

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

Meeting of the Members
One World Financial Center, 24th Floor
New York, NY 10281
September 13, 2011

Members Present

William C. Thompson, Jr., Chairman
Frank J. Branchini, Member
Donald A. Capoccia, Jr., Member
David B. Cornstein, Member
Fernando Mateo, 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
Sydney Druckman, Director, Special Projects
Anne Fenton, Senior Research Analyst
Kevin Finnegan, Senior Project Manager, Construction
Stephanie Gelb, Vice President, Planning & Design
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
Phyllis Taylor, Executive Vice President/General Counsel and
Chief Administrative Officer

Others in Attendance: Tessa Huxley, Battery Park City Parks Conservancy
Julie Shapiro, Downtown Express
Dianne Renzulli,
Therese Kreuger,
Cliff McMillan, Ove Arup & Partners
Bob Chidala, PFM Asset Management LLC
Steve Faber, PFM Asset Management LLC
Marty Hammond, PFM Asset Management LLC
Raymond Broek, WithumSmith+Brown, PC

The meeting, called on public notice in accordance with the New York State Open Meetings Law, convened at 10:05 a.m.

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The first item on the agenda was the approval of the minutes of the July 26, 2011 meeting.

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

APPROVAL OF MINUTES OF THE JULY 26, 2011 MEETING

BE IT RESOLVED, that the minutes of the meeting of the Members of the Hugh L. Carey Battery Park City Authority held on July 26, 2011 are hereby approved.

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The next item on the agenda, presented by Ms. Horwitz, was the President's Report.

Ms. Horwitz recapped actions taken by the Authority in preparation of Hurricane Irene and in response to the mandatory evacuation of Battery Park City, as a Zone A Flood Area, which was imposed by the Mayor.

Mr. Thompson stated that an excellent job had been done with regard to the evacuation. He thanked both the Governor's Office and the Mayor's Office as to their actions in this regard.

Ms. Horwitz announced that the new Battery Park City ball fields are scheduled to open on Saturday, September 17th.

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The next item on the agenda, presented by Ms. Horwitz, was a request to authorize an extension to extend the lease term for the Authority's offices at One World Financial Center.

Ms. Horwitz reminded the Members that in May of 1996, they authorized a lease with Brookfield Properties for approximately 19,000 square feet on the 24th floor of One World Financial Center. Later, she continued, an additional 2,900 square feet of space was added under the same lease terms and conditions and an option was added for the Authority to extend the term for an additional five years at fair market value, which happened in 2006. The lease expired on June 30, 2011, she stated. New lease terms have been negotiated as follows: a new base rent of \$41.00 per square foot for three years, with standard office lease escalation charges for real estate tax and operating expenses with an option for the Authority to renew for an additional two-year period. Accordingly, with the new base rent of \$41 and new base years for escalation

charges, the total rent in the first year of the three year renewal period will be \$897,654, compared to the \$946,015 which the Authority is currently paying.

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

AUTHORIZATION TO EXTEND TERM OF LEASE OF OFFICE SPACE AT ONE WORLD FINANCIAL CENTER

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 and empowered to execute an amendment (the "Amendment") to the Authority's lease with WFC Tower A Co. L.P. for its office space on the twenty-fourth floor of One World Financial Center, extending the term thereof for an additional three years, with an option to renew for an additional two-year period, at a base rent of \$41 per square foot with standard office lease escalation charges for real estate tax and operating expenses.; 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 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 her 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, introduced by Ms. Horwitz, was a request to approve the revised Asphalt Green pre-opening and first year operations budget for the Site 23/24 Community Center and to authorize funding these expenses from the corporate fund.

A presentation to the Members concerning the Community Center was given by Carol Tweedy, Asphalt Green's Executive Director.

In response to inquiry by Mr. Cornstein, Ms. Horwitz reminded the Members that Asphalt Green is a not-for-profit organization. The Authority entered into an agreement with Asphalt Green in 2009 to operate the Community Center after conducting an RFP process. However, she continued, the Authority has been working with Asphalt Green to reduce projected costs and mitigate losses through the first full year of the Community Center's operation. Asphalt Green has helped by restructuring their budget including reductions in expenses, she said. It is anticipated that the year 2 and 3 budgets will be restructured in a similar manner.

In response to inquiry by Mr. Cornstein, Mr. Thompson explained that although the Authority anticipates revenue sharing between the Authority and Asphalt Green in the future, this Community Center has been seen more as a means to provide services to this community and not as a revenue generator.

Mr. Serpico explained that in the initial years of the center's operations, the amount subsidized by the Authority will be recorded as a receivable and then, at the point where Asphalt Green exceeds the "break even" amount, the Authority will share in the net revenues and thereby reduce the receivable over time.

Mr. Thompson stated that the current economic environment is difficult and Asphalt Green's recognition of that and its work with the Authority to tighten this budget is commendable and greatly appreciated. He thanked Ms. Tweedy for her efforts.

In response to inquiry by Mr. Cornstein, Ms. Tweedy explained that Asphalt Green will employ a marketing person who will focus marketing efforts on Battery Park City. Asphalt Green has already purchased advertising locally and will be submitting a press release as soon as there is a set opening date, she said.

Ms. Horwitz concluded that the negotiations have resulted in a reduction of the Authority's financial support of the Community Center by nearly a million dollars in the first two-year period.

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

APPROVAL OF BUDGETS AND FUNDING OF FIRST YEAR OF OPERATION OF THE COMMUNITY CENTER BY ASPHALT GREEN

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 and empowered to accept budgets; 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 fund Asphalt Green's preopening and first year of operations budgets in accordance with the Agreement; 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 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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Next, upon a motion by Mr. Cornstein, the Members voted unanimously to conduct an executive session pursuant to Section 105.1(d) of the Public Officers Law for the purpose of discussing matters regarding proposed, pending or current litigation. No actions were taken by formal vote at the executive session. The meeting of the Members thereupon resumed at 11:30 a.m.

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The next two items on the agenda, presented by Ms. Horwitz and Ms. Taylor, included 1) a request to authorize the execution of a contract with Ove Arup & Partners in an amount not to exceed \$700,000 for services to be rendered as the Authority's owner's representative with respect to the resolution of Pier A design and repair issues, and 2) a request to authorize an amendment to the contract with Stalco Construction to increase the compensation level in the amount of \$614,882.99 for change orders, which will increase the total amount of the Stalco contract from \$10,145,766.26, to \$10,760,649.25.

Upon a motion made by Mr. Cornstein and seconded by Mr. Capoccia, the following resolutions were unanimously adopted:

AUTHORIZATION TO ENTER INTO A CONTRACT WITH OVE ARUP & PARTNERS AS OWNER'S REPRESENTATIVE WITH RESPECT TO PIER A

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 enter into a contract with Ove Arup & Partners, for the Pier A Owner's Representative, in an amount not to exceed \$700,000 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.

**AUTHORIZATION OF AMENDMENT TO CONTRACT WITH STALCO
CONSTRUCTION, INC.**

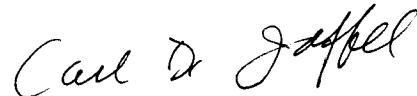
BE IT RESOLVED, that in accordance with the materials presented to this meeting, the President of the Authority or her designee(s) be, and each of them hereby is, authorized to execute an amendment to the contract with Stalco Construction, Inc. in the amount of \$614,882.99, increasing the total contract amount from \$10,145,766.26 to \$10,760,649.25 for additional construction-related change order work required for the Pier A Project, 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 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 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.

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Carl D. Jaffee", written in a cursive style.

Carl D. Jaffee
Corporate Secretary