



HUDSON RIVER PARK TRUST
Minutes of a
Meeting of the Board of Directors
at The New York Law School
185 Broadway, New York, New York
March 29, 2018 4:00 PM

Directors Present:

Diana L. Taylor, Chair
Tom Berkman, NYS Department of Environmental Conservation
Alyssa Cobb-Konan, NYC Department of Parks and Recreation
Douglas Durst
Pamela Frederick
Lawrence Goldberg
Jon Halpern
Rose Harvey, NYS Office of Parks, Recreation and Historic Reservation
Tom Pegues
Carl Weisbrod

Appearances:

For the Hudson River Park Trust:

Madelyn Wils, CEO and President
Daniel Kurtz, CFO and Executive Vice President, Finance & Real Estate
Noreen Doyle, Executive Vice President
Other HRPT Staff

Also Present:

Connie Fishman, Executive Director, Hudson River Park Friends
Dan Miller, Community Board 2

The Press

The Public

Chair Diana L. Taylor called the meeting to order at 4:00 p.m. Chair Taylor welcomed Douglas Durst, a new Board member, to the meeting. Chair Taylor noted that all the members of the Board of Directors (the “Directors” or the “Board”) of the Hudson River Park Trust (the “Trust”) had received the Board meeting materials in advance, and may ask questions or give comments in reference to the items on the agenda. Chair Taylor instructed the audience that questions would not be entertained.

Chair Taylor directed attention to the first item on the agenda, which was the approval of the minutes of the January 25, 2018 meeting of the Board of Directors.

There being no questions, upon a properly called motion, the following resolution passed unanimously.

HUDSON RIVER PARK TRUST - Approval of Minutes of and Ratification of the Actions Taken at the January 25, 2018 Meeting of the Hudson River Park Trust Board of Directors

RESOLVED, that the Minutes of the Meeting of the Hudson River Park Trust Board of Directors held on January 25, 2018 are hereby approved by the Board of Directors, and all actions taken by the Directors present at such meeting, as set forth in the Minutes, are hereby in all respects, approved and ratified as actions of the Hudson River Park Trust, and a copy of such approved Minutes are hereby ordered filed with the records of Hudson River Park Trust.

Chair Taylor subsequently directed attention to the second item on the agenda: a request for approval of the April 1, 2018 through March 31, 2019 Fiscal Year Operating budget.

President Wils thanked Sikander Zuberi, Dan Kurtz, and the Audit Committee for their work on the budget.

Dan Kurtz introduced the budget discussion. He stated that a proposed budget was reviewed in preliminary form at a joint meeting of the Audit and Finance Committees in January of this year, after which it was placed on the Trust’s website and physically posted in the lobby

of Pier 40 and other locations within the park. A companion document, the Annual Financing Plan, which describes the completion of the park and its financing, was put on the website at the beginning of February. Mr. Kurtz explained that the capital cost by project for Fiscal Year 2019, which appears on the last page of the budget document, contains updates from the figures and the listing of projects presented in the Financing Plan and identifies estimated amounts projected to be spent in FY 2019, together with the funding sources for each one of the projects. With regard to the capital projects, new park construction depends in part on appropriations not yet approved by the City and the State, thus that portion of the budget should be considered provisional. Mr. Kurtz stated that the final proposed budget, largely the same as the preliminary budget, was provided to all the Board members in advance of this meeting, and reviewed again by the Auditing and Finance Committees.

Mr. Kurtz clarified that all the contracts in excess of \$200,000, all contract amendments in excess of previously authorized amounts, and all multi-year contracts are subject to the approval of the Board. A number of contracts have been previously approved by the Board with spending authorizations granted. These include construction contracts with current open balances of approximately \$11 million; capital maintenance contracts with \$20.6 million in open balances; and operating contracts with \$5.1 million in open balances. Mr. Kurtz explained that he will present the budget in a summary form; however a printed copy from the budget Exhibit 1, Page 3 provides a finer detail of the different budget categories.

Mr. Kurtz stated that with regards to revenue, total revenue of \$35.9 million was budgeted for the upcoming fiscal year, an increase of 31 percent from the prior year. The increase was primarily attributable to a \$7,000,000 lump sum payment due from

the Pier 57 tenant developer, a renegotiation with the heliport operator at Pier 30, as well as new payment rates from New York City Economic Development Corporation for monies they received from the passenger ship terminal. As a result, rent payment increased from an effective 11 or 12 percent to 25 percent gross revenue. Mr. Kurtz explained that more interest earnings from invested funds are projected this year due to an increase in the interest rate; Federal Reserve actions; and the economy. Mr. Kurtz then referred the Directors to Exhibit 4 on Page 9 of the budget that provides further details with regards to the revenue categories.

Mr. Kurtz stated that for outflows, the Trust is budgeting \$21.2 million of operating expenses, \$43.2 million in capital maintenance costs, and \$32.9 million in new construction contracts, for a total of \$97.4 million. This total outflow, a combination of expenses and capital expenditures during the year, make it the largest combined budget in the Trust's history. The Trust budgeted for additional staff, primarily in the construction department, as well as support staff in the legal and finance departments to help achieve this goal, including, but not limited to, work on RFPs and bid documents, review of construction contracts and processing payments. For payroll, the Trust is budgeting an increase of 10 percent for the year, which is comprised of a 7 percent increase in staff (the head count will increase to 77 this year), plus, a 3 percent average annual pay increase, making it a 10 percent overall increase. Mr. Kurtz referred the Directors to Exhibit 5, Page 11 of the budget packet for details on the personnel services portion of the budget.

Mr. Kurtz then explained that other personnel services are split into large categories and miscellaneous. For the large categories, the Trust is budgeting a

substantial increase in liability insurance this year from approximately \$600,000 to \$1.9 million (as later discussed in the President's Report). Largely, it is due to the current liability insurer declining coverage and new liability insurer substantially increasing costs. Mr. Kurtz further explained that it is expected that most of the liability insurance cost will be reimbursed by the City and the State. The Trust also expects an approximately \$300,000 increase in janitorial and sanitation service in the park, which reflects prevailing wage increases being granted to employees for one of the Trust's contract cleaning services as well as the inclusion of a new overnight cleaning and power washing crew being provided.

Mr. Kurtz further explained that the budget for utilities has been reduced by \$0.5 million, to approx. \$1 million, mostly due to the substitution of gas for oil as heating at Pier 40; that the installation of LED light fixtures throughout the park is essentially completed; and most of Pier 40 has been re-lit with LED.

Mr. Kurtz stated that the Trust has budgeted for an increase of \$400,000 in garage costs, which is primarily attributable to new CCTV cameras and the addition of additional revenue control equipment to more tightly control the garage. Mr. Kurtz noted that, except for a small area used for temporary parking on the second floor, the balance of the garage area of the south side of the garage, both the second floor and the roof, remain out of service because of deteriorated concrete and the marketing challenge of parking cars in areas where concrete chips are falling down and water is dripping.

Mr. Kurtz then stated that Other Than Personnel Services ("OTPS") costs are detailed on Exhibit 6, Page 13 of the budget. Mr. Kurtz explained that the Trust

budgeted new initiatives in document and archive management. Mr. Kurtz stated that the archive room is filled, and, in order to more efficiently manage the flow of information into archives, a better document management system and reorganization of the archive room are needed.

On an operating basis, before consideration of capital maintenance, the Trust projects a surplus of approximately \$13.5 million in Fiscal Year 2019. Approximately half of the operating surplus is due to the \$7 million lump sum payment by the Pier 57 developer. Mr. Kurtz stated that for capital maintenance in the upcoming year, the Trust will spend approximately \$42.2 million, with an associated reimbursement revenue of \$34 million, for a net cost of approximately \$9 million. Therefore, the net operating surplus, after capital maintenance, is projected to be \$4.4 million, an amount that will be directed to unfunded capital maintenance or other operating costs in FY 2020.

