

BROOKLYN ARENA LOCAL DEVELOPMENT CORPORATION

MEETING OF THE DIRECTORS

Monday

August 8, 2016

BROOKLYN ARENA LOCAL DEVELOPMENT CORPORATION

MEETING OF THE DIRECTORS

633 Third Avenue, 37th Floor Board Room

Monday

August 8, 2016 – 11:00 a.m.

New York, New York

AGENDA

I. FOR CONSIDERATION

- A. BROOKLYN ARENA LOCAL DEVELOPMENT CORPORATION – Appointment of Corporate Officers, Adoption of Revised Guidelines for the Use, Awarding, Monitoring and Reporting of Procurement Contracts, Adoption of Policy and Guidelines in accordance with the NYNPCL and Adoption of the Annual Report in accordance with the New York State Not-For-Profit Law (the “NYNPCL”) – Authorization to Appoint Corporate Officers; Elect the Chairperson; Adopt Revised Guidelines for the Use, Awarding, Monitoring and Reporting of Procurement Contracts (the “proposed 2016 guidelines”); Adopt the New York State Urban Development Corporation, doing business as Empire State Development (“ESD”) Whistleblower Policy; Adopt the ESD Investment Guidelines; Adopt the Annual Report; and Transact Other Necessary Corporate Business of the Corporation
- B. BROOKLYN ARENA LOCAL DEVELOPMENT CORPORATION – Adoption of a Corporation Conflict of Interest and Related Party Transaction Policy in accordance with the New York Not-For-Profit Corporation Law (“NYNPCL”) – Approval of a Conflict of Interest and Related Party Transaction Policy Required Pursuant to Section 715-a of the NYNPCL (“Conflict Policy”); and Related Actions
- C. BROOKLYN ARENA LOCAL DEVELOPMENT CORPORATION – Establishment of Pre-Qualified List of Legal Counsel Which Would Make These Firms Available for Future Recommendation to the Directors for Retention as the Need May Arise – Authorization to Adopt the Pre-Qualified List of the New York State Urban Development Corporation d/b/a Empire State Development (“ESD”) Legal Counsel and to Take Related Actions

- D. BROOKLYN ARENA LOCAL DEVELOPMENT CORPORATION ("BALDC") – Procurement of Legal Services – Mintz, Levin, Cohn, Ferris, Glovsky & Popeo, P.C. – Authorization to Enter into a Contract to Provide Legal Services in Connection with Issuing Bonds (the "Bonds") to Refund Bonds issued to Fund the Construction of the Arena at Barclays Center in Brooklyn, NY and to Take Related Actions
- E. BROOKLYN ARENA LOCAL DEVELOPMENT CORPORATION ("BALDC") – Procurement of Legal Services – Hardwick Law Firm, LLC – Authorization to Enter into a Contract to Provide Legal Services in Connection with Issuing Bonds (the "Bonds") to Refund Bonds Issued to Fund the Construction of the Arena at Barclays Center in Brooklyn, NY and to Take Related Actions
- F. BROOKLYN ARENA LOCAL DEVELOPMENT CORPORATION ("BALDC") – Procurement of Legal Services – Law Offices of Joseph C. Reid, P.A. – Authorization to Enter into a Contract to Provide Legal Services in Connection with Issuing Bonds (the "Bonds") to Refund Bonds Issued to Fund the Construction of the Arena at Barclays Center in Brooklyn, NY and to Take Related Actions
- G. BROOKLYN ARENA LOCAL DEVELOPMENT CORPORATION – Brooklyn Arena Local Development Corporation PILOT Revenue Refunding Bonds, Series 2016 (Barclays Center) – Board Authorization to Perform Certain Acts in Connection with the Sale and Delivery of the Brooklyn Arena Local Development Corporation PILOT Revenue Refunding Bonds, Series 2016A (Barclays Center) and the Brooklyn Arena Local Development Corporation PILOT Revenue Refunding Bonds, Series 2016B Federally Taxable (Barclays Center), Appoint Underwriters and take Related Actions

ITEM IA



FOR CONSIDERATION

August 8, 2016

TO: The Directors

FROM: Robert M. Godley

SUBJECT: BROOKLYN ARENA LOCAL DEVELOPMENT CORPORATION – Appointment of Corporate Officers, Adoption of Revised Guidelines for the Use, Awarding, Monitoring and Reporting of Procurement Contracts, Adoption of Policy and Guidelines in accordance with the NYNPCL and Adoption of the Annual Report in accordance with the New York State Not-For-Profit Law (the “NYNPCL”)

REQUEST FOR: Authorization to Appoint Corporate Officers; Elect the Chairperson; Adopt Revised Guidelines for the Use, Awarding, Monitoring and Reporting of Procurement Contracts (the “proposed 2016 guidelines”); Adopt the New York State Urban Development Corporation, doing business as Empire State Development (“ESD”) Whistleblower Policy; Adopt the ESD Investment Guidelines; Adopt the Annual Report; and Transact Other Necessary Corporate Business of the Corporation

I. BACKGROUND

The Brooklyn Arena Local Development Corporation (the “Corporation”) is a corporation as defined in subparagraph (a)(5) of Section 102 of the NYNPCL and is a charitable not-for-profit corporation as defined under Section 201 (b) of the NYNPCL and Section 1411 of the NYNPCL.

The Corporation was formed to finance certain components of a redevelopment project in the Atlantic Yards area of Brooklyn, New York (the “Atlantic Yards Redevelopment Project”), including the design, development, construction and operation of an arena for use by a professional basketball team and for other sports and arena events and, if deemed beneficial to the overall Atlantic Yards Redevelopment Project, the infrastructure and land related to such project, all in furtherance of its statutory public objectives. It undertakes its public purpose by issuing federally tax-exempt and/or taxable bonds.

In 2009, the Corporation, as issuer (the “Issuer”), issued \$510,999,996.50 of its PILOT Revenue Bonds, Series 2009 (Barclays Center Project), (the “Series 2009 PILOT Bonds”). The Issuer offered the Series 2009 PILOT Bonds pursuant to an Official Statement, dated December 16, 2009.

The Series 2009 PILOT Bonds were issued for primarily for the purpose of providing a

portion of the costs of acquisition, design, development, and construction of an arena, now known as the Arena at Barclays Center (the "Arena") and certain other improvements related to the Arena. Construction of the Arena was completed in 2012 and the Arena is currently being used as the home venue of the Brooklyn Nets and New York Islanders and as a venue for other entertainment, cultural, sporting and civic events.

The Series 2009 PILOT Bonds are special limited obligations of the Issuer, payable primarily out of revenues of the Issuer derived and to be derived from certain payments in lieu of ad valorem real property taxes ("PILOTs") made under a Payment-in-Lieu-of-Tax Agreement (Arena), dated as of May 12, 2010 (the "PILOT Agreement").

ArenaCo is a wholly-owned subsidiary of Brooklyn Arena Holding Company, LLC, a Delaware limited liability company which in turn is a wholly-owned subsidiary of Brooklyn Arena, LLC, a Delaware limited liability company, the Arena Developer. ArenaCo is the tenant of the Arena Project and has made and will continue to make PILOT payments to the New York State Urban Development Corporation d/b/a Empire State Development ("ESD") under the PILOT Agreement.

II. CORPORATE OFFICERS

Due to resignations there are several officer vacancies. Staff recommends that all such positions be filled by the individuals noted in the attached Resolution. All the proposed officers have served, or are serving, in similar capacities for other state entities. Robert M. Godley, appointed as Treasurer on September 11, 2009, continues to hold his office.

III. ADOPTION OF REVISED ESD GUIDELINES FOR THE USE, AWARDED, MONITORING AND REPORTING OF PROCUREMENT CONTRACTS ("2016 Guidelines")

The 2016 Guidelines attached to this memorandum set forth the policies and procedures to be followed by the Corporation when seeking to contract for goods or services. It should be noted that the 2016 Guidelines do not have the force of law, are required only of public authorities and public benefit corporations, not local development corporations such as the Brooklyn Arena Local Development Corporation, and are proposed as a statement of best practices and procedures. No contract is invalid merely because the 2016 Guidelines have not been followed.

The 2016 Guidelines define the universe of procurement transactions which are subject to the policies and procedures. Generally, all procurements by the Corporation must be competitive, except where State law provides for non-competitive sourcing (e.g., goods purchased from approved non-profit agencies for the blind, and procurements from the Office of General Services Centralized Contracts List). Based on the expected cost of procured goods and/or services, procurement contracts must be obtained after advertisement in the NYS

Contract Reporter, except in limited instances where an exemption is obtained, generally for sole or single source procurements when only one vendor offers the desired goods or services or when a single vendor has unique qualities or experience that obviate a competitive process. The 2016 Guidelines explain the various means of obtaining goods and services in an open, accountable and transparent manner, including incorporation of the ESD's Bid Opening Guidelines and the compilation of a Procurements Record for every covered Procurement Contract.

For informational purposes, please note that the 2016 Guidelines comply with the applicable provisions of the Public Authorities Law, the State Finance Law and the State Tax Law. They are consistent with the State Procurement Council's Guidelines and with the Governor's directive that all state agencies and public authorities make responsible spending decisions, and that they be accountable for sufficient monitoring of their spending to ensure the highest level of fairness, non-discrimination, openness and transparency.

The 2016 Guidelines reflect the Board's determination, pursuant to a separate item at this meeting, that procurement contracts in an amount up to and including \$250,000 may be approved by the President of the Corporation or his duly appointed designee, and do not require formal Board approval. An exception to this procedure is that contracts for personal services that will have a term of one year or more continue to require Board approval (as well as annual review).

The 2016 Guidelines are intended to be user-friendly and are set forth in a logical and coherent fashion that will assist staff in understanding the procedures to be followed and the substantive rules that govern procurements.

Sources of help to users and information are included as clickable links, and virtually all required forms and ESD policy and procedure documents can also be accessed from within the document by hyperlinks. The hard copy of the 2016 Guidelines presented to the Directors for approval cannot contain these links, but they are shown in highlight form. Staff recommends that the Corporation adopt the 2016 Guidelines.

IV. ADOPTION OF NEW YORK STATE URBAN DEVELOPMENT CORPORATION, DOING BUSINESS AS EMPIRE STATE DEVELOPMENT ("ESD") WHISTLEBLOWER POLICY AND ESD INVESTMENT GUIDELINES

The Nonprofit Revitalization Act of 2013 creates a new Section 715-b of the NYNPCL which requires not-for-profit corporation with 20 or more employees and annual revenues exceeding \$1 million to adopt whistleblower policies. These policies are meant to protect directors, officers, employees, and volunteers who make good faith reports of actions or suspected actions taken by or within the corporation that are illegal, fraudulent, or in violation of any adopted policy of the corporation. Staff recommends that the Corporation adopt the New York State Urban Development Corporation, doing business as Empire State Development

Whistleblower Policy dated April 2015.

The New York Prudent Management of Institutional Funds Act (the "NYPMIFA") requires the adoption of an investment policy by all corporations subject to its provisions to ensure that the investments of the Corporation are prudently managed. NYPMIFA applies to all corporations incorporated under the NYNPCL including the Corporation. Staff recommends that the Corporation adopt the ESD Investment Guidelines, as amended, dated July 16, 2015.

