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GOVERNORS ISLAND PRESERVATION and  
EDUCATION CORPORATION

----- ORIGINAL

MEETING  
OF  
THE DIRECTORS

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Empire State  
Development Corporation  
33rd floor  
Conference Room  
633 Third Avenue  
New York, New York

October 17, 2007  
10:05 a.m.

B e f o r e:

DANIEL L. DOCTOROFF,  
The Chair

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2 A P P E A R A N C E S:

3 DIRECTORS IN ATTENDANCE:

4 Daniel L. Doctoroff, Chairman

5 Martin S. Berger

6 Donald Capoccia

7 James F. Gill

8 Carol D. Mack

9 Ronay Menschel

10 Sherida E. Paulsen

11 Joseph M. Murphy

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13 For Governors Island Preservation and

14 Education Corporation:

15 Leslie Koch, President

16 Jonathan Meyers - Vice President

17 Paul Kelly

18 Elizabeth Berberich - Director of

19 Marketing & Communications

20 Regina Stephens, Acting Corporate

21 Secretary

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## 2 A P P E A R A N C E S: (CONT'D):

3 For the Empire State Development

4 Corporation:

5 Alexandra Stanton - Chief of Staff

6 A. J. Carter - Senior Vice President -  
7 Communications8 Anita W. Laremont, Senior Vice President  
9 & General Counsel10 Frances A. Walton - Chief Financial  
11 Office and Senior Vice President12 Maria E. Cassidy - Deputy General  
13 Counsel

14 Kathleen Mize - Controller

15 Debbie Royce, Secretary

16 Jennifer Rimmer

17 Carlos Otero

18 Melanie D'Amico

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## 20 ALSO PRESENT:

21 Allan Gartner - City Hall

22 Nicholas Pinto - Tribeca Tribune

23 Robert Pirani - GI Alliance

24 Richard Mooney - GI Alliance

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2 A P P E A R A N C E S (CONTINUED):

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4 ALSO PRESENT:

5 Linda Neal - National Park Service

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7 The Public

8 The Press

9 The Media

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Marc Russo

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Reporter

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P R O C E E D I N G S

CHAIRMAN DOCTOROFF: I now call to order the meeting of the Directors of the Governors Island Preservation and Education Corporation for Wednesday, October 17, 2007.

I'd like to note for the record that this meeting is being web cast.

The Directors have received the relevant written materials in advance of today's meeting and are free to ask questions at any time.

Consistent with the policy of our parent corporation, we now welcome public comment on items on the following agenda.

After each item is presented, if any comments are received from the Directors, we will allow members of the public to provide comments.

All comments should be limited to two minutes and to address only the item that is under consideration.

The first order of business is the approval of the minutes of the Directors' meeting of April 17, 2007.

DIRECTOR MARTIN BERGER: So moved.

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DIRECTOR GILL: Second.

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CHAIRMAN DOCTOROFF: Okay. Any

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questions, comments?

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DIRECTOR CAPOCCIA: I have a

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question.

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And I well have missed this, but

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there was a reference in those minutes to a

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meeting of the directors where the eight or nine

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proposals were going to be presented to the entire

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Directors. I'm not sure whether that took place

12

or not.

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PRESIDENT KOCH: We had committee

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meetings where we presented --

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DIRECTOR CAPOCCIA: Committee

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meetings, okay.

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PRESIDENT KOCH: -- where we

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presented the finals for the Design Committee.

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DIRECTOR CAPOCCIA: So the

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Operations Committee was presented?

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PRESIDENT KOCH: Yes.

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DIRECTOR CAPOCCIA: Then I must

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have missed it. I apologize.

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CHAIRMAN DOCTOROFF: Any other

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questions, comments?

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(No response.)

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CHAIRMAN DOCTOROFF: Okay. If

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not, all those in favor?

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(Chorus of "ayes.")

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CHAIRMAN DOCTOROFF: Anyone

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opposed?

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(No response.)

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CHAIRMAN DOCTOROFF: Okay. Thank

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you.

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I'll now ask John Meyers, John, to

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present the next item on today's agenda requesting

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approval of the capital budget for Corporation's

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fiscal year 2007/2008.

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MR. MEYERS: Thank you very much.

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Thank you to the Board.

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Out of the \$40 million that was

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appropriated by the capital funds that was

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appropriated by the City and State of New York, we

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are today seeking approval for spending of \$20

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million of that.

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We anticipate a meeting in the near

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future to discussion the remaining \$20 million.

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The proposed amendment then for the

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GIPEC capital budget is for an additional

2 appropriation of \$20 million.

