

Brooklyn Bridge Park Corporation d/b/a
Brooklyn Bridge Park
Meeting of the Directors
Held at Brooklyn Borough Hall
Brooklyn, NY

July 31, 2013

MINUTES

The following members of the Board of Directors were present at the meeting:

Robert K. Steel – Chairman
Peter Aschkenasy
Martin Connor
Anita Contini
Peter Davidson (via videoconference)
Juny B. Francois
Henry B. Gutman
Stephen Levin
David G. Offensend
Seth Pinsky
John Raskin
Daniel E. Simmons, Jr.
Nanette Smith
Anne Strahle
Mathew Wambua
Veronica M. White
Joanne Witty

Also present was the staff of Brooklyn Bridge Park (“BBP”), the Mayor’s Office, the New York City Department of Parks and Recreation, the New York City Economic Development Corporation and members of the press and public.

Robert Steel, Chairman of the Board of Directors, called the meeting to order at approximately 1:40 PM. Suma Mandel, Secretary and General Counsel of BBP, served as secretary of the duly constituted meeting and confirmed that a quorum was present. Chairman Steel explained that the meeting was being held at Borough Hall to facilitate Mr. Davidson’s attendance by videoconference, and thanked President Markowitz’ staff for hosting the meeting.

Chairman Steel also noted that this would be Mr. Pinsky’s last meeting as a director, and thanked him for his many contributions to the Park’s success. Mr. Pinsky thanked the Board and BBP Staff for the privilege of serving on the Board and wished BBP the best of luck moving forward.

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The first order of business was the approval of the minutes of the June 5, 2013 meeting of the Board of Directors. Chairman Steel asked if there were any changes or corrections.

There being none, Chairman Steel requested a motion to approve the minutes. Upon the motion being duly made and seconded, the following resolution was unanimously adopted:

July 31, 2013

APPROVAL OF MINUTES TAKEN AT THE JUNE 5, 2013 MEETING OF THE DIRECTORS OF THE BROOKLYN BRIDGE PARK CORPORATION

RESOLVED, that the Board of Directors hereby approves the minutes of the Board of Directors meeting held on June 5, 2013.

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Chairman Steel announced the second agenda item: the approval of the Financial Report required pursuant to the Public Authorities Accountability Act ("PAAA"). Cedric Gaddy, BBP's Chief Financial Officer, presented the item.

Ms. Myer clarified that this was not the 5 year budget report that was requested by Ms. Witty at the prior meeting, but a reporting requirement under the regulations of PAAA. She also explained that due to the format required by the PAAA, the report does not present as useful a picture of BBP's financial condition as the annual audited financials approved each fall. She advised that BBP Staff would work with the Audit and Finance Committee to present the requested 5 year budget later this year.

Chairman Steel asked if there were any questions or comments from Board members.

There being none, Chairman Steel requested a motion to approve the resolutions. Upon the motion being duly made and seconded, the following resolutions were unanimously adopted:

July 31, 2013

AUTHORIZATION TO APPROVE FINANCIAL REPORT REQUIRED PURSUANT TO THE REQUIREMENTS OF PUBLIC AUTHORITIES ACCOUNTABILITY ACT OF 2005, AS AMENDED BY THE PUBLIC AUTHORITIES REFORM ACT OF 2009 ("PAAA") AND TO TAKE RELATED ACTIONS AS REQUIRED BY PAAA

RESOLVED, that the proposed Budget and Financial Plan of Brooklyn Bridge Park Corporation ("BBP") be submitted to the New York State Authorities Budget Office in accordance with PAAA; and be it further

RESOLVED, that the President of BBP, or her designee(s), be, and each of them hereby is, authorized and directed to cause BBP to undertake the tasks to be in compliance with PAAA; and be it further

RESOLVED, that the President, or her designee(s), be, and each of them hereby is, authorized and directed, in the name and on behalf of BBP, to execute and deliver any and all documents and take all such actions as the President or the President's designee(s) may deem necessary or proper to effectuate the foregoing.

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Chairman Steel announced the third agenda item: the authorization to enter into an Eleventh Amendment of the Funding Agreement with the City of New York. Leigh Trucks, BBP's Senior Project Manager, presented the item.

Ms. Witty stated that the Park has been tremendously successful, and expressed her appreciation to the City for allocating the capital funds to complete the Park as best as possible.

