BROOKLYN BRIDGE PARK CORPORATION
MEETING OF THE BOARD OF DIRECTORS

Brooklyn Borough Hall
334 Furman Street
Brooklyn, New York 11201

October 21, 2013
3:06 P.M.

IN ATTENDANCE:

REGINA MYER, President
ROBERT STEEL, Chairman
MARTIN CONNOR
JUNY FRANÇOIS
VERONICA WHITE
ANITA CONTINI
ANNE STRAHALE
DANIEL SIMMONS
JOANNE WITTEN
STEVEN COHEN
JOHN RASKIN
HENRY GUTMAN
DAVID OFFENSEND
KYLE KIMBALL
STEPHEN LEVIN
NANETTE SMITH
PETER DAVIDSON (via videoconference)
PUBLIC HEARING

CHAIRMAN STEEL: Good afternoon, if we can begin. My name is Bob Steel, and on behalf of my fellow Board Members, a meeting of the Board of Directors of Brooklyn Bridge Park Corporation is hereby called to order.

And let me first begin by asking Suma Mandal, secretary of our corporation, to act as secretary for today's meeting, and if she could please confirm for us that there is a quorum for today's meeting.

MS. MANDEL: We have a quorum.

CHAIRMAN STEEL: Good, thank you so much.

And before we address the voting items scheduled for today's agenda, let me first welcome Board Members, various City and State officials, Regina Myer and her staff, and also thank the members of the public who we are always pleased to have joined us.
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We are also connected, I believe, by conference call, so I will try to speak louder, and let me invite others to do the same, to Mr. Davidson who, because of his new responsibilities in Washington, is joining us telephonically.

Peter, are you there? David?

PRESIDENT MYER: He is not.

CHAIRMAN STEEL: That didn't work. We are going to have to speak really loudly, I guess, as opposed to just regular loudly.

(Laughter.)

But let me also introduce and welcome a new Board Member,

Mr. Steven Cohen. Mr. Cohen was nominated and appointed to the Board by the Mayor.

Mr. Cohen, thanks in advance for all the great work and wisdom you are going to share with us, and welcome today.

MR. COHEN: Thank you for your
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sense of delusion.

CHAIRMAN STEEL: Now, let's get
started on the voting item on the
voting items for today's meeting. As
is our practice, what we are going to
do is ask if any members of the
public have any questions or comments
during the session of the Board
meeting, please hold them until the
end of the meeting, when we will have
time to invite you for your comments.

When formulating your comments,
please note that, in order to ensure
that everyone has an opportunity to
speak, our policy is to limit
speakers to one two-minute turn per
speaker. If there is time left after
that session, then we will go back
through again and we will just see
how things go from there. But we
appreciate your attendance and thank
you in advance for your
participation.

Now, if I could turn to the
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first agenda item in the plan for
today's session. It's the approval
of the minutes from the September 4,
2013 meeting of this same group of
Directors. A draft of proposed
minutes has been circulated to all
Directors prior to today's meeting,
along before the rest of the
materials which are going to be
considered along the various agenda
items today.

Before we proceed, Ms. Myer
would like to say a few words about
the minutes.

PRESIDENT MYER: Thank you,
Chairman Steel.

I wanted to follow up on a few
of the comments made during the
public comment portion of the last
Board meeting. There appears to be
some confusion about the appropriate
function of Board minutes.

To clarify, minutes are simply
a record of the matters formally
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voted on by the Directors and the
outcome of those votes. They are not
and shouldn't be an exhaustive
recital of everything said at the
meeting.

    In order to avoid this
confusion going forward, you will
notice that we have streamlined our
minutes. That said, as it is often
the case --

CHAIRMAN STEEL: We need to
close the door. People need to come
in or come out. It's great. We
would love to have them come in.
Let's step forward, then.

Thank you.

PRESIDENT MYER: My staff, can
you move so we can make room for a
few more people, please.

    I am going to get started
again.

CHAIRMAN STEEL: Please.

PRESIDENT MYER: In order to
avoid confusion, you will notice we
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have streamlined our minutes. That
said, as you have noticed, and as is
the case today, we have a
stenographer in attendance at our
past several meetings to provide
backup support to our staff in
preparation of the minutes.

So, while we will not be able
to accommodate the request by the
representatives Build Up NYC that the
complete statements of each
individual representative be included
in official minutes, we have made the
stenographer's transcripts of the
June, July and September meetings
available to the public on our
website.

Please be aware that these
transcripts are not edited or
corrected in any way by BBP staff,
and as you can imagine, it's
difficult for even the best
stenographer to capture every word
accurately.
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CHAIRMAN STEEL: Thank you very much.

Are there any questions by Board Members with regard to this policy? Because it's clarifying exactly what the policy will be. And while the minutes will reflect the essence of the meetings, there will be the transcript fully available so that people can get every single word.

Any comments or questions to this?

(No response.)

CHAIRMAN STEEL: Hearing none, then let me proceed.

And so, is there a motion to approve the minutes of the September 4, 2013 Board of Directors meetings as presented?

BOARD MEMBER: So moved.

CHAIRMAN STEEL: So moved.

And a second?

BOARD MEMBER: Second.
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All in favor, please signify by saying "aye."

(A chorus of ayes.)

CHAIRMAN STEEL:  Any opposed?

(No response.)

CHAIRMAN STEEL:  Hearing none,
then that motion is approved.

The second agenda item as presented to you in advance of today in your materials consists of a few items represented to the corporation's annual meeting.

Let me now ask Cedrick Gaddy, who is the Park's chief financial officer, to make a presentation of the corporation's 2013 audited financial statements which are located behind the second tab since this is item 2 of the Board book.

Director Kimball will then provide us with the audit and finance committee's perspective.

Collectively, this will be considered under the annual audit report under
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the bylaws.

Thank you, Cedrick.

MR. GADDY: Thank you,

Mr. Chairman.

