

THE TRUST FOR GOVERNORS ISLAND

MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS
OF
GOVERNORS ISLAND CORPORATION d/b/a
THE TRUST FOR GOVERNORS ISLAND
JANUARY 17, 2017

A meeting of the Board of Directors of Governors Island Corporation d/b/a The Trust for Governors Island (“The Trust”) was held on Tuesday, January 17, 2017, at City Hall, New York.

The following members of the Board of Directors of The Trust were present:

Ronay Menschel, Chairperson
Margaret Chin
Cheryl Effron
Catherine Hughes
Ben Lawsky
Alicia Glen
Janno Lieber
Susan Mercandetti
Avi Schick
Tokumbo Shobowale
Carl Weisbrod

Also present was staff from The Trust, the Mayor’s Office, and The Friends of Governors Island (“FGI”), as well as members of the public.

Ronay Menschel, Chair of the Board, called the meeting to order and welcomed all in attendance. Marni Friedlander, Secretary and General Counsel for The Trust, served as Secretary of the duly constituted meeting, at which a quorum was present.

Ms. Menschel began the meeting by welcoming a new board member, Tokumbo Shobowale, Chief Operating Officer for The New School. Ms. Menschel recognized Mr. Shobowale’s experience with New York City (the “City”), including his time as Chief Operating Officer for the New York City Economic Development Corporation (“NYCEDC”) and as Chief Business Operating Officer for the City.

Ms. Menschel also noted that Patti Harris resigned from the Board and thanked Ms. Harris for her contributions to The Trust Board and her work as an advocate for Governors Island within the Bloomberg administration.

Ms. Menschel next explained that she would step down from the Board and Carl Weisbrod would take her place as Chair of The Trust's Board. Ms. Menschel said she was grateful for serving on the Board for the Governors Island Preservation and Education Corporation ("GIPEC"), predecessor-in-interest to The Trust, and The Trust's Board as Chair. She was also thankful for being able to participate in the development of Governors Island.

Mr. Weisbrod, Catherine Hughes, and Cheryl Efron applauded Ms. Menschel's leadership on the Board, her role in the transformation of Governors Island, and her advocacy for all New Yorkers in the five boroughs.

After these opening remarks, Ms. Menschel commenced with the voting items.

1. Approval of the minutes of the meeting of Directors held on September 14, 2016

There were no questions or comments. A motion to approve such minutes, as submitted, was made, seconded, and unanimously approved.

2. Election of Officer

Ronay Menschel presented this item.

The officer to be elected was:

Alexis Offen, Treasurer

Michael Samuelian, President of The Trust, introduced Ms. Offen, noting that she replaces Jonathan Meyers as The Trust's new Chief Operating Officer. He discussed Ms. Offen's experience with the Empire State Development Corporation on Queens West, and voiced that Ms. Offen will help expand the operations of the Island today and for years to come.

In September 2016 the Board elected Jonathan Meyers as Treasurer. Since Mr. Meyers resigned from his position, Ms. Friedlander requested that the Board elect Ms. Offen to serve in the capacity of Treasurer.

With no additional questions or comments, a motion to approve the item was made, seconded, and unanimously approved.

3. Authorization to establish a Real Estate Committee and a Programming Committee

Marni Friedlander presented this item. Ms. Friedlander stated that in 2010 the Board created the Governance Committee and Audit Committee, and noted that there have been several new board appointments since then. As a result, The Trust President and the Board Chair found it appropriate to appoint new members to the Governance Committee. She stated there would be no changes to the Audit Committee at this time.

The Trust President and the Board Chair also believed it appropriate to create the Real Estate and Programming Committees. Pursuant to Section 6.01 of The Trust for Governors Island By-Laws, The Trust's Board can establish additional committees. Ms. Friedlander

requested that the Board authorize the establishment of the new committees and approve the proposed membership changes in the Governance, Real Estate, and Programming Committees.

The proposed members of the committees are set forth below:

<u>Governance Committee</u>	<u>Real Estate Committee</u>	<u>Programming Committee</u>
Alicia Glen, Chair	Janno Lieber, Chair	Susan Mercandetti, Chair
Tokumbo Shobowale	Cheryl Effron	Margaret Chin
Margaret Chin	Kevin Ryan	Catherine Hughes
Ben Lawsky	Avi Schick	Kevin Ryan

With no additional questions or comments, a motion to authorize the item was made, seconded, and unanimously approved.

