

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

Meeting of the Members
One World Financial Center, 24th Floor
New York, NY 10281
March 8, 2011

Members Present

William C. Thompson, Jr., Chairman
Frank J. Branchini, Member
David B. Cornstein, Member
Fernando A. Mateo, Member
Robert J. Mueller, Member
Andy K. Shenoy, Member

Authority Staff in Attendance: Gayle M. Horwitz, President and Chief Executive Officer
Daniel Baldwin, Senior Development Counsel
Lauren Brugess, Administrative Assistant
Megan Churnetski, Assistant General Counsel and Assistant
Corporate Secretary
Gwen Dawson, Director, Strategic Planning
Sidney Druckman, Director, Special Projects
Kevin Finnegan, Senior Project Manager, Construction
Allyson Ford, Special Counsel
Luis Garcia, Treasurer
Stephanie Gelb, Vice President, Planning & Design
Antigona Gjini, Special Assistant to the President
Robert Holden, Vice President, Human Resources
Carl D. Jaffee, Senior Development Counsel and Corporate
Secretary
Wilson Kimball, Senior Vice President, Operations
Karl Koenig, Controller
Peter McCourt, Director, Planning & Design
Lisa Miller, Vice President, Internal Audit and Compliance
Stan Molinski, Director, Information Technology
Leticia Remauro, Vice President, Community Relations, Diversity
and Press
Phyllis Taylor, Executive Vice President/General Counsel and
Chief Administrative Officer
Robert M. Serpico, Senior Vice President, Finance and
Treasurer/Chief Financial Officer

Others in Attendance: Tessa Huxley, Battery Park City Parks Conservancy
Vincent McGowan, Battery Park City Parks Conservancy
Dianne Renzulli, The Battery Park City Broadsheet
Mark Godfrey, CB Richard Ellis
Tim Sheehan, CB Richard Ellis

Julie Shapiro, Downtown Express
Terese Loeb Kreuzer, Downtown Express
John Ruth, Hagedorn & Co.
Warren Ruppel, Marks Paneth & Shron
Steven Faber, PFM Asset Management
Matt Dunning, Tribeca Tribune
Peter Wilk, Wilk Marketing Communications

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

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The first item on the agenda was the approval of the minutes of the January 31, 2011 meeting.

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

APPROVAL OF MINUTES OF THE JANUARY 31, 2011 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 31, 2011 are hereby approved.

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Next, upon a motion by Mr. Mueller and seconded by Mr. Cornstein, the Members voted unanimously to conduct an executive session pursuant to Section 105.1(h) of the Public Officers Law for the purpose of discussing the proposed lease of real property. No actions were taken by formal vote at the executive session and such session adjourned and the meeting resumed at 11:40 p.m.

The next item on the agenda, introduced by Ms. Horwitz, was a request to authorize the execution of the proposed Operator Lease between the Authority, as Sublandlord, and Pier A Associates, as Subtenant, providing for the operation of Pier A by Pier A Associates, and comprising a sublease under the October 6, 2008 City Lease.

Ms. Dawson reminded the Members that in October of 2008, when BPCA first leased Pier A from New York City it was anticipated at that time that the National Park Service ("NPS") would be the primary subtenant of the first floor of the building. That did not occur, and negotiations with NPS broke off in late 2008, she stated. Thereafter BPCA retained a marketing consultant who conducted targeted outreach from late 2008 through mid-2009 to evaluate potential uses for the building. Outreach was also conducted within the community with regard to what they would like to see at Pier A. Prominent among the likely operators of Pier A identified through this outreach were restaurants, catering facilities, galleries and museums, she said.

In November of 2009, the Authority issued a request for qualifications and seven responses were received in February of 2010, Ms. Dawson reported. Through the process which followed of screening and evaluating those responses, three finalists were identified. In October of 2010, BPCA initiated negotiations with a preferred tenant and entered into a 60-day exclusive negotiating period with the team, which was then known as the Atlantic Garden Team and has since been organized into an entity known as Pier A Battery Park Associates LLC (“Pier A Associates”).

By December 17th of 2010, BPCA and Pier A Associates were in agreement on all substantial terms of a lease agreement (the “Pier A Lease”), Ms. Dawson reported. The primary uses for the building under the proposal by Pier A Battery Park Associates will be a casual restaurant, oyster bar, coffee shop, and visitor center on the first floor, a fine dining establishment on the second floor, special event space, and on the third floor entertainment and special events space there as well, she said. There would also be certain limited use of the plaza and the promenade for outdoor dining. In order to memorialize their agreement, BPCA and Pier A Associates executed a Letter Agreement, in January of this year, she stated. This agreement has been approved by NYCEDC, she noted.

