

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

MEMBERS' MEETING

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

New York, NY 10281

July 17, 2007

Members Present

James F. Gill, Chairman

Charles Urstadt, Vice Chairman

David B. Cornstein, Member

Frank J. Branchini, 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  
Debra Bogosian, Controller, Finance  
Sidney Druckman, Director, Special Projects  
Annette Guarino, Deputy General Counsel  
Antigona Hajdaraj, Executive 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  
Roy Villafane, Director, Internal Audit  
Antony Woo, Vice President, Construction

Others in Attendance: Jane Crotty, George Arzt Communications  
Matt Fenton, Battery Park City Broadsheet  
Carl Glassman, Tribeca Tribune  
Vincent McGowan, Battery Park City Parks Conservancy Corporation  
Josh Rogers, Downtown Express  
Christopher Smith, Sherman & Sterling

The meeting, called on public notice in accordance with the New York State Open Meetings Law, convened at 10:07 a.m.

The first item on the agenda was approval of the minutes of the June 12, 2007 meeting.

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

**APPROVAL OF MINUTES OF THE JUNE 12, 2007 MEETING**

BE IT RESOLVED, that the minutes of the meeting of the Members of the Hugh L. Carey Battery Park City Authority (the “Authority”) held on June 12, 2007 are hereby approved.

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Mr. Cavanaugh presented the next item on the agenda, approval of the designation of Wilson Kimball as the Authority’s Records Management Officer. Mr. Cavanaugh explained that New York State public benefit corporations are required by the Local Government Records Law to have a Records Management Officer (“RMO”). The RMO has a number of statutory duties, primarily to oversee the management of a corporation’s public records in accordance with the Local Government Records Law and regulations promulgated by the Commissioner of Education. Pursuant to the statute, the RMO of a Public Benefit Corporation is appointed by its President and Chief Executive Officer subject to the approval of the governing body.

He further explained that the duties of the RMO are closely related to several other functions that Ms. Kimball currently performs as Senior Vice President of Operations and therefore squarely fall within the purview of her current duties.

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

**APPROVAL OF APPOINTMENT OF RECORDS MANAGEMENT OFFICER**

BE IT RESOLVED, that pursuant to Article 57-A of the New York Arts and Cultural Affairs Law, the designation by the President and Chief Executive Officer of Wilson Kimball as Records Management Officer of the Authority is hereby approved.

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The next item on the agenda, presented by Mr. Woo, was the authorization of a contract with Brickens Construction Inc. for the general construction work of the Teardrop Park South Project for the lump sum of \$3,127,000. As background for this and the following item on the agenda, also pertaining to Teardrop Park South, Mr. Woo reminded the Members that due to the tremendous success of the original Teardrop Park North, Management decided to create another park, Teardrop Park South, in the U-shaped courtyard on Site 16/17, which would complement Teardrop Park North. Michael Van Valkenberg Associates, the firm which designed the original Teardrop Park, and decided to include stone from the same quarry that provided the stone for Teardrop Park. Mr. Woo also reminded the Members that they had previously approved a contract for the supply and installation of the stonework for Teardrop Park South, which is currently in progress.

Mr. Woo explained the bidding process for the general construction work of the Teardrop Park South Project which had been conducted in accordance with the Authority’s Procurement

Guidelines. Mr. Woo reported that references for Brickens Construction Inc., the lowest bidder, were satisfactory and that, based upon the construction manager's recommendation, management recommends the award of this contract to Brickens

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

**AUTHORIZATION OF CONTRACT WITH BRICKENS CONSTRUCTION INC. FOR TEARDROP PARK GENERAL CONSTRUCTION**

BE IT RESOLVED, that in accordance with the materials presented to this meeting, the President of the Authority or his designee(s) be, each of them hereby is, authorized and empowered to execute a contract (the "Contract") with Brickens Construction Inc. for the General Construction Work in the Teardrop Park South project for the lump sum amount of \$3,127,000; and be it further

RESOLVED, that the President of the Authority or his designee(s) be, and each of them hereby is, authorized and empowered to execute and deliver the Contract on behalf of the Authority, subject to such changes as the officer or officers executing the Contract shall, with the advice of counsel, approve as necessary and appropriate and in the best interest of the Authority, such approval be conclusive, evidenced, by the execution and delivery of the Contract; and be it further

RESOLVED, that the President of the Authority or his designee(s) be, and each of them hereby is, authorized and empowered to execute all such other and further documents, and 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, also presented by Mr. Woo, was the authorization of a contract with Kelco Construction & Landscaping Company for the landscaping work of the Teardrop Park South Project for the lump sum of \$271,089. Mr. Woo explained the bidding process for the Project which had been conducted in accordance with the Authority's Procurement Guidelines. During pre-award meetings with the two lowest proposers, it was determined that one of the bidders, Plant Fantasies, had not included all of the specified work in its base proposal, and that firm subsequently withdrew its proposal. Kelco Construction and Landscape Company, which has done previous work for the Authority, thereby became the lowest proposer, Mr. Woo said.

