

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

June 23, 2021

The meeting of the Board of Directors of Governors Island Corporation d/b/a The Trust for Governors Island (the “Trust”) was held on Wednesday, June 23, 2021 in-person on Governors Island and via Zoom.

The following members of the Board of Directors of the Trust were in attendance:

Alicia Glen, *Chairperson*

Alice Blank
Carolee Fink
Lisa Garcia
Guarav Kapadia
Patrick Kennell
Ben Lawsky
Grace Lee
Susan Mercandetti
Daniel Neidich
Michael Oppenheimer
Tokumbo Shobowale
Daniel Squadron
Matthew Washington
Carl Weisbrod

Also present were Trust staff, The Friends of Governors Island (“FGI”) and members of the public.

Chairperson Alicia Glen started the meeting by welcoming the Directors and asking Ms. Marni Friedlander, the Trust’s Secretary, to confirm that a quorum was present, to which she responded affirmatively.

Ms. Glen proceeded to welcome the Directors and took a moment to appreciate the recent expansion of the Board of Directors, which has enabled the Trust to add to its already vast collection of expertise.

Ms. Glen then introduced the first voting item.

1. Approval of the Minutes of the Meeting of Directors held on April 21, 2021

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

2. President's Report

Ms. Clare Newman began her report by giving some updates about the 2021 Public Season. Despite the pandemic, the Trust's season started on time with strong visitorship to date. Ms. Newman stated that between July 4, 2021, and September 7, 2021 (Labor Day), the Island will be open for late nights on Fridays and Saturdays.

She continued by noting that there are several events scheduled for this year, including Jazz Age and Global Champions. These events will help generate revenue for the Island.

Ms. Newman noted that arts-focused programming has commenced and that LMCC Arts Center reopened on June 12, 2021. In addition, the New Art Dealers Alliance (NADA) expanded to take over five houses along Colonels Row, filling the rooms and front lawns with work by over 100 contemporary artists in partnership with galleries, independent non-profits, and artist-run spaces from around the world. There is also a new mural at the Battery Maritime Building, "Not for Nutten" by artist Duke Riley, which adorns the waiting room and was created under a 2021 Public Art Commission.

Ms. Newman then highlighted that there are five sheep summering on the Island to graze invasive plants in Hammock Grove. She thanked the Operations and Horticulture teams for coming up with an innovative way to address invasive species on the Island.

Mr. Squadron asked how having two ferry landings in Brooklyn is changing overall ridership numbers from Brooklyn as compared with one stop in years past. Ms. Newman stated that the numbers will be available at the end of the season and will be shared with the Board.

Ms. Newman continued her report by discussing the rezoning of the South Island, which concluded on May 27, 2021, after three years of work and two decades of planning. She thanked Trust staff, including Chris Tepper and Sarah Krautheim, for all the hard work.

Ms. Lisa Garcia then asked when the rezoning will take effect to which Ms. Newman responded that the new zoning is now effective and that the Trust is proceeding with the plans for a climate center on Island.

Ms. Glen complimented all that have been involved across government and the public sector for this extraordinary achievement and expressed excitement for the blueprint for developing the Island in a responsible way and creating a sustainable and accessible open space for New Yorkers.

3. Committee Reports

Ms. Glen asked Mr. Tokumbo Shobowale to present the Finance Committee report.

Finance Committee Report

Mr. Shobowale stated that the Finance Committee met and reviewed the capital and operating budgets for FY 2022. He then noted that City funds represent 70% of the overall budget whereas five years ago City funds represented 90% of the overall budget. Mr. Shobowale lauded the efforts of Trust staff in the budget process and concluded by stating that the Trust is advancing its long-term goal of being more financial sustainable.

Ms. Glen then asked Ms. Carolee Fink to present the Real Estate Committee report.

Real Estate Committee Report

Ms. Fink stated that the Real Estate Committee met on June 10, 2021. They discussed the proposed lease for Building 309, the planned roof repairs for Liggett Hall, and the FY 2022 Capital budget. Ms. Fink also stated that the committee had a conversation about the Climate Center.

Ms. Glen then asked Ms. Friedlander to present the next voting item.

4. Appointments to Trust Board Committees

Ms. Friedlander informed the Board that pursuant to Section 6.01 of the bylaws, members of each committee shall be appointed to committees by the Trust's Chairperson. She noted the following: the Executive Committee has no changes, the Audit Committee added Matthew Washington, the Governance Committee added Alice Blank, the Programming Committee added Alice Blank, Lisa Garcia and Michael Oppenheimer and the Real Estate Committee added Donnel Baird and Matthew Washington.

Ms. Glen asked if there were any questions or comments; hearing none, a motion to approve the appointments was made, seconded, and unanimously adopted. Ms. Glen asked Ms. Friedlander to present the next voting item.

5. Authorization to enter into Master Contract with the City of New York

Ms. Friedlander informed the Board that it previously authorized the Trust to enter into a four-year Master Contract with the City of New York with a one-year option to renew was in 2016. She further stated that the current contract will expire on June 30, 2021. The Master Contract provides, amongst other things, expense and capital funding, legal representation, and indemnification. She further stated that the Master Contract price is \$190,430,000 with a 4-year term.

Ms. Glen asked if there were any questions or comments.

Mr. Weisbrod stated that if amount of the Master Contract is subject to annual appropriation, then the Master Contract cannot be registered until the City approves its budget and any annual budget thereafter, to which Ms. Friedlander confirmed that the budget is subject to annual appropriations.

Ms. Garcia asked the reason for the 4-year term to which Ms. Newman responded that there is a 4-year forecast in the City's operating budget.

Hearing no further questions, a motion to approve the authorization to enter into Master Contract with the City of New York was made, seconded, and unanimously approved.