Pursuant to section 2800 of the
Public Authorities Public
Accountability Act as amended by the
Public Authorities Reform Act of
2009, the following is required of
BBP: Have its Directors approve its
fiscal year 2013 audited financial
statements, copies of which are
attached to the resolution as Exhibit
A; certify the accuracy of the
financial statements from the
President and chief financial officer
of BBP, which is attached to the
resolution as Exhibit B; have its
Directors approve an annual
investment report, which is attached
to the resolution as Exhibit C.

BBP staff, including its chief
financial officer, prepared its
fiscal 2013 financial statements.
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Such statements were then audited by Marks Paneth. A first draft of the audit was distributed to BBP staff for review. An updated draft was then circulated to the audit and finance committee of BBP.

On September 24, 2013, BBP's audit and financial committee met to review and accept the audited financial statements. NPS conducted a detailed presentation of the audit materials for the committee. Members of the committee had an opportunity to ask questions of both NPS and BBP staff.

Consistent with best practices and good government standards, the committee went into executive session to ensure the committee had an opportunity to discuss any questions with the auditor's directive.

Following the committee's meetings, NPS finalized the audited financial statements. In accordance
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with the Comptroller's Directive 22,
BBP submitted its audited financial
statements to the Comptroller's
Office by September 30th, 2013
submission deadline.

The requested actions by the
Directors to take related action are
to approve the audited FY 2013
financial statements of BBP attached,
approve the certification for
accuracy by the President and CEO of
BBP, approve the fiscal year 2013
investment report attached hereto as
Exhibit C, and authorize the
presentation of the above-referenced
audited financial statements,
certification and investment report
to sole member of BBP, authorize BBP
staff to report the above-referenced
financial statements and investment
report and post them on its website
in accordance with provisions of PAAA
and take all necessary related
actions.
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CHAIRMAN STEEL: Thank you.

Let me invite Kyle Kimball now
to provide his perspective with
regard to this issue.

MR. KIMBALL: Sure. Thank you,
Chairman Steel.

The audit committee met with
Marks Paneth, the auditors, the
Brooklyn Bridge Park finance staff.
We went through the financials with
the staff and we also went into
executive session with the auditors.

It should be noted that there
were some findings in a management
letter presented to the audit
committee and they were all issues
related to a separation and
establishment of Brooklyn Bridge Park
as a standalone entity, setting up a
new staff and the absence of a
policies and procedures manual and
issues that really flowed from that.

We asked, the audit committee
asked for a follow-up meeting with
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the staff to understand and ask for a
timeline and their plan for
addressing these items. We were
satisfied with that timeline. We
feel comfortable with the financials
themselves as prepared, as well as
the plan for the staff to deal with
the management letter items that were
presented to the committee.

So, I appreciate the staff, the
auditors and the fellow audit
committee members for their
dedication and continuing diligence
towards the financial health of the
park.

CHAIRMAN STEELE: Thank you.

Board Members, you have heard
both of the reports from Mr. Gaddy
and President Kimball. Any questions
for the two of them with regard to
the information presented?

Yes, sir.

MR. SIMMONS: Quickly, when
will the policies and procedures
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guidelines be set up? Do we have a
date?

MR. GADDY: We are scheduled to
have that done by February of 2014.
So, essentially, it's a detailing of
all of our activities, so it takes a
little time.

MR. SIMMONS: Just curious.

CHAIRMAN STEEL: Good.

Any other questions for either
Mr. Kimball, Mr. Gaddy?

(No response.)

CHAIRMAN STEEL: Hearing none,
then if there are no further
questions, I would like to request a
motion to accept the audit of Marks,
Paneth, Shron, LLP, of Brooklyn
Bridge Park's 2013 financial
statements and annual investment
report. Is there a motion?

MR. OFFENSEND: So moved.

CHAIRMAN STEEL: Second?

BOARD MEMBER: Second.

CHAIRMAN STEEL: All in favor,
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signify by "aye."

(A chorus of ayes.)

CHAIRMAN STEEL: All those opposed?

(No response.)

CHAIRMAN STEEL: Hearing none, that motion passes.

Thank you, Mr. Gaddy.

The third item on the agenda, which was presented to the Board Members in advance, is the ratification of the policies required by the PAAA. And Ms. Mandel will present this item to us.

MS. MANDEL: Thank you, Chairman Steel.

CHAIRMAN STEEL: Peter?

MR. DAVIDSON: Yeah.

CHAIRMAN STEEL: Hi, it's Bob Steel. We are beginning on the third agenda item, which is PAAA, and thanks for joining. And we will try to speak loudly. If you can't hear us, you need to give a shout and let
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us know.

MR. DAVIDSON: Okay. It's loud and clear. Sorry to be a little bit late.

CHAIRMAN STEEL: No problem.

MS. MANDEL: Thank you,

Chairman Steel.

This Board has adopted a number of policies required by the Public Authorities Accountability Act, with PAAA, which must then be ratified on an annual basis. Copies of these policies are included behind tab 3 in your Board books.

Today we are asking the Board to ratify these policies for fiscal year 2014 as required by the PAAA.

We are also asking, too, that each Director complete and return to us a disclosure statement confirming that you have read the code of ethics and disclosing any conflicts as defined in the code. This disclosure statement must be provided by each
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Director annually and has been
distributed to your seats together
with the code.

Our paralegal Renee will be
collecting your completed forms today
after the meeting. You may also
e-mail your form to me by the end of
this week.

CHAIRMAN STEEL: Great.

So, are there any questions or
comments? I think the information
that was probably behind tab 3 is
pretty straightforward and consistent
with normal State protocol for these
issues.

If anyone has any questions or
comments? Yes, sir.

MR. SIMMONS: Yeah, didn't we
just send that in? Didn't we just
mail this in?

