

BPCA Board Meeting - April 23, 2019

BPCA Board Meeting
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George Tsunis: Good afternoon everyone. Welcome to the April 23rd, 2019 Battery Park City Authority Board of Trustees Meeting. That is your official call to order. I would first like to approve the March 26, 2019 Minutes. Are there any questions? Can I have a motion?

Kendall: Moved.

McVay Hughes: Second.

George Tsunis: All in favor?

Members: Aye.

George Tsunis: Unanimous. B.J.?

B.J. Jones: I just wanted to take a moment in this session to say that we are saddened by the recent loss of Arlene Kalfus, a long-time resident of Battery Park City. And to let folks know that the BPC Seniors, some of whom we have here, will be hosting a memorial service for here at 200 Rector Place in the community room there on Wednesday, May 22, from 1:30 to 5:30 p.m. and on behalf of the Authority I offer my deepest condolences to her family, friends, and loved ones.

George Tsunis: I also offer my condolences. Nick, public comment?

Nick Sbordone: Good afternoon, everyone, Nick Sbordone. We have two public comment requests that came in prior and one that just came in, so we'll take those in the order that they came. The first is Maryanne Braverman, from the BPC Senior Group, public comment about downtown convention, I believe and some others.

Maryanne Braverman: Hello. I am Maryanne Braverman, a long-time resident here. And today I'm speaking not just as an individual, which I usually do, but actually on behalf of the Steering Committee of Battery Park City Seniors because this is an issue we are concerned about. You probably all remember that last summer there was a problem with tourists crowding the buses making it impossible for seniors to get onboard, and also, once they were on board, they were extremely disruptive, pushing, shoving. It became a hazardous situation for ordinary residents to ride those buses. Since the Authority pays a third of the cost, I had hoped that the Authority would help to resolve some of these problems. The buses are valuable. There are seniors with heart and lung conditions who simply cannot walk distances. There are people with neurological or other situations that happen that they can't walk. And anybody can break a leg or an ankle and suddenly need to rely on that kind of transport to get around and do their everyday business. The people who are selling the tickets are not the problem. They are desperate people who are being given tickets to sell, it's not a hundred percent clear who's giving it to them whether it's the actual boat operators or there's a third-party ticket vendor in some cases, but they're out there trying to make a buck, and they've become desperate. And I think it was two summers ago there was

BPCA Board Meeting - April 23, 2019

actually a shooting because one vendor got on the turf of another vendor. So that is a problem that needs solving --

George Tsunis: So they're not the problem?

Maryanne Braverman: Well, who's giving them the tickets? You know, if they weren't given tickets to go out and sell they wouldn't be there. So and my belief is that the police go chasing after them, they're not allowed to sell in the park, the Battery Park, so they sell on other streets and then they load up the buses. Last year, the solution that the alliance took was to eliminate stops, five stops were removed from the route, which causes some problems for people as well to just have stops taken out. What I had hoped for when I brought this up last year was that there could be some comprehensive effort to pull together all the parties who are involved. So while I know Eric has spoken to Consumer Affairs about some licensing issues and there's been a lot of contact with Nick, maybe with Eric as well with the police, who are trying to manage the situation. I would just so appreciate it if it were possible for somebody with more authority, and more context than I have, to get the alliance together, the licensing, Consumer Affairs, Margaret Chin's office if it's a legislation issue. I don't know exactly where the problem lies, but there's a problem and it trickles down to the street. I feel like if we just start chasing the people on the streets we're not going to solve the problem that is above those people on the streets. So I'm kind of here to ask if someone could just take the wheel, pull together a working group, there was a working group on bicycles, and how that was affecting people in the community, maybe some sort of working group to pull together the people who can help make this happen and reach a conclusion. Although I can't pull it together on my own, I would be happy to participate and work to whatever extent is needed to help resolve this problem. So thank you.

McVay Hughes: And just for the record, these are tickets for statue cruises going to the statue?

Maryanne Braverman: No.

McVay Hughes: No. Which tickets then?

Maryanne Braverman: Statue cruises does not put anybody out on the street. It's ticket hawkers trying to snag tourists before they get in the Park to buy a legitimate ticket, so they're selling them in some cases \$40 tickets --

McVay Hughes: What are they marketing for then?

Maryanne Braverman: To go out of the Port Authority, a ferry or a boat terminal at Vesey Street and the Hudson.

McVay Hughes: Okay.

Maryanne Braverman: To take them out and around the statue, or over to Jersey for a cruise. It also happens on the other end, bringing them up to the sea port piers. But either direction they're jamming up the bus and making it unsafe inside the bus.

BPCA Board Meeting - April 23, 2019

Female: [Indiscernible].