In response to an inquiry by Mr. Thompson about public involvement in the selection process, Ms. Remauro explained that the community had wanted a use for Pier A that would provide service of some sort to the community and would make the pier finally open to the public. After the NPS backed out of negotiations, Authority staff members attended a Community Board meeting to solicit opinion as to the prospective use of the pier. Opinions were also solicited through the local newspaper, she stated. Ms. Kimball noted that there was a public charrette held in late 2008 to discuss the pier’s possible use. Ms. Remauro also noted that the Battery Park City Committee of the community board was kept up to date as to Pier A on a monthly basis.

Upon a motion made by Mr. Mueller and seconded by Mr. Mateo, the following resolution, as amended, was unanimously adopted:

AUTHORIZATION TO EXECUTE A LEASE BETWEEN BATTERY PARK CITY AUTHORITY AND PIER A BATTERY PARK ASSOCIATES, LLC WITH RESPECT TO THE OPERATION OF PIER A

BE IT RESOLVED, that, in accordance with the information presented at the March 8, 2011 meeting, the President of the Authority, or her designee, is hereby authorized and empowered to execute, on behalf of the Authority a lease (the “Operator Lease”), between the Authority, as Sublandlord, and Pier A Battery Park City Associates, LLC (“Pier A Associates”), as Subtenant, as described in the January 25, 2011 Letter Agreement between the Authority and Pier A Associates, providing for the operation of Pier A by Pier A Associates, and comprising a sublease under the lease dated as of October 6, 2008 between the City of New York, as Landlord, and the Authority, as Tenant, for the redevelopment of Pier A and the contiguous upland area, heretofore approved by the Members; and be it further

RESOLVED, that the President of the Authority, or her designee(s) be, and each of them hereby is, authorized and empowered to execute and deliver the Operator Lease on behalf of the Authority subject to such changes as the officer or officers executing such Operator Lease 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 such documents; and be it further

RESOLVED, that the President of the Authority, or her designee(s) 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 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. Dawson, was a request to amend several contracts with regard to Pier A.

In the summer of 2010, Ms. Dawson explained, it was determined that the proposed uses for Pier A would likely require the capacities for its mechanical and electrical systems to be significantly greater than those upon which its design had been based. It was also concluded that, through a redesign of the Pier A operating systems, the capacities necessary for these more demand-intensive uses could be achieved, she said. As a result of that redesign, she stated, the contracts for BPCA's four primary contractors needed to be amended in order to address the increased scope of work. The requested amendments were for contracts with Stalco Construction Inc., Crana Electric, Inc., ACS System Associates, Inc., Stellmar Plumbing & Mechanical Corp. and Land Mark American / ACE Illinois Union insurance companies. The total of these five proposed amendments is \$3,498,792.00, she stated.

The last contract amendment is for Jacobs Engineering, Inc. she said. Certain additional environmental analyses are required in order to evaluate uses that have been proposed by the new tenant for Pier A that go beyond what was originally participated, she explained. These uses are water-related uses and certain additional uses for the outdoor plaza. The proposed amendment will increase the contract from \$319,500 to a new total of \$380,500, Mr. Baldwin added.

In response to inquiry by Mr. Thompson, Ms. Dawson explained that the budget for Pier A was set by the City at \$30 million. The proposed amendments will leave the Authority with a contingency of approximately \$2.5 million, which is more than 15% of the remaining construction costs.

Mr. Mateo stated that the party responsible for these increased costs should be held financially responsible. Ms. Horwitz stated that management has negotiated with the project architect who has agreed to perform redesign work at no cost to the Authority. Further, a substantial amount of money is being held as retainage from the architects' contract.

Upon a motion made by Mr. Mateo and seconded by Mr. Cornstein, the following resolutions were unanimously adopted:

AUTHORIZATION TO EXECUTE CONTRACT AMENDMENTS WITH STALCO CONSTRUCTION, INC., CRANA ELECTRIC, INC., ACS SYSTEM ASSOCIATES, INC., STELLMAR PLUMBING & MECHANICAL CORP.; AND LAND MARK AMERICAN / ACE ILLINOIS UNION.

BE IT RESOLVED, that, in accordance with the information presented at the March 8, 2011 meeting, the President of the Authority, or her designee, is hereby authorized and empowered to execute, on behalf of the Authority amendments to existing Pier A contracts between the Authority as follows:

1. Stalco Construction Inc.: Increasing the current contract amount of \$9,269,293.26 by \$876,000.00 to a total of \$10,145,766.26;
2. Crana Electric, Inc.: Increasing the current contract amount of \$1,420,877.42 by \$271,793 to a total of \$1,692,670.42;
3. ACS System Associates, Inc.: Increasing the current contract amount of \$1,947,000.00 by \$2,101,995.00 to a total of \$4,048,995.00;
4. Stellmar Plumbing & Mechanical Corp.: Increasing the current contract amount of \$762,725.00 by \$144,620.00 to a total of \$907,345.00;
5. Land Mark American and ACE Illinois Union: Increasing the current total policy amount of \$244,997.18 by \$103,911.00 to a total of \$348,908.18; and be it further

RESOLVED, that the President of the Authority, or her designee(s) be, and each of them hereby is, authorized and empowered to execute and deliver the contract amendments on behalf of the Authority subject to such changes as the officer or officers executing such contract amendments 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 such documents: and be it further

RESOLVED, that the President of the Authority, or her designee(s) 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 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.