MS. MANDEL: That was last
October. That's for the City. This
is actually for our internal
compliance.
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2   MR. SIMMONS: Okay.
3   MS. WITTY: This is conflicts
4   and that is financial disclosure.
5   MR. SIMMONS: Okay.
6   CHAIRMAN STEEL: Thank you for
7   the clarification, one for conflicts
8   and one for financial disclosure, so
9   we feel all disclosed in lots of
10   ways.
11   MR. SIMMONS: Everything.
12   CHAIRMAN STEEL: Any questions
13   from Members?
14   If not, is there a motion to
15   accept this request as presented?
16   BOARD MEMBER: So moved.
17   CHAIRMAN STEEL: Second?
18   MS. WITTY: Second.
19   CHAIRMAN STEEL: All in favor,
20   signify by saying "aye."
21   (A chorus of ayes.)
22   CHAIRMAN STEEL: Opposed?
23   (No response.)
24   CHAIRMAN STEEL: Hearing none,
25   and now we will move on to the fourth
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item, which is the approval of the
CAC's recommendation to designate two
new members. And Ms. Mandel will
review this item, as well.

MS. MANDEL: At its September
24th meeting, the Brooklyn Bridge
Park Community Advisory Council
approved the designation of David
Andrews to replace Tiffany Force as
the organization representative of
Dodge YMCA and John Kilgore to
replace Joan Zimmerman as the
organization representative of the
Fulton Ferry Landing Association.
Their biographies are included in
your Board materials.

The Directors of BBP are hereby
requested to approve Mr. Andrews as
the replacement organization
representative of the Dodge YMCA and
Mr. Kilgore as the replacement
organization of the Fulton Ferry
Landing Association.

CHAIRMAN STEEL: Thank you very
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much.

As Ms. Mandel indicated, behind tab 4 in your previously-presented materials is a description of the request and also bios of the two nominees for your information.

Do any Directors have questions or wish to discuss this as presented?

(No response.)

CHAIRMAN STEEL: Hearing none, is there a motion to approve this request?

BOARD MEMBER: So moved.

CHAIRMAN STEEL: Second?

MR. CONNOR: Second.

CHAIRMAN STEEL: All in favor, please signify by saying "aye."

(A chorus of ayes.)

CHAIRMAN STEEL: All those opposed?

(No response.)

CHAIRMAN STEEL: Hearing none, then the fifth item on the agenda for today is the authorization to amend
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the contract with Michael Van Valkenburgh Associates. This, again, is tab 5 in your materials. And Lee Trucks, the park senior project manager, will present this item for us today.

MS. TRUCKS: Thank you, Chairman.

This proposed amendment to Michael Van Valkenburgh's contracts includes design and engineering services related to maritime scope for the remaining landscape at Pier 6.

The outboard of Pier 6 is the next major funded section of the park's construction phasing plan.

The Board of Directors have previously approved services for MVVA to complete design, bidding and construction administration for this area. This current amendment will provide for marine scope, in particular, the design of boat
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docking services, funding for which
was approved in the 11th funding
amendment at the July 31st Board
meeting.

The total not-to-exceed cost of
this amendment is $310,772. BBP
staff has reviewed the proposed
increase with Gardiner & Theobald,
BBP's representative for the project.
It has concluded that such sum is
fair and reasonable for the extra
work to be performed.

The Directors are hereby
requested to authorize BBP to amend
the MVVA contract to increase the
scope as described by up to $310,772
for a new, not-to-exceed aggregate
contract price of $28,558,551.

CHAIRMAN STEEL: Great.
Any questions on this as
presented by Ms. Trucks?

Yes, Mr. Raskin.

MR. RASKIN: Not specific to
the extension of the contract, but
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would you please remind me of just
the timeline of the phasing of the
section of Pier 6.

MS. TRUCKS: Sure, sure.

CHAIRMAN STEEL: Speak a little
louder, too.

MS. TRUCKS: We are going
through the finalization of the
design and the bidding phase now. We
hope to be able to come back to the
Board with actually a construction
contract for actually the building
out of the rest of the park in the
next couple of months.

And so, we will start
construction in the next few months
and think it will be about a 12-month
process of construction for that.

MR. RASKIN: Thank you.

CHAIRMAN STEEL: Good. Thank
you.

Any other questions or comments
with regard to item 5?

(No response.)
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CHAIRMAN STEEL: Hearing none, then is there a motion to approve this request as presented?

BOARD MEMBER: So moved.

CHAIRMAN STEEL: Thank you.

Second?

BOARD MEMBER: Second.

CHAIRMAN STEEL: All those in favor, please signify by saying "aye."

(A chorus of ayes.)

CHAIRMAN STEEL: All those opposed?

(No response.)

CHAIRMAN STEEL: Hearing none, then that motion passes, also. The sixth item for today is a nonvoting item, but is the update discussing the park’s financial model that we discussed sharing with the Board in previous meetings.

I am going to turn it over to Ms. Myer and David McCarty, the project manager of the park now, and
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they will begin to walk us through this. Thank you.

PRESIDENT MYER: Thank you, Chairman Steel. As the Board is aware, the park operates under the mandate to be financially self-sustaining with no funds received from the City or State for maintenance and operations.

We last discussed the park's financial model during 2010 as a part of the process for the committee on alternatives to housing.

Having had the benefit of completing three fiscal years since then, during which time we have opened approximately 50 percent of the park and closed on leases for three of our development sites, we believe that now is the right time to provide an update on how the park's financial model is working so the Board is better equipped to evaluate the future direction of the park.
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David McCarty is going to walk us through a discussion. We are going to put the PowerPoint here on this screen. I think we have a couple of hardcopies for Directors Connor and Steel. And then David McCarty, David Lowin and I will take questions at the conclusion of the presentation. So, I will turn it over to you.

MR. McCARTY: Great. Thank you, Regina. I am pleased to present to you an update on the status of the Brooklyn Bridge Park financial model. I will start with a little background covering how the model is structured and then present updates of both the park's expenses and revenues and we will happily take questions at the end.

