

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

MEMBERS' MEETING

One World Financial Center – 24<sup>th</sup> Floor

New York, NY 10281

February 24, 2009

Members Present

James F. Gill, Chairman

Charles J. Urstadt, Vice Chairman

David B. Cornstein, Member

Frank J. Branchini, Member

Robert J. Mueller, Member

Evelyn K. Rollins, Member

Andy K. Shenoy, Member (via 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  
Lauren Brugess, Administrative Assistant  
Megan Churnetski, Assistant General Counsel and 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  
Carl D. Jaffee, Senior Development Counsel and Corporate Secretary  
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  
Robert M. Serpico, Senior Vice President, Finance and Treasurer/Chief Financial Officer  
Antony Woo, Vice President, Construction

Others in Attendance: Tessa Huxley, Executive Director, Battery Park City Parks Conservancy  
Vince McGowan, Battery Park City Parks Conservancy  
Randy Tancer, Battery Park City Parks Conservancy  
Brian Krapf, George Arzt Communications, Inc.  
Matthew Fenton, Battery Park City Broadsheet  
Julie Shapiro, Downtown Express  
Larry Johanson, Senior Account Director, Hagedorn & Co.  
John Ruth, Vice President, Hagedorn & Co.  
Ken Deon, Partner, KPMG LLP

Brendan Kennedy, Manager, KPMG LLP  
Stephen Faber, Managing Director, PFM Asset Management

The meeting, called on public notice in accordance with the New York State Open Meetings Law, convened at 10:17 a.m.

The first item on the agenda was approval of the minutes of the January 6, 2009 meeting.

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

**APPROVAL OF MINUTES OF THE JANUARY 6, 2009 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 6, 2009 are hereby approved.

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The next item on the agenda, presented by Mr. Serpico, was a request to approve the Investment Report and Investment Guidelines for Fiscal Year 2008. Mr. Serpico explained that Section 2925 of the Public Authorities Law requires that each public authority annually prepare and approve an investment report and investment guidelines. The Authority has amended, adapted and approved the guidelines over time, but this year there are no significant changes from the previous year's policies and procedures, he added.

Mr. Serpico reminded the Members that the Investment Committee, which includes Mr. Cornstein and Authority senior management and staff, meets quarterly. Next, Mr. Serpico stated that the Authority's long-term investments for Fiscal Year 2008 returned 5.75 percent and its short-term investments earned 3.02 percent. The Authority has not had any major losses or bad investments, and is meeting its investment performance benchmarks he reported. Mr. Faber then explained that the Authority utilizes a strategy of financial diversification which has worked well.

Mr. Gill expressed his gratitude to the Investment Committee and to Mr. Cornstein for the results of the Authority's investments.

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

**APPROVAL OF INVESTMENT REPORT FOR FISCAL YEAR 2008 AND INVESTMENT GUIDELINES**

BE IT RESOLVED, that the Investment Report of the Hugh L. Carey Battery Park City Authority (the Authority) for the fiscal year ended October 31, 2008 in the form presented to this meeting, be, and hereby is approved; and be it further

RESOLVED, that the Authority Investment Guidelines in the form presented to this meeting be, and hereby are, approved; and be it further

RESOLVED, that the Treasurer of the Authority be, and hereby is, directed to file said Investment Report (including the Guidelines) with the: (1) NYS Division of the Budget; (2) NYS Department of Audit and Control; the Chairman and ranking Minority Members of the (3) New York State Senate Finance Committee; and (4) New York State Assembly Ways and Means Committee, as required by Section 2925 of the Public Authorities Law, Public Authorities Accountability Act of 2005 and the New York State Comptroller's Regulation 2 NYCRR (Part 203); that the Secretary of the Authority be, and hereby is, directed to file said Investment Report (including the Guidelines) with the minutes of this meeting; and that Investment Report information be posted to the Authority's website and the NY State -Public Authorities Reporting System (PARIS); and be it further

RESOLVED, that any and all actions taken by any officer of the Authority in connection with the negotiation or preparation of such policies and procedures are hereby ratified, confirmed and approved.