Mr. Kurtz then directed the Directors to Exhibit 7, page 15 of the budget document for a summary of the capital maintenance costs. Mr. Kurtz noted that the headline projects here are the completion of the Morton Street bulkhead and associated park restoration at \$11.8 million, and Pier 40 piles at \$16.3 million. Mr. Kurtz noted that a large portion of the Morton Street work has been deferred from last year as a result of complex engineering problems, as described later by The President in the item resolution presentation.

Mr. Kurtz noted that the Trust's net reserve position incorporating the anticipated results of FY 2019 is projected at \$24.6 million. He noted that, while this appears to be a robust number, the cost and frequency of capital maintenance projects

is increasing and their cost can quickly exhaust this reserve amount. As an example, the total cost for the Morton Street bulkhead repair, now still underway, is currently estimated at \$17 million. Therefore, the \$24 million in the context of a single \$17 million capital maintenance item shows that the Trust's coverage, with regard to these types of large expenditures, is still problematic. Mr. Kurtz noted that, while in the case of Morton Street, the Trust was fortunate in that the State made capital funds available from the State budget for this purpose, however there are no assurances this will be the case in the future. Morton Street is a bulkhead. There are four miles of bulkhead in the park, and the Trust is presently responsible for all of them, Mr. Kurtz stated.

Mr. Kurtz then addressed Director Frederick's question about the capital maintenance for marine stating that Capital Maintenance Marine is Morton Street, Pier 40 piles and Pier 66A. Mr. Kurtz stated that since the Board authorized the contract with Moffat & Nichols, the Trust has Moffat & Nichols conducting regular inspections of piers and bulkheads. He clarified that Morton Street's \$11.8 million, is part of the \$13.3 million, and the \$16.3 million is the pile repair number for this year for Pier 40.

Mr. Kurtz then proceeded to discuss the anticipated capital projects for the year. Mr. Kurtz referred to the last page of the printed document. He stated that the annual Financing Plan is prepared every year, and, that as part of this the Trust indicates the estimated capital project cost, and the funding source of the commitment. The FY 2019 budget indicates the amount expected to spend in the upcoming Fiscal Year, the Fiscal Year in which the Trust expects the completion of

that particular project, and the spread of the funding sources. With regard to the funding sources here, Mr. Kurtz stated that a certain amount of the money depends on appropriations from the State and City, and those appropriations have not yet been approved. He specified that the largest sum, \$50 million, is sourced from the Governor; \$38.6 million constitutes funds anticipated from sale of Air Rights to Block 675 developers in Manhattan (the sale of those Air Rights is still pending ULURP approval with the Planning Commission, then with the City Council, finally being submitted to this Board for approval). These funds are anticipated but not yet received, though it is reasonably likely that they will occur.

These remarks concluded the budget presentation. Chair Taylor stated that the Audit and Finance committee meeting held March 28, 2018 went through the proposed budget with a fine tooth comb and the committee recommended approval of the budget.

There being no further questions or comments, upon a properly called motion, the following resolution passed unanimously.

HUDSON RIVER PARK TRUST – Approval of the Hudson River Park Trust April 1, 2018 – March 31, 2019 Fiscal Year Operating Budget

RESOLVED, based on the materials presented to the Board at its meeting on March 29, 2018, a copy of which is ordered filed with the records of the Hudson River Park Trust, the Board hereby approves the April 1, 2018 – March 31, 2019 fiscal year Operating Budget; and be it further

RESOLVED, that the President or her designee(s) be, and each of them is hereby authorized to take such actions as the President or his designee(s) may deem necessary or appropriate in order to implement the foregoing resolution.

After the approval of the resolution, Mr. Kurtz made an announcement that immediately following this meeting, the full budget document will be available on the

Trust's website, as well as on PARIS (Public Authority's Information System, maintained by the Office of the State Comptroller).

Continuing after the resolution of the first item, Chair Taylor introduced the next item, which was a request for authorization to contract with the Public Works, Inc. for Blues Barbecue Festival Production Services.

President Wils stated that with the end of winter season, activity in the Park has picked up substantially. Staff have been busier as the Trust gets ready for its spring and summer seasons. As a result, there are many action items to bring before the Board today.

Ms. Wils then summarized the procurement process the Trust typically adheres to with all of the contracts. In all cases, the Trust is diligent in its efforts to follow its own Procurement Guidelines which closely mirror NY State Procurement Rules and the NY State MWBE and SDVOB requirements. Prior to issuing an RFP, staff performs an exhaustive search of possible MWBEs and SDVOBs that might be qualified to bid on Trust projects. Based on the availability of such contractors, goals are placed in each contract to encourage general contractors to utilize MWBE and SDVOB subcontractors throughout the construction process. Bids are advertised in the New York State Contract Reporter, the Dodge Line of the McGraw Hill Companies and transmitted to certified M/WBE and SDVOB contractors qualified to perform such work. The advertisements describe the anticipated scope of construction and request relevant information including the bidder's present and past experience with similar projects, equipment, staff resources, financial stability and a proposed

MWBE/SDVOB utilization plan. Bidders are selected as lowest responsive and responsible bid.

RFP responses, generally for services such as engineering and construction management, are reviewed and scored based on the strength of their project proposals, their project teams, price and the quality of their MWBE/SDVOB plans. Price is a selection factor, but not necessarily the determining factor. Once the best value vendor is selected, Trust staff conducts all necessary background checks to ensure that bidders are both responsible and responsive to enter into contracts with the Trust.

Ms. Wils then discussed the proposed contract with Blues Barbeque Festival Production Services. She noted that for the past eighteen years, Hudson River Park Trust's summer program has included the Blues Barbeque Festival, a free, day-long summer festival celebrating blues music and barbequed foods. This event has proven to be very popular, and a key element of Hudson River Park's summer event calendar. To ensure a quality and professionally executed event, the Trust works with a production company to manage all aspects of the event.

On December 17, 2017, the Trust issued an RFP which was publicly advertised seeking proposals from experienced and qualified production companies for the production of the Trust's Blues Barbeque Festival. Five proposals were received with the lowest one year price from This Is Us! at \$104,250 and the highest bid from Paranoid Richard Inc. at \$354,021.54.

All five proposals were deemed responsive. Following a review of the proposals, a Selection committee comprised of Trust staff conducted interviews and

the respondents were asked to submit revised budgets and site plans to reflect feedback from the Selection committee. The Trust determined that Public Works, Inc. submitted the lowest revised budget for the scope of services, most successfully demonstrated the necessary experience, and best met the overall needs of the Trust as set forth by the RFP.

Public Works, Inc. has produced the Blues Barbeque Festival for the past eighteen years and the Trust has been satisfied with its performance. In addition to producing the Blues Barbeque Festival, Public Works, Inc. has extensive experience producing high profile New York City events such as the New York City Marathon, Macy's Fireworks and the Greenwich Village Halloween Parade. Public Works, Inc. also has strong relationships with both established and emerging blues artists, which allows them to bring a diverse and notable line-up of talented blues artists at a competitive rate.

Ms. Wils requested the Board's authorization for the Trust to contract with Public Works, Inc. for the 2018 Blues Barbeque Festival event production services for a one-year term, with two optional one-year renewals. Year One's contract would be in the amount of \$115,000.00 increasing by 3.5% per year during the renewal term. Thus, the contract amount is \$115,000 in Year One, \$119,025 in Year Two, and \$123,191 in Year Three. The total contract authorization requested, inclusive of all three years is \$357,216.00. Funding for this contract will be made available through the Trust's annual operating budget.

Director Goldberg asked a question inquiring why the contract amount was changed from \$106.5K to \$115K. Mr. Kurtz explained that subsequent to proposals

being submitted, the scopes were reviewed by staff and it was determined that different contractors had missed portions of the scope. All the contractors were asked to provide revised budgets, which resulted in the change.

There being no further comments, upon a properly called motion, the following resolution passed unanimously.