As Regina mentioned, Brooklyn Bridge Park operates under a mandate to be financially self-sustaining. This mandate was memorialized in the
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memorandum of understanding signed by
Governor Pataki and Mayor Bloomberg
in 2002 that created Brooklyn Bridge
Park.

While the City and the State
have contributed significant capital
funds to design and build the park,
all maintenance and operations
expenses must be fully offset by
revenue that is generated on site.

To create the park's financial
model, we began by projecting the
potential expenses associated with
the park. These expenses fell into
two broad categories, the first
consisting of typical maintenance and
operations expenses for running a
typical 85-acre park. These expenses
are found in any park in and around
New York City.

The second category was unique
to Brooklyn Bridge Park and several
other waterfront parks in the city,
and consisted of expenses associated
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with the repair of the park's
maritime infrastructure.

As many of you know, our park
is built on over 12,000 wooden piles
in the East River that are in various
states of deterioration. Significant
maintenance of that infrastructure
will be required in the coming
decades and expenses associated with
that maintenance must be covered by
the park's operating budget.

The most recent estimates for
those expenses were projected to be
$16 million a year at full park
build-out. This number of $16
million a year is one that we have
referenced often in recent years and
one that you are likely familiar
with. I will quickly recap where
that value came from.

The first category of the
operating budget is composed of
maintenance and operations expenses
out in the field, management and
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administrative expenses here at 334 Furman Street and a State of Good Repair Fund. This fund plans for the future expenses associated with the full replacement of certain park components.

So, as an example, we know that the artificial turf out on Pier 5 will need a full replacement in approximately ten years. This replacement will likely cost several hundred thousand dollars and the State of Good Repair Fund puts aside money for those types of future expenses.

These three factors together were estimated to run around $12 million annually at the time the park was fully built out. The expenses associated with the repair of our maritime infrastructure were estimated by our marine engineers to cost roughly $200 million over a 50-year period or, for the sake of
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simplicity, roughly $4 million per year.

In reality, these expenses will not be uniformly spread out over this period, but for the sake of simplicity, $4 million per year was used. So, together, the $12 million per year from operating the park and the $4 million per year for the maritime repair resulted in the $16-million-per-year figure that you are familiar with.

Now, let's take a look at where we stand compared to that estimate. You can see on this slide that, with regard to our operating budget, we are largely in line with the original projects. To date, we have opened roughly half of the park and most recently approved operating budget is for roughly $6 million, half of the $12 million per year expense projected at full park build-out.

Despite the fact that we
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believe we are in line with these
original projections, I should
mention that a significant amount of
uncertainty remains regarding the
operating expenses for future park
phases.

We have done our best to
estimate what these expense will be,
but we will not be sure of their
levels until those sections of park
are fully opened.

Now, on to our maritime
expenses, the projections for our
expenses associated with the maritime
repair have increased roughly 25
percent since we last presented to
you. Our marine engineer, Halcrow,
completed a lifecycle assessment of
our piers in 2010 that resulted in
the estimate of $200 million over 50
years that I mentioned earlier.

This past spring, we received
your approval for Halcrow to update
this lifecycle analysis, the result
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of which we recently received. It's our intention to periodically revisit these numbers to ensure that we have the most accurate estimate possible. The revised analysis estimates that the projected maintenance expenses will now run roughly $250 million over 50 years instead of 200 million. Some of this increase was anticipated in our model associated with inflation, but much of it represents additional maritime expenses.

This increase is attributable to a growth in the unit costs to repair our piles. So, the scope of the repair work has not changed, just the expense associated with doing the work. The unit costs have gone up largely because the economic environment is more competitive than it was in 2010 and as such, construction pricing across the region has increased. This increase
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is largely in line with cost

increases in the construction

industry more broadly.

Now we will look at the revenue

side of the equation. The park's

revenue model was designed to raise

sufficient revenues on site to offset

the project, the operational expenses

of the park. The model relies

heavily on revenue generated from

private real estate development.

Roughly eight acres of land on

the periphery of the park were set

aside as development sites which

would generate ground rent and

payment in lieu of taxes, or PILOT,

to sustain the park. In addition,

limited revenues would be available

from permits and concessions.

The park's revenues fall into

two broad categories, recurring and

onetime revenue. Recurring revenue

is revenue we receive on an annual

basis from now until the end of the
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lease term. It's composed of ground
rent from our development sites, both
commercial and residential, PILOT
from our development sites and
revenue we receive from permits and
concessions.

Our onetime revenues are
composed of upfront payments on our
development site. We saw this most
recently with the Empire Stores and
John Street awards, as well as
payment in lieu of sales tax and
payment in lieu of mortgage recording
tax, which we received during the
development process.

Since we last spoke, we have
seen three major changes in the
market that have affected our revenue
model. First, with respect to our
residential sites, while the overall
value that we are receiving from
developers is largely in line with
our original projections, our larger
portion of that value is coming in
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the form of onetime revenue and less
value coming in the form of recurring
revenue than was originally
anticipated.

Developers are viewing these
transaction in a similar manner to a
land transaction with large upfront
payments representing the bulk of the
value transfer.

Second, we are projecting the
PILOT levels at all of our
residential sites will be lower than
we had originally anticipated. Our
previous PILOT estimates were based
on projected property values which
are very difficult to estimate.

In contrast, our current PILOT
estimates are based on actual
valuation levels that DOF has
assigned to residential projects in
the park.

And third, we are receiving
more revenue from Empire Stores than
was originally anticipated. This is
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due in large part to the strength of
the DUMBO office market and the
incredible value that the park has
brought to the site.

Given these changes in the
market, we found a helpful way to
think about how much revenue we need
to raise to fully meet our
obligations.

First, our recurring revenues
must meet or exceed $12 million per
year at full park build-out to fully
offset the $12 million of operating
budget. This assures our long-term
operational stability.

Second, we want our upfront
payments to cover a large portion of
our maritime liabilities. To the
extent to which they can't cover the
entire amount, the remainder of those
expenses would have offset from
excess recurring revenues. Again,
this is just a simple tool that we
use to help us understand what is
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happening in a very complicated
financial model.