V. ADOPTION OF ANNUAL REPORT

Section 519 of the NYNPCL requires that the board of a not-for-profit corporation (the "Board") present annually a report to the members showing in appropriate detail the assets and liabilities; the principal changes in the assets and liabilities as of the end of a twelve month fiscal period; the revenues and receipts, restricted and unrestricted; the expenses or disbursements, general or restricted; and the number of members of the Corporation (the "Members"); and a statement of the of the place where the names and places of the members may be found. The statute also requires that the board ratify the adoption and presentation of the annual report to the Members. Staff recommends that the Board adopts note 3(c) of the audited combined financial statements of the New York Job Development Authority ("NYJDA") as of March 31, 2015 and 2014 as the annual report of the Corporation and directs such annual report to be presented to the Members; and that the Board ratifies the adoption and presentation to the Members of the applicable note(s) of the audited financial statements of NYJDA as of each fiscal year since inception of the Corporation as the respective annual report of the Corporation.

VI. ENVIRONMENTAL REVIEW

Staff has determined that the proposed authorization constitutes a Type II action as defined by the New York State Environmental Quality Review Act and the implementing regulations for the New York Department of Environmental Conservation. No further environmental review is required in connection with this authorization.

VII. REQUESTED ACTIONS

The Board of Directors of the Corporation are being requested to appoint Corporate Officers; elect the Chairperson; adopt the Annual Report; adopt the 2016 Guidelines, adopt the ESD Whistleblower Policy; adopt the ESD Investment Guidelines and Take Related Actions.

VIII. RECOMMENDATION

Based on the foregoing, staff recommends approval of the requested actions.

IX. ATTACHMENTS

Resolution with the following Exhibits: **(Exhibits to Directors only)**

- A. Proposed 2016 Guidelines for the Use, Awarding, Monitoring and Reporting of Procurement Contracts
- B. ESD Whistleblower Policy
- C. ESD Investment Guidelines
- D. Annual Report

August 8, 2016

BROOKLYN ARENA LOCAL DEVELOPMENT CORPORATION – Appointment of Corporate Officers, Adoption of Revised Guidelines for the Use, Awarding, Monitoring and Reporting of Procurement Contracts, Adoption of Policy and Guidelines in accordance with the NYNPCL and Adoption of the Annual Report in accordance with the New York State Not-For-Profit Law (the “NYNPCL”) – Authorization to Appoint Corporate Officers; Elect the Chairperson; Adopt Revised Guidelines for the Use, Awarding, Monitoring and Reporting of Procurement Contracts (the “proposed 2016 guidelines”); Adopt the New York State Urban Development Corporation, doing business as Empire State Development (“ESD”) Whistleblower Policy; Adopt the ESD Investment Guidelines; Adopt the Annual Report; and Transact Other Necessary Corporate Business of the Corporation

WHEREAS, the Certificate of Incorporation of the Corporation was duly filed in the office of the Secretary of State of the State of New York on November 6, 2008; and

WHEREAS, it is now appropriate for the Board of the Corporation (the “Board”) to elect the officers of, and transact other necessary corporate business of the Corporation.

NOW, therefore, the Board of Directors of the Corporation, in accordance with the materials presented at this meeting, upon motion duly made and seconded, duly adopts the following Resolution:

Officers

RESOLVED, that the following people be, and each of them hereby is, elected to the offices set forth opposite their respective names, each person to hold his or her respective office until the earlier of such person’s resignation, death or incapacity, or until a successor has been duly elected and qualified:

<u>Name</u>	<u>Title</u>
Howard A. Zemsky	President & Chief Executive Officer
Kathleen Mize	Vice President
Elizabeth R. Fine	Executive Vice President – Legal and General Counsel
Maria Cassidy	Deputy General Counsel
Rose-Marie Mahase	Secretary
Debbie Royce	Assistant Secretary

Robert M. Godley, appointed as Treasurer on September 11, 2009, continues to hold his office.

Chairperson

RESOLVED, Howard A. Zemsky is hereby elected to serve as the Chairperson of the Corporation. Pursuant to the By-Laws Article VI, Section 2 the Chairperson will serve a one-year term.

Revised Guidelines for the Use, Awarding, Monitoring and Reporting of Procurement Contracts

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered to be filed with the records of the Corporation, the 2016 Guidelines for the Use, Awarding, Monitoring and Reporting of Procurement Contracts, a copy of which is attached to the materials as Exhibit A, be and hereby is approved and adopted as of the date hereof, as a statement of best practices and procedures, and the Chief Executive Officer or his/her designee is authorized to promulgate the said 2016 Guidelines in electronic form and other media for the use of the staff of the Corporation and to take such other and further action as may be deemed necessary or appropriate to effectuate the foregoing Resolution.

ESD Whistleblower Policy

RESOLVED, that the ESD Whistleblower Policy, in the form attached hereto as Exhibit B, be, and it hereby is, in all respects ratified, confirmed and approved; and that said ESD Whistleblower Policy be, and it hereby is, adopted as the Whistleblower Policy of the Corporation.

ESD Investment Guidelines

RESOLVED, that the ESD Investment Guidelines, in the form attached hereto as Exhibit C be, and it hereby is, in all respects ratified, confirmed and approved; and that said ESD Investment Guidelines be, and it hereby is, adopted as the Investment Guidelines of the Corporation.

Annual Report

RESOLVED, that the Board adopts note 3(c) of the audited combined financial statements of the New York Job Development Authority ("NYJDA") as of March 31, 2015 and 2014 as the annual report of the Corporation and directs such annual report to be presented to the Members, a copy of which is attached to this Resolution as Exhibit D; and that the Board ratifies the adoption and presentation to the Members of the applicable note(s) of the audited financial statements of NYJDA as of each fiscal year since inception of the Corporation as the respective annual report of the Corporation.

Miscellaneous

RESOLVED, that the "proper officers", as used herein, shall mean and include the Chairperson of the Board, Chief Executive Officer, President, the Executive Vice President, the Secretary, the Assistant Secretary, the General Counsel, the Treasurer and the Deputy General Counsel of the Corporation, or any of them.

RESOLVED, that any and all actions taken by the proper officers of the Corporation, in connection with and in furtherance of the matters referred to in any of the foregoing resolutions be, and they hereby are, ratified, confirmed, approved and adopted in all respects.

RESOLVED, that the proper officers of the Corporation be, and each of them hereby is, authorized, empowered and directed to take all such further actions and to execute, deliver, certify and file all such further agreements, undertakings, certificates, instruments and documents, in the name and on behalf of the Corporation, under its corporate seal or otherwise, and to pay all such costs, fees and expenses as such officers shall approve as necessary or advisable to carry out the intent and accomplish the purpose of the foregoing resolutions and the transactions contemplated thereby, the taking of such actions and the execution, delivery, certification and filing of such documents to be conclusive evidence of such approval.

ITEM IB



FOR CONSIDERATION

August 8, 2016

TO: The Directors

FROM: Robert M. Godley

SUBJECT: BROOKLYN ARENA LOCAL DEVELOPMENT CORPORATION – Adoption of a Corporation Conflict of Interest and Related Party Transaction Policy in accordance with the New York Not-For-Profit Corporation Law (“NYPCL”)

REQUEST FOR: Approval of a Conflict of Interest and Related Party Transaction Policy Required Pursuant to Section 715-a of the NYPCL (“Conflict Policy”); and Related Actions

I. BACKGROUND

The Brooklyn Arena Local Development Corporation (the “Corporation”) is a corporation as defined in subparagraph (a) (5) of Section 102 of the NYPCL and is a charitable not-for-profit corporation as defined under Section 201 (b) of the NYPCL and Section 1411 of the NYPCL.

The Corporation is formed to finance certain components of a redevelopment project in the Atlantic Yards area of Brooklyn, New York, including the design, development, construction and operation of an arena for use by a professional basketball team and for other sports and arena events.

The statutory Section of the NYPCL (“Section 715-a”) requiring the adoption of the Conflict Policy was signed into law in 2013. Section 715-a works in coordination with multiple other provisions of the NYPCL, including definitions of Related Policy Transactions, Relatives, Affiliates, and Key Employees. The Conflict Policy, along with the required questionnaire for directors and examples of conduct and activities that could be deemed conflicts, is based on these statutory requirements, as well as policy models adopted by other not-for-profits, all with the intent of protecting the Corporation from transactions that might create a conflict.

II. REQUESTED ACTION

The Board of Directors is now being asked to approve the Conflict of Interest and Related Party Transaction Policy attached hereto.

III. ENVIRONMENTAL REVIEW

Staff has determined that the proposed authorization constitutes a Type II action as defined by the New York State Environmental Quality Review Act and the implementing regulations for the New York Department of Environmental Conservation. No further environmental review is required in connection with this authorization.

IV. ATTACHMENTS

Resolution
Corporation Conflict of Interest and Related Party Transaction Policy

August 8, 2016

BROOKLYN ARENA LOCAL DEVELOPMENT CORPORATION – Adoption of a Corporation Conflict of Interest and Related Party Transaction Policy in accordance with the New York Not-For-Profit Corporation Law (“NYPNCL”) – Adoption of a Corporation Conflict of Interest and Related Party Transaction Policy Required Pursuant to Section 715-a of the NYPNCL; and Related Actions

WHEREAS, Brooklyn Arena Local Development Corporation (the “Corporation”) is required by Section 715-a of the New York Not for Profit Corporation Law to adopt a Conflict of Interest and Related Party Transaction Policy (“Conflicts Policy”); and

WHEREAS, a Conflicts Policy has been prepared to clearly define objectives and responsibilities, provide definitions and provide examples of conflicts.

RESOLVED, that the Conflict of Interest and Related Party Transaction Policy, in the form attached hereto, be, and it hereby is, in all respects ratified, confirmed and approved; and that said Conflict of Interest and Related Party Transaction Policy be, and it hereby is, adopted as the Conflict of Interest and Related Party Transaction Policy of the Corporation.

RESOLVED, that the “proper officers”, as used herein, shall mean and include the Chairperson of the Board, Chief Executive Officer, President, the Executive Vice President, the Secretary, the Assistant Secretary, the General Counsel, the Treasurer and the Deputy General Counsel of the Corporation, or any of them.

RESOLVED, that any and all actions taken by the proper officers of the Corporation, in connection with and in furtherance of the matters referred to in any of the foregoing resolutions be, and they hereby are, ratified, confirmed, approved and adopted in all respects.

RESOLVED, that the proper officers of the Corporation be, and each of them hereby is, authorized, empowered and directed to take all such further actions and to execute, deliver, certify and file all such further agreements, undertakings, certificates, instruments and documents, in the name and on behalf of the Corporation, under its corporate seal or otherwise, and to pay all such costs, fees and expenses as such officers shall approve as necessary or advisable to carry out the intent and accomplish the purpose of the foregoing resolutions and the transactions contemplated thereby, the taking of such actions and the execution, delivery, certification and filing of such documents to be conclusive evidence of such approval.

* * *

BROOKLYN ARENA LOCAL DEVELOPMENT CORPORATION

CONFLICT OF INTEREST AND RELATED PARTY TRANSACTION POLICY

The board of directors (the "Board") of Brooklyn Arena Local Development Corporation, a New York not-for-profit corporation (the "Corporation"), has adopted this Conflict of Interest and Related Party Transaction Policy (the "Policy"), dated August __, 2016, to ensure that its directors, officers and Key Employees (if any) act in the Corporation's best interest and comply with applicable legal requirements, including but not limited to the requirements set forth in sections 715 and 715-a of the New York Not-for-Profit Corporation Law.