Maryanne Braverman: I have a lot more background if anybody does want those kind of details. Thank you.

Eric Munson: Mr. Chairman, if I could briefly address this issue.

George Tsunis: Please.

Eric Munson: Regarding the issue of the process [at large], Downtown Connection is a free service. It's open to the general public. And so we can't restrict ridership in any way, at the same time what we can do is continue to work with Downtown Alliance, and we've been in close partnership with them as a collaborator on bus service to ensure that the operator of the bus provides a high-level customer service and ensure that folks like the elderly and those with mobility impairments are offered seats and the like. I also know that our neighborhood coordination officers from the First Precinct, Officers Holman and Brigg, have on multiple occasions offered their own cell phones to the drivers of the buses to ensure that there isn't any criminal or inappropriate activity on the buses and so they have an open line of communication to the police department.

Now, with regards to the issues of the ticketing and the illegal ticketing, we've been as Ms. Braverman mentioned, in close partnership with DCA and PD on this issue since last summer. Since January alone there have been more than 12 enforcement actions, sweeps so to speak, around Pier A Plaza to ensure that folks aren't vending and issuing illegal tickets. But the problem in short is that PD and DCA, the Department of Consumer Affairs, they just don't have the enforcement tools that they need to resolve the issue. So when PD issues criminal summonses the summonses aren't prosecuted by the Manhattan District Attorney's office.

And when the Department of Consumer Affairs or PD issue the civil summonses the penalties would start at a measly \$38 haven't been painful enough for the ticket vendors to change their behavior. So the businesses that employ these ticket sellers aren't licensed by DCA, only the individual ticket sellers are. And so while monetary penalties can be levied against those businesses, license suspension or revocation isn't an option for the businesses themselves. It would only be an option for the individual sellers, and each individual seller needs to have four violations issued to them before suspension is even on the table according to OATH, the body that adjudicates the violations.

So we've been reaching out to counsel member Chin's office about local legislation to change the penalty schedule, and we'll keep BPC Seniors and the rest of you apprised of our efforts to change the regulatory framework, potentially even having the ticket selling businesses themselves be licensed, and therefore subject to license revocation or suspension.

Martha Gallo: I guess Eric, my question and maybe something for Jessica Lappin, maybe Catherine knows the answer, we've both served on that Board at different times, is whether or not we can in fact limit the ridership to employees of the companies that pay the budget of the Downtown Alliance, and people with downtown residences. And in fact, not have it be a tourist

BPCA Board Meeting - April 23, 2019

free service. So I go back to first principles here and say, hey, we've had such an explosion of businesses and residents, that's all we can handle. And I know that the Downtown Alliance is all about you know the retail businesses doing well, etc., but if we're paying a third and the businesses that provide the real estate input to their budget as a bid I don't know why we wouldn't just eliminate the tourists in some way.

Eric Munson: I can look into that and get with you.

Martha Gallo: [Indiscernible], you know, commercial, but it seems as if, because I take that bus periodically and it seems as if between the parents trying to shuttle their kids all over the place, people who need it from a disability point of view and the employees trying to run to catch different buses and ferries, it's pretty busy. So I would look at eliminating it as an option all together for these folks. Question? So Maryanne, thank you for that. More work to do.

George Tsunis: I think, you know, Maryanne asked us for sort of like a comprehensive sort of approach. And you've interacted with the Downtown Alliance, the NYPD, NTCA, it's --

Eric Munson: And Margaret Chin's office as well.

George Tsunis: It seems that there are, and I appreciate it, that sounds pretty comprehensive to me. It seems that there's a legislative issue. Number one, licensing not only the companies but the people that are selling the tickets. Number two, it seems that if there is an infraction, \$38 is probably not enough to dissuade people from bad behavior. So I think we should probably speak to them about toughening up the legislation and maybe giving DCS some enforcement powers. But my understanding is our security force pushes the vendors out of Battery Park City and they're, my understanding was they were generally being sold in historic Battery Park, which is not in our purview.

Eric Munson: That's right. So in the event that a ticket seller is trying to sell tickets on Pier A Plaza, they get moved by our Allied Ambassador who is stationed at Pier A East outside of Battery Park City. And typically they sort of set up shop north of the stone barricades, north of historic Battery Park.

Martha Gallo: But the bus stops though you know that's where people can get on, so that is [indiscernible].

Catherine McVay Hughes: Is there signage at the bus stops? Warning.

Eric Munson: [Indiscernible] historic Battery Park and Downtown Alliance, but there is a sign there that's saying that the only valid tickets that are sold for the statue cruises are at Castle Clinton. And it's in multiple languages as well.

