

September 24, 2019
BPCA Board Meeting

George Tsunis: Good afternoon, everyone.

Members: Good afternoon.

George Tsunis: I call to order the Battery Park City Authority Member's Meeting this September 24th, 2019. Does anyone have any questions on the **August 27th, 2019 Minutes**? Hearing none, we can adopt them. Do I have a motion? In favor? Unanimous. Public comment, Nick?

Nick Sbordone: Good afternoon, Mr. Chairman and Members of the Board. We have one request for public comment this afternoon from Ms. Nancy Nguyen [ph] about the Rector Street Bridge.

Nancy Nguyen: Hi. My name is Nancy Nguyen. I live in Battery part of the city and have done so for the last decade or so. And we love living here. And our family, like many families in the Battery Park City community rely heavily on the Rector Street bridge and it's our understanding that it is slated to come down at some point. And for those of you who don't live here, just so you know, it's not a convenience for us but it's a safe means for us to get to and from one side to the other. I don't know if you ever see the kids that play under the bridge. There are tons of kids that cross the Rector Street Bridge to play under that bridge and many people also take the subway from Battery Park City in the financial district. Taking it down, needless to say, people will be running across the highway and there'll be unnecessary accidents. So we just request respectfully that you consider not taking down the bridge. And it's our understanding that a lot of resources will go, financially into taking down the bridge, so if all that money is going towards taking down the bridge, we respectfully request that you take the money to invest it into making it a stronger bridge so that it could last for a longer period of time.

George Tsunis: Would it be disrespectful if I pointed out that there's a brand new bridge --

Nancy Nguyen: Yes, I've been on it.

George Tsunis: -- immediately next to it?

Nancy Nguyen: Yes. We've been on it and we're aware of the bridge. But so many people rely on that specific bridge. It's a bit of a walk for us to go down right by the tunnel. I mean just so you know, a lot of people did not even know that the Rector Street bridge was even going to come down and a lot of people moved into the neighborhood not knowing that the bridge was going to come down because they saw that as an easy means to get to the financial district or wherever they had to go.

George Tsunis: I appreciate you coming down and sharing your thoughts with us. Thank you.

Nancy Nguyen: And may I respectfully ask what is the current plan for the bridge?

George Tsunis: I'm going to respectfully point you in the direction of the New York City Department of Transportation who has ownership of it. And although I think this is wonderful awareness for our community, and I appreciate you coming down and sharing your thoughts, it's their decision. And if you need us to give you contact person information and everything we're happy to do that.

Nancy Nguyen: Sure. Appreciate it. Thank you.

George Tsunis: Thank you so much. Is there anymore public comment, Nick?

Nick Sbordone: No, that was it, Mr. Chairman.

George Tsunis: Thank you. The **MWBE report**, Jahmelia?

Jahmelia Nathan: Good afternoon, Chairman, and Members of the Board. For the month of August, 2019, 33.544% or approximately \$328,000 of the Authority's total qualifying expenditures of approximately \$977,000 were paid to MWBEs. Of that total amount, 23.18% was paid to MBEs, and 10.36% was paid to WBEs. 20 percent of that was paid directly to MWBE prime contractors, and roughly 12% was paid to MWBEs as subcontractors. Thank you.

George Tsunis: Thank you, Jahmelia. Any questions on the MWBE report? Okay. Moving on. The **investment committee report**, Pamela?