All directors, officers and Key Employees owe a duty of loyalty to the Corporation and must act in good faith in the Corporation's best interests, rather than the interests of another entity or person and must comply with all legal requirements, including this Policy.

Directors, officers and Key Employees shall not engage in any transaction or arrangement or undertake positions with other corporations or other organizations that involve a conflict of interest, or the appearance of a conflict, except in compliance with this Policy.

1. Definitions.

(a) "Affiliate" means any entity controlled by, in control of, or under common control with the Corporation.

(b) "Conflict of Interest" means: (i) a particular transaction or arrangement in which any Related Party, has, or in the near future will have, directly or indirectly, a financial interest and in which the Corporation or any Affiliate of the Corporation is a participant; or (ii) any other interest, financial or otherwise, direct or indirect, that is in substantial conflict with the proper discharge of the duties of the director, officer or Key Employee to the Corporation. Examples of circumstances that may give rise to conflicts of interest are set forth below but these examples are not exhaustive. Conflicts might arise in other circumstances or through other relationships. It shall be the continuing responsibility of each director, officer or Key Employee to scrutinize his or her transactions, outside businesses and personal relationships for potential conflicts and Related Party Transactions and to immediately report the same to the Board.

Examples of potential conflicts of interest include, but are not limited to:

- (i) A compensation arrangement with an entity or individual with which the Corporation has entered into a transaction or arrangement, or with which the Corporation is negotiating, or contemplating negotiating, a transaction or arrangement;
- (ii) Subject to *de minimus* exception, any ownership or investment interest in, or other affiliation with, any entity or individual that has any transaction, arrangement or relationship with the Corporation, or with which the Corporation is negotiating, or contemplating negotiating, a transaction or arrangement;

- (iii) Acceptance of any gift, entertainment, or other favor where such acceptance might create the appearance of influence on the director, officer, Key Employee or Related Party (other than gifts of nominal value, which are clearly tokens of respect and friendship unrelated to any particular transaction);
- (iv) Acquisition of any real property, leaseholds, patents or other property or rights by the director, officer, Key Employee or Related Party in which the Corporation has, or the director, officer, Key Employee or Related Party knows or has reason to believe at the time of acquisition that the Corporation is likely to have an interest;
- (v) Incurrence of indebtedness to the Corporation, other than advances for amounts due for ordinary travel and expense advances;
- (vi) Use of his or her position, or confidential information or the assets of the Corporation, to his or her personal advantage or for an improper or illegal purpose;
- (vii) The existence of any other interest that may make it difficult for the director, officer, Key Employee or Related Party to exercise objective judgment or otherwise perform effectively; or
- (viii) The purchase or sale of securities issued by the Corporation or the utilization of material non-public information by the director, officer, Key Employee or Related Party in a manner that would constitute either a violation of federal securities law or otherwise give rise to a Conflict of Interest or the appearance of a Conflict of Interest.

(c) "Key Employee" means a person who is in a position to exercise substantial influence over the affairs of the Corporation.

(d) "Related Party" means (i) any director, officer or Key Employee of the Corporation or any Affiliate of the Corporation; (ii) any Relative of any director, officer or Key Employee of the Corporation or any Affiliate of the Corporation; or (iii) any entity in which any individual described in (i) and (ii) above has a 35% or greater interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%.

(e) "Related Party Transaction" means any transaction, agreement or any other arrangement in which a Related Party has a financial interest and in which the Corporation or any Affiliate of the Corporation is a participant.

(f) "Relative" means a (i) spouse, ancestor, child (whether natural or adopted), grandchild, great-grandchild, sibling (whether whole or half-blood), (ii) spouse of a child (whether natural or adopted), grandchild, great-grandchild or sibling (whether whole or half-blood), or (iii) a domestic partner.

2. Disclosure of Conflict.

At any time, any director, officer, Key Employee or any Related Party identifies a possible Conflict of Interest, a Conflict of Interest or an interest in a Related Party Transaction, the

director, officer or Key Employee shall disclose in good faith to the Board the material facts concerning such interest.

3. Resolution.

(a) Any director, officer, Key Employee or any Related Party having a potential Conflict of Interest or an interest in a Related Party Transaction shall not (i) be present at or participate in Board or committee deliberation or vote on the matter giving rise to such conflict or transaction (except that relevant information at a Board meeting prior to commencement of deliberations or voting thereon), or (ii) attempt to influence improperly the deliberation or voting on the matter giving rise to such conflict or transaction.

(b) With respect to any Related Party Transaction in which a Related Party has a substantial financial interest¹, the Corporation may enter into a transaction or arrangement only if: (i) the Board has considered alternative transactions to the extent available; (ii) at a duly held meeting of the Board, a majority of those Board members who have no interest in the transaction or arrangement approve the transaction or arrangement after determining, in good faith and after reasonable inquiry, that the transaction is fair and reasonable to the Corporation and in its best interests; and (iii) the Board documents in writing the basis for the decision including its consideration of alternative transactions, if any.

(c) The existence and resolution of a potential Conflict of Interest shall be documented in the Corporation's records, including in the minutes of any meeting at which the conflict was discussed or voted upon.

4. Compliance.

(a) Each director, prior to his or her initial election and annually thereafter, shall complete and sign a written statement (the "Questionnaire") identifying, to the best of the director's knowledge, any entity of which such director is an officer, director, trustee, member, owner (either as a sole proprietor or a partner), or employee and with which the Corporation has a relationship, and any transaction in which the Corporation is a participant and in which the director might have a conflicting interest. The Questionnaire shall be submitted to the secretary of the Corporation (the "Secretary"). The Secretary shall provide a copy of each completed Questionnaire, and any updates, to the General Counsel, who will evaluate the disclosures to determine whether they involve a Conflict of Interest.

(b) Each officer and Key Employee shall complete and sign an annual written statement (the "Acknowledgement") acknowledging that such officer or Key Employee has received, read and understood the Conflict of Interest and Related Party Transactions Policy of the Corporation and agree that such officer or Key Employee has and will continue to abide by such Policy. The Secretary shall maintain a copy of each completed Acknowledgement and any updates.

(c) If the Board has reasonable cause to believe that a director, officer or Key

¹ The New York Not-for-Profit Corporation Law does not define the term "financial interest" or "substantial financial interest." In determining whether a financial interest rises to the level of a "substantial financial interest," the General Counsel will consider the facts on a case-by-case basis.

Employee has failed to comply with this Policy, the Board may make such further investigation as may be warranted in the circumstances and if the Board determines that the director, officer or Key Employee has in fact failed to comply with this Policy, it shall take appropriate action in accordance with law and the Corporation's certificate of incorporation and bylaws, which may include removal from office.

(d) No Director, officer, or Key Employee may solicit or accept any gift from any entity or lobbyist that has a matter before the Corporation, or who will likely have a matter before the Corporation without express approval from the General Counsel. The definition of "gift" includes but is not limited to money, objects, services, loans, travel, lodging, meals, refreshments, entertainment, and event/party invitation, worth \$15 or more.

(e) No Director, officer, or Key Employee, or firm or association of which the Director, officer or Key Employee is a part, or corporation, 10 percent or more of the stock of which is owned or controlled directly or indirectly by such Director, shall sell any goods or services having a value in excess of \$25 to the Corporation, or any Affiliate of the Corporation, unless such goods or services are provided pursuant to an award or contract let after public notice and competitive bidding.

(f) Directors, officers, and Key Employees are prohibited from discussing possible future employment which any entity that has had a specific matter pending before them unless 30 days or more has passed since the matter closed. Directors should recuse themselves from all matters related to entities with which they are engaged in employment negotiations.

(g) This Policy shall not supersede any requirement which may be applicable to any director, officer or Key Employee by virtue of such individual's status as a state officer or employees as defined in section 73 of the Public Officers Law.

**Questionnaire Concerning Conflicts of Interest and Affirmation
re: Conflict of Interest and Related Party Transactions Policy**

BROOKLYN ARENA LOCAL DEVELOPMENT CORPORATION

To be Completed by Directors and Director Nominees on an Annual Basis

1. Please list any entity of which you serve as an officer, director, trustee, member, owner (either as sole proprietor or a partner), or employee.
2. Please identify any transaction in which the Corporation is a participant and in which you may have a conflicting interest.

The answers to the foregoing questions are stated to the best of my knowledge and belief. I also acknowledge that I have received, read and understood the attached Conflict of Interest and Related Party Transactions Policy of the Corporation and agree that I have and will continue to abide by such Policy.

Date

Name:

Affirmation re: Conflict of Interest and Related Party Transactions Policy

To be Completed by Officers and Key Employees on an Annual Basis

I acknowledge that I have received, read and understood the attached Conflict of Interest and Related Party Transactions Policy of the Corporation and agree that I have and will continue to abide by such Policy.

Date

Name:

ITEM IC



FOR CONSIDERATION

August 8, 2016

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: BROOKLYN ARENA LOCAL DEVELOPMENT CORPORATION – Establishment of Pre-Qualified List of Legal Counsel Which Would Make These Firms Available for Future Recommendation to the Directors for Retention as the Need May Arise

REQUEST FOR: Authorization to Adopt the Pre-Qualified List of the New York State Urban Development Corporation d/b/a Empire State Development (“ESD”) Legal Counsel and to Take Related Actions

I. INTRODUCTION

In April 2012, staff of ESD advertised and solicited responses to select a team of legal counsel in 9 different practices areas for ESD’s legal matters including those carried out by ESD subsidiaries. Based upon review of all relevant criteria ESD selected a list of counsel in 9 practice areas, including legal counsel to assist in the sale of bonds, to remain in effect for three years, with an option for the ESD General Counsel or Deputy General Counsel to extend the list for a fourth year.*

This action seeks the Brooklyn Arena Local Development Corporation’s (the “Corporation”) adoption of the ESD pre-qualified list of Legal Counsel which would make these firms available for future recommendation to the Corporation Directors for retention as the need may arise, without need to conduct a further solicitation.

No individual firm is being recommended in this board item for retention in connection with any particular matter and no funding is being authorized. Rather, only a pre-qualified list of Legal Counsel are being approved.

* On August 12, 2015 the General Counsel exercised the right to renew the term of the authorization to September 18, 2016.

II. SELECTION OF A TEAM OF LEGAL COUNSEL

As part of the solicitation for legal counsel, ESD placed an advertisement in the New

York Contract Reporter, pursuant to which it solicited responses to its Request for Proposals ("RFP") from firms interested in qualifying to serve as law firms in the following areas of law: real estate and land use; environmental; condemnation; bankruptcy; labor; taxation; bond financing; foreclosure, and in each case, related litigation. Proposals were due May 17, 2012 and all submissions were opened on May 23, 2012.

In addition, ESD staff contacted by letter and/or mail all firms that had responded to the 2008 and 2010 solicitations, all New York State certified MWBEs as well as other firms referred to ESD by staff and others. All such communications advised the forms of the Contract Reporter procurement opportunity.

Sixty-six firms responded to the solicitation. The responses were evaluated by a Review Committee consisting of the Deputy General Counsel and five Senior Counsels, including the Senior Counsel primarily responsible for bond financings and the Senior Counsel for environmental and litigation matters. The submissions were evaluated on the basis of, among other things: number and experience of attorneys practicing in each area of expertise; demonstrated experience in development projects similar to those in which the ESD engages; experience in government and public/private initiatives generally; presence and size of office(s) in New York State; the firm's current arrangements and/or willingness to engage in future M/WBE partnering or mentoring arrangements; and willingness to work within ESD's limitation on hourly fees. In some cases, additional information was requested in clarification of an initial submission and nine firms were selected for interviews. On September 20, 2012, ESD adopted the attached slate of pre-qualified counsel.

