

**BPCA Board Meeting 7-24-2018**

GEORGE TSUNIS: Good morning, everyone. Let's call the meeting to order. Let's start with the approval of the June 19 minutes.

LESTER PETRACCA: So moved.

CATHERINE MCVAY HUGHES: Second.

GEORGE TSUNIS: All approved? So carried. Before we get into public comment, I have a public comment. And if you can indulge me. I wanted to acknowledge, salute, and thank our former chairman Dennis Mehiel. Six years he's been a very competent and steady hand at the till. He was an outstanding leader. And you know, Dennis has always been a very true public servant. And I wanted to take a moment to acknowledge Dennis' mark on this institution. Nick, can you talk to us about who's gonna be public comment?

NICHOLAS SBORDONE: Yes, I can. Good morning, everyone, Nick Sbordone. We had two requests for public comment this morning. First is Ms. Maryanne Braverman, long time Battery Park City resident and a member of our seniors working group team. And she wanted to speak about the Downtown Connection bus, which as luck would have it is also on the agenda today.

MARYANNE BRAVERMAN: Thank you. So I am Maryanne Braverman. My topic today is the downtown alliance operated van, the Downtown Connection. The Authority pays a big chunk of the budget for this valuable service. And I want to bring out some issues. New this summer is that tour guides near the Statue of Liberty area are hawking to tourists, putting them on the Connection bus, sending them to the Port Authority ferry at Vesey Street, over to New Jersey, and from there to the statue. These hawkers operate along Battery Place including inside Battery Park City territory, just north of the Pier A.

First of all, they're ripping off unsuspecting tourists. And that annoys me very much because we wanna be a welcoming neighborhood, we wanna be a welcoming city and make it easy for people to visit us. And this is unconscionable. But more to our point, they are jamming the bus with up to 20 people at a time, taking seats, and providing no space for locals who rely on the Connection to shop and get around the neighborhood. One local senior reported to me that she witnessed a fight among the tourists, though generally the worst is the crowding and lack of seats for those who sit down -- who need to sit down. I recall that the original purpose of the Connection bus was to get locals, whether residents, workers, or tourists, from side to side downtown, and to facilitate shopping and mobility. The people who use the Connection are less able to walk and less able to carry heavy bags.

One final comment on the bus is that generally the bus drivers are very rough. They are on the gas, off the gas, speeding to the next obstacle, jamming on the brakes. This causes

passengers to lurch around in the seats or to lose their footing. I've raised this frequently with the Downtown Alliance, but I've not seen any change. Thank you.

GEORGE TSUNIS: B.J., you addressing this?

B.J. JONES: Yeah. As Maryanne and I have discussed, and Eric's working on with NYPD, where we're following up on these ticket vendors which have been a concern and NYPD has been looking into for quite some time. And this bus element is a new concern that Maryanne had raised to our attention. So we are talking to NYPD about that as well.

GEORGE TSUNIS: My understanding is similar sort of constructs have happened in the past where NYPD has acted pretty forcefully on it. I would expect no less. But we're gonna monitor this. And you'll stay in touch?

B.J. JONES: Yeah.

MARYANNE BRAVERMAN: Is it also possible for the Alliance to do something about the bus? It's not a public conveyance, I don't think. I think it's private. So I would think the driver could just say, these 20 people can't get on. [LAUGHTER] But I don't know. And I know they don't wanna get into a fight. So I'll just -- I would hope it's something they could manage a little bit on their end, which is why I'm bringing it to you to work maybe with them.

GEORGE TSUNIS: Thank you. Anyone else?

NICHOLAS SBORDONE: So the second comment was from Ms. Ann Schwalbenberg. She usually attends the meeting. She was unable to make it today. She submitted her comments in writing which will be in the minutes. But some of the substance of it was about the 200 Rector Street space and its pending opening to the public. And for that I'll just turn to Gwen to provide everyone a quick update.

GWEN DAWSON: Sure. I know that people are here to [INAUDIBLE] use our new space [INAUDIBLE] and I'm happy to report that we are substantially complete with that work pending the commissioning of the HVAC system which is due to happen on Thursday. And the installation of [INAUDIBLE] spaces has two different levels, separated by a few stairs, and which requires an ADA lift. The contractors had a little bit of a hard time getting the equipment in. They have it in now. And we are trying to schedule the installation. The good news is that there are two different entrances to the space, so that once the HVAC system has been successfully commissioned, we will be able to utilize the space as we wait for completion of the installation and inspection of the lift.

NICHOLAS SBORDONE: That concludes the requests for public comment that we received prior to the meeting. So unless there's any other public comment, we can proceed on to the next agenda item, Mr. Chairman.