Pamela Frederick: Mr. Chairman, and Members, today the investment committee met. Attending were Member, Catherine McVay-Hughes, and acting Chair for the meeting, George Tsunis, who is also actual Chair for the Board. Providing a review of the materials were the Authority's investment advisors, PFM Asset Management. They were represented by Steve Faber and Bob Cheddar. And Ramirez Asset Management, represented by Jim Haddon and Lou Sarno. The committee reviewed the July, 2019, quarter end investment report and had discussions regarding the investment return and we reviewed significant changes quarter over quarter. It was also raised that a point to review, which we intend to do, as stress testing on a quarterly basis looking at the impact of changes in interest rates on the investment portfolio. PFM also provided the committee with a recap of the impact of reducing the debts reserve account by suspending its long-term strategy on the 2003 debt reserve fund and minimizing the impact on the overall returns largely by liquidating positive returning investments from the debt reserve fund and certain other corporate investment funds. Overall, this resulted in a positive return on the liquidated investments leaving the remaining \$33.4 million balance to solely pledge the 2013 series A bonds only. Certain debt service funds were also liquidated to fund the escrow for the deficient refunded 2009 A and B and the 2013 C, D, and E bonds. The investment advisors are here if the Members would like a brief summary.

George Tsunis: Are there any questions? I assure you it was very exhaustive.

Pamela Frederick: The other agenda item was a review of our Swap portfolio which everyone recalls were amended in August. That we were given a presentation by MohantyGargiulo to review not only the amended Swaps but also to review what's happened in the market and to the

Swaps since the time of the amendment, and get to give us a sense of what the SIFMA rate market has been since that time as well. We also intend for the investment committee on a quarterly basis to review the Swap portfolio until that's finished. So that was the two items that we covered.

George Tsunis: Thank you, Pamela. B.J., the **Poets House 10th Anniversary**?

B.J. Jones: Thank you, Mr. Chairman. I just wanted to -- we acknowledge Poet's House which is celebrating the 10th Anniversary of the organization taking up residency in Battery Park City tonight through an arrangement with the Battery Park City Authority Poet's House that they will have its home here on River Terrace. It is a 70,000 volume poetry library with 80,000 annual visitors, thousands of children, and local youth programs, and we're delighted that it's here and continuing to just thrive. And as the New York Times said when our arrangement with them was finalized that it is an arrangement to inspire verse. So congratulations to them.

George Tsunis: Thank you. Can you give us a **Resiliency Update**?

B.J. Jones: I can.

George Tsunis: Looking for inspirational.

B.J. Jones: Not as poetic, but I'll try. Our work continues on a number of fronts for the ball fields, our next community meeting is just in a few days, on September 6th, we're continuing with our steel plate design that was informed in part by our community discussions and the temporary barriers are installed around the perimeter. South Battery Park City, the design work continues just a few milestones to mention. We had a very productive meeting with the Mayor's office of for people with disabilities, to talk about universal access with regards to the new design, which is very important to us and we'll have an ongoing collaboration with them that they're very excited about. And we've been working with the New York City Park's Department and the Battery on the portion of the flood protection system that will go into the Battery area and have submitted a preliminary design submission to the Public Design Commission for consideration and are looking forward to their feedback. And continuing with our community engagement approach, we are kicking off our first community engagement meeting for the North Battery Park City resiliency project on October 1st. And I also wanted to highlight for climate week this week a number of things that we have going on which kicked off with Craig and the Parks Programming team holding are Go Fish Marine Education Family Program this past Saturday, which was very successful. We're also conducting composting tours for both residents and also other state agencies this week. Staff is having a recycling trainings, we're bringing in the building managers from various buildings to talk about energy efficiency requirements but also ways to help support them in their efforts to become compliant. Ryan Torres from our Parks Operations Department is speaking at a Green NY Forum later this week. I'll be speaking on a panel regarding our South Battery Park City Resiliency project on Friday, and behind you I wanted to highlight the newest part of our composting program. We are forging new ground with dog waste composting efforts that we have launched today, leveraging our dogs owners and BPC dogs, our free dog runs, to try to make a further dent with our environmental responsibility. The dog you see there is Billy and he, along with some other BPC dogs are poster children for

this effort. So congratulations to Ryan and the Parks Operations Department in particular for being able to get this off the ground after months of studying and planning.

Abby Goldenberg: Getting it off the ground.

B.J. Jones: Literally off the ground. There we go.

George Tsunis: Thank you, B.J. I know there's tremendous progress being made in resiliency here and I want to thank Catherine as you know she's really a driving force in that and I'll shamefully acknowledge that of everyone at the table I am the only one who is not complying with the zero waste policy. I shamefully acknowledge. So I apologize. Next month I will do so as well.