HUDSON RIVER PARK TRUST – Approval of a One Year Contract with Public Works, Inc. for the 2018 Blues Barbeque Festival Production Services in an amount not to exceed \$115,000 for Year One of the Contract, plus Two Optional Annual Renewals for a Total Contract Authorization of \$357,216.00

RESOLVED, based upon the materials presented to the Board at its meeting on March 29, 2018, a copy of which is ordered filed with the records of the Hudson River Park Trust, the Board hereby authorizes the Hudson River Park Trust to contract with Public Works, Inc. for a One Year Term, with Two One-Year renewal options, for Blues Barbeque Festival Production Services in an amount not to exceed \$115,000 for Year One of the potential Three Year Contract. If exercised by the Trust, renewal options for years two and three are hereby authorized as well in amounts not to exceed \$119,025 in Year Two and \$123,191 in Year Three for a total contract authorization not to exceed \$357,216; and be it further

RESOLVED, that the President or her designee(s) be, and each of them is hereby authorized to take such actions as the President or her designee(s) may deem necessary or appropriate in order to implement the forgoing resolution.

Chair Taylor then introduced the next item before the Board: a request for authorization to contract with Kelco Construction, Inc. for LGBT memorial site work. Director Harvey recused herself from the meeting for the discussion and vote on this matter.

Ms. Wils noted that the Trust has been working closely with New York State Parks, Recreation and Historic Preservation with respect to the planning, design and installation of an LGBT Memorial to be located in the Greenwich Village section of the Park between Bethune Street and West 12th Street. The memorial is scheduled for completion in time for Heritage of Pride celebrations in June 2018.

Ms. Wils explained that at its January 25, 2018 meeting, the Board authorized up to \$200,000.00 of initial funding for a “To Be Determined” lowest responsive and responsible bidder for the site work and landscaping at the LGBT Memorial site, allowing the Trust to expedite the timetable for this project. At that time, staff notified the Board that it would return to the March meeting with a request for full Board authorization for a selected contractor after completing the procurement process.

Ms. Wils stated that the Trust has now completed the procurement process and proposes to award the contract for site work to Kelco Construction, Inc.

Pursuant to the Trust’s Procurement Guidelines, an advertisement was published in the New York State Contract Reporter on December 18, 2018. A total of eleven (11) firms responded to the advertisement and picked up bid packages. A pre-bid meeting was held on January 9, 2018. Five bids were submitted and publicly opened on January 30, 2018. The lowest bid was TDI Construction Inc. at \$330,000 and the highest bid was D’Onofrio General Contractors Corp. at \$2,370,000.

A Selection committee comprised of the Trust’s design and construction staff, with advice from the Trust’s construction manager Gilbane Building Co., evaluated the submissions and held a post bid meeting with the firm with the lowest bid, TDI Construction. Subsequently, TDI Construction withdrew its bid on February 7, 2018. The Selection committee then reviewed the submission by Kelco Construction, Inc., and determined their bid was both responsive and responsible. Kelco has successfully performed similar and satisfactory site construction work for the Trust. Subsequently, on February 21, 2018, the Trust secured a required partial waiver from New York State because Kelco could not meet the combined 30 percent M/WBE Goal established for the procurement. As a result of the waiver, the approved goal for this contract is

10 percent M/WBE. All other requirements regarding legal authority, integrity, and past performance necessary for a responsibility determination have been satisfied.

Ms. Wils noted that funding for the proposed contract will be available from a combination of sources from the State of New York and City Council Speaker Corey Johnson. The Trust will continue to receive assistance from State Parks in the administration and supervision of this contract and in coordinating the efforts of the contracting firm with the fabricator of the LGBT Memorial, Workshop, as well as the artist and design consultant.

Ms. Wils requested Board authorization to contract with Kelco Construction Inc. for the LGBT Memorial Site Work in an amount of \$498,750.00, plus a 10% contingency, for a total Board authorization amount of up to \$548,625.00.

Director Weisbrod inquired about the large difference in bids. Ms. Wils stated that it happens regularly in construction contracts and has to do with how busy a contractor is. Ms. Doyle added that in this case, at least, a couple of the bidders had a misunderstanding that fabricating the actual art elements might also be part of their scope, which is not correct. She stated that there is a separate contract that the Trust had previously entered into and that some bidders misread the information.

Director Goldberg asked if there were other contractors who met the 30% MBWE requirements. Ms. Doyle stated that the Trust is supposed to go with the lowest qualified bidder. The Trust interviews the lowest qualified bidder, which determined the bidder had missed scope elements and voluntarily withdrew. The procedure calls for the Trust to then go to the next lowest bidder, which was subsequently determined to be qualified. Ms. Wils added that the next lowest bidder was more in line with what the Trust's budget price was, so that was the one that was

chosen. Ms. Doyle stated that only after that, the procurement procedure calls for the Trust to look at the MWBE plan.

Director Halpern asked if the site work component is \$500,000. Ms. Wils confirmed. Director Halpern asked about other components and their price. Ms. Wils stated that those include the fabrication of the art. Ms. Doyle stated that there is a construction manager for \$60,000, the art elements themselves, which are \$565,000, this contract, and other contracts with State Parks.

There being no further comments, upon a properly called motion, the following resolution passed unanimously by those present.

HUDSON RIVER PARK TRUST - Authorization for Hudson River Park Trust to Contract with Kelco Construction, Inc. , for the LGBT Memorial Installation Site Work in an Amount of up to \$498,750.00 plus a 10% contingency, for a Total Board Authorization Amount of up to \$548,625.00

RESOLVED, based upon the materials presented to the Board at its meeting on March 29, 2018, a copy of which is ordered filed with the records of the Hudson River Park Trust, the Board hereby authorizes the Hudson River Park Trust to contract with Kelco Construction, Inc. for the LGBT Memorial Installation Site Work in an amount of up to \$498,750.00 plus a 10% contingency, for a Total Board Authorization Amount of up to \$548,625.00; and be it further

RESOLVED, that the President or her designee(s) be, and each of them is hereby authorized to take such actions as the President or her designee(s) may deem necessary or appropriate in order to implement the forgoing resolution.

Chair Taylor then introduced the next item before the Board: a request for authorization to amend the contract with Workshop Art Fabrications, LLC for fabrication of custom art work for the LGBT memorial. It was noted that Director Rose Harvey, from NYS Office of Parks, Recreation and Historic Preservation, was still recused from this portion of the meeting.

Ms. Wils noted that the Trust is working closely with the NY State Parks in the development of the LGBT Memorial.

At its September 28, 2017 meeting, the Board authorized the Trust to enter into a \$400,000 contract with Workshop Art Fabrication, LLC based on the original cost estimate provided by the Memorial's artist, Anthony Goicolea. Prior to contract execution, however, the Trust was advised that the contract amount would need to increase to \$465,000, and this amount was approved at the Board's November 30, 2017 meeting.

As the design of the Memorial's art and landscape site elements has progressed, additional costs items that were not anticipated during the earlier conceptual design stage have emerged. These items include: the redesign of the stainless steel bases to support each sculpture; a shift to a United States-based manufacturer for certain custom glass components; design changes in the glass to remove certain sharp edges; changes in the art delivery and installation methods required to satisfy the Park's new security conditions; and increased costs of patterns needed to cast the "boulders" beyond the original estimates prepared before the detailed design phase. Together, the additional costs will total \$120,000 beyond the currently authorized contract amount.

As detailed in the September 28, 2017 memorandum that accompanied the initial Board resolution, the Trust concluded that the Workshop contract satisfied the Trust's single source procurement criteria because of the circumstances leading to the selection of the contractor; the tight deadline for the completion of the project; and the reasonableness of the proposed costs. For the additional work requested here, the

Trust found that the same justifications apply. In addition, it would be impractical to seek an alternative contractor capable of modifying the work of the incumbent contractor in a way that is harmonious with the prior artistic work.