4. Authorization to enter into a permit for the Manhattan Ferry Landing Site on Governors Island

Marni Friedlander presented this item. Ms. Friedlander explained that in 2008 and 2014, GIPEC (and subsequently the Trust) issued Requests for Proposal (“RFP”) for concessions at a one-acre lot known as the Manhattan Ferry Landing Site. Both times, a concert venue was selected. As the 2014 concert venue permit expired in November 2016, The Trust issued an Interim Use RFP for restaurants, exhibitions, and other varied uses.

On November 11, 2016, the RFP went out to approximately 40 qualified respondents and was posted on The Trust’s website, as well as the City Record. On December 21, 2016, The Trust received five responses. The Trust’s Selection Committee was comprised of Marni Friedlander, General Counsel, Michael Samuelian, President, Claire Kelly, Director of Asset Management, Frank LoCastro, Vice President of Operations, Lori Wasson, Director of Public Access and Elizabeth Velez, Assistant Director of Events.

Upon review of the proposals, the Selection Committee unanimously chose Island Oyster LLC to operate an outdoor seasonal oyster bar as the Committee believed Island Oyster was the best fit with the Island. Island Oyster will operate under a permit with a two-year term and an option to renew for one year, exercisable at The Trust’s sole discretion.

Mr. Samuelian explained that Island Oyster will provide visitors a diversity of offerings and its vision complements that of The Trust and current tenants on Island. He finally noted that The Trust issued another Interim Use RFP for the Western Development Zone on Island, and due to a lack of responses, The Trust has not selected a winner for that site.

Susan Mercandetti asked if Island Oyster’s restaurant will require construction. Mr. Samuelian responded yes. She then asked if Island Oyster plans to work with the Harbor School; Mr. Samuelian replied that Island Oyster is looking into hiring students from the school.

Deputy Mayor Glen stated that the operators of Island Oyster also operated Grand Banks, which has been very successful for Hudson River Park.

Avi Schick asked if Island Oyster provided the highest fee offer. Mr. Samuelian replied that there were higher offers from concert venue providers, but he noted that the Island would benefit from having an additional food offering that plans to work with other Island tenants.

Ms. Hughes, Ms. Menschel and Ms. Effron congratulated The Trust for its choice, citing the need to establish Governors Island as a destination for various dining offerings in a waterfront setting.

Mr. Weisbrod asked if Island Oyster proposed supplemental ferry service after public access hours. Mr. Samuelian responded yes. Mr. Weisbrod then asked if Island Oyster plans to pay the entire cost of the supplemental service and if the supplemental service would be open to anyone visiting the Island. Mr. Samuelian replied that Island Oyster will pay for the additional service, which would only be open to restaurant patrons.

With no additional questions or comments, a motion to authorize the item was made, seconded, and unanimously approved.

5. Authorization to enter into a contract for Land Use Outside Counsel Services

Marni Friedlander presented this item. Ms. Friedlander explained that The Trust has transitioned its focus to Island-wide development. As such, The Trust seeks outside counsel for assistance with land use issues, including rezoning, environmental reviews, and regulatory approvals.

On November 1, 2016, The Trust issued an RFP for land use outside counsel and sent the RFP to 12 New York City law firms. On December 2, 2016, The Trust received four proposals. A Selection Committee, comprised of Marni Friedlander, General Counsel, Michael Samuelian, President, Willa Padgett, Chief Financial Officer and Jason Colin, Legal Assistant, reviewed the proposals based on each firm's relevant legal experience, fee schedule, and legal reputation. The Selection Committee unanimously selected Fried, Frank, Harris, Shriver & Jacobson LLP ("Fried Frank") due to the firm's extensive land use experience and competitive fee schedule.

Fried Frank will provide services to The Trust on an as-needed basis for a five-year term, at New York City law department approved hourly rates of \$550 for partners and \$500 for associates, for a maximum contract price of \$500,000.

