

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 29, 2020

A meeting of the Board of Directors of Governors Island Corporation d/b/a The Trust for Governors Island (“The Trust”) was held on Friday, January 29, 2020, at 80 Fifth Avenue located in New York, New York.

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

Alicia Glen, *Chairperson*
Carolee Fink
Karen Brooks Hopkins
Catherine Hughes
Patrick Kennell
Susan Mercandetti
Daniel Neidich
Tokumbo Shobowale
Daniel Squadron
Carl Weisbrod

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

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

Ms. Glen then noted that there is a lengthy agenda, briefly thanked Cheryl Effron, a long-term Trust board member for her service as she recently stepped down from The Trust’s Board and introduced the first voting item.

1. Approval of the minutes of the meeting of Directors held on October 4, 2019

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. Newman delivered a brief President’s report to the Board. Ms. Newman began by noting that there will be new electric shuttles which were funded with City capital by Councilmember Chin.

Karen Brooks Hopkins asked if The Trust could look into an app where people can learn about the Island based on where they are located at the time to which Sarah Krautheim, Vice President of External Affairs, responded that The Trust offers an app but will look into whether they can adapt it to include a GPS locator option.

Ms. Newman then announced that there will be ferry service to the Island every thirty minutes this upcoming year. The new schedule will commence in April 2020.

In addition, there will be improvements to the ferry terminal including upgrades to the interior finishes, new signage and wall graphics. Dan Neidich asked how The Trust is related to the hotel to which Ms. Newman responded that there are two leases for the terminal building with the New York City Economic Development Corporation (“NYC EDC”), with one shared slip between The Trust and the hotel.

Ms. Newman further announced that The Trust continues to work on its rezoning efforts for the South Island as well as a North Island strategy, which will include three upcoming requests for proposals (“RFP”) - one for building 140 for event space, one for Nolan Park and another seeking a tenant actively engaged in environmental stewardship or climate innovation. Mr. Neidich asked who runs the RFP process to which Mr. Tepper responded The Trust.

With that, Ms. Glen then noted that the committee chairs will now present their committee reports.

3. Committee Reports

Ms. Glen then asked Carl Weisbrod, Chair of the Governance Committee to present a brief report.

Governance Committee Report

Mr. Weisbrod noted that the Governance Committee had a brief conference call on January 16 where Trust staff discussed some recent updates to the New York not for profit law that require all nonprofits to have a minimum number of three members of a corporation. He noted that The Trust had only one—the Mayor of the City of New York (“City”) – and thus The Trust will be updating the bylaws to account for this change.

Hearing no questions, Ms. Glen asked Carolee Fink to deliver the Real Estate Committee Report.

Real Estate Committee Report

Ms. Fink stated that the Real Estate committee had a meeting to discuss updates on the North Island, the RFPs Ms. Newman previously mentioned and the status of the rezoning of the South Island.

Hearing no questions, Ms. Glen asked Tokumbo Shobowale to deliver the Finance Committee report.

Finance Committee Report

Mr. Shobowale stated that the Finance Committee met and that The Trust is on track to finish the fiscal year with a balanced budget, with The Trust's new ferry contract realizing a substantial savings. He further noted that The Trust needs to work towards demonstrating how it is moving towards self-sufficiency through its budgeting process, including through the development of a reserve fund of approximately four months of operating expenses.

Hearing no questions, Ms. Glen then asked Ms. Friedlander to present the second voting item.

4. Appointments to the Real Estate and Executive Committees

Ms. Friedlander began by stating that The Trust's bylaws provide that Ms. Glen, as the Board's Chairperson, has the right to appoint committee members with the full board's consent. With that, Ms. Friedlander noted that Ms. Glen proposes the appointment of Carolee Fink as the Chair of the Real Estate Committee and as a member of the Executive Committee. No further changes are being made at this time.

Hearing no questions, a motion to approve the appointments to the Real Estate and Executive Committees was made, seconded, and unanimously adopted. Ms. Glen asked Chris Tepper, Chief Development Officer, to present the next item.

5. Authorization to amend the contract with AKRF, Inc. ("AKRF")

Mr. Tepper stated that The Trust is requesting an amendment to the AKRF contract signed in 2017 to increase the maximum contract price to \$2,269,000 and extend the contract term through June 30, 2021, to respond to additional issues raised by city agencies and to certify into ULURP in the rezoning process for the South Island. He noted that AKRF has provided services to the Island since 2006 and was involved with the North Island rezoning in 2013. He further stated that even with the contract increase, The Trust is still within its overall budget for the rezoning.