GEORGE TSUNIS: Thank you. Mr. Peterson, can you give us the NWBE report, please?

ANTHONY PETERSON: Yes. Good morning, Mr. Chairman, members. For the month of -- actually June, I'm sorry, I had a little typo. We had a 57 percent utilization rate. Very good month for us. 45 percent basically for MBEs, 11.6 percent for WBEs. All of this was prime dollars. We haven't received a report from [SOUNDS LIKE: subs] [00:07:27] yet. So I take it next month they might balance out a little bit more.

GEORGE TSUNIS: Um, just can you point out what our benchmarks are and just to show what outstanding work you've been doing?

ANTHONY PETERSON: Yes. Our goal is 30 percent.

GEORGE TSUNIS: 57 percent being a little better.

ANTHONY PETERSON: Yeah.

GEORGE TSUNIS: Well outstanding work, sir. We'll now turn to corporate action, Ms. Frederick?

PAMELA FREDERICK: So good morning, members, Chairman. Representing the investments committee. The investment committee approved and recommends the inclusion of five bond -- new bond issuers as authorized investments for the Authority's project operating funds. These require approval of an amendment to the investment guidelines. The additional bond issuers were identified by the Authority's investment advisors, Ramirez Asset Management. They're represented today by Lou Sarno and Alex Bud. And PFM Asset Management who are represented by phone by Bob Cheddar.

The issuers, by virtue of their authorizing statutes, were verified by legal counsel, Hawkins Delafield and Wood. They are represented today by Roger Bagley, who many of you know, if not all of you. These issuers conform to our investment guidelines as authorized investments for the project operating funds. The issuers however do not qualify as authorized investments for the pledged funds. That's by virtue of the bond resolution that requires investments of the pledged funds, they must be explicitly listed in section 98 of state finance law. Given the issuers are not explicitly listed, they'd only qualify as authorized investments for the project operating funds.

The issuers at the time of any potential investment would be required to satisfy all investment guideline criteria, as well as meet with the strategies employed by the investment advisors such as duration, return, liquidity, rating, and volume. The investment committee and finance therefore recommend the approval of an amendment to the investment guidelines to include a new section 2.3 authorizing these issuers as provided in the enclosed amendment.

GEORGE TSUNIS: Thank you, Ms. Frederick. Do I have a motion?

[00:09:59]

MALE: So moved.

FEMALE: Second.

GEORGE TSUNIS: All in favor?

MULTIPLE: Aye.

GEORGE TSUNIS: Carried unanimously. Mr. Munson, corporate action number B, please?

ERIC MUNSON: Good morning, Mr. Chairman, members. For the past 15 years the Authority has partnered with Downtown Alliance on free shuttle service in lower Manhattan. The Downtown Connection bus transports an estimated 640,000 residents, visitors, and workers, around the area, with 18 of the 37 stops located in Battery Park City, and approximately 48 percent of rides either originating or terminating in Battery Park City.

In the coming year Downtown Alliance will be conducting a user study to get some more detailed qualitative and quantitative data about ridership and service. And in the meantime we appreciate qualitative feedback that Ms. Braverman just shared earlier today. We're seeking approval to enter into an agreement with the Alliance for Downtown New York for 2018 for \$632,000, which is the same amount that we paid since 2010.

GEORGE TSUNIS: Yes, Mr. Kendall.

ANTHONY KENDALL: Do we know how much the total operations for the bus is?

ERIC MUNSON: The total costs are \$2,107,594. The contract cost [INAUDIBLE] [00:11:10] and direct program expenses are around \$1.5 million. So our share of that 2.1 is around 30 percent.

GEORGE TSUNIS: Yes, Ms. McVay?

CATHERINE MCVAY HUGHES: Yeah, just since there's seven buses being used Monday to Friday, I just wanted to the next time this comes up, hopefully we'll be able to come up with a different type of option such as electric vehicle for a bus, since it's becoming much more mainstream.

ERIC MUNSON: [INAUDIBLE] [00:11:41]

CATHERINE MCVAY HUGHES: Thank you, Eric.

ERIC MUNSON: Sure.

GEORGE TSUNIS: We shouldn't wait until the next contract. We should proactively be reaching out to them on this. Are there any more questions on item B? Do I have a motion?

[00:11:56]

FEMALE: So moved.

GEORGE TSUNIS: Second?

MALE: Second.

GEORGE TSUNIS: All in favor?

MULTIPLE: Aye.

GEORGE TSUNIS: So carried. Gwen, I believe you're gonna carry us through C, D and E?

