

October 29, 2019
BPCA Board Meeting

George Tsunis: Let me call to order the meeting of the Hugh L. Carey Battery Park City Authority October 29, 2019 meeting. Does anyone have any questions on the September 24, 2019 **Minutes**? Hearing none, can I have a motion to --

Member: [Indiscernible].

George Tsunis: Thank you. And you got me, Abby reminds me that those are not things that we have to vote on, so I'm going to remember that a minute after I did it. **Public comment**, Nicholas?

Nicholas Sbordone: Good afternoon, everyone. Nick Sbordone, Battery Park City Authority. We have a slate of public speakers today beginning with Battery Park City resident and this is the Senior LEEDer, Ann Scharnberg [ph].

Ann Scharnberg: I'm here to request you to enforce a posting of street addresses on commercial businesses. Almost none of the commercial businesses on South End Avenue, which is where I live, have a street address on it, and that includes Chase, it includes everything. They do not have street addresses. It's a New York City law that you have to post this. So I'm asking you to do what you can to enforce it. This noncompliance is inconvenient to the residents and to visitors, but it's also dangerous. This past spring when Arlene Kalfus was hit by a bus, it's possible that you know the response time as we all know is very slow, and it's possible that the response time could have been faster if the person who was calling it in could have given them an address for Chase or for Gristede's, or for some other building that was there on that street. Not just saying the name of something. A lack of street numbers also makes it difficult to order car services such as Access Ride and other transportation.

As one example, the problem arose was because of the soccer, the soccer ticker tape parade when we closed all the streets and so there wasn't ample, there wasn't any real warning that the South End Avenue was going to be closed. Well, I had made a doctor's appointment two days in advance with Access Ride to take me to my eye doctor. Well, then I saw on New York 1 that South End Avenue was going to be closed. So I walked out at 8:00, 9:00 in the morning to see what was closed and what was open, and so it turned out that north of Albany Street was open. So a little bit for somebody to turn around and go in. Well, I wanted to tell Access Ride where to pick me up, and so they could have picked me up on any place on South End Avenue if I had a street address for it but I didn't. So therefore, I ended up having to cancel the Access Ride and I went out early in the morning because you have to let them know two hours before you know the pick up if you know you're not going to take it or else you get dinged for it. And then I had to cancel my doctor's appointment that had taken me -- I had to wait two months to get. So that's just one example of how inconvenient this is when nobody has a street address on their building.

You know, Nick looked up the law for me and he can give you that information as to the public law. Thank you.

Nicholas Sbordone: Yes, thank you Ann and we will follow up both with the [Indiscernible] President's office, and with the appropriate agencies in the city. For those who may be interested, you can file these complaints through 3-1-1 generally, no different between Battery Park City and anywhere else, and it is enforced by what I believe is the Department of Housing Preservation and Development for Residential Buildings. So get in touch with the New Manhattan Borough President's Office.

Ann Scharnberg: But this isn't for residential buildings.

Nicholas Sbordone: And businesses as well. 3-1-1 is the place to file the complaints and we'll make sure that those get over there.

Okay. Next we have reporter, Ben Dilly [ph] who is not here I believe. We can scratch that. Okay. Mr. Bob Schneck [ph] regarding the Rector Street Bridge.

Bob Schneck: Hello. I would like to start by saying that I am very proud to be a resident of Battery Park City and I have been absolutely impressed by the quality of work that this ablest operation has done and I want to particularly thank B.J. for making something that's really community responsive in the best spirit possible. And so for those of you who have been watching, I've been struggling a little bit to try to preserve the Rector Street Bridge. And for a year and-a-half I tried to get that onto the Community Board agenda but I failed. And so I did some surveys to try and learn about what people really think because the only way you find out the value of something is by asking them. And so I've done surveys and counted people crossing the bridge. I know now that 200 on an average August day in the afternoon, we have about 214 people an hour kind of crossing. I also learned that of all of the people crossing I think 60 % of them are residents, and about 35-40 % are workers. Of those, none of them, only 30-something % knew that the bridge might come down and of the people when you ask them you could point at the new bridge and say, "Would you use that one?" They say, "No." "Do you think this one crossing at Albany is dangerous?" And they'd say, "Sure, but I'm going to do that." And so I imagine someone at 3:00 in the morning who's a worker who has to walk two blocks out of their way in one direction and then come back the new bridge, as expensive as it is, is very inconvenient for people who live here in fact.

And so it happened that I have collected a few things I think that are material, one is we have 1800 signatures by residents who think that they want to keep the bridge. I could double it if I -- I was just told by public officials that 1800 is impressive enough. And so if I -- but if I actually stood in the stream of people that cross as commuters every day the, of course everyone knows here, that Rector Street lines up and one of our blessings is that Rector Street lines up with almost every possible subway in the city and so lots of people use it. Plus it connects Battery Park City with the financial district and we have on both ends of it ferries that people can take pretty much anywhere in the City.

So the other thing is we have a letter from Margaret Chin and what we're asking for is that instead of the bridge coming down in the next week or two, or three weeks or two months, we would like to have a period of public engagement where you don't take my word for the fact that people care about this, but I actually find out what people do, go through a formal kind of debriefing of what the community really wants. So thank you all for your attention.

George Tsunis: Thank you for coming by and sharing your thoughts.

Bob Schneck: Where do I put this?

Nicholas Sbordone: I'll take it Bob.

Bob Schneck: Okay. Thank you.

Nicholas Sbordone: Okay. Next we have another BPC resident, BPC senior Maryanne Braverman.

George Tsunis: Hi Maryanne.

Maryanne Braverman: Hello. I'm here to talk about a topic on your agenda which is the South Route 9A medians, maintaining them. I just want to point out that there is a median, small area when you are crossing near, not using the bridge, the new bridge, but if you actually cross the street there at the tunnel entrance to the left is where the bridge is being installed and that will get new plantings. But to the right is a kind of lonely zone that has trees that are mostly alive but could use maybe a little more attention. But once upon a time that also had roses and bloomed just the way it blooms up north near the business buildings and opposite the World Trade Center area and Memorial. And it would just be nice, I know that it's being looked at as to how to get permission to improve that area and then who would take responsibility, but I just want to say that I'm very supportive of you getting that under your control if it fits with maintaining the rest of the zone rather than John Doe people coming in and pulling out weeds once in a while, or however that does get done because I've seen them, not sure if they do there or other spots. So just I don't want that spot to be out of consideration as we go ahead. Thank you all.