There were no questions or comments. A motion to approve the amendment to the contract with AKRF was made, seconded, and unanimously adopted. Ms. Glen asked Mr. Tepper to present the next item.

6. Authorization to amend the agreement with Collective Hotel & Retreats, Inc. ("Collective Hotels")

Mr. Tepper began by requesting authorization to amend The Trust's existing agreement with Collective Hotels, the Island's existing glamping operation, which has been on Island since 2017. Mr. Tepper stated that Collective Hotels has an existing three-year agreement, awarded after a competitive procurement. The rent structure is based on a revenue share of overnight stays and food and beverage sales.

The Trust wishes to amend its agreement with Collective Hotels to extend the agreement through December 2021 with an additional one-year option to renew at The Trust's sole discretion. In

addition, The Trust wishes to amend the community benefits section of its agreement to require Collective Hotels to make all accommodations on its site available for free or at reduced rates one night per month. Collective Hotels will also be required to make additional upgrades and improvements to wayfinding signage.

Susan Mercandetti asked how Collective Retreats performed to which Mr. Tepper responded well but that they wish to improve their food and beverage sales as well as the number of large groups renting the site. Ms. Hopkins asked whether The Trust has approval rights to any aesthetic changes to the site to which Mr. Tepper responded affirmatively. Daniel Squadron asked whether The Trust is involved in the selection of the non-profit offered accommodations through the community benefit agreement to which Ms. Krauthem responded yes and that the YMCA was recently one of the nonprofits.

There were no further questions or comments. Hearing no further questions, a motion to approve the contract amendment with Collective Hotels was made, seconded, and unanimously adopted. Ms. Glen asked Ms. Friedlander to present the next item.

7. Approval of contract for arbor care

Ms. Friedlander requested that the Board authorize LiRo Program and Construction Management P.E., P.C. (“LiRo”) on behalf of The Trust, to enter into a contract with Almstead Tree & Shrub Care Co., LLC for arbor care services on the Island. Ms. Friedlander stated that LiRo issued an RFP in August 2019 to procure a company to provide arbor care services for the 700+ mature canopy trees located predominantly on the North Island to which four companies responded. The Trust selected Almstead as the lowest most responsible bidder. The contract will be for three years and The Trust wishes to allow LiRo to have change order authority of up to 15% of the total contract cost per year.

Hearing no questions, a motion to approve LiRo, on behalf of The Trust, to enter into a three-year contract with Almstead was made, seconded, and unanimously adopted. Ms. Glen asked Ms. Friedlander to present the next item.

8. Approval of contract for the inspection of maritime assets/seawall

Ms. Friedlander began by noting that the NYC EDC’s Waterfront Facilities Management System recommends that maritime infrastructure be inspected every three to five years. While individual Trust structures have been inspected in the intervening period, The Trust wishes to undertake a comprehensive inspection at this time.

Under The Trust’s Master Contract with the City, The Trust is able to use contracts with entities like NYC EDC to obtain goods and services from a vendor on the same or better terms. NYC EDC has a contract with Jacobs Civil Consultants, Inc. (“Jacobs”), a maritime engineer. The Trust wishes to enter into a contract with Jacobs for a maximum cost of \$295,000 with change order authority of up to 15% of the total contract cost to better inform how capital funds for maritime infrastructure are spent and to avoid emergency services.

Hearing no questions, a motion to authorize The Trust to enter into a contract with Jacobs was made, seconded, and unanimously adopted. Ms. Glen asked Mr. Tepper to present the next item.

9. Approval of a sewage pump house rehabilitation contract

Mr. Tepper began by noting that The Trust owns and operates a sewage pump house (“SPH”) located in the southern edge of the Island from which all sewage on the Island is pumped to Brooklyn for treatment. The SPH urgently needs repairs and upgrades for current and future development. LiRo issued an RFP seeking a complete set of construction services to which they received two responses. Spectraserv Inc. (“Spectraserv”) was selected as the lowest most responsible bidder. Funding for this project is in The Trust’s FY20 capital budget.

Mr. Tepper then asked the Board to authorize LiRo, on behalf of The Trust to enter into a contract with Spectraserv for construction services for a maximum contract price of \$2,404,800 with change order authority of up to 15% of total cost.

