

HUGH L. CAREY BATTERY PARK CITY AUTHORITY

Meeting of the Members
200 Liberty Street, 24th Floor
New York, NY 10281
June 28, 2023

Members Present

Martha Gallo, Chair
Louis Bevilacqua, Member (remote)
Donald Capoccia, Member
Anthony Kendall, Member
Catherine McVay Hughes, Member
Lester Petracca, Member (remote)

Authority Staff in Attendance: Benjamin Jones, President and Chief Executive Officer
Marie Baptiste, Deputy Treasurer
Zachary Bergen, Deputy General Counsel, Procurement & Contracts
Donna A. Canfield, Deputy General Counsel, Labor & Employment
Gwen Dawson, Senior Vice President, Real Property
Pamela Frederick, Chief Financial Officer/Treasurer
Abigail Goldenberg, General Counsel
Megan Hood, Deputy General Counsel, Real Estate
Craig Hudon, Vice President of Parks Programming
John Lonie, Communications & Public Affairs Coordinator
Eric Munson, Chief Operating Officer
Lauren Murtha, Paralegal/Assistant Corporate Secretary
Jahmeliah Nathan, Vice President of Administration
Jason Rachnowitz, Deputy Controller
Nicholas Sbordone, Vice President of Communications and Public Affairs
Alexis Torres, Chief of Staff
Ryan Torres, Vice President of Parks Operations

Others in Attendance: Roger Bagley, Hawkins Delafield & Wood
Paul Hennessey, AJ Gallagher
Various Members of the Public

The meeting, called on public notice in accordance with the New York State Open Meetings Law, convened at 2:04 pm.

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The first item on the agenda was a request for approval of the minutes of the June 6, 2023 meeting. Upon a motion made by Mr. Kendall and seconded by Mr. Capoccia, the following resolution was unanimously adopted:

APPROVAL OF MINUTES OF THE JUNE 6, 2023 MEETING

BE IT RESOLVED, that the minutes of the meeting of the Members of the Hugh L. Carey Battery Park City Authority held on June 6, 2023, are hereby approved.

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Next, there were two comments submitted by the public that were presented during the period of public comment.

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The next item on the agenda was the M/WBE Utilization Report presented by Ms. Nathan.

Ms. Nathan reported that for the month of May, 31.91% of the Authority's total qualifying spend of approximately \$1 million was paid to MWBEs. Of this amount, 11.28% was paid to MBEs, 6% to them directly and 5.27% to MBE subcontractors. And of the total qualifying spend, 20.62% was paid to WBEs, 9.98% to WBE prime contractors, and 10.65% to WBE subcontractors.

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The next item on the agenda was an update on the Authority's resiliency projects by Mr. Jones.

Mr. Jones began by noting that Gwen, deservedly accepted on behalf of the Battery Park City Authority an award from the American Society of Civil Engineers for our Ballfield's Resiliency project, which has been very well received.

On the South Battery Park City Resiliency, the Authority continues with the regular public notifications about the progress on our South Resiliency work and encourages everyone to sign up through our Resiliency website to receive the updates. Some of the updates include that demolition and clearing is continuing at the site, and pile installation is underway for the new pavilion building. Debris continues to be removed from the site, and we are salvaging materials from Wagner Park, which will be incorporated in the future park features. Also, he was excited to mention that the Eastern boundary playscape was being installed, and he encouraged people to check it out.

On sustainability, a team was out in the field conducting a tree canopy assessment and biodiversity audit, and our third permeable paver pilot was installed at the Northwest corner of Rockefeller Park.

With regards to Northwest Resiliency, a doubleheader of community meetings took place on Monday night that were well attended by in-person and virtually by over 250 people. Great questions as we presented the 30% design and some really good feedback on concerns, what they liked, what their ideas were, and the team is conducting other direct stakeholder meetings with groups like the Hudson River Park Advisory Council, City One leadership, and a meeting of all City and State agencies, all of which have happened in the last few weeks. Ms. Dawson then thoroughly explained the 30% design renderings which were highlighted by a fly through video tour.

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The next item on the agenda, presented by Ms. Frederick, was the 2023 Bond Financing Plan.

Ms. Frederick stated the financing plan was approved by the Board in June and an aspect to issuance is the preparation and use of a preliminary offering statement. This item was a request to ratify the distribution of the POS and its use by the underwriters to market the bonds, and approval of the offering statement which will be in a form substantially similar to the POS that was provided, and execution of the OS by the President and CEO, and the delivery of the offering statement to the underwriters.

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

RATIFICATION OF THE DISTRIBUTION OF THE PRELIMINARY OFFICAL STATEMENT AND ITS USE BY THE UNDERWRITERS TO MARKET THE BONDS AND APPROVAL OF THE OFFICIAL STATEMENT AND ITS DELIVERY TO THE UNDERWRITERS

BE IT RESOLVED, that in accordance with the materials submitted at this Board meeting, the distribution of the Preliminary Official Statement and its use by the underwriters to market the bonds is hereby ratified; and be it further

RESOLVED, that the Official Statement, which will be in a form substantially similar to the Preliminary Official Statement, is approved and the President and Chief Executive Officer (the “President”) of the Battery Park City Authority (the “Authority”) or his/her designee(s) be, and each of them hereby is, authorized and empowered to execute and deliver the Official Statement to the underwriters subject to such changes as the officer or officers shall, with the advice of counsel, approve as necessary and appropriate and in the best interest of the Authority; and be it further

RESOLVED, that the President or his/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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The next item on the agenda, presented by Mr. Munson, was a request for authorization to accept the 2023-24 Insurance Program and Authorization to Pay the Related Insurance Premiums.