George Tsunis: Thank you.

Nicholas Sbordone: Thank you, Maryanne. Our final commentator for the day should be Justine Cuccia.

Justine Cuccia: Thank you, Nick for squeezing me in.

Nicholas Sbordone: Of course.

Justine Cuccia: Hi, good afternoon, my name is Justine Cuccia, and I'm the cofounder of Democracy 4 Battery Park City, which is a grassroots organization that is turning its attention to advocate in Battery Park City for affordability and sustainability here. We believe that an important first step in restoring affordability to our community is to agree on an upper limit for annual Battery Park City Authority revenue. And we believe that a reasonable level to be set is a threshold of \$300 million annual collection. In fiscal year 2017 the BPCA reported that it had collected \$295 million in total revenues from various income streams, such as ground rent, PILOT, and civic facilities fees. The premise here kind of sounds heretical to governmental officials whose job it is to maximize income, but at Democracy 4 BPC, we believe that there is actually no such thing as too much revenue. I'm sorry, we believe that there is such a thing as

too much revenue. Sorry about that. If the BPC could at some point in the future extract half a billion dollars a year from residents and businesses here, should it? How about a full billion from the people who live here and create jobs here. Should they take it? Democracy 4 BPC says, no. At some point, as revenue collection approaches confiscatory levels nobody would consent to reside in or doing business here and the community would become a ghost town. Long before that point, the neighborhood would be reduced to a segregated population of very wealthy residents and very rich corporations which would be a very different, but also shameful kind of failure. Democracy 4 BPC believes the conversation needs to start now about how much money is siphoned away from this community and how much is enough. And the consensus needs to begin forming now that anything more than that amount is too much. Our proposal is to cap the Battery Park City Revenue at \$300 million in fiscal year 2020. Democracy 4 BPC understands that this is a decision that involves more than just you all. It'll involve the Mayor and the Comptroller as well as BPCA and the Governor. We're calling on all these folks, as well as all of our elected officials to address our assertion that \$300 million is enough because time's limited I'm stopping there but I'm going to ask to come before you again at future meetings and talk about more -- and I'd like to meet with you more and talk about more how we can make this happen.

George Tsunis: Thank you for your comments. You're always welcome to come every meeting and if you want a meeting just call Alexis and we'll schedule one.

Justine Cuccia: Thank you. And B.J., just for a minute, he's been very willing and open to have the discussion, and I know that it's more than just this Board and I guess I want to say publicly that I want the Mayor and I want the Comptroller and the Governor to listen. \$300 million's enough. And that's my point.

George Tsunis: Thank you.

Justine Cuccia: Thank you so much for your time.

Nicholas Sbordone: That will conclude public comment, Mr. Chairman. Thank you.

George Tsunis: Thank you. **MWBE report.**

Jahmeliah Nathan: Good afternoon, Mr. Chairman and Members of the Board. For the month of September 2019, 31.68%, or approximately \$780,000 of the Authority's total qualifying expenditures of approximately \$2.5 million was paid to MWBEs. Of that total amount, \$17.98% was paid to MBEs, and 13.71 % was paid to WBEs. 21.49 % of the total qualifying expenditures was paid directly to MWBEs as prime contractors, and 10.2 % was paid to MWBEs as subcontractors. Thank you.

George Tsunis: Thank you very much. **Audit and Finance Committee report.**

Anthony Kendall: Didn't know we were doing a report.

George Tsunis: Our CFO is --

Pamela Frederick: I'm more than happy to report for you. So the Audit and Finance Committee met earlier today. All members were present. We, in addition to approving the January 15, 2019 Minutes we also had present our auditors Marks Paneth who reviewed the pre-audit presentation. We walked through that with the Audit Committee and that review was completed. We also reviewed our plan for the April 2020 statement. We're going to revisit that at our January meeting but we did receive authorization from the committee to post our April 2019 statements to the Authority's website. We also had an initial discussion about some of our thinking in the direction of the lease accounting and invoicing software, what we've seen so far and they've given us a few questions to follow up on which will work with our COO, Eric Munson, and Crowe who is our internal auditors just to review those points. And then we'll report back to the committee either prior to or at the January meeting with results.

Lester Petracca: One of the things that came up as related to the software is how nice it would be to have an asset manager on board with the implementation of that software that they would he or she would know it from the ground up and participate in its establishment. So I don't know where we are with that. If I can lend any help in that regard, B.J. or Eric, I'm very happy to, I think I'm talking to the right people, right?

Pamela Frederick: Yes.

Lester Petracca: Okay. I'm happy to because I do as you guys know feel very strongly about an asset manager.

Pamela Frederick: And the final point that was raised, our next meeting will be at the January 2020 Board meeting. Just prior to that we usually try to have the committee meetings at 12:30, and so we will plan to have our next meeting then. Prior to that we'll be reviewing our fiscal year end October 2019 statements and we'll seek input prior to that meeting. And that was it.

George Tsunis: Thank you, Pamela. The **resiliency update**.

B.J. Jones: Thank you, Mr. Chairman. I think a salient point to mention today, as Catherine had mentioned earlier, is that it is the anniversary of Hurricane Sandy, and so it's appropriate that we are talking about our continued resiliency progress over the past year, which I'll also talk a little bit more about in the FY20 budget presentation. On the ballfields resiliency project we continue to move ahead and are in the home stretch on the design and engineering component of that project. We had a very constructive community meeting regarding that topic on September 26 and the design for the ballfield resiliency project was very well received. We've updated our scope and budget estimate based on the more complete design and have submitted that to the City for their review and hopeful approval for inclusion in our capital plan and we'll keep you posted on that.

On the South Battery Park City front, Gwen will talk a little bit more about some news there with one of the action items that's forthcoming. We have submitted a preliminary design to the public, a design commission and have received some encouraging feedback and have been working closely with the City Parks Department and the Historic Battery and Battery Conservancy on that end. We received the 30% Design Documents for the initiative and Gwen and team also presented to the Community Board's Environmental Committee early in October.

We're planning the next open community meeting for this project in early December. We'll be going over some more detailed designs.

