

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

Meeting of the Members
200 Liberty Street, 24th Floor
New York, NY 10281
February 23, 2022

Members Present

Martha Gallo, Vice Chair
Donald Capoccia, Member
Lester Petracca, Member
Catherine McVay Hughes, Member

Authority Staff in Attendance: Benjamin Jones, President and Chief Executive Officer
Brett Beecham, Associate General Counsel
Anthony Buquicchio, Senior Project Manager (via phone)
Gwen Dawson, Vice President, Real Property
Claudia Filomena, Director of Capital Projects (via phone)
Pamela Frederick, Chief Financial Officer/Treasurer
Abigail Goldenberg, General Counsel
Craig Hudon, Vice President of Parks Programming (via phone)
Karl Koenig, Controller (via phone)
Kevin McCabe, Chief Resilience Officer (via phone)
Franco Morizio, Asst. Vice President, Construction & Site Mgmt. (via phone)
Lauren Murtha, Paralegal/Assistant Corporate Secretary
Robert Nesmith, Chief Contracting Officer (via phone)
Nicholas Sbordone, Vice President of Communications and Public Affairs
Alexis Torres, Chief of Staff (via phone)

The meeting, called on public notice in accordance with the New York State Open Meetings Law, convened at 2:37 pm. All participants attended the meeting via videoconference or via telephone.

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The first item on the agenda was a request for approval of the minutes of the January 26, 2022 meeting. Upon a motion made by Ms. McVay Hughes and seconded by Mr. Petracca, the following resolution was unanimously adopted:

APPROVAL OF MINUTES OF THE JANUARY 26, 2022 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 26, 2022, are hereby approved.

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Next, there was one presentation during the period of public comment.

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

Mr. Jones reported that for the month of January 2022, our MWBE utilization was approximately 38% of total qualifying expenditures of approximately \$890,000.00. He reminded the Members that the State goal is 30% and we were staying ahead of that. And, for our quarterly report of Veteran Owned Business Utilization, we were just over 27% on qualifying expenditures of over \$4 million, and that's largely attributable to our Pile Remediation project. Our goal for utilization for SDVOBs is 8%.

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The next item on the agenda was an update on the Authority's resiliency projects by Mr. Jones.

Mr. Jones began with noting that there have been conversations with the City for their required approval of capital funding as we look to the next phase of the South resiliency project with construction and the design phase for our Progressive Design Build for the Northwest. O&B recently recommended approval of \$104 million in additional capital funding on top of their prior approvals of \$108 million and \$100 million. The Comptroller is reviewing the grant of additional funding with O&B's support. Also, Gwen Dawson and Mr. Jones had a great meeting with the new Deputy Mayor of Operations, the Chief Climate Officer, and the new Executive Director of the Mayor's Office of Resiliency and Environmental Justice, and they emphasized that they look forward to continuing to work with us collaboratively.

He then mentioned that the Ballfield's flood system was installed and the construction fencing around the area was recently removed. The finishing touches of tree planting and blue stone replacement would be completed in the spring.

On the South Battery Park City resiliency front, he mentioned that progress was made with the draft Environmental Impact Statement, the final PDC submission, and there was an RFP out for the pavilion component of the Resiliency project. The Wagner and Museum of Jewish Heritage component were soon to follow with others coming along down the pike.

On the Northwest Battery Park City resiliency front, the RFP was issued to the four vendors on the short list for the progressive design/build and soon there would be a discussion about the stipend piece.

Then, on the sustainability front, an RFP was out for additional sustainability consulting services to help implement some of our sustainability goals and efforts including an energy audit of our Parks Operations facility at 75 Battery.

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The next item on the agenda, presented by Ms. Frederick, was a declaration of intent to reimburse interim funding of capital expenditures from proceeds of tax-exempt bonds.

Ms. Frederick explained that the Authority utilizes reserves to bridge any shortfall in financing for projects that do not have remaining bond funds allocated to them. In this case, we have about \$516,000 that have been spent on 2019 projects such as the Community Center rehabilitation, leak remediation, and pile remediation. The Finance department requests an inducement resolution to allow us to reimburse spent corporate funds with bond funds that are raised in the next bond issuance. She noted that the Authority had done something similar in 2019. The intention was that once we have the final approval from the City we will begin to structure the bond offering with the hope to be done by the end of the year.

Upon a motion made by Mr. Petracca and seconded by Mr. Capoccia, the following declaration was unanimously adopted:

RESOLUTION AUTHORIZING REIMBURSEMENT OF INTERIM FUNDING OF CAPITAL PROJECTS COSTS FROM PROCEEDS OF TAX-EXEMPT BONDS

WHEREAS, the Battery Park City Authority (the “Authority”) expects to utilize internal reserve funds to pay for certain expenditures associated with the Authority’s capital projects that need to be paid on an interim basis prior to the next issuance of Authority bonds (the “Reimbursable Capital Projects”). Such expenditures generally include capital expenditures associated with the design and/or construction of various planned resiliency, infrastructure, and facilities projects.