Hearing no questions, a motion to authorize LiRo, on behalf of The Trust, to enter into a contract with Spectraserv was made, seconded, and unanimously adopted. Ms. Glen asked Mr. Tepper to present the next item.

10. Approval of electrical transformer construction contract

Mr. Tepper stated that the Island owns and operates the electrical infrastructure and distribution on Island with Con Ed providing electricity through four cables running through the Hugh L. Carey Tunnel from Brooklyn. Electricity is then fed through seven main feeder lines to provide power across the Island. The majority of the existing transformers on the North Island are beyond their useful life and need to be replaced.

LiRo contracted with Syska-Henney Engineers (“Syska”), the engineering firm that designed the Island’s primary distribution system, to investigate and provide recommendations for upgrades to the North Island. The report concluded there are 19 transformers in need of replacement to support the full reactivation of the North Island. The Trust then selected 8 of the 19 transformers to bid out and install in 2020 as transformer equipment degrades quickly when not powered up and used consistently. The locations for the 8 transformers would be installed within several of the North Island development priority buildings.

LiRo issued an RFP for the transformers in late 2019 and received 6 responses. Mass Electric was selected as it was the lowest most responsible bidder. This project is funded in the FY20 capital plan. Mr. Tepper then requested that LiRo, on behalf of The Trust, enter into a contract with Mass Electric for a maximum contract price of \$5,000,000 with change order authority of up to 15% of the maximum contract price.

Hearing no questions, a motion to authorize LiRo, on behalf of The Trust, to enter into a contract with Mass Electric was made, seconded, and unanimously adopted. Ms. Glen asked Mr. Tepper to present the next item.

11. Approval of BMB gantry painting and slip improvement contract

Mr. Tepper stated that The Trust is responsible for the maintenance of certain portions of the Island's primary ferry terminal containing Slips 6 and 7 known as the Battery Maritime Building ("BMB"). The BMB houses the steel gantry towers which contain the counterweight systems for the lift bridges, an important component of the Island's transportation infrastructure. Mr. Tepper noted that the gantry towers' exterior coating is in bad condition which expose the underlying steel to weather conditions. In addition, tests confirmed that lead based paint was used on the gantries and ceiling of Slip 7, which is also peeling and in bad condition.

LiRo created drawings and specifications for repainting the BMB gantries and the ceiling within Slip 7. The complete set of construction documents was competitively bid by LiRo in the fall of 2019 and LiRo received three responses. Mr. Tepper concluded by requesting that the Board authorize LiRo, on behalf of The Trust, to enter into a contract with Ahern Painting Contractors, Inc. ("Ahern") for a six-month period for a maximum contract price of \$1,205,074 with change order authority of up to 15% of the maximum contract price.

Hearing no questions, a motion to authorize The Trust to enter into a contract with Ahern was made, seconded, and unanimously adopted. Ms. Glen asked Mr. Tepper to present the next item.

12. Approval of Building 108 waterproofing contract

Mr. Tepper noted that building 108, the administrative offices for The Trust's staff, has water infiltration. As a result, LiRo bid design documents and specifications through an RFP in August 2019 to which it received four responses. Mr. Tepper continued by stating that The Trust recommends that LiRo, on behalf of The Trust, enter into a contract with Viking Restoration Services LLC ("Viking") as it was the lowest most responsible bidder. The contract term would be approximately six months and the maximum contract price is \$303,683, with change order authority of up to 15% of total contract cost.

Hearing no questions, a motion to authorize LiRo, on behalf of The Trust, to enter into a contract with Viking was made, seconded, and unanimously adopted. Ms. Glen asked Mr. Tepper to present the next item.

13. Approval of 20 Nolan Park design contract

Mr. Tepper began by noting that The Trust plans to redevelop 20 Nolan, a 10,000 gross square foot residence in the Nolan Park campus into a two-unit commercial building. The building is currently vacant, has no certificate of occupancy and needs all new building systems and building envelope repairs. He stated that The Trust anticipates that this house will be leased to arts/cultural/non-profit tenants for year-round occupancy through a competitive procurement.

