

HUGH L. CAREY BATTERY PARK CITY AUTHORITY  
MEMBERS' MEETING  
One World Financial Center – 24<sup>th</sup> Floor  
New York, NY 10281  
May 6, 2008

Members Present

James F. Gill, Chairman  
Charles Urstadt, Vice Chairman  
Frank J. Branchini, Member  
Robert J. Mueller, Member  
Evelyn Rollins, Member  
Andy Shenoy, Member

Authority Staff in Attendance: James Cavanaugh, President and Chief Executive Officer  
Alexandra Altman, Executive Vice President and General Counsel  
Daniel Baldwin, Senior Development Counsel  
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  
Steven 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 Sustainable Development  
Wilson Kimball, Senior Vice President, Operations  
Susan Long, Vice President, Strategic Planning  
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, Executive Director, Battery Park City Parks Conservancy Corporation  
Betty Chin, Battery Park City Parks Conservancy Corporation  
Matthew Fenton, Battery Park City Broadsheet  
Kevin Keane, HydroQual  
Toby Kizner, Jacobs, Edwards & Kelcey  
Brian Krapf, George Artz Communications, Inc.

David Paget, Sive, Paget & Riesel  
Nick Punto, Tribeca Tribune  
Julie Shapiro, Downtown Express  
Randy Tancer, Battery Park City Parks Conservancy Corporation

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

The first item on the agenda was approval of the minutes of the March 25, 2008 meeting.

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

**APPROVAL OF MINUTES OF THE MARCH 25, 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 March 25, 2008 are hereby approved.

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The next item on the agenda, presented by Mr. Woo, was a request to authorize a change order in the amount of \$34,956.16 to the contract with Hellman Electrical Corporation for work at the Port Authority Ferry Terminal in Battery Park City.

On November 29, 2004 the Authority entered into an agreement with the Port Authority of New York and New Jersey pursuant to which the Port Authority is to construct and operate a permanent ferry terminal adjacent to the Battery Park City seawall. On March 20, 2007 the Members authorized a contract with Hellman Electric Corporation for the installation of electrical cable to service the terminal. The cost of the work, \$764,570, is to be borne by the Port Authority.

Change Order #3 to the contract is for the provision of labor and materials to replace specified conductors in two duct banks. The original design, specified in 2001, is now contrary to the New York City Electric Code and must be modified with respect to the type and size of wires to be used. The cost for the additional electrical services is \$34,956.16, which, together with prior changes orders, brings the total cost of the contract to an amount which requires approval of the Members pursuant to the Authority's Procurement Guidelines. The cost of the additional work will be borne by the Port Authority.

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

**AUTHORIZATION TO AMEND CONTRACT WITH HELLMAN ELECTRICAL CORPORATION**

BE IT RESOLVED, that the President of the Authority or his designee(s) be, each of them hereby is, authorized and empowered to amend the contract (the "Contract") with Hellman Electric Corporation for the supply and installation electrical equipment for the Port Authority Ferry Terminal by executing Change Order No. 3 in the amount of \$ 34,956.16; 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 change order on behalf of the Authority, subject to such changes as the officer or officers executing the change order 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 change order; 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

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The next item on the agenda, presented by Mr. Woo, was a request to authorize a contract with URS Corporation, NY for an amount not to exceed \$518,039 to perform the Owner's Representative & Inspection Services for parks projects from May 2008 until May 2010.

The Battery Park City Parks Conservancy operates and maintains all of the parks in Battery Park City. During the next twelve to twenty-four months, there will be multiple repair projects within the Battery Park City parks that the Authority's Construction Department will oversee. Over the past four years, the Authority, through the Construction Department, has entered into contracts with outside firms for construction management services relating specifically to parks projects. These contracts have been for two year periods, and the proposed new contract will run from May 2008 to May 2010.

In accordance with the Authority's Procurement Guidelines, the contract was advertised on March 3, 2008 in the New York State Contract Reporter and the Minority Commerce Weekly. In addition, names of potential contractors were solicited from the Affirmative Action Department. Twenty five firms, of which ten were M/WBE firms, requested and picked up proposal packets.