Catherine McVay Hughes: And years ago, there has been that comprehensive efforts with DCA, NYPD, Downtown Alliance, Councilmember Chin's office, the Battery Conservancy, CB1, and so that's convened, reconvened and clearly it seems it's like a legislative issue and we need better signage.

BPCA Board Meeting - April 23, 2019

George Tsunis: It's absolutely a legislative issue. You know, we can't enforce things that are A, not on our property, and B, it's not like we have an enforcement mechanism, although I feel horrible here, so I don't know whether it's to provide more buses, but clearly I think some people are taking advantage of a service that wasn't meant for them. I'm not quite sure what the issue is, but Eric, you'll continue to work with Maryanne and everyone else?

Eric Munson: Yes.

George Tsunis: But I think, you know, at least from my perspective I think part of the issue is DCA is rather toothless here and I think we have to ask them to address that.

Eric Munson: To be clear, the penalty schedule is escalating for repeat offenders. I think it's just it has been challenging for DCA to dedicate the resources that they need to actually adjudicate the violations with the Office of Administrative Trials and Hearings to get the suspension or revocation the fifth or sixth as it were violations issue.

George Tsunis: Okay. Then why don't we call the Commissioner and ask for a higher level meeting with it and I'm happy to make that call.

Eric Munson: Thanks.

George Tsunis: Okay. We have --

Catherine McVay Hughes: Two more public comments.

George Tsunis: No, no, oh, two, I'm sorry.

Nick Sbordone: So next is Fran Dickson, also from the BPC Seniors Group. I believe about South End Avenue. Formerly of the BPC Seniors Group.

Fran Dickson: Okay.

Female: Still a senior.

Fran Dickson: I'm still a senior, yeah. Yes, I'm Fran Dickson, I live in Gateway Plaza and I've been here for about 22 years. And we were all totally devastated by what happened with Arlene and you are all aware of what happened right? So my first reaction was that could have been me. It could have been anyone. Actually when my husband told me something was going on I said, I hope it's not Arlene because the way he described her I just, so it could be us because people jaywalk across the street there and there are reasons for doing that. So my first reaction was let's put in a crosswalk, a pedestrian crosswalk, you don't need a stoplight, you don't need a traffic light, you don't need anything, just say that pedestrians walk across there. Now, but that was supported also by Vittoria Fariello who is one of the district leaders and also Paul Newell supports this. She wrote a letter to Nick and to the Board saying that she supports that also.

BPCA Board Meeting - April 23, 2019

I think this is something we really need now before the South End Avenue project is completed and that South End Avenue project was approved in July of 2018. That whole project is supposed to make things a little bit safer. And we're talking about people's safety here. I don't know why that's taken so long to go to the next step, but that has to be done right away, but we know it won't happen, the streets won't be done until probably 2021, so for an immediate solution that's the highest recommendation.

The second thing was to move the bus to the corner so people cross at the corner. I don't know how complicated that would be and that would have to go in the final plan, so that's another suggestion. The other thing is that no matter what's done, the crosswalk at the light, South End Avenue and, do I have to go by this time? Can I go a little longer? By South End Avenue and Liberty Street, the timing of that traffic light is awful. It's a minute. It's red for a minute. So people don't, you don't want to go there because you're standing there for a minute. So that timing needs to be looked at.

Also, the City Bike Station, was supposed to have been moved by DOT by now. This was approved a while ago. I believe it's been under discussion for the last 2-1/2 years, according to Tammy, and so that needs to move. That will help that congestion in that area there.

The other thing is there are some potholes on Murray Street, which I've sent to Nick. It looks like a crater. I don't understand why no one's reported it by now, that should be fixed. So I had a suggestion for your staff and that is to arrange and encourage walkabouts for all of your staff, from receptionist to VPs, allow them time each week to walk the area, looking at the traffic, the state of the sidewalks, the empty commercial space, the state of the landscaping, asking the cyclists to dismount, evidence of dog excrement, the number of delivery trucks, the whereabouts of security, the placard abuses and so on. And then get together and talk about what's going on because your role right now is maintenance. Ann brought up the state of the curb cuts at the last meeting. I mean if you'd gone out during the raining, if you'd have gone out you would have seen it and you would have known what she's talking about.

I don't think you really need us to tell you what's going on. It's not a very big area. We're all busy and we're all doing stuff, even though we're seniors we're busy and we do things, so you need to look at the neighborhood and make sure things are happening.

Oh, the other thing is the street lights. The street lights were set up to be, they're beautiful, but they don't shed a lot of light and on the corner, the same corner of Liberty and South End Avenue, there's no light there and at night it's totally dark and when people are crossing you can't see them when they're driving. So we need a street light there. So of all these things, what I'd like to happen is that we can have a discussion about to improve that crossing right now to go from it's sort of like by Gristedes by the pharmacy there, across to the bus stop.

