

HUGH L. CAREY BATTERY PARK CITY AUTHORITY
MEMBERS' MEETING
One World Financial Center – 24th Floor
New York, NY 10281
September 2, 2008

Members Present

James F. Gill, Chairman
David B. Cornstein, Member
Frank J. Branchini, Member
Robert J. Mueller, Member
Evelyn K. Rollins, Member
Andy Shenoy, Member (by telephone)

Authority Staff in Attendance: James Cavanaugh, President and Chief Executive Officer
Alexandra Altman, Executive Vice President and General Counsel
Daniel Baldwin, Senior Development Counsel
Debra Bogosian, Controller
Lauren Brugess, Administrative Assistant
Megan Churnetski, Assistant Corporate Secretary
Sidney Druckman, Director, Special Projects
Stephanie Gelb, Vice President, Planning & Design
Robert Holden, Vice President, Human Resources & Administration
Carl Jaffee, Senior Development Counsel and Corporate Secretary
Susan Kaplan, Director of Sustainability
Wilson Kimball, Senior Vice President, Operations
Susan Long, Vice President, Strategic Planning
Lisa Miller, Vice President, Internal Audit and Compliance
Stan Molinski, Director, Information Technology
Leticia Remauro, Vice President, Community Relations, Affirmative Action and Press
Robert M. Serpico, Senior Vice President, Finance and Treasurer/Chief Financial Officer
Roy Villafane, Director, Internal Audit
Antony Woo, Vice President, Construction

Others in Attendance: Tessa Huxley, Battery Park City Parks Conservancy Corporation
Adela Cepeda, A.C. Advisory
Robert J. Rodriguez, A.C. Advisory
Terese Loeb Kreuzer, Battery Park City Broadsheet
Mark T. Godfrey, CB Richard Ellis
Timothy E. Sheehan, CB Richard Ellis

Kristen Johanson, Citicorp
Rainer Perkons, Citicorp
Daniel Thomson, Citicorp
Regina Fleszar, The City of New York Comptroller's Office
Brian Krapf, George Artz Communications, Inc.
Roger Bagley, Hawkins Delafield & Woods LLP
Alicia Czerwinski, Hawkins Delafield & Woods LLP
William Cobbs, Public Resources Advisory Group
Steven Peyser, Public Resources Advisory Group
John Carter, Siebert Brandford Shank & Co., LLC
Mark Price, Siebert Brandford Shank & Co., LLC
Jonathan White, Siebert Brandford Shank & Co., LLC
Sanna Wong-Chen, Siebert Brandford Shank & Co., LLC

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

The first item on the agenda was approval of the minutes of the July 29, 2008 meeting.

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

APPROVAL OF MINUTES OF THE JULY 29, 2008 MEETING

BE IT RESOLVED, that the minutes of the meeting of the Members of the Hugh L. Carey Battery Park City Authority held on July 29, 2008 are hereby approved.

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The next item on the agenda, presented by Mr. Woo, was a request to authorize a contract with Deborah Bradley Construction Co. in the amount of \$389,000 for the Monsignor John Kowsky Plaza Dog Run Renovation project. Mr. Gill noted that Monsignor Kowsky served as a chaplain for the police department as well as the armed services, and had served with Cardinal O'Connor in Vietnam.

Mr. Woo explained Kowsky Plaza was constructed a number of years ago. Since that time, he continued, the original surface color and asphalt top course in the Plaza's dog run have worn down. The interactive fountain in the dog run, while working, has been modified for ease of use but has resulted in excessive water-use, he stated. As a result, he explained, management has decided to repair and replace the current manual system of operation for the water feature with an automatic system including all piping, wiring, and control bollards. The dog run area will also be repaved.

Mr. Woo stated that in accordance with the Authority's Procurement Guidelines, the Kowsky Plaza Dog Run Renovation work was advertised in the New York State Contract Reporter and the Minority Commerce Weekly and names of potential proposers were solicited

from the Affirmative Action Department. He further stated that following a pre-proposal meeting, the Authority received three proposals, two of which were from M/WBE firms. Pre-award meetings were held with the two lowest proposers. Staff of the Authority and the Parks Conservancy, together with outside consultants determined that both firms had complete understandings of the project and included all work in their base proposals. Deborah Bradley Construction Corps, the low bidder Women's Business Enterprise, was the low proposer in the amount of \$389,000.

In response to an inquiry from Mr. Gill, Mr. Woo explained that there is no legal claim available against the company that originally installed the fountain because this work occurred a number of years ago. He also stated that deterioration of the asphalt is bound to occur over time because the dog run is heavily utilized.

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

AUTHORIZATION OF CONTRACT WITH DEBORAH BRADLEY CONSTRUCTION CO. FOR DOG RUN RENOVATION

BE IT RESOLVED, that in accordance with the materials presented to this meeting, the President of the Authority or his designee(s) be, each of them hereby is, authorized and empowered to execute a contract (the "Contract") with Deborah Bradley Construction Co. for the Monsignor John Kowsky Plaza Dog Run Renovation project for an amount not to exceed of \$ 389,000; 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, 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 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 Mr. Serpico, was a request to authorize a one-year contract extension to the Authority's contract with PFM Asset Management, LLC ("PFM") for investment advisory service. He reminded the Members that in September of 2005, after an extensive public proposal process, the Members authorized a three-year contract with PFM, which was deemed to be both the most qualified firm for this work and had submitted the lowest proposal. Management was and continues to be pleased with PFM's services both as a financial and investment advisor, he stated.

While the normal duration of such a service contract is three years, Mr. Serpico continued, Management believes that a solicitation and new selection process for investment advisory services would be ill-advised at this time., when the Authority is considering a major re-financing of its debt securities. In the upcoming months, he explained, many investment decisions will be made related to arbitrage earnings and gain/loss of investments as the current Bond Resolution Funds in excess of \$360 million will be closed. Although PFM was not selected in a financial advisory capacity for the Authority's pending refinancing, Mr. Serpico noted, the firm's knowledge of the Authority's investments will help in transferring them to the new financing indenture. Management therefore recommends, he said, that PFM continue in its capacity as investment advisor to the Investment Committee for an additional year, for the same fee provided in its current contract.

Mr. Cornstein state his concurrence that that this is not a proper time for the Authority to retain a new investment advisor.

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

AUTHORIZATION OF ONE- YEAR EXTENSION TO WITH PFM ASSET MANAGEMENT LLC CONTRACT FOR INVESTMENT ADVISORY SERVICES

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 execute an amendment to the Authority's contract with PFM Asset Management LLC (the "Amendment") to provide for investment advisory services for an additional one- year period for an amount not to exceed \$330,000 per annum, plus reimbursable expenses; 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 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 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 Members then unanimously voted to recess the meeting pending a meeting of the Battery Park City Authority as the sole member of the Battery Park City Parks Conservancy

Corporation and a meeting of the Directors of the Battery Park City Parks Conservancy Corporation. Following the recess, the Members unanimously voted to conduct an executive session for the purpose of discussing a re-financing of the Authority's debt securities.. No votes or actions were taken during the executive session. Upon the conclusion of the executive session, the regular meeting resumed, and there being no further business, the meeting thereupon adjourned at 3:30 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Carl D. Jaffee".

Carl D. Jaffee
Corporate Secretary