

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

MEMBERS' MEETING

One World Financial Center – 24th Floor

New York, NY 10281

January 15, 2008

Members Present

James F. Gill, Chairman

Charles Urstadt, Vice Chairman

Frank J. Branchini, Member

Robert J. Mueller, 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
Stephanie Gelb, Vice President, Planning & Design
Annette Guarino, Deputy General Counsel
Antigona Hajdaraj, Special Assistant to the President
Steven E. Harper, Vice President, Safety & Site Management
Robert Holden, Vice President, Human Resources & Administration
Carl Jaffee, Senior Development Counsel and Corporate Secretary
Wilson Kimball, Senior Vice President, Operations
Susan Long, Vice President, Strategic Planning
Lisa Miller, Vice President, Internal Audit and Compliance
Leticia Remauro, Vice President, Community Relations, Affirmative Action and Press
Robert M. Serpico, Senior Vice President, Finance and Treasurer/Chief Financial Officer
Roy Villafane, Director, Internal Audit
Antony Woo, Vice President, Construction

Others in Attendance: Tessa Huxley, Executive Director, Battery Park City Parks Conservancy Corporation
Evan Simko-Bednarski, Battery Park City Broadsheet
Brian Krapf, George Artz Communications, Inc.
Julie Shapiro, Downtown Express
Robert Simko, Battery Park City Broadsheet

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 November 20, 2007 meeting.

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

APPROVAL OF MINUTES OF THE NOVEMBER 20, 2007 MEETING

BE IT RESOLVED, that the minutes of the meeting of the Members of the Hugh L. Carey Battery Park City Authority held on November 20, 2007 are hereby approved.

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The next item on the agenda, presented by Mr. Woo, was a request for authorization of a change order to the construction agreement with Battery Place Green, LLC (the "Developer"), for the additional cost of fabrication of the garage door for the Parks Conservancy Headquarters. In August of 2006, he reminded the Members, the Authority executed a lease with Battery Place Green, LLC, an affiliate of the Albanese Organization, for development of a residential condominium building on Site 3. As specified in the Request for Proposals and the executed lease, he continued, the Developer is required to construct the core and shell of approximately 42,000 square feet of space for a permanent headquarters facility for the Battery Park City Parks Conservancy. The lease, approved by the Members, also provides that the Authority is to compensate the Developer for this work in the amount of \$7,500,000.

In the last several months, he stated, the Authority has requested that the Developer perform certain additional work as to the facility, such as an upgrade to the electrical service, installation of sleeves for future piping and ductwork, and installation of floor drains. The cost of the additional work previously requested is \$327,701.

The requested change order is for the additional fabrication cost of the large garage door that serves the entire facility, Mr. Woo continued. When the price of the door was first estimated, the Facility was still in the early design phase. As design progressed, the engineering requirements were better understood, and it became clear that a more substantial door was critical, he explained. Within the core and shell cost of \$7,500,000, he added, an allowance of \$50,000 had been established for the fabrication of the door, but, he stated, the final cost of the door as designed is \$119,461, an amount which has been determined fair and reasonable by the Facility's construction manager. However, this amount brings the total cost of the additional work on the facility above the threshold amount for which Members' approval is required under our Procurement Guidelines, he explained.

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

**AUTHORIZATION OF CHANGE ORDER FOR ADDITIONAL WORK IN PARKS
CONSERVANCY HEADQUARTERS**

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 change order (the "Change Order") to the Authority's contract with Battery Place Green LLC for construction of the core and shell of the Parks Conservancy headquarters in the additional amount of \$69,461 for the fabrication of the garage door; and be it further

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

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

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The next item on the agenda, also presented by Mr. Woo, was the authorization of an amendment to the contract with URS Corporation in the amount of \$338,363 to provide additional construction management services for the interior fit-out of the Park Conservancy Headquarters Facility on Site 3. URS is currently the construction manager for the facility, Mr. Woo noted; s previously explained, he stated, the Albanese Organization is currently constructing the core and shell of the facility.

On January 5, 2006, Mr. Woo said, the Members approved a contract with URS Corporation to provide construction management services with respect to the Facility in the amount of \$349,463, which has since been increased to \$380,363. During the course of the design and construction process, URS has been asked to take on work not originally specified in the Request for Proposals for the assignment, including in-depth value engineering and additional cost estimating, he added.

In December 2006, Mr. Woo continued, the Authority completed a cost estimate for the facility before seeking bids for the work. This estimate came in at approximately \$28 million, which was \$3 million over the Authority's \$25 million budget. Therefore, the team reevaluated the project in order to decrease costs. The second estimate was \$25.8 million, which was still slightly over-budget, but was satisfactory for bidding purposes, he explained, and the lowest bid received was \$23 million. Therefore, he concluded, the time spent re-assessing the work resulted in a savings of almost \$5 million from the December, 2006 estimate. However, because construction

started later than originally scheduled, the Authority now has additional construction management expenses. Consequently, he added, the Authority now requests an additional \$338,363 in construction management services to complete the facility.

In response to inquiry from Mr. Urstadt, Mr. Jaffee explained that the legal status of the facility will be that of a condominium unit within the Site 3 residential building. The Authority will be granted ownership of the unit for nominal consideration and will pay no common charges or real estate taxes.

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

AUTHORIZATION OF AMENDMENT TO CONTRACT WITH THE URS CORPORATION

BE IT RESOLVED, that the President of the Authority or his designee(s) be, each of them hereby is, authorized and empowered to execute an amendment to the Authority's contract with URS Corporation for providing construction management services for the fit out of the Park Conservancy headquarters in Site 3 (the "Amendment"), increasing the amount payable thereunder by an amount not to exceed \$338,363; 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 interest of the Authority, such approval to be conclusive evidence 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 and 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, presented by Ms. Gelb, was a request for authorization to amend the contract with Richard Dattner & Partners Architects for additional design work in connection with the Parks Conservancy Headquarters on Site 3, increasing the amount payable thereunder to \$140,000. This amendment is necessary in order to cover some of the delays that Mr. Woo previously described with respect to coordination of a very complicated project, she said, and also to have the architect's "green" consultant, Atelier 10, to attend all construction meetings.

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

AUTHORIZATION TO AMEND CONTRACT WITH RICHARD DATTNER AND PARTNERS ARCHITECTS

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 a Contract with Richard Dattner and Partners Architects (the "Amendment") for additional design and related services pertaining to the Parks Conservancy headquarters on Site 3, increasing the amount payable thereunder by an amount not to exceed \$140,000; and be it further

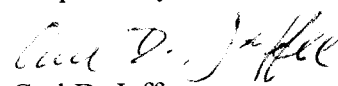
RESOLVED, that the President of the Authority or his designee(s) be, and each of them hereby is, authorized and empowered to execute and deliver the Amendment on behalf of the Authority, subject to such changes as the officer or officers executing the Amendment shall, with the advice of counsel, approve as necessary and appropriate and in the best interests of the Authority, such approval to be 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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There being no further business, the meeting thereupon adjourned at 10:27 a.m.

Respectfully submitted,



Carl D. Jaffee
Corporate Secretary