Based upon the foregoing reviews and approvals, this action seeks adoption of the ESD approved pre-qualified list of legal counsel set forth in Schedule B by the Board of the Corporation, to serve as legal counsel, as needed, without the need to conduct a further solicitation, for a period co-terminus with the ESD approved pre-qualified list currently which is currently three years with the option to extend the duration of the list for an additional year at the discretion of the Corporation's General Counsel, and in the General Counsel's absence, the Deputy General Counsel.

III. REQUESTED ACTION

At this time, the Directors are requested to approve the slate of underwriters, financial advisors, financial products (swap) providers and legal counsel as set forth herein.

IV. ATTACHMENTS

Resolution
Schedule A

August 8, 2016

BROOKLYN ARENA LOCAL DEVELOPMENT CORPORATION CORPORATION – Establishment of Pre-Qualified List of Legal Counsel Which Would Make These Firms Available for Future Recommendation to the Directors for Retention as the Need May Arise – Authorization to Adopt the Pre-Qualified Lists of the New York State Urban Development Corporation d/b/a Empire State Development (“ESD”) Legal Counsel and to Take Related Actions

WHEREAS, the Brooklyn Arena Local Development Corporation (the “Corporation”) proposes to select a team of law firms (the “Law Firms”) for all matters related to the Corporation; and

WHEREAS, the Corporation proposes to select a team of

WHEREAS, ESD issued a Request for Proposals to select a group of law firms to serve ESD and on the basis of the overall ranking of the proposals by the responding law firms, selected qualified Law Firms; and

WHEREAS, based on ESD’s evaluation of such Law Firms, the Corporation wishes to adopt the same list of Law Firms adopted by ESD; and

BE IT RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered to be files with the records of the Corporation, the Law Firms, listed in Schedule A be and each hereby is, approved as pre-qualified counsel in the various areas of expertise (and, in each case, related litigation) and in such other areas as the General Counsel or, in the absence of the General Counsel, the Deputy General Counsel, may in his or her sole discretion may deem appropriate or advisable in connection with any particular project or matter, such approval to remain in effect until the termination or expiration of the pre-qualified ESD list of Law Firms; and may it be further

RESOLVED, that the President and his or her designee(s) be, and each of them hereby is, authorized and directed, in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all such actions as may be necessary or appropriate to effectuate the foregoing. Any actions previously taken by the Corporation consistent with this authorization are hereby ratified and affirmed.

SCHEDULE A

Pre-Qualified Legal Counsel

Adopted by ESD Board on September 20, 2012

Adopted by the Brooklyn Arena Local Development Corporation Board on August 8, 2016

Real Estate and Land Use

Bond Schoeneck & King PLLC
* Brown & Hutchinson
Bryan Cave LLP
* Bryant Rabbino LLP
Carter Ledyard & Milburn LLP
Damon & Morey LLP
Day Pitney LLP
Law Offices of Donald J. Tobias
Harris Beach PLLC
Hawkins Delafield & Wood LLP
Herrick Feinstein LLP
Hiscock & Barclay LLP
Hodgson Russ LLP
Holland & Knight
Ingram Yuzek Carroll & Bertolotti LLP
Jaeckle Fleischmann & Mugel LLP
Knauf & Shaw LLP
Kramer Levin Naftalis & Frankl LLP
Mentor Rudin & Trivelpiece PC
McNamee Lochner Titus & Williams P.C.
Nixon Peabody
Phillips Lytle & *The Gibson Law Firm
Saunders Kahler LLP
Schiff Hardin LLP
* Schoeman Updike & Kaufman LLP
Shearman & Sterling LLP
Sidley Austin LLP
Skadden Arps Slate Meagher & Flom LLP
Venable LLP
Whiteman Osterman & Hanna LLP

Condemnation

Berger & Webb
Bond Schoeneck & King PLLC
Carter Ledyard & Milburn LLP
Damon & Morey LLP
Day Pitney LLP
Harris Beach PLLC
Hiscock & Barclay LLP
Kramer Levin Naftalis & Frankel LLP
McNamee Lochner Titus & Williams PC
Nixon Peabody LLP
Sidley Austin LLP

Construction

Bond Schoeneck & King PLLC
Carter Ledyard & Milburn LLP
Damon & Morey LLP
Day Pitney LLP
Greenberg Trauig LLP
Harris Beach PLLC
Herrick Feinstein LLP
Hodgson Russ LLP
Hoguet Newman Regal & Kenney LLP
Holland & Knight
Ingram Yuzek Carroll & Bertolotti LLP
Kilpatrick Townsend & Stockton LLP
Kramer Levin Naftalis & Frankel LLP
Mentor Rudin & Trivelpiece PC
McNamee Lochner Titus & Williams PC
Nixon Peabody LLP
Saunders Kahler LLP
Schiff Hardin LLP
Shearman & Sterling LLP
Sidley Austin LLP
Venable LLP
Wasserman Grubin & Rogers LLP

SCHEDULE A

Pre-Qualified Legal Counsel

Adopted by ESD Board on September 20, 2012

Adopted by the Brooklyn Arena Local Development Corporation Board on August 8, 2016

Whiteman Osterman & Hanna LLP
* Wilson & Chan LLP

Bankruptcy

Bond Schoeneck & King PLLC
Bryan Cave LLP
Damon & Morey LLP
Day Piney LLP
Law Offices of Donald J. Tobias
Harris Beach PLLC
Herrick Feinstein LLP
Hodgson Russ LLP
Jaeckle Fleischmann & Mugel LLP
Menton Rudin & Trivelpiece PC
McNamee Lochner Titus & Williams PC
Nixon Peabody LLP
Saunders Khaler LLP
Schiff Hardin LLP
Shearman & Sterling LLP
Sidley Austin LLP
Venable LLP
Whiteman Osterman & Hanna LLP

Labor

Bond Schoeneck & King PLLC
* Brown & Hutchinson
Clifton Budd & DiMarira LLP
Damon & Morey LLP
Day Pitney LLP
Harris Beach PLLC
Hiscock & Barclay LLP
Hodgson Russ LLP
* Hoguet Newman Regal & Kenney LLP
Jaeckle Fleischmann & Mugel LLP

Environmental

Bond Schoeneck & King PLLC
Bryan Cave LLP
Carter Ledyard & Milburn LLP
Damon & Morey LLP
Day Pitney LLP
Harris Beach PLLC
Herrick Feinstein LLP
Hodgson Russ LLP
Jaeckle Fleischmann & Mugel LLP
Knauf & Shaw LLP
Kramer Levin Naftalis & Frankel LLP
Menton Rudin & Trivelpiece PC
McNamee Lochner Titus & Williams PC
Nixon Peabody LLP
Phillips Lytle & * The Gibson Law Firm
Shearman & Sterling LLP
Sidley Austin LLP
Sive Paget & Riesel PC
Venable LLP
Whiteman Osterman & Hanna LLP

Taxation

Bond Schoeneck & King PLLC
Carter Ledyard & Milburn LLP
Damon & Morey LLP
Day Pitney LLP
Harris Beach PLLC
Herrick Feinstein LLP
Hodgson Russ LLP
Holland & Knight

SCHEDULE A

Pre-Qualified Legal Counsel

Adopted by ESD Board on September 20, 2012

Adopted by the Brooklyn Arena Local Development Corporation Board on August 8, 2016

Schroder Joseph & Associates LLP
McNamee Lochner Titus & Williams PC
Putney Twombly Hall & Hirson LLP
* Rao Tiliakos LLP
Saunders Kahler LLP
* Schoeman Updike & Kaufman LLP
Shearman & Sterling LLP
Sidley Austin
Venable LLP
Whiteman Osterman & Hanna LLP

Ingram Yuzek Carroll & Bertolotti LLP
Jaekle Fleischmann & Mugel LLP
McNamee Lochner Titus & Williams PC
Nixon Peabody LLP
Schiff Hardin LLP
Shearman & Sterling LLP
Sidley Austin LLP
Whiteman Osterman & Hanna LLP

Foreclosure

Bond Schoeneck & King PLLC
Carter Ledyard & Milburn LLP
Damon & Morey LLP
Law Offices of Donald J. Tobias
Harris Beach PLLC
Herrick Feinstein LLP
Mentor Rudin & Trivelpiece PC
McNamee Lochner Titus & Williams PC
Nixon Peabody LLP
Sidley Austin LLP

Bond

Senior Tier:

Harris Beach PLLC
Hawkins Delafield & Wood LLP
Holland & Knight
Mintz Levin Cohn Ferris Glovsky and Popeo
Nixon Peabody LLP
Orrick Herrington & Sutcliffe LLP
Squire Sanders LLP & *Knox Seaton
Winston & Strawn LLP

Junior Tier:

Bond Schoeneck & King PLLC
* Brown & Hutchinson
Chapman & Cutler LLP
Day Pitney LLP
* Hardwick Law Firm, LLC
Hiscock & Barclay LLP
* Law Office of Joseph C. Reid, PA
Lewis & Munday PC
Sidley Austin LLP

*M/WBE Firm

**Certification Pending

ITEM ID



FOR CONSIDERATION

August 8, 2016

TO: The Directors

FROM: Robert Godley

SUBJECT: BROOKLYN ARENA LOCAL DEVELOPMENT CORPORATION ("BALDC") – Procurement of Legal Services – Mintz, Levin, Cohn, Ferris, Glovsky & Popeo, P.C.

REQUEST FOR: Authorization to Enter into a Contract to Provide Legal Services in Connection with Issuing Bonds (the "Bonds") to Refund Bonds issued to Fund the Construction of the Arena at Barclays Center in Brooklyn, NY and to Take Related Actions

I. CONTRACT SUMMARY

Counsel: Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. ("Counsel" or "Mintz")

Scope of Services: Counsel would serve as co-bond counsel to provide legal services to the Brooklyn Arena Local Development Corporation ("BALDC") in connection with issuance of the Bonds to refund bonds issued to fund the construction of the Arena at Barclays Center.

Contract Amount: All counsel fees for the Bonds, including Counsel's fee and all affiliated eligible Costs of the Bond transaction, shall be payable only up to an aggregate amount equal to 2% of the proceeds of the Bonds. Separate and apart from the cap on Counsel's fee, Counsel will be required to use good faith efforts to achieve an allocation of 30% of total billings on this matter to co-bond counsel, the Hardwick Law Firm, LLC, retained under a separate retainer.

Funding Source: The contract is expected to be funded in its entirety by Bond proceeds on or about the closing on the Bonds, which are repaid by PILOT payments from the tenant, Brooklyn Events Center, LLC. (the "Tenant"). Counsel will agree that BALDC and New York Transportation Development Corporation ("TDC") will not be obligated to pay any amounts for services described herein except to the extent funded by the Tenant.

II. BACKGROUND

On December 23, 2009, BALDC issued approximately \$511,000,000 of bonds (the "Initial Bonds") to finance a portion of the costs, and related Initial Bond costs, of a project consisting of the design, development, acquisition construction and equipping of the now completed arena at Barclay's Center in the Atlantic Terminal area of Brooklyn, NY, being used as the home venue of the Nets basketball team and as a venue for other entertainment, cultural, sporting and live events. The Initial Bonds were issued by BALDC under a Master PILOT of Trust, as amended and supplemented. In view of favorable interest rates, the Tenant has requested that the Corporation issue the Bonds to refund the Initial Bonds.