So now, let's take a look at
where we currently stand from a
revenue perspective. We have awarded
four development sites to date. We
will start with the recurring
revenues.

We project that we have secured
roughly $10 million of annual
recurring revenues from the four
development sites that we have
already awarded. This includes both
ground rent and PILOT. Our last
remaining site is Pier 6, where we
are currently projecting to receive
between three and $4 million in
recurring revenues.

These together yield us 13
and-a-half million dollars per year
in recurring revenues. Again, we
want to compare this figure against
the $12 million per year of operating
expenses to make sure that we meet or
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exceed it, and you can see that we do.

Now looking at our onetime revenues, to date, we project that we have secured roughly $90 million of onetime revenues from our four development sites. We project that we will receive an additional 70 to $100 million of onetime revenues from Pier 6, for a total of 160 to $190 million in onetime payments. Again, the goal is that these payments would cover a large portion of our $250 million maritime liability, and you can see that they do.

The remaining amount will be covered from excess recurring revenues. At one and-a-half million dollars per year, we can complete our maritime repair work in between 40 and 60 years, which is in line with the timeline we were given from our marine engineers.

I would like to pause for a
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second to make two points on this
slide. First, this slide shows that
the model is working. Given current
projections, we are able to raise
sufficient revenues to fully offset
projected operating expenses of the
park and to repair our maritime
infrastructure in the required time
frame.

Second, this slide shows how
important the Pier 6 development
sites are to our overall financial
model. You can see on the left
Pier 6 accounts for roughly a third
of all of our recurring revenues, and
on the right roughly half of all of
our onetime revenues. Without the
Pier 6 site, the model will not work.

In summary, we are constantly
refining this financial model to
reflect the latest on the ground
realities and market conditions. As
I mentioned, our current financial
projections are largely in line with
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what was originally conceived and the
model is working.

That said, a significant amount
of uncertainty remains. As I
mentioned, we have done our best to
estimate future maintenance and
operations expenses for unopened
sections of the park, but we don't
know for sure how much those will
cost until we begin operating them.

Second, our PILOT revenue
levels are outside of our control and
could change in the future.

Third, with respect to our
maritime repair, we acknowledge that
projecting costs over a 50-year
period is a difficult task and
recognize that those expenses could
change over time.

And finally, despite the recent
strength of the residential real
estate market, we are keenly aware of
market cycles and must acknowledge
the risks associated with potential
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downturn.

That concludes our
presentation. At this point, I think
we are happy to accept questions.
Both Regina, David Lowin and I will
be fielding any questions you have.

CHAIRMAN STEEL: Perfect.

Regina, anything you may say
before we go to questions?

PRESIDENT MYER: Actually, not.

CHAIRMAN STEEL: All right,
great.

Questions, then?

Yes, Mr. Councilman.

MR. LEVIN: Thank you,

Mr. Chairman.

With the onetime payments that
are going to be going towards the
long-term maintenance of the maritime
costs, the piers and the piles, are
we investing that fund or is that
separate from the operating fund, the
onetime payments?

Are we investing them, and if
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we are --

MR. McCARTY: All of the
revenue is part of Brooklyn Bridge
Park's operating revenue, operating
fund. The Board made its first
allocation of operating revenue to
repair maritime expenses this past
spring in approving the financial
budget for the fiscal year 2014.
That will continue as, over the next
50 years as we will use money that we
receive from our development sites.

PRESIDENT MYER: Are you asking
about our investment policy?

MR. LEVIN: Yes.

MR. LOWIN: The funds that are
a part of the maritime investment
fund are invested together with all
of our operating fund, which we have
a policy that requires that it be
invested in safe things that don't
necessarily have the highest yield.

MR. LEVIN: Okay.

What type of interest are we
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looking at right now?

PRESIDENT MYER: Cedrick?

MR. GADDY: The interest is
currently less than a percent, so not
really yielding enough, I guess, to
meet the needs of the model.

MR. McCARTY: Other questions?

CHAIRMAN STEEL: Yes, sir, go
ahead.

He doesn’t look sated.

(Laughter.)

MR. LEVIN: On another issue,
so, going back to slide 5, with the
operating expenses yearly on the
maintenance and operation, right now
we are at 41 acres, $6.4 million
projected for roughly half of the
full build-out projected for 12 a
little bit over 50 percent.

Is it kind of a one-to-one for
the cost of the maintenance and
operations for the size of the park
or is there an economy of scale?

Are we able to, in other words,
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are acres, you know, 65 to 75 the
same cost as acres 25 to 35?

MR. LOWIN: I will say it's not
a one-to-one. There is two main
reasons why that's not the case.
First is obviously the
administrative. I don't think we
need to double our administrative to
run the rest of the park. That's a
little bit front-loaded. And the
other is different types of
landscapes have different costs. So,
certain hard-scapes cost less to
maintain. (Inaudible.)

MR. McCARTY: One other thing I
will point out we have seen in park
visitation as we take our park
visitation number over the years,
that not only is park visitation
growing related to new phases of park
that are coming online, but we are
seeing tremendous growth in existing
phases.

So, the budget operated

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expenses going forward take into
account that fact that the park is
still getting discovered to a certain
extent, and it represents the
increase of maintenance and operation
expenses will increase use in the
park’s existing space for the next
few years.

MR. LEVIN: So then, you are
confident that the next 41 acres are
going to be $5.6 million in addition?

MR. LOWIN: That is our
projection.

CHAIRMAN STEEL: I'm sorry. I
couldn't hear you.

MR. LOWIN: Our current
projection as David showed on the
later slide that we would slightly
exceed the 12.

CHAIRMAN STEEL: I think there
is an education process as we roll
out. We have the City's experts with
Commissioner White here who can
comment. But I think for estimating
PUBLIC HEARING

perspective, we are not far off.

And I wouldn't want you to take
away an implied precision to the
second or third decimal point with
regard to the models we are
presenting.

