

MEMORANDUM OF UNDERSTANDING, dated as of September 8, 2004 ("MOU"), by and among the City of New York, a municipal corporation of the State of New York with its principal office at City Hall, New York, New York 10007 (the "City"), acting by and through the Mayor of the City (the "Mayor"); the President Pro Tempore of the New York State Senate (the "President Pro Tem"), with his principal office at The Capitol, Albany, New York 12224; and the Speaker of the New York State Assembly (the "Speaker"), with his principal office at The Capitol, Albany, New York 12248.

Recitals

Croton Filtration Facility

1. The City operates a water supply system (the "System") that provides drinking water to nine million people, including one million people living outside of the City's borders. The System is composed of three (3) water supplies, each originating in an upstate watershed: Croton, Catskill and Delaware.
2. The Croton water supply, the City's oldest, currently meets all health-based regulatory standards. However, Croton water still experiences periodic problems associated with color, odor and taste, and may not be able to meet stricter new standards on disinfection by-products which are expected to take effect in the future.
3. Accordingly, the City has determined that the Croton water supply should be filtered, to ensure that it remains a reliable part of the City's water supply and to better protect public health and safety. The City has entered into a Consent Decree so ordered by the United States District Court for the Eastern District of New York (the "Court") on November 24, 1998, as supplemented by a Supplement to Consent Decree so ordered by the Court on May 2, 2002 (as so supplemented, the "Croton Consent Decree"), by and between the United States of America (the "United States"), the State of New York (the "State") and the City, pursuant to which the City is required to design and construct a filtration facility to filter and disinfect water delivered to the City from its Croton water supply (the "Croton Filtration Facility").

Mosholu Golf Course Site

4. On July 21, 1999, the Council of the City of New York (the "Council") approved the siting of the Croton Filtration Facility at a site at the Mosholu Golf Course, Van Cortlandt Park, Bronx, New York (the "Mosholu Golf Course Site") pursuant to the City's Uniform Land Use Review Procedure ("ULURP").
5. The Mosholu Golf Course Site is located within a public park. Therefore, the City sought the passage of a bill, by the New York State Legislature, alienating those portions of the Van Cortlandt Park to be utilized for the construction, operation and maintenance of such Facility and

its related facilities, appurtenances and equipment.

6. An appropriate bill, denominated as Assembly Bill No. 8069-C and Senate Bill No. 4791-C, has been passed by the State Legislature and signed into law by the Governor as Chapter 175 of the Laws of 2003 (the "Act"). Section 1 of the Act authorizes the discontinuance of use as park lands of certain lands at the Mosholu Golf Course Site, for the purpose of construction, installation, operation and maintenance of the Croton Filtration Facility and improvements and appurtenances related to the construction, operation and maintenance of such Facility, including, without limitation, loading and unloading areas, parking areas, roads, gatehouses, pumps, pumping stations, aqueducts, tunnels, pipes, valves, and pressure regulating devices.

7. Section 2 of the Act states that the authorization contained in Section 1 of the Act is subject to the requirement that the City acquire additional park lands of equal or greater fair market value and/or perform capital improvements to existing park and recreational facilities which are equal to or greater than the fair market value of those lands discontinued pursuant to the Act. Section 2 of the Act further states that the authorization contained in Section 1 of the Act shall only take effect upon the condition that the City shall have entered into a memorandum of understanding with the President Pro Tem and the Speaker to identify (1) the sum of money that the City shall dedicate for the purpose of implementing eligible projects to acquire and/or improve park lands in the borough of the Bronx and (2) a list of such eligible projects. Section 2 also states that the authorization contained in Section 1 shall be subject to the requirement that the City shall complete a Supplemental Environmental Impact Statement ("SEIS") on the construction, installation and maintenance of the Croton Filtration Facility and improvements and appurtenances thereto at the Mosholu Golf Course Site, and that the City shall give due consideration to the dedication of the Jerome Park Reservoir as parkland. Section 2 further states that this memorandum of understanding must be ratified by vote of the Council.

