

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 22, 2019

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 22, 2019, at City Hall in New York, New York.

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

Cheryl Effron, Acting Chairperson
Margaret Chin
Catherine Hughes
Patrick Kennell
Ben Lawsky
Susan Mercandetti
Kevin Ryan
Tokumbo Shobowale
Daniel Squadron

Also present were staff from The Trust, the Mayor’s Office, and The Friends of Governors Island (“FGI”).

Cheryl Effron started the meeting by welcoming the Board and asking Marni Friedlander to confirm that a quorum was present, to which she responded affirmatively. Ms. Effron noted that since Carl Weisbrod, the Board Chairperson, was unable to attend, she would act as Chairperson for this meeting.

1. Approval of the minutes of meeting of Directors held on October 16, 2018

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

2. Chairperson’s Report

Ms. Effron delivered a brief Chairperson’s report to the Board, stating that the Real Estate and Programming committees had a joint meeting on January 17, 2019, at the New York City Economic Development Corporation’s offices. Ms. Effron noted that this was a very productive meeting and that she will discuss it further when she gives the Real Estate Committee report.

3. Programming Committee Report

Susan Mercandetti, Chair of the Programming Committee, noted that the Programming and Real Estate Committees met to review the new Sam Van Aken art project, known as the Open Orchard, as well as the agreement with Michael Arenella to produce a jazz festival, which has been hosted on Governors Island for many years. Ms. Mercandetti indicated that the committees were very excited to about the Sam Van Aken project as it is very much aligned with The Trust's mission of environmental stewardship. Ms. Mercandetti noted that the Programming Committee supported the passing of both action items.

Hearing no questions, Ms. Effron proceeded to discuss the voting items.

4. Authorization to enter into a two-year license agreement with Michael Arenella Presents to host a jazz festival

Michael Samuelian, President of The Trust, presented this item. Mr. Samuelian noted that the Jazz Age Lawn Party is a jazz festival that has been hosted on Governors Island since 2005. Mr. Samuelian requested that the Board approve the execution of a two-year license agreement with Michael Arenella. Mr. Samuelian stated that The Trust is implementing a new strategy to enter into long term agreements with vendors with a proven track record, like Michael Arenella.

Tokumbo Shobowale asked how many programs The Trust currently plans on hosting for the 2019 Public Access Season and what is the goal to which Mr. Samuelian responded that The Trust aims to host at least one large event per month during the public access season and that there is a maximum number of events The Trust is able to host on Island at a time. He further noted that Michael Arenella has been a great partner and that Jazz Age is an iconic event.

Hearing no further questions, a motion to approve entering into a two-year license agreement with Michael Arenella Presents, LLC was made, seconded, and unanimously adopted. Ms. Effron then asked Mr. Samuelian to present the final voting item.

5. Authorization to enter into a three-year license agreement with Sam Van Aken Studios ("Sam Van Aken") to produce an art commission

Michael Samuelian presented this item. Mr. Samuelian requested the Board to authorize The Trust to enter into a three-year agreement with Sam Van Aken to create a project called the Open Orchard and offer related public programming (the "Project"). This will be a Trust produced commission.

The Project will consist of the planting of 200 grafted fruit trees which will act as a living archive of extinct fruit species in New York, addressing issues of climate change. He further stated that this Project merges The Trust's values including environmental stewardship and related education. Mr. Samuelian informed the Board that The Trust has not yet secured full funding for the Project and that the Project is contingent upon funding.

Daniel Squadron asked what the total budget is for the Project to which Mr. Samuelian responded \$600,000. Ms. Effron noted that this item was vetted by the Programming and Real Estate committees and that it has the full support of both committees. Catherine Hughes also indicated her support for this Project as it serves as a great environmental initiative by The Trust.

Hearing no further questions, a motion to approve entering into a three-year license agreement with Sam Van Aken was made, seconded, and unanimously adopted. Ms. Effron then proceeded with the Real Estate Committee report.

6. Real Estate Committee Report

Ms. Effron reported that the Real Estate Committee, along with the Programming Committee, met to discuss The Trust's progress marketing the real estate available on the North Island as well as the rezoning of the South Island. Ms. Effron noted that there is nothing to report concerning the rezoning as it is progressing as anticipated.

Ms. Effron stated that the Real Estate Committee reviewed the next two voting items on the day's agenda, and the committee supports the approval of both items.

7. Authorization to enter into a five-year license agreement with American Scooter & Cycle Rental Inc. d/b/a Blazing Saddles and Tours ("Blazing Saddles") for the provision of bicycles and other non-motorized recreational equipment

Alexis Offen, Chief Operating Officer, presented this item. Ms. Offen stated that The Trust is seeking authorization to enter into a five-year agreement with Blazing Saddles, the vendor that has operated the bicycle concession on Governors Island for the past five years.

The Trust issued an RFP in October 2018 seeking proposals; The Trust received a total of three. Based on the selection criteria, The Trust selected Blazing Saddles as it offered the most competitive fees and a wide array of community benefits. Ms. Offen noted that the Real Estate committee agreed with this selection.