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With respect to the next item on the agenda, a request to approve the Prompt Payment Report and Policy for Fiscal Year 2008, Mr. Gill stated, based on the report, that there were no material late charges or interest charges paid to vendors or contractors providing products and/or services to the Authority in Fiscal Year 2008. Mr. Serpico noted that the Authority has a very good record of paying its bills on time.

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

**APPROVAL OF THE PROMPT PAYMENT REPORT AND POLICY FOR THE FISCAL YEAR ENDED OCTOBER 31, 2008**

BE IT RESOLVED, that the Prompt Payment Report and Policy of the Authority for the fiscal year ended October 31, 2008 in the form presented to this meeting, be, and hereby is approved; and be it further

RESOLVED, that the Treasurer of the Authority be, and hereby is, directed to file said Prompt Payment Report and Policy with the New York State Division of the Budget and copies thereof to the New York State Department of Audit and Control, the Chairman and ranking Minority Member of the New York State Senate Finance Committee and the Chairman and ranking Minority Member of the New York State Assembly Ways and Means Committee as required by Section 2880 of the Public Authorities Law; and that the Secretary of the Authority be, and hereby is, directed to file said Prompt Payment Report and Policy with the Minutes of this meeting; and be it further

RESOLVED, that the Hugh L. Carey Battery Park City Authority Prompt Payment Policies in the form presented to this meeting be, and hereby are, approved; and be it further

RESOLVED, that any and all actions taken by any officer of the Authority in connection with the preparation of such policies and procedures is hereby ratified, confirmed and approved; and be it further

RESOLVED, that the Secretary of the Authority be, and hereby is, directed to file the Battery Park City Authority Prompt Payment Report and Policy with the minutes of this meeting.

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The next item on the agenda, presented by Ms. Kimball, was a request to approve the Procurement Contracts Report for Fiscal Year 2008, including Procurement Guidelines and Guidelines for Sale of Obligations. Ms. Kimball explained that substantive changes to the Guidelines are listed in the memorandum presented to the Members.

Mr. Gill then summarized the major provisions of the Procurement Guidelines. He explained that the President is authorized to approve contracts up to \$250,000. Anything in excess of that must come before this Board for approval, he noted. Senior Vice Presidents may approve contracts up to \$25,000, and the Executive Vice President may approve contracts up to \$100,000. Department heads are authorized to enter into contracts of \$5,000 or less, he concluded.

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

**APPROVAL OF THE PROCUREMENT CONTRACTS REPORT AND GUIDELINES  
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2008**

BE IT RESOLVED, that the Procurement Contracts Report and Guidelines of the Authority for the fiscal year ended October 31, 2008 in the form presented to this meeting, be, and hereby is approved; and be it further

RESOLVED, that the Treasurer of the Authority be, and hereby is, directed to file said Procurement Contracts Report and Guidelines with the New York State Division of the Budget and copies thereof to the New York State Department of Audit and Control, the Chairman and ranking Minority Member of the New York State Senate Finance Committee and the Chairman and ranking Minority Member of the New York State Assembly Ways and Means Committee, as required by Section 2879 of the Public Authorities Law; and that the Secretary of the Authority be, and hereby is, directed to file said Procurement Contracts Report and Guidelines with the Minutes of this meeting; and be it further

RESOLVED, that the Hugh L. Carey Battery Park City Authority Procurement Guidelines in the form presented to this meeting be, and hereby are, approved; and be it further

RESOLVED, that any and all actions taken by any officer of the Authority in connection with the preparation of such policies and procedures is hereby ratified, confirmed and approved; and be it further

RESOLVED, that the Secretary of the Authority be, and hereby is, directed to file the Battery Park City Authority Procurement Contracts and Guidelines with the minutes of this meeting.