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

**AUTHORIZATION OF CONTRACT WITH KELCO CONSTRUCTION & LANDSCAPING CO. FOR TEARDROP PARK SOUTH LANDSCAPING WORK**

BE IT RESOLVED, that in accordance with the materials presented to this meeting, the President of the Authority or his designee(s) be, each of them hereby is, authorized and empowered to execute a contract (the "Contract") with Kelco Construction & Landscaping Co. for Landscaping Work in the Teardrop Park South project for the lump sum amount of \$271,089; 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 be conclusive, evidenced, by the execution and delivery of the Contract; and be it further.

RESOLVED, that the President of the Authority or his designee(s) be, and each of them hereby is, authorized and empowered to execute all such other and further documents, and 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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Mr. Woo then presented, in sequence, requests for four contracts relating to the construction of the Parks Conservancy Headquarters in the residential building being erected on Site 3. Mr. Woo explained that the Conservancy headquarters will comprise a 42,000 square foot space. He added that the developer, The Albanese Organizations, is building the core and shell of this facility pursuant to the ground lease of the Site, and the Authority is responsible for the interior fit-out work.

Mr. Woo explained that in accordance with the legislation creating the Authority, such interior work in a building must be performed pursuant to Section 135 of the State Finance Law (the "Wicks Law"), which mandates separate contracts for the following three categories of work: (1) plumbing and gas fitting; (2) steam heating, hot water heating, ventilating and air conditioning ("hvac"); and (3) electric wiring and standard illuminating fixtures. Customarily, a fourth contract, for general construction work, is also entered into, he said.

Ms. Rollins inquired into whether a difference in contract price results from compliance with the Wicks Law. Mr. Cavanaugh responded that legislative findings indicate that there is generally a premium resulting from the requirement of three different contracts.

Mr. Cornstein asked whether the cost of the new headquarters had been included in Authority's budget, and Mr. Cavanaugh confirmed that this was in fact so, and that the expenditure has been approved by the City of New York as well. He stated that the new

headquarters was part of a long-standing plan to move the Conservancy's administrative offices out of leased space and to move maintenance facilities indoors as well. Mr. Cornstein also inquired as to whether the new facility would be built if the Authority and the Conservancy operated as a single entity. Mr. Cavanaugh responded that that while a few administrative positions could be eliminated through a joint operation, the headquarters would largely serve as an operational base, supporting Conservancy personnel who work in the field but who eat their meals and shower in the new facility and also providing much-needed storage facilities. Mr. Gill added that this is an effort to consolidate the Conservancy's operations for the sake of efficiency.

With respect to the general construction work for the project, upon a motion made by Ms. Rollins and seconded by Mr. Shenoy, the following resolution was unanimously approved:

**AUTHORIZATION OF CONTRACT WITH BRICKENS CONSTRUCTION INC. FOR PARKS CONSERVANCY HEADQUARTERS GENERAL CONSTRUCTION**

BE IT RESOLVED, that the President of the Authority or his designee(s) be, each of them hereby is, authorized and empowered to execute a contract (the "Contract") with Brickens Construction Inc. for the General Construction portion of the fit-out work Site 3 Parks Conservancy Headquarters construction project for the amount of \$ 4,948,591.26; 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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With respect to the electrical work for the Parks Conservancy Headquarters project, upon a motion made by Mr. Cornstein and seconded by Mr. Urstadt, the following resolution was unanimously approved:

### **AUTHORIZATION OF CONTRACT WITH UNISYS ELECTRIC 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 Unisys Electric Inc. for the electrical portion of the fit-out work for the Parks Conservancy headquarters construction project for the amount of \$3,120,000; and be it further

RESOLVED, that the President of the Authority or his designee(s) be, and each of them hereby is, authorized and empowered to execute and deliver the Contract on behalf of the Authority, subject to such changes as the officer or officers executing the Contract shall, with the advice of counsel, approve as necessary and appropriate and in the best interest of the Authority, such approval to be conclusive evidence by the execution and delivery of the Contract; and be it further

RESOLVED, that the President of the Authority or his designee(s) be, and each of them hereby is, authorized and empowered to execute all such other and further documents, and to take all such other and further actions as may be necessary, desirable or appropriate, in connection with the transactions contemplated in the foregoing resolutions, and any such execution of documents and any other and further actions heretofore taken are hereby ratified and any actions hereafter taken are confirmed and approved.