8. The City has completed the SEIS, which has identified the Mosholu Golf Course Site as the preferred site for the Croton Filtration Facility. This MOU is being entered into to allow the City to comply with Section 2 of the Act and proceed expeditiously with the construction, operation and maintenance of the Facility.

Terms and Conditions

1. Identification of Sum of Money; List of Projects. A. Identification of Sum of Money. Subject to the terms and conditions of this MOU, the parties hereby agree that the City shall dedicate a total of Two Hundred Million Dollars (\$200,000,000) towards implementing eligible projects, out of which

i. the sum of One Hundred Ninety Million Dollars (\$190,000,000) is identified, pursuant to clause (1) of the second sentence of Section 2 of the Act, as being dedicated to implementing eligible projects consisting of the acquisition of parklands and/or the making of capital improvements to parks, playgrounds or other recreational facilities located in the Borough of the

Bronx; and

ii. the sum of Ten Million Dollars (\$10,000,000) is identified as being dedicated to implementing projects consisting of horticultural plantings by DPR intended to beautify and provide a more healthful environment in the Borough of the Bronx.

B. List of Projects. The list of projects in Exhibit A satisfies the requirements of clause (2) of the second sentence of Section 2 of the Act.

2. Eligible Projects. The Mayor hereby directs the New York City Department of Environmental Protection ("DEP") to take the following actions and to fulfill the following commitments, and he hereby directs all other City agencies to cooperate with DEP in effectuating the purposes of this MOU:

A. DEP Actions. If (i) the United States and the State agree to a further modification of the Croton Consent Decree, in a form acceptable to the City, incorporating DEP's proposed schedule for the design and construction of the Croton Filtration Facility at the Mosholu Golf Course Site, and (ii) the City issues environmental findings, indicating its intention to proceed with the construction and installation of the Croton Filtration Facility at such Site, DEP is directed to include in its requests for funding to the New York City Municipal Water Finance Authority (the "Water Authority"), and to make available out of the proceeds of bonds, notes or other instruments of indebtedness issued by the Authority for such purpose, a sum of (but not exceeding) Two Hundred Million Dollars (\$200,000,000) in the aggregate for the acquisition, design and construction of one or more Eligible Projects, over a period of five (5) years from the date hereof, subject to the conditions specified in paragraphs B through E below.

As used in this MOU, the term "Eligible Project" shall mean a capital project which qualifies as a "water project" under Section 1045-b(20) of the New York Public Authorities Law, as determined by DEP and the Water Authority, and which is either:

i. an acquisition by the New York City Department of Parks and Recreation ("DPR") of parklands located in the Borough of the Bronx; or

ii. an improvement or improvements to a park, playground or other recreational facility located in the Bronx, or horticultural plantings at a location in the Bronx, which park, playground, other recreational facility, or horticultural planting location is either (i) under the jurisdiction of DPR ("DPR Bronx Facility"), or (ii) under the jurisdiction of another agency of the City and operated and maintained for the benefit of such agency by DPR ("DPR-Operated Bronx Facility"), or (iii) under the jurisdiction of another agency of the City and operated and maintained by such other agency for public park or recreation purposes ("Other City Bronx Facility"), or (iv) for purposes of Roberto Clemente State Park only, under the jurisdiction of the New York State Office of Parks, Recreation and Historic Preservation ("OPRHP").

B. Identification and Selection of Projects.

The parties hereby agree that the projects listed in Exhibit A attached hereto are Eligible Projects for purposes of this MOU, and the projects to be funded hereunder shall be drawn by the City from such list as follows:

- a. projects from Part I of Exhibit A - up to an aggregate total of \$190,000,000;
- and
- b. projects from Part II of Exhibit A, up to an aggregate total of \$10,000,000.

Nothing in this MOU shall be deemed to obligate the Water Authority to finance any Project costs which it may not lawfully pay. The terms and conditions of any bonds, notes or other instruments of indebtedness issued by the Water Authority shall be established by the Water Authority.