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The next item on the agenda, introduced by Mr. Branchini, Chairman of the Audit Committee, was a request to authorize the Authority to file Audited Financial Statements for Fiscal Year 2008 ("FY08"). Mr. Branchini explained that the Audit Committee met with KPMG, the Authority's auditor, in January, at which time KPMG presented the Authority's financials for FY08.

Next, Mr. Serpico presented the financial highlights from the Authority's fiscal year ending October 31, 2008. In FY08, he explained, the Authority produced \$92.7 million in excess revenues for the City of New York. The Authority holds \$215.4 million in joint purpose funds that are uncommitted and unencumbered, he continued. Further, he noted, the Authority is running low on funds for infrastructure capital expenditures, pending an offering of debt securities.

Mr. Deon then presented a brief summary of the results of KPMG's audit. The Authority had no material misstatements in its financial statements, he stated. Further, he remarked, KPMG did not identify any significant deficiencies or material weaknesses in internal control. He noted that KPMG issued a "clean" opinion regarding the Authority's deliverables. KPMG also issued a Government Auditing Standards Yellow Book Report, he explained, which is a report on internal control and compliance at the financial statement level, and no significant deficiencies or material weakness findings were reported. Finally, Mr. Deon explained that, as is required under the Investment Compliance Rules and Regulations of New York, KPMG issued a report wherein it reported no findings.

Mr. Cornstein then congratulated the Authority for continuing to increase its revenues while decreasing its expenses. This is a credit to the management, he stated. In response to inquiry from Ms. Rollins, Mr. Deon explained that KPMG focused its audit on internal controls and had no recommendations in that area. Mr. Gill then stated that should any important information come to the auditors' attentions, that information should be immediately relayed to the appropriate people. Mr. Deon stated that auditors have a professional requirement to do so.

In response to an inquiry by Mr. Urstadt, Mr. Serpico stated that the State has no rights to the money in the Joint Purpose Fund. Three approvals are required to designate the use of that money including the Members, the City Mayor and the City Comptroller, he added.

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

**APPROVAL OF AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED OCTOBER 31, 2008**

BE IT RESOLVED, that the financial statements of the Authority at October 31, 2008 and for the year then ended, substantially in the form presented to this meeting, be, and hereby are, approved: and be it further

RESOLVED, that the Treasurer of the Authority be, and hereby is, authorized and directed to file the financial statements of the Authority at October 31, 2008 for the year then ended, substantially in the form presented at this meeting, with the Trustee of the Authority's outstanding bonds as required by 2003 General Bond Resolution; the Chairman and ranking Minority Member of the New York State Senate Finance Committee, the Chairman and ranking Minority Member of the New York State Assembly Ways and Means Committee, the Comptroller of the State of New York and State Division of Budget as required by Section 2800 of the Public Authorities Law, Public Authorities Accountability Act of 2005, and State Comptroller Regulations, on the Authority's web site and the Public Authorities Reporting Information System; and that the Secretary of the Authority be, and hereby is, directed to file said financial statements with the Minutes of this meeting.

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The next item on the agenda, presented by Mr. Cavanaugh, was a request to adopt a resolution declaring the Authority's intent to reimburse funds advanced for the capital program from proceeds of tax-exempt bonds.

The Authority's Capital Program is approved by this Board and by the City of New York at five-year intervals, Mr. Cavanaugh explained. At the presentation of the Authority's current budget on October 28, 2008, he continued, the Members were advised that proceeds from the Authority's 2003 bond issue would be insufficient to fund the Authority's approved capital program. The Authority has a number of ongoing and anticipated capital projects including the reconfiguring of Vesey Street, a \$30 million ongoing sea wall reconstruction project, the community center and the new Conservancy Headquarters at Site 3, he stated.

A new bond issue would provide approximately \$100 million of proceeds to fund the balance of the Authority's capital program, Mr. Cavanaugh explained. Because of unfavorable market conditions, this bond issuance has been deferred. As a result, he reported, the Authority proposes to fund its capital program on an interim basis from current revenues and other funds that may be available until such time as proceeds are available from a new bond issue. Once the Authority issues bonds, it will reimburse the operating budget from the proceeds of the bond issuance.