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With respect to the hvac work for the Parks Conservancy Headquarters project, upon a motion made by Mr. Shenoy and seconded by Mr. Branchini, the following resolution was unanimously approved:

### **AUTHORIZATION OF CONTRACT WITH CRESCENT CONTRACTING CORP.**

BE IT RESOLVED, that the President of the Authority or his designee(s) be, each of them hereby is, authorized and empowered to execute a contract (the "Contract") with Crescent Contracting Corp. for the hvac portion of the fit-out work for the Site 3 Parks Conservancy Headquarters construction project for the amount of \$ 4,328,000; and be it further

RESOLVED, that the President of the Authority or his designee(s) be, and each of them hereby is, authorized and empowered to execute and deliver the Contract on behalf of the Authority, subject to such changes as the officer or officers executing the Contract shall, with the advice of counsel, approve as necessary and appropriate and in the best interest of the Authority, such approval to be conclusive evidence by the execution and delivery of the Contract; and be it further

RESOLVED, that the President of the Authority or his designee(s) be, and each of them hereby is, authorized and empowered to execute all such other and further documents, and to take all such other and further actions as may be necessary, desirable or appropriate, in connection with the transactions contemplated in the foregoing resolutions, and any such execution of documents and any other and further actions heretofore taken are hereby ratified and any actions hereafter taken are confirmed and approved.

With respect to the plumbing work for the Parks Conservancy Headquarters project, the last contract regarding this matter presented at the meeting, upon a motion made by Mr. Shenoy and seconded by Mr. Branchini, the following resolution was unanimously approved:

**AUTHORIZATION OF CONTRACT WITH LAFATA-CORALLO PLUMBING & HEATING**

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 Lafata-Corallo Plumbing & Heating for the plumbing portion of the fit-out work for the Site 3 Parks Conservancy Headquarters construction project for the amount of \$ 569,000; and be it further

RESOLVED, that the President of the Authority or his designee(s) be, and each of them hereby is, authorized and empowered to execute and deliver the Contract on behalf of the Authority, subject to such changes as the officer or officers executing the Contract shall, with the advice of counsel, approve as necessary and appropriate and in the best interest of the Authority, such approval to be conclusive evidence by the execution and delivery of the Contract; and be it further

RESOLVED, that the President of the Authority or his designee(s) be, and each of them hereby is, authorized and empowered to execute all such other and further documents, and to take all such other and further actions as may be necessary, desirable or appropriate, in connection with the transactions contemplated in the foregoing resolutions, and any such execution of documents and any other and further actions heretofore taken are hereby ratified and any actions hereafter taken are confirmed and approved.

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Ms. Guarino addressed the next item on the agenda, authorization of a contract with the law firm of Wilson, Elser, Moskowitz, Edelman & Dicker ("Wilson Elser") for tort defense litigation. Ms. Guarino explained that this contract proposal is actually a result of the Authority's customary three-year procurement cycle as to tort defense counsel. The Authority advertised for this assignment and received eight responses.

Because they are our incumbent firm, she said, Wilson Elser has substantial depth of knowledge with respect to Battery Park City Authority, Ms. Guarino explained. Furthermore, she noted, authorization of a one-year contract would normally be sought, but in light of a large volume of recently filed cases relating to clean-up operations following September 11, 2001, the Members were requested to approve a three-year contract with a \$500,000 retainer. The firm's rates are as follows, Ms. Guarino reported: Executive Members, \$235 an hour; Partners, \$225 an hour; and Associates, \$185 an hour.

As to the cases relating to September 11, Ms. Guarino advised the Members that in the last month, an additional 375 claims were recently asserted against the Authority and others in State and Federal courts by cleaning contractor employees who worked in and around the World Trade Center site after the September 11<sup>th</sup> attack, making Battery Park City Authority the largest

“off-site” defendant in these cases. Mr. Cavanaugh reminded the Members that the plaintiffs had not been hired by the Authority but rather by the tenants under the various ground leases. Ms. Guarino explained that the great majority of these cases will be tendered to these tenants to defend the Authority, and it is expected that omnibus motions to dismiss most or all of the cases against the Authority will be made, based upon the fact it had no role in the clean-up operations conducted by the tenants in and around their buildings.