Ms. Wils further noted that State Parks has worked closely with Workshop, its subcontractors and the artist to ensure that the additional costs are necessary and appropriate, and has, in concert with Workshop and the Trust confirmed the appropriateness of the modified delivery and installation methods and costs based on the Park's new security conditions. The proposed \$120,000.00 increase results from a change and expansion of scope and not cost over-runs for previously contracted work. State Parks has also visited the foundry on several occasions and has confirmed the quality of the work being performed.

The Trust recommends amending the contract with Workshop for an increased amount of up to \$120,000.00, for a total contract amount not to exceed \$585,000.00. Funding for the additional costs will come from New York City Council Speaker Corey Johnson. The Trust will continue to receive assistance from State Parks in the administration and supervision of this contract.

Ms. Wils then requested Board authorization to amend the contract with Workshop Art Fabrication, LLC for Fabrication of Custom Art Work for the LGBT Memorial and to increase the contract amount by \$120,000, for a total Board authorization amount of up to \$585,000.

Director Frederick asks why the Trust shifted to a US-based manufacturer. Ms. Doyle clarified that it is because of the Chinese New Year.

There being no further comments, upon a properly called motion, the following resolution passed unanimously by those present.

HUDSON RIVER PARK TRUST - Authorization for Hudson River Park Trust to Amend the Contract with Workshop Art Fabrication, LLC for Fabrication of Custom Art Work for the LGBT Memorial with a Board Authorization Amount of up to \$585,000.00.

RESOLVED, based upon the materials presented to the Board at its meeting on March 29, 2018, a copy of which is ordered filed with the records of the Hudson River Park Trust, the Board hereby authorizes the Hudson River Park Trust to amend the contract with Workshop Art Fabrication, LLC for fabrication of custom art work for the LGBT memorial and to increase the contract amount by \$120,000 for a total Board authorization amount of up to \$585,000, and be it further

RESOLVED, that the President or her designee(s) be, and each of them is hereby authorized to take such actions as the President or her designee(s) may deem necessary or appropriate in order to implement the forgoing resolution.

Chair Taylor then introduced the next item before the Board: the request for authorization to contract with Skanska for Pier 40 Phase I and Phase II Construction Manager Services. [Director Harvey returned to the meeting.]

Ms. Wils noted that at its May 26, 2016 meeting, the Board approved a contract with CH2M Engineering for the Pier 40 Structural Restoration – Engineer of Record Services for comprehensive marine repair design, phased construction document packages, and phased construction administration.

The entire structural restoration and affiliated combined sewer outfall removal and fendering work will be divided into nine construction contracts. The initial two contracts, Phases 1 and 2, were approved at the January 25th Board meeting. The CSO removal contract is currently out to bid with responses due May 8, 2018.

The Trust developed a comprehensive scope of work for a construction manager (“CM”) to serve as the Trust’s chief representative in the field during the

construction process for the Projects. The CM will perform all pre-construction, construction, and post-construction services for the Projects. The proposed contract term is four (4) years.

In accordance with the Trust's Procurement Guidelines, an RFP was published on February 2, 2018. Fourteen firms indicated their interest, and eight firms returned proposals on March 9, 2018.

A Trust Selection committee performed a technical evaluation of each submission. The three highest-ranked firms from the technical evaluation were Hunter Roberts Construction Group, Skanska USA Building Inc., and LiRo Program and Construction Management. Each of these firms was then interviewed and the Selection committee determined that Skanska was the most qualified firm to perform the services. Skanska has extensive similar experience and has successfully performed similar work at the Passenger Ship Terminals.

Trust staff determined that Skanska's revised cost proposal totaling \$1,906,665.71 was reasonable. The Trust has therefore determined that Skanska best satisfied the RFP's evaluative criteria, offered a fee and cost proposal that was fair and reasonable, and thus presented the "best value" proposal to the Trust. Skanska has also committed to meet the Trust's 30% combined M/WBE participation goal for this contract.

Funding for this contract is currently available through the Trust's approved capital maintenance budget with funds generated by the sale of Pier 40 air rights.

Ms. Madelyn then requested Board authorization to contract with Skanska USA for Construction Management Services in the amount of \$1,906,665.71, plus a

10% allowance of \$190,666.57 for additional services, for a total Board authorization amount of up to \$2,097,332.28.

Director Goldberg inquired as to the amount of bids of Hunter Roberts and LiRo. and whether the Trust had conversations with any of them. Ms. Wils replied that Hunter Roberts was about \$30,000 less and LiRo was about \$2.9 million, and that the Trust interviewed all three of them.

There being no further comments, upon a properly called motion, the following resolution passed unanimously.

HUDSON RIVER PARK TRUST - Authorization for Hudson River Park Trust to Contract with Skanska USA for Pier 40 Construction Manager Services in the Base Contract Amount of \$1,906,665.71 plus a 10% contingency (\$190,666.57) for the Base Contract Amount and the contingency, for a Total Board Authorization Amount of up to \$2,097,332.28

RESOLVED, based upon the materials presented to the Board at its meeting on March 29, 2018, a copy of which is ordered filed with the records of the Hudson River Park Trust, the Board hereby authorizes the Hudson River Park Trust to contract with Skanska USA for Construction Management Services in the base contract amount of \$1,906,665.71 plus a 10% contingency for a total Board authorization amount of up to \$2,097,332.28, and be it further

RESOLVED, that the President or her designee(s) be, and each of them is hereby authorized to take such actions as the President or her designee(s) may deem necessary or appropriate in order to implement the forgoing resolution.

Chair Taylor then introduced the next item before the Board: the request for authorization to contract with Deborah Bradley Construction & Management Services, Inc. for Bloomfield Street to West 14th Street for site utility construction. Director Douglas E. Durst recused himself from the meeting for the discussion and vote on this matter.

Ms. Wils noted that at its February 11, 2015 meeting, the Board authorized the Trust to enter into a lease agreement with Pier55, Inc. (“P55”) that will allow for the reconstruction of Pier 54 and the operation of the reconstructed pier by P55 for park use, including significant cultural programming. The lease contemplates that certain project utilities will be installed at off-premises locations within the Park, including below the surface of the new adjacent waterfront esplanade.

At its January 26, 2017 meeting, the Board approved an amendment to the lease which authorized the Trust to spend up to \$2.732 million on the installation of off-premises utilities associated with the Pier 55 project. At its February 9, 2017 meeting the Board authorized a competitively procured contract with Deborah Bradley Construction & Management Services for the Bloomfield to West 14th Street Upland Park Construction Work to create a new adjacent waterfront esplanade; and it authorized a single source contract with Deborah Bradley for the installation of subsurface site utility conduit and distribution systems from Bloomfield Street to the Pier 55 premises under the new esplanade for a total Board authorization amount of up to \$1,070,740.00 including a 10% contingency.

As a consequence of uncertainties stemming from on-going Pier 55 project litigation, the Deborah Bradley Utility Work contract was not executed as authorized by the Board on February 9, 2017. In addition, certain elements of the Upland Work were delayed. On September 13, 2017 the P55 Lease was terminated by P55 and the Utility Work was suspended, while elements of the Upland Work, such as the completion of concrete installation, went forward. Subsequently, due to the

successful efforts by the Governor's Office, the Lease was reinstated and the Pier 55 project is again proceeding.

Ms. Wils noted that, once again, the Trust proposes to enter into a single source construction contract for the Utility Work with Deborah Bradley whose scope under the proposed contract generally consists of installing subsurface site utility conduit and distribution systems from Bloomfield Street to the Pier 55 Premises. These site utility components associated with Pier 55 under the Utility Work contract will be located entirely beneath the new adjacent esplanade, also known as the "Pier 54 Connector," being constructed under the Upland Work contract and funded largely through the federal Construction Mitigation Air Quality program.