GWEN DAWSON: Yes. Thank you. Good morning, Mr. Chairman, members. The first item that I will be presenting is simply an extension of a contract that is required because of the timeframe of the contract. It's a contract with Stantec Consulting Services, which was entered into in July of 2015, to perform streetscape design services for the South End Avenue, West Thames streetscape design and assessment project. The contract currently has a value of \$403,224, which has accrued over time and a couple of amendments. And the current expiration date is July 28, 2018.

This is a project that has garnered a great deal of community interest. And we have expanded our efforts to be responsive to and provide a forum for that community involvement. Also adding some additional engineering services and studies to be responsive to the comments that we received from the community. We are wrapping our community involvement portion of the project. We have a meeting scheduled with community board tomorrow. We expect that we'll be wrapping that up in the next 60 days or so. We will have a final report and set of plans from Stantec, which will serve as the basis for any further action that we choose to take.

However we do require an extension of the contract term in order to be able to achieve those final services. So we are asking the board for authority to extend the contract from July 28, 2018 through November 30, 2018.

GEORGE TSUNIS: And may add, this enhanced pedestrian safety on South End Avenue, which if I remember about a year ago was a real concern.

GWEN DAWSON: Yes.

GEORGE TSUNIS: So thank you for your work. Do I hear a motion?

[00:14:16]

MALE: So moved.

CATHERINE MCVAY HUGHES: Second.

GEORGE TSUNIS: All in favor?

MULTIPLE: Aye.

GEORGE TSUNIS: Carried unanimously.

GWEN DAWSON: Okay, our next item is also an extension of a contract term, which is required under our procurement guidelines to receive board approval. We had entered into a contract in 2015 with Perkins Eastman architects to conduct an assessment of the Wagner Park area, focused on resiliency. That was kind of the nascent efforts to start looking at resiliency for Battery Park City. Again we have -- we amended the contract a couple of times to address comments, issues, engineering questions. And we have recently, the board recently approved a new contract with AECOM to go to the next phase of this project, the South Battery Park City Resiliency Project.

What we are requesting from the board is authority to extend the contract for Perkins Eastman, which actually expired December 31, 2017, to allow for some transition services to be performed in conjunction with the new South Battery Park City Resiliency Project. Perkins Eastman was one of the candidates for that new contract. And so consequently taking action on extension of their contract during the pendency of that award process wasn't appropriate. But we do believe that extending the contract in order to allow for several conversations and meetings with the new team from AECOM would serve the purposes of the authority well and be a benefit to the project.

So consequently we are requesting authority to extend the contract, the Perkins Eastman contract through September 30, 2018.

GEORGE TSUNIS: Any questions?

MARTHA GALLO: Yes. Gwen, can you remind me, what's the scope of what we call the resiliency project at Wagner Park?

GWEN DAWSON: The resiliency project, which is what we call the South Battery Park City Resiliency Project, extends from approximately the Museum of Jewish Heritage, the intersection there, Battery Place, through Wagner Park, Pier A Plaza, and along the north side of the Battery over to the intersection of Battery Place and State Street.

MARTHA GALLO: And what's the scope of the work that this new firm is going to be doing for us?

GWEN DAWSON: AECOM will be doing the detail design and engineering. So they will take the concepts that were created during the Wagner Park assessment, and advance those, and extend them in the case of the Battery segment, to provide a standalone utility for a resiliency flood barrier that will protect the southern part of Manhattan, and will also create a new pavilion for Wagner Park to become part of that barrier system.

MARTHA GALLO: And are we using -- I'm presuming we're using the original engineering study that gave us specifications such as we need nine feet of raised land or barricade to protect us from the water flooding southern Manhattan.

GWEN DAWSON: Certainly we will have that as our starting point. They will actually advance those assumptions. They will doublecheck them. They will perform surveys to make sure that we know exactly what the elevations are at specific points. And they will also be in coordination with the lower Manhattan coastal resiliency project to make sure that whatever it is that we're doing is compatible with and connectable with whatever the city is doing with the lower Manhattan coastal resiliency plan.

MARTHA GALLO: In other words, coordinating with Battery Park and Hudson River Park, etc.

GWEN DAWSON: Yes.

MARTHA GALLO: Okay. And is the assumption -- excuse me, I'm just catching up -- is the assumption that this resiliency plan should include the replacement for the pavilion? Is that still up for discussion? Or is that gonna be part of this set of optional designs?

GWEN DAWSON: We will discuss that. Certainly there were certain conclusions drawn during the assessment project. Those will be revisited to a certain extent. So there will be an opportunity to raise questions and to request additional explanation or clarification as to what is required. Nothing that we have done thus far with this Perkins portion of the project is set in stone. But we will be taking -- using that as a baseline to go forward.