Chairman Steel thanked Ms. Witty, and stated that it has been a pleasure for City Hall to work with the Council and the Borough President to support this initiative.

Mr. Levin stated that the Park has developed into one of the great jewels of the City, and expressed the City Council's continuing commitment to financing the full buildout of the Park.

Chairman Steel asked if there were any further questions or comments from Board members. There being none, Chairman Steel requested a motion to approve the resolutions. Upon the motion being duly made and seconded, the following resolutions were unanimously adopted:

July 31, 2013

AUTHORIZATION TO ENTER INTO AN ELEVENTH AMENDMENT TO THE FUNDING AGREEMENT WITH THE CITY OF NEW YORK FOR THE DEVELOPMENT OF BROOKLYN BRIDGE PARK AND AUTHORIZATION TO TAKE RELATED ACTIONS

RESOLVED, that Brooklyn Bridge Park Corporation ("BBP") is hereby authorized to enter into an Eleventh Amendment to its Funding Agreement with The City of New York (the "City") for the development of Brooklyn Bridge Park to increase the funding commitment by the City by \$15,000,000 for construction of Pier 5 Upland, the Main Street bouldering area, and boat docking utilities at the southern end of the park, for a total funding commitment by the City of \$235,111,000; and be it further

RESOLVED, that the President, or her designee(s), be, and each of them hereby is, authorized and directed, in the name and on behalf of BBP, to execute and deliver any and all documents and take all such actions as the President or the President's designee(s) may deem necessary or proper to effectuate the foregoing and in connection with the implementation of the work pursuant to the agreement.

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Chairman Steel announced the fourth agenda item: the authorization to amend the contract with Michael Van Valkenburgh Associates, Inc. Ms. Trucks also presented this item.

Chairman Steel asked if there were any questions or comments from Board members. There being none, Chairman Steel requested a motion to approve the resolutions. Upon the motion being duly made and seconded, the following resolutions were unanimously adopted:

July 31, 2013

AUTHORIZATION TO AMEND THE CONTRACT WITH MICHAEL VAN VALKENBURGH ASSOCIATES, INC. FOR DESIGN AND ENGINEERING SERVICES RELATED TO BROOKLYN BRIDGE PARK AND AUTHORIZATION TO TAKE RELATED ACTIONS

RESOLVED, that Brooklyn Bridge Park Corporation (“BBP”) is hereby authorized to amend its contract with Michael Van Valkenburgh Associates, Inc. (“MVVA”) to increase the scope of services to be provided by MVVA in connection with design and coordination services for the John Street and Jay Street entrance and the Pier 6 outboard, and to increase the contract price payable to MVVA for such work by up to \$997,362 for a not-to-exceed total contract price of \$28,247,779; and be it further,

RESOLVED, that the President, or her designee(s), be, and each of them hereby is, authorized and directed, in the name and on behalf of BBP, to execute and deliver any and all documents and take all such actions as the President or the President’s designee(s) may deem necessary or proper to effectuate the foregoing resolutions and in connection with the implementation of the work pursuant to the amended contract.

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Chairman Steel announced the fifth item on the agenda: the authorization to enter into a lease transaction with respect to the John Street development site. David Lowin, BBP’s Vice President of Real Estate, presented the item.

Chairman Steel asked if there were any questions or comments from Board members.

In response to a question from Mr. Connor, Mr. Lowin answered that the developer, a joint venture between Alloy Development and Monadnock Development, had deposited the initial lease payment of \$9.35 million into an escrow account controlled by BBP’s outside counsel, and that upon closing the money would be released to pay Consolidated Edison (“Con Ed”) for the John Street property and to pay BBP’s other costs associated with the acquisition.

In response to a question from Mr. Simmons, Mr. Lowin confirmed that, except for the initial \$9.35 million payment, the revenues from the development lease would be used to support the Park’s operating budget, but that the Park’s anticipated maintenance needs were not yet fully covered by the current sources of revenue.

Mr. Raskin and Ms. Strahle advised that they would be voting against the item as the developer was not being required to use union labor.

In response to a question from Mr. Pinsky, Mr. Lowin responded that of the 11 proposals submitted, only one developer contemplated using union labor for the construction, and that the price offered by this developer was approximately \$9 million less in net present value than the winning proposal.