As I think I had mentioned at the last meeting, we have kicked off the third of our four resiliency projects and North Battery Park City initiative is now well underway. We had our kickoff meeting with the community stakeholders on October 1st, where we reviewed potential protective alignments and that meeting also was a productive one and are continuing our work on that front teeing up our next presentation for early February, if not sooner.

And then on the sustainability front, it's worth mentioning that we have now officially kicked off our ambitious sustainability plan project that the Board approved at the last meeting to help us develop a roadmap to become carbon neutral and help buildings and other stakeholders in Battery Park City do the same. We also had a very active Climate Week right after the Board meeting with a number of presentations, including Assistant Vice President of Parks Operations, Ryan Torres, who's sitting behind me who presented at the Green New York Forum and I presented a Climate Week Symposium on our resiliency efforts.

I'll talk a little bit more about resiliency and our strategic plan in the FY20 item. We're also putting the finishing touches on an assessment of whether or not we can avail ourselves of any innovative procurement mechanisms to help accelerate the two or more of the resiliency initiatives, and so we will be asking Catherine to convene a meeting of the resiliency working group to go over those soon and make some decisions. Thank you.

Catherine McVay Hughes: Can I ask two questions, please?

B.J. Jones: Yes.

Catherine McVay Hughes: I don't know if it's addressed to you or to Gwen.

B.J. Jones: Probably Gwen.

Catherine McVay Hughes: Okay. So first of all, so I think a lot of folks are looking at the depth, like to design elevation flood line, and so there was a report that was recently issued that the Borough President had paid for the East Side Coastal Resiliency Plan and this expert, technical expert suggested that in the 16.5 feet needs to be raised another 2 to 3 feet, so I just wanted to make sure that what the Battery Park City will be planning to do will be adequate as well.

Gwen Dawson: We've set our design foot elevation not at a specific height but to address a 100-year storm in the year 2050. That's the design criteria that we've established. That being said, that means that the actual design foot elevation depending on coastal modeling, depending on where you're talking about the intervention occurring, it may be higher than the 16.5 feet and in some cases in the South we already know it's higher around Pier A and Wagner Park. But certainly being also aware and cognizant that we're making our best guess with the projections that have been provided which may be right and which may not be, we want to make sure that whatever it is that we're doing is flexible and can accommodate adjustments so that if we determine that we need it to be higher at some point there is the capability of adding something onto the interventions that we're designing right now. And certainly I think that's going to be

important for all the resiliency projects because we'll have to adjust, we're going to have to adapt and adjust these measures over time. So that's the way that we're approaching it.

Catherine McVay Hughes: And the second question is, I think everybody around here knows that the U.S. Army Corp is doing a study on [indiscernible]. We don't know what will be concluded. We don't know what's going to come out of their options from doing nothing to possibly a storm system sea gate, just do a couple of seawalls around the one thousand plus miles of waterfront here. And if there isn't something in the harbor to address the storm surge so people may not remember but there was 10-30 foot waves out in the harbor during Super Storm Sandy, and the current scenarios to the proposed 46 high sea gate to address these surges. And clearly there's a range of questions that need to be answered, what if that sea gate system doesn't come out the other end and we don't know if it will then we're exposed on the storm surge as well. So I just wanted to let people know that just because the U.S. Army Corp is studying something it doesn't mean that a sea gate system will be built.

Martha Gallo: How visible is that work to the Governor and the Mayor and the President, etc.? Is it on people's radar screens or is --

Gwen Dawson: I believe it is. Nick, you're familiar with [indiscernible].

Martha Gallo: When's it supposed to come out with recommendations? Do we know?

Catherine McVay Hughes: It's a very lengthy process and there was a panel on this up at Columbia University in October '17 with a representative from the U.S. Army Corp, and moderated by Michael Jarrard from their law school and different people on that spectrum and Columbia University, or a scientist. It was an amazing panel. The timeline if you think the BPCA timelines are complicated it is very complicated and very confusing. So we're in the middle of this timeline and they're about to narrow down the selection criteria in 2020. And so we don't know. And then when they narrow it down the couple that they will look at we don't know what will be chosen at the other end but they're going to be going into more detail. So that means that they [indiscernible] --

B.J. Jones: [Indiscernible].

Catherine McVay Hughes: -- communities that will be in and will not be in on both the New York and the New Jersey side.

Gwen Dawson: And just to be clear, we are designing the Battery Park City Resiliency Projects to withstand storm surge. The storm surge, rainwater events, or sea level rise that's all being taken into account. Certainly the harbor gate would provide an additional layer of protection that would be certainly important for the entire region not just for us. We recognize that.

Martha Gallo: B.J., can I just ask the question on the how we get from here to there? I know I sound a bit like a broken record, but we had been looking at temporary bollards or some kind of flotation whatever if we end up with a superstorm, you know, Sandy 2 next month. What situation are we in here?

B.J. Jones: Well what we did to address that is where those temporary -- the place where those temporary measures would be affected is at the ballfields which is the lowest lying area that got wiped out, in addition to flood proofing Pier A when we had to redo that after the storm. And so we did get the temporary measures placed around the ballfields for hurricane season this year to protect that and the ballfields, and now have those.

Gwen Dawson: And we can deploy those as well --

B.J. Jones: In other places too. Yeah.

Gwen Dawson: -- that's one of the things of the muscle walls is that we can use them in a number of different locations should we need to.

Catherine McVay Hughes: And I also just want to stress, the insurance sector when Battery Park City Authority goes out for a bid it tends to only be for a one-year cycle. Notice even that folks on the other side don't make a two-year insurance policy or a three-year insurance policy. So I think what we're doing here is really important and I just want to make sure we're on track, on time and we get this done sooner rather than later because it will be reflected in the insurance premiums that the BPCA will have to pay.

B.J. Jones: Right.

George Tsunis: Are there any other questions? Thank you Catherine. Corporate action. Are there any questions on the **budget** for fiscal year ending October 31st, 2020?

B.J. Jones: Can I do my presentation? Please? I worked very hard --

George Tsunis: Oh wow, on the resiliency. I thought Catherine did it.

B.J. Jones: On the approval of the budget I have a long, very long Power Point presentation that I want to give you all.

Les Petracca: Then no.

George Tsunis: B.J., if you describe it that way, no, we're not going to let you do this.

