

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

MEMBERS' MEETING

One World Financial Center – 24th Floor

New York, NY 10281

July 21, 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 (via telephone)

Andy K. Shenoy, Member

Authority Staff in Attendance: James E. Cavanaugh, President and Chief Executive Officer
Alexandra Altman, Executive Vice President and General Counsel
Gwen Anderson, Vice President, Strategic Planning
Daniel Baldwin, Senior Development Counsel
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
Robert Holden, Vice President, Human Resources & Administration
Stephen E. Harper, Vice President, Safety & Site Management
Carl D. Jaffee, Senior Development Counsel and Corporate Secretary
Lisa Miller, Vice President, Internal Audit and Compliance
Stan Molinski, Director, Information Technology
Leticia Remauro, Vice President, Community Relations, Affirmative Action and Press
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
Vincent McGowan, Assistant Executive Director, Battery Park City Parks Conservancy
Randolph Tancer, Human Resources Manager, Battery Park City Parks Conservancy
Julie Shapiro, Downtown Express
Brian Krapf, George Arzt Communications, Inc.

Reyndert de Boer, Director of International Projects, Ice-World
Tom Hillgrove, President, Rink Management Systems
Robert Thornton, Rink Management Systems
Subir Saha, Trivision, Inc.

The meeting, called on public notice in accordance with the New York State Open Meetings Law, convened at 10:15 a.m.

The first item on the agenda was approval of the minutes of the May 5, 2009 meeting.

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

APPROVAL OF MINUTES OF THE MAY 5, 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 May 5, 2009 are hereby approved.

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The next item on the agenda, presented by Ms. Gelb, was a request to enter into an agreement with Rink Management Services Corporation (“RMS”), for a six year term, renewable thereafter on an annual basis by both parties, to install and operate a skating rink on the North Neighborhood ball fields for seasonal use.

Ms. Gelb reminded the Members that the ball fields are used primarily for baseball in the spring, free play in the summer and soccer in the fall. Management would like to extend the use of the fields for the residents of Battery Park City and others by providing a temporary ice skating rink during the winter, she stated.

To that end, Ms. Gelb continued, the Authority advertised in the New York State Contract Reporter. Two proposers, RMS and Upsilon Ventures LLC, attended the pre-proposal meeting and submitted proposals. After the interview process, Staff concluded that both proposers were qualified in different ways and more research was necessary to understand the proposers’ operations.

Ms. Rollins joined the meeting at this time.

Staff decided to inspect the proposers’ existing installations during the skating season, Ms. Gelb continued. Staff members were impressed by installations operated by both proposers who were then offered the opportunity to resubmit their proposals. After receiving the new proposals, staff unanimously felt that RMS offered the best, most realistic program for the community and the best financial package to the Authority.

Mr. Cavanaugh joined the meeting at this time.

Ms. Gelb then introduced Tom Hillgrove and Robert Thornton from RMS. Mr. Serpico noted that there is a projected average annual payment to the Authority of \$77,928. Mr.

Cavanaugh added that the RMS proposal calls for an annual payment of no less than \$60,000 to the Authority.

In response to Mr. Urstadt's question regarding lease renewal, Ms. Gelb explained that depending on the success of this venture, the rent will be renegotiated after the initial six year term.

Mr. Hillgrove explained that RMS will offer hockey and skating lessons at the ice rink. Further, he stated, the facility will be one of only two in the country to have a skating path encircling the rink. He also noted that RMS differentiates itself from its competitors by its energy efficiency; RMS's skating rinks are up to 40% more energy efficient, he concluded.

In response to inquiry from Mr. Mueller, Mr. Cavanaugh explained that the Authority plans to combine two power panels. This will permit the Authority to remove the maintenance shed that currently exists on the ball fields and to replace it with a practice area. In response to further inquiry by Mr. Mueller, Mr. Cavanaugh explained that RMS will re-sod the field in time for opening day of the ball fields.

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

AUTHORIZATION OF AGREEMENT WITH RINK MANAGEMENT SERVICES CORPORATION

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 agreement (the "Agreement") with Rink Management Services Corporation to construct and operate a temporary ice skating rink on the North Neighborhood ball fields; 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 Agreement 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 interests of the Authority, such approval to be exclusively 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, 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 next item on the agenda, presented by Mr. Woo, was a request for authorization of a contract with Aikler Asphalt Paving Inc. ("Aikler") to perform street mill and fill work in the north neighborhood for the lump sum amount of \$783,786.