AUTHORIZATION OF AMENDMENT TO ENVIRONMENTAL CONSULTANT AGREEMENT WITH JACOBS ENGINEERING, INC., FOR SERVICES WITH RESPECT TO PIER A PROJECT

BE IT RESOLVED, that in accordance with the materials presented to this meeting, the President of the Authority or her designee(s) be, and each of them hereby is, authorized and empowered to execute an amendment (the "Amendment") to the Consultant Agreement between the Authority and Jacobs Engineering, Inc. for environmental and permitting consulting services for the Pier A Project, which amendment would increase from \$319,500 to \$380,500 the total amount of authorized fees under said Agreement; and be it further

RESOLVED, that the President of the Authority or her 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, and 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 of the Authority or 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 transaction 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. Horwitz, was the President's Report.

Ms. Horwitz stated that she recently attended a meeting of the Battery Park City Committee of the Community Board (the "Community Board") where she outlined actions that the Authority is taking in conjunction with the New York City Parks Department in response to a recent incident involving the Parks Enforcement Patrol (PEP) "which should help to foster mutual trust and respect with the community and PEP officers that serve us." Ms. Horwitz then outlined the actions for the Members.

Mr. Thompson first noted that recently an individual was arrested by one of the PEP officers and there had been an accusation that undue force was used.

Ms. Horwitz stated that the Authority has requested that all PEP personnel undergo additional training above and beyond the enhanced training that they already receive. The enhanced training will include conflict resolution and community relations. She noted that nearly all of the concerns raised at the recent Community Board meeting involved issues of disrespect by PEP officers towards residents.

Further, she stated, the Authority has instituted a zero tolerance policy whereby any PEP officer involved in any incident will be removed from duty in Battery Park City until the incident has been resolved. "Battery Park City will not tolerate any PEP employee who is not working with the best interests of the community in mind," she said. "Communication of a mutually agreed upon set of standards and expectations are essential in fostering a respectful relationship between PEP and the community," she continued. "It will go a long way in repairing past transgressions and preventing further conflict."

She explained that she has invited the Community Board to designate a representative to work with the Authority to review the current safety services provided by PEP and determine what changes and improvements need to be made. The Community Board designated Jeff Galloway to serve in this capacity, she said. He will meet with PEP and the Authority staff on a monthly basis to report on PEP Services.

Finally, Ms. Horwitz explained that she reinstated quarterly “town hall” meetings. PEP issues will be on that agenda, she explained, “in addition to the myriad of other issues of interest to the community.”

“I’m confident that the PEP issues raised by the Battery Park City community can be resolved; however, there must be changes in training and management of the PEP staff,” she stated. The Authority and the New York City Parks Department have demonstrated they “can make room to do just that, working closely with the Parks Commissioner, Adrian Benepe, and his senior staff.

Ms. Horwitz stated that PEP officers are City, not Authority, employees. She explained that the Authority has a contractual relationship with the Parks Department to provide PEP services, and does not get involved in how they manage their employees. Mr. Branchini stated that there must be a fair review process for the officers’ benefit as well.

Next, Ms. Horwitz stated that all requests for permits in Battery Park City will now be shared with the Battery Park City Committee. She also noted that she has been working with the Ball Fields Committee of the Battery Park City Committee to review use of the new ball fields, which may include winter operation as an ice-skating rink.

Last, she reported that she has scheduled mandatory ethics training for all Authority and Conservancy staff for next month. The training will be conducted by an individual from the Commission on Public Integrity.

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The next item on the agenda, presented by Mr. Serpico, was a request to authorize the expenditure of \$562,925 in premiums to be paid to Hartford Fire Insurance Company as part of the 2011 insurance program.

Mr. Cornstein left the meeting at this time.

As background, Mr. Serpico explained that the primary function of the Authority’s insurance broker is to solicit and obtain the various insurance that the Authority requires. The broker is paid on a flat fee basis without commission. The broker, through competition, negotiates to get the best coverage for the best price.

