

# 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  
MARCH 15, 2016

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, March 15, 2016, at City Hall, New York.

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

Ronay Menschel, Chairperson  
Cheryl Efron  
Alicia Glen  
Catherine Hughes  
Benjamin Lawsky  
Janno Lieber  
Carl Weisbrod  
Avi Schick

Also present was staff from The Trust, the Mayor’s Office, Council Member Margaret Chin’s office, as well as members of the public.

Ronay Menschel, Chairperson 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 back a board member from The Trust’s predecessor organization Governors Island Preservation and Education Corporation (“GIPEC”), Avi Schick, and recognizing his current work as a partner for the law firm Dentons. Ms. Menschel also noted that Senator Daniel Squadron appointed Mr. Schick to The Trust’s Board of Directors.

Ms. Menschel noted that at the conclusion of the voting items of this meeting, Joshua Laird, the Commissioner of the National Parks Service (“NPS”) for the New York Harbor, would give a presentation, and she announced that Leslie Koch, President for The Trust, would give a President’s report following Mr. Laird’s presentation.

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

1. Approval of the minutes of the meeting of Directors held on January 21, 2016

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

2. Authorization of items relating to allocation of Trust funding for FY 2016

Jonathan Meyers, Chief Operating Officer of The Trust, presented this set of four items, labeled numbers 2a – 2d. Mr. Meyers noted that the Board would vote on these items as a collective package because these action items collectively represent two financial changes that occurred after the Board approved the FY 16 operating and capital budgets.

To begin, Mr. Meyers noted that in previous fiscal years 2013, 2014, and 2015, the Board approved operating budgets that included State funds as a revenue source to be used on necessary capital needs. These funds were previously allocated to The Trust's predecessor organization, GIPEC, and were transferred to The Trust in 2010. Over the past six months, Trust staff spent significant time reviewing the Island's capital maintenance needs and overall budget with staff of the City's Office of Management and Budget ("OMB"). As a result of those discussions, the City provided an additional \$2.4 million in expense funds to The Trust, which consists of a substitution of City expense funds for State capital maintenance funds and a small increase of \$346,080 in the total operating budget, which is reflected in the revised operating budget item (item 2a).

The Trust also received \$42,000 in capital funds from Manhattan Borough President Gale Brewer in order to complete construction and installation of a kayak dock on the Island. Mr. Meyers then explained that these two financial changes to the budgets are reflected in the revised budgets set forth in this set of items (items 2a and 2b).

Item 2c amends the Turner Construction Company's ("Turner") facilities management and construction management contract ("FM/CM Contract") by adding \$274,500, reflecting the \$42,000 provided to The Trust for the kayak dock and additional operating funds in the amount of \$232,500 that will flow through the Turner FM/CM Contract. Item 2d amends The Trust's Master Contract with the City to represent the full distribution of City funds into The Trust's capital and operating budgets.

Leslie Koch, President of The Trust, then stated that the State funds The Trust has used in prior years are funds that were transferred to The Trust when GIPEC was dissolved, which The Trust used on an emergency basis. Ms. Koch further stated that OMB recognized the importance of retaining State funds and that the monies allocated to The Trust are in part a substitution of State funds and a nominal increase to the expense budget. This explains why there is a net increase to The Trust's operations budget less than the City appropriation. Ms. Koch also stated that The Trust's operations budget is still a balanced budget.

Ms. Menschel and Catherine Hughes both thanked the City for the additional monies. Cheryl Effron asked if the increase in operating funds mentioned in the Turner amendment relates to the kayak dock, which was also discussed today. Mr. Meyers responded that the Turner contract includes funding for both capital and operating projects and that the kayak dock is not related to the expense funds the City allocated to The Trust.

Mr. Schick asked how much money remains under the Turner contract. Mr. Meyers indicated that there is approximately \$15 million remaining, but there are capital projects that are

not yet completed. Mr. Schick asked for the cumulative amount of money spent, which Mr. Meyers responded was approximately \$415 million.

With no additional questions or comments, a motion to approve items 2a – 2d was made, seconded, and unanimously adopted.

3. Authorization to enter into a new Master Contract with the City of New York.

Ms. Friedlander presented this item. Ms. Friedlander explained that The Trust's 2011 Master Contract with the City had a three year term with two, one-year options to renew and will expire on June 30, 2016. The Trust thus seeks to enter into a new Master Contract with the City, with a four year term and one, one-year option to renew. The maximum contract price for the new Master Contract is \$87,603,552. Ms. Friedlander also noted that after Board approval, the Master Contract would go to the City Comptroller for registration as The Trust has historically done.