MR. LEVIN: Right.

CHAIRMAN STEEL: But I think
that currently, it seems like our
original ideas of $12 million for a
fully developed park depending on
program activities, visitor usage and
the soft and hard-scapes is a good
estimate from a modeling perspective.

I don't know if you would like
to add something, Commissioner White.

MS. WHITE: I agree, plus the
200 to 250 is in line with in terms
of the other side of it, the capital
investments that we needed ongoing.

Wise to be careful of that because
obviously we need to take care of
everything under the piers. I think
it's very good those adjustments were
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made.

CHAIRMAN STEEL: As I said, this will be constantly refined, and the more we open, the more we will know. And so, I think that would be the comment. So, so far, so good would be my short aphorism for where we are on this.

MR. LEVIN: I have one more question.

CHAIRMAN STEEL: At least.

MR. LEVIN: You said, I think it was the next slide that maybe -- I'm sorry, it was the one after that, one more -- that the recurring revenue is, was coming in less than expected; is that correct?

I wanted to know why, if you could flesh that out a little bit more, more onetime, why less recurring?

MR. McCARTY: So, this specifically relates to our residential development sites. The
PUBLIC HEARING

original projections were that of all
the value we would receive in rent
payment from developers on those
sites, a certain portion would come
in the form of upfront payments and
then the rest of it would come on an
annual recurring basis.

And what we have seen to date
is the division of that revenue
between onetime and recurring has
changed. And specifically how it's
changed is, now the deal is that we
have been awarding -- suggest that a
much larger percentage of the value
is going to come in the form of
upfront payments, less in recurring
revenues.

And the reason for that is that
most of these projects have gone
condo, and developers are hesitant to
pass on what are essentially
additional rent obligations to
tenants. They feel there is sort of
a level at which it becomes too
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burdensome and the units become
unmarketable.

So, as a result, what they have
done is they have transferred much of
that value transfer from the
recurring years to the form of one
front payment. So again, the total
value is largely in line with what we
are projecting, it's just coming in
different times.

MR. LEVIN: So then, overall,
we are not, in terms of just in that
area alone, we are not receiving less
revenue than we projected before?

MR. McCARTY: It's just how
it's coming.

MR. LOWIN: And that's an
important question as you saw later
on, recurring revenues and our
maintenance, those expenses come at
different times and we want to make
sure they -- (inaudible.)

MR. LEVIN: But less in terms
of PILOTS, as well?
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MR. McCARTY: We are seeing on
the residential sites less PILOT. We
are projecting less PILOT today than
we had originally projected.

MR. LEVIN: How much less?

MR. McCARTY: I don't have a
figure offhand.

PRESIDENT MYER: I would say
roughly a third less, but no?

MR. LOWIN: I don't know.

CHAIRMAN STEEL: That sounds
high to me.

MR. CONNOR: It's not that big.

PRESIDENT MYER: Sorry. I will
shut up.

MR. SIMMONS: Just one.

CHAIRMAN STEEL: Yes, sir,
Mr. Simmons?

MR. SIMMONS: We have a
projection on additional concessions
and how much that will bring?

We are adding twice as much
park space. Are we going to have
twice as many concessions, and how
PUBLIC HEARING

much money would that --

MR. McCARTY: The short answer

is no, we will not have -- we are not

projecting to have twice the amount

of concession revenues as we open

these future sections of the park.

And the reason is that we have

seen our most valuable concession

sites are a physical brick-and-mortar

location and the mobile vending units

actually don't -- they don't create

as much revenue potential for the

park as the brick-and-mortar

locations do.

And we have already built all

of our brick-and-mortar locations,

with the exception of a very small

roller rink concession that we spoke

to you about previously to rent

roller skates, which we don't think

is going to be a huge money-maker.

MR. SIMMONS: Probably not.

Thank you.

CHAIRMAN STEEL: Other
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questions?

Yes?

MR. GUTMAN: Just anticipating
a question that may come, at various
points in the past there was talks
about philanthropy providing some
supplement in terms of operating
expenses.

I thought it was worth noting
while our friends at the Brooklyn
Bridge Park Conservancy are now
ramping up and doing a fine job of
going friends of the park to
contribute money, all of that goes to
programming in the park. None of
that goes to maintenance, to
maintenance and operations and any of
these items.

In case people were wondering
whether that was another source of
revenue, that's where that money
goes, to programming.

CHAIRMAN STEEL: Any other
questions or comments?
PUBLIC HEARING

MR. KIMBALL: I just want to say is this team, we actually sat and fully understand this. You guys did a great job, I think, distilling this -- it is a very complicated subject -- into, I think -- hopefully everyone fully understands it.

CHAIRMAN STEEL: I was going to say the same thing. The jestability of this is quite good. At least I feel that way. Since I had zero to do with it, I can say that. And say thank you that I think it's pretty straightforward.

There is an incredible irony here, too, that we have seen, and again, the Commissioner could comment, other pier-supported parks and that issue have the unintended consequences that the success in cleaning our water has allowed for more healthier pests to chew the pilings more quickly.

So, the cleaner the water
PUBLIC HEARING

comes, the more it costs to keep the pilings supported. And so, you are not sure what to cheer for, but I think cleaner water is the winner. And the net result is that I think, if anything, our expense for replacement will go up.

And I have seen this in three or four other parks and City facilities. So, I think that's something that might be a little counterintuitive to understand, but I am still cheering for cleaner water.

David?

MR. OFFENSEND: Yeah, I would like to add one observation because this has been in the making for a long, long time. And I would just say I think it is remarkable how close we are to being on projection now having put out, awarded five of the sites.

I mean, if you had asked me with the original projections eight
PUBLIC HEARING

or ten years ago how close we would
be today, I never would have guessed
we would be this close. Through the
financial crisis and this and that
and the next thing and the thing of
water and the healthier marine
boards, or whatever they are, it's
remarkable how close the projections
are.