Pursuant to a Notice to Proceed ("NTP") issued by TDC, Counsel has commenced providing legal services to issue the Bonds. Counsel agreed that any contract for services, such as the NTP, would be deemed assigned to BALDC and Mintz also agreed to then enter into a retainer with BALDC for all services and obligations described herein. The retainer will be capped, along with all other issuer counsel fees and affiliated costs of the transaction, at an amount equal to 2% of the Bond proceeds.

III. COUNSEL SELECTION PROCESS

In April 2012, staff of New York State Urban Development Corporation d/b/a Empire State Development ("ESD") advertised for legal counsel in the following areas: real estate and land use, environmental, construction, condemnation, bankruptcy, labor, taxation, bond financing, foreclosure and, in each case, related litigation. Sixty-six firms responded (including Counsel), the responses were evaluated, and in September 2012, ESD approved a Pre-Qualified Counsel List. Counsel was pre-qualified in the area of bond financing. On August 8, 2016, BALDC adopted the ESD slate of pre-qualified counsel.

It is recommended that Mintz serve as co-bond counsel for this transaction. Selection of Counsel for this transaction was based on a solicitation of three firms from the slate of pre-qualified counsel. Respondents were requested to describe their experience with arena financings, PILOT bonds, local development corporations and willingness to partner with MWBE firms. Mintz provided the most persuasive combination of experience and expertise. Mintz was also the same firm that represented BALDC as bond counsel on the Initial Bonds. Mintz also served as co-bond counsel on the recent issuance of Liberty Bonds to finance the construction of the Goldman Sachs global headquarters in lower Manhattan. Accordingly staff recommends the retention of Counsel for the Bonds based on: a) Counsel's specific and necessary expertise as bond and disclosure counsel, b) Counsel's performance with distinction on the Initial Bonds, (c) Counsel's rate proposal, and (d) the ESD pre-qualification process.

The appointment of Counsel also represents an equitable distribution of work among ESD's, rotating slate of Senior and Junior Tier law firms and MWBE firms to handle ESD's and BALDC's debt in terms of size of transaction, fees received, length of time since their last engagement and total number of transactions.

IV. SCOPE OF WORK

Counsel would advise the BALDC in securities, bonds, taxes and other related bond matters in connection with the issuance and sale of the Bonds. Such work may include, but not be limited to, drafting, negotiating, and finalizing the following types of documents: sale contracts, resolutions, amendments, disclosure documents and tax opinions.

V. CONTRACT - NEED, PRICE AND FUNDING

A. NEED FOR CONTRACT

In accordance with Federal tax law, an opinion from bond counsel is required to opine upon tax exempt bonds. In addition, bond counsel expertise is necessary to ensure compliance with applicable securities laws and market practices. The Directors are also being requested to authorize accepting the assignment of the NTP from the TDC.

B. CONTRACT PRICE AND FUNDING

All counsel costs and expenses are expected to be paid from bond proceeds on or about the closing on the Bonds. All counsel fees on the Bonds, including Mintz and other affiliated eligible costs of the Bond transaction, shall be payable only up to an aggregate amount equal to 2% of the Bonds and will be at the rates set forth in Schedule B. In addition, Counsel acknowledges that BALDC and TDC will have no obligation to pay any legal fees except to the extent funds are received from the Tenant.

VI. RESPONSIBLE PARTY

Pursuant to State Finance Law Section 139-j and 139-k and the Authority's policy related thereto, staff has: (a) considered Counsel's ability to perform the services provided for in the proposed contract; and (b) consulted the list of offerers determined to be non-responsible bidders and debarred offerers maintained by the New York State Office of General Services. Based on the foregoing, staff considers Counsel to be responsible.

VII. ENVIRONMENTAL REVIEW

Staff has determined that the proposed authorization constitutes a Type II action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations for the New York Department of Environmental Conservation. No further environmental review is required in connection with this authorization.

VIII. NON-DISCRIMINATION AND CONTRACTOR & SUPPLIER DIVERSITY

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this contract. Counsel shall be required to include minorities and women in any job opportunities created, to solicit and utilize MWBE's for any contractual opportunities generated in connection with this procurement, and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR Section 142.8) to achieve an overall MWBE participation goal of 30% related to the total amount of BALDC's legal fees. Mintz will agree that it will use good faith efforts to achieve an allocation of 30% of billings to co-bond counsel, the Hardwick Firm, under a separate retainer.

In accordance with Article 17-B of the Executive Law, Counsel will be strongly encouraged to the maximum extent practical and consistent with legal requirements to use responsible and responsive Service-Disabled Veteran-Owned Businesses in the fulfillment of the requirements of this contract.

IX. REQUESTED ACTION

The Directors are asked to authorize the retention of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. as counsel to BALDC for such legal services as are described in these materials.

X. RECOMMENDATION

Based on the foregoing, I recommend approval of the requested action.

XI. ATTACHMENTS

- A. Resolution
- B. Schedule of Maximum Billing Rates and Reimbursement Allowances

August 8, 2016

BROOKLYN ARENA LOCAL DEVELOPMENT CORPORATION ("BALDC") – Procurement of Legal Services –Mintz, Levin, Cohn, Ferris, Glovsky & Popeo, P.C. – Authorization to Enter into a Contract to Provide Legal Services in Connection with Issuing Bonds (the "Bonds") to Refund Bonds Issued to Fund the Construction of the Arena at Barclays Center in Brooklyn, NY and to Take Related Actions

RESOLVED, that in accordance with the materials presented to this meeting, a copy of which is hereby ordered to be filed with the record of the BALDC (the "Materials"), BALDC hereby finds the law firm of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. ("Counsel") to be responsible; and be it further

RESOLVED, that the BALDC is hereby authorized to enter into a contract with Counsel for the purposes and services, and substantially on the terms and conditions, as set forth in the Materials; and be it further

RESOLVED, that the President and his designee(s) be, and each of them hereby is, authorized and directed, in the name and on behalf of the BALDC to execute and deliver any and all documents and to take all such actions as may be necessary or appropriate to effectuate the foregoing. Any actions previously taken by the BALDC or Counsel consistent with this authorization are hereby ratified and affirmed.

* * *

SCHEDULE B

SCHEDULE OF MAXIMUM BILLING RATES AND REIMBURSEMENT ALLOWANCES

	<u>Maximum Rate Structure (per hr.)</u>
Partner/Of Counsel	\$600.00
Senior Associate (At least four years of experience)	\$550.00
Mid-level Associate (Three or four years of experiences)	\$500.00
Junior Associate (Passed the bar exam but less than three years of experience)	\$425.00
Law Clerk (Law student interns or first year associates who have yet to pass the bar exam)	\$325.00
Legal Assistant/Paralegal	\$150.00

ITEM IE



FOR CONSIDERATION

August 8, 2016

TO: The Directors

FROM: Robert Godley

SUBJECT: BROOKLYN ARENA LOCAL DEVELOPMENT CORPORATION ("BALDC") – Procurement of Legal Services – Hardwick Law Firm, LLC

REQUEST FOR: Authorization to Enter into a Contract to Provide Legal Services in Connection with Issuing Bonds (the "Bonds") to Refund Bonds Issued to Fund the Construction of the Arena at Barclays Center in Brooklyn, NY and to Take Related Actions

I. CONTRACT SUMMARY

Counsel: Hardwick Law Firm, LLC ("Counsel" or "Hardwick")

Scope of Services: Counsel would serve as co-bond counsel to provide legal services to the Brooklyn Arena Local Development Corporation ("BALDC") in connection with issuance of the Bonds to refund bonds issued to fund the construction of the Arena at Barclays Center.

Contract Amount: All counsel fees for the Bonds, including Counsel's fee and all affiliated eligible Costs of the Bond transaction, shall be payable only up to an aggregate amount equal to 2% of the proceeds of the Bonds. Separate and apart from the cap on Counsel's fee, co bond- counsel Mintz, Levin, Cohn, Ferris, Glovsky & Popeo, P.C. will be required, in a separate retainer, to use good faith efforts to achieve an allocation of 30% of total billings on this matter to Counsel.

Funding Source: The contract is expected to be funded in its entirety by Bond proceeds on or about the closing on the Bonds, which are repaid by PILOT payments from the tenant, Brooklyn Events Center, LLC. (the "Tenant"). Counsel will agree that BALDC and New York Transportation Development Corporation ("TDC") will not be obligated to pay any amounts for services described herein except to the extent funded by the Tenant.

II. BACKGROUND

On December 23, 2009, BALDC issued approximately \$511,000,000 of bonds (the "Initial Bonds") to finance a portion of the costs, and related Initial Bond costs, of a project consisting of the design, development, acquisition construction and equipping of the now completed arena at Barclay's Center in the Atlantic Terminal area of Brooklyn, NY, being used as the home venue of the Nets basketball team and as a venue for other entertainment, cultural, sporting and live events. The Initial Bonds were issued by BALDC under a Master PILOT of Trust, as amended and supplemented. In view of favorable interest rates, the Tenant has requested that the Corporation issue the Bonds to refund the Initial Bonds.

Pursuant to a Notice to Proceed ("NTP") issued by the TDC, Counsel has commenced providing legal services to issue the Bonds. Counsel agreed that any contract for legal services, such as the NTP, would be deemed assigned to BALDC and Hardwick also agreed to then enter into a retainer with BALDC for all services and obligations described herein. The retainer will be capped, along with all other issuer counsel fees and affiliated costs of the transaction, at an amount equal to 2% of the Bond proceeds.

III. COUNSEL SELECTION PROCESS

In April 2012, staff of New York State Urban Development Corporation d/b/a Empire State Development ("ESD") advertised for legal counsel in the following areas: real estate and land use, environmental, construction, condemnation, bankruptcy, labor, taxation, bond financing, foreclosure and, in each case, related litigation. Sixty-six firms responded (including Counsel), the responses were evaluated, and in September 2012, ESD approved a Pre-Qualified Counsel List. Counsel was pre-qualified in the area of bond financing. On August 8, 2016 BALDC adopted the ESD slate of pre-qualified counsel.

It is recommended that Hardwick serve as co-bond counsel for this transaction. Selection of Counsel for this transaction was based on Hardwick's status as an MWBE firm and its combination of experience and expertise. Hardwick recently served as co-bond counsel on the recent issuances of TDC Bonds to refinance bonds used to fund the construction of two terminals at JFK International Airport. Accordingly staff recommends the retention of Counsel for the Bonds based on: a) Counsel's specific and necessary expertise as bond counsel, b) Counsel's performance with distinction on TDC Bond issuances, (c) Counsel's rate proposal; and (d) the ESD pre-qualification process.

The appointment of Counsel also represents an equitable distribution of work among ESD's, rotating slate of Senior and Junior Tier law firms and MWBE firms to handle ESD's and BALDC's debt in terms of size of transaction, fees received, length of time since their last engagement and total number of transactions.

IV. SCOPE OF WORK

Counsel would advise the BALDC in securities, bonds, taxes and other related bond matters in connection with the issuance and sale of the Bonds. Such work may include, but not be limited to, drafting, negotiating, and finalizing the following types of documents: sale contracts, resolutions, amendments, disclosure documents and tax opinions.