Blazing Saddles will be paying The Trust the greater of \$300,000 or 30% of gross receipts, a significant increase from their previous contract, which was the greater of \$97,500 or 22% of gross receipts. Ms. Offen noted that Blazing Saddles has and will continue to offer bicycles, tandems and surreys and will now offer other non-motorized vehicles such as scooters and inline skates. Ms. Offen further stated that Blazing Saddles is expanding upon its free bicycle rental program to include free adult cruisers and children's bicycles for one hour from Monday through Friday between 10 am to noon each day. Blazing Saddles will also offer discounts to day camps and school groups.

Mr. Shobowale asked whether Blazing Saddles traditionally paid The Trust the revenue share or the flat fee. Willa Padgett, The Trust's Chief Financial Officer, responded that payment was made through a revenue share. Ms. Effron also asked whether, if the season is extended on Governors Island, Blazing Saddles will continue to operate. Mr. Samuelian responded yes and noted that having a revenue share as part of the agreement is beneficial in times when The Trust extends the public access season. Daniel Squadron asked whether Blazing Saddles made the best

financial offer to which Ms. Offen responded yes. Margaret Chin inquired as to whether Blazing Saddles will offer discounts to senior citizens to which Ms. Offen responded that The Trust will inquire as to that opportunity.

Hearing no further questions, a motion to approve entering into a five-year license agreement, with one, five-year option to renew with Blazing Saddles was made, seconded, and unanimously adopted.

8. Authorization to enter into a contract with Herrick Feinstein LLP (“Herrick”) for on-call real estate services for a three-year term and a not to exceed price of \$250,000

Ms. Friedlander presented this item. Ms. Friedlander began by noting that The Trust is seeking authorization to retain Herrick Feinstein to assist The Trust with negotiations with potential tenants for the North Island.

She noted that the previous contract with Shearman and Sterling LLP expired in October, 2018 and, as a result The Trust issued an RFP for on call real estate legal services. The Trust received four responses to the RFP and discussed the proposals with the City Law Department which approves all of The Trust’s retention agreements with outside counsel. Ms. Friedlander further noted that based on the review of the proposals by both The Trust and the City Law Department, The Trust requests authorization to enter into an agreement with Herrick Feinstein for on-call real estate services for a three-year period with an extension option. Ms. Friedlander noted that Herrick Feinstein’s hourly rates were the most competitive and Herrick has significant experience in the real estate community.

Hearing no questions, a motion to approve entering into a three-year agreement with Herrick Feinstein was made, seconded, and unanimously adopted.

9. Executive Session

Before proceeding with the President’s Report, Ms. Effron requested a motion to go into Executive Session in order to discuss a pending litigation matter. The motion was seconded and approved, and the Board entered Executive Session. Following the discussion of a pending litigation matter, a motion to adjourn Executive Session was made, seconded and approved.

10. President’s Report

Mr. Samuelian began his President’s Report by informing the Board that The Trust has entered into a one-year agreement with FGI and that The Trust will begin longer term discussions with FGI later this year. He further noted that FGI has made significant contributions to the Island as it runs the volunteer program, hosts a fundraising gala and has provided significant monies to The Trust for continued stewardship of the Island.

Mr. Samuelian next announced the release of The Trust’s second annual report which highlighted a successful public access season as well as notable accomplishments including expanded access to the Island. Mr. Samuelian stated that visitation for the past year was slightly

down from the previous year which may be due to weather but that with the increased ferry service through city-wide ferry, visitors from boroughs other than Manhattan, such as Queens, have increased.

Mr. Samuelian also noted that there was an increase in the number of evening activities and overnights, such as the Friday night film series which attracted over 2,000 people and Collective Retreats, which hosted approximately 5,000 guests overnight.

Mr. Samuelian briefly spoke about The Trust's partnership with New York University's Center for Urban Science and Progress program, which is monitoring environmental data within the park. He noted that The Trust has learned that the Island's air is cleaner, it is quieter and cooler than any other area in the city. He also noted The Trust's mission of environmental stewardship which includes its composting program and its commitment to the Billion Oyster Project to restore oysters into the New York Harbor.

Mr. Samuelian continued by addressing The Trust's commitment to arts and culture, noting the Jacob Hashimoto exhibition and the continued activation of two dozen houses in the Historic District.

He also updated the Board on the status of the new ferry and two construction projects on the Island, one for Building 110 and the other for 20 Nolan Park. The new boat is scheduled to arrive in May, 2019. The Trust completed an exterior renovation project on Building 110, which will be open to the public in the Fall, 2019. The Trust is also renovating 20 Nolan Park to offer gallery and exhibition space as well as future offices or artist studio apartments. Mr. Samuelian also noted that the rezoning of the South Island is progressing as expected.

Last, Mr. Samuelian announced that Kevin Ryan is resigning from The Trust Board and wished him well in his future endeavors.

11. Public Comment and Adjournment

Following Mr. Samuelian's report, Ms. Effron asked if any member of the public had a statement to make. Merritt Birnbaum, Executive Director of FGI, thanked the Board for its contributions to FGI's fundraising efforts and thanked the Board for continuing to support its relationship with FGI.

Following Ms. Birnbaum's comments, Ms. Effron entertained a motion to adjourn the meeting. The motion was seconded and unanimously approved, and the meeting was adjourned.