

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

Meeting of the Members
One World Financial Center, 24th Floor
New York, NY 10281
December 1, 2010

Members Present

William C. Thompson, Jr., Chairman
Frank J. Branchini, Member (via telephone)
David B. Cornstein, Member
Fernando A. Mateo, Member
Robert J. Mueller, 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
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
Randy Tancer, Battery Park City Parks Conservancy
Dianne Renzulli, The Battery Park City Broadsheet
Julie Shapiro, Downtown Express
Frank Franco, LiRo Group

The meeting, called on public notice in accordance with the New York State Open Meetings Law, convened at 10:30 a.m.

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The first item on the agenda was the approval of the minutes of the October 26, 2010 meeting.

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

APPROVAL OF MINUTES OF THE OCTOBER 26, 2010 MEETING

BE IT RESOLVED, that the minutes of the meeting of the Members of the Hugh L. Carey Battery Park City Authority held on October 26, 2010 are hereby approved.

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The next item on the agenda, presented by Mr. Jaffee, was a request for approval of resolutions to effectuate amendments to the Authority's bylaws.

First, Mr. Jaffee explained that the bylaws of the Audit and Governance Committees currently require a membership of three persons with the Chairman serving as a non-voting member of each committee. Particularly now, he stated, with two Member vacancies, it would be easier to function with three committee members if the Chairman could serve as a regular voting member.

In response to inquiry by Mr. Cornstein, Mr. Thompson stated that he would like this change to be effective only during times of vacancies in the Membership.M

Next, Mr. Jaffee continued, with respect to the Audit and Governance Committees, the latest revisions to the Public Authorities Law ("PAL") have mandated certain changes applicable to all State authorities. The law now requires that Audit committee members be familiar with corporate financial and accounting practices. The PAL has also added to the responsibilities of the Governance Committee, namely, examination of ethical and conflict of interest issues, the performance of board self-evaluations and the recommendation of bylaws which include rules and procedures for the conduct of board business.

Mr. Jaffee continued by explaining that the Authority does not currently have a Finance Committee, but a 2009 amendment to the PAL has established the requirement that each state authority which issues debt have such a committee of at least three independent members, which shall review proposals for the issuance of debt and make recommendations.

At this time Mr. Mueller entered the meeting.

Lastly, Mr. Jaffee stated, the Authority currently has a Compensation Committee, although it is not required by the PAL. Currently, he explained, the membership of this committee **is recommended by the Chairman subject to the approval of the Members**, whereas the members of each of the Authority's other three committees is designated by the Chairman. Therefore, to be consistent, Management recommends an amendment to the

Bylaws which will empower the Chairman to also designate the Compensation Committee's membership, he concluded.

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

AMENDMENT OF BYLAWS

BE IT RESOLVED, that Article IV of the Bylaws of the Authority ("Committees") be amended to read as follows:

ARTICLE IV – COMMITTEES

Section 1. Audit Committee. There shall be an audit committee which shall consist of three Members designated by the Chairman, one of whom the Chairman shall appoint as Chair of the Committee. The Chairman shall be an additional non-voting member of the committee, provided that if there shall be any vacancy or vacancies in the whole number of the Members as prescribed by law, the Chairman may serve as a voting member of the committee. The Each member of the committee shall be an "independent member," as defined in Public Authorities Law § 2825 (2). Members of the committee shall possess the necessary skills to understand the duties and functions of the committee and shall be familiar with corporate financial and accounting practices. The duties and responsibilities of the committee shall be: (a) to recommend to the Board the hiring of a certified independent accounting firm for the Authority; (b) establish the compensation to be paid to such firm; and (c) to provide direct oversight of the performance of the independent audit performed by the accounting firm hired for such purposes.

Section 2. Governance Committee. There shall be a governance committee which shall consist of three Members designated by the Chairman, one of whom the Chairman shall appoint as Chair of the committee. The Chairman shall be an additional non-voting member of the committee, provided that if there shall be any vacancy or vacancies in the whole number of the Members as prescribed by law, the Chairman may serve as a voting member of the committee.

Each member of the committee shall be an “independent member,” as defined in Public Authorities Law § 2825 (2). Members of the committee shall possess the necessary skills to understand the duties and functions of the committee. The duties and responsibilities of the Committee shall be: (a) to keep the board informed of current best governance practices; (b) to review corporate governance trends; (c) to recommend updates to the Authority’s corporate governance principles; (d) to advise appointing authorities on the skills and experiences required of potential board members; (e) to examine ethical and conflict of interest issues; (f) to perform board self-evaluations; and (g) to recommend bylaws which include rules and procedures for conduct of board business.

Section 3. Compensation Committee. There shall be a compensation committee which shall consist of three Members designated by the Chairman, one of whom the Chairman shall appoint as Chair of the committee. The Chairman shall be an additional non-voting member of the committee, provided that if there shall be any vacancy or vacancies in the whole number of the Members as prescribed by law, the Chairman may serve as a voting member of the committee. Each member of the committee shall be an “independent member” as defined in Public Authorities Law § 2825(2). Members of the committee shall possess the necessary skills to understand the duties and functions of the committee. The duties and responsibilities of the Committee shall be (a) to consider policies regarding the payment of salaries, compensation and reimbursement of expenses for the chief executive and senior management; and (b) to make such other recommendations regarding compensation as it may deem appropriate.