Ms. Glen then asked Ms. Newman to present the next item, the FY 2022 operating budget.

6. Approval of the FY 2022 Operating Budget

Ms. Newman stated that earned revenue has increased and that with a full Public Season in 2021, earned revenues are projected to continue to increase.

Subsequently, Ms. Newman stated that the Island received a second Paycheck Protection Act loan which is expected to be forgiven like the first loan that the Trust received. She concluded by stating that the Trust is presenting a fully balanced budget for this next fiscal year.

Ms. Glen asked if there were any questions or comments; hearing none a motion to approve the operating budget, as submitted, was made, seconded, and unanimously adopted.

7. Approval of the FY 2022 Capital Budget

Ms. Glen asked Chris Tepper, Chief Development Officer, to present the FY 2022 Capital Budget.

Mr. Tepper stated that there is a 10-year capital plan with the City and pursuant to the Trust's Bylaws, the Trust each year requests approval of its capital budget. He further stated that this year, the City will provide \$53 million to fund capital projects, including \$25.5 million for maritime transportation infrastructure projects, including the new freight vehicle ferry, \$16.2 million for utility infrastructure projects, including the new fire suppressant and sewer system, and \$11.6 million for building redevelopment and stabilization projects in the Historic District.

Ms. Glen asked if there were any questions or comments; hearing none, a motion to approve the capital budget, as submitted, was made, seconded, and unanimously adopted. Ms. Glen asked Mr. Tepper to present the next voting item.

8. Authorization to enter into a contract for roofing project

Mr. Tepper began by noting that this project will be a complete reconstruction of the roof at Section O of Liggett Hall and the contractor will provide a 30-year warranty. He noted that LiRo Program and Construction Management, PE, P.C. ("LiRo") issued a Request for Proposals ("RFP") and received 7 responses. LiRo is in the process of reviewing the proposals. The potential contractors are: A.B.C.D. Construction Corp., LoDuca Associates, Inc., Echostar Construction, Inc. and Dafash Global Resources Inc. The contract with a vendor will be held by LiRo with oversight by Trust staff and will have a maximum contract price of \$1,860,000 with change order authority of up to 15% of the maximum contract price.

Ms. Glen asked if there were any questions or comments; hearing none a motion to approve, which was seconded and unanimously adopted. Ms. Glen asked Mr. Tepper to present the next item.

9. Authorization to enter into a lease agreement for Building 309

Mr. Tepper noted that the Trust is seeking Board approval to enter into a lease for Building 309 with Intrepid Fox, Inc. ("Intrepid"), to provide food and beverage service with an accessory whiskey distillery. The lease will have a 20-year term with a ten-year extension term at Intrepid's option.

Ms. Blank asked if the distillery will be open year-round. Mr. Tepper confirmed.

Mr. Weisbrod asked if the tasting room was only open during the Public Season. Mr. Tepper confirmed.

Ms. Blank asked what other amenities will be offered and whether they will take up the entire lot. Mr. Tepper stated that they will be building porch on both sides of the building where there will be outdoor dining as well spaces for live music. Mr. Washington asked whether Building 309 is in the Historic District to which Mr. Tepper responded yes.

Ms. Glen asked if there were any other questions or comments; hearing none a motion to approve was made, seconded, and unanimously adopted. Ms. Glen asked Ms. Jenny Staley, Vice President of Facilities & Operations, to present the next voting item.

10. Authorization to enter into a contract for maintenance and porch repairs

Ms. Staley noted that on May 11, 2021, the Trust issued an RFP to its five on-call general contractors and received five proposals to perform porch and gutter repair, replacement and maintenance. The Trust has selected Mamais Construction, a Women Owned Business Enterprise, as the lowest, most responsible bidder. The maximum contract price will be \$300,000 with change order authority of up to 15% of the maximum contract price.

Mr. Weisbrod asked why only porches and gutters were singled out for repair. Ms. Staley responded that they are a priority because the houses are utilized by programmers during the Public Access season and the repairs are for safety. Ms. Glen asked whether the repair was for cosmetic purposes. Ms. Newman stated that these repairs will maintain the structural integrity of the houses for prevention of long-term deterioration.

Ms. Glen asked if there were any other questions or comments; hearing none a motion to approve was made, seconded, and unanimously adopted.

11. Executive Session

Ms. Glen then asked for a motion to go into Executive Session pursuant to the Public Officers Law, Article 7, Section 105(1)(h). This provision allows the Trust to go into an executive session to discuss a proposed lease of real property when publicity would substantially affect the value thereof. The motion was seconded and approved. The executive session began at 10:50 A.M. and ended at 10:53 A.M. No actions were taken.

12. Director Questions and Comments

Ms. Glen then asked if any Directors had additional questions or comments. There were none.

13. Public Comment and Adjournment

Ms. Glen then asked if anyone from the public had a statement to make.

Merritt Birnbaum, Executive Director of FGI, expressed thanks for the Board for their continued support of the work FGI performs. She continued by noting that FGI's Board has expanded with two new members. It met recently and approved its FY 2022 Budget, which includes \$1.9 million for FY 2022 and \$625,000 in grants to the Trust, which provides the salary for horticulture staff and funding arts and culture. She noted that the 2021 Public Season closed out in a better financial situation than last year.

Ms. Birnbaum highlighted the High School Internship Program and explained that ten new students will be working in the Welcome Center and already four have started during the Public Season. Ms. Birnbaum stated that volunteer hours are way up in comparison with last year.

Ms. Birnbaum advised the Board that the Island's first ever Bronx Day was hosted last week. She concluded by stating she hopes more free programs such as this can happen in the future.

Ms. Glen asked if there any other public questions or comments; hearing none, Ms. Glen entertained a motion to adjourn the meeting, which was seconded and unanimously approved, and the meeting was adjourned.

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