Mr. Munson stated that, as done every year, the Authority worked with the New York State Office of General Services Bureau of Risks and Insurance Management, as well as our brokers of record to evaluate our insurance needs and secure the appropriate coverage. As a reminder, OGS

procures the services of our primary broker of record, A.J. Gallagher, through a competitive process on behalf of the Authority, and similar organizations across the state.

The process for securing this year's renewals was the same as last year's in that A.J. Gallagher engaged us and potential carriers to market each of our policies and secure the best terms and premiums. They reached out to 33 potential carriers for the property policy, 20 for the general liability, and 44 for the umbrella. This year there were two noticeable increases. The first was relatively modest increases across most of our policies, in aggregate 3%, and some premium decreases for some of our policies like cyber security where the trend had previously been a severe hardening of the insurance markets. Though it may appear that we're also experiencing a significant hardening of the general liability and umbrella markets, those premium increases are directly related to the increased construction spend that we're undertaking as a result of our resiliency work.

The second is what the American Property and Casualty Insurance Association characterizes as "the hardest market cycle in a generation," which has made our towers of property insurance coverage incredibly hard to place. As many of you know, NOAA notes that in 2022 the U.S. suffered at least 10 catastrophes that cost more than a billion dollars of damage and those types of incidents impact our insurance markets making carriers less likely to bind coverage, particularly those in catastrophe prone areas like ours. Capacity in markets is down and premiums for those policies that are bound are up. For us, that equates to a nearly half million dollar increase or 26% for the set of policies that insure our parks, public spaces, and the Pier A building.

He continued to explain that all of our policies are marketed thoroughly and Paul Hennessey, the Senior Vice President at A.J. Gallagher, was available to answer any question. He then requested that the Members accept the Authority's 2023-2024 insurance program as presented, and authorize the payment of insurance premiums listed in your packet totaling an amount that will not exceed \$6,249,065, an increase of just over three-quarters of a million dollars over last year's program. He also requested an increase to the operating budget to cover the unanticipated difference caused by this spike, equaling \$384,054. He added that A.J. Gallagher has agreed, to a more than 50% decrease in their commissions for this year's renewal cycle.

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

**AUTHORIZATION TO ACCEPT THE 2023-24 INSURANCE PROGRAM,
AUTHORIZATION TO PAY THE RELATED INSURANCE PREMIUMS, AND
AUTHORIZATION TO INCREASE THE FY23 OPERATING BUDGET**

BE IT RESOLVED, that the Members hereby authorize the President and Chief Executive Officer (the "President") of the Authority or her/his designee(s) be, and each of them hereby is, authorized and empowered to accept the 2023-24 Insurance Program and to authorize the payment of the insurance premiums in the total amount not to exceed \$6,249,065 subject to such changes as the officer or officers, with the advice of counsel, shall approve as necessary and appropriate and in the best interest of the Authority; and be it further

RESOLVED, that the operating budget of the Authority for the fiscal year ending October 31, 2023, approved at the October 26, 2022 meeting, be, and hereby is, approved to be amended by an

increased amount of \$384,054 for insurance premium payments and ordered filed with the records of the Authority; and be it further

RESOLVED, that the President of the Authority or her/his designee(s) be, and each of them hereby is, authorized and empowered to execute any documents, file said budgeted and related information with all parties as required pursuant to all outstanding bond resolutions, agreements and requirements of law 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 resolution, and any such execution of documents and any other and further actions heretofore taken are hereby ratified and any actions hereafter taken are confirmed and approved.

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The next item on the agenda, presented by Mr. Sbordone, was a request to enter into an agreement with Risa Heller Communications for Public Relations & Strategic Communications Services.

Mr. Sbordone began by explaining to the Members that the Authority's communications and public affairs team is responsible for developing and implementing communication strategies for the range of the Authority's projects, including our resiliency and sustainability efforts, bond issuance, public programming, and much more essentially to help tell the story of the great work that the Authority does daily in service to the people of the City and State of New York, and of which we should be very proud.