Mr. Cavanaugh noted that there is also currently a proposal in the Governor's proposed budget for the Authority to contribute to the state budget deficit by issuing additional bonds. In response to inquiry by Mr. Mueller, Mr. Cavanaugh explained that the timing of this decision is controlled by the City and the State. Mr. Mueller stated that issuing greater debt would have serious consequences for the Authority and the Authority's bond rating.

Mr. Cornstein then suggested that the Authority consider slowing its capital program during the current economic climate. Mr. Gill agreed and requested that a report detailing the anticipated capital improvements be distributed to the Members so they can determine whether or not to slow the capital program. He noted that the sea wall repair could potentially be postponed for a few years. Mr. Cavanaugh stated that the Vesey Street reconfiguration must occur as scheduled because the Authority is contractually obligated to finish the work by the opening of the Goldman Sachs Headquarters.

Mr. Gill stated that he perceived the sense of the Members to be to move forward with capital projects which are absolutely necessary and perhaps to delay others which are less necessary.

Upon a motion made by Mr. Cornstein and seconded by Ms. Rollins, the following resolution was unanimously adopted with the understanding of the sense of the Board as expressed:

**Resolution Declaring Intent to Reimburse Interim Funding of Costs of a Project  
from Proceeds of Tax-Exempt Bonds**

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WHEREAS, the Battery Park City Authority (the "Authority") has authorized the construction, acquisition and installation of certain infrastructure, seawall repair, site development, information system equipment and other capital expenditures for a mixed commercial and residential planned community known as Battery Park City (the "Project"), located on a site of approximately 92 acres owned by the Authority and situated on the lower west side of Manhattan fronting the Hudson River; and

WHEREAS, the Authority intends to issue one or more series of tax-exempt bonds to finance on a long term basis the costs of the Project in the maximum principal amount of \$100,000,000, exclusive of related reserves and costs of issuance (the "Bonds");

WHEREAS, the Authority has used or will use various funds of the Authority to pay, on an interim basis, all or a portion of the costs of the Project prior to the issuance of the Bonds (the "Interim Funds");

NOW THEREFORE, BE IT RESOLVED by the Members of Battery Park City Authority as follows:

The Authority hereby declares its intent to reimburse the Interim Funds from the proceeds of the Bonds after the Bonds have been issued. The foregoing declaration of intent is made pursuant to § 1.150-2 of the regulations adopted under the Internal Revenue Code (the "Code") in order to permit such reimbursement, when made, to be treated as an expenditure of proceeds of the Bonds for arbitrage and rebate purposes under Section 148 of the Code.

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The next item on the agenda, presented by Mr. Harper, was a request to authorize an amendment to the contract with the New York City, Department of Parks and Recreation ("NYCDPR") for the provision of Parks Enforcement Patrol ("PEP") officers for the period ending January 31, 2010 with a one-year renewal option extending the contract to January 31, 2011, and an increase in payments to an amount not to exceed \$2,185,000 annually.

Mr. Harper reminded the Members that the Authority originally entered into an agreement with NYCDPR in 1994 for the provision of PEP officers to patrol the parks,

esplanade, and open spaces in Battery Park City. PEP officers' primary responsibilities include monitoring and deterring crime and training and enforcement, he explained.

He stated that the City's Office of Management and Budget has mandated that all service contracts must absorb a new rate for fringe benefits of 45%. Because this new rate would result in an excess of \$300,000 over the Authority's projected budget for these services, the Authority has decided to make a slight reduction in services to make up for the increased costs. The Authority has negotiated to eliminate administrative costs from the contract and obtained a twenty percent reduction of the contract amount, he explained. The proposed new contract provides the Authority with a total of 22 officers, a reduction from the current 25, Mr. Harper said.