Donald Capoccia: I have one question.

George Tsunis: Yes, sir.

Donald Capoccia: Are we going to public design commission by -- are we going there voluntarily, or are we required to go?

B.J. Jones: The portion that we're talking about is outside of Battery Park City's jurisdiction. The portion that crosses through Pier A into the -- it's [indiscernible] Battery.

Donald Capoccia: So it's not City owned land.

B.J. Jones: Right.

George Tsunis: Any more questions? Thank you, B.J. We'll move to corporate action. Eric, do you want to talk to us about our **security services agreement**?

Eric Munson: Thank you, Chairman. And good afternoon, Members. As we've discussed in the session before, since November of 2015, the Authority supplemented the critical work of the NYPD through contracts with an array of contracted security firms. One firm providing outdoor patrols in the command center function. Another firm patrolling and staffing indoor rotations. And yet another firm managing and maintaining the Authority's security cameras and network. Together with the NYPD these services have been crucial in ensuring neighborhood status is one of the safest in the City with minimal crime, prompt resolution of incidents, and a constant visible security presence 24/7/365. This additional presence in Battery Park City's parks and public spaces anchored by what are known as Battery Park City Ambassadors, has also resulted in greater engagement with the general public and the observation and recording of more than 7,000 maintenance issues to the Authority's Parks Operations team since the program's inception. Thanks to our existing security program, the Authority has quicker escalation and resolution of those maintenance issues, as well as a dedicated team of individuals patrolling our parks and resolving any number of matters that arise in urban public spaces like ours, from reuniting lost children with their parents to administering basic first aid to supporting pick up and drop off at our local public elementary schools, to connecting homeless individuals with local social service

organizations for help, to name just a few. Through a partnership with NYPD we've also arranged for some of our vendors top performers to be trained and deputized as special patrol officers, which means that they can issue summonses for certain violations of park rules in an effort to improve compliance.

And I should add, this is all in addition to the eyes and ears and additional presence that they provide to keep our neighborhood safe, like when they so quickly mobilized in response to the terrorist attack on the west side by plane in 2017. With our contract with Allied Universal coming to a close in November of 2019, and in an effort to leverage efficiencies and streamline coordination across security services in Battery Park City, the Authority issued an RFP for comprehensive security services in May of this year. The RFP scope included indoor and outdoor patrols of BPCA spaces, a significant increase in special patrol officers, the staffing of a command center, maintenance of our camera and network and equipment and training technology and support for these functions across the entire project. The RFP was posted on BPCA's website and advertised in the State Contract Reporter and Minority Commerce Weekly and six firms responded and were evaluated technically by a cross-functional team from across our organization who work on security issues. The evaluation criteria they used is outlined in your packet and includes the firm's relevant experience as well as their approaches to hiring, training, and retaining staff and adhering to customer service standards when interacting with the public. We interviewed the top four technically rated proposers and scored their proposals again after which it was determined that Allied Universal, the incumbent firm providing outdoor patrols for the Authority was the highest technically rated proposer with 79.4 points.

In order for the Authority to properly evaluate costs, proposers were asked to provide the wage rate they proposed paying each job title assigned to the project, as well as the bill rates they charge the Authority inclusive of taxes, insurances, paid time off, other benefits and profit. Because some services are needed more than others we then applied a multiplier for the wage rates for each of the job titles in order to weight the pricing. Some of these job titles that weren't mentioned are subject to a prevailing rate schedule which is reissued annually by the New York State Department of Labor. In addition to being the highest technically rated proposer, Allied Universal was also determined to be the lowest bidder by about 6 percent. Therefore, I'm requesting approval to enter into a five-year agreement with Allied Universal with a not to exceed amount of \$15 million, an amount to which the Authority can incorporate any mandated increases to pay the prevailing wages, and manage deployment over the term of the contract. Thanks.