MARTHA GALLO: Okay. And what's the mechanism to keep the community engaged and up to date on the discussions?

GWEN DAWSON: There's a very extensive community engagement portion of the process. It's spelled out in great detail and was a significant part of the selection process and evaluation process, as to keeping the community involved, and engaged, and communicated with on a regular basis in a variety of formats.

MARTHA GALLO: Great.

DONALD CAPOCCIA: I have a question. The AECOM contract is design only or design build?

GWEN DAWSON: It is not design build. It's design and construction administration.

DONALD CAPOCCIA: And their work is simply for us? Or are they also doing adjacent work for other authorities?

GWEN DAWSON: We're concerned about that because they are also -- they have been working with the city and have done a lot of the design and engineering work for the city on their part of the project. But the contract that they have with us is only for our project. They have a completely different team that has access to the information and the resources that have been created through the work with the city, but it is standalone team that is designed and tailored for this particular project.

DONALD CAPOCCIA: And they're gonna come present designs to us?

GWEN DAWSON: Yes.

DONALD CAPOCCIA: Thank you.

CATHERINE MCVAY HUGHES: And also I believe we're following the WEDG guidelines created by the Waterfront Alliance, which is a downtown nonprofit, an umbrella group from roughly 1,000 organizations. And one of the key components for the WEDG guidelines, which is equivalent, is like the blue or the lead guidelines for infrastructure interfacing with the water is a community participation.

GEORGE TSUNIS: Any more questions? Do I have a motion?

MARTHA GALLO: So moved.

DONALD CAPOCCIA: Second.

GEORGE TSUNIS: All in favor?

MULTIPLE: Aye.

GEORGE TSUNIS: Thank you. Carried unanimously.

MARTHA GALLO: Thank you, Gwen. Great work.

GWEN DAWSON: Okay. Finally I have one final amendment for a contract with Deborah Bradley Construction and Management Services, Inc. We entered into a contract with Deborah Bradley on March 22 of 2017, to perform the Bed A property line wall restoration project. Now the Bed A is a large planting bed that's to the south of Kowsky

Plaza that incorporates a property line wall with the Gateway parcel, which had been sinking and required some extensive repair work and rebuilding.

The work has been substantially completed. However we require an extension of time because the contract terminated on May 31, 2018. The work had included some excavation work earlier in the project which encountered an unforeseen condition, the concrete cradle that supported the sewer line that had to be removed in order to complete the excavation work. Deborah Bradley performed that work, but because they had a change in personnel shortly thereafter and our construction manager also had a change in personnel shortly after that happened, there was an oversight and the proposal for the change order work was not submitted. It was discovered later in the project and has been now submitted in the amount of \$14,411.15, which is legitimate additional work under the contract for which they are entitled to seek additional compensation.

Consequently we are requesting that the members approve an extension of the contract from May 31 through September 15, and an increase in the contract value by the \$14,411.15, which would take the contract value from \$718,575.81 to \$732,986.96, for completion of all the work associated with the project.

GEORGE TSUNIS: Thank you. Any questions? Do I have a motion?

[00:24:20]

MALE: So moved.

MALE: So moved.

GEORGE TSUNIS: All in favor?

MULTIPLE: Aye.

GEORGE TSUNIS: Carried unanimously. We added a matter regarding flood insurance. Mr. Jones?

B.J. JONES: Yes, Chairman, thank you. So at a previous board meeting the members had requested us to look into what it would cost to increase our flood coverage for our assets here. As a reminder, currently we have \$15 million in coverage for our commercial general properties, and we have \$10 million in coverage for our Pier A seawall. The total damage here during Sandy for our areas was approximately 13 million primarily to Pier A and the ball fields.

So through our broker, we looked into additional costs which are presented on the summary sheet for you. The next increment of coverage, another 15 million for our property insurance for our commercial properties, which include the parks, operations headquarters, 200 Rector, River Terrace, and some other components. Another 15 million, bringing our total coverage amount to 30 million, would cost us an additional

\$46,697. And for the Pier A seawall, \$5 million increments become increasingly expensive, as you might imagine. The first \$5 million, taking us to \$15 million in total coverage, would be a \$75,000 premium increase for that policy. And it goes up from there. For the next 5 million, an additional 150,000. And another 5 million, an additional 225,000.

Based on the damage during Sandy and what we know to date looking at this, I think it's prudent for us to at least proceed with the first increment of additional coverage, the 15 million for our commercial properties, and at least another 5 million for the Pier A seawall. Looking for additional feedback from you or guidance. This will not require a resolution, but to see if you have any other questions or what you think makes sense.