And I do have a comment about the downtown bus, which they're not going to like but it's just a suggestion. I mean this bus was set up years ago after 911 because we didn't have access to the subways, because we used to go through the Winter Garden over the bridge and go down into the World Trade Center and it was great, you could hit all the subways. While the subways are back you could go down the Oculus and you can get on the Number 1 train. There are buses around,

BPCA Board Meeting - April 23, 2019

you could talk about that. The buses need improvement as far as keeping up their schedule and where they go to. I think the connection bus has outlived its usage. We don't really need it anymore because people with disabilities I rarely see, people with disabilities use the bus because they're not really made for that purpose. I mean they have that thing, but I rarely see people using it, they probably use Access-A-Ride or where they're going they don't need, the bus doesn't go where they're going, they're going to the doctor or wherever they're going. So you might, though Martha brought it up, and discounted it, you might want to think about it. It adds to the traffic. You can't add more buses. Traffic is awful. And the Downtown Connection bus just adds to it. So those are my comments.

George Tsunis: Thank you. Nick?

Nick Sbordone: Thank you. Last one, Anne did you want to add something as well on the Downtown Connection bus?

Anne: You know what? I was just going to give you all an anecdotal example of what I went through on April 13th. You know, it was a Saturday and so it was like 1:30, 2:00, and I could not get the Connection bus. It was 20 minutes late, it might have even been a half hour late because I was sitting there for a long time. And so when it did come because I was talking to the Number 9 driver who wouldn't let me on his bus, but I understood that. And so this guy went whipping around, you know, this is like a few days after Arlene died and this guy is zipping around on West Thames Street and South End Avenue around the 9 bus. He couldn't wait? But he was so full he didn't want to take anybody else. So the next bus came another 20 minutes later and he said, I'm too full I can't take anybody. So he went on. So I figured, okay, let me walk up the street and so I did. So it took me you know another 15, all I wanted to do was go buy some ink at Staples. That's all I wanted to do. And this whole production took me I've got to tell you it took me like 3 hours to buy some ink at Staples. And part of it is I can't stand on this leg for that long to walk the distance. So I use the Connection bus.

Fran: I use it all the time, but --

Anne: I mean I do, and I --

Fran: -- what it's like on the bus.

Anne: And I do and I need it both. I think we, but it was so, because everything was so packed. And I will tell you the 9 bus wasn't packed because people don't want to pay \$3.75. And so I think those other people should be directed to pay for a bus to get from south to north. It's not hard. And the Connection bus is the only one that really goes around the tip so that when I have to take a bus from Midtown and come down it stops at Fulton Street and then I have to connect to something else. And so connecting at Fulton Street is the Connection bus, but after that I mean it's another problematic thing to have to walk a distance in order to get around the tip or go across or whatever it is. Anyway, that's my comment is anecdotal in support of what Maryanne was telling you. And that I'm not the only one who goes through this all the time.

George Tsunis: Thank you.

BPCA Board Meeting - April 23, 2019

Fran Dickson: Oh, just one thing. If we take the M20, if you take the M20 and extend it to the sea port that would take care of that. That you would need to do that's why I say you look at how the MTA buses are running if you consider discontinuing the Alliance bus.

George Tsunis: Thank you.

Nick Sbordone: Thank you for this public comment. Chairman, thank you.

George Tsunis: Thank you. We're going to hear from our Director of Programming, Craig.

Craig Hudon: Thank you, Mr. Chairman. We're excited to announce the release of our summer programming guide. Hopefully you have one in your packet. The summer life guide features more than 650 programs this May through August meant to engage residents and visitors of all ages. The programs aim to promote well-being, participatory art making for all ages, dance, fitness, yoga, mindfulness, and nutrition programs. The Guide features creative arts events showcasing classical, folk, and contemporary [indiscernible] music, pride celebrations, theatre productions and celebrations of central and west African, Caribbean, Indian, Italian, and Swedish culture. The children's gardening club, bird watching club, marine education, classroom visits, nature walks and go fish festivals reinforce Battery Park City Authority's commitment to nature education and sustainability. New to our [indiscernible] programs this summer are an opera showcase, standup comedy show, pickle brawl and much, much more. And we're especially excited about our great lineup celebrating the 20th Anniversary of our River and Blues Concert Series. Battery Park City's series features four great concerts in July and August, featuring world class blues and American Roots Music Thursday evenings in Wagner Park. So we hope to see you at some of our events.

George Tsunis: You will. Thank you. The bond finance plan update?