As was presented at the February 9, 2017 meeting, the Utility Work is best accomplished through close coordination with the Upland Work being performed by Deborah Bradley, which to date is approximately 65% completed. The need for this coordination is more pressing today because change orders will be needed under the Upland Work contract to accommodate now out-of-sequence Utility Work. These change orders include, saw cutting sections of already laid concrete under the Upland Contract where utility trenches under the Utility Work contract must be installed. The cost of these scope changes and other delays are currently being analyzed.

The Trust issued a public Invitation for Bids ("IFB") for the Utility Work in December 2016. However, only one bid was submitted and publicly opened on January 24, 2017. The single bid received was by Deborah Bradley. Pursuant to the Trust's Procurement Guidelines, the IFB was therefore determined to have failed because the Trust was unable to obtain at least two qualified bids. The Procurement

Guidelines further provide that the Trust may evaluate the remaining qualified bidder(s), and make a sole or single source award if the Trust concludes that it is in the Trust's best interest to proceed as provided in the Guidelines.

Staff of the Trust has concluded that the scope of the contract now before the Board is very similar to the one previously approved and that the Trust can proceed with single source procurement under the Guidelines. However, the Trust cannot re-engage Deborah Bradley for the Utility Work contract previously approved by the Board due to the scope changes and cost escalations associated with delays.

The Trust believes that Deborah Bradley, as the contractor for the Upland Work, can most effectively maintain the overall project schedule and coordination of the existing Upland Work with the proposed Utility Work given the contractor is already performing work at the site and efficiencies related to such presence. Further, the Trust has determined that Deborah Bradley's pricing is reasonable based on a cost estimate provided by Hunter Roberts, that prior performance was satisfactory, and that a delay caused by issuing a new IFB (an 8 - 12 week process) would significantly and adversely harm the project schedule and lead to additional future costs. In addition, Deborah Bradley has successfully and satisfactorily performed prior Pier 54 Connector bikeway work for the Trust, so this positive past performance record bolsters the Trust's rationale to single source Deborah Bradley.

For the reasons stated above, in order to maintain the new overall project schedule for this area of the Park, it is in the Trust's interest to proceed with Deborah Bradley as single source procurement.

Funding for the proposed contract will come from the State of New York. The Trust's cost of this proposed contract work will be credited towards its obligation under the Pier 55 Lease amendment to expend up to \$2.732 million for off-premises utilities. Deborah Bradley is a NYS certified M/WBE firm.

Ms. Wils then requested Board authorization to contract with Deborah Bradley Construction & Management Services Inc. for the Bloomfield to West 14th Street Site Utility Construction Work in the amount of \$1,323,335.00 plus a 10% contingency, for a total Board authorization amount of up to \$1,455,670.00.

There being no further comments, upon a properly called motion, the following resolution passed unanimously by those present.

HUDSON RIVER PARK TRUST - Authorization for Hudson River Park Trust to Contract with Deborah Bradley Construction & Management Services Inc. for the Bloomfield Street to West 14th Street Site Utility Construction Work in the Amount of \$1,323,335.00 plus a 10% Contingency, for a Total Board Authorization Amount of up to \$1,455,670.00

RESOLVED, based upon the materials presented to the Board at its meeting on March 29, 2018, a copy of which is ordered filed with the records of the Hudson River Park Trust, the Board hereby authorizes the Hudson River Park Trust to contract with Deborah Bradley Construction & Management Services Inc. for the Bloomfield Street to West 14th Street Site Utility Construction Work in the amount of \$1,323,335.00 plus a 10% contingency, for a total Board authorization amount of up to \$1,455,670.00, and be it further

RESOLVED, that the President or her designee(s) be, and each of them is hereby authorized to take such actions as the President or her designee(s) may deem necessary or appropriate in order to implement the forgoing resolution.

Chair Taylor then moved up on the agenda the request for authorization to amend construction management contract with Skanska USA for Bloomfield Street to West 14th St. for the Pier 55 project as Director Durst remained recused for this agenda item and vote as well.

Ms. Wils explained that on May 28, 2015, the Board authorized the Trust to enter into a contract for construction management services with Skanska in an amount not to exceed \$1,755,729 in construction management services in connection with the project just discussed. In January 2017 it was anticipated that the Trust would enter into a low cost / no cost contract for construction management services contract to expand its scope of services to encompass site utility construction work to be installed in order to finish the surface of the Bloomfield to West 14th Street Esplanade under a separate construction contract intended to serve primarily the Pier 55 project. However, as the result of uncertainties caused by project litigation as stated before, the site utility construction work is only now ready to commence and the overall schedule for the combined site utility construction work and esplanade construction work has been extended by at least five months. Consequently, additional construction management fees in the amount of \$241,551 are needed to cover the cost of the delay period and the contract amount must be increased accordingly.

Ms. Wils explained that the 2015 Skanska construction management contract was competitively procured pursuant to an RFP in a manner compliant with the Trust's Procurement Guidelines. The amount of the requested increase exceeds the Board authorized 10% contingency and Board approval is therefore required at this time.

Ms. Wils then requested Board authorization to amend the construction management services contract with Skanska USA for the Bloomfield to West 14th Street Esplanade project in the amount of \$241,551, plus a 10% contingency of for a

total contact amendment of \$265,706. With the amendment, total Board authorization for Skanska USA for Construction Management Services for the Bloomfield Street to West 14th Street Esplanade work would be \$2,021,435.

There being no further comments, upon a properly called motion, the following resolution passed unanimously by those present:

HUDSON RIVER PARK TRUST - Authorization for Hudson River Park Trust to amend the contract with Skanska USA for Construction Management Services in connection with the reconstruction of Bloomfield Street to West 14th Street Esplanade by an additional \$265,706 for a total amount not to exceed \$2,021,435.

RESOLVED, based on the materials presented to this meeting, a copy of which is ordered filed with the records of Hudson River Park Trust, the Directors hereby authorize Hudson River Park Trust to contract with Skanska USA for an amended amount of \$265,706 (and a total contract authorization to date not to exceed \$2,021,435) to provide Construction Management Services for the Bloomfield Street to West 14th Street Esplanade project; and be it further

RESOLVED, that the President or her designee(s) be, and each of them is hereby authorized to take such actions as the President or his designee(s) may deem necessary or appropriate in order to implement the forgoing resolution.

Chair Taylor then stated that the next item before the Board was the request for authorization to amend contract with Skanska USA for Morton St. Bulkhead Restoration & Upland - Construction Management Services. Director Durst returned to the meeting for this agenda item and for the remainder of the meeting. Director Carl Weisbrod himself from the Board meeting for an early departure.

Ms. Wils stated that at its July 2014 meeting, the Board authorized the Trust to enter into a contract with Mueser Rutledge Consulting Engineers for a geotechnical investigation and subsequent engineering services for the stabilization of the bulkhead and adjacent esplanade and landscaped along approximately 350 linear feet

of historic bulkhead between Morton Street and Christopher Street in Greenwich Village. Since then, the Board has approved additional contracts associated with addressing this condition, including the authorization of a contract for site preparation work with Prima Paving Corp. at the July 28, 2016 Board meeting; and a contract with EIC Associates, Inc. for the Morton Street Bulkhead Restoration Work at the January 26, 2017 meeting.

A second phase of construction contracts will be required to reinstall site utilities, paving, site elements and park finishes once the bulkhead restoration work is complete. Ms. Wils stated that the second phase of contracts will be presented to the Board for authorization at a future Board meeting.

To oversee project construction contracts, in September 2016, the Board approved a contract with Skanska USA for construction management services. The contract specified that the construction management team would perform all start up, construction, and post-construction services as required for the completion of the two phases.

During the first phase of work, the Trust learned that the recommended pile installation work impacted the historic bulkhead structure by exposing it to unacceptable levels of disturbance. As a result, the Trust required the contractor to identify a different system of installation. In addition, due to unexpected soil conditions, it was determined that the piles needed to be longer in order to reach bearing capacity. Consequently, Mueser's engineers recommended that the originally planned piles be extended by 30' each to reach bedrock.