George Tsunis: Thank you, Mr. Munson. Are there any questions?

Catherine McVay-Hughes: I just wanted to add that the job of security is really important but also the reporting of the maintenance issues, having an extra set of ears and eyes is really important. The fact that there over 6,000 maintenance issues that was brought through this process is really important and that's why Battery Park City Authority is able to maintain its high level of quality of life and delivery of services.

Donald Capoccia: What's the most hourly wage that this entity is planning to --

Eric Munson: \$15.50.

Donald Capoccia: \$15.50? Are they an MWB?

Eric Munson: This firm is not, though they'll have a requirement to have 30% participation as well as 6% STBOB as well.

Donald Capoccia: So 30% of their employees will be from communities [indiscernible]?

Eric Munson: 30% of the spend on the contract will be used with an MWBE firm. It's City Safe is the name of the firm. And typically as a result of the value of the contract, the only way that they can make that work is through security services. So the odds are that about one out of three security guards that you encounter in our parks will be one of the subcontractor security guards.

Donald Capoccia: And what percentage of these employees make \$15.50 an hour?

Eric Munson: If I would ballpark it I would say it's somewhere in the vicinity of maybe three-quarters.

Donald Capoccia: Uh-huh. And does that include healthcare benefits to the employees?

Eric Munson: The \$15.50 it does not include the healthcare. The healthcare is added into the bill rate. It's charged to the Authority. So it's healthcare and there's a list of other benefits I can provide you as well.

Donald Capoccia: Well, they're just at the minimum wage essentially.

Eric Munson: Yes, I realize that, sir.

George Tsunis: Any additional questions? Thank you. Can I have a motion to accept this? Motion. Second. All in favor? Aye. Unanimous. Thank you. Pamela, could you discuss the authorization to adopt and implement the post-issuance **tax compliance policy and procedures**, please?

Pamela Frederick: Yes. Thank you. This post-compliance tax policy, the goal is that as an issuer of tax exempt bonds, it's to prevent, identify and resolve any violations of federal tax rules in order to maintain the tax exempt status of the relevant bond obligations. The policy addresses ongoing due diligence, training of employees, record retention, and procedures to ensure compliance and to address noncompliance. This amended and restated version also reflects any new requirements under the tax law implemented since 2013. The policy was originally prepared by and this current version was amended by Hawkins Delafield & Wood. They're the Authority's bond and tax counsel, represented today by the tax team, Kam Wong and Vlad Popik. Kam has represented the Authority since 1993. I'll repeat, 1993. And she's led the team as a senior tax partner since our 2013 bond issuance. Hawkins is here to respond. Kam and Vlad to respond to any questions that you might have regarding the policy.

George Tsunis: Are there any questions? Hearing so, can I have a motion to authorize? So moved. Second. All in favor? Aye. Unanimous. Gwen, can you speak to us about the authorization to enter into a contract with **Happold, LLP for Battery Park City Sustainability Plan**, new green guidelines and sustainability implementation plan?

Gwen Dawson: Yes. Thank you, Mr. Chairman, Members. This is quite appropriate to be considered during the Tuesday of climate week and we are very delighted to bring this to the Board for its consideration for the approval of a contract to formulate a new sustainability plan, new green guidelines, and a sustainability implementation plan for Battery Park City. The Authority has a very long history of sustainable operating and development practices, and if you look back to the early 2000's the Authority established what we call the green guidelines [indiscernible] commercial and residential development guidelines focusing on sustainability that really was very cutting edge at the time and focused largely on the US Green Building Counsel's lead version too at the time.

Because those version one at Green Guidelines focused primarily on new construction, which was the appropriate scenario at the time, and because so many developments have occurred since then and new science, new approaches, new technologies, these green guidelines have largely become out of date. Over the past couple of years there's been a renewed and strengthened focus by the Authority as well as the City and State of New York in general on sustainability. And there have been new plans and regulations that have promulgated. And then in May of this year, this Board adopted a resolution to commit to achieve a carbon neutral Battery Park City by the middle of the century along with greenhouse gas reduction and clean energy improvement targets, a strategy for achieving those targets, and a framework for ensuring BPCA lessees and business partners meet BPCA's enumerated goals.