C. Other Agencies to Cooperate. Any funds made available by DEP under Paragraph A above in respect of any Eligible Project shall be paid over to DPR (if the Eligible Project involves a DPR Bronx Facility or a DPR-Operated Bronx Facility), to the relevant City agency (if the eligible Project involves an Other City Bronx Facility) or to OPRHP (if the Eligible Project involves Roberto Clemente State Park), and applied solely towards the costs of acquiring, designing and constructing such Project. The governmental entity receiving such funds shall be solely responsible for acquiring, designing and constructing such Eligible Project, and DEP's responsibility shall be limited to making funds available in accordance with and subject to the terms of this MOU. The Mayor hereby directs all City agencies to cooperate with DEP in effectuating the terms of this MOU.

The transfer of any funds made available by DEP hereunder in respect of an Eligible Project shall be pre-conditioned on the execution of an agreement or memorandum of understanding by the recipient governmental entity, in form and substance satisfactory to DEP, the Water Authority, and the relevant City agency or OPRHP, as appropriate, providing for the transfer of such funds and the obligation of the recipient to apply such funds solely towards the acquisition, design and construction of such Eligible Project, and to complete such Eligible Project by a stated completion date.

D. Injunction. In the event the City is enjoined, on any basis, from proceeding with the design, construction, operation or maintenance of the Croton Filtration Facility at the Mosholu Golf Course Site, by a court of competent jurisdiction, the City shall have no obligation to secure any further funding for any projects hereunder from and after the date of such injunction and for so long as such injunction is pending. If any such injunction is made final, without opportunity for further appeal, there shall be no further funding advanced pursuant to this MOU, and this MOU shall be of no further force or effect.

E. Outreach. DEP is directed to initiate and implement an outreach strategy, intended to alert qualified Bronx residents to appropriate employment opportunities afforded by the Croton Filtration Facility project, and to alert qualified Bronx business firms to appropriate opportunities to bid for the provision of goods or services to the project. Such outreach shall include working with trade organizations, labor organizations and other entities who can assist in identifying such qualified residents and business firms. The funding for any such outreach shall not be drawn from the funds provided for funding projects hereunder.

In addition, for contracts implemented with any State Revolving Fund loan or loans made to support the Croton Filtration Facility Project, DEP is directed to make prime contractors aware of Bronx-based businesses that have been certified as Minority-Owned Business Enterprises or Women-Owned Business Enterprises (MBEs/WBEs) in order to facilitate the prime contractors' compliance with the applicable State MBE/WBE requirements.

3. Periodic Reporting. The City shall provide periodic, but at least annual, reports to the President Pro Tempore of the New York State Senate and to the Speaker of the New York State Assembly on the progress of funding and construction of the projects hereunder.

4. Determination to Proceed at Other Site. This MOU shall be null and void if the City determines to proceed with the construction and installation of the Croton Filtration Facility at a site other than the Mosholu Golf Course Site.

5. Amendments. This MOU may not be amended or modified except by written instrument signed by all of the parties hereto, and ratified by the Council.

6. Counterparts. This MOU may be executed in counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

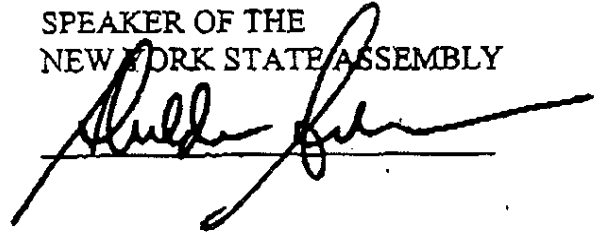
7. Effective Date. This MOU shall take effect immediately.

