't be here today are MaryAnn Peronti of Liberty Terrace, Hana Shahin Liberty House, Michael Waldorf of River House. I represent Battery Pointe. The Battery Park City Homeowners Coalition represents the 18 residential condos in Battery Park City, about 3,900 condo units. MaryAnn Peronti and I were part of the team that negotiated the successful 2011 ground rent agreement covering the original 11 condominiums. This was a positive example of cooperation between this Authority and the people who live there. Ladies and gentlemen, we must update this agreement now to ensure the continued success of this most beautiful place, this most successful development over which you preside. The leases covered by the 2011 agreement begin expiring in 18 years with crippling increases in ground rents looming. Also, six new condominiums not covered by the 2011 agreement have large ground rent increases pending. If you do not address this problem now financial institutions will be unwilling to write 30-year mortgages for people seeking to buy a home here. Middle income people living here now will be unable to pay these higher ground rents and unable to sell their homes. We seek: a 99-year extension of the Battery Park City enabling legislation, and an affordable and predictable rate of increase in the ground rent we pay giving homeowners and lenders certainty. We look forward to working with you as we did in the past to ensure this community is this most beautiful, this most successful place remains affordable to middle-class families. Thank you very much.

2. Maryann Braverman: Can someone in authority at BPCA give us some indication of what happens when there is a new governor? Do Board members give resignations to the incoming governor, or do they generally stay in position until the new governor makes changes? If the current president of the Board takes a new position, e.g. ambassador to Greece, does the remaining board choose a new Chairman, or is that designation made by the Governor? There are many inquiring minds who wonder what happens next. Thank you. Many thanks, Maryanne

3. Justine Cuccia: Good afternoon. My name is Justine Cuccia and I am a resident of Battery Park City for more than a quarter of a century. I have appeared before this Board in many capacities, but I am speaking today as the middle-class owner of a condominium unit that I occupy. As a resident of this community, not an absentee investor.

I am here on behalf of thousands of people like me, some living on fixed incomes, others retired, many of whom are 9/11 survivors, who remained in Battery Park City to help rebuild and revitalize our neighborhood. Many of whom (like myself) were eventually stricken with life-threatening 9/11-related illnesses, as a result of our decision to return.

But still, we want to stay here. We cannot stay, however, if the current spiral of costs associated with home ownership in Battery Park City is not brought under control. What terrorism on September 11, 2001 could NOT do, this ground lease IS doing today -- driving us from our homes and from our community.

While it is true that very few genuinely poor people own condominiums in Battery Park City (or anywhere else), it is not true that everyone who owns a home here is rich. In fact, as the statistical data* I am submitting along with my statement shows, a solid majority of Battery Park City condo owners is comprised of moderate income households.

THESE are the people I am asking you to SEE, ACKNOWLEDGE, and HELP. It is within your POWER and the MANDATE of the BPCA to do so.

Legislation has been introduced by our esteemed Assembly member, Yuh-Line Niou, that will go a long way toward accomplishing these goals, by extending the Ground Lease to at least 2168; and immediately

ELIMINATING all FMV and/or periodic Step-Ups built into the current ground leases for the 18 condominium buildings.

The sticking point appears to be modifying the annual increases in ground rent for these buildings by fixed yearly amounts. This is vital, but those granular details are for negotiation, rather than this forum. The important point is that this plan will provide no windfall to anyone -- just a steady, knowable annual increase. Anything less is simply NOT ACCEPTABLE, as it will displace - and IS ALREADY displacing -- up to 50 percent of owner-occupied condominium households in Battery Park City IN THE NEXT FEW YEARS. So reforming the ground rent by December 31, 2021 is of the utmost importance to ALL parties.

Citations:

(2021 Area Median Income Affordable Housing - <https://www1.nyc.gov/site/hpd/services-and-information/do-you-qualify.page> - <https://www1.nyc.gov/site/hpd/services-and-information/area-median-income.page> . The term "Affordable Housing" is defined by the 2021 AMI Chart to include Low, Moderate and Middle Income individuals and families - not only Extremely Low or Low Income, who are not likely to own a home, let alone own a home in BPC. Moderate, Fixed, Middle Income homeowners are suffering in BPC - due to spiraling PILOT and GROUND RENT.

According to the 2019 Census

(<https://data.census.gov/cedsci/table?q=ZCTA5%2010280%20Housing&tid=ACST5Y2019.S2503&hidePreview=false>) there are 4,558 Occupied housing (rental - 3,148 units - and owned) units in 10280, of which 1,410 are owner-occupied condominium units, of which 563 have an annual income of \$149,999 or less and 847 have an annual income of \$150,000 or more.

And

in 10282 (<https://data.census.gov/cedsci/table?q=ZCTA5%2010282%20Housing&tid=ACST5Y2019.S2503&hidePreview=false>) there are 2, 291 Occupied Housing (rental - 2,077 and owned) units, of which 214 are owner-occupied, with all listed with income of \$150,000 or more.

According to the 2021 AMI figures, the High Income bracket begins at \$200,000 in annual income, or higher, so it is reasonable to assume that there at least a few Owner-occupied Condominium owners whose annual income falls between \$150,000 and \$200,000, increasing the Middle Income or lower class of Condominium owners to at least 40% or higher in 10280... and between 0% and 10% in 10282.)