In furtherance of that objective, and in support of the broader city and state sustainability objectives, we formulated a project and issued a procurement for a consultant team to help us formulate a new sustainability plan, new green guidelines, and sustainability implementation plan. This project would consider sustainability considerations that would include energy efficiency and conservation, renewable energy generation, water management and conservation, waste [indiscernible], improved air quality, environment resiliency, sustainable maintenance and operations of buildings, parks and open spaces, building retrofits and restoration, sustainable construction practices, and consideration of overall public health. We envision it as consisting primarily of three components, would consist of a 10-year sustainability plan, a newly created set of sustainability guidelines that would provide specific means for addressing the sustainability plan objectives, and a sustainability implementation plan which would include means for enforcement, collaboration and incentives, and perhaps a district based partnering our organizational strategy that would allow for us to better implement the objectives and sustainability plan.

We issued an RFP in July. And on August 16th we received proposals from 11 firms. Those proposals were evaluated by an internal committee and the top 6 scoring proposers were invited to come in for an interview with the evaluation committee. Following completion of the interviews and the technical review process of the committee, Happold or sometimes called BuroHappold was the highest rated proposer with a technical evaluation score of 86.6 points.

Happold demonstrated a comprehensive understanding of the project. They established that their approach to the work was sound. They verified they can meet our project schedule which is intended to culminate in the completion of a sustainability plan by earth day of 2020 and confirmed that all elements of the project were adequately covered by their cost proposal.

In evaluation of the cost proposal, or the determination, or the process for determining the best value proposer, the committee looked at the cost proposals of the top six submitting proposers. Happold was the third lowest of the final six. We took a look and decided that we wanted to get a little bit more breakdown on the number of hours because there was a little bit of variation in the cost proposals that were submitted. We received for the breakdowns of the cost proposals and concluded that the billing rates that were charged by Happold and the other proposers were very similar to each other, comparable, the differences were a matter of how much work, how much time they felt was necessary in order to achieve the objectives of the project. The committee felt very comfortable with the approach and the amount of time that had been allocated by the Happold team and consequently determined that Happold reflected the best value proposer for the project.

Just a little bit more about Happold's background and the reason that they were such an impressive team. Happold managed the development of New York City Road Map to 80x50 and a subsequent 1.5 climate action plan which aligned New York City with the Paris climate agreement. They've also performed sustainability planning at a district scale with Los Angeles County, The University of North Carolina at Chapel Hill, and the University of California, its Los Angeles campus. Consequently, we ask the Board to approve the contract with Happold which would be a 12-month contract in the not to exceed amount of \$1,204,750, which includes \$36,000 in reimbursable expenses.

Catherine McVay-Hughes: First of all, this is great that we get to vote on this today in the middle of climate week 2019. And the original set of guidelines that looked great in the early 2000's were made available and were public and they were like the basis during the World Trade Center redevelopment. So I hope that what you discover, you know, what is concluded here is also shared broadly and publicly and made available so people can benefit from best learned practices. Okay. So I just wanted to affirm that.

And then just following up on one of the documents that was referenced here, subsequent 1.5 climate action plan aligning New York City's plan with the Paris Climate Agreement, that original document came out a couple of years ago, but the latest available date of that is available for citywide emissions is 2017, so basically we've plateaued citywide at 2012 levels, which the first one was in 2005. So if the City's plan of getting 80x50 or the interim goal is 40 percent reduction by 2030 is only a 17 percent reduction, so basically in this next decade we need to make a 23 percent reduction in citywide where it has gas, so this is very timely to be working on this.

Donald Capoccia: I have a question. Gwen, so given the many sustainability and resiliency projects and studies that we have done over the last four or five or six years, how do you avoid redundancy with this contract?