Mr. Woo explained that due to construction in the north neighborhood and the resulting volume of construction vehicles, the Authority has worked to mill and fill the various roadways over which it still retains ownership. The Authority is now seeking to perform related work in areas throughout the north neighborhood including miscellaneous roadway repairs, adjustment of street hardware and construction of three concrete bus pads, he said.

In accordance with the Authority's Procurement Guidelines, Mr. Woo continued, the project was advertised in the New York State Contract Reporter and the Minority Commerce & Employment Weekly. Names were solicited from the Authority's Affirmative Action Department. Eleven firms requested and picked up Request for Proposal ("RFP") packets, he noted, three of which were M/WBE firms. After a pre-proposal meeting, proposals were received on April 8, 2009 from three firms, one of which is a WBE firm.

Pre-award meetings were held with Authority staff, the Authority's engineering consultant, Tectonic Engineering, and the three proposers, he stated. During the interview with Aikler, the lowest responsive proposer, attention was given to the fact that a signed acknowledgment of an RFP addendum had not been submitted with the proposal, Mr. Woo explained. Aikler reviewed its proposal and confirmed that certain information contained in the addendum had not been factored into its base proposal amount. Subsequently, he added, its proposal amount was increased. However, he noted, Aikler remains the lowest, most responsive proposer. Mr. Serpico noted that insurance proceeds recovered after the events of September 11th, 2001 will pay for the majority of this project.

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

AUTHORIZATION OF CONTRACT WITH AIKLER ASPHALT PAVING 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 Aikler Asphalt Paving Inc. for the North Residential Neighborhood – Street Mill and Fill in the amount of \$783,786; and be it further

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

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

and any other and further actions heretofore taken are hereby ratified and any actions hereafter taken are confirmed and approved.

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The next item on the agenda, also presented by Mr. Woo, was a request to authorize a contract with Phb Catalyst Group, Inc. ("PHB") in an amount not to exceed \$961,719 for Pier A construction management services.

Mr. Woo reminded the Members that Pier A is located at the southwest tip of Manhattan, between Battery Park City and Historic Battery Park. The Pier was listed on the National Register of Historic Places in 1975 and was officially designated as a New York City landmark in 1977, he noted. It is approximately a 14,300 square foot footprint area.

Pier A has been vacant and closed to the public since 1993, Mr. Woo stated, and is currently in a state of disrepair. Since late 2008, the Authority has been working to redevelop this Pier with the City of New York. The design team for the redevelopment, under H3 Hardy Collaborative ("H3"), is now creating design and construction drawings for the restoration of the building, he observed. The work will be done in stages, he explained, including interior demolition, replacement of the pier deck, and rehabilitation of the core and shell. The targeted completion date is March 2011. It is anticipated that the fit-out work will be completed by Pier A's future tenants, he noted.

Mr. Woo explained that the construction documents for the interior demolition and deck replacement have been completed and the Authority is now ready to start construction. Retention of a construction management firm to manage the construction process is now needed, he asserted.

Originally, Mr. Woo continued, the work of both Owner's Representative and Construction Manager were included in one RFP which was issued in March 2008. After the first round of interviews with proposers, staff determined that only PHB and URS Corporation, New York ("URS") were qualified for this work. After a second round of interviews, he explained, staff members felt that PHB was particularly qualified for the pre-construction phase and that its proposed staff was freer to devote the time required immediately during this crucial period. He reminded the Members that it was on this basis that they previously approved a contract with PHB for owner's representative services during the pre-construction phase.

Because of the service that the Authority has received from PHB and the extraordinary work it has given the Authority in keeping with its current project schedule and budget, the Authority agreed to re-negotiate with PHB its original proposal for construction management services, Mr. Woo said. As a result of those negotiations, PHB has not only agreed to a \$144,562 reduction from its original proposal, but it has agreed to increase the total man-hours for the construction phase, he explained. The URS estimate of man hours for the work indicates a less informed approach to a historic preservation job of this type, he said.