This process of discovery and the eventual new means and methods required to restore the bulkhead have significantly delayed the project by almost a year, and the upland restoration work is therefore also behind schedule. As the duration of the project has now more than doubled, the Trust must now also amend its contract for construction management services with Skanska USA.

As reported to the Board at its September 29, 2016 meeting, the Trust procured Skanska USA competitively in accordance with the Trust's Procurement Guidelines. The Board authorized the Trust to enter into a contract for construction management services with Skanska in an amount not to exceed \$614,406.

The proposed increase is in excess of 20% of the original contract amount, and the Trust's Procurement Guidelines require the Trust to make a determination as to why employing a competitive process is not in the best interests of the Trust in such circumstance. The Trust has determined that it is impractical to seek an alternative construction manager for an on-going construction project delayed for reasons having nothing to do with the construction manager.

The Trust seeks Board authorization to amend the contract for \$514,041, plus a 10% contingency of \$51,404, for a total contract amendment of \$565,445 and a total contract amount of \$1,241,292.

Funding for this contract is currently available through the Trust's approved capital maintenance budget. The source of this funding is anticipated to be the State of New York.

There being no further comments, upon a properly called motion, the following resolution passed unanimously by those present.

HUDSON RIVER PARK TRUST - Authorization for Hudson River Park Trust to amend the contract with Skanska USA for Construction Management Services in connection with the restoration of the Morton Street Bulkhead Restoration and Upland by an additional \$565,445 for a total amount not to exceed \$1,241,292

RESOLVED, based upon the materials presented to the Board of Directors at its meeting on March 29, 2018, a copy of which is ordered filed with the records of Hudson River Park Trust, the Directors hereby authorize the Hudson River Park Trust to contract with Skanska USA for an amended amount of \$565,445 (and a total contract authorization to date not to exceed \$1,241,292) to provide Construction Management Services for the Morton Street Bulkhead and upland projects; and be it further

RESOLVED, that the President or her designee(s) be, and each of them is hereby authorized to take such actions as the President or her designee(s) may deem necessary or appropriate in order to implement the forgoing resolution.

Chair Taylor then introduced the next item before the Board: a request for Authorization to Amend Contract with Dennis L. Cuning for Pier 40 Garage Operations – Auditing and Oversight Services.

Ms. Wils stated that public parking at the Pier 40 garage is one of the largest sources of operating revenue for the Trust. The proper administration of this complex operation requires specialized knowledge of parking industry standards, practices and procedures as well as a familiarity with Pier 40, inclusive of its physical condition, repair program and operations. In April 2011, the Trust entered into a one year contract with Dennis L. Cuning (“DLC”) who had previous experience at Pier 40, for auditing and oversight services in connection with garage operations in an amount not to exceed \$75,000. [A copy of DLC’s resume was provided in the Board materials.]

After the expiration of this single source initial contract, the Board authorized consecutive one-year term extensions and corresponding \$75,000 contract amount

increases each year through March 31, 2018, for a total contract authorization amount of \$525,000.

DLC has interacted with Trust staff on an number of items such as operations, equipment, and preparing FY 2018 income/expense budget, just to name a few. In addition, DLC performed additional garage management services during a period when the Trust's property management position was vacant and worked on the logistics of the sprinkler system repair work in the garage which required relocating the daily parking location. The documented hourly cost of these additional services was \$8,000.

The Trust now proposes to increase the total contract amount and extend the term of the contract with DLC by an additional \$83,000 for one additional year term on a single source basis, to provide auditing and oversight services in connection with Pier 40 garage operations and to cover current year additional charges related to additional work which was out of scope. The effective date of the contract extension is proposed to be April 1, 2018.

Because of DLC's experience with Pier 40, Ms. Wils explained that Trust staff recommends extending the contract with DLC for an additional one year term as a single source procurement for the following reasons: First, DLC has substantial experience and expertise in the parking industry and is a Certified Administrator of Public Parking, with over ten years' experience dealing with the issues and concerns specific to the Pier 40 garage; second, DLC has proven himself to be extremely responsive and demonstrates specialized knowledge and the ability to supervise the

existing parking garage manager; and lastly, DLC's cost is reasonable, as his hourly rate will remain at \$105/hour.

Accordingly, Trust staff recommends a single source procurement of DLC's services for an additional year in the amount of \$83,000. Payment will be made based upon documented time and costs actually incurred. Funds for this amendment will be available from the Trust's annual operating budget.

Ms. Wils then requested Board ratification of, and authorization to, amend the contract with DLC for Pier 40 garage operations - auditing and oversight services by an increase amount of \$83,000.00 and to extend the term for an additional year effective as of April 1, 2018, for a total contract authorization amount of up to \$608,000.

There being no further comments, upon a properly called motion, the following resolution passed unanimously.

HUDSON RIVER PARK TRUST – Ratification of, and Authorization to, Amend Contract with Dennis L. Cuning for Pier 40 Garage Operations – Auditing and Oversight Services by an Increased Amount of \$83,000 and to Extend the Term for an Additional Year effective as of April 1, 2018 for a Total Contract Authorization Amount of up to \$608,000

RESOLVED, based upon the materials presented to the Board at its meeting on March 29, 2018, a copy of which is ordered filed with the records of the Hudson River Park Trust, the Board hereby ratifies and authorizes the Hudson River Park Trust to amend the contract with Dennis L. Cuning for Pier 40 garage operations – auditing and oversight services by an increase amount of \$83,000 and to extend the term for an additional year effective as of April 1, 2018, for a total contract authorization amount of up to \$608,000; and be it further

RESOLVED, that the President or her designee(s) be, and each of them is hereby authorized to take such actions as the President or her designee(s) may deem necessary or appropriate in order to implement the forgoing resolution.

Chair Taylor then introduced the next item before the Board:the request for authorization to increase the amount of the Retainer Agreement with Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. for additional transactional real estate representation services.

Ms. Wils briefly reminded the Board that the law firm of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. has provided legal counsel and representation to the Trust since 2003 in connection with several commercial real estate issues, most recently including the Pier 57 transaction.

She stated that in March, 2016, the Board approved an amendment to Mintz Levin's retainer agreement, bringing the total Board authorization amount up to \$1,587,673.30. Since that time, Mintz Levin has continued to represent the Trust in the negotiation and drafting of Pier 57 lease documentation and related financing, construction and structuring documentation. The requested contract amendment would allow the Trust to maintain its relationship with Mintz Levin in order for it to provide consistent representation of the Trust for an amendment to the Pier 57 lease transaction and related post-closing matters.

The Trust proposes to enter into the amendment with Mintz Levin under a single source justification solely for the purpose of increasing the hourly rate from \$400 to \$500 and extend the term by 2 years. No additional contract amount is being sought at this time. The increase from \$400 to \$500 is in keeping with other Trust legal retainer agreements authorized over the past two years, and is below the market rate for senior real estate counsel.

With regard to the two-year extension, Mintz Levin has been working with the Trust successfully on the Pier 57 Lease transaction and is well versed on the details of the matter. If the Trust were to procure another law firm at the same rates as Mintz Levin, the Trust would incur additional fees as a new law firm would have to investigate, research and become familiar with the legal and factual history of the Pier 57 project.

Funding for this amendment will be made available from the Trust's annual Operating Budget. The Trust expects to seek reimbursement for Mintz Levin's services in connection with the Pier 57 lease amendment from the Pier 57 developer.

Ms. Wils then requested Board authorization to extend its existing retainer agreement for up to two years with Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. for additional transactional real estate representation services, and to increase its hourly rate of pay for legal services from \$400 to \$500 per hour, for a total Board authorization amount of \$1,587,673.30.

Director Halpern inquired about the rate and whether it applies to all attorneys. Mr. Kurtz explained that the rate applies to one individual, a principal who works for the Trust as counsel.

There being no further comments, upon a properly called motion, the following resolution passed unanimously.