A pre-proposal meeting was held on March 13, 2008. Proposals were received from the nine firms listed below. Two of these firms are M/WBE firms. Pre-award meetings were held on April 10, 2008 with Authority and Parks Conservancy staffs. It was determined that the three low firms with the lowest proposals all had a complete understanding of the project and included all work in their base proposals. Based upon review of price, qualifications and experience, it was apparent that URS Corporation NY has a clear understanding of the scope of work, has met the qualifications required, and can carry out the work in accordance with the scheduled hours.

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

**AUTHORIZATION OF A CONTRACT WITH URS CORPORATION, NY**

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 URS Corporation, NY to perform Owner's Representative & Inspection Services from May 2008 through April 2010 for Battery Park City parks projects for an amount not to exceed \$518,039; 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. Cavanaugh, was a request to authorize the payment of \$432,000 to the Alliance for Downtown New York, Inc. for calendar year 2007 for the promotion and improvement of the lower Manhattan business district and in furtherance of its long-term economic viability.

As you know, a Business Improvement District ("BID") for lower Manhattan called the Alliance for Downtown New York, Inc. has been operating for many years. The purpose of the BID is to improve the business climate of lower Manhattan, using statutory-based annual assessment on "Class A" commercial and retail property within the area of the BID to finance promotional efforts, service enhancements (such as supplementary street cleaning and security), street enhancements (such as well-designed lighting, waste baskets, and signage), and various development projects, as well as more ambitious infrastructure projects:

The BID's active promotion and improvement of the downtown commercial district and its economic redevelopment program complements the Authority's various development projects. Overall improvement of the downtown commercial district will enhance property values at Battery Park City. Therefore, it is in the Authority's interest to support the BID's efforts, and since 1996, although not legally obligated to do so, the Authority has been making an annual

payment to the BID in an amount equal to about one half of the amount which would be payable if Battery Park City were within the geographic boundaries of the BID.

After nearly ten years of flat payments of \$270,000, the Authority increased its annual payment to the BID to an amount roughly commensurate to an amount reflecting increased assessments by the BID, but without adjustment for additional commercial square footage added within Battery Park City, such as the NYMEX building or the hotels which have opened. The amount paid for calendar 2006 was \$432,000 and in a letter to the Authority dated February 14, 2008 the Alliance has requested a payment of the same amount.

The Port Authority of New York and New Jersey, the other major public agency based in lower Manhattan, has extensive holdings within the BID's boundaries. Although it is exempt from statutory BID assessments, as is the Authority, it has annually contributed in excess of \$1 million to the BID.

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

**AUTHORIZATION OF PAYMENT TO ALLIANCE FOR DOWNTOWN NEW YORK, INC.**

BE IT RESOLVED, that in accordance with the materials presented to this meeting, the President of the Authority or his designees) be, and each of them hereby is, authorized and empowered to make a payment to The Alliance for Downtown New York, Inc. (the "BID") in the amount of \$432,000 for calendar year 2007 to assist the BID to carry out its corporate purposes with respect to the revitalization of downtown Manhattan; and be it further

RESOLVED, that the President of the Authority or his designees) be, and each of them hereby is, authorized and empowered to execute all such other and further documents, and the take all such other and further actions as may be necessary, desirable or appropriate, in connection with the transaction contemplated in the foregoing resolution, 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 Daniel Baldwin, was a request to authorize the issuance of a Notice of Determination of No Significance stating that the Project will not have a significant impact on the environment.

On December 14, 2007, the Authority executed a Term Sheet with the New York City Economic Development Corporation ("EDC"), designating the Authority to lease and redevelop Pier A, and a contiguous upland area (together, the "Project Site"). The Project Site is located at the southern tip of Lower Manhattan just south of Battery Park City. Pier A, listed on the State and National Registers of Historic Places and designated as a New York City Landmark, was first constructed

between 1884 and 1886 and is the last surviving historic pier in Manhattan. It contains a three story building, with approximately 30,000 square feet of usable interior space, and a perimeter walkway. The building is currently vacant and closed to the public, and has not been in active use since 1992.