Pamela Frederick: Good afternoon. Given the upcoming bond offering which we're targeting for late July, we thought it would be instructive to update the Board on talking about the conditions and our progress to date since launching the bond working group earlier this year. Our senior managing underwriters, Morgan Stanley and Company and their representatives, Grace Chinama [ph] and Cordelia Mendez will provide the overview. Also attending is our co-senior managers, Ramirez & Coe and they're represented today by Ilene Foley. So I think Cordelia is going to go first and give us the market update.

Cordelia Mendez: We're really happy to be here today. I will quickly walk through what market conditions have been as we head into the bond sale. It's really important to think about how the market and investors are receiving municipal demand and what it will look like to the Authority as they approach their sale this summer. So the big story, if you turn to page 2, which has these graphs on it, is that rates are down and so I'm talking about US Treasury rates as well as MMB, which is the Municipal Market Benchmark so it's a benchmark for tax inflates, and almost entirely across the curve they're lower on the year and on the month. The ratios which is the relative value of municipals to treasuries as shown in the bottom chart are our near lows for the year, so that's a very good story. It means that rates are extremely low for municipals versus

BPCA Board Meeting - April 23, 2019

treasuries so you're getting a lot of value in the tax exemption and nearly this entire bond commencing will be done on a tax exempt basis.

So what does this rate story mean for issuers like the Authority? It means that it's a really excellent time to come to the market. The rate technical and supply in demand picture support new issuance, so something that's particularly of note is that there have been 15 consecutive weeks of inflows by bond funds which means that with moderate supply investor demand is very high right now, so every week money is pouring into these bond funds. We hope that streak will continue into the summer when the Authority comes to market. I'd also note that municipal outperformed it, so the ability of municipal rates to be more attractive than treasury rates is especially pronounced at the long end of the curve, which is a good thing because the Authority's final maturity on this bond commencing is expected to reach out to 30 years, so it means you're getting a lot of value going out along with the loan.

We note that there's been a little bit of softness on the frontend in the first few years and that has to do with it being tax time right now and short-term rates SIFMA which are all going to on the next page being up. So you can ask sort of why are we in this grey picture right now when it comes to rates and supply? And that has to do a lot with Fed activity. So at the March meeting, the Fed capped the target rate at 225 to 250 which is what I suspected, but what's sort of even more telling is what the forecast is for the future. The Fed stated that it does not expect to raise rates in 2019 and that it expects just one rate hike in 2020, and the market buys this. This top graph on page 3 shows what market expectations are so it's every day there's a continual tally that's being done on what market participants expect the Fed will do and you can see that 47 percent expect that there will be no Fed movement this year, but over 50 percent of market participants believe that there will be at least one rate hike in 2019, so [indiscernible]. The next meeting is at the end of this month. The results will be based on May 1st, so we'll say that there's no action expected at the next meeting, but I think this puts us in a really good position to price the Authority's bonds this summer.

The bottom half the page has to do with variable rates, so I believe Pam has mentioned to you all a few times that a substantial portion of this bond transaction will be not just fixed rate bonds but variable rate bonds that re-set relative to an index. And so this graph goes through sort of the two major indices of municipal variable rate market which is SIFMA, tax exempt rate and LIBOR a much more popular rate that you all may have heard about. Right now SIFMA is going through tax season increases, so last week it spiked 50 basis points to a 4, so right now it's in a little bit of an elevator ratio of 82 percent of LIBOR, historically that ratio is between 60 and 70 percent, and we expect that by the time the Authority hits the summer bond sale and it's selling products that will likely re-set versus the SIFMA index that that relationship will have normalized by June or July. And so I'll turn it over to Grace and we'll talk a little bit about what we've hit so far in the financing and what we have left going forward.

Grace Chinama: Thank you, Cordelia. So against that very positive market backdrop we're very pleased to report to the Board that we've made quite a bit of progress. And we've hit several milestones. So if you would, this is on page 4, we've outlined this. In terms of the milestones that have been reached by the Financing Team, we have completed a drafting of the legal documents, those will include all of the bond documents, the preliminary offer and statement of

BPCA Board Meeting - April 23, 2019

POS, and the initial draft of the CBRE report. We've selected a swap advisor and also evaluated the swap structures. We've assessed the variable rate liquidity facilities and direct purchase alternatives. In addition, we have evaluated the various variable rate indices that Cordelia mentioned earlier. We've refined the bond sizing cashflows. The major decision points there have been whether we're going to be using a senior or subordinate lien and how much of the transaction will be in fixed versus variable rate form. We've solicited proposals for sustainability designation and received those proposals. We've initiated rating agency assessment process with both Moody's and Fitch. And then we have developed those and drafted the rating agency presentations.