V. CONTRACT - NEED, PRICE AND FUNDING

A. NEED FOR CONTRACT

In accordance with Federal tax law, an opinion from bond counsel is required to opine upon tax exempt bonds. In addition, bond counsel expertise is necessary to ensure compliance with applicable securities laws and market practices. The Directors are also being requested to authorize accepting the assignment of the NTP from the TDC.

B. CONTRACT PRICE AND FUNDING

All counsel costs and expenses are expected to be paid from bond proceeds on or about the closing on the Bonds. All counsel fees on the Bonds, including Hardwick and other affiliated eligible costs of the Bond transaction, shall be payable only up to an aggregate amount equal to 2% of the Bonds and will be at the rates set forth in Schedule B. In addition, Counsel will acknowledge that BALDC and TDC will have no obligation to pay any legal fees except to the extent funds are received from the Tenant.

VI. RESPONSIBLE PARTY

Pursuant to State Finance Law Section 139-j and 139-k and the Authority's policy related thereto, staff has: (a) considered Counsel's ability to perform the services provided for in the proposed contract; and (b) consulted the list of offerers determined to be non-responsible bidders and debarred offerers maintained by the New York State Office of General Services. Based on the foregoing, staff considers Counsel to be responsible.

VII. ENVIRONMENTAL REVIEW

Staff has determined that the proposed authorization constitutes a Type II action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations for the New York Department of Environmental Conservation. No further environmental review is required in connection with this authorization.

VIII. NON-DISCRIMINATION AND CONTRACTOR & SUPPLIER DIVERSITY

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this contract. Counsel shall be required to include minorities and women in any job opportunities created, to solicit and utilize MWBE's for any contractual opportunities generated in connection with this procurement, and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR Section 142.8) to achieve an overall MWBE participation goal of 30% related to the total amount of BALDC's co-bond counsel fees. Compensation to Counsel is expected to reflect an allocation of 30% of billings from co-bond counsel, Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., under a separate retainer.

In accordance with Article 17-B of the Executive Law, Counsel will be strongly encouraged to the maximum extent practical and consistent with legal requirements to use responsible and responsive Service-Disabled Veteran-Owned Businesses in the fulfillment of the requirements of this contract.

IX. REQUESTED ACTION

The Directors are asked to authorize the retention of the Hardwick Law Firm, LLC as counsel to the BALDC for such legal services as are described in these materials.

X. RECOMMENDATION

Based on the foregoing, I recommend approval of the requested action.

XI. ATTACHMENTS

- A. Resolution
- B. Schedule of Maximum Billing Rates and Reimbursement Allowances

August 8, 2016

BROOKLYN ARENA LOCAL DEVELOPMENT CORPORATION ("BALDC") – Procurement of Legal Services – Hardwick Law Firm, LLC – Authorization to Enter into a Contract to Provide Legal Services in Connection with Issuing Bonds (the "Bonds") to Refund Bonds Issued to Fund the Construction of the Arena at Barclays Center in Brooklyn, NY and to Take Related Actions

RESOLVED, that in accordance with the materials presented to this meeting, a copy of which is hereby ordered to be filed with the record of the BALDC (the "Materials"), BALDC hereby finds the Hardwick Law Firm, LLC ("Counsel") to be responsible; and be it further

RESOLVED, that the BALDC is hereby authorized to enter into a contract with Counsel for the purposes and services, and substantially on the terms and conditions, as set forth in the Materials; and be it further

RESOLVED, that the President and his designee(s) be, and each of them hereby is, authorized and directed, in the name and on behalf of the BALDC to execute and deliver any and all documents and to take all such actions as may be necessary or appropriate to effectuate the foregoing. Any actions previously taken by the BALDC or Counsel consistent with this authorization are hereby ratified and affirmed.

* * *

SCHEDULE B

SCHEDULE OF MAXIMUM BILLING RATES AND REIMBURSEMENT ALLOWANCES

	<u>Maximum Rate Structure (per hr)</u>
Partner/Of Counsel	\$600.00
Senior Associate (At least four years of experience)	\$550.00
Mid-level Associate (Three or four years of experiences)	\$500.00
Junior Associate (Passed the bar exam but less than three years of experience)	\$425.00
Law Clerk (Law student interns or first year associates who have yet to pass the bar exam)	\$325.00
Legal Assistant/Paralegal	\$150.00

ITEM IF



FOR CONSIDERATION

August 8, 2016

TO: The Directors

FROM: Robert Godley

SUBJECT: BROOKLYN ARENA LOCAL DEVELOPMENT CORPORATION ("BALDC") – Procurement of Legal Services – Law Offices of Joseph C. Reid, P.A.

REQUEST FOR: Authorization to Enter into a Contract to Provide Legal Services in Connection with Issuing Bonds (the "Bonds") to Refund Bonds Issued to Fund the Construction of the Arena at Barclays Center in Brooklyn, NY and to Take Related Actions

I. CONTRACT SUMMARY

Counsel: Law Offices of Joseph C. Reid, P.A. ("Counsel" or "Joe Reid")

Scope of Services: Counsel would serve as bond disclosure counsel to provide legal services to the Brooklyn Arena Local Development Corporation ("BALDC") in connection with issuance of the Bonds to refund bonds issued to fund the construction of the Arena at Barclays Center.

Contract Amount: All counsel fees for the Bonds, including Counsel's fee and all affiliated eligible Costs of the Bond transaction, shall be payable only up to an aggregate amount equal to 2% of the proceeds of the Bonds.

Funding Source: The contract is expected to be funded in its entirety by Bond proceeds on or about the closing on the Bonds, which are repaid by PILOT payments from the tenant, Brooklyn Events Center, LLC (the "Tenant"). Counsel will agree that BALDC and New York Transportation Development Corporation ("TDC") will not be obligated to pay any amounts for services described herein except to the extent funded by the Tenant.

II. BACKGROUND

On December 23, 2009, BALDC issued approximately \$511,000,000 of bonds (the "Initial Bonds") to finance a portion of the costs, and related Initial Bond costs, of a project consisting

of the design, development, acquisition construction and equipping of the now completed arena in the Atlantic Terminal area of Brooklyn, NY, being used as the home venue of the Nets basketball team and as a venue for other entertainment, cultural, sporting and live events. The Initial Bonds were issued by BALDC under a Master PILOT of Trust, as amended and supplemented. In view of favorable interest rates, the Tenant has requested that the Corporation issue the Bonds to refund the Initial Bonds.

Pursuant to a Notice to Proceed ("NTP") issued by the TDC, Counsel has commenced providing legal services to issue the Bonds. Counsel agreed that any contract for services, such as the NTP, would be deemed assigned to BALDC and Counsel also agreed to then enter into a retainer with BALDC for all services and obligations described herein. The retainer will be capped, along with all other issuer counsel fees and affiliated costs of the transaction, at an amount equal to two percent (2%) of the Bond proceeds.

III. COUNSEL SELECTION PROCESS

In April 2012, staff of New York State Urban Development Corporation d/b/a Empire State Development ("ESD") advertised for legal counsel in the following areas: real estate and land use, environmental, construction, condemnation, bankruptcy, labor, taxation, bond financing, foreclosure and, in each case, related litigation. Sixty-six firms responded (including Counsel), the responses were evaluated, and in September 2012, ESD approved a Pre-Qualified Counsel List. Counsel was pre-qualified in the area of bond financing. On August 8, 2016, BALDC adopted the ESD slate of pre-qualified counsel.

It is recommended that Joe Reid serve as disclosure counsel for this transaction. Selection of Counsel for this transaction was based on the fact that Joe Reid's firm is a certified Minority and Women-Owned Business Enterprise ("MWBE") and previously served as co-counsel with Nixon on a Dormitory Authority bond transaction and an ESD transaction. Joe Reid also served as co-disclosure counsel on the recent issuance of bonds by the TDC to finance the construction of a new Central Terminal at LaGuardia Airport. Accordingly staff recommends the retention of Counsel for the Bonds based on: a) Counsel's specific and necessary expertise as bond and disclosure counsel, b) Counsel's performance with distinction on the LaGuardia transaction, (c) Counsel's rate proposal; and (d) the ESD pre-qualification process.

The appointment of this firm also represents an equitable distribution of work among ESD's rotating slate of Senior and Junior Tier law firms and MWBE firms to handle ESD's and BALDC's debt in terms of size of transaction, fees received, length of time since their last engagement and total number of transactions.

IV. SCOPE OF WORK

Counsel would advise BALDC in securities, bonds, taxes and other related disclosure matters in connection with the issuance and sale of the Bonds. Such work may include, but not be limited to, drafting, negotiating, and finalizing the following types of documents: sale contracts, resolutions, amendments, disclosure documents and tax opinions.

V. CONTRACT - NEED, PRICE AND FUNDING

A. NEED FOR CONTRACT

As a result of recent changes to Federal securities laws, in particular the Dodd-Frank Act, there are an increasing number of rules and an increasing amount of oversight with respect to disclosure and continuing disclosure for issuers of tax exempt bonds. In order to fully address these requirements many issuers are retaining separate disclosure counsel. This additional expertise will help ensure compliance with applicable securities laws, and market practices. The Directors are also being requested to authorize accepting the assignment of the NTP from the TDC.

B. CONTRACT PRICE AND FUNDING

All counsel costs and expenses are expected to be paid from bond proceeds on or about the closing on the Bonds. All counsel fees on the Bonds, including Joe Reid and other affiliated eligible costs of the Bond transaction, shall be payable only up to an aggregate amount equal to 2% of the Bonds and will be at the rates set forth in Schedule B. In addition, Counsel will acknowledge that BALDC and TDC will have no obligation to pay any legal fees except to the extent funds are received from the Tenant.

VI. RESPONSIBLE PARTY

Pursuant to State Finance Law Section 139-j and 139-k and the Authority's policy related thereto, staff has: (a) considered Counsel's ability to perform the services provided for in the proposed contract; and (b) consulted the list of offerers determined to be non-responsible bidders and debarred offerers maintained by the New York State Office of General Services. Based on the foregoing, staff considers Counsel to be responsible.

VII. ENVIRONMENTAL REVIEW

Staff has determined that the proposed authorization constitutes a Type II action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations for the New York Department of Environmental Conservation. No further environmental review is required in connection with this authorization.

VIII. NON-DISCRIMINATION AND CONTRACTOR & SUPPLIER DIVERSITY

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this contract. Counsel shall be required to include minorities and women in any job opportunities created, to solicit and utilize MWBE's for any contractual opportunities generated in connection with this procurement, and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR Section 142.8) to achieve an overall MWBE participation goal of 30% related to the total amount of BALDC's disclosure counsel fees. Counsel is an MWBE serving as sole disclosure counsel and will satisfy this requirement.

In accordance with Article 17-B of the Executive Law, Counsel will be strongly encouraged to the maximum extent practical and consistent with legal requirements to use responsible and responsive Service-Disabled Veteran-Owned Businesses in the fulfillment of the requirements of this contract.

IX. REQUESTED ACTION

The Directors are asked to authorize the retention of Joe Reid as counsel to BALDC for such legal services as are described in these materials.

X. RECOMMENDATION

Based on the foregoing, I recommend approval of the requested action.

