

HUGH L. CAREY BATTERY PARK CITY AUTHORITY
MEMBERS' MEETING
One World Financial Center – 24th Floor
New York, NY 10281
July 29, 2008

Members Present

James F. Gill, Chairman
Charles Urstadt, Vice Chairman
David B. Cornstein, Member
Frank J. Branchini, Member
Robert J. Mueller, Member (by telephone)
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
Antigona Hajdaraj, Special Assistant to the President
Stephen E. Harper, Vice President, Safety & Site Management
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
Leticia Remauro, Vice President, Community Relations, Affirmative Action and Press
Robert M. Serpico, Senior Vice President, Finance and Treasurer/Chief Financial Officer
Antony Woo, Vice President, Construction

Others in Attendance: Vincent McGowan, Assistant Director, Battery Park City Parks Conservancy
Randy Tancer, Battery Park City Parks Conservancy
Brian Krapf, George Artz Communications, Inc.
Julie Shapiro, Downtown Express

The meeting, called on public notice in accordance with the New York State Open Meetings Law, convened at 10:15 a.m.

The first item on the agenda was approval of the minutes of the June 11, 2008 meeting. Mr. Shenoy noted his continued opinion that the Authority failed to exert adequate effort into finding alternative qualified vendors for the information technology contracts approved by the members at the June meeting. . He also complained that the Authority's immediate need for hardware and software had made it impossible for the Members to defer the votes on these contracts until his questions regarding these matters were adequately answered.

Mr. Gill noted that a memorandum had been sent to all of the Members in response to Mr. Shenoy's objections from the previous meeting. That memorandum explained how vendors are approved by the New York State Office of General Services ("OGS") and the workings of the OGS procurement process. Mr. Gill further stated that the Authority is well advised to utilize the procurement process of OGS because doing so saves the Authority money. He also noted that there is no indication of misrepresentation or inappropriate action by OGS, and that in the absence of such proof, the Authority should assume regularity in OGS's conduct.

Ms. Kimball further responded to Mr. Shenoy by explaining that Mr. Cavanaugh's recommendations to the Members in the information technology area are based on advice from the internal control group, which consists of internal audit, finance, and the internal control officer. All such contract recommendations are then reviewed by to the Contract Selection Committee, she continued, a committee which includes several staff members, including representatives of the M/WBE department.

Mr. Cavanaugh stated that that when a company appears on the OGS list, OGS has determined it to be a competitive bidder, and in many cases the lowest bidder. He added that the Members, if they wish, could adopt a policy that no one company could be awarded an Authority contract if it had previously been awarded a contract, but that OGS recommends the services or products of any firm on its list of approved contractors.

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

APPROVAL OF MINUTES OF THE JUNE 11, 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 June 11, 2008 are hereby approved.

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The next item on the agenda, presented by Mr. Baldwin, was a request to authorize the execution of a Funding Agreement between the New York City Economic Development Corporation (the "EDC") and the Authority, with respect to the redevelopment of Pier A and the contiguous upland area. Mr. Baldwin reminded the Members that the Authority is the designee of the EDC to redevelop Pier A, a historic landmark that is currently in disrepair.

The City has appropriated \$30 million in its fiscal year 2008 capital budget for the costs of redevelopment of the Project Site, Mr. Baldwin explained, although (Other funds may be sought from other sources, if necessary. In order for the appropriated funds to be made available to the Authority, he continued, an arrangement must be made with the EDC regarding the terms, conditions and procedures governing the EDC's disbursement of the funds.

Mr. Baldwin further explained that the Authority has negotiated a funding agreement to which the parties will be the Authority and the EDC, which agreement provides the mechanism for the project's funding. The funding can occur in one of two ways, he said. There can be requisitions for advancement of funds based on a four-month projection, and there can also be reimbursement of costs previously incurred based on submissions of appropriate documentation.

Further, Mr. Baldwin continued, there is a mechanism whereby costs incurred between the start of the project and the point at which the final budget is approved can be reimbursed and/or advanced. EDC will reimburse and/or advance funds to the Authority for expenditures contained in the budget for substructure repair work on the Pier foundation, which has already been approved by EDC, as well as for other initial redevelopment costs.

Mr. Urstadt inquired as to the consequence of construction change orders on this project. Mr. Cavanaugh stated that the total budget must come within the \$30 million cap established by the City and that discussions would be required if the change orders would result in costs exceeding that amount.

In response to inquiry from Mr. Cornstein regarding a reserve in the budget, Ms. Altman explained that the budget contains a large contingency. Furthermore, she continued, the staff is working on securing extra funding including, but not limited to, potential federal and state grants, and historic rehabilitation tax credits.