Mr. Weisbrod asked if Fried Frank identified the lead attorney; Ms. Friedlander replied that it will be Melanie Meyers.

Mr. Samuelian elaborated on the importance of having land use counsel for guidance in the Island's development and noted Fried Frank's land use experience in New York City.

With no additional questions or comments, a motion to authorize the item was made, seconded, and unanimously approved.

6. Authorization to amend the Naval Architect Contract with Glosten Associates, Inc.

Marni Friedlander presented this item. Ms. Friedlander stated that in 2016, The Trust entered into a contract with Glosten Associates, Inc. ("Glosten") for assistance in The Trust's acquisition of a second passenger vessel. The Trust selected Glosten based on its experience with other City agencies and contracted with Glosten for a not-to-exceed price of \$88,000.

This price was for the assessment of The Trust's lift bridges and for the creation of reports and budget estimates for procurement of the second vessel, known as the Phase 1 Work. For Phase 2, Glosten has created a new scope of work that covers the creation of a cost-benefit report, new passenger ferry guidance drawings, an RFP to build the vessel, and a shipyard bid evaluation report. The Phase 2 Work will cost \$395,000 and be funded with City FY 2017 capital funds.

Ms. Friedlander requested that the Board authorize The Trust to amend the Glosten contract's scope of work and increase the contract price by \$395,000 for a new not-to-exceed contract price of \$483,000. She also mentioned that at the end of Phase 2 Work, The Trust

anticipates Glosten will serve as The Trust's owner's representative to oversee the building of the new vessel. Mr. Samuelian added that retaining Glosten as The Trust's owner's representative would cost approximately \$700,000.

Mr. Lieber asked if it is conventional for Glosten to assume project management services. Mr. Samuelian replied yes, but The Trust retains its right to re-procure these services.

Ms. Effron asked about the interior design of the boat. Mr. Samuelian answered that the current interior specifications call for a two-level boat with seating on the upper floor and a more open lower level. He added that no existing vessel meets all of The Trust's needs.

Ms. Menschel asked when a boat will be ready for The Trust. Mr. Samuelian responded that construction could begin as soon as June 2017. Ms. Friedlander added that The Trust plans to come to the Board in June with an update on the Glosten contract.

Ms. Menschel asked if The Trust has the funds to purchase the second vessel. Deputy Mayor Glen responded yes, based on the City's capital budget. Deputy Mayor Glen then discussed the Citywide Ferry procurement and how it has improved the relationship between the City and shipyards, which should in turn help The Trust receive competitive bids from shipyards.

Mr. Shobowale asked about the cost of working with existing ferry services. Deputy Mayor Glen stated that Citywide Ferry service can benefit the Island, and Mr. Samuelian added that The Trust and NYCEDC are in close conversations regarding the interaction of Citywide Ferry and Governors Island.

With no additional questions or comments, a motion to authorize the item was made, seconded, and unanimously approved.

7. President's Report

Mr. Samuelian started his report by declaring that the Island had nearly 600,000 visitors, an estimated 26% increase from the previous year, which he attributed to the grilling stations, the opening of the Hills, and increased publicity surrounding the Hills and the Island. Mr. Samuelian also announced that the Island will open to the public on May 1, 2017, a month early.

Mr. Samuelian described a Memorandum of Understanding between The Trust and FGI, which establishes terms for the two organizations' partnership. He discussed fundraising opportunities designed to increase public investment and interest in Governors Island across the City and beyond. He also discussed the GovIsland365 Campaign, which fostered 1,000 responses, many of which supported year-round activation of the Island. He concluded that The Trust's next steps include continuing outreach, obtaining capital through FGI, and working on the Island-wide development RFP.

Deputy Mayor Glen thanked Mr. Samuelian and delivered a proclamation from Mayor Bill de Blasio, who thanked Ms. Menschel for her commitment to Governors Island and officially proclaimed January 17, 2017 as Ronay Menschel Day for the City.

8. Public Comment, Executive Session and Adjournment

At this time, Ms. Menschel asked if any member of the public had a statement to make. Hearing none, Ms. Menschel entertained a motion to adjourn the meeting. The motion was seconded, and the meeting was adjourned.