Section 4. Finance Committee. There shall be a finance committee which shall consist of three Members designated by the Chairman, one of whom the Chairman shall appoint as Chair of the committee. The Chairman shall be an additional non-voting member of the committee, provided that if there shall be any vacancy or vacancies in the whole number of the Members as prescribed by law, the Chairman may serve as a voting member of the committee. Each member

of the committee shall be an “independent member,” as defined in Public Authorities Law § 2825 (2). The duties and responsibilities of the committee shall be: to review proposals for the issuance of debt by the authority and to make recommendations.

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The next item on the agenda, introduced by Ms. Horwitz, was a request to authorize an amendment to the contract with Tectonic Engineering Surveying Consultants (“Tectonic”) in an amount not to exceed \$68,972 for engineering and construction management services for completion of the Vesey Street curb realignment project (the “Vesey Street Project”).

Ms. Horwitz reminded the Members that in October 2008, the Authority entered into a contract with Tectonic for the Vesey Street Project. The work thereunder occurred on Vesey St. between West St. and North End Ave., as a requirement of the Authority’s lease agreement with Goldman Sachs for that firm’s new headquarters. Tectonic’s scope of work was to produce construction documents for the project and to oversee the implementation of the design, she explained.

While that work was occurring, Ms. Horwitz continued, Goldman Sachs nearly completed its sidewalk work on Murray Street. Again, under the lease agreement, the Authority was required to repave Murray Street between West Street and North End Avenue. The New York City Department of Transportation (“NYCDOT”), however, requested that the entire roadway not just be repaved but be fully reconstructed.

Therefore, discussions were held between Goldman Sachs, NYCDOT, the Lower Manhattan Construction Command Center and the Authority regarding the time frame for this work, Ms. Horwitz reported. Goldman Sachs preferred that the roadway adjacent to its headquarters be reconstructed by July 31, 2010. NYCDOT, however, preferred that reconstruction not take place until the work on Sites 23 and 24 was finished, so that the volume of heavy traffic and construction vehicles would not damage the newly constructed roadway.

At that time, she explained, Management instructed the Construction Department to request that Tectonic, which was already under contract for the Vesey Street Project, produce construction documents for the Murray Street repaving. Therefore, Ms. Horwitz concluded, the Members were requested to approve an amendment to the contract with Tectonic in an amount not to exceed \$68, 972 for engineering and construction management services for the completion of the Vesey Street Project. She noted that in the future, additional scopes of work would not be added to existing contracts, but rather, would be the subject of new contracts being put out to bid.

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

**AUTHORIZATION OF AMENDMENT TO CONTRACT WITH TECTONIC
ENGINEERING SURVEYING CONSULTANTS**

BE IT RESOLVED, that the President of the Authority or his designee(s) be, each of them hereby is, authorized and empowered to execute an amendment to the contract (the "Contract") with Tectonic Engineering Surveying Consultants (the "Amendment") for engineering and construction management services for the Vesey Street Curb Realignment Project for an amount not to exceed \$68,972; 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 conclusive evidence 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 ratified.

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Upon a motion made by Mr. Mueller and seconded by Mr. Mateo, the Members then voted unanimously to conduct an executive session pursuant to Section 105.1(d) of the Public Officers Law for the purpose of discussing proposed, pending or current litigation. No actions were taken by formal vote at the executive session and such session adjourned and the meeting resumed at 11:35 a.m.

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The next item on the agenda, presented by Ms. Horwitz, was a request to authorize a contract with Paul J. Scariano, Inc. to perform the Site 23/24 Community Center Plaza Terrace General Contracting Work for the amount of \$6,476,000.

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

AUTHORIZATION OF CONTRACT WITH PAUL J. SCARIANO, 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 Paul J. Scariano, Inc. for the Murray Street Decorative Paving project for the amount of \$492,500; 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 Ms. Horwitz, included a request to authorize an amendment to the contract with Hanrahan & Meyers Architects, increasing the amount payable thereunder by an amount not to exceed \$450,000, for additional design work required for the completion of the Sites 23 and 24 Community Center bringing the total contract amount to \$4,905,506.

The agenda item also included a request to authorize an amendment to the contract with the LiRo Group, increasing the amount payable thereunder by an amount not to exceed \$671,430 for additional management fees required for the completion of the Sites 23 and 24 Community Center, and bringing the total contract amount to \$1,538,605.

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

AUTHORIZATION OF AMENDMENT TO CONTRACT WITH HANRAHAN & MEYERS ARCHITECTS TO PROVIDE ARCHITECTURAL SERVICES AND OF AMENDMENT TO CONTRACT WITH THE LIRO GROUP TO PROVIDE CONSTRUCTION MANAGEMENT SERVICES

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 to:

- (1) Execute an amendment to the contract with Hanrahan & Meyers Architects in the amount of \$450,000, increasing the total contract amount from \$4,455,506 to \$4,905,506 for additional design work required for the completion of the Battery Park City Community Center - Sites 23 and 24; and
- (2) Execute an amendment to the contract with the LiRo Group in the amount of \$671,430, increasing the total contract amount from \$867,176 to \$1,538,606 for additional construction management fees required for the completion of the Battery

Park City Community Center – Sites 23 and 24 (jointly, the “Amendments); 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 Amendments on behalf of the Authority, subject to such changes as the officer or officers executing the Amendments 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 Amendments, 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 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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There being no further business, the meeting thereupon adjourned at 11:37 a.m.

Respectfully submitted,



Carl D. Jaffee
Corporate Secretary