He further stated that LiRo issued an RFP for design teams in the summer of 2018 to which it received 15 responses. The Trust selected Jaklitsch Gardner Architects PC ("JGA") as the lowest most responsible bidder and JGA began due diligence on the building in December 2018. To

reduce the overall projected cost of construction and to make the space more flexible for anticipated tenants, JGA has worked with The Trust to convert the program into two move-in ready white box commercial spaces, inclusive of HVAC and a kitchenette. As part of its scope, JGA will manage and coordinate a full design team and take the project through various approvals. The design fees are funded with existing capital funds allocated for this project in the FY20 capital plan.

Mr. Tepper concluded by requesting authorization for LiRo, on behalf of The Trust, to enter into a contract with JGA for the provision of design and construction administration services for a 24 month period with a maximum contract price of \$426,500 with change order authority of up to 15% of the total contract price. Mr. Weisbrod praised The Trust's staff for propelling the project in this direction.

Hearing no further questions or comments, a motion to authorize LiRo, on behalf of The Trust, to enter into a contract with JGA was made, seconded, and unanimously adopted. Ms. Glen asked Mr. Tepper to present the next item.

14. Approval of contract with Marvel Architects, PLLC

Mr. Tepper began by noting that as he mentioned earlier, The Trust operates the BMB, the primary passenger ferry terminal, under a lease agreement with the NYC EDC. As the waiting area is the front door to the Island, The Trust is seeking to make significant improvements to the aesthetics, visitor flow and function of the BMB to improve visitor experience and comfort.

He further stated that Marvel Architects, PLLC ("Marvel") is the current architect of record at the BMB, working for the developer Midtown Equities to redevelop other parts of the building into hotel and event space. Because the building does not have a certificate of occupancy, The Trust operates the space during public access season under a temporary place of assembly permit, which is expensive due to required fire-guard personnel and application/filing costs.

Given Marvel's ongoing involvement with the redevelopment of the BMB, The Trust solicited a design fee proposal to, among other things, secure a certificate of occupancy. Funding is allocated for this project in The Trust's FY20 operating budget.

Hearing no questions, a motion to The Trust to enter into a contract with Marvel was made, seconded, and unanimously adopted. Ms. Glen asked Ms. Friedlander to present the next item.

15. Approval of a contract for a multi-year event

Ms. Friedlander began by reminding the Board that The Trust hosted a public horse jumping competition, the Global Champions Tour, working with Tops Equestrian Events B.V. ("Tops"). Given the success of last year's event, Ms. Friedlander requested authority for The Trust to enter into an agreement with Tops to host the event for two years, with a one-year option to renew at The Trust's sole discretion.

Hearing no questions, a motion to The Trust to enter into a contract with Tops was made, seconded, and unanimously adopted. Ms. Glen asked Ms. Friedlander to present the next item.

16. Approval of contract with public relations firm

Ms. Friedlander introduced this item by stating that The Trust is currently responsible for all public relations, communications strategy and press activities related to the Island. With an expanded season, a growing audience, more programming and activities to promote and the plans to transform the Island into a year-round location with new educational, commercial and nonprofit facilities, The Trust released an RFP seeking additional support with public relations efforts. There were a total of 14 responses.

Ms. Friedlander recommended the selection of Risa Heller Communications (“RH”) as it was the lowest most responsible bidder. She requested that the Board authorize The Trust to enter into a contract with RH for a two-year term, with a one-year option to renew at The Trust’s sole discretion for a maximum contract price of \$240,000 with change order authority of up to 15% of the maximum contract price.

Hearing no questions, a motion to The Trust to enter into a contract with RH was made, seconded, and unanimously adopted. Ms. Glen asked Ms. Friedlander to present the next item.

17. Approval of agreement with The Friends of Governors Island

Ms. Friedlander stated that FGI is an independent nonprofit organization that supports the Island with volunteers, visitor services and financial resources. The Trust entered into two previous agreements with FGI, the most recent of which expired at the end of January. The Trust wishes to enter into a 17-month agreement with FGI to outline each party’s roles and responsibilities to improve the Island, ensure alignment of fiscal years and to set fundraising goals.

There were no questions or comments. A motion to authorize The Trust to enter into a contract with FGI was made, seconded, and unanimously adopted.

18. Public Comment and Adjournment

Ms. Glen asked if anyone had a statement to make. Merritt Birnbaum, Executive Director of FGI, briefly thanked the board for the continuing relationship with The Trust.

Ms. Glen next entertained a motion to adjourn the meeting. The motion was seconded and unanimously approved, and the meeting was adjourned.