HUDSON RIVER PARK TRUST - Authorization for Hudson River Park Trust to Extend the Retainer Agreement with Mintz, Levin, Cohn, Ferris, Glovsky And Popeo, P.C. for Up to Two Years for Additional Transactional Real Estate Representation Services, and to Increase the Hourly Rate of Pay for Legal Services to \$500/Hour, for a Total Board Authorization Amount of up to \$1,587,673.30

RESOLVED, based upon the materials presented to the Board at its meeting on March 29, 2018, a copy of which is ordered filed with the records of the Hudson River Park Trust, the Directors hereby

authorize the Hudson River Park Trust to extend the retainer agreement with Mintz, Levin, Cohn, Ferris, Glovsky And Popeo, P.C. for up to Two Years for Additional Transactional Real Estate Representation Services, and to Increase the Hourly Rate to Pay for Legal Services to \$500/Hour, for a Total Board Authorization Amount of up to \$1,587,673.30; and be it further

RESOLVED, that the President or her designee(s) be, and each of them is hereby authorized to take such actions as the President or her designee(s) may deem necessary or appropriate in order to implement the forgoing resolution.

Chair Taylor then introduced the next item before the Board: the request for authorization to amend contract with EFPR Group, CPAs, PLLC (formerly Toski & Co.) for annual financial auditing services.

Ms. Will reminded the Board that at its March 27, 2014 meeting, the Board authorized the Trust to enter into a contract for Annual Auditing Services of Financial Statements and supplemental services with EFPR Group, CPAs PLLC (formerly Toski & Co.). The competitively procured EFPR contract has an initial term of three years with two one-year extensions. In addition to the audit of financial statements, the contract included a separate provision for supplementary audit related services, for such things as actuarial valuation for post-employment health benefits and lease (tenant) audit services, if requested.

Since the time of the Board approval, the Trust has assigned EFPR the audit of development costs incurred by Youngwoo and RXR for the Pier 57 project as this figure is one of the bases for determining percentage rent due under the Pier 57 lease. The Pier 57 project requires ongoing audit work until the completion of construction, and the engagement has resulted in expenses more than the initial authorized amount.

EFPR has been the Trust's auditor since 2004, having been selected in two previous competitive RFPs. The Trust's experience with EFPR has been positive over the years, and the quality of the firm's audit work has been good.

The Trust anticipates that audit work related to the Pier 57 project will be billed to the Pier 57 developer. Monies expended for annual audit services will be funded from the Trust's operating budget.

Ms. Wils then requested Board authorization to amend the contract with EFPR Group, CPAs PLLC to increase the contract amount by \$48,400.00, for a total Board authorization amount of up to \$290,400.00 to perform auditing service of financial statements for the fiscal year 2018 and complete the ongoing Pier 57 work.

There being no comments, upon a properly called motion, the following resolution passed unanimously.

HUDSON RIVER PARK TRUST - Authorization for Hudson River Park Trust to Amend the Contract with EFPR Group, CPAs PLLC (formerly Toski & Co.) for Annual Financial Auditing Services with a Board Authorization Amount of up to \$290,400.00

RESOLVED, based upon the materials presented to the Board at its meeting on March 29, 2018, a copy of which is ordered filed with the records of the Hudson River Park Trust, the Board hereby authorizes the Hudson River Park Trust to amend the contract with EFPR Group, CPAs PLLC (formerly Toski & Co.) for Annual Financial Auditing Services to increase the contract amount by \$48,000, for a total Board authorization amount of up to \$290,400.00; and be it further

RESOLVED, that the President or her designee(s) be, and each of them is hereby authorized to take such actions as the President or her designee(s) may deem necessary or appropriate in order to implement the forgoing resolution.

Chair Taylor then introduced the next item before the Board: the request for authorization to amend contract with Lehigh Maritime Corp. for Parkwide On-Call Marine Contractor Services.

Ms. Wils noted that at its May 26, 2016 meeting, the Board authorized the Trust to enter into a multi-year contract for Parkwide On-Call Marine Contractor Services with Lehigh Maritime Corp. to perform services including repairs and additional on-call services. The Board authorized the competitively procured contract amount with Lehigh for up to \$225,000. At its June 8, 2017 meeting, the Board authorized an additional \$265,000 to cover additional unanticipated costs for the removal of the floating docks at Pier 25 so as to preserve the asset. As of the date of the prior contract amendment, the total Board authorization amount was \$490,000.

The Trust has recently discovered structural issues with the pontoon floating dock at Pier 26 which, if unaddressed, could cause the cessation of a significant portion of the community boating program. In 2018, after consulting with the pontoon floating dock's manufacturer and the Trust's marine repair consultant, Moffatt & Nichol, it was determined that the best course of action is to remove the Pier 26 dock from its current location and transport it to a marine repair facility where proper repairs can be made. The pontoon floating dock will then be towed back to Pier 26 where it will be put back into service. The cost associated with this work is quoted by Lehigh Maritime as \$88,400.

Ms. Wils explained that, adhering to its Procurement Guidelines, Trust staff determined that it was not in the best interests of the Trust to employ a competitive process even though the amount requested for this amendment exceeds 20% of the original contract amount. There is insufficient time to competitively procure a new contractor who can complete the required work before the beginning of the spring boating season in early May. In addition, staff determined that the \$88,400.00 pricing from Lehigh is reasonable after soliciting cost proposals from 4 other marine contractors. The prices for these other contractors ranged from \$89,000 to \$126,500.

As only \$42,000 remains available for this contract, and it is likely that there will be a need to use these remaining funds for additional marine repair work, the Trust requests that the full \$88,400 be added to the contract to provide funding for the Pier 26 dock repairs. Funding for the contract will be made available from the Trust's capital maintenance budget. The Trust intends to issue a new RFP for marine repair services in the second calendar quarter of 2018.

Ms. Wils then requested the Board's authorization to amend the contract with Lehigh Maritime Corp. for Parkwide on-call Marine Contractor Services, to increase the contract amount by \$88,400, for a total Board authorization amount of up to \$578,400.00.

There being no comments, upon a properly called motion, the following resolution passed unanimously.

HUDSON RIVER PARK TRUST - Authorization to Amend the Contract with Lehigh Maritime Corp. for Parkwide On-Call Marine Contractor Services, to Increase the Contract Amount by \$88,400, for a Total Board Authorization Amount of up to \$578,400

RESOLVED, based upon the materials presented to the Board at its meeting on March 29, 2018, a copy of which is ordered filed with the records of the Hudson River Park Trust, the Directors hereby authorize the Hudson River Park Trust to amend their contract with Lehigh Maritime Corp. for Parkwide On-Call Marine Contractor Services, to increase the contract amount by \$88,400.00 for a total Board authorization amount of up to \$578,400.00; and be it further

RESOLVED, that the President or her designee(s) be, and each of them is hereby authorized to take such actions as the President or her designee(s) may deem necessary or appropriate in order to implement the forgoing resolution.

Next, Ms. Wils was invited to present the President's Report.

Ms. Wils welcomed the Trust's three newest Board members in attendance: Carl Weisbrod, Douglas Durst and Thomas Berkman. Ms. Wils stated that Carl Weisbrod who had left had already been acknowledged. Ms. Wils explained that Douglas Durst joins the Board as a new appointee by Borough President Gale Brewer. Mr. Durst is the chairman of The Durst Organization. Under his leadership, The Durst Organization built the nation's

first sustainable skyscraper, 4 Times Square, and the first LEED Platinum high-rise office tower named Bank of America Tower at One Bryant Park. Today, the company owns, manages and operates a 13 million square foot office portfolio and nearly 2,000 residential rental units, as well as overseeing the development, management and leasing of One World Trade Center. Ms. Wils then stated that Thomas Berkman joins the Board as Commissioner Seggos' designee and representative for NY State DEC. Thomas Berkman is Deputy Commissioner and General Counsel for the New York State DEC. As General Counsel, Mr. Berkman oversees more than 80 environmental attorneys. Mr. Berkman joined the DEC in 2011 and prior to that was Assistant Attorney General in the Criminal division of the Attorney General's office.