DONALD CAPOCCIA: I agree with that, that you should at least do that first increment. But shouldn't -- and I don't know if anyone's here from our US management -- but in the tower, shouldn't they as you go further down the line, shouldn't the premiums be reduced, not increased? That's very unusual.

B.J. JONES: Yeah. The feedback that we got from our broker [INAUDIBLE] [00:27:30] insurance, which we work with through the state, said that the opposite is true when it comes to flood insurance, that the risk that they're assuming with additional coverage is what results in additional premium specific to a flood.

DONALD CAPOCCIA: Well they may be telling us something that we should be aware of, right? I mean maybe we are well under insured. I think we should get [INAUDIBLE] [00:27:59] to comment on that.

B.J. JONES: We can get some more information from them and share that with you after this meeting.

LESTER PETRACCA: So the increase is all with the same insurance company?

B.J. JONES: Yeah. It would be through the [INAUDIBLE] [00:28:15] insurance program that we currently use for the flood coverage and just increasing --

ABBY GOLDENBERG: I think that the first category, the commercial general, is through [INAUDIBLE] [00:28:27] program. The Pier A seawall was from various carriers, the different levels. So the way that our insurance consultant explained it is that insurers have sort of a max capacity for flood insurance in zones like this. And so it was actually hard to place those additional coverages at all. And I think probably the reduced competition for those additional policies also raises the price.

So the additional 5 million umbrellas under the Pier A seawall are through different carriers. The 15 million on top is through our current carrier, which is a group called the [INAUDIBLE] [00:29:02] program where they aggregate a bunch of different coverages.

LOUIS BEVILACQUA: Did they talk to you at all about cat bonds or catastrophe bonds for insurance or other events like that?

ABBY GOLDENBERG: They did not, but we can find out about that.

LOUIS BEVILACQUA: The world has learned to live with this kind of concept that if you have a catastrophe, whether it's a hurricane or something, there are public bonds that are issued just to secure that type of stuff. And seems to be far more efficient than the basic insurance kind of stuff. I don't know if it works for this case, but someone should be talking to you about cat bonds.

B.J. JONES: We'll follow up on that as well.

CATHERINE MCVAY HUGHES: First of all, I wanna thank you very much for following up on this from our last meeting 'cause we asked that you come back. But my second question, has there been an update? The last I heard that FEMA is gonna expire this month on July 31st in Washington, DC. So I think when we vote on this, I think that is something to consider. And it's been kicked down the road multiple times. And I don't know what others have heard about the latest scenario of the status of FEMA.

GEORGE TSUNIS: I have a comment to make. President Kennedy once said, the best time to fix a roof is when it's perfectly sunny out. You know, it seems like the 100 year storm is coming every five years today. So in my humble opinion, and I'm one of seven here, I think that the resiliency project and the resiliency work that we're gonna do is the most important thing that we're going to tackle. And by the next meeting we're gonna have a pretty significant announcement as to how we're gonna press all levers on that to make sure that we're inclusive in the process, that it's comprehensive, and it's done properly. In the meantime, I think it was most prudent that we increase our insurance until the work is complete. So I'm grateful for this. And if there are any other questions on this matter?

B.J. JONES: We will proceed right away with the next increment of coverage, and get some more information on catastrophe bonds, and look into FEMA, Catherine, to see if there's any news there, and follow up on the subsequent increments for the Pier A seawall.

GEORGE TSUNIS: I'm certain at about 11:50 p.m. on the 31st -- I'm hopeful that they'll extend it. Mr. Jones, do you wanna talk about the other FYIs on the agenda?

B.J. JONES: Just in your binder is our required reporting on the budget projections through 2020 and procurement actions activity that has transpired since the last board meeting. As always, if you have any questions on those items, feel free to follow up with us, and we'll be happy to tell you more.

GEORGE TSUNIS: Before we adjourn, I'd like to welcome Martha Gallo and Anthony Kendall to the board. Martha, welcome home. [LAUGHTER]

MARTHA GALLO: I didn't go anywhere.

GEORGE TSUNIS: I think their level of acumen was demonstrated today by the questions that they've asked. And I know they're gonna be two outstanding additions to the board. And I'm looking forward to working with both of you. And thank you very much for your public service. And welcome. That having been said, do I have a motion to adjourn?

MALE: So moved.

CATHERINE MCVAY HUGHES: Second.

GEORGE TSUNIS: All in favor?

MULTIPLE: Aye.

GEORGE TSUNIS: Carried unanimously. Thank you all.