To advise and assist in this work, the Authority requires the services of a public relations firm, and to procure these services, the Authority issued a competitive solicitation with six proposals received. An evaluation committee reviewed each proposal and then, based on the proposals received, elected to interview two of the firms, Annette Orenstein, Inc., and the Berman Group. Third firm, Risa Heller, we were very familiar with their work and did not need to interview them again. These firms, along with Risa Heller, based on the committee's review, demonstrated experience providing these services to New York City organizations similar to the Authority, and provided similarly competitive costs proposals. The committee upon its review was impressed by both Annette Orenstein and the Berman Group and their interviews and believed both firms would be capable of delivering the required services through talented and experienced teams. However, the proposal submitted by Risa Heller Communications demonstrated not only their proven track record of securing strategic and high-profile press in support of the Authority's work, as well as that for other civic institutions, but also a deep and nuance knowledge of New York City's media landscape and in particular, Lower Manhattan's media landscape. This of course is in addition to their considerable expertise in real estate and in land use. As such, Risa Heller was determined to be the highest technically rated proposer in question. At a flat \$11,000 per month, they were the second lowest monthly fee among proposers, and as such, when coupled with their technical score, were determined to provide the best value for the Authority. Therefore, he requested the Board to authorize our entering into an agreement with Risa Heller Communications to provide public relations and strategic communication services for a term of three years for a not to exceed amount of \$396,000.

Upon a motion made by Ms. McVay Hughes and seconded by Mr. Kendall, Mr. Capoccia recused himself from voting, the following resolution was adopted:

AUTHORIZATION TO ENTER INTO AN AGREEMENT WITH RISA HELLER COMMUNICATIONS FOR PUBLIC RELATIONS & STRATEGIC COMMUNICATIONS SERVICES

BE IT RESOLVED, that in accordance with the materials submitted at this Board meeting, the President and Chief Executive Officer (the “President”) of the Battery Park City Authority or his/her designee(s) be, and each of them hereby is, authorized and empowered to enter into an agreement with Risa Heller Communications to provide Public Relations and Strategic Communications services for a term of three (3) years for a not-to-exceed amount of \$396,000, and be it further

RESOLVED, that the President or his/her designee(s), 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 interest of the Authority, such approval to be conclusive evidence by the execution and delivery of the agreement; and be it further

RESOLVED, that the President or his/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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Ms. McVay Hughes made a motion to enter Executive Session, which was seconded by, Mr. Capoccia to discuss proposed, pending or current litigation. The Members entered Executive Session at 2:44 p.m.

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The Members exited Executive Session at 3:45 p.m.

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There being no further business, upon a motion made by Mr. Capoccia and seconded by Ms. McVay Hughes, the Members unanimously voted to adjourn the meeting. The meeting thereupon adjourned at 3:45 p.m.

Respectfully submitted,



Lauren Murtha

Assistant Corporate Secretary

Public Comment
June 28, 2023

1. **Pat Smith:** Thank you, Nick. Battery Park City Authority Board members and staff, you have ignored the request from the Homeowner's Coalition representing more than 5,000 homeowners, and from our elected representatives to provide an updated proposal for resolving the ground rent issue. This request was made to you directly by State Senator Brian Kavanaugh at the conclusion of our May 4th negotiating session. The Coalition followed up with an updated proposal and a request for a response from you on May 23rd. You are public servants, and Senator Kavanaugh, Assembly Member Charles Fall, City Councilmember Christopher Markey, and the Homeowner's Coalition represent your constituents, the people who support your agency through our taxes and ground rents. We are not to be ignored. May we further point out that you are preparing to issue hundreds of millions of dollars in bonds even after you have been warned that repayment of those bonds is uncertain. The homeowners who would support this bond issue with taxes and ground rents are reaching the breaking point on their ability to pay. If the issue of soaring grounds rents is not resolved, there will be increased risk of default by individual homeowners translating to default by the BPCA. It is highly irresponsible of you, and irresponsibility bordering on fraud for you to proceed with the bond issue -- pending bond sale when the ground rent issue remains unresolved. Your answer to this crisis is to hire a PR firm. Money which should go to affordable housing instead will go to wealthy and a wealthy entrepreneur. Instead of PR, let's fix the problem. Let's get back to the negotiating table and resolve our differences.

2. **Marvanne Braverman:** Thank you, Nick. Hello. I'm here to speak about Asphalt Green and its relationship with the Authority. In 2016, I was on a working group sponsored by the Community Board to get senior fitness programs happening in the neighborhood. And we came to an agreeable conclusion with Asphalt Green. They had six classes dedicated and appropriate and safe for seniors to do. Then COVID came. There were about 80 people who had been enrolled and things stopped for a while. In late 2021, we got things rolling again. And the numbers, however, were lower because of various changes that had happened. So we started -- I started last year to work with them again. They did an opening to allow more people in, but they only allowed 25 people in, and there had previously been 22 of the old guard still attending regularly. So they've got under 50 people. I thought they were going to go back to 80. They didn't. I had hoped they would do appropriate programming that was geared to seniors, but instead they simply opened the facility and told seniors they can come and do anything they want there. They indicated classes they said would be safe for seniors. I guarantee you they are very on the edge of that. So a year ago I had asked for the Authority to look at their money. I don't know why they're not putting in more classes. I don't know why they're limiting the number of members who can attend for free because there's space there. So I thought it might be money since they lost money during COVID, but that's speculation on my part. I'm just asking again for the Authority to put some resources to talk with them. Their upper management needs to communicate with their staff on site about their obligations, and if it's a financial complaint, let's verify that. Thank you.