Mr. Pinsky stated that while the administration has successfully executed many projects with union labor, in this specific case, where the Park would lose more than \$9 million in proceeds after already having lost several million dollars as a result of the agreement with Senator Squadron to downsize the site, the Board members had a fiduciary obligation to proceed with the project that would best help the Park sustain itself in the long term.

Mr. Levin stated that the RFP should have included a union requirement or preference, and advised that he would vote against the item.

Ms. Witty stated that the Park's financial model is based on having a \$15 million annual budget funded by revenue from the development sites, and to the extent that BBP strikes individual deals for less money, the Park would need to have more housing to support its budget, which would then conflict with the wish of certain community members to reduce housing on Pier 6. In response to a related question from Mr. Offensend, Mr. Lowin confirmed that the winning proposal did not yield a greater net present value than the revenues from the John Street development site anticipated by the Park's financial model.

In response to a question from Ms. Francois, Mr. Lowin stated that BBP had had extensive conversations with the one developer that offered to use union labor to give them an opportunity to raise their financial offer to be more competitive with the winning proposal.

Mr. Connor encouraged the developer to meet with the unions.

Chairman Steel asked if there were any further questions or comments from Board members. There being none, Chairman Steel requested a motion to approve the resolutions. A motion was duly made and seconded. Mr. Raskin, Mr. Levin and Ms. Strahle opposed and Ms. Francois abstained. The following resolutions were adopted:

July 31, 2013

AUTHORIZATION TO ENTER INTO A LEASE TRANSACTION WITH RESPECT TO THE JOHN STREET DEVELOPMENT SITE AND AUTHORIZATION TO TAKE RELATED ACTIONS

WHEREAS, BROOKLYN BRIDGE PARK CORPORATION (the "*Corporation*") is the tenant pursuant to a Master Ground Lease Agreement of certain property (the "*Master Lease Premises*") made as of July 29, 2010 (as amended, the "*Master Lease*") between the Corporation and Brooklyn Bridge Park Development Corporation ("*BBPDC*"), as landlord;

WHEREAS, immediately upon acquisition of fee title to 1-11 John Street by BBPDC, the Master Lease Premises shall automatically include that certain development site identified in the Master Lease as Development Parcel 6 (the "*John Street Development Premises*");

WHEREAS, the Corporation proposes entering into a severed ground lease agreement with BBPDC, as landlord (the "*Severance Lease*") pursuant to which the John Street Development Premises will be severed and released from the Master Lease;

WHEREAS, the Corporation proposes entering into a sublease (the "*Sublease*") of the John Street Development Premises with 1 John Street, LLC (the "*Tenant*") for the construction, development, operation, maintenance and use of a residential building (and related uses as permitted thereunder);

WHEREAS, the Board of Directors (the "*Board*") of the Corporation has determined that it is in the best interest of the Corporation to take any and all actions appropriate, whether now or in the future, to consummate the transactions described in the foregoing recital clauses (all of the foregoing, collectively, the "*Transactions*");

WHEREAS, in furtherance of the Transactions, the Board has determined that it is in the best interest of the Corporation to take any and all actions appropriate, whether now or in the future, to

effectuate, deliver, execute or enter into and perform any and all documents, certificates, instruments, or other agreements in connection with the Transactions (collectively, the “*Project Documents*”);

NOW, THEREFORE, BE IT

RESOLVED, that the Transactions and the Project Documents, including any and all such actions required by the Corporation, be and hereby are authorized, approved, and ratified in all respects; and it is

FURTHER RESOLVED, that the Corporation, any officer thereof, signing singly and acting alone, be and hereby are authorized to take any and all actions necessary to consummate the Transactions and to effectuate, execute, deliver and perform the Project Documents, all in such form and substance as approved by the officer executing the same; and it is

FURTHER RESOLVED, that any officer of the Corporation, signing singly and acting alone, be and hereby is authorized and directed to do or cause to be done any and all such acts and things, and to execute any and all such documents, certificates, instruments and other agreements in connection with the Transactions or the Project Documents, as in their judgment may be necessary or appropriate; and it is

FURTHER RESOLVED, that all actions previously taken by any officer of the Corporation, in connection with the Transactions or the Project Documents be and hereby are adopted, ratified, confirmed, reaffirmed and approved in all respects.