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

**AUTHORIZATION TO AMEND AGREEMENT WITH THE CITY OF NEW YORK,  
DEPARTMENT OF PARKS & RECREATION FOR PARKS ENFORCEMENT  
PATROL OFFICERS TO PROVIDE PARK SECURITY 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 to execute an amendment to the contract with the City of New York Department of Parks & Recreation to provide certain services relating to security and enforcement of park regulations at Battery Park City (the "Amendment"), extending the term thereof for a one-year period through January 31, 2010 and including an option for the Authority to extend such term for an additional one year and increasing the amount payable under such agreement to an amount not to exceed \$2,185,000 for each such one-year period; 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 interests 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 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, also presented by Mr. Harper, was a request to authorize an extension of the agreement with FJC Security Services Inc. ("FJC") for unarmed, uniformed guard service for a period of one year, with a further one-year extension option, for an annual amount not to exceed \$490,811.28.



Mr. Harper reminded the Members that FJC has provided contracted guard service at Battery Park City since 2002. He explained that they are responsible for patrolling Pier “A” and they provide security resources to the Stuyvesant High School Community Center. Furthermore, he noted, FJC serves as a central dispatcher to coordinate security communications 24 hours a day.

He further reminded the Members that the Authority went through an intensive RFP process in 2006 wherein FJC was the successful bidder. Since that time, he continued, FJC has become an approved vendor by the New York State Office of General Services (“OGS”) and is therefore thoroughly vetted through OGS. The Authority negotiated the current proposed contract which includes a \$22,000 reduction in services, he stated. FJC also has a minority partner, Johnson Security, who will perform work for the Authority.

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

**AUTHORIZATION TO AMEND CONTRACT WITH FJC SECURITY SERVICES FOR GUARD 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 contract with the FJC Security Services, Inc. to provide unarmed, uniformed guard services (the “Amendment”), extending the term thereof for a one year period, and including a further one year renewal option, for an annual amount not to exceed \$490,811.28; 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 interests 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 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 the expenditure of \$541,861 in premiums to be paid to Hartford Fire Insurance Company as part of the 2009 insurance program.

Mr. Serpico reminded the Members that they approved Hagedorn & Co. (“Hagedorn”) as Insurance Broker of Record for both the Authority and the Conservancy in October of 2008. Hagedorn’s primary function, he explained, is to provide the Authority and the Conservancy

with an insurance program by seeking competitively priced products on an annual basis. Hagedorn acts on behalf of the Authority and the Conservancy to cover insurable risk exposures at the most economical cost, he continued. The premiums are paid to Hagedorn who then transfers the funds to the respective insurers/underwriters.

Mr. Ruth then introduced himself and Mr. Johanson to the Members. Mr. Ruth then explained the insurance bidding process. He noted that in some years it is appropriate to have a formal bid process. However, he continued, throughout the year Hagedorn participates in discussions with underwriters regarding their various offers regarding the different lines of business. Because of its constant discussions with underwriters, he explained, Hagedorn will know at any given time whether it is appropriate to change an underwriter in a particular line of business during the course of a year. Hagedorn also regularly keeps the Authority informed regarding the ratings of various insurance companies, he noted.

Mr. Cornstein inquired as to the advantages of hiring a broker on a flat fee versus by commission. Mr. Ruth explained that in terms of transparency, it is preferable to have a broker which is working on a flat fee basis because then there is no incentive on the broker's part to place a piece of business with an insurance company for commission purposes or for any reason other than because it is in the Authority's best interest.

Upon a motion made by Ms. Rollins and seconded by Mr. Urstadt, 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 \$541,861 for annual insurance premiums as part of the 2009 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 Mr. Baldwin, was a request to authorize the issuance of a Determination of Significance stating that a proposed zoning text amendment for Site 3 will not have a significant impact on the environment.

Mr. Baldwin reminded the Members that the new Conservancy Headquarters is nearing completion on Site 3 in Battery Park City. The Headquarters is a 43,000 square-foot facility located on four floors within the base of the Visionaire, a residential building.