THE CITY OF NEW YORK

By 
Mayor

PRESIDENT PRO TEMPORE OF
THE NEW YORK STATE SENATE

SPEAKER OF THE
NEW YORK STATE ASSEMBLY



mou805nochange.wpd

CERTIFICATION OF RATIFICATION

WHEREAS, section two of Chapter 175 of the Laws of 2003 requires the Council of the City of New York to ratify the memorandum of understanding in connection with the Croton filtration facility and the funding of certain eligible projects in the borough of the Bronx,

NOW THEREFORE, I hereby certify that a Resolution was passed by the Council of the City of New York on August 12, 2004, ratifying the memorandum of understanding entered into by and among the City of New York, acting by and through the Mayor of the City, the President Pro Tem of the New York State Senate and the Speaker of the New York State Assembly.

**RATIFIED BY
THE COUNCIL OF THE CITY OF NEW YORK**

Speaker

**Exhibit A
Eligible Projects for Bronx Parks**

Park Name	CB #	Project Type	Description of Work	Projected Cost	Calendar Days to Project Completion
PART I					
Bronx Greenways					
Bronx River Greenway: River Park	6	GWY	Reconstruction of playground, comfort station, and picnic area located adjacent to the greenway.	\$1,000,000	730
Bronx River Greenway: Birchall to 180th Street Connection	11	GWY	Study and implementation of a one mile Bronx River Greenway link within Bronx Park. Greenway will connect Birchall Avenue to 180th Street.	\$3,500,000	900
Soundview to Ferry Point Greenway	9/10	GWY	Implementation of the greenway within the northern portion of Pugsley Creek Park and the connections between Castle Hill Park and Ferry Point Park.	\$3,000,000	730
Bronx River Greenway: Concrete Plant Park	2	GWY	Complete development of a new park and greenway link along the Bronx River. The site was formerly a concrete batch plant.	\$5,000,000	900
Putnam Trail: acquisition of right of way	8	GWY	The acquisition of the Putnam Railroad R.O.W. between the city line and the Harlem River for development as a greenway. 3.5 miles at approximately 100 feet in width.	\$1,000,000	1095
Bronx River Greenway: Pedestrian Bridge	12	GWY	Construction of a new pedestrian bridge in Bronx Park over parkway and river to provide key Bronx River Greenway connection between Shorelace Park and Muskrat Cove.	\$5,000,000	730
Hutchinson River Greenway	12	GWY	Implementation of the greenway between Pelham Parkway and the City's northern border.	\$2,500,000	730
Waterfront Access					
Soundview Park: lagoon restoration	9	WA	Lagoon area restoration. Bond Act match.	\$2,466,200	730
Pelham Bay Park: waterfront development	12	WA	Development of waterfront area near landfill, plus greenway link and seawall repair.	\$8,000,000	1460
Regatta Park: Washington Bridge Park	5	WA	The construction of a new park to include drainage, water supply, seating and landscaping funding is to match existing grant.	\$350,000	550
Regatta Park: waterfront access	7	WA	Improvement of 1-acre city-owned site north of University Heights Bridge for development with waterfront access and open space. Requires transfer of DCAS/CDOT parcel. Implements a segment for Regatta Park.	\$1,800,000	730
Pugley Creek Park Salt Marsh & Buffer Restoration	9	WA	Bond act match to restore 2.25-acre salt marsh area on the northeast bank of Pugsley Creek.	\$850,000	730
Bronx Green House					
Bronx Green House and Nursery		G	The upgrade and expansion of the existing nursery. Work to include construction and renovation of cold frames, greenhouses, loading docks, irrigation lines, sewer lines, and access way.	\$3,000,000	730