The redevelopment of the Project Site (the "Project") will require the execution of a lease with The City of New York (the "Lease"). Since the execution of the Lease is a discretionary action, environmental review in accordance with the State Environmental Quality Review Act and regulations promulgated thereunder ("SEQRA") is required. Authorization of the Lease will be presented to the Members as a separate item at the May 6<sup>th</sup>, 2008 meeting.

Upon agreement of the involved public agencies, the Authority is the lead agency for the review of the environmental impacts of the Project. Over the past several months, Management has been engaged in a detailed environmental review which considered traffic, air quality, noise, natural resources, and a number of other potential impacts associated with the Project. That review was conducted with the assistance of Jacobs Edwards & Kelcey, the Authority's environmental consultant for the Project, and Sive, Paget & Riesel, the Authority's environmental counsel.

In accordance with SEQRA regulations, upon completion of its environmental review, the Authority must issue a Determination of Significance indicating whether significant environmental impacts may be present as a result of the Project. The Authority's environmental review indicates that the Project would not have a significant impact on the environment. The Authority intends to complete an Environmental Assessment Form, including attached Supplemental Environmental Studies, which would be issued substantially in the form enclosed with these materials. Based upon the information contained within the attached materials, the Members are requested to authorize the issuance by the Authority of a Notice of Determination of No Significance stating that the Project will not have a significant impact on the environment (the "Negative Declaration").

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

**APPROVAL OF, AND AUTHORIZATION TO ISSUE, A NOTICE OF DETERMINATION OF NO SIGNIFICANCE RELATED TO REDEVELOPMENT OF PIER A, AND CONTIGUOUS UPLAND AREA**

**WHEREAS**, on December 14, 2007, the Authority executed a Term Sheet with the New York City Economic Development Corporation, designating the Authority to lease and redevelop Pier A and a contiguous upland area (together, the "Project Site"). The Project Site is located at the southern tip of Lower Manhattan just south of Battery Park City; and

**WHEREAS**, Pier A, listed on the State and National Registers of Historic Places and designated as a New York City Landmark, was first constructed between 1884 and 1886 and is the last surviving historic pier in Manhattan. It contains a three story building, with approximately

30,000 square feet of usable interior space, and a perimeter walkway. The building is currently vacant and closed to the public, and has not been in active use since 1992; and

**WHEREAS**, the Authority intends to restore and rehabilitate Pier A and return this deteriorating, underutilized and inaccessible facility to public use.

**WHEREAS**, the redevelopment of the Project Site (the “Project”) will require the execution of a lease with The City of New York, which is an action subject to the New York State Environmental Quality Review Act (“SEQRA”) and the City Environmental Quality Review (“CEQR”); and

**WHEREAS**, by letter dated February 29, 2008, the Authority declared its intent to serve as lead agency for purposes of conducting the environmental review of the Project required under SEQRA and CEQR and circulated Part I of the Full Environmental Assessment Form to the involved agencies; and

**WHEREAS**, having received no objection from the other involved agencies, the Authority has prepared a Full Environmental Assessment Form and Supplemental Environmental Studies (the “EAF”), as presented to this meeting, to examine the potential environmental impacts of the Project; and

**WHEREAS**, the EAF examines the Project’s potential to result in significant adverse impacts in the following areas: land use, zoning and public policy; socioeconomics; community facilities; open space and recreational facilities; shadows; cultural resources; urban design and visual resources; neighborhood character; natural resources; hazardous materials; waterfront revitalization plan; infrastructure; solid waste and sanitation services; use and conservation of energy; traffic and parking; transit and pedestrians; air quality; noise; construction impacts; and public health; and

**WHEREAS**, as detailed in the EAF, no significant adverse impacts would occur as a result of the Project; and

**NOW, THEREFORE, BE IT RESOLVED**, that, in accordance with the materials presented to the meeting and filed with the minutes hereof, the Members of the Authority hereby approve, and authorize the issuance of, a Notice of Determination of No Significance for the Project, substantially in the form presented at the meeting.