To enable the Headquarters and the residential component of the Visionaire to function concurrently within the same building, Mr. Baldwin continued, four curb cuts totaling 50 feet are required on the building's south side. The zoning laws currently allow three curb cuts for site 3, totaling 40 feet for Headquarters operations, a compactor room, and a garage for the residential component of the building. An additional 10-foot curb cut is proposed for the Conservancy to allow operations to continue during deliveries.

Because the Zoning Resolution currently permits only 40 feet of curb cuts, Mr. Baldwin explained, the Authority is applying to the Department of City Planning for approval of an amendment of Section 84-144(e) of the Zoning Resolution to permit 50 feet of curb cuts for the zoning lot east of Battery Place, between Second Place and Third Place. As the Text Amendment is a discretionary action, he noted, environmental review in accordance with the State Environmental Quality Review Act and regulations promulgated thereunder ("SEQRA") must be conducted, as a prerequisite to DCP approval.

In accordance with SEQRA regulations, upon completion of its environmental review, the Authority, as lead agency, must issue a Determination of Significance indicating whether significant environmental impacts may be present as a result of the proposed zoning text amendment for Site 3, Mr. Baldwin reported. The Authority's environmental review, assisted by its consultant, AKRF, Inc., indicates that this action will not have a significant impact on the environment, he concluded.

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

**AUTHORIZATION TO ISSUE A DETERMINATION OF SIGNIFICANCE RELATED TO A ZONING TEXT AMENDMENT FOR SITE 3**

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 authorize the issuance of a Determination of Significance substantially in the form presented at the meeting, stating that the proposed zoning text amendment for Site 3 will not have a significant impact on the environment.

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The next item on the agenda, presented by Mr. Baldwin, was a request to authorize the execution of a letter agreement with Brookfield Financial Properties, Merrill Lynch, and American Express, and/or their affiliates, providing for withdrawals from the escrow account containing the insurance proceeds paid following the destruction of the North Bridge in the 9/11 attack.

Mr. Baldwin reminded the Members that on December 28, 2005, the Authority entered into an agreement with Brookfield Financial Properties, Merrill Lynch, and American Express under which the insurance proceeds, in the amount of \$38,000,000, were deposited into an interest-bearing escrow account for the parties' joint benefit at JP Morgan Chase Bank. In that agreement, the parties mutually agreed to use the funds to restore the South Bridge and to improve pedestrian access to the World Financial Center, he explained.

Mr. Baldwin stated that the parties have now negotiated an agreement regarding proposed withdrawals from the escrow account in an amount not to exceed \$1,747,000 to fund the construction of the foundation of the West Addition, and in an amount not to exceed \$4,750,000 to fund the construction of an extension of the South Bridge. Mr. Baldwin noted that it is likely that amount needed for the South Bridge extension will be reduced as a result of to re-negotiations with the steel supplier.

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

**DISPOSITION OF A PORTION OF THE INSURANCE PROCEEDS FROM  
DESTRUCTION OF THE NORTH BRIDGE**

BE IT RESOLVED, that the President of the Authority or his designee(s) be, and each of them hereby is, authorized and empowered to enter into an agreement (the "Withdrawal Agreement"), with Brookfield Financial Properties, L.P., American Express Company, Merrill Lynch, Pierce, Fenner & Smith Incorporated, and certain of their affiliates, on substantially the terms presented to this meeting, providing for withdrawals from the escrow account maintained for their joint benefit at JP Morgan Chase Bank, containing the \$38,000,000 of insurance proceeds (and accrued interest) from the destruction of the North Bridge in the 9/11 attack, with said withdrawals being as follows: (a) an amount not to exceed \$1,747,000, to fund the construction of the foundation for a pavilion or other structure, which would shelter the escalator bank at the western terminus of an underground concourse (currently under construction by the Port Authority of New York and New Jersey) at ground level in front of the Winter Garden, and (b) an amount not to exceed \$4,750,000, to fund the construction of an extension of the South Bridge; 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 Withdrawal Agreement on behalf of the Authority, subject to such changes as the officer or officers executing the said Agreement 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 said 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 and further actions heretofore taken are hereby ratified and any actions hereafter taken are confirmed.