**Exhibit A
Eligible Projects for Bronx Parks**

		Regional Recreational Facilities			
Aqueduct Lands: Comfort Station and Operations Facility	5	RRF	Construction of a comfort station with an operations component.	\$1,800,000	730
Mecombs Dam Park: Track Soccer & Ballfields	4	RRF	Installation of synthetic turf soccer field, demolition and reconstruction of bleachers, and construction of comfort station.	\$6,000,000	730
Bronx River Greenway Facility/River House	9	RRF	The creation of space for the administration and operational facilities required for Bronx River initiatives involving greenway implementation, ecological restoration, recreational, educational and arts programming.	\$5,000,000	900
Williamsbridge Oval Park	7	RRF	Park work to include the restoration of: perimeter walls & fencing with gates (\$1,860,000), back & field (\$1,950,000), playground #1 (\$1,100,000), playground #3 (\$3,100,000), senior area (\$650,000), roller hockey area/skate park (\$2,500,000), slope stabilization and promenade (\$3,430,000), and recreation shelter site work (\$2,340,000).	\$15,090,000	1460
Ferry Point Park	10	RRF	The redevelopment of the western portion of the park, with the addition of a comfort station.	\$6,600,000	730
Harris Park Ballfield	7	RRF	Reconstruction of nine athletic fields, three new staircases and ADA access leading into the park.	\$9,860,000	730
Orchard Beach: Pavilion	12	RRF	Stabilization of the Pavilion	\$7,000,000	550
Pelham Bay Park: Bridle Trails	12	RRF	Reconstruction of the Bridle Trails.	\$1,000,000	365
Van Cortlandt Park: Allen Shandler Recreation Area	7	RRF	Reconstruction of the picnic area landscape and the renovation of the existing comfort station.	\$1,300,000	730
Van Cortlandt Park: Comfort Station and Operations Facility	8	RRF	Rehabilitation of existing building at 242nd Street and Broadway for comfort station and an operations component.	\$1,500,000	730
Van Cortlandt Park: Parade Grounds	8	RRF	Reconstruction of athletic fields including: soil, topsoil, irrigation, under-drainage, grading, backstops, goals etc.	\$16,500,000	1095
Crotiana Park: Comfort Station and Operations Facility	3	RRF	Construction of a comfort station with a maintenance and operations component in the northern portion of the park.	\$2,500,000	730
Bronx Park Solomine Ballfield	11	RRF	Removal of two baseball fields, elimination of tennis courts and replacement with synthetic turf soccer field, and restoration of basketball court and landscaping.	\$3,000,000	730
Bronx Park: 219th Street Entrance	12	RRF	Reconstruction of Bronx Park entrance at 219th Street.	\$400,000	550
Jerome Park Reservoir Pathway	8	RRF	New recreational pathway to be constructed around the reservoir.	\$5,000,000	730
Soundview Park	9	RRF	Development of park areas to provide active and passive recreation.	\$4,000,000	730
Soundview Park: Amphitheater	9	RRF	Construction of an amphitheater with a platform for a Wenger Wagon with electricity and new pavement.	\$675,000	550
Aqueduct Lands: Basketball Courts and Playground	5	RRF	Reconstruction of the basketball courts with color seal coating, chain link fencing, baseball backstops, pavements and benches.	\$2,000,000	730
Aqueduct Walk	7	RRF	Reconstruction of first Aqueduct section from Kingsbridge Road to Morton Place. Section to include new promenade pavement, new playgrounds, and new passive spaces.	\$7,000,000	730
Pelham Bay Park: Middletown Road perimeter	10	RRF	Reconstruction of stone retaining wall with fencing on top and sidewalks along Middletown Road.	\$1,500,000	550