Mr. Serpico stated that the Members were given a letter from Hagedorn, the Authority’s current broker of record, listing the various Insurers/Underwriters to which the policies were actively marketed. While the Authority’s entire insurance program for this year consists of a total of \$1,273,361 in premiums, he said, the only entity to be paid more than \$250,000, the amount above which Members approval is required, is Hartford Fire Insurance Company, which insures Automobile, Crime, Corporate Property and Public Property, with premiums of \$35,948, \$15,352, \$96,232, and \$415,393, respectively, or \$562,925 in total.

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

AUTHORIZATION OF PAYMENT TO HARTFORD FIRE INSURANCE COMPANY

BE IT RESOLVED, that in accordance with the materials presented to this meeting, the President of the Authority or his designee(s) be, and each of them hereby is, authorized and empowered to pay Hartford Insurance Company \$562,925 for annual insurance premiums as part of the 2011 Insurance Program; and be it further

RESOLVED, that the President of the Authority 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 next item on the agenda, presented by Ms. Horwitz, was a request to approve the Guidelines for the Disposition of Real and Personal Property owned by the Authority.

Ms. Horwitz explained that each year, public authorities are required by statute to submit to the New York State Authorities Budget Office their Disposition Guidelines for Real and Personal Property (“Guidelines”) by March 31. No changes were made to the Guidelines from last year, she stated. Management will continue to recommend that any personal property to be disposed of be turned over to the State Office of General Services which “has the personnel and procedures in place” to “handle property disposition much more effectively and expeditiously than we can.” she said.

Mr. Branchini stated that the resolution should be amended to state that the Guidelines, as written, are in accordance with all applicable regulations.

Upon a motion made by Mr. Branchini and seconded by Mr. Mateo, the following resolution was unanimously adopted, as amended:

APPROVAL OF GUIDELINES FOR THE DISPOSITION OF REAL AND PERSONAL PROPERTY

BE IT RESOLVED, that the Guidelines for the Disposition of Real and Personal Property Owned by the Authority (the “Guidelines”) as presented to this meeting, are determined to be in accordance with all applicable governmental regulations and are hereby approved; and be it further

RESOLVED, that the Contracting Officer shall file the Guidelines, as well as the name of the Authority’s designated Contracting Officer, on before the thirty-first of March, 2011 with the New York State Comptroller; and be it further

RESOLVED, that the Guidelines be posted on the Authority’s internet website; and be it further

RESOLVED; that the Secretary of the Authority be, and hereby is, directed to file the Guidelines with the minutes of this meeting[c1].

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The next item on the agenda, presented by Mr. Finnegan, was a request to authorize an amendment to the contract with Stantec Planning and Landscape Architecture, PC to provide additional consulting services for the study and creation of artificial turf fields at the Site 23 and 24 Ball fields, increasing the amount payable by \$62,935, bringing the contract amount value to \$352,558.57.

Mr. Finnegan reminded the Members that the natural turf of the ballfields at Site 23/24 was becoming increasingly difficult to maintain due to heavy use and the increase in shade from the Goldman Sachs building. At the request of neighborhood leagues and the community, BPCA evaluated and recommended a conversion to environmentally sustainable artificial turf fields, he stated. In June 2009, BPCA entered into a contract with Stantec Planning and Landscape Architecture, PC to design artificial turf ball fields. As a result of subsequent design meetings and discussions with the community, two modifications to the original plan are being recommended as amendments to the Stantec contract: provision of a shaded dugout system for the ball fields and improvements to the existing lighting component with more energy efficient lights which will be located higher so as to avoid light spillage into nearby residences.

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

AUTHORIZATION TO AMEND CONTRACT WITH STANTEC PLANNING AND LANDSCAPE ARCHITECTURE, PC TO PROVIDE CONSULTANT SERVICES FOR THE STUDY AND CREATION OF ARTIFICIAL TURF FIELDS AT SITE 23 and 24 BALL FIELDS

BE IT RESOLVED, that in accordance with the materials presented to this meeting, the President of the Authority or his designee(s) be, and each of them hereby is, authorized and empowered to amend the contract (the "Contract") with Stantec Planning and Landscape Architecture, PC to provide additional consultant services for the study and creation of artificial turf fields at Site 23 and 24 ball fields by an amount of \$62,935, bringing the contract amount value to \$352,558.57; and be it further

RESOLVED, that the President of the Authority or 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, and 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 Contract; and be it further

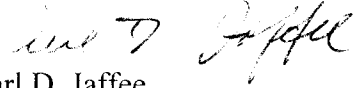
RESOLVED, that the President of the Authority or his designee(s) be, and each of them hereby is, authorized and empowered to execute all such other and further documents and to take all such other and further actions as may be necessary, desirable or appropriate, in connection with

the transaction 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, the meeting thereupon adjourned at 12:17 p.m.

Respectfully submitted,



Carl D. Jaffee
Corporate Secretary