The Reimbursable Capital Projects include, without limitation, the design and construction of the South Battery Park City Resiliency Project, North/West Battery Park City Resiliency Project, and the Battery Park City Authority Community Center Leak Remediation;

WHEREAS, the Authority reasonably expects to issue one or more series of tax-exempt bonds to finance, on a long-term basis, all or a portion of the costs of the Reimbursable Capital Projects (the “Bonds”);

WHEREAS, the Authority reasonably expects the Bonds will include either the issuance of one or more series of tax-exempt bonds, or bonds of such a series, exclusive of related reserves and costs of issuance, specifically for the Reimbursable Capital Projects, among other capital projects, in the maximum principal amount of up to \$280,000,000 (the “Bonds”);

WHEREAS, the Authority has used \$516,715.25 and reasonably expects that it will also use operating contingency reserve funds of the Authority in an amount up to \$10,000,000.00 as authorized by the Members at the November 17, 2021 Board meeting (the “Interim Funds”) to pay, on an interim basis, all or a portion of the costs of the Reimbursable Capital Projects prior to the issuance of the Bonds;

NOW THEREFORE, BE IT RESOLVED by the Members of the Authority as follows:

The Authority hereby declares its intent to reimburse the Interim Funds from the proceeds of the Bonds after the Bonds have been issued. The foregoing declaration of intent is made pursuant to § 1.150-2 of the United States Department of the Treasury regulations adopted under the Internal Revenue Code of 1986, as amended (the “Code”), in order to permit such reimbursement, when made, to be treated as an expenditure of proceeds of the Bonds for arbitrage and rebate purposes under Section 148 of the Code. All costs to be reimbursed pursuant hereto will be capital expenditures of the Reimbursable Capital Projects. No tax-exempt obligations, including the Bonds, will be issued by the Authority in furtherance of this resolution after a date which is later than 18 months after the later of (1) the date the Reimbursable Capital Projects’ expenditures are paid or (2) the date on which the Reimbursable Capital Projects, or the component of the Reimbursable Capital Projects with respect to which such expenditures were made, is placed in service. The foregoing notwithstanding, no tax-exempt obligations, including the Bonds, will be issued pursuant to this resolution more than three years after the date any expenditure for the Reimbursable Capital Projects which is to be reimbursed is paid.

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The next item on the agenda, presented by Ms. Dawson, was authorization to extend the contract term with Hudson Meridian Construction Group, LLC for the ballfields & community center resiliency project construction management services.

Ms. Dawson explained that Hudson Meridian Construction Group was retained to perform construction management services for the ballfield resiliency project which was substantially completed in December. Two minor elements of the project were not completed within the term of the contract. An extension is necessary to plant trees and to complete the walkway along West Street with some blue stone that was not readily available at the time. Both of those items were now anticipated to be completed in the spring. As a result, the Real Property departments is requesting a six-month extension to Hudson Meridian's contract, which expired on December 31, 2021, to continue to perform their construction management services through the end of the project.

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

**RESOLUTION AUTHORIZING AN AMENDMENT TO THE CONTRACT WITH
HUDSON MERIDIAN CONSTRUCTION GROUP, LLC FOR BALLFIELD &
COMMUNITY CENTER RESILIENCY PROJECT, CONSTRUCTION MANAGEMENT
SERVICES**

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 to extend the term of the Authority’s contract with Hudson Meridian from December 31, 2021 through June 30, 2022; and, be it further,

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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There being no further business, upon a motion made by Mr. Capoccia and seconded by Ms. McVay Hughes, the Members unanimously voted to adjourn the meeting. The meeting thereupon adjourned at 2:50 p.m.

Respectfully submitted,



Lauren Murtha

Assistant Corporate Secretary

Public Comment
January 26, 2022

My name is Justine Cuccia. First, thank you for the recent Town Hall meeting – especially BJ’s slides. These meetings are very important interactions between the BPCA and the community.

That said, I want to remind the Board that one of the most important issues facing Battery Park City residents is swift and fair resolution of the Ground Rent escalations. As you know, the community is asking for the BPCA Board to:

1. Extend the Ground Lease through 2168
2. Eliminate all Step-Ups and Re-Sets built into the existing Ground Rent contracts for each of the 18 buildings
3. Limit annual increases in Ground Rent so that such increases are affordable to middle income, fixed income and senior homeowners – as proposed in slightly different forms by either the Homeowners Coalition, the Battery Park City Neighbors Association or the bill sponsored by Assembly member Yuh-Line Niou.

Each of these options will ensure the BPCA revenue stream continues to grow each year while, for the first time, addressing affordability for middle-income, fixed-income and senior homeowners. Will this proposal mean that the BPCA takes in less money overall than it would under the present contracts, as written? Yes. However, the amount collected in ground rent will grow annually, and so is reasonable, fair, and fiscally sound.

The BPCA has repeatedly, publicly stated that it wants to support affordability in Battery Park City. This is the bare minimum that is needed to achieve that laudable goal. And please keep in mind that these very moderate terms amount only to a band-aid on a hemorrhage for homeowners, which means they represent a very serious compromise on our part.

Time is of the essence for the middle income, fixed income and senior homeowners in all 18 condominium buildings. For this cohort, the terms set forth above represent, not a windfall, but merely a lifeline that will make it possible for them to remain in their homes. These homeowners of moderate means must not be harmed or abandoned in furtherance of a false and misleading narrative that Battery Park City is populated primarily by rich people who are not deserving of ground rent reform.

Therefore, it is essential that negotiations be completed for all 18 condominium buildings in the very near future.

Thank you for your time and attention.