Mr. Cornstein asked if there are reserves in the budget for these cases. Ms. Guarino responded that the “self insured retention” under the Authority’s insurance policy premium is \$50,000 per case. Mr. Branchini asked what the potential total number of plaintiffs is, to which Ms. Guarino responded that this is not knowable at this time.

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

**AUTHORIZATION OF CONTRACT WITH WILSON, ELSER, MOSKOWITZ, EDELEMAN & DICKER, LLP**

BE IT RESOLVED, that in accordance with the materials submitted at this meeting, the President of the Authority or his designee(s) be, each of them hereby is, authorized and empowered to execute a three-year contract (the “Contract”) with Wilson, Elser, Moskowitz, Edelman & Dicker, LLP, for legal services in the sum of \$500,000 plus expenses/disbursements no greater than 15% of the retainer amounts billed from time to time; 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 conclusively evidenced by the execution and delivery of the Contract; and be it further

RESOLVED, that the President of the Authority or his designee(s) be, and each of them hereby is, authorized and empowered to execute all such other and further documents, and 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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Ms. Guarino then addressed the next item on the agenda, authorization of contracts with the law firms Crowell & Moring LLP and Brown Rudnick Berlack Israels LLP (“Brown Rudnick”) for commercial litigation representation. She reminded the Members that in February of this year, after three years of research and trial preparation and ten days of hearings, the Authority was successful in arbitration with respect to the issue of payment of percentage rent to it under the severance leases for Towers B and D at the World Financial Center, and the sums



expected to be received in accordance with that arbitration could total as high as \$25 million. Ms. Guarino proposed that the Authority continue with the same team of attorneys during the next arbitration procedure, which will address a similar provision in the Tower A lease as to percentage rent

Ms. Guarino further explained that, the lawyers representing the Authority have left the firm of Buchanan Ingersoll, which was originally retained to represent the Authority in these arbitrations. The lead counsel, James Maisano, is now at Crowell & Moring and our trial counsel, David Molton, is now at Brown Rudnick. Ms. Guarino added that the two attorneys have developed a budget of \$750,000 for this arbitration with respect to Tower A. Of this amount, \$500,000 is allocable to Brown Rudnick, because that firm will bear the expenses of expert witnesses and stenographers, and \$250,000 is budgeted for Crowell & Moring.

Both Crowell & Moring and Brown Rudnick bill their time at the Authority's standard "blended rate" of \$400 per hour, Ms. Guarino said. Although the assignment was publicly advertised in accordance with the standard procurement process, it appeared after interviews with several firms that it would be best to continue with the legal team that has successfully represented the Authority in the Towers B and D arbitration.

Upon a motion made by Ms. Rollins and seconded by Mr. Urstadt, the following resolutions were unanimously approved:

#### **AUTHORIZATION OF CONTRACT WITH CROWELL & MORING LLP**

BE IT RESOLVED, that in accordance with the materials presented to this meeting, the President of the Authority or his designee(s) be, and each of them hereby is, authorized and empowered to execute a three-year contract with Crowell & Moring, LLP for legal services, in the amount of \$250,000 plus expenses/disbursements no greater than 15% of the retainer amounts billed from time to time; 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 conclusively evidenced by the execution and delivery of the Contract; and be it further

RESOLVED, that the President of the Authority or his designee(s) be, and each of them hereby is, authorized and empowered to execute all such other and further documents, and 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.

## **AUTHORIZATION OF CONTRACT WITH BROWN RUDNICK BERLACK ISREALS LLP**

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BE IT RESOLVED, that in accordance with the materials presented to this meeting, the President of the Authority or his designee(s) be, and each of them hereby is, authorized and empowered to execute a three-year contract with Brown Rudnick LLP for legal services, in the amount of \$500,000 plus expenses/disbursements no greater than 15% of the retainer amounts billed from time to time; 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 conclusively evidenced by the execution and delivery of the Contract; and be it further

RESOLVED, that the President of the Authority or his designee(s) be, and each of them hereby is, authorized and empowered to execute all such other and further documents, and 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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Mr. Woo presented the next item on the agenda, authorization of a contract with New York Construction Associates, LLP. He explained that the current computer server room space in the Authority's office does not adequately meet its information technology ("IT") needs. In addition, the equipment contained therein must be upgraded to accommodate current and future information technology infrastructure needs. In order to properly house, secure, power and cool this IT infrastructure equipment and to facilitate the installation of ancillary support equipment such as HVAC for cooling, as well as the increased demand for lighting and power, the current IT server room must be redesigned and expanded.