B.J. Jones: Does the cover slide not make you want to know more?

George Tsunis: No, I'm sorry I did not see that on my calendar. But I do want to learn more.

B.J. Jones: I'll move through the slides quickly but before asking the Board's approval for our FY20, time flies when you're having fun, operating in capital budget, like last year I wanted to go through some of the highlights that I think marked a productive year this team has had, go over the highlights of the strategic plan that is in the home stretch. And then conclude with a quick summary of how Fiscal Year 19 has shaped up and what we are estimating for Fiscal Year 20. So come along with me.

Okay. So just a quick, a relatively quick synopsis of the year in review. This slide may look familiar to you. I presented it to the Board last year when we were talking about what we were going to do, try to jumpstart in 2019 to accelerate our efforts on a number of fronts. And I'm pleased to say that this team has really come together to make a significant amount of progress and has been working really hard from kicking off three resiliency projects to finalizing a capital plan and having a new successful financing, enhancing security, and improving internal operations. To talk about some of the highlights, in pictures here is a summary of the resiliency projects underway, the upper left-hand corner is an indicator of the South Battery Park City design work that's going on. On the upper right-hand side you can see our initial take with the purple lines of where the potential resiliency alignment will be on the north end of Battery Park City. On the left-hand side at the bottom are the temporary barriers that we have installed for hurricane season this year and now have in our possession, as Gwen mentioned for other point protections. And then the new ballfields resiliency design that will afford us more protection at the ballfields.

On the non-resiliency front, we launched our Special Patrol Officer Program. You can see a couple of our officers who were presented by the NYPD this past year with enforcement powers with Borough President Brewer and Councilmember Chin and the Downtown Alliance we launched Fresh Food for Seniors Program, which Bob and some others have helped volunteer to do in our new community room at 200 Rector. We launched Dog Waste Composting this year, which has been very exciting. Who would have thought? And we have had I think 13 community meetings to date on our resiliency efforts as we add to our project portfolio there getting input and providing updates and so you can see one of the earlier ones from this past year.

On the capital project side, we've been busy, completed an overhaul of the Tribeca Bridge. You can see that on the upper left-hand corner. On the upper right-hand corner we restored the PS89 playground and on the lower left-hand side is the restoration of the South Cove Jetty. And on the right-hand side you can see our gut rehab of Rockefeller Park that is currently underway and will finish later this year. There are other capital projects like Pile Remediation and our curtain wall restoration that's going on and water but I couldn't convince Nick to go into the Hudson River to take pictures of those initiatives. He's game for almost anything.

And on the programming front too, we've had over 1300 programs mostly free this past year and this just highlights a few of them from figure drawing to our new migration celebration in South Cove, and we focus on native plants and species in Battery Park City. On the lower left-hand side our first partnership with the Flea Theater for some thought provoking entertainment. And the continuation of our River & Blues series on the lower right side.

It's been a big year for us and those are some of the highlights but we've accomplished a lot of projects large and small that I think have made a good impact in many ways from you know, even smaller things like helping to premier the rescue Holocaust related documentary at the Museum of Jewish Heritage, upgrading our financial system, and our stone masons and Parks Operations team building a giant chess board in Rockefeller Park for kids. So a lot that has run the gamut which is a credit to the team here.

And so now you know we've been feeling like we are better positioned now to think a little bit further into the future of Battery Park City and that's where this overdue strategic planning has come into place, which our Chief Operating Officer has been spearheading in partnership with a hundred resilient cities which we thought made sense because of our focus on resilience not just from a flood protection perspective but in weathering shocks and stresses and laying a stronger foundation for Battery Park City to thrive.

And so we embarked on this effort to kind of identify the challenges that we wanted to address, but also the strengths that we wanted to build on and to get alignment with the Board, the staff, our community members, residents, commercial entities and so on and frankly to memorialize a lot of the work that has already taken place, particularly in the past year when it comes to resiliency and affordability and sustainability to really bake that in formally to inform what's ahead.

We started the project with a preliminary resilience assessment and that took into account feedback from all of our community meetings, our townhall meetings over the past couple of years. We also interviewed staff and residents and businesses and political representatives, and online surveys, focus groups, and a public workshop. And through that identified you know four key areas that we wanted to address that presented to me in a universal themes around quality of life concerns, economic concerns, safety and security concerns, and environmental concerns. And so that has crystalized into four main themes for our resiliency plan, and inclusive community, a safe and climate resilient place, vibrant public space, and Leadership for the future. I'll talk about each of those very briefly because there's more to come as we complete the more detailed strategic plan.

An inclusive community is where we're talking about addressing concerns around affordability and certainty looking at whether there's more tools we can add to our toolkit to address these areas, looking at the businesses that are here, and if there are more needs that can be satisfied, and making our streetscape and public spaces more accessible and enjoyable to all of its users.

On the safe and climate resilient place, this really centers on a lot that has also been the focus this past year of this Board, our resiliency projects of course, but also we're going to be working very hard over the next year on our sustainability plan to align with Governor Cuomo's green new deal and help building owners here too and other stakeholders here meet ever more stringent requirements with regards to energy efficiency. And then also when we think about safety here we don't just think about severe storm but we think about emergency preparedness, and coordinating with the community better on that front and continuing our relationship with NYPD in that regard too.

In regards to building on our strengths I think that is really shown here in the vibrant public space theme area where we want to continue our efforts with regards to dynamic and diverse programming, continue to steward our world class public spaces with even more intentionality and forward thinking design and quality and craftsmanship and that's not just from a horticulture perspective that's taking into account the plumbers and electricians and carpenters and stone masons that work in Battery Park City too on our public spaces.

And then we also want to honor our legacy of public art and continue on that front while also finding new ways to support the important cultural institutions that are here including the Museum of Jewish Heritage, Poets House and the Skyscraper Museum and find new ways to highlight them and promote them, and strengthen them.