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

AUTHORIZATION TO EXECUTE A FUNDING AGREEMENT WITH THE NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION WITH RESPECT TO THE REDEVELOPMENT OF PIER A AND THE CONTIGUOUS UPLAND AREA

BE IT RESOLVED, that in accordance with the information presented to the meeting, the President of the Authority or his designee is hereby authorized and empowered to execute, on behalf of the Authority, a Funding Agreement between the New York City Economic Development Corporation and the Authority (the "Agreement"), with respect to the redevelopment of Pier A and the contiguous upland area; 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 Agreement on behalf of the Authority, subject to such changes the officer or officers executing the Agreement shall, with the advice of counsel, approve as necessary and appropriate and on the best interest of the Authority, such

approval to be conclusively evidenced by the execution and delivery of the Agreement; 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 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. Gelb, was a request to authorize a contract with H³ Hardy Collaboration Architecture for design work in connection with Pier A for a fee not to exceed \$3,700,000.

In the procurement process, she said, Management sought \a particular set of skills, including experience with Battery Park City, recycling historic structures, waterfront projects, retail design, and sustainability. Nine firms responded to the published listing of the assignment, Ms. Gelb said, and eight submitted proposals. Upon review of the proposals, she stated, staff determined that eight of the firms had experience which qualified them to carry out the work and these eight firms were interviewed by a committee including the President and representatives of several Authority departments. After the interviews, the committee determined that H³ Hardy Collaboration Architecture best met all of the criteria listed in the Request for Proposals. H³ is a collaborative community of more than 30 talented and experienced professionals and is guided by the celebrated architect Hugh Hardy, she remarked. The firm specializes in adaptive reuse, preservation and historic restoration. Hugh Hardy is a fellow of the American Institute of Architects and enjoys solid relationships with all of the local landmarks groups, she observed.

It is anticipated that the architectural work can be done for \$3,700,000, Ms. Gelb said, based on a construction budget of \$30 million for the project. However, the program has not been finalized and it is possible that additional consultants will be needed. In response to an inquiry from Mr. Gill, Ms. Gelb explained that this is not a situation where low bidding is crucial because any firm selected would be working for the same percentage of the overall construction budget.

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

AUTHORIZATION OF CONTRACT WITH H³ HARDY COLLABORATION ARCHITECTURE

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 a contract (the "Contract") with H³ Hardy Collaboration Architecture, in an amount not to exceed \$3,700,000 for design and related services pertaining to Pier A; 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 interests of the Authority, such approval to be exclusively 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 then 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 Mr. Woo, was a request for authorization of a contract with D'Onofrio General Contractors Corp. in the amount of \$785,000 for the Pier A Sub-Pier Remediation project.

In accordance with the Authority's Procurement Guidelines, Mr. Woo explained, the sub-pier remediation project was advertised in the New York State Contract Reporter and the Minority Commerce & Employment Weekly. In addition, he continued, names were solicited from the Affirmative Action Department. Eighteen firms, five of which are M/WBE firms requested and picked up Proposal (RFP) packets. A pre-proposal meeting was held and proposals were received from two firms, neither of which is an M/WBE firm.

Mr. Woo continued by explaining that pre-award meetings were held with Authority staff, the project engineer and construction manager (M.G. McLaren, P.C.) and the two proposers. During E.I.C. Associates' interview, staff was informed that the firm was primarily involved in large, industrial-type projects and that Pier A would be one of the first projects of this type for a newly formed division within the company. This explains the large differential in price between the two proposals, he stated. After the interview with D'Onofrio General Contractors Corp., the contractor revised and resubmitted its proposal, decreasing its bid by \$68,000.

Based on a review of the firm's qualifications, experience, and approach to the work as well as the recommendation of the consultants and the proposed price, it was determined that D'Onofrio General Contractors Corp. is the lowest responsive proposer for the Pier A sub-pier remediation work, Mr. Woo concluded.

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

AUTHORIZATION OF CONTRACT WITH D'ONOFRIO GENERAL CONTRACTORS CORP.

BE IT RESOLVED, that 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 D'Onofrio General Contractors Corp. for the Pier A Sub-Pier Remediation project for the amount of \$785,000; 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 ratified.

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The next item on the agenda, also presented by Mr. Woo, was a request to authorize a contract with phb Catalyst Group, Inc. for an amount not to exceed \$349,376 for the Pier A Owner's Representative Pre-construction Services. A design team has been selected to establish the programming, design and engineering of the structure, Mr. Woo explained. An Owner's Representative is needed to support the design team and the Authority in analyzing cost, schedule and constructability aspects of all work proposed for the pier, he stated.

The work for these proposed services was advertised in the New York State Contract Reporter and the Minority Commerce & Employment Weekly, Mr. Woo continued. In addition, names were solicited from the Affirmative Action Department. A total of fifteen firms requested and picked up proposal packets, six of which were M/WBE firms, explained. A pre-proposal meeting was held and proposals were received from four firms, none of which were M/WBE firms.