* * *

Chairman Steel announced the sixth item on the agenda: the authorization to expend funds related to the acquisition of the property located at 1 John Street. David Lowin also presented the item.

Chairman Steel noted for the Board’s benefit that over the course of the discussions with Con Ed regarding the transfer of the property, the parties developed a different understanding of the transaction than the donation by Con Ed initially contemplated in 2001, and acknowledged Mr. Connor’s and Ms. Witty’s help in advising him of this history. Chairman Steel stated that he had had further discussions with Con Ed and while he is optimistic that there are other ways to work with Con Ed in the future, it was his recommendation that the Board proceed with the proposal as presented.

Mr. Connor stated that Con Ed had announced that it was donating the property to the Park for free in 2001 when the property did not have significant value, and that the \$9.2 million appraised value on which the current purchase price is based was the result of the value added by BBP in building the Park around it. Mr. Connor advised that he would not vote to approve the item.

Chairman Steel asked if there were any further questions or comments from Board members. There being none, Chairman Steel requested a motion to approve the resolutions. A motion was duly made and seconded. Mr. Connor, Mr. Raskin, Mr. Levin and Ms. Strahle opposed. The following resolutions were adopted:

July 31, 2013

AUTHORIZATION TO EXPEND FUNDS RELATED TO THE ACQUISITION OF THE PROPERTY LOCATED AT 1-11 JOHN STREET AND AUTHORIZATION TO TAKE RELATED ACTIONS

RESOLVED, that Brooklyn Bridge Park Corporation (“BBP”) is hereby authorized to expend funds related to the acquisition of the Property located at 1-11 John Street in accordance with previously approved agreements; and be it further

RESOLVED, that the President of BBP and her designees be and each hereby is authorized and empowered to take all actions and execute such documents as she or they may deem necessary or appropriate to effectuate these resolutions.

* * *

Chairman Steel then asked Ms. Myer to present the President’s Report.

Ms. Myer thanked Mr. Pinsky for his leadership and wished him well in his new endeavor. Ms. Myer then announced that earlier that morning, BBP had received approval of the conversion of Empire Stores and the Tobacco Warehouse from the National Parks Service, and that she would update the Board further after reviewing with approval documents with the State. She then provided updates on: (i) programming; (ii) park visitor counts; (iii) concessions; (iv) Park construction; (v) the Pier 1 development.

Chairman Steel thanked Ms. Myer for her report and asked if there were any questions or comments from the Board.

Ms. Contini congratulated the BBP and the Brooklyn Bridge Park Conservancy on the Park’s programming.

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Chairman Steel then asked if the public had any statements or questions.

Several representatives and members of Build Up NYC and Local 361, respectively, expressed safety concerns regarding non-union construction in general, and Dan Wolcott and Michael Halpin of Build Up NYC expressed safety concerns specifically with respect to the Pier 1 developer’s contractors.

Donald Reid of Local 46 expressed his concern about widespread poverty and inequality.

Albert Ortiz read a letter on behalf of the Utility Workers Union of America regarding the potential need for Con Ed to upgrade the electrical systems serving the Park and recommending that BBP request a full report from Con Ed regarding its plans to power development around the Park.

Nancy Webster, Executive Director of the Brooklyn Bridge Park Conservancy, noted the Park’s success with respect to creating an extraordinary public space, and thanked the Board, the City Council, the Mayor, and the Borough President for their continuing commitment to funding the construction of new sections of the Park and to supporting the Park’s financial model.

Chairman Steel asked if there were any other members of the public that would like to speak. There being no further public business, Chairman Steel requested a motion to enter into Executive Session for

a discussion regarding employment matters in connection with BBP's senior management team. Chairman Steel noted that there would be no votes taken during the Executive Session. Upon the motion being duly made and seconded, the public and BBP Staff left the room and the Board entered into Executive Session.

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Upon the Board adjourning the Executive Session, the public and BBP Staff were invited back into the meeting. Chairman Steel requested a motion to adjourn the meeting, and upon the motion being duly made and seconded, the meeting was adjourned at approximately 3:05 PM.

Respectfully submitted,

/s/ Suma Mandel
Suma Mandel
Secretary

Dated: September 4, 2013