XI. ATTACHMENTS

- A. Resolution
- B. Schedule of Maximum Billing Rates and Reimbursement Allowances

August 8, 2016

BROOKLYN ARENA LOCAL DEVELOPMENT CORPORATION ("BALDC") – Procurement of Legal Services – Law Offices of Joseph C. Reid, P.A. – Authorization to Enter into a Contract to Provide Legal Services in Connection with Issuing Bonds (the "Bonds") to Refund Bonds Issued to Fund the Construction of the Arena at Barclays Center in Brooklyn, NY and to Take Related Actions

RESOLVED, that in accordance with the materials presented to this meeting, a copy of which is hereby ordered to be filed with the record of the BALDC (the "Materials"), BALDC hereby finds the Law Offices of Joseph C. Reid, P.A. ("Counsel") to be responsible; and be it further

RESOLVED, that the BALDC is hereby authorized to enter into a contract with Counsel for the purposes and services, and substantially on the terms and conditions, as set forth in the Materials; and be it further

RESOLVED, that the President and his designee(s) be, and each of them hereby is, authorized and directed, in the name and on behalf of the BALDC to execute and deliver any and all documents and to take all such actions as may be necessary or appropriate to effectuate the foregoing. Any actions previously taken by the BALDC or Counsel consistent with this authorization are hereby ratified and affirmed.

* * *

SCHEDULE B

SCHEDULE OF MAXIMUM BILLING RATES AND REIMBURSEMENT ALLOWANCES

	<u>Maximum Rate Structure (per hr.)</u>
Partner/Of Counsel	\$600.00
Senior Associate (At least four years of experience)	\$550.00
Mid-level Associate (Three or four years of experiences)	\$500.00
Junior Associate (Passed the bar exam but less than three years of experience)	\$425.00
Law Clerk (Law student interns or first year associates who have yet to pass the bar exam)	\$325.00
Legal Assistant/Paralegal	\$150.00

ITEM IG



FOR CONSIDERATION

August 8, 2016

TO: The Directors

FROM: Robert M .Godley

SUBJECT: BROOKLYN ARENA LOCAL DEVELOPMENT CORPORATION – Brooklyn Arena Local Development Corporation PILOT Revenue Refunding Bonds, Series 2016 (Barclays Center)

REQUEST FOR: Board Authorization to Perform Certain Acts in Connection with the Sale and Delivery of the Brooklyn Arena Local Development Corporation PILOT Revenue Refunding Bonds, Series 2016A (Barclays Center) and the Brooklyn Arena Local Development Corporation PILOT Revenue Refunding Bonds, Series 2016B Federally Taxable (Barclays Center), Appoint Underwriters and take Related Actions

I. INTRODUCTION

The Board is being asked to approve the operative provisions, sale terms, official statement, bond purchase agreement and related documents, appoint underwriters and take related actions in connection with the sale and delivery of the Brooklyn Arena Local Development Corporation PILOT Revenue Refunding Bonds, Series 2016A (Barclays Center) and the Brooklyn Arena Local Development Corporation PILOT Revenue Refunding Bonds, Series 2016B Federally Taxable (Barclays Center) (together the “Series 2016 PILOT Bonds”). Brooklyn Events Center, LLC, a Delaware limited liability company and an affiliate of the developer (“ArenaCo”), has requested the Issuer to issue the Series 2016 PILOT Bonds, the proceeds of which will be used to refund all or substantially all of the Series 2009 PILOT Bonds and to pay the costs of issuance of the Series 2016 PILOT Bonds.

II. BACKGROUND

The Brooklyn Arena Local Development Corporation (the “Corporation”) is a corporation as defined in subparagraph (a)(5) of Section 102 of the NYNPCL and is a charitable not-for-profit corporation as defined under Section 201 (b) of the NYNPCL and Section 1411 of the NYNPCL.

The Corporation was formed to finance certain components of a redevelopment project

in the Atlantic Yards area of Brooklyn, New York (the "Atlantic Yards Redevelopment Project"), including the design, development, construction and operation of an arena for use by a professional basketball team and for other sports and arena events and, if deemed beneficial to the overall Atlantic Yards Redevelopment Project, the infrastructure and land related to such project, all in furtherance of its statutory public objectives. It undertakes its public purpose by issuing federally tax-exempt and/or taxable bonds.

In 2009, the Corporation, as issuer (the "Issuer"), issued \$510,999,996.50 of its PILOT Revenue Bonds, Series 2009 (Barclays Center Project), (the "Series 2009 PILOT Bonds"). The Issuer offered the Series 2009 PILOT Bonds pursuant to an Official Statement, dated December 16, 2009.

The Series 2009 PILOT Bonds were issued for primarily for the purpose of providing a portion of the costs of acquisition, design, development, and construction of an arena, now known as the Arena at Barclays Center (the "Arena") and certain other improvements related to the Arena. Construction of the Arena was completed in 2012 and the Arena is currently being used as the home venue of the Brooklyn Nets and New York Islanders and as a venue for other entertainment, cultural, sporting and civic events.

The Series 2009 PILOT Bonds are special limited obligations of the Issuer, payable primarily out of revenues of the Issuer derived and to be derived from certain payments in lieu of ad valorem real property taxes ("PILOTs") made under a Payment-in-Lieu-of-Tax Agreement (Arena), dated as of May 12, 2010 (the "PILOT Agreement") among the Issuer, ArenaCo, New York City (the "City") and the New York State Urban Development Corporation, d/b/a Empire State Development Corporation ("ESD").

ArenaCo is a wholly-owned subsidiary of Brooklyn Arena Holding Company, LLC, a Delaware limited liability company which in turn is a wholly-owned subsidiary of Brooklyn Arena, LLC, a Delaware limited liability company, the Arena Developer. ArenaCo is the tenant of the Arena Project and has made and will continue to make PILOT payments to ESD under the PILOT Agreement.

III. SECURITY

The Series 2016 PILOT Bonds are special limited obligations of the Issuer, the principal of and premium, if any, and interest, as applicable, on which are payable solely out of and secured by (i) revenues of the Issuer derived and to be derived the PILOTs to be made under the PILOT Agreement; (ii) all right, title and interest of The Bank of New York Mellon (the "PILOT Bond Trustee") in certain funds and accounts held by The Bank of New York Mellon (the "PILOT Trustee") under the PILOT Assignment and Escrow Agreement (Arena) (the "PILOT Assignment"), among ESD, the Issuer, the PILOT Bond Trustee, the PILOT Trustee and the City; and (iii) all right, title and interest of the PILOT Bond Trustee in certain funds and accounts held by the PILOT Bond Trustee under the Master PILOT Indenture of Trust, dated December 1, 2009

(the "Master PILOT Indenture"), by and between the Issuer and the PILOT Bond Trustee (as amended and supplemented prior to the date hereof, including by the Fourth Supplemental PILOT Indenture dated on or around September 1, 2016, together the "PILOT Bonds Indenture").

The Series 2016 PILOT Bonds are being issued on a parity with the Issuer's Series 2009 PILOT Bonds which are not refunded, and will be on a parity with any additional PILOT Bonds issued in the future. The Series 2016 PILOT Bonds and the Series 2009 PILOT Bonds which are not refunded will be payable from the PILOT Revenues made by ArenaCo pursuant to the PILOT Agreement on a parity basis.

IV. OFFERING AND SALE

As part of the transaction, the Corporation will also enter into a bond purchase agreement for the initial underwriting of the Series 2016 PILOT Bonds (the "Bond Purchase Agreement"). The Corporation is also being asked to delegate authority to its officers to approve the maturities, prices, yields and other terms of the Series 2016 PILOT Bonds.

V. UNDERWRITERS

On April 19, 2016 ESD placed an advertisement in the New York Contract Reporter, pursuant to which it solicited responses to its Request for Proposals ("RFP") from firms interested in qualifying to serve as underwriters on a rotating basis, as well as, financial advisors.

ESD also posted on its website, and in the Bond Buyer, a notice advising that ESD was soliciting for professional services pursuant to this RFP. Further, ESD emailed the RFP to representatives of fifty-two firms. In addition, EDS's Office of Contractor and Supplier Diversity sent the RFP to seventeen New York State certified minority and women-owned business enterprise firms ("MWBE firms") and Service-Disabled Veteran Owned Businesses ("SDVOB").

On June 1, 2016 forty-five firms, including thirteen 13 MWBE firms and three SDVOB firms, responded to the RFP with several firms applying for more than one position. Forty-three firms requested to serve as underwriter and four requested to serve as financial advisor.

A team of staff from ESD Finance, Treasury, and Legal reviewed and rated the firms requesting to serve as underwriters. Rating criteria included:

- Experience
- Underwriter's ability to structure and sell ESD's bond issues

- Knowledge and technical expertise
- Capitalization
- Support of ESD bonds in the secondary market
- Diversity practices

On the basis of overall ranking of the proposals from the responding firms, the recommended group is comprised of thirteen Senior Managers.

Based on the ESD RFP review and selection process, Staff proposes, for your consideration and approval, engaging Goldman, Sachs & Co., (“Goldman”) as book running Senior Manager and Siebert Brandford Shank and Co., L.L.C. (a certified MWBE firm) and Barclays Capital Inc. to serve as Senior Managers on the transaction. All three firms responded to the RFP, satisfied all of the criteria and requirements set forth in the RFP and were ranked as Senior Manager by the reviewing committee.

Goldman, the lead banker for the Corporation’s Series 2009 PILOT Bonds was utilized by ArenaCo for that transaction and the firm also brought the current transaction to the Corporation. The firm’s qualifications and experience, along with their performance on the Series 2009 PILOT Bonds was excellent. Siebert was recommended by Goldman and has served as an underwriter on multiple other affiliate transactions. Barclays Capital Inc. was appointed for its experience with and support for the project.

VI. ENVIRONMENTAL REVIEW

Staff has determined that the proposed authorization constitutes a Type II action as defined by the New York State Environmental Quality Review Act and the implementing regulations for the New York Department of Environmental Conservation. No further environmental review is required in connection with this authorization.

VII. REQUESTED ACTIONS

In accordance with the attached resolution, you are hereby requested to: (1) approve the terms and authorize the sale of the Series 2016 Bonds on a negotiated basis; (2) confirm the appointment of certain professionals; (3) approve the form and content of the official statement and various other documents connected with the sale and delivery of the Series 2016 Bonds; and (4) authorize certain officers and employees of the Corporation to take all actions deemed necessary, including approving the specific terms, to accomplish the final sale and delivery of the Series 2016 PILOT Bonds.