CHAIRMAN STEEL: Good. Thank
you, all. And David, thank you. And
again, I can't imagine it being more
consumable, and thanks very much for
organizing this way.

Now, no more questions on that,
we are going to turn it over to the
President, Ms. Myer, who is going to
give us her report, as always.

PRESIDENT MYER: Thank you,
Chairman Steel. Just a few points
for today.

Firstly, the Brooklyn Bridge
Park Conservancy gala was held
October 3rd at the Pier 6 to continue
PUBLIC HEARING

the Conservancy's fundraising for
park programming. As Hank just
mentioned working together, it was a
tremendous success.

I want to especially thank
Veronica White for her leadership in
recognizing AT&T, who underwrites our
WiFi and our phone charging stations.
This event set a new bar for the park
here in terms of fundraising. And I
also want to thank them for that.

I also want to acknowledge the
Conservancy's incredible work on the
summer season. You can see it's the
first slide. Last weekend's
wonderful harvest festival, over
5,000 families were on Pier 6 on
Saturday morning. And look forward
to the fall, winter season, which
includes a number of educational and
volunteer programs.

Another item in terms of
fundraising is of course the Pier 6
viewing platform. We were so pleased
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that after we discussed the design

with you here September 4th, Michael

Kimmelman recognized the beauty and

excitement of the platform in The New

York Times, so that was exciting for

us.

We hope it will be a great

catalyst for identifying prospective

donors for this project. We are

working very hard on that and

obviously welcome any suggestions

from the Board on how to follow up on

that item.

RFP status. As David

mentioned, we did release three

concession RFPs in late September,

one for a marina right here at

Pier 5, one for a food concession to

replace Ample Hills, which is here on

an interim basis, and one for the

operation and maintenance of the

roller rink at Pier 2.

Informational session for the

marina was held October 8th,
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attracting over 35 people
representing some of the largest
marina operators along the east
coast. An informational session for
Pier 5 food concession was held
October 16th attracting 15 attendees.
And tomorrow we will hold an
informational session for the Pier 2
roller rink here at 1:00.

Responses for all three are due
November 18th and we look forward to
reporting progress on these
concession opportunities as they
progress throughout this year.

Construction status, I actually
have -- oh, thanks, Maureen. There's
been a lot of progress on
construction. The landscape at the
Pier 3 and 4 uplands -- and Maureen,
why don't you just go through these
slides -- has taken significant
shape. And we are looking forward to
completing this project before the
end of the year.
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Construction crews have completed all the grading, lighting and utility work. And I think the most important thing is that the berms are in place, and really, it's such a pleasure both to see the visual amenity, but also the fact that they are already effective in attenuating the sound which was such a major design concern early on at the park.

The grasses are already sprouting. What you see here is another set of steps and granite. There is a wonderful new granite feature right below the Montague Street section of the promenade. So, very excited about this and hope to get you all out there very soon.

Pier 2, the most notable change is the painting of the steel structure, which you can see here on this slide. The roof work will continue with the installation of
PUBLIC HEARING

skylights. The crews have been
framing out the curves in the wall
for the roller rink, bocci courts,
turf area and the other programs.

The bathrooms and utility
building, that was the orange
structure you saw, has already been
installed and the interior is being
fitted out. We look forward to
opening up this pier in the earlier
part of 2014, right in time for the
spring season.

Lastly, in terms of
construction, I want to note that
construction is proceeding nicely at
the Pier 1 development site.
Excavation continues on the hotel and
north residential sites and the
production pile-driving is underway
to support the foundation.

Toll Brothers continues to
target a late 2015 opening date. In
response to many Board Member
inquiries, we are happy to announce
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that Starwood, the future operating
of the Pier 1 hotel, has entered into
agreement with the New York Hotel
Trades Council to operate the future
hotel when it opens in 2015, and we
are very pleased that agreement was
reached.

A couple of, just a few more
items. Space Works, another exciting
development is that we have been
approached by Space Works, a
nonprofit established to provide
low-cost artist space, about a
project here in the vacant space at
334 Furman Street, and we will keep
you up to date on the progress for
this exciting project.

Saint Ann's, I am pleased to
announce that we will be celebrating
the groundbreaking for Saint Ann's
Warehouse at the Tobacco Warehouse
Thursday, the 31st, Halloween, at
10:30. I hope you can all join us
for what will be a wonderful
PUBLIC HEARING

celebration recognizing the progress
we have made this year.

And lastly, I want to make one
announcement regarding Board
membership. Anita Contini, this will
be her last meeting and she will be
resigning. I want to personally
thank her for her service both on the
Board and with regards to public art
programming and the Governor's
committee.

Her advice and counsel were
invaluable to the park's development,
especially with regards to the
Tobacco Warehouse, with other Board
Members, of course, and I will miss
her participation at meetings, though
I am assured she will remain a part
of the larger BBP family.

MR. CONNOR: Can I say
something? I want to say thank you
to the Chairman, and also to everyone
here, particularly to Regina and her
staff. This has been so inspiring.
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This has been such a great Board and
I have learned so much. And it has
been really thrilling.
And I think the partnership
between what has happened with this
organization, the Conservancy and the
community is really something that
can be followed and shared with other
institutions.

So, I feel so proud to be part
of it, and thank you for the
opportunity and the honor of being
with you.

CHAIRMAN STEEL: Thank you for
your service. And we are all most
appreciative about your service and
also your kind words.
I think all of us feel the same
way about what we have been able to
accomplish together with multiple
perspectives and better than any one
perspective would have been able to
achieve. So, thank you.

Anything else?
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PRESIDENT MYER: No.

CHAIRMAN STEEL: Any questions for the President with regard to her report as presented today? Any further business to come before the Board from the Members?

MS. WITTY: Can I just say one thing?

CHAIRMAN STEEL: Please.

MS. WITTY: Regina was honored, and I just want everyone to know this, by the Landscape Architects Association, the American Landscape Architects, as was Michael Kimmelman, and our former Board Member, Seth Finsky. And Brooklyn Bridge Park was prominently featured at the event and its praises were sung.