Staff from the construction, legal, strategic planning and design departments conducted interviews of all four firms, Mr. Woo stated. It was determined that URS and phb Catalyst were the two firms best able to oversee all construction aspects of this project, he declared. Second interviews were subsequently held with these two firms. After a review of the work scope and schedule, phb Catalyst submitted a revised cost proposal, he noted.

URS is the construction manager for the new Parks Conservancy headquarters, currently under construction on Site 3, Mr. Woo explained. The firm has proposed using the same staff working on that project to work on Pier A as well. This approach may be problematic, given the intensity of work required for both projects in the upcoming six to nine months, he observed.

Mr. Woo continued by explaining that during the meetings phb Catalyst showed clear expertise in the realms of both historic preservation and sustainability. The firm showed a comprehensive understanding of what is necessary for Pier A to be as exemplary a project of sustainability as the new buildings of Battery Park City have been, while still maintaining the integrity of the important historic landmark it represents, he stated. Phb Catalyst is also working on numerous other historic preservation projects in New York area. Its designated project manager also has previous experience working on Pier A, he added.

Mr. Woo continued by explaining that in its proposal, phb Catalyst included the hours necessary to carry out the required work, such as estimating, value engineering and analysis of construction methodology. Phb Catalyst's abilities are also particularly strong in the pre-construction phase of the pier work, and its proposed staff will be freer to devote the necessary time during the next critical nine month period, he stated.

It is conceivable that the construction phase of the work may be more straight-forward than the design phases, and require fewer hours than phb Catalyst has proposed, Mr. Woo explained. Also, he continued, by the time construction begins, URS' work on the Parks Conservancy headquarters will be substantially complete and the firm will be able to devote its attention more fully to Pier A. Therefore, the Authority may choose to re-bid the construction phase of this project, he stated. In consideration of this, both phb Catalyst and URS have agreed to hold the prices they have proposed for construction period services, while understanding that the Authority retains the right to re-bid the construction portion of the project should it see fit to do so. Mr. Gill congratulated Mr. Woo on obtaining that flexibility on behalf of the Authority.

It is therefore staff's recommendation to award a contract to phb Catalyst for only the pre-construction owner's representative work at this time, Mr. Woo concluded.

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

AUTHORIZATION OF CONTRACT WITH PHB CATALYST GROUP, INC.

BE IT RESOLVED, that in accordance with the information 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 phb Catalyst Group, Inc. for Pier A Owner's Representative Pre-construction services for an amount not to exceed \$349,376; 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 are hereby ratified and any actions hereafter taken are confirmed and approved.

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The final item on the agenda, presented by Mr. Woo, was a request to authorize a contract with Brickens Construction Inc. in the amount of \$584,298 for the millwork portion of the Site 3 Parks Conservancy Headquarters construction project. Mr. Woo reminded the Members that a residential building under construction on Site 3 will include a 42,000 square foot space which is to be used by the Parks Conservancy for its new headquarters. The developer, Albanese Organization, Inc., is building the core and shell of this and the Authority is responsible for fitting out the space, he stated. The design of the interior space calls for built-in furniture, made from sustainable resources, in several locations.

Mr. Woo explained that in accordance with the Authority's Procurement Guidelines, the millwork portion of this project was advertised in the New York State Contract Reporter and the Minority Commerce Weekly. In addition, he stated, names were solicited from the Affirmative Action Department. Three firms, including two M/WBE firms, requested and picked up proposal packets.

A pre-proposal meeting was held and proposals were received from Brickens Construction Inc. and New York Construction, Mr. Woo continued. Pre-award meetings were held with the two proposers. Representatives of the Construction Department, the project construction manager, and the design team were present at the meeting, and determined that both

firms had a complete understanding of the project and included all work in their base proposals, he stated.

Brickens Construction Inc., the low proposer, is the general contractor for the fit-out of the space and both the Authority and its construction manager have been satisfied with its ongoing work for this project, Mr. Woo explained. Based on the submitted proposals, the interviews, and a recommendation from the construction manager, Management recommends the authorization of a contract with Brickens Construction Inc. in the amount of \$584,298 for the Millwork portion of the Site 3 Parks Conservancy Headquarters construction project, he concluded.

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

AUTHORIZATION OF CONTRACT WITH BRICKENS CONSTRUCTION INC.

BE IT RESOLVED, that 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 Brickens Construction Inc. for the millwork portion of the Site 3 Parks Conservancy Headquarters construction project for a not-to-exceed amount of \$ 584,298; 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

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There being no further business, the meeting thereupon adjourned at 11:00 a.m.

Respectfully submitted,


Carl D. Jaffee
Corporate Secretary