Mr. Woo then recommended the authorization of a contract in the amount of \$961,719 with PHB for Pier A construction management services.

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

AUTHORIZATION OF CONTRACT WITH PHB CATALYST GROUP, INC. FOR CONSTRUCTION MANAGEMENT SERVICES FOR THE RECONSTRUCTION OF PIER A

BE IT RESOLVED, that in accordance with the materials submitted 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 Phb Catalyst Group, Inc. for Pier A Construction Management Services for the not-to-exceed amount of \$961,719; 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 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. Woo, was a request to authorize a contract with D'Onofrio General Contractors Inc. ("D'Onofrio"), to perform the Pier Deck Replacement work for the Reconstruction of Pier A for the amount of \$2,518,000.

Mr. Woo explained that this contract is for the second phase of work on Pier A, the replacement of the interior pier deck that supports the pier. H3, the Authority's consultant, has designed a total replacement of the first floor deck and an increase in the loading capacity of the floor.

This project was advertised in the New York State Contract Reporter and the Minority Commerce & Employment Weekly. In addition, names were solicited from the Affirmative Action Department. A total of eight firms requested and picked up RFP packets. One of these firms is an M/WBE firm, he said. After a pre-proposal meeting, he continued, RFP Addendums were sent to all firms. On June 23, 2009 proposals were received from three firms. None of these firms is an M/WBE firm.

Mr. Woo stated that pre-award meetings were held with each of the firms with the Authority staff, the Authority's Construction Manager, the Authority's architect, its engineer, and the three responsive proposers. During the interview with Paul J. Scariano, he explained, it became evident that the firm did not have the specialized post-tensioning experience required to complete the work. Long island Concrete, the other proposer, has the necessary experience for the work, Mr. Woo said, but its proposed price was prohibitively high. D'Onofrio demonstrated that it clearly understood the project and included all work in its base proposal and therefore is lowest responsible proposer, he said.

Mr. Cavanaugh noted that D'Onofrio is currently repairing the Battery Park City Seawall and that he has confidence in its bid.

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

AUTHORIZATION OF CONTRACT WITH D'ONOFRIO GENERAL CONTRACTORS INC. FOR PIER DECK REPLACEMENT WORK AT PIER A

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 contract (the "Contract") to D'Onofrio General Contractors to provide to perform the Pier Deck Replacement work at Pier A in the amount of \$2,518,000; 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, and 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 transaction 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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At that point, Mr. Gill introduced the Authority's new Vice President of Strategic Planning, Gwen Anderson.

Mr. Gill then requested that Management update the Members on the Authority's efforts to rent the space at Pier A. To that end, Ms. Altman explained that the Authority hired Jeanne Giordano roughly a year ago to advise Management on the possible marketing of this space.

. Ms. Giordano felt strongly that the highest and best use of that space would be a retail/restaurant use with one anchor tenant, she noted. Originally, Ms. Altman continued, the Authority looked into having the National Park Service use Pier A as the embarkation point for the Liberty Island and Ellis Island ferries, but the Service determined to base the ferry operation elsewhere. The current intention is committed to release RFP in the winter/spring of 2010, which would be a year in advance of the turnover date. In the meantime, she stated, the Authority will continue to explore and actively market Pier A to the various users who might potentially be interested.

Mr. Urstadt inquired into whether the Authority has completed a study comparing the costs of renovating Pier A to its potential rental income. Ms. Altman noted that it is not likely that a projected rent would cover the debt service. Mr. Serpico stated that the City is well-informed about the economics of this project. Ms. Remauro noted the non-economic community benefits to the community and neighboring commercial entities from restoring the Pier.

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The next item on the agenda, presented by Mr. Cavanaugh, was a request to authorize a contract with Stantec Planning and Landscape Architecture, PC ("Stantec") to provide consulting services for the study and creation of artificial turf fields at the north neighborhood ball fields.

In the north neighborhood of Battery Park City, Mr. Cavanaugh explained, the natural turf softball and soccer fields have become more heavily used as the population of the area has grown. Because of this heavy usage, and the decreased amounts of sunlight due to nearby construction, staff has been evaluating a change to artificial turf fields.