And then finally, you know, keeping in mind that at the end of the day we have a fiduciary responsibility and we're public stewards, we have this last bucket that we're calling Leadership for the future and this builds on what we've been trying to do this past year to really mobilize our organization and accelerate our efforts on a number of fronts but we also want to continue to build on another strength which is our diversity efforts with regards to procurements in our MWBE utilization and now veteran-owned business utilization as well. When it comes to resiliency and sustainability we want to LEED by example and have that embedded within our own internal operations. And we want to strengthen our collaboration with all stakeholders in Battery Park City. And you know, one of the key things here that we heard is how can we further kind of clarify our role as a public entity here where there are a lot of jurisdictions overlapping. And so we want to provide more clarity to that but also coordinate more effectively with all of the entities that have a stake here.

And then finally, being mindful of our fiduciary responsibility. We want to be thoughtful in all the decisions we make and mindful of our financial obligations to the City and State as well.

And so that is a good segue kind of thinking about where we're headed in the next 3 to 5 years to bring it back to just the next 12 months and talk a little bit about our fiscal year budget. So I'm bringing it home now.

Martha Gallo: B.J. before you go on, really need to thank you and the whole team --

B.J. Jones: Yeah. It's been a --

Martha Gallo: -- for what has been accomplished this year.

B.J. Jones: Thank you. You know, it's hard to believe that this really is the first strategic plan that Battery Park City Authority has had, and it's been an exciting initiative for all of us and I think that, you know, when I presented the highlights of this at the Community Board you know I think what they found and we found too is that there really aren't a lot of surprises here because we have them listening, we have them thinking about this now for over a year with this Board and this team here and I think this just helps to showcase that and get them on the record in a clearer way. Thanks, Martha.

Okay. So let's talk about the budget briefly. This slide speaks to revenues. The left bar was what we had estimated for Fiscal Year 19 in terms of receipts. The middle bar are the actual receipts as of today. And FY20 what we are anticipating for the coming Fiscal Year. For FY19 total receipts actually came in at approximately \$316.6 million, which is above what was projected. Justine, I'll make these slides available to you at our next meeting. And we had the FY19 slides out at my last meeting with her.

We actually expect revenue to increase in FY20 to approximately \$325 million, and of course that is primarily composed of \$320 million from primarily our sublease revenues and some of that is attributed to the continual phase out of PILOT abatements, for example, some increased retail revenue.

And how that breaks out on the sublease revenue side is it's about an even split between residential and the other properties here, commercial and hotels, a few that fit into that other bucket so you can see that in the chart on the left. And then on the right kind of building on what we showed on the prior slide commercial revenues going up a little bit by 4% we anticipate, and residential anticipate by about 11%. Again, we think that the scheduled PILOT abatement burn offs aren't informing that. And then we expect the other properties to hold steady.

On the expenditure side, we again the left bar is Fiscal Year 19 as was budgeted last year at this time. The middle bar is the actual and the proposed is on the right-hand side for FY20. Total expenditures for FY19 were approximately \$121 million. We came in at just about our operating budget about \$29.2 million this past year. Debt service in FY19 was \$83.7 million for bond funding requirements to pay debt service and swap payments and a new margin rate fee and we have our public authorities law a little piece that goes to New York State, the State Cost Recovery Fee and that was about \$7.9 million this year. In FY20, we actually are expecting that overall expenditures are going to decrease a little bit to about \$113 million total. That is in spite of a proposed increase to our operating budget to \$31.8 million and the reason for that change is actually our debt service will be lower at \$72 million largely due to reducing our outstanding bond amount. Our bond costs are lower thanks to Pam Frederick with lower interest rates and credit spreads and no margin rate fee this year.

Pamela Frederick: [Indiscernible].

B.J. Jones: Yes. And we've estimated with input from the State that the fee that State Cost Recovery Fee will be about \$113 million. And I just wanted to highlight in the operating budget, even though you know kind of carrying forward with our ongoing activities there are a few targeted investments that we are adding into the budget that are reflected here. The biggest piece is the sustainability plan, new green guidelines and the associated implementation plan and that's the \$1.3 million project that we just kicked off that we're very excited about, the Governor's office and the City are very excited about as well, that is to be contribute to a 10-year horizon. So we don't expect that -- we expect this to be a one-time investment.

We are also continuing as Lester was speaking to a little bit, our efforts to bolster our asset management here and so we're going to do a, we're going to comb through, do a legal review of our ground leases to comb through and make sure we have all of the requirements clear and we're going to configure the new asset management software this year that will help a number of aspects of that operation which we're excited about.

In FY19 we did make a few staffing changes to address some of our immediate needs. We added a revenue accountant, a special counsel, and converted a real property administrative line to a capital projects manager so we're carrying those forward in FY20. This also includes a request for an additional, a new line that we'd like to fill for a projects manager given that we expect several of our capital projects to transition in the construction phase. And we'll need

more attention there. And then also a little bit about what we were talking earlier. Now that we have these new muscle walls, temporary barriers, we've added an item to the budget to help with the deployment and taking them down and storing them and deploying them again. And so those are some of the new futures to the budget that I did want to mention. And of course, you know, as we continue to implement all of these efforts if we do find there's more that we can tackle and more resources that, you know, we need I will come knocking again, maybe not with a Power Point presentation next time.

Martha Gallo: Do you remember what the expense trend has been over time? I mean are we at a peak, are we at a midpoint, are we at a low point of expenditures?

B.J. Jones: Yeah. You know, the Authority's expenses have fluctuated a lot over the history as it's kind of gone into you know, it scaled up for development, scaled down and we're in with this year we're scaling up again because of the resiliency, sustainability, all of the ground lease work. I would say that where this is going to be more of kind of the new normal moving forward. Again, we'll have to see depending on how these lease negotiations end up working out and how the capital projects are going. You know, I do want to leave the door open that we may need additional resources in the next year or two, but part of that we need to get further along with the design and engineering and finish the asset management study and see what else comes down the pike.

George Tsunis: Lester and I had a pretty involved conversation with B.J. believe it or not on Sunday. We're as we're approaching budget season I'd rather be proactive. There's a lot of things that are coming down the pike that's being requested of us, unprecedented work especially in resiliency, an unprecedented amount of rent resets. You know, we're pushing all levers on resiliency and sustainability and I think what Lester had identified as sort of a hole in our expertise this can be described in many ways as a public REIT. We are responsible for billions and billions and billions of dollars of real estate and whereas we had a tremendous amount of financial expertise there wasn't that asset management piece that a private REIT would have and I know we're addressing that but for an organization our size we probably need a little more -- a little bit more ram in legal and such. So we're all getting stretched a little thin and whereas I just don't want to get the work done, I want to get it done quickly, efficiently, and competently, and in all fairness to a very, very overworked senior staff, you know, I wanted to get B.J.'s sort of opinions as to where we need to step up a little bit. So we're going to come to you with a little bit more allocation because it's just necessary. And if we don't do this we're going to rely more and more on the outside entities which are substantially more expensive.