VIII. ATTACHMENTS

Resolution with the following Exhibits: **(Exhibits to Directors only)**

- A. Fourth Supplemental PILOT Trust Indenture
- B. Preliminary Offering Statement
- C. Bond Purchase Agreement
- D. Escrow Deposit Agreement

August 8, 2016

BROOKLYN ARENA LOCAL DEVELOPMENT CORPORATION – Brooklyn Arena Local Development Corporation PILOT Revenue Refunding Bonds, Series 2016 (Barclays Center Project) – Board Authorization to Perform Certain Acts in Connection with the Sale and Delivery of the Brooklyn Arena Local Development Corporation PILOT Revenue Refunding Bonds, Series 2016 Series A (Barclays Center), and Brooklyn Arena Local Development Corporation PILOT Revenue Refunding Bonds Series 2016B Federally Taxable (Barclays Center), Appoint Underwriters and take Related Actions

WHEREAS, Section 1411 of the Not-For-Profit Corporation Law, being Chapter 35 of the Consolidated Laws of New York; as amended (hereinafter referred to as the "Enabling Act"), authorizes the creation of local development corporations with the power to issue debt obligations to create or maintain jobs and to promote related economic development and generally to lessen the burdens of government; and

WHEREAS, pursuant to and in accordance with the provisions of the Enabling Act and Section 1804(13), Subtitle 8, Article 8 of the New York Public Authorities Law (said Section and the Enabling Act being hereinafter collectively referred to as the "Act"), the New York State Job Development Authority created the Brooklyn Arena Local Development Corporation (the "Corporation") to issue bonds (" PILOT Bonds") to finance the design, development, construction and operation in the Atlantic Terminal area of Brooklyn, New York of an arena (the "Arena") for use by the professional basketball team currently known as the New Jersey Nets, and for other sports and arena events (the "Project "); and

WHEREAS, pursuant to the Enabling Act, the Corporation issued its PILOT Revenue Bonds (Barclays Center Project), Series 2009 (the "Series 2009 PILOT Bonds") and secured the Series 2009 PILOT Bonds under and pursuant to a Master PILOT Indenture of Trust and a First Supplemental Indenture of Trust, each dated as of December 1, 2009 entered into between the Corporation and The Bank of New York Mellon, as the PILOT Bond Trustee, under which the Corporation pledged to the PILOT Bond Trustee (and its successors and assigns) the trust estate described therein as security for the payment of the principal of, premium, if any, and interest on the Series 2009 PILOT Bonds; and

WHEREAS, the New York State Urban Development Corporation, doing business as Empire State Development, a public benefit corporation of the State of New York ("ESD"), New York City (the "City") and the Brooklyn Events Center LLC, a Delaware limited liability company ("ArenaCo") entered into a Payment-in-Lieu-of-Tax Agreement (the "PILOT Agreement"), between the Corporation and ESD, on the one hand, and ArenaCo, on the other, to make provision for payments by the ArenaCo to ESD, in lieu of real property taxes and assessments, as further described in the PILOT Agreement (the "PILOTs"); and

WHEREAS, each annual obligation of ArenaCo to pay PILOTs to ESD under the PILOT

Agreement is secured by a separate Leasehold PILOT Mortgage (collectively, the "PILOT Mortgage") from ArenaCo to ESD, which PILOT Mortgage is to be assigned to The Bank of New York Mellon, as trustee (the "PILOT Trustee"), pursuant to a certain Assignment of PILOT Mortgages from ESD to the PILOT Trustee; and

WHEREAS, the Corporation entered into a PILOT Assignment and Escrow Agreement, among the Corporation, ESD, the PILOT Trustee, the PILOT Bond Trustee and the City, pursuant to which ESD pledged the PILOTs to secure the Series 2009 PILOT Bonds and all other PILOT Bonds issued on a parity with the Series 2009 PILOT Bonds including the Series 2016 PILOT Bonds; and

WHEREAS, the Corporation applied the proceeds of the Series 2009 PILOT Bonds to pay a portion of the costs of the Project; and

WHEREAS, ArenaCo undertook the Project on behalf of the Corporation and ESD; and

WHEREAS, Construction of the Arena was completed in 2012 and the Arena is currently being used as the home venue of the Brooklyn Nets and New York Islanders and as a venue for other entertainment, cultural, sporting and civic events; and

WHEREAS, ArenaCo has requested the Corporation to issue the Brooklyn Arena Local Development Corporation PILOT Revenue Refunding Bonds, Series 2016A (Barclays Center) and the Brooklyn Arena Local Development Corporation PILOT Revenue Refunding Bonds, Series 2016B Federally Taxable (Barclays Center) (together the "Series 2016 PILOT Bonds"), the proceeds of which will be used to refund all or substantially all of the Series 2009 PILOT Bonds and to pay cost of issuance of the Series 2016 PILOT Bonds; and

WHEREAS, The Series 2016 PILOT Bonds are being issued on a parity with the Issuer's Series 2009 PILOT Bonds which are not refunded, and will be on a parity with any additional PILOT Bonds issued in the future. The Series 2016 PILOT Bonds and the Series 2009 PILOT Bonds which are not refunded will be payable from the PILOT Revenues made by ArenaCo pursuant to the PILOT Agreement on a parity basis; and

WHEREAS, The Series 2016 PILOT Bonds will be issued and secured under the Master PILOT Indenture of Trust (as amended and supplemented prior to the date hereof, the "Master PILOT Indenture"), as supplemented including by the Fourth Supplemental PILOT Trust Indenture dated as September 1, 2016, (the "Fourth Supplemental PILOT Indenture" and together with the Master PILOT Indenture, the "PILOT Bonds Indenture") by and between the Corporation and The Bank of New York Mellon as PILOT Bond Trustee, a copy of which is attached as Exhibit A; and

WHEREAS, the duly authorized officers of the Corporation have caused to be prepared a Preliminary Official Statement, a form of which is annexed to the Resolution as Exhibit B, and will cause to be prepared an Official Statement to be used in connection with the issuance and sale of the Series 2016 PILOT Bonds (collectively, the "Official Statement"); and

WHEREAS, based on the ESD RFP review and selection process, Goldman, Sachs & Co. has been selected to act as the book running Senior Manager and Siebert Brandford Shank & Co., L.L.C. and Barclays Capital Inc. have been selected as Senior Managers (collectively the "Underwriters") in connection with the offering and sale of the Bonds; and

WHEREAS; the Corporation intends to sell the Series 2016 PILOT Bonds to the Underwriters or to a group of underwriters; and

WHEREAS, the duly authorized officers of the Corporation have negotiated a purchase contract for the Series 2016 PILOT Bonds (the "Bond Purchase Agreement") by and among the Corporation and Goldman Sachs & Co., as representative of the Underwriters, a copy of which is annexed to this Resolution as Exhibit C; and

WHEREAS, the duly authorized officers of the Corporation have caused to be prepared an Escrow Deposit Agreement, by and among the Corporation, the PILOT Bond Trustee and The Bank of New York Mellon, as escrow agent, a copy of which is annexed to this Resolution as Exhibit D; and

WHEREAS, Corporation deems it advisable to authorize the issuance and sale of the Bonds, to authorize the execution and delivery of the Fourth Supplemental PILOT Indenture, the Bond Purchase Agreement, the Preliminary Official Statement, the Official Statement and the Escrow Deposit Agreement in connection with the issuance and sale of the Series 2016 PILOT Bonds, and to authorize certain other matters related thereto.

NOW, therefore, the Board of Directors of the Corporation, in accordance with the materials presented at this meeting, including the Board Memorandum and the Exhibits annexed to this Resolution (collectively, the "Materials"), upon motion duly made and seconded, duly adopts the following Resolution:

RESOLVED, that copies of the Materials are hereby ordered to be filed with the records of the Corporation and are deemed to be incorporated herein by reference; and further

RESOLVED, that the Fourth Supplemental PILOT Indenture, the Bond Purchase Agreement and the Escrow Deposit Agreement, in substantially the forms presented to this meeting, are hereby approved, and any Authorized Officer (as hereinafter defined) is hereby authorized and directed to execute and deliver the same on behalf of the Corporation, in such forms as are approved with such changes, supplements and amendments thereto as any Authorized Officer executing the same may approve, such approval to be conclusively evidenced by such Authorized Officer's execution thereof; and further

RESOLVED, that the Preliminary Official Statement and the Official Statement, in substantially the form of the Preliminary Official Statement presented to this meeting, is hereby approved, and the distribution of the Official Statement in connection with the sale of the Series 2016 PILOT Bonds, with such changes, supplements and amendments thereto as may be necessary or appropriate to reflect the documents and the matters described therein or as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the

execution of the final Official Statement, is hereby authorized, and any Authorized Officer is hereby authorized and directed to execute the same on behalf of the Corporation; and further

RESOLVED, that the amount, maturity or maturities, prices and yields, if any, and other terms of or relating to the Series 2016 PILOT Bonds (the "Terms") insofar as set forth in the Fourth Supplemental PILOT and the Official Statement, are hereby approved, with the understanding that such Terms will be finalized in connection with the sale of the Series 2016 PILOT Bonds, which is expected to occur in August 2016, subject to the final approval of any Authorized Officer, such approval to be evidenced by such Authorized Officer's execution of each of the Fourth Supplemental PILOT Indenture and the Bond Purchase Agreement and that all other documents relating to the Series 2016 PILOT Bonds shall similarly, as appropriate, be conformed thereto; provided that the aggregate principal amount of the Series 2016 PILOT Bonds shall not exceed \$565,000,000, the final maturity shall not extend past August 1, 2047 and the interest rates to be borne by the Series 2016 PILOT Bonds shall not exceed a true interest cost of 4.75%; and further

RESOLVED, that the Series 2016 PILOT Bonds may be issued in one or more series or subseries and as tax-exempt or taxable bonds is hereby approved, with the understanding that such terms will be finalized in connection with the sale of the Series 2016 PILOT Bonds, subject to the final approval of any Authorized Officer, such approval to be evidenced by such Authorized Officer's execution of each of the Fourth Supplemental PILOT Indenture and the Bond Purchase Agreement and that all other documents relating to the Series 2016 PILOT Bonds shall similarly, as appropriate, be conformed thereto; and further

RESOLVED, that in connection with the issuance of the Series 2016 PILOT Bonds, the Corporation hereby appoints The Bank of New York Mellon as PILOT Bond Trustee under the Series 2016 PILOT Indenture; and further

RESOLVED, that the Corporation hereby appoints Goldman, Sachs & Co. as the book running Senior Manager and hereby appoints Siebert Brandford Shank & Co., L.L.C. and Barclays Capital Inc. as Senior Managers (the second firm listed being a certified minority or women owned business enterprise) for the Series 2016 PILOT Bonds and authorizes the appointment of such other underwriters that are on ESD's pre-qualified list, as determined by an Authorized Officer of the Corporation (collectively, the "Underwriters"); and further

RESOLVED, that, subject to the conditions set forth in the Bond Purchase Agreement, the Corporation shall sell and award the aggregate principal amount of the Series 2016 PILOT Bonds to the Underwriters; and further

RESOLVED, that the Corporation shall offer for sale, sell, issue and deliver the Series 2016 PILOT Bonds pursuant to the Bond Purchase Agreement and the Series 2016 PILOT Indenture and shall apply the proceeds thereof in accordance with the Indenture and certain documents and certificates to be delivered upon the issuance of the Series 2016 PILOT Bonds; and further

RESOLVED, that each of the Chairperson, President, Vice President and Treasurer of the Corporation, and any other person duly authorized to act in such capacity, is designated an "Authorized Officer," and further

RESOLVED, that each of the Authorized Officers is hereby authorized and directed to approve and execute such documents, instruments and certificates, make any changes to the forms of the Fourth Supplemental PILOT Indenture, the Bond Purchase Agreement, the Escrow Deposit Agreement, the Preliminary Official Statement, the Official Statement and all other related documents as he or she may reasonably deem necessary, desirable or appropriate to consummate the transactions authorized hereby and thereby, make such payments and take such other actions in the name of the Corporation and on its behalf, as he or she may reasonably deem necessary, desirable or appropriate to carry out the foregoing resolutions, including without limitation the execution, sale and delivery of the Series 2016 PILOT Bonds, the execution and delivery of the tax certificate relating to the Series 2016 PILOT Bonds and the negotiation and delivery of investment contracts, if any, relating to reinvestment of the proceeds of the Series 2016 PILOT Bonds and related moneys, the execution and delivery of any and all papers, instruments, opinions, certificates, affidavits, agreements and other documents necessary, desirable or appropriate to carry out the foregoing resolutions and that all actions heretofore taken in connection with the offering, sale and issuance of the Series 2016 PILOT Bonds by any Authorized Officer or his or her designee are hereby ratified and approved.