So, I think we should all be very proud of the recognition that Regina and the park itself are receiving.

CHAIRMAN STEEL: Perfect.

MR. SIMMONS: Congratulations.
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CHAIRMAN STEEL: Anything else in terms of new business that is important such as that?

If not, now let me turn to the section of the meeting where we are keen to hear from the public and invite people to offer perspectives or statements.

And if people could come stand here in the front and identify themselves, that would be great.

Let me remind you of our normal rules, that if you could speak for a couple of minutes, that would be great. And we will rotate through and hopefully we will get time to everyone.

Yes, ma'am.

MS. SMITH: I am Kate Smith. I am representing the Conservancy, the Brooklyn Bridge Park Conservancy. And I am just here to say that the Conservancy has long been a supporter of the self-staining park model. And
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we are really happy to see its work
and we look forward to many more
years in our beautiful, beautiful
park.

And we are very excited about
all the new areas of the park that
are opening. And I just wanted to
let you know some of the stuff we
have been doing. Our school programs
had an amazing, amazing season. We
have already had about 6,000 school
children come through and we expect
to have about 7,000 by the end of the
season.

And also, our volunteer
program, we have already had about
6,700 volunteers. And again, the
season is not even over yet. So, and
as Regina mentioned, we had a
wonderful fundraising event.

But those are really some
special stuff that's happening with
the Conservancy. So, I just want to
thank you.
PUBLIC HEARING

CHAIRMAN STEEL: Thank you so much, and thank you for all that you do all the time.

Yes, ma'am.

MS. GARCIA: Good afternoon. My name is Gaby Garcia and I am here on behalf of Build Up NYC. We are here in the yellow shirts. We are outside in the yellow shirts.

CHAIRMAN STEEL: If you could stand up and speak a little louder because there's someone on the phone.

MS. GARCIA: No problem.

CHAIRMAN STEEL: Thank you.

MS. GARCIA: I am sure I heard you outside, so I will try to be as loud as them.

CHAIRMAN STEEL: That's okay.

MS. GARCIA: I am here today representing Build Up NYC. We are an alliance of more than 200,00 working men and women in the construction, building services and hospitality industries. And together we advocate
PUBLIC HEARING

for safe, responsible development
practices that strengthen our
communities.

For more than a year, Build Up
NYC has been advocating for the
Brooklyn Bridge Park Corporation to
adopt responsible development
guidelines to ensure that private
projects in this public park are
built and operated by companies that
uphold high safety standards, respect
the law and provide family-sustaining
wages and benefits to their workers.

We have also urged the Brooklyn
Bridge Park Corporation to adopt
increased transparency guidelines
which would ensure that the general
public has access to vital
information about developers and
contractors being considered for work
in the park.

Unfortunately, the Brooklyn
Bridge Park Corporation has refused
to adopt these standards. What is
PUBLIC HEARING

more, the Brooklyn Bridge Park
Corporation has turned a blind eye to
the irresponsible practices of
Starwood Capital and their
construction contractor, Hudson
Meridian, who is working on the pier
house development portion of the
Brooklyn Bridge project.

Hudson Meridian has a
well-documented track record of
irresponsible and even dangerous
practices on other area projects that
threaten the public and workers
alike.

However, looking forward to
next year, the Brooklyn Bridge Park
Corporation has an opportunity to
change course and adopt a set of
responsible development guidelines
for the Pier 6 development. The
corporation is preparing to issue the
RFP for the Pier 6 development which
will include 450,000 square feet of
residential space.
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This prime waterfront property is certain to provide generous returns for private developers who can afford to uphold industry standard training requirements, safety provisions, wages and benefits that most developers of residential waterfront property adhere to.

Before the corporation issues its RFP for Pier 6, we urge you to fully consult with members of the Community Advisory Council, the general public and the Members of your own Board to ensure that standards for responsible development are included in the RFP.

Specifically, these standards include, should include an evaluation of each developer and contractor, construction quality record, health and safety record, whether they participate in State-approved apprenticeship programs, the wages and benefits they provide, their...
PUBLIC HEARING

track record of labor relations and
Labor Law adherence.

Furthermore, this information
should be made accessible to the
Community Advisory Council, the
Brooklyn Bridge Park Board and, most
importantly, the general public
before the developer is selected for
the Pier 6 development.

The Pier 6 RFP provides the
Brooklyn Bridge Park Corporation one
last chance to ensure that private
development on this vital public land
provides real long-term benefits to
the users of this park, the
surrounding community and the city as
a whole.

And I just want to say one
thing as a person to people. These
people are out here yelling not to
frustrate you. This is their
livelihood. This is one development
project. Starwood Capital has
projects around the global. This one
PUBLIC HEARING

project can make a difference to send
their kids to college.

You know, my parents had a
middle-class job. That was the
reason I was able to attend Columbia
University. So, your vote, maybe
it's just an "aye," one day, one
"aye" that can change someone's life.

CHAIRMAN STEEL: Thank you.

Other questions or comments
from the public?

(No response.)

CHAIRMAN STEEL: If not, then
thank you all for being here today in
the audience and the public who have
come. And also, thank you to my
fellow Board Members. Thank you,
again, Anita. Welcome, Steven.

And is there a motion to
adjourn?

MR. CONNOR: Motion.

CHAIRMAN STEEL: Second?

BOARD MEMBER: Second.

CHAIRMAN STEEL: All in favor,
PUBLIC HEARING

signify by saying "aye."

(A chorus of ayes.)

CHAIRMAN STEEL: Good.

Meeting adjourned.

(Whereupon, at 4:00 P.M., the
above matter was concluded.)

I, JOSHUA B. EDWARDS, a Notary
Public for and within the State of
New York, do hereby certify that the
above is a correct transcription of
my stenographic notes.

______________________________
JOSHUA B. EDWARDS, RPR