Next, Ms. Wils noted that additional Board Information/Materials for the meeting were available in the Board packets, including a statement regarding all contracts between \$100,000 and \$200,000 since the last Board meeting; a memo providing an update on the status of FEMA reimbursements to date; and the financials for the last 11 months of fiscal year 2017-18 ending February 28, which show total operating gross revenue of \$28.4 million, which is four percent greater than the budget. Total operating revenue were \$17.4 million, which is ten percent less than the budget.

Next, Ms. Wils provided an update to the Board on the status of the Trust's Comprehensive General Liability ("CGL") Policy: the CGL policy with Starr Indemnity was terminated on February 28, 2018. However, the Trust was picked up by Colony Insurance, although at a considerable increase in price. The first layer of coverage provided by Colony will provide general liability coverage, with additional terrorism coverage.

On the advice of Tom Pegues, the Board's insurance expert, and after checking on comparable coverages with other NYC governmental entities, the Trust has increased its umbrella coverage from \$50 million to \$100 million. The umbrella coverage, in \$25 million

increments, is being provided by AIG, Chubb, Great American and Berkley. As was described in the budget presentation, the cost for liability insurance increased from \$596,000 to almost \$2 million.

Ms. Wils stated that yesterday she spoke to the Board's Audit committee. Under the 2013 statute, the City and State have a duty to indemnify the Trust of all liability. That has not, in fact, been done in the master leases, and Ms. Wils explained that the Trust brought this, once again, to the City and State, to ask them to reconsider. The rationale here is that, after 2013, the City and State determined that they would cover the Trust's insurance, but that the Trust should keep its insurance active. Even though the property was not Hudson River Park property, the Trust is being sued for over \$300,000,000 so far due to the Halloween terrorist attack. This means the State would be liable for anything above insurance coverage of \$51,000,000, should the courts in the future find the Trust liable. Ms. Wils explained that this issue was discussed with the Governor's Office again, in the hopes that there would be reconsideration on this matter since the State does have considerable liability here.

Next, Ms. Wils spoke about the bollards on Route 9A. She stated that subsequent to the terrorist attack on October 31st, the Trust had several meetings with NYPD counter terrorism, State Homeland Security, State and City DOT, members of City Hall and the Governor's office. After discussions of deploying both temporary barricades and permanent bollards, it was agreed that in order for the Trust to continue to maintain both the park and the bikeway and keep the park safe and secure, temporary barricade and permanent bollard placement would be 60 inches apart. The Trust proceeded to buy over half a million dollars of new equipment with another \$250,000 of equipment ordered to adjust to this new situation. Recently the Trust was informed by State DOT, that the future bollards would be placed at 48 inches apart. After careful research, the Trust notified both the City and the

State that the Trust cannot effectively maintain the park under these conditions. Equipment that is necessary to protect and maintain the park and bikeway are not available less than 48 inches. This matter is being discussed in the Governor's office.

With regards to Chelsea Air Rights, Block 675 – Ms. Wils stated that the Trust's Significant Action process commenced on February 12th, in connection with the sale of development rights to both the Douglaston and Lalezarian sites on Block 675 in Chelsea. The public hearing was held with the City Planning Commission's public hearing on March 14, 2018. The Trust's Board will not vote on these transactions until after the completion of ULURP, which is expected at the end of June 2018. The proposed sale price for these transactions is expected to be \$48.25 million. Twenty percent is intended to go towards future capital maintenance projects and approximately \$38.6 million is intended to be used for capital projects, all in Community Board 4 ("CB4"). Ms. Wils explained that the Trust has been working with the Waterfront, Parks and Environment Committee of CB4, and they have submitted a list of capital projects that they would like to see built, in priority order. With the monies that may be provided by these sales, along with the \$50 million of State capitals funds proposed by the Governor, much of Community Board 4's waterfront should be realized in the next few years.

Ms. Wils added that the Trust, Youngwoo & Associates and Google have made presentations to Community Board 4, the Trust Advisory Council and to individual elected officials to talk about the conception that Google might take another 70,000 square feet than is allowed in the lease. Ms. Wils explained that these preliminary discussions went quite well, and, because the Trust received a letter from CB4, the Trust is now putting its recommendations into a letter to Pier 57 to make sure that the requests of the community would be put into the amendment of the lease. So, once the lease is amended, it will have a significant action process because there is a financial difference in the lease. The Trust will

be receiving another \$1,000,000 a year for fifteen years, which is the length of the Google lease and that comes from the determination that the subsidy given to the market for PILOT should not also be given to Google. So, we have corrected that, therefore, we will get those extra payments.

Next, a report by the Advisory Council from Dan Miller, who is stepping in for Lowell Kern, who is stepping off as chair on April 1.

Ms. Wils thanked Lowell, not present here today, for his time and energy as Chair this past year.

Dan Miller (Community Board 2, Advisory Council) discussed a meeting on March 19th held at Pier 40, the majority of which was spent on a presentation from Youngwoo and Google. The presentation detailed plans to develop the caisson, showed how part of the space will be dedicated to non-profits and the rest of the space will be a Google presentation space, and showed how Google would like to preserve it in its original form so it keeps its museum-like structure.

Mr. Miller said that he additionally discussed the water taxi landing, and how that might mitigate the traffic flow on 14th with the L train shutdown, as well as a human-powered boat launch on the north side of the Pier. He stated that some members of the Council recommended it launch on the southern side because of the wind currents, however Mr. Miller believes that the north side would be more suitable.

Mr. Miller noted that there was some concern about the traffic flow with 500 employees coming from Google, plus the park users and non-profit space users. He stated that attention should be given to how much congestion there was going to be on the bike path and the pedestrian path as well. These are all under consideration.

He further noted that he was updated on the safety cameras installation. He stated that Bob Townley from Community Board 1 recommended a permanent security station near Piers 25 and 26 because it is being used so much more now than it was in the past.

Lastly, Mr. Miller noted that there was a discussion about Pier 40 with elected officials, which are awaiting for some more information from the Trust so that they can make a recommendation on changing the Act that might include commercial office spaces.

Mr. Wils noted that the Trust received a letter from elected officials several months after the conclusion of the Pier 40 Task Force that was created by Community Board 2, asking for more financial information. Ms. Wils explained that the Trust is planning on providing that. It's a ten-year operating and capital plan and projected financial needs for operations. Ms. Wils explained that the Trust has done a lot of work on that in the past and, the Trust is updating it to reflect the new or likely capital that it will be receiving from both the Governor and the Air Rights sales as well as any other monies that should come forward.

Next item before the Board is a Hudson River Park Friends Report by Connie Fishman.

Ms. Fishman stated that the program calendar has been started. Friends had its January 26th Playground Committee Luncheon and the revenue from that was just shy of \$240,000. Friends are planning on moving to a larger venue next year because they don't have room in the current venue to accommodate everybody. Ms Fishman explained that Friend's next event for the spring season, Hudson River Park Games and Decathlon, which is a corporate challenge event held at Pier 40, is on May 19th. There are about 20 teams and Friends is looking for about five more. The next event is the May 31st Playground Committee called a "Backyard Barbecue," which is held in the Chelsea Lawn at Pier 63.

Ms. Fishman mentioned that there are two honorees already secured for the October 11th gala. One is Scott Rechler of RXR Realty, which is constructing the project at Pier 57.

And the other is Alicia Glenn who is also Vice Chair of the Trust. Ms. Fishman explained that Friends is still searching for celebrity honorees. Friends has also been visiting City Council elected officials and officials in Albany about both budgets, State capital budget and City operating budgets, as well as the two issues that Ms. Wils just discussed in the President's report related to the bollards on the bikeway and the insurance issue to make sure that everybody is paying attention to that.

Seeing that there was no further business to discuss, Chair Taylor entertained a motion to adjourn. There was no executive session. As there was no further business the meeting was adjourned at 5:32 p.m.