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The next item on the agenda, presented by Ms. Gelb, was a request to approve an amendment to the contract with Mathews Nielsen Landscape Architecture in the amount of \$275,000 to provide on-call services.

In 2007, the Authority entered into a contract with Matthews Nielsen, a WBE, in anticipation of a number of small miscellaneous projects that needed the services of a landscape

architect. Since that time, Mathews Nielsen has worked on various projects on an on-call basis, including redesigning the plumbing system in the Kowsky Plaza dog run and siting additional bike racks.

However, Ms. Gelb continued, the majority of Mathews Nielsen's time and fees have been spent overseeing the proposed installation of bollards for the Museum of Jewish Heritage. This work was done on behalf of the Museum for which the Museum has reimbursed the Authority \$47,470 and will reimburse the Authority an additional \$135,335. An additional \$90,000 will be billed and reimbursed for sub-consultants and construction administration, she explained. Administratively, however, the reimbursed funds cannot be credited against the contract amount, which remains at \$245,000, she reported. Because Matthews Nielsen is involved in so many small projects, Ms. Gelb explained, Management is proposing to increase the total fees payable under the contract by \$275,000.

In response to inquiry by Mr. Gill, Ms. Gelb explained that the Museum has received money for this work through grants from the Department of Homeland Security and the Department of Cultural Affairs.

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

**AUTHORIZATION OF AMENDMENT TO CONTRACT WITH MATHEWS NIELSEN  
LANDSCAPE 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 an amendment to the Authority's contract with Mathews Nielsen Landscape Architecture (the "Amendment"), increasing the amount payable thereunder by \$275,000; 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 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 interests of the Authority, such approval to be exclusively 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 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 final item on the agenda, also presented by Ms. Gelb, was a request to authorize an amendment to the contract with Richard Dattner and Partners Architects ("Dattner") for design

work in connection with the Parks Conservancy Headquarters on Site 3 in Battery Park City, increasing the fees payable thereunder by an amount not to exceed \$200,000.

Ms. Gelb reminded the Members that in November 2004, the Members approved a contract with Dattner to design and oversee construction of the Battery Park City Parks Conservancy Headquarters on Site 3. It was anticipated at that time that the Conservancy space would expand at a later time to include an additional 13,500 square feet within the building. When Dattner began work, the firm proposed building out the entire project at the same time in order to realize cost savings, and the contract was amended to include all work not included in the original contract, she reported. While there is enough funding in the contract to deal with services through completion of construction, she continued, additional funding is necessary for post-construction work. The additional projected cost is \$200,000, bringing the total contract cost to \$2,547,000. Ms. Gelb concluded.

Mr. Cavanaugh noted that consolidating the Headquarters into one space will save the Authority approximately \$650,000 in rent each year, by eliminating the need to rent other space.

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

**AUTHORIZATION OF AMENDMENT TO CONTRACT WITH RICHARD DATTNER  
AND PARTNERS ARCHITECTS TO PROVIDE ARCHITECTURAL DESIGN  
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 to execute an amendment to the contract with Richard Dattner and Partners Architects to provide design and related services pertaining to Battery Park City Parks Conservancy headquarters space on Site 3 (the "Amendment"), increasing the amount payable under such contract by an amount not to exceed \$200,000, and be it further

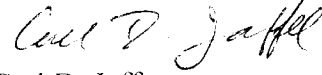
RESOLVED, that the President of the Authority or his designee(s) be, and each of them hereby is, authorized and empowered to execute and deliver the Amendment on behalf of the Authority, subject to such changes as the officer or officers executing the Amendment shall, with the advice of counsel, approve as necessary and appropriate and in the best interests 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 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.

\* \* \*

There being no further business, the meeting thereupon adjourned at 11:35 a.m.

Respectfully submitted,

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

Carl D. Jaffee  
Corporate Secretary