B.J. Jones: Yeah. And so we did say there is potential there on kind of the legal front and asset management front and the overall project management front for potentially more help. So thank you.

And then just kind of almost in conclusion and so you know based on this financing picture for FY20, this is what the excess revenues look like. Again, as I said earlier, we are expecting about \$325 million in total expenditures, a piece of that about \$113 million is going to our operating budget and our debt service and a few other things as shown on the left-hand side and that's really just about 35 % of the overall total. And so as the Board is aware, our excess revenues per our settlement agreement must flow to the City of New York, the bulk of which 79 % we

estimate for FY20 will go to New York City's general fund and about 21 % will go to the joint purpose fund, which goes to affordable housing projects elsewhere in the city. I'll show you a little bit more on that in a second. And so we are expecting in this next year about \$212 billion to flow to the City of New York and just to put that into context, this year in FY19 we expect that amount to be closer to \$195, so it's more even with our additional investments and all of our work here, the revenue picture is showing additional funds going to the City of New York.

This year we were able to get an accounting for the joint purpose funds and how they were allocated by the City of New York. And so this is for the past full year of funds that were allocated and these are the housing developments that are about \$40 million allocation to the joint purpose fund went to, you can see it's about a thousand units in Manhattan, Bronx, Brooklyn, and Queens.

Gwen Dawson: A fifth of the money we hand over to the City goes to affordable housing.

B.J. Jones: That's right. And that is right. The joint purpose fund is allocated to, the City allocates specifically to the Housing Development Corporation for the projects like these.

Martha Gallo: And is that the %age that was agreed in the settlement agreement or is that been determined recently?

B.J. Jones: The percentage is based on a formula which is based on the how our revenue is allocated, so our revenue is split between PILOT and other sources, and that split is applied to the excess revenues and that's how the PILOT chunk flows to the general fund based on that allocation. As a reminder to the Board, the joint purpose fund is earmarked based on an agreement between the Authority, the City Comptroller, and the Mayor, and we are in the home stretch of satisfying that amount and we expect in probably another year or two that we will fulfill that obligation which means it will be time for the three parties to discuss how that money should be allocated moving forward, whether it be to affordable housing or other projects. The last agreement was settled in 2010.

Pamela Frederick: And it accumulates until then.

B.J. Jones: Right. Until, that's exactly right, it will just build in the absence of an agreement on how to spend it.

And then finally, our capital project budget for FY20, as you know, we have a growing list of capital projects due to the new capital plan that we had completed and got approval for last year. There's about \$72 million worth of projects here some of which are already underway. These are the bigger ones, more in your binder and that we are going to be tackling. Of course the resiliency program is the biggest, and our ongoing pile remediation efforts is another big chunk and actually will contribute in part 2 our resiliency efforts this year. And then a range of other projects mentioned here including the expansion of the Police Memorial, sadly to include more names and some upgrade work with regards to our electrical grid and the esplanade granite restoration and metals there. So a lot of work ahead.

Martha Gallo: So B.J. does the resiliency program reflect all four projects?

B.J. Jones: That's right.

Gwen Dawson: The spend in 2020?

B.J. Jones: The capital spend predominantly for the design and engineering because we'll be adding the west design and engineering to that portfolio later in 2020, although we're hoping that we can get a shovel in the ground later in FY2020 for the South Battery Park City and even the ballfields interim solution pending final City approval on that front. Although we do have the ballfield, the South BPC Project already approved by the City. And I just want to thank this team. We'll be taking our 2019 class picture in a few more days. But you know I've seen this teamwork harder than I've seen since I've been at the Authority over the past 5 years and it's not always easy. It's usually fun but I think that you know the pivot we've made this year is a credit to everybody there on that picture. And so --

Gwen Dawson: You should say B.J. though, it's you and George also sets the tone of the collaboration with the community and with the government officials --

B.J. Jones: That's right.

Gwen Dawson: That is also I would say at an unprecedented level and it's that environment that you all are working in which can make it enjoyable.

B.J. Jones: Yeah. And I think we feel that.

Gwen Dawson: Thank you, George for setting that tone.

B.J. Jones: And thank you, George, and thank you to our Board. You all have been very supportive but you've also been very accessible as each of you know we've all made several calls to you over the past years. We try to navigate thorny issues and I will say even through you know all of our community meetings we've gotten a lot of productive insight from the community too and some of that is reflected in the projects and how we're carrying them out now. So a lot of people to thank but thank you to the team. And with that I would like for the Board to accept our FY20 budget.

George Tsunis: Are there any questions on it? Hearing none, may I have a motion to approve?

Member: So moved. Second.

George Tsunis: All in favor?

Members: Aye.

George Tsunis: Unanimous. Thank you. Authorization to enter into an amendment with **AECOM**-SVPCR Sustainability Certification. Who is speaking on that?

Gwen Dawson: I will. Thank you, Mr. Chairman.

George Tsunis: Thanks, Gwen.

Gwen Dawson: As working with the focus on resiliency and sustainability I'm going to be talking about a proposed amendment to the AECOM contract as I'm sure all of you will recall it was a little over a year ago that you approved a contract with AECOM to do the design and engineering for the South Battery Park City Resiliency Project. That contract currently has a value of a few dollars shy of \$8 million. When we entered into that contract we included services for the potential design of a new pavilion structure. We had not yet determined definitively whether we would need a new one or if the existing pavilion structure would stay. We did include the services for the design of a new structure. The level of design for that structure was the equivalent of what would be required for a LEED Silver certification, however, we did not require any specific sustainability certification for the building.