Ms. Koch noted that the funding in the current contract is based on the City's current financial plan, and does not preclude any future amendments to the maximum contract price if more monies are subsequently allocated to The Trust.

Ms. Effron asked if the amount in the contract is the total contract price. Mr. Meyers responded that the price in the contract is the total amount allocated to The Trust in the City's financial plan, and if the amount were to increase in the future, The Trust would have to seek Board approval through an amendment to the Master Contract's maximum contract price.

Deputy Mayor Glen also asked if the maximum contract price for the Master Contract included all operating and capital projects in the future, such as the Hills. Ms. Koch replied that the maximum contract price includes four years of funding based on the City's most recent financial plan. She also indicated that discussions with OMB about operating funds for upcoming fiscal years will likely result in amendments to the Master Contract. Ms. Effron then asked if there were any additional projects besides the Hills that would require future financial investment. Ms. Koch responded that the Hills, its maintenance, and some other capital maintenance work on the Island would require further financial investment by the City.

Janno Lieber then asked if the proposed Master Contract advances the Mayor's vision for the future of Governors Island. Ms. Koch answered that the Master Contract represents a baseline of the current state of the Island. There are other sources of future financial needs, such as capital maintenance, and revisions to the budget will be included in amendments as they have been done with the previous Master Contract. Ms. Effron asked whether the new contract assumes no changes to the current ferry schedule and Ms. Koch answered that is correct.

At this point, Ms. Menschel welcomed Roxanne Earley, who attended the meeting as a representative from Council Member Chin's office.

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

4. Authorization to enter into a contract for the provision of Facilities Management and Construction Management Services.

Jonathan Meyers presented this item. Mr. Meyers explained that The Trust's current Facilities Management and Construction Management ("FM/CM") Contract with Turner

commenced in 2003 and that The Trust procured this contract again in 2009. Mr. Meyers explained that the current Turner FM/CM Contract is due to expire on June 30, 2016.

As a result, in December 2015 The Trust issued a Request for Proposals (“RFP”) to pursue a new FM/CM contract, which included a detailed scope of services released to a variety of firms throughout New York City. The Trust received three responses to the RFP on January 28, 2016. Mr. Meyers explained that The Trust’s selection committee conducted on-Island interviews for the three respondents and called references for each company.

Mr. Meyers then stated that the Selection Committee unanimously recommended the selection of LiRo Program and Construction Management, PE P.C. (“LiRo”) as the new FM/CM contractor, based on pricing, experience, and staffing ability.

Mr. Meyers explained that LiRo, as part of a joint venture with STV, has been working the past three years on Governors Island, serving as resident engineer for The Trust. He further noted that the resident engineering contract is due to expire on January 1, 2017 and will therefore need to be reprocured. Mr. Meyers then noted that LiRo’s joint venture with STV will be precluded from bidding on the new resident engineer RFP for on-call services to ensure that there is no conflict of interest between our FM/CM contractor and our resident engineer.

The Trust now seeks Board authorization to enter into a contract with LiRo, as the lowest responsible bidder, for FM/CM services so that the contract may be approved and signed prior to July 1st when Turner’s current contract expires. The Trust also seeks authorization to enter into a notice to proceed to spend up to \$300,000 to pay for costs incurred during the period of transition from Turner Construction to LiRo.

Ms. Koch noted that Turner still holds a number of contracts, including contracts to finish the Hills, and that The Trust will ensure a smooth transition from Turner that does not interfere with the timeline of the Hills project. She also explained that the LiRo contract will have a five year term and, as such, The Trust has considered LiRo’s ability to perform FM/CM services in the Island’s current state, as well as LiRo’s ability to adapt to potential changes in capital maintenance and operations of the Island over the course of the contract.

Mr. Meyers further explained that The Trust has included provisions in all of the current subcontracts, such as security and ferry services currently held by Turner, which enable The Trust to assume all of the subcontracts and then assign them to LiRo.

Mr. Lieber noted that he spent time with Trust staff on the FM/CM procurement and supports the selection of LiRo and The Trust’s decision to pay LiRo a multiplier of its staffing costs.

Ms. Efron also commended the process by which The Trust procured LiRo and the presentation of the procurement process at the meeting. She also noted a concern that LiRo’s office is located in Syosset, Long Island which is a distance from New York City.