In terms of what is to come, so how do we from this point, and again it's a very favorable backdrop in terms of the market, what does the timeline look like to completion. We have that in the lower part of page 4, so these are the key deliverables and dates going forward. We will finalize the bond and swap structure, all the documents, and receive the sustainability designation. We'll also go through the rating agency presentations and those are scheduled to be held on May 2nd and May 8th. We'll then submit documents to this Board for the May 21st Board meeting, with everything finalized we'll be coming before you again. After we receive, hopefully we'll receive your approval, and signoff will be going to the PACBs, the New York State Public Authorities Control Board. That meeting is scheduled for June 19th. After that, we'll take a week for marketing. That marketing will include the release of the POS, investor presentation, one-on-one calls, an in-person retail broker presentation and the release of the bond link website, so the investor website.

After that, after that week of marketing, we look to price the bonds on June 26th and 27th, the fixed rate bonds, and then to come back to the market on or about July 17th for the variable rate portion and we look to close both on or about July 25th.

Pamela Frederick: Great. Thank you. As Grace had mentioned, it's our intention to bring a full financing plan and the related docs to the Board in May and request approval at that time assuming we stay on the timeline. There's still a fair amount to get done before then. There's a number of pieces that will need completion, not the least of which is the agreement with New York City for the settlement agreement, but we've made substantial progress on that already as well.

Just a couple of things I want to make note from the things that were mentioned. The variable rate products were decided sort of late in the day, so those documents are starting to be generated. We have initiated discussions with Moody's and Fitch to assess our ratings. The Moody's hasn't kicked off yet. We still have contractual work to do for them. In the ratings presentations both Moody's which will be on the 2nd the date for Fitch was changed to the 3rd. But otherwise, I think what Grace has summarized is kind of where we are and still a lot has been done, there is more to do, and hopefully we'll be able to bring this to you guys in May.

George Tsunis: Thank you. Anthony, MWB report?

Anthony Peterson: Good afternoon, Mr. Chairman and Members. For the month of March, BBKA hit a MWB, and once again it's Minority and Women Owned Business Enterprises.

BPCA Board Meeting - April 23, 2019

Utilization rate of just under 64%. I'm afraid to say it out now though, but it is 64%. Just keep in mind though there is one large payment to an MBE which brought the numbers really high. The breakdown is 49% MBE, and 15% WBE.

George Tsunis: [Indiscernible] don't even know how to write it [indiscernible].

Anthony Peterson: And then that's broken down into 49 percent prime paid directly to the MWBE's and then 15 percent sub. Also, we reported on our disabled veterans business owners for the fourth quarter and we hit just under 12%. One good thing is that if you notice spending has went up due to the influx of projects we have going on, resiliency, as well as remediation projects, Pier A, so a lot of projects are happening but they're all meeting their goals and we're doing very well on both the MWBE and SDVOB .

B.J. Jones: And we're in the home stretch with the state fiscal year.

Anthony Peterson: Yeah. The state fiscal year finished. We did report our numbers. We're not allowed to say them publicly until they verify them, so we'll be reporting that in October because they like to roll it out at the MWBE forum in October.

George Tsunis: Thank you very much.

Anthony Peterson: You're welcome. The resiliency update, B.J.

B.J. Jones: Thank you, Mr. Chairman. A couple of things I wanted to mention today. The Authority and Community 1 held the next component of our public input aspect of the South Battery Park City project with a design discussion with the community focused on the Wagner Park portion of that initiative learning more about how people use it and imagine using the parks and we've used that information to incorporate into our ongoing design process. I see a cameo of Catherine McVay Hughes here in the picture, amongst other members of the community. As I mentioned at the last session we had a productive meeting with stakeholders who use the Ball Fields and as a result of the input there are exploring in addition to the path we've been pursuing an analysis of interim measures at the Ball Fields to see how that might compare to the original plan we were pursuing and to see how that might potentially be worthwhile in terms of implementation time and cost while we pursue the North end and resiliency measures.

The North Battery Park City Resiliency contract is in progress and we're continuing our work on pursuing a P3 strategy to see what efficiencies we can gain there. Also, in honor of Earth Day, I did want to mention a few things on the sustainability front. We are continuing to expand our composting program just beyond our offices and a couple of spots we have in the parks where we collect. We're now in partnership with the tenants association and building management at Gateway Plaza. We've expanded our composting operation to that facility to increase our compost intake. We also continued with our now annual trend of Earth Day educational programs that included kids from Battery Park City Day Surgery, PS 276 and PS 226M, story time, composting lessons by our Parks Operation staff, Parks Programming staff and more. It's always a hit with us and the kids. And also hosted a panel improving health of New York City's marine environment which was moderated by Catherine McVay Hughes on April 17th. And we

