

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
December 15, 2017

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, December 15, 2017, at Dune Real Estate Partners in New York, New York.

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

Carl Weisbrod, Chairperson
Margaret Chin
Cheryl Effron
Karen Brooks Hopkins
Catherine Hughes
Patrick Kennell
Susan Mercandetti
Daniel Neidich
Kevin Ryan
Tokumbo Shobowale

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

Before calling the meeting to order, Carl Weisbrod, Chairperson of the Board, thanked Daniel Neidich for hosting the Board at Dune Real Estate Partners’ office, and he welcomed Mr. Neidich to his first in-person Board meeting.

Mr. Weisbrod then called the meeting to order and asked Marni Friedlander to confirm that a quorum was present, to which she responded affirmatively.

1. Approval of the minutes of the meeting of Directors held on October 11, 2017

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

2. Chairperson’s Report

Mr. Weisbrod delivered a brief Chairperson’s report to the Board, and stated that the Real Estate Committee met on November 20th and that the Programming Committee met on December

6th. He then asked Cheryl Effron to update the Board on the Real Estate Committee's recent meeting.

3. Real Estate Committee Report

Cheryl Effron stated that the Real Estate Committee met and reviewed potential short- and long-term tenants for the north part of Governors Island. Mr. Weisbrod added that the committee is still in the process of analyzing proposals and will update the full Board on their work at a later date. Mr. Weisbrod then asked to continue to the first voting item on the agenda.

4. Authorization to Enter into a Federal Aid Local Project Agreement with New York State Department of Transportation

Ms. Friedlander, General Counsel, presented this item. Ms. Friedlander began by stating that in 2012 The Trust received \$3,000,000 in funds from the Federal Highway Administration ("FHWA") for the Slip 6 Lift Bridge Project at the Battery Maritime Building, in addition to \$2,880,000 in FHWA funds for the Soissons M/E (mechanical and engineering) Project. From these two grants, The Trust has \$1,057,000 and \$824,000 remaining, respectively. The Trust is now working with the New York State Department of Transportation to reallocate the remaining federal funds to the Slip 6 Project, which will involve installing a new fendering system at Slip 6. Ms. Friedlander further explained that reallocating these funds requires Board approval. The federal grant funds will cover up to 80 percent of the Slip 6 Project costs, and The Trust will cover the remaining 20 percent, using City capital funds.

Mr. Weisbrod asked if the necessary matching funds are already in The Trust's and the City's budgets. Ms. Friedlander answered yes to both.

Mr. Weisbrod then called for a motion to authorize The Trust to enter into a Federal Aid Local Project Agreement with the New York State Department of Transportation to rehabilitate the Slip 6 Pile Cluster at the Battery Maritime Building. The motion was made, seconded, and unanimously adopted.

Following the vote, Mr. Weisbrod asked Susan Mercandetti to update the Board on the Programming Committee's recent meeting.

4. Programming Committee Report

Ms. Mercandetti, the Chair of the Programming Committee, reported that the Committee met to review proposals received in response to The Trust's Request for Proposals ("RFP") for the development of the Western Development Zone. She added that the Board will discuss the RFP and the proposals received further in Executive Session.

5. Authorization to Enter into a Three Year License with a Vendor to Provide Food and Beverage Service at Manhattan Landing East on Governors Island

Alexis Offen, Chief Operating Officer of The Trust, presented the next item. Ms. Offen explained that The Trust is seeking authorization to enter into a three year license agreement with ABC & E, LLC ("ABC & E") to operate a food and beverage concession at Manhattan Landing East—the portion of Governors Island east of Soissons Landing.

As Governors Island now hosts approximately 800,000 visitors per year, The Trust hopes to improve the quantity and quality of food and beverage vendor options on the Island. Toward this end, The Trust issued an RFP in September to bring more food and beverage vendors to the Island in the 2018 public access season. The Trust sent the RFP to approximately 70 potential vendors and received 19 proposals in response, including five proposals for Manhattan Landing East. The Trust evaluated the proposals on several criteria, including overall quality, fee offer, and operations plan.

ABC & E, which proposed launching a taco-themed pop-up restaurant, surpassed the other proposals in all of the aforementioned areas. ABC & E also operated Governors Island Beer Company in Liggett Terrace during the 2017 public access season and operates other successful restaurants in New York City. The proposed license will have a three year term for a fee of \$50,000 in the first year, plus three percent escalations in the second and third years.

Catherine Hughes first commented that she is familiar with ABC & E and that their other locations are very popular. Ms. Effron asked if there will still be other food vendors with lower price points. Mr. Samuelian answered yes. Ms. Mercandetti inquired what currently occupies Manhattan Landing East, and Mr. Samuelian answered that the space serves as a parking lot.

Tokumbo Shobowale then asked about long-term strategy for food options on Governors Island and if The Trust would consider partnering with one company to operate all of the food and beverage concessions on the Island. Mr. Samuelian answered yes but The Trust is still building the Island's infrastructure to get increased interest to move in that direction.

Ms. Effron then asked about the cleanliness standards for ABC & E and Ms. Hughes asked if the Department of Health will conduct inspections at the Manhattan Landing East site. Ms. Friedlander answered that both the Health Department and the Fire Department conduct inspections of food and beverage concessions on Governors Island.

Mr. Neidich asked if any of the RFP proposals offered revenue shares rather than flat fees. Mr. Samuelian answered that some proposals did but that ABC & E's flat fee was the best fee offer. Mr. Shobowale inquired about reviewing the vendors' profits, and Mr. Samuelian explained that the license will allow The Trust to audit ABC & E's books.

With no other questions pending, the motion to authorize The Trust to enter into a three year license agreement with ABC & E at Manhattan Landing East was unanimously approved.

6. Executive Session

Before proceeding with the President's Report, Mr. Weisbrod requested a motion to go into Executive Session in order to discuss proposals received in response to The Trust's RFP for the Western Development Zone. The motion was seconded and approved, and the Board entered Executive Session. Following the discussion of the Western Development Zone proposals, a motion to adjourn Executive Session was made, seconded and approved.

7. President's Report

Mr. Samuelian started by announcing that The Trust will release its first annual report this year. The report will highlight The Trust's accomplishments from the past year, of which Mr. Samuelian is particularly proud that approximately 800,000 people visited Governors Island in 2017, with the majority of them coming from the five boroughs and 90% coming from the tri-state area. Mr. Weisbrod commented that it's impressive that Governors Island is utilized predominately

by New Yorkers, whereas areas like Times Square and the High Line are tourist destinations. Catherine Hughes asked about the method for gathering this information, and Mr. Samuelian answered that the numbers are based on surveys conducted by FGI.

Mr. Samuelian then briefly highlighted some accomplishments from 2017; these included organizing several successful arts and culture events, securing additional City capital funding and hosting the Island's first Christmas tree lighting. The Trust is currently working on bringing more arts programming and food vendors to Governors Island in 2018, in addition to working with the NYC Mayor's Office of the Chief Technology Officer to bring Wi-Fi to Governors Island; The Trust anticipates selecting three finalists for the Wi-Fi challenge in the near future.

8. Public Comment

At this time, Mr. Weisbrod asked if any member of the public had a statement to make. Merritt Birnbaum, Executive Director of FGI, thanked Ms. Mercandetti, Mr. Weisbrod and Mr. Samuelian for their support of FGI. Mr. Weisbrod thanked Ms. Birnbaum in turn and expressed his appreciation for FGI's contributions to the Island.

9. Adjournment

Mr. Weisbrod then entertained a motion to adjourn the meeting. The motion was seconded, and the meeting was adjourned.