Mr. Schick asked whether the Board will receive notifications as to extension of the LiRo contract term after the initial five year period. Mr. Meyers replied that The Trust will provide updates annually as it will seek to amend the LiRo contract to reflect any budgetary changes and that The Trust will again seek Board authorization to exercise an option to extend the contract after the initial five year term.

Ms. Menschel asked how The Trust will reprocure a resident engineering firm. Mr. Meyers responded that The Trust is in the process of reviewing a number of options and that there are currently a limited number of ongoing projects on Governors Island. In addition, Mr. Meyers noted that LiRo is a separate legal entity from the resident engineering firm, LiRo/STV, and that there are separate people who will be dedicated to the FM/CM contract. Ms. Koch then

asked Mr. Meyers to meet with Mr. Lieber about the reprocurement of a resident engineer. Mr. Meyers agreed.

Ms. Menschel also asked about how the Board authorization to spend up to \$300,000 with LiRo will be spent and how The Trust will ensure that none of those monies will be spent on the resident engineering services. Mr. Meyers explained that the \$300,000 in the notice to proceed would mostly go into staffing for reviewing current contracts and procuring new contracts to ensure a smooth transition from Turner.

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

#### 5. Presentation by National Parks of New York Harbor

Joshua Laird, NPS Commissioner for the New York Harbor, made a presentation featuring the Governors Island National Monument, which includes two assets named Castle Williams and Fort Jay, and explained that it is the job of the NPS to preserve and act as stewards for these historical structures. He then discussed the future of NPS and its collaborative relationship with Governors Island, specifically working more closely with The Trust in streamlining how the Governors Island monument will be maintained through the cooperative management agreement with The Trust. He noted that the amount of NPS funds allocated to The Trust has continued to increase with time, which he stated represents a concerted effort by NPS to maximize efficiency.

Ms. Koch noted that NPS and The Trust will continue to discuss all aspects of joint and parallel operations and maintenance for capital preservation for Governors Island to ensure a seamless visitor experience. Ms. Koch noted that some of the ongoing discussions between The Trust and NPS may be reflected in future board items as sources of revenue and amendments to the cooperative management agreement The Trust currently has with NPS.

Ms. Effron asked whether there are trends noted by NPS in terms of visitorship to Governors Island. Mr. Laird noted that visitorship to historic homes and civil war monuments across the United States is declining but visitorship to Governors Island is increasing as a whole. Ms. Effron also asked if NPS works with the Student Conservation Association (“SCA”) on Governors Island. Mr. Laird confirmed that NPS uses SCA volunteers to run programs around New York City.

Ms. Menschel asked whether NPS is looking into any capital projects on Governors Island. Mr. Laird noted that NPS is currently working on preservation projects at Castle Williams and Fort Jay and will work on a more fulsome restoration of the barrack buildings inside For Jay on Governors Island in the future.

#### 6. President’s Report

Ms. Koch began her President’s Report by referencing the Mayor’s State of the City address and discussed the implications of the address on the future development of Governors Island. Ms. Koch noted that Mayor DeBlasio’s plan is to redevelop Governors Island to be a creative innovation hub for entrepreneurs and academics with broad, diverse, and year-round uses. She discussed the goal of year-round activation of Governors Island, which she explained would help maximize the island’s potential as a hub for educational, entrepreneurial, and recreational activity. Ms. Koch also discussed that The Trust is working very closely with the

New York City Economic Development Corporation (“EDC”) to maximize the potential of this opportunity and together, The Trust and EDC plan to issue an RFP for redevelopment. She then thanked the board for its contribution to the transformation of Governors Island and preparations for the Island’s future.

Ms. Koch also announced that the majority of the capital programs that commenced in 2011 are complete, with the Hills officially opening in either June or July of 2016. There are future phases of infrastructure that will take place on the south of the Island. Like past seasons, The Trust will continue to open up the Island to the public with programming available on a seasonal basis.

Deputy Mayor Glen then noted it is a testament to everyone involved with Governors Island that the Island will now move into its next phase of development, melding the historic buildings with kinds of changes that the New York economy has sustained. Deputy Mayor Glen stated that the Island will blend the historic with new and innovative growth. She then stated that the goal is to make Governors Island financially sustainable.

7. 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, at this time, Ms. Menschel entertained a motion to adjourn the meeting. The motion was seconded, and the meeting was adjourned.