BPCA Board Meeting - April 23, 2019

launched our in-house zero waste program on Earth Day over a hundred staff have taken the pledge to reduce, reuse, and recycle and as part of this effort a cross functional team has been analyzing our waste and our composting and our practices and forming a baseline that we can measure against as we continue with these initiatives over the next 12 months in pursuit of true certification, which is a program that rates organizations on how they execute waste reduction. Some of the measures are in your memo there. And we're just getting started. There's more on the horizon in terms of compost rollout and waste reduction in the months ahead that you'll be hearing soon, and after this meeting we invite the Board to also pledge to reduce waste and if you do we'll give you your own success kit. [Laughter] "ix- nay on the ottles bay". Yeah. And see, that's how we see it as. So some more of that soon. And I did want to say in regards to the zero waste program, this has really been a grass roots effort kind of designed by Staff Force staff and the cross functional team that has led the way as compromised of Anastacia Gonzalez, Evelyn Gregg, Jasmine Johnson, Mariel Ortiz, Holly Ross, Sara Smedley, Lynn Super, Eric White, and they have done a lot to make the business case and develop the plan and then they have been going on the road educating all of our staff and I think that's why we have the great turnout that we did. It certainly helps to have Bruno's leadership and Ryan Torres' leadership too on that front, so thank you.

George Tsunis: Thank you very much.

Catherine McVay Hughes: And I was really happy with [indiscernible] that, and then also extending your composing to Gateway Plaza it will be interesting to find out how many pounds you'll be able to divert from the landfill as well because that will have significant impact on the greenhouse gas emissions.

B.J. Jones: Then we'll be able to build on that with other buildings too.

Catherine McVay Hughes: Very impressed with that.

George Tsunis: Excellent. We have a couple of items for corporate action. Gwen?

Gwen Dawson: Thank you, Chairman. The first item is something that we have talked about before. A couple of months ago, the Board approved a contract for a construction manager for the Phase 6 2019 Pile Remediation Program. The esplanade of Battery Park City rests on a relieving platform which is supported by 3100 total concrete piles. We initiated a program in 2007 to perform certain remediation steps on these piles, to wrap them in fiberglass, to make sure that their lives could be extended. We are told up to an additional 30 to 50 years. So this is our sixth phase of that multi-year program. This work needs to be done during certain months of the year. The state or environmental regulations prohibit this work, and water work from being done between November and May so we had to perform the work between May 1st and October 31st. This year we are proposing to include 561 piles in three different locations along the esplanade. We issued an RFP in March. We received five responses, five proposals. After an initial evaluation the two top spring proposers were interviewed and after the interviews the evaluation committee rated Walker Diving Underwater Construction as the highest rated proposer. The proposers that propose on these projects are all fairly known quantity. There is a very limited universe of marine contractors that are capable of doing this kind of work in Manhattan. So

BPCA Board Meeting - April 23, 2019

there was a high degree of confidence in especially the top two scoring proposers' ability to do the work. We noted that the other, the second highest rated proposer, Phoenix, had a slightly lower cost and it's slightly in terms of total percentages, about 2 percent less than Walker's cost, but the evaluation committee did note that Walker provided some additional assurances and some additional level of comfort for them, number one. The last phase of work that we did generated a fair number of noise complaints because of the way that the barges were secured. The barges have to stay put once they're there for, until they finish the work in that area because the way that they were lowered involves spuds which are metal rods in a metal sleeve that allow the barges to float up and down with the tides. As that happened it generates a lot of clanking, which disturbs people when they're trying to sleep at night.

So this year we've specifically asked the contractors to give us some proposals for how that noise might be controlled. Walker demonstrated a better solution for that problem, we think will be a great improvement for the noise issues. And we also felt that Walker seemed a little more comfortable with the schedule of getting all of this work done in a proper sequence between the start time and the end time that is allowed by the state regulations. Consequently, we are suggesting that the Authority enter into a contract, a 12-month contract with Walker in the total amount of \$9,799,430.

George Tsunis: Okay. There's a question.

Kendall: There seems to be some significant variation in the cost.

Gwen Dawson: We find that a lot of it depends on what their subs cost them, again, there are a limited number of contractors, a limited number of diving subcontractors that are available for this kind of work in Manhattan. Their methodologies are different. And we've seen with a couple of these that have shown the higher cost, those particular contractors for some reason have been submitting higher cost proposals. I'm not sure if it has something to do with their internal business model or what, but it's been a little bit of a trend we've seen with these contractors.

Kendall: I guess I understand it, but I'm looking at some of these are three times that amount. I mean I can understand some variation, but when it's three times that would signal that either they don't understand or something else because you know you could up by 10, 15 percent but one of these is almost three times lower.

Gwen Dawson: Well, yeah, but there is also one that we consider to be low in that that probably did indicate that there was not an adequate understanding of the project for them to be as low as they were. The ones that are higher, again, they're familiar with this site, they're familiar with the work. As a matter of fact, one of them has done a couple of our prior phases for us. So it is, I'll let Ken Windman who's our project manager for the project respond as well. I don't think it's a lack of familiarity.