Several things have happened during 2019 that bring us here today. One is that the development of the design for Wagner Park now has brought us to a point where we're looking at a substantial redesign of the park, we're raising the park significantly. The elevation of the park. And it has been confirmed that the existing pavilion structure cannot remain. We cannot achieve the resiliency objectives of the project with the existing structure. So we will need to replace that structure with a new pavilion. In addition to that, there have also been several developments in sustainability thinking at the Authority, but also in the City and in the State. There's certainly been a renewed focus within the Authority on really renewing our Leadership role and sustainability and green design and practices and operations within the City. The State also adopted during 2019, the climate Leadership and community protection act, or the Green New Deal that B.J. referenced earlier. And then the City adopted the Climate Mobilization Act, each of which has significant implications for new development within New York City.

Those developments culminated in May and this Board adopting a resolution which commits the Authority to developing and implementing a roadmap for achieving carbon neutrality in Battery Park City by mid-century. That has led to the initiation of the sustainability plan project as well. As we kind of look at the South Battery Park City project in the context of all of those developments we have concluded that we should look at a specific sustainability certification for not only the new pavilion building but also the site, the Wagner Park itself given the extent of the new design. Consequently, we have held several different workshops with AECOM. We have done a lot of research and our Director of Design, Jenny Dudgeon has worked tirelessly to help us come up with the right solution here. And what we are proposing is that for the building that we pursue a sustainability certification for ILFI, or International Living Futures Institute Certification for Zero Carbon. The ILFI certification has been around for the last 13 or so years. It has been adopted in many projects in many locations globally. And the professionals that we've consulted with believe that its focus on zero carbon really give us the opportunity to achieve the objectives that we've set for ourselves and it fit best within the City and the State guidelines right now for carbon focused development.

We also are looking at the certification, sustainability certification for the park under WEDG, or Waters Edge Design Guidelines that is a program that was developed by the Waterfront Alliance back in 2015. And it really focused its, even though it's nationwide now, it really started with a focus on New York City waterfront development. It has gotten great receptivity. Community

Board One has adopted the WEDG pledge to support WEDG guidelines and certification for any new development and design within its boundaries. It focuses on ecology, resiliency and waterfront accessibility and it's specifically designed for waterfront communities, and waterfront properties. We are proposing the combination of the WEDG certification for the park and the ILFI Zero Carbon Certification for the new pavilion structure.

To add the design and the administrative efforts that would be required to achieve those certifications is a significant level of additional effort and services on the part of AECOM. We have spent a lot of time over the last couple of months working with AECOM. We have also consulted actively with one of our on-call engineers, Urban Engineering to make sure that we identify the proper scope and that the fees that were being considered were reasonable for the services provided. We have in addition to the design and administrative services there are certain other additional meetings and workshops that have to happen, some additional studies of the site that need to take place, all of which add up to a total of \$746,676 in additional fees. That additional level of effort and those additional fees are considered to be reasonable by Urban Engineering, our on-call that we've been consulting with to make sure that we're addressing this appropriately.

Consequently I am asking the Board for approval of the amendment to the AECOM contract to add the \$746,676 in additional fees for the certifications.

George Tsunis: Any questions?

Lester Petracca: Gwen, what was the original contract date?

Gwen Dawson: The original contract date?

Lester Petracca: Date. Yeah.

Gwen Dawson: August of 2018, August 22, 2018.

Lester Petracca: At which point we weren't heading for these type of certifications?

Gwen Dawson: Right.

Lester Petracca: We just weren't focused to them at that point?

Gwen Dawson: Well, we had included a level of design that would be comparable to a LEED Silver. However, we had not internally devised a level of design sustainability certification that we were looking to achieve. We had earlier in the 2000's we were heavily focused on LEED back in the early 2000's. That was not something that we were specifically focused on. We knew that there were some other things that we would probably want to consider once we got to the point of really knowing whether we were going to be building a new building or not.

Lester Petracca: So what did we buy? I mean it's been 9-1/2% above the original contract. What do we basically buy for that?

Gwen Dawson: What we bought for that was a level of certainly design excellence that would take into account sustainable elements to it and maybe Jenny can explain a little bit more about what the LEED Silver would have included.

Jenny: [Indiscernible].

Lester Petracca: What I'm trying to ascertain is in spending \$746,000 what is the Authority buying?

Gwen Dawson: The lift up, over and above that.

Lester Petracca: Yeah. Yeah. Because we're spending \$746,000 what are we buying for it?

Gwen Dawson: Right.

Lester Petracca: I'm not quite sure I understand so forgive me.

Jenny: Yeah. So what we get for that above that price on contract is getting us is better operational productions. So it's a more efficient. And it's also going to give you all consideration towards [indiscernible] continuous use. So [indiscernible] materials that lean to that. We're also looking to offset that so there'll be some [indiscernible] such as the design of those systems and integration of those systems. And off site energy as well so it can become a [indiscernible].

Lester Petracca: So we would expect it to repay itself over time is that --

Jenny: Yes.

Gwen Dawson: Well we have not done an analysis of pay back. We have not done that, although certainly we do anticipate that there would be significant savings we have not done a cost benefit analysis in terms of the pay back.

Lester Petracca: But it's just in and of itself it's energy conscious.

Gwen Dawson: Yes.

Lester Petracca: Moving in a proper direction; is that part of it, that's what I mean that's part of it as well.

Gwen Dawson: Exactly.

Lester Petracca: We all have, you know, an obligation to the environment.

Gwen Dawson: Exactly.

Lester Petracca: So I just wanted the Board to understand what we're buying.

Pamela Frederick: And if I could just add a note from a financing perspective. We did these bonds as sustainability bonds and we focused on the United Nations Sustainable Development Goals. And I think what Gwen and Jennifer has described are consistent with those and I think they would be supportive of what we presented to the market that we would be coming back.

Lester Petracca: That helps with our rate?

Pamela Frederick: That helps us, I would say right now it hasn't been quantified well enough but it does help us --

Lester Petracca: [Indiscernible].

Pamela Frederick: -- with our marketing which I think in turn then helps us with our rate.

Lester Petracca: Okay. So there's a lot of reasons.

Pamela Frederick: Good.

George Tsunis: Not to get tangential but the Secretary of General of the United Nations is going to be visiting Battery Park City on November 7th. He'll be going to the Holocaust Museum to commemorate the anniversary of Kristallnacht and we're very fortunate to have him with us.

Martha Gallo: I guess where Lester is going is AECOM is a world class organization. They have access to all of these certifications. The WEDG certifications while they're relatively new they've been applied already to a number of New York City projects. So it's surprising that our initial bid which is only a year old didn't envision some of this. We get it but that's the question.