As artificial turf often raises issues of safety and sustainability, Mr. Cavanaugh continued, the Authority requires the services of a consultant to analyze existing artificial turf products and find a product for the ball fields that is more environmentally sustainable than current products but also addresses the critical issues of human health and safety. He recommended that the Members authorize a contract with Stantec, the unanimous choice of both the staff and the community representatives involved in the consultant selection process.

Mr. Urstadt assumed the role of Chairman while Mr. Gill stepped out of the meeting.

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

AUTHORIZATION OF CONTRACT WITH STANTEC PLANNING AND LANDSCAPE ARCHITECTURE, PC TO PROVIDE CONSULTANT SERVICES FOR THE STUDY AND CREATION OF ARTIFICIAL TURF FIELDS AT NORTH NEIGHBORHOOD BALLFIELDS

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 contract (the "Contract") with Stantec Planning and Landscape Architecture, PC to provide consultant services for the study and creation of artificial turf fields at the North Neighborhood ball fields for an amount not to exceed \$ 289,623.57; 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, and 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 transaction 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. Gill resumed the role of Chairman at this time.

Next, in response to Mr. Mueller's request, Mr. Cavanaugh presented a summary of current issues relating to certain real estate projects in Battery Park City. First, he explained that, despite a temporary slow-down due to the economic downturn, construction of the two condominium projects on Sites 23 and 24 are now progressing on an aggressive schedule. The b He also noted that the construction at Pier A and at the new school on Site 2B are on schedule.

Mr. Cavanaugh stated that Merrill Lynch will likely be vacating the World Financial Center at the end of its current lease term in 2013 and that Brookfield Properties will be seeking replacement tenants for the vacated space. Mr. Cavanaugh then reported that approximately 66% of the units at the Riverhouse Condominium, on Site 16/17, have been sold. Lehman Brothers, which is involved in the financing of the project, has requested that the Authority reconsider the terms of the payment of a fee payable to the Authority based on the sales price of the units, . However, the Authority has taken the position that, as a public entity, is not in a position to assist Lehman Brothers in its efforts to recover its equity in this project.

Mr. Cavanaugh then addressed the Visionaire Condominium on Site 3. The Visionaire's units are approximately 50% sold, he stated. He reminded the Members that the Parks

Conservancy Headquarters is also located within the Visionaire. He reported that the developer of the project has represented to the Authority that additional work requested by the Authority for the headquarters have cost millions of dollars. The Authority's position, however, is that virtually all of this work was set forth in the plans originally presented to the developer, and that no credits will be given for this work.

Next, Mr. Cavanaugh addressed 225 Rector Place at Site D. He explained that the original developer has gone abandoned the condominium conversion of the building. The building was left in poor shape, he stated, with much of the public areas unfinished, and those who own units there feel that they have been treated poorly. The Authority has met with the court-appointed receiver for this project to ensure that these problems will be addressed. Mr. Cavanaugh also explained that the Anglo Irish Bank, the major for this project, has approached the Authority to request financial relief. In this regard, he said, the Authority has taken the same position that it took with Lehman Brothers; namely, that the Authority would not assist the bank in recovering its equity.

Despite these problems, Mr. Cavanaugh stated, the most important issue is that the finances and revenue streams of the Authority are not currently at risk. Mr. Serpico then noted that deficiencies in rent payable to the Authority are within the same range that they have been historically. He also noted that the Authority has security funds from each building in excess of all current deficiencies. In response to an inquiry from Mr. Urstadt, Mr. Serpico further stated the Authority will perform a debt service ratio coverage analysis prior to the pending issuance of bonds for infrastructure purposes. Ms. Altman reported that recent legislation authorizes the Authority to issue \$250 million of additional bonds, the proceeds of which would go to the State of New York. However, she added, for this to be realized, the State must obtain the City's consent.

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The Members then unanimously voted to recess the meeting pending a meeting of the Directors of the Battery Park City Parks Conservancy Corporation. Following the recess, the Members unanimously voted to conduct an executive session pursuant to Section 105 (f) of the Public Officers Law for the purpose of discussing certain personnel matters. No votes or actions were taken during the executive session. Upon the conclusion of the executive session, the regular meeting resumed, and there being no further business, the meeting thereupon adjourned at 12:15 p.m.

Respectfully submitted,



Carl D. Jaffee
Corporate Secretary