Ken Windman: of the two high firms, one of them did work for us. So in the construction world, if people are busy and they might not want the job they just throw a high number and

BPCA Board Meeting - April 23, 2019

there aren't that many bids and they win they hit the homerun if they don't get the job they're so busy they don't want it anyway. That's some philosophy in the construction world.

Gwen Dawson: Let me also add that the cost of the two highest rated firms are very consistent with an on a per pile basis with what we've paid in the past, very close. It's about \$16,000 per pile. I think the last time we did a project we paid \$17,000 per pile, but it was a smaller project. So we felt that was probably the right cost range there. If we had not gotten a couple of proposals in that price range and we were looking at the ones that are high and the ones that were low we would have probably wanted to go back and take a deeper dive with those other proposers to see why they proposed at those price ranges, but because we had the two highest rated firms were in the cost range that we felt was reasonable for the project we didn't do that.

Martha Gallo: So this is the sixth part of the project. Who did the other five?

Gwen Dawson: We did let's see, D'Onofrio did three of them.

Ken Windman: D'Onofrio did phase 1 and phase 2 in '07 and '09, They did phase 3 in '13 and '14 and Phoenix did phase 5 in '17.

Martha Gallo: So Walker has not --

Gwen Dawson: They have worked on the prior projects as a subcontractor, but not as a prime.

George Tsunis: Were you satisfied with Phoenix's work in 2017?

Gwen Dawson: Yes.

Catherine McVay Hughes: And Walker was the subcontractor to Phoenix or the other one?

Gwen Dawson: Phoenix and Denarfrio, right?

Ken Windman: Both.

Catherine McVay Hughes: Oh, he was a subcontractor to both of them?

Anthony Peterson: If I could jump in. Just understand Walker is SDVOB so recently they had an influx because of the 6 percent goal. Now everyone's using them so now they're large enough to prime the project themselves. But they've been on the project since the beginning.

Martha Gallo: Okay. Understand. Thank you.

George Tsunis: Then I'll make the motion.

Catherine McVay Hughes: I'll second it.

George Tsunis: All in favor?

BPCA Board Meeting - April 23, 2019

Members: Aye.

George Tsunis: Unanimous. Gwen, the next one, please.

Gwen Dawson: This is a very simple one. We simply need an approval for an extension of the contract. This contract with Paul J. Scariano was entered into 2016 for the police memorial vault project. That project was completed last year. However, in the course of closing out the contract there was a single change order that had not been processed that needed to be processed. That happens sometimes when a contractor over the course of the project will submit change or proposals, some will be accepted, some will be rejected, some others there will be some ongoing conversations about because there is some exchange of scopes of work that's not clear whether it should justify an additional cost or not. That's what happened with this one. There was a change order that was necessitated by Con Edison in that the electrical feed into the project was to be relocated, however, Con Edison would not lengthen its feeder cables and so we had to come up with a different approach to getting those lines into the project, into another location within the project. So there's a \$17,295 change order that needs to be executed. However, it requires an extension of time for that to occur and because it's more than a year from the date that was originally approved by the Board it requires Board approval so we're simply asking that the Board, that the contract be extended through May 31, 2019 in order to be able to execute this change order.

George Tsunis: Any questions? May I have a motion?

Gallo: So moved.

Kendall: Second.

George Tsunis: Unanimous.

B.J. Jones: Mr. Chairman, before we go into executive session, I just want to give a shout out to Alexis Torres, our Chief of Staff who is the maestro behind the scenes for all of the Earth Day accomplishments that I just mentioned. She really works with the schools as well as the staff in making these things happen and does so every year, so thank you.

George Tsunis: Thank you, Alexis. I need a motion to conduct executive session to discuss negotiations related to the lease of real property, the publicity of which could substantially affects the value of the relevant properties. Do I hear such a motion?

Kendall: So moved

McVay Hughes: Second.

George Tsunis: All in favor?

Members: Aye.

George Tsunis: Unanimous. Thank you, everyone.

BPCA Board Meeting - April 23, 2019

Executive Session

George Tsunis: I'd like a motion to exit executive session.

Gallo: So moved.

Kendall: Second.

George Tsunis: All in favor?

Members: Aye.

George Tsunis: Unanimous. And I'd like a motion to go back into regular session.

Members: So moved. Second.

George Tsunis: All in favor?

Members: Aye.

George Tsunis: Okay. Unanimous. And I'd like a motion to conclude our meeting today.

Gallo: So moved.

McVay Hughes: Second.

George Tsunis: Unanimous. Thank you.