Mr. Woo requested the Members' approval of a contract with New York Construction Associates, LLP, the sole proposer for this work, in the amount of \$351,000.

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

## **AUTHORIZATION OF CONTRACT WITH NEW YORK CONSTRUCTION ASSOCIATES, LLC**

BE IT RESOLVED, that in accordance with the materials presented to this meeting, the President of the Authority or his designee(s) be, each of them hereby is, authorized and empowered to execute a

contract (the “Contract”) with New York Construction Associates, LLC. for the Data Room Upgrade project for the amount of \$351,000; and be it further

RESOLVED, that the President of the Authority or his designee(s) be, and each of them hereby is, authorized and empowered to execute and deliver the Contract on behalf of the Authority, subject to such changes as the officer or officers executing the Contract shall, with the advice of counsel, approve as necessary and appropriate and in the best interest of the Authority, such approval to be conclusively evidenced by the execution and delivery of the Contract; and be it further;

RESOLVED, that the President of the Authority or his designee(s) be, and each of them hereby is, authorized and empowered to execute all such other and further documents, and 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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Mr. Woo also presented the next item on the agenda, authorization of a contract with Pansini Stone Setting, Inc. for remediation work on the esplanade. Mr. Woo reminded the Members that due to regular movements along the structure, as well as the harsh weather, proximity to the marine environment and heavy usage, the asphalt pavers, granite paving stones and edging blocks in Battery Park City require occasional replacement due to cracks and chips. He explained that every three or four years, the Authority surveys the area and that this year, staff has located ninety-seven areas requiring repairs.

Mr. Woo requested the Members’ approval of a contract with Pansini Stone Setting, Inc., the sole proposer for this work, in the amount of \$351,000. He stated that Pansini has done similar work for the Authority in previous years and the Authority has been very satisfied with its work.

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

**AUTHORIZATION TO ENTER INTO A CONTRACT WITH PANSINI STONE SETTING 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 Pansini Stone Setting Inc. for the General Construction for the Esplanade Asphalt and Granite Remediation Project in the amount of \$656,000; and be it further

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

approve as necessary and appropriate and in the best interest of the Authority, such approval to be conclusively evidenced by the execution and delivery of the Contract; and be it further

RESOLVED, that the President of the Authority or his designee(s) be, and each of them hereby is, authorized and empowered to execute all such other and further documents, and 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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Mr. Woo next addressed the authorization of a contract with Applied Projects Company, Inc. for the Warren Street Trash Room Compactor Relocation project. Mr. Woo stated that for many years, the Authority and the Conservancy have been dealing with rodent issues in and near the parks. After consulting with the New York State Department of Health, staff has concluded that, in order to curb the rat population, their food source, which is the garbage generated from the residential buildings, must be controlled. As the numbers of new residents and buildings in Battery Park City has increased, so has the total amount of trash which has been left on the street overnight.

For the last couple of years, Mr. Woo continued, Conservancy staff has worked with buildings in the North neighborhood to coordinate trash operations to reduce the amount of time trash is available to rats on the street. With the help of the New York City Department of Sanitation (“DOS”), a new pilot program was developed involving the use of DOS’ new self-compacting container system. Under this program, the building staffs bring refuse to two compactors belonging to the Conservancy, one located on Site 2B in the south and one on Site 23 in the north. Conservancy staff compacts the refuse, and DOS picks up the containers, offloads their contents and returns empty containers to Battery Park City. These devices serve to keep the refuse off the streets and have reduced the rat population significantly.

However, with the pending development of a residential building on Site 23, Mr. Woo stated, the trash compactor must be removed from that location. The Conservancy has had use of a room in the Tribeca Park building on Site 20 A/C which was used for trash storage before the compactor program was instituted. This space is the only available space in the north neighborhood where a compactor can physically fit. Since the room was not designed to handle the weight and forces of a compactor, the room must now be retrofitted for this purpose. Work includes structural aspects, electric, plumbing, facade work and raising a portion of the roof. The owner of the building, The Related Companies, is enthusiastic about this compactor program, and is willing to allow the compactor to be situated in its building and to have this work done.

Mr. Woo explained that the project was advertised in accordance with the Authority’s Procurement Guidelines. Based on the recommendation from our construction manager, LIRO, Mr. Woo said, the Members were asked for authorization of a contract to the lowest proposer, Applied Projects Company, Inc. for the amount of \$773,000.