Gwen Dawson: What we've done over the last several years has not addressed this specifically. We have not engaged in an update, certainly it's been on our minds, that we needed to really update those guidelines and to make them more meaningful to where we are now. But we have not really taken any action in the past several years to specifically address the updating of those guidelines or to create an actual comprehensive sustainability plan.

Donald Capoccia: So this is exclusive from individual one off projects that we've been doing?

Gwen Dawson: Yes.

Catherine McVay-Hughes: And since those guidelines are roughly almost two decades old and a lot of progress has been made, with the new law at the City level this will help the buildings improve their rating scores. That is certainly a significant part of the objective here is for us to identify means how the Authority can help facilitate and to expedite that occurring so that it is in keeping with our overall objective to work with the existing building owners to achieve that objective.

B.J. Jones: I think that's an important point that we're reemphasizing, this isn't just about the new requirements, it's about facilitating support and figuring out ways we can help people get where we want them to be in addition to us in that Happold had a robust public engagement roadmap as part of their proposal that as you know, with our resiliency projects are now an important part of how do things here and we were particularly impressed with how they proposed going about that.

Donald Capoccia: So where all are we having discussions with owners currently, and we'll be able to call upon this consultant to assist with specific projects and specific resiliency?

Gwen Dawson: Certainly there's the component of the project, the implementation plan, I expect would be extremely helpful in informing a lot of those conversations and helping us to formulate strategies [indiscernible].

George Tsunis: Are there any questions, anymore questions for Gwen? Can I have a motion to authorize the resolution? So moved. Motion. All in favor? Aye. Unanimous. Thank you. Gwen, can you discuss the authorization to amend the contract with Walker Dive and Underwater Construction, please?

Gwen Dawson: Yes. Thank you, again. This is a, think it is a reflection of a good news story on one of our major construction projects for the year as I'm sure most of you will recall, we entered into a contract earlier this year that was approved by the Board with Walker Diving in the amount of \$9,799,430 for our phase 6 power mediation project. This is the sixth phase of a multiyear project to make sure that we repair and jacket the piles, the 3,100 concrete piles that support the esplanade for the full length of Battery Park City. Because this work can only occur during certain months of the year between May and October, the project has to be divided into phases. We can't do it all at one time. The phase 6 project that was commenced this year included 561 of the 3,100 piles. We're nearing the end of our multiyear obligation here. We've got approximately 300 more piles to go in the seventh phase and then we've got another phase in Wagner Park, around Wagner Park of 450 piles that we will be doing as we coordinate the South

Battery Park City resiliency project construction. The reason that we're here today is that our contractor, Walker Diving, was able to achieve some operating efficiencies during the course of the project and actually complete the 561 projects [sic] in a lesser amount of time than had been projected. That leaves us with another month or so of the current in-water season which expires at the end of October during which we would be able to add some additional piles to the project and save time and money for the work that would be associated with those 47 piles. So what we are proposing is to add another 47 piles to the existing contract in the form of a change order to that contract that would add \$758,200 to the contract, increasing the total amount of the contract to \$10,567,630. The pricing for this change order was arrived at by taking the individual per pile, we took the lump sum amount of the total contract, we backed out the mobilization and the general conditions and then divided the cost by the number of piles. We come up with \$16,000 per pile for this particular type of pile. So multiplying that \$16,000 by 47 and adding \$6,200 to cover their increased bonding cost, gets us to the \$758,200. This is an increase of approximately 8 percent over the amount of the original contract and will allow us to complete these additional piles by the end of October.

George Tsunis: Are there any questions for Gwen? I did have an opportunity to speak to Trustee Petracca on Saturday and this morning and he said that he had several long extensive conversations with you --

Gwen Dawson: Yes, he did.

George Tsunis: -- About this and he was impressed with the progress that they had made. Seeing no additional questions, can I have a motion for the authorization? Motion. Second. Okay. Thank you. All in favor? All right. Passed unanimously. Can I have a motion to adjourn? So moved. All in favor? Unanimous. Thank you very much, everyone.