Lester Petracca: I would hope that we, you know, if we didn't originally anticipate it because it wasn't as relevant to us at the time that's one thing. If it was and then you're looking, we build scopes all the time. We don't get it right every single time. It's just the way it is and if it wasn't built in it wasn't but we know for the future to pay attention to it if we --

Gwen Dawson: This is also another point there, when we first started the design the concept that was being developed in advance at that moment did not really contemplate a significant change to Wagner Park, but it took a line of the -- the barrier line, the flood barrier line, actually followed the line next to the building that was the concept that had come up in our prior assessment. So this is a very significant departure from what we started out with in terms of the concept.

George Tsunis: If I may, and this is best practices, I think Battery Park City is a very forward looking organization and it should be incorporating best practices into what we're doing. But to the point of one of our residents who was in public comment today, there is a substantial amount of money that is generated here. As you can see, that goes elsewhere in the City. I know the Board struggles with that but we have agreements that we have to respect. So it's always nice when we can take some of that money and spend it in Battery Park City not only for resiliency in a brand new park but also the very top of our certifications. So you know, again, I commend you all. It's a very, very good piece of work.

Catherine McVay Hughes: I just also want to add that the Battery Park City team here has also been listening heavily to the Community Board and to the community that comes out, did I hear 13 resiliency meetings so far in 2019? And there wasn't even -- I think there was going to be a building, then there wasn't going to be a building, now there is going to be a structure, and what I hear from going to those meetings is we want the most energy efficient most sustainable building. We want to LEED the way you know, and we want to educate the rest of the world. So this is really in response to those community engagement committees.

George Tsunis: It's our wonderful egos and we're putting our money where our mouth is. Are there any other questions for Gwen? Do I hear a motion to accept?

Member: So moved. Second.

George Tsunis: All in favor?

Members: Aye.

George Tsunis: Unanimous. The authorization to enter into an agreement with **Classico Building Maintenance, Inc.** for the eastern boundary and Pier A sanitation services?

B.J. Jones: Thank you, Mr. Chairman. I am going to try to knock out the final three agenda items as one item --

George Tsunis: Certainly.

B.J. Jones: -- for the Board if I may. This is a follow up to other agreements that we've had over the last few years where we enter into an agreement with the City to maintain the eastern boundary of Battery Park City and the Route 9A medians which includes an amendment to the settlement agreement and then entering into contracts for maintenance of both of those sections. So this mirrors what we have brought to the Board in years past. What's different is that in recent history we have been in an annual cycle with the City getting approvals and then going back asking for approval again so that we can continue maintaining the section that abuts Battery Park City and people assume --

George Tsunis: It's always nice when they let us maintain [indiscernible] of their property.

B.J. Jones: And --

George Tsunis: So gracious of them.

B.J. Jones: And so we just got an agreement and principle from the City this year to actually enter into a 30-month agreement, which will give us a little breathing room. And so this package of three items before you we've presented the cost information to the City for both of these contracts for Classico for maintenance and Alpine for the medians. Both are at the same level, or less, than years past and were competitively bid. And the third item is to enter into that settlement agreement with the City so that we can continue with these maintenance activities.

Martha Gallo: B.J.

B.J. Jones: Yeah.

Martha Gallo: Is there a short end to the discussion? If not, we need to run. Is there some reason we just don't permanently move the maintenance of these tracts of land into Battery Park City?

B.J. Jones: The short answer is that it's not within our project area. It's legislated and that's why we need to enter into a settlement agreement so we have the authority.

Martha Gallo: Right. Could it be within and can we change that and stop all this [indiscernible]?

B.J. Jones: There is not a short answer to that question.

Martha Gallo: Okay. Done for today.

George Tsunis: An act for the legislature.

Member: We don't own the property.

B.J. Jones: Right.

George Tsunis: We have other property.

Lester Petracca: But it could be a longer --

B.J. Jones: It is, there's, yes, I mean there could be a path forward there. It's not a license agreement it's just they have a settlement agreement amendment which is like that but just the --

Lester Petracca: But it could be a long-term license agreement.

B.J. Jones: We have advocated for a longer term agreement with the City to continue doing this than even the 30 months.

George Tsunis: In the meantime, it's controlled amongst the 30 months.

B.J. Jones: So it's headed in the right direction.

George Tsunis: Are there any additional questions?

Martha Gallo: No other question.

B.J. Jones: So the requested actions are to authorize the execution of an agreement with Classico Building Maintenance in the not to exceed amount of \$1.5 million for a term of up to 5 years

being optimistic that we will get further agreements. Also to enter into an agreement with Alpine also for a multi-year --

Martha Gallo: Just one other question. So Bruno, do you manage those Classico contracts?

Bruno Pomponio: I'm sorry, what Martha?

Martha Gallo: Do you manage the Classico contracts?

Bruno Pomponio: Yes, we do. Yes.

Martha Gallo: Okay. And if we were to have this permanently in our purview could you do this cheaper if you just had a couple of staff that had to do maintenance?

Bruno Pomponio: I would like to say yes.

Martha Gallo: [Indiscernible].

B.J. Jones: Yeah. Yep.

Martha Gallo: Besides all the administration of these arrangements we also have people who have full-time jobs and we could do it for less money.

B.J. Jones: Yes, that's right.

Martha Gallo: Let the record show.

B.J. Jones: Thank you.

Bruno Pomponio: I'll be able to address that.

B.J. Jones: Thank you. And then the second one is a 30-month contract with the option to extend for one additional 6 -month term and up to 2 subsequent annual terms for a not to exceed amount of \$1,629,289 for **Alpine**. And then finally, the umbrella agreement and amendment to our **settlement agreement** with the City related to the eastern boundary and the Route 9A medians.

George Tsunis: May I have a motion to reapproval of three at once?

B.J. Jones: Yes.

George Tsunis: Okay. Do I have a motion?

Member: So moved. Second.

George Tsunis: All in favor?

Members: Aye.

George Tsunis: Unanimous. Thank you. That concludes the public portion of this meeting as we're now going to go into executive session. Thank you all. Can I have a motion to go into executive session?

Member: Motion. Second.

George Tsunis: All in favor?

Members: Aye.

George Tsunis: Thank you all.