**Exhibit A
Eligible Projects for Bronx Parks**

Pelham Bay Park: Picnic areas	12	RRP	Reconstruction of major picnic areas.	\$1,000,000	550
Pelham Bay Park: Tennis Courts	10	RRF	Reconstruction of tennis courts to include new fencing, drainage, and water supply, and reconstruction of the parking lot.	\$2,225,000	550
Pelham Parkway Malls	11	RRF	The reconstruction of the Pelham Bay Malls from the Hutchinson River Parkway to Boston Road.	\$1,500,000	550
Crotone Park: Amphitheater	3	RRF	Construction of a natural amphitheater.	\$2,500,000	730
Crotone Park: Lake Restoration	3	RRF	The naturalization and slope stabilization of the lake shore, including picnic area.	\$4,900,000	550
Roberto Clemente State Park	5	RRF	Provide waterfront access, aquatic enhancements, outdoor recreational improvements, landscaping, and passive recreation	\$10,000,000	1430
Bronx Park Soccer Field and Skate Park	11/12	RRF	Installation of new unsupervised skate park north of Allerton Avenue and installation of new, unsupervised skate park.	\$1,500,000	730
Neighborhood Parks					
Melrose Playground	1	RNP	Reconstruction to include new play equipment, fencing and pavements.	\$1,500,000	730
Story Playground	9	RNP	Reconstruction of a playground and comfort station. Reconstruction of playground includes, new ballfield, hard court game area, and stabilization of settlement.	\$7,300,000	1600
Sahum Playground	7	RNP	Additional facilities to be developed with playground reconstruction: dog run, picnic area and reconstruction of park entrances at the southeast corner of Van Cortlandt Park.	\$375,000	550
Field of Dreams Park	2	RNP	Creation of three ballfields with appropriate irrigation.	\$2,200,000	550
Pugsley Creek Park	9	RNP	Creation of a small playground along White Plains Road at Patterson Avenue near I.S. 174	\$1,200,000	730
Hines Playground	3	RNP	Renovation of playground.	\$700,000	550
Owen Dolan Golden Recreation Center	10	RNP	Concrete sitting area to be removed, repair to roof, and landscaping.	\$1,000,000	730
Clark Playground	1	RNP	Playground Reconstruction to include new play equipment, handball and basketball court renovations with color seal coating, pavement, swings, and fencing.	\$1,500,000	730
Mullaly Park Playground	4	RNP	The reconstruction of a playground with spray shower, including, comfort station and perimeter fencing.	\$1,500,000	730
Manida Ballfield	2	RNP	Reconstruction of the two baseball fields and backstops, irrigation, play equipment, spray shower and a perimeter fence to separate the Recreation Center and ballfield area.	\$1,018,800	550
Sedgwick Playground	5	RNP	Reconstruction of entire playground, including Comfort Station.	\$1,800,000	730
Devoe Park	7	RNP	Reconstruction of playground to include new play equipment, landscaping and drainage improvements.	\$3,000,000	820
Mount Hope Playground	5	RNP	Reconstruction of the playground and corrective repairs to retaining wall..	\$2,000,000	730
St. James Park	7	RNP	Reconstruction of the retaining walls with new perimeter fencing, pathways, sidewalk, landscaping, and stairs.	\$5,000,000	900
Webster Playground	6	RNP	Reconstruction of entire playground, including Comfort Station.	\$1,600,000	730

**Exhibit A
Eligible Projects for Bronx Parks**

Grant Park	4	RNP	Reconstruction of passive seating area for seniors and construction of hard court game area.	\$3,490,000	395
Arbustoni Playground and Ballfield	10	RNP	Reconstruction of the playground and ballfield, install higher perimeter fencing between field and Co-op, new water line and new asphalt pathway.	\$2,000,000	730
Companero Playground	11	RNP	Entire renovation of both the court and playground areas including repair of the spray shower.	\$1,950,000	820
Drew Playground	3	RNP	Renovation of playground.	\$1,600,000	550
Haffen Park	12	RNP	Installation of a synthetic turf field.	\$1,250,000	550
Ston Falls Park	12	RNP	Turf upgrade and associated fencing repair work.	\$1,000,000	550
Edenwald Playground	12	RNP	Reconstruction of playground to include new play equipment, spray shower, and landscaping.	\$2,000,000	730
Tremont Park	6	RNP	Reconstruction of passive seating area for seniors and construction of hard court game area.	\$5,000,000	900
PART II					
Greening the Bronx					
Greening the Bronx		G	Creation of Greenstreets, improvement and expansion of horticultural plantings in parks and playgrounds, and the addition of street trees in underserved neighborhoods.	\$10,000,000	1095