Mr. Urstadt asked whether the City would absorb the cost of this work. Mr. Cavanaugh said in response that this program goes beyond what is required of the City as to trash pickup. Ms. Altman then suggested that the City might find a way to implement trash compactors into other neighborhoods if the Authority's pilot project is successful.

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

**AUTHORIZATION TO ENTERING INTO A CONTRACT WITH APPLIED PROJECTS  
COMPAY, 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 Applied Projects Company, Inc. for the Warren Street Trash Room Compactor Relocation project for the amount of \$ 773,000; and be it further

RESOLVED, that the President of the Authority or his designee(s) be, and each of them hereby is, authorized and empowered to execute and deliver the Contract on behalf of the Authority, subject to such changes as the officer or officers executing the Contract shall, with the advice of counsel, approve as necessary and appropriate and in the best interest of the Authority, such approval to be conclusive evidence by the execution and delivery of the Contract; and be it further

RESOLVED, that the President of the Authority or his designee(s) be, and each of them hereby is, authorized and empowered to execute all such other and further documents, and to take all such other and further actions as may be necessary, desirable or appropriate, in connection with the transactions contemplated in the foregoing resolutions, and any such execution of documents and any other and further actions heretofore taken are hereby ratified and any actions hereafter taken are confirmed and

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Mr. Cavanaugh introduced the final item on the agenda, authorization of an amendment to the ground lease with Goldman Sachs Headquarters LLC ("Goldman Sachs") regarding an exemption from sales taxes. In 2005, Mr. Cavanaugh reminded the Members, the State of New York, the City of New York, and the Authority negotiated the lease with Goldman Sachs, at which time the City and the State agreed that they would allow Goldman Sachs an exemption from sales taxes on certain materials used to fit out, furnish and equip the building. Although this is an agreement created by the City and State, the Authority is the mechanism by which this exemption occurs, by assuming liability for purchases of such materials by Goldman Sachs as agent for the Authority, up to the amount of \$100 million. To protect the Authority's interests, Goldman Sachs would unconditionally guaranty payment of any amounts paid or debts incurred by the Authority as a result of incurring this liability.

Mr. Smith, of Sherman & Sterling, continued the presentation, explaining the arrangement to the Members in more detail. He noted that all the contracts entered into with third-party vendors in this agency relationship require that the vendor acknowledge first, that the

vendor must go through the courts to resolve any problem arising from the sale, and second, that the vendor must look to the equipment that Goldman Sachs has procured and has been delivered to the site, before it can assert rights against any asset of the Authority. The Authority would then look to the Goldman Sachs guarantee and indemnity for funds to cover any obligation to the vendor.

Ms. Rollins inquired as to whether the State tax department had approved this amendment and Mr. Gill answered affirmatively. Mr. Urstadt asked if this arrangement will be reflected on the Authority's balance sheet, and Ms. Bogosian stated that there will be a disclosure in the financial statements, but not on the balance sheet. The various bond rating agencies have also assured the Authority that this arrangement will not have an effect on its AAA bond rating, Mr. Cavanaugh added.

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

**AUTHORIZATION OF AMENDMENT TO LEASE WITH GOLDMAN SACHS  
HEADQUARTERS LLP**

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 enter into an amendment to the lease between the Authority and Goldman Sachs LLP, dated August 23, 2005, substantially in the form presented to this meeting; 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 amendment on behalf of the Authority, subject to such changes as the officer or officers executing the Agreement 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 the Agreement; and be it further.

RESOLVED, that the President of the Authority or his designee(s) be, and each of them hereby is, authorized and empowered to execute all such other and further documents (including, without limitation, an amended guaranty of certain payments) 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.

\* \* \*

Mr. Jaffee presented the next item on the agenda. As a procedural matter, he said, Mr. Branchini asked that the minutes of the most recent Audit Committee meeting be distributed to all Members and that the voting members of the committee approve such minutes.

Upon a motion made by Mr. Urstadt and seconded by Mr. Branchini, the following resolution was approved by those two members of the audit committee:

**APPROVAL OF MINUTES OF AUDIT COMMITTEE MEETING OF JUNE 12, 2007**

BE IT RESOLVED, that the minutes of the meeting of the Audit Committee of the Hugh L. Carey Battery Park City Authority held on June 12, 2007 are hereby approved.

\* \* \*

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

Respectfully submitted,

Carl D. Jaffee  
Corporate Secretary