

# 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 8, 2022

The meeting of the Board of Directors (the “Board”) of Governors Island Corporation d/b/a The Trust for Governors Island (the “Trust”) was held on Tuesday, March 8, 2022 via Zoom.

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

Alicia Glen, *Chairperson*

Alice Blank

Carolee Fink

Karen Brooks Hopkins

Patrick Kennell

Benjamin Lawskey

Grace Lee

Susan Mercandetti

Daniel Neidich

Michael Oppenheimer

Tokumbo Shobowale

Daniel Squadron

Carl Weisbrod

Also present were Trust staff and members of the public.

Chairperson Alicia Glen started the meeting by welcoming the Directors and informing them that Marni Friedlander, General Counsel for the Trust and Secretary for the Trust’s Board, has recently resigned. She thanked Marni for her years of service to the Trust and Governors Island (the “Island”). She continued by stating that Ms. Megan Hood of the New York City Law Department has been serving as interim General Counsel for the Trust. Ms. Glen then asked Ms. Hood to act as the Trust’s Secretary and to confirm that a quorum was present to which Ms. Hood responded affirmatively.

Ms. Glen then introduced the first voting item.

1. Approval of the Minutes of the Board of Directors on December 8, 2021

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

Ms. Glen then asked Ms. Clare Newman, President & CEO, to present the President’s Report.

## 2. President's Report

Ms. Newman began her report by informing the Board that QC Terme Spa is now open on the Island.

She continued by providing a brief overview of the Island's first winter season in its history. She reminded the Board that the Trust opened a winter village (the "Winter Village") in Colonel's Row which was open daily between late December and February. The Winter Village included fire pits, outdoor games, pop-up activities, food and beverage service, and an ice-skating rink. Ms. Newman continued by stating that the Island welcomed nearly 70,000 visitors during this time, including 6,500 skaters in the Winter Village.

Ms. Newman also informed the Board that, as part of the Winter Village, the Trust put out a call for proposals for ice sculpture artists to participate in an ice sculpture carving contest put on in partnership with Lower Manhattan Cultural Council.

Ms. Newman next informed the Board that NYC Ferry launched ferry service to the Island on the South Brooklyn route on January 28, 2022. She stated that the Island saw 7,500 ferry trips in the first month of service.

Ms. Newman next provided the Board with a brief update of the Trust's Public Art Commission. She informed the Board that the Trust will continue to work with the Programming Committee to spearhead the public art offerings on the Island and fundraising.

She reminded the Board that Sam Van Aken's *The Open Orchard* will open in April. She continued by stating that each tree planted as part of the *The Open Orchard* also has a twin which will be distributed to community gardens throughout the five boroughs in partnership with NYC Parks Greenthumb.

Ms. Newman next informed the Board that the Island will be presenting the largest public artwork in its history, *Moving Chains* (the "Artwork") by Charles Gaines (the "Artist"), in partnership with Creative Time in the summer. She continued by stating that the work will be displayed on the Island for about year and will then go on tour nationwide. She concluded by stating that the partnership agreement with Creative Time is a voting item going before the Board later today.

## 3. Committee Reports

Ms. Glen then asked Ms. Susan Mercandetti, Chair of the Programming Committee to present a brief report.

### Programming Committee

Ms. Mercandetti began her report by stating that the Programming Committee met on March 1, 2022 and discussed the upcoming spring and summer seasons, the rollout of Governors Island Arts, and the two voting items going before the Board later today. The committee also discussed potential sponsorship opportunities and cultural partnerships. She finished by stating that the committee is working hard to figure out ways to advance upcoming projects on Governors Island.

Ms. Glen then asked Ms. Carolee Fink, Chair of the Real Estate Committee, to present a brief report.

### Real Estate Committee Report

Ms. Fink began her report by stating that the Real Estate Committee met on March 3, 2022 and discussed the Collective Hotels and Retreats lease voting item going before the Board later today and the Trust's two-year real estate disposition strategy. Ms. Fink also stated that the committee discussed the Infrastructure Investment and Jobs Act and how the Trust can best utilize it for the Island's advantage.

Ms. Glen then asked Mr. Benjamin Lawsky, Chair of the Audit Committee, to present a brief report.

### Audit Committee Report

Mr. Lawsky began his report by stating that the Audit Committee met on March 2, 2022 and that the Trust had been notified on February 28, 2022 that its second Paycheck Protection Program loan had been forgiven by the Small Business Administration. He continued by stating that the committee reviewed the Marks Paneth LLP ("Marks Paneth") audit reports, including the Trust's Form 990, which contained no material deficiencies. Mr. Lawsky continued by stating that Marks Paneth conducted a concessions audit of American Scooter and Cycle Rental d/b/a Blazing Saddles ("Blazing Saddles"), Salmon East Seven Corp. ("Little Eva's") and Collective Hotels and Retreats, Inc. ("Collective Retreats") to determine whether revenue reporting and payments to the Trust between July and October 2021 were accurate. Marks Paneth has found no material deficiencies in revenue reporting from Blazing Saddles and Little Eva's and will complete its audit of Collective Retreats' revenue reporting soon. Mr. Lawsky concluded by advising the Board that the committee also discussed the Trust's broader cybersecurity strategy following an IT audit by Marks Paneth to which Marks Paneth found no material deficiencies or weaknesses. He stated that the Trust plans to issue a Request for Proposals for an IT consultant in the spring.

Ms. Glen then asked Mr. Chris Tepper, Chief Development Officer, to present the second voting item.