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The final item on the agenda, presented by Ms. Altman, was a request to authorize the execution of a lease between the City of New York and the Authority, with respect to Pier A and the contiguous upland area.

Since 2006 the Authority and the City of New York (the “City”) have been in negotiations with respect to the redevelopment of Pier A, a Hudson River pier completed by the City in 1886. Pier A is located within the Authority’s statutory project area, immediately adjacent to the current southern boundary of Battery Park City, and was one of the underutilized

piers that the Authority was created to replace or revitalize. However, in the late 1970s Pier A was designated as a New York City landmark and placed on the National Register of Historic Places, and was retained by the City in 1982 when the current Battery Park City area was turned over to the Authority. It is now the last remaining historic pier in Manhattan. Despite efforts over the past 25 years, the City has not succeeded in finding a private-sector partner capable of rehabilitating and reusing this historic structure.

Following months of discussions, on December 14, 2007, the Authority executed a term sheet with the New York City Economic Development Corporation, designating the Authority to lease and redevelop Pier A, including Pier A plaza, a contiguous upland area of approximately 34,000 gross square feet (Pier A and its plaza being the "Project Site"). Since that date the City and management of the Authority have reached agreement on the terms of a 49-year lease of the Project Site (up to 99 years with renewals).

The proposed lease between the City, as Landlord, and the Authority, as Tenant (the "Lease") of the Project Site would require the Authority to do all the work necessary to make Pier A fit for use, in accordance with requirements of the City Landmarks Preservation Commission and the State Historic Preservation Office. The City and management of the Authority are in agreement that a major use of Pier A should be the National Park Service (NPS) ferry service to the Statue of Liberty National Monument and Ellis Island, which is currently located in a tent on Historic Battery Park. The Authority has begun discussions with NPS and its ferry concessionaire with regard to a sublease for this use. Other non-ferry uses could include retail, restaurants, event space and offices. The basic terms of the Lease are summarized in Exhibit A to this memorandum.

The Authority's obligations under the Lease would require a significant investment. Pier A has roughly 30,000 square feet of usable interior space on two original floors and a smaller third floor. The building is currently vacant and closed to the public, and has not been in active use since 1992. The structure is in need of immediate underwater repairs to ensure its structural soundness, as well as major rehabilitation to standards applicable to historic buildings. The 34,000 square-foot plaza that provides access to Pier A is situated between Battery Park and Wagner Park, and is also inaccessible to the public and in need of reconstruction. If the NPS ferry service is to be moved into Pier A, the Authority would have to construct an additional dock from which ferry passengers would embark. The City has specified a \$30 million overall limit on capital costs for the foregoing work. The City has also expressed its wish that Pier A be economically self-sustaining, with revenues from NPS and other users supporting the cost of the capital investment and ongoing operations.

The City wishes the redevelopment of the Project Site ("the Project") to be completed on an expedited schedule. To that end, the Authority has commenced design of the urgently need underwater work, with a view toward completing this element of the project in 2008. We are also beginning discussions with the State Office of Parks, Recreation and Historic Preservation with respect to the terms of a grant made to the City for Pier A in 1997, under which the State has certain continuing rights. The Lease would take effect upon receipt of all necessary State approvals.



The redevelopment of Pier A is complex and will involve many requirements and parties with diverse interests to be reconciled. It will be a major financial commitment. Management believes that despite these difficulties, the Authority should undertake redevelopment of the Project Site as the concluding element to be addressed in carrying out the Authority's original statutory mandate.

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

**AUTHORIZATION TO EXECUTE A LEASE BETWEEN THE CITY OF NEW YORK  
AND BATTERY PARK CITY AUTHORITY WITH RESPECT TO 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 lease between the City of New York, as Landlord, and the Authority, as Tenant, for the redevelopment of Pier A and the contiguous upland area substantially on the terms and in the form presented to the Members; 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 such a lease on behalf of the Authority subject to such changes as the officer or officers executing such 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 lease; 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 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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There being no further business, the meeting thereupon adjourned at 11:10 a.m.

Respectfully submitted,



Carl D. Jaffee  
Corporate Secretary