#### 4. Authorization to enter into a lease agreement for a portion of the Western Development Zone

Mr. Tepper began by requesting authorization for a lease agreement with Collective Retreats. Mr. Tepper reminded the Board that the Trust has an existing three-year agreement with Collective Retreats to provide overnight accommodations within a portion of the Western Development Zone with a rental fee structure based on a percentage of actual gross revenues collected. He explained that the Trust recently received an appraisal of the Premises taking into consideration the proposed use under the lease which determined that the fair market value was \$0.91 per square foot per year and that the expected rent is higher than appraised value. He continued by stating that the renewal terms are substantially the same rent terms as the existing agreement. He also noted that Collective Retreats' season would be extended under the new Lease.

Mr. Tokumbo Shobowale asked whether the Trust has a sense of whether Collective Retreats has long-term investment prospects on the Island.

Mr. Tepper replied that Collective Retreats is a national brand that continues to grow and has an interest in staying on the Island.

There were no further questions or comments. Hearing no further questions, a motion was made to authorize the Trust to enter into an approximately 30-month lease agreement with Collective

Retreats to operate overnight accommodation services and food and beverage services in accordance with the material lease terms provided by the Trust. The motion was seconded and unanimously adopted.

Ms. Glen then asked Ms. Sarah Krautheim, Vice President of Public Affairs, to present the third voting item.

5. Authorization to enter into a partnership agreement for development of a public arts project

Ms. Krautheim began by reminding the Board that the Trust oversees art and cultural programming on the Island through several initiatives. She continued by stating that the Trust's website invites artists and cultural organizations to submit proposals on a rolling basis for the commissioning of public artwork on the Island.

Ms. Krautheim informed the Board that Creative Time, a non-profit arts organization, proposed a partnership with the Trust to co-curate, co-fabricate, co-produce and co-present the Artwork. She continued by stating that the Trust and Creative Time plan to enter into a partnership agreement outlining their respective responsibilities related to the co-development of the Artwork as well as related programming. She concluded by stating that the Artwork would be presented on the Island for a limited engagement in 2022.

Ms. Krautheim also stated that the Artwork and its programming will be funded solely by collaborative fundraising by the Trust and Creative Time, and, that no unrestricted capital or operations dollars would be committed to the production of the Artwork or its programming on the Island.

Mr. Lawsky asked if the Trust could permanently reclaim the Artwork.

Ms. Krautheim replied that the Trust could discuss with Creative Time whether a return to the Island following the Artwork's national tour is possible.

Ms. Newman noted that the Trust anticipates the Artwork will eventually be housed permanently in a third-party arts and cultural venue (or similar) and, in such case, the Trust may be able to reclaim initial investment funds for the production of the Artwork on the Island.

In response to inquiry by Ms. Karen Brooks Hopkins, Ms. Newman affirmed that the Artwork would be the anchor to which the Trust will announce Governors Island Arts.

Ms. Newman also noted that the Artwork is expected to open on the Island in June or July of 2022.

Ms. Mercandetti noted the importance of promoting the Island as a whole, rather than artwork on its own.

In response to numerous comments regarding fundraising, Ms. Glen suggested that the Programming Committee further discuss how the Trust could structure an arts endowment. She also noted that increasing fundraising efforts would be addressed at the next meeting of the Directors.

There were no further questions. Hearing no further questions, a motion was made to authorize the partnership agreement with Creative Time, with a fundraising contribution amount not to exceed \$2,000,000 by the Trust, to the extent such funds are raised by the Trust. The motion was seconded and unanimously adopted. Mr. Daniel Neidich recused himself from discussions and the vote on this item.

Ms. Glen then asked Ms. Krautheim to present the fourth voting item.

6. Authorization to increase the maximum contract price for public relations services

Ms. Krautheim began by reminding the Board that the Trust is responsible for all public relations, communications and press activities related to the Island and its mission, and, following the announcement of Governors 365 on September 28, 2021, will require additional support with its public relations efforts. She continued by stating that the Board had previously authorized the Trust to enter into a contract with Risa Heller Communications on January 29, 2020 with a two-year term for a maximum contract price of \$240,000. She continued by stating that while the Trust had previously received authorization for a one-year option extension to the contract, the maximum contract price must be increased to allow for the extension. Ms. Krautheim noted that the contract rate continues to be \$10,000 per month.

There were no questions or comments. Hearing no further questions or comments, a motion was made to authorize an increase in the maximum contract price for the Trust's contract with Risa Heller Communications by \$120,000 to a new total maximum contract price of \$360,000 plus a 15% change order allowance. The motion was seconded and unanimously adopted.

7. Executive Session

Ms. Glen then asked for a motion to go into Executive Session pursuant to Public Officers Law, Article 7, Section 105(l)(d) and (h). She noted that these provisions allow the Trust to go into an executive session to discuss pending litigation and a proposed lease of real property when publicity would substantially affect the value thereof, respectively. The motion was seconded and approved. The executive session began at approximately 10:45 am and ended at approximately 11:08 am. No actions were taken. Mr. Shobowale recused himself from the executive session.

8. Director Questions and Comments

Ms. Glen then asked if any Directors had additional questions or comments. There were no questions or comments.

9. Public Comment and Adjournment

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

Merritt Birnbaum, Executive Director of the Friends of Governors Island ("FGI"), extended her thanks to everyone involved with the development of the Winter Village. Ms. Birnbaum continued by updating the Board about FGI, including the volunteer programs which will be offered this year. Ms. Birnbaum concluded by thanking the Trust's Public Affairs team for its collaborative work with FGI in raising \$700,000 for the *Living Lab* launch program planned for the Center for Climate Solutions.

Mr. Glen then asked if there were any other comments. Hearing none, Ms. Glen next entertained a motion to adjourn the meeting. The motion was seconded and unanimously approved, and the meeting was adjourned at approximately 11:10 am.