3 As outlined in your written  
4 materials, we will be spending those capital funds  
5 in line with the four priorities that we have  
6 presented to you previously which are:

7 Focusing on the operation and  
8 maintenance of the Island's existing facilities;

9 Increasing the visitation and  
10 visibility of the Island;

11 The creation of great new public  
12 open spaces for Island; and

13 Target public investments in  
14 infrastructure on the Island.

15 The specific budget line items that  
16 are outlined in our materials focus on these. I  
17 want to highlight a couple of particular areas for  
18 your attention.

19 We have, as you know, been doing a  
20 substantial amount of investigation of the  
21 Island's existing, mostly underground  
22 infrastructure.

23 As a result of that analysis we have  
24 discovered a number of the areas where we have  
25 approximately \$7.9 million of immediate need.



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This is really repairs to systems that were in place, in some cases, predating even the Coast Guard's existence on the Island.

And we will be moving forward with those upon approval of the Board. And that is really, as I said, underground infrastructure systems, essentially emergency repairs of existing systems that are in place.

Also, I want to highlight to you additional work to our historic building, building stabilization program and a program that obviously has been discussed at length with the Board.

But we are moving forward with what we believe are sort of hopefully some very significant new work on our slate roofs and some wood restoration, and I think all of which will greatly improve both the appearance of these buildings, but also their long-term stability which is really our focus as we do this work.

Moving on, I also do want to highlight two areas in terms of really more accounting in terms of capital dollars.

We have done, on the Battery Maritime Building, work that was conducted by EDC

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2 on our behalf to improve the Slip 6 and 7, which  
3 are our long-term leasehold interest in those  
4 buildings and our primary needs of getting to and  
5 from the Island.

6 And we will be doing an additional  
7 amount of work on those, and work on our waiting  
8 room, which was previously approved by the Board,  
9 is underway as of Monday. And we're moving along  
10 quite quickly at this point.

11 (Director Mack entered the  
12 conference room.)

13 MR. MEYERS: But I do want to  
14 highlight, because there was a transfer of some of  
15 those funds, really just between categories, but I  
16 do want to highlight that for the Board.

17 And then I want to move again, as I  
18 said, with regard to the remaining \$20 million of  
19 our fiscal year appropriation from the City and  
20 the State as outlined in your materials.

21 Promptly after this Board meeting we  
22 will complete the planning and commence the  
23 environmental review required prior to the  
24 approval of undertaking of such demolition work.

25 We plan to move ahead with

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demolition of the buildings on the south Island.  
It is expected that we would return to the Board upon completion of work to request the proposed demolition project be approved and that the capital monies appropriated to GIPEC be approved for such demolition work.

So I do want to highlight for the Board that we do plan to go forward for seeking environmental approval for that and we will approach the Board again upon completion of that environmental review.

Also, in the supplemental materials that you have is a detailed line-by-line of this budget, which we went through last week with the Operations Committee chaired by Ronay Menschel.

And therefore, the requested action:

The Directors are requested to approve the revised capital budget in a total amount now of \$97,310,000, inclusive of contingency, and to authorize working costs associated with the project listed therein.

And based on the foregoing I recommend approval of this requested action.

CHAIRMAN DOCTOROFF: Any questions

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or comments from the Directors?

DIRECTOR CAPOCCIA: One comment or question.

You know, those -- all those buildings that were constructed on the south end, the buildings were constructed in conformance with the New York City building code.

MR. MEYERS: That's correct.

DIRECTOR CAPOCCIA: So please be aware of that as you scope out the demo. There may be critical systems or preventative capital measures that would not have been taken if they had built those buildings and may have been taken New York City buildings.

MR. MEYERS: Thank you very much for that. And we have a -- we have a very -- a highly qualified professional engineering firm who will be going through and actually doing detailed floor-by-floor drawings of each of the buildings to prepare for demolition that we make sure that we're doing that in a both safe and environmentally reasonable manner as we proceed.

But thank you for that.

DIRECTOR CAPOCCIA: Who is the

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engineer?

MR. MEYERS: It's Parsons  
Brinckerhoff and Hardesty & Hanover are our team  
for that.

DIRECTOR CAPOCCIA: Okay.

CHAIRMAN DOCTOROFF: Ronay.

DIRECTOR MENSCHER: Yes.

This was discussed at Operations as  
well. But it is something that everybody has  
heightened concern about. So, as John said, that  
we did go through and I think looked at each of  
the items fairly carefully.

DIRECTOR MARTIN BERGER: I agree  
totally.

DIRECTOR MENSCHER: And it is our  
recommendation that we amend the Turner contact --

DIRECTOR MARTIN BERGER: Second.

CHAIRMAN DOCTOROFF: Any other  
questions or comments?

(No response.)

CHAIRMAN DOCTOROFF: Any comments  
from the public?

(No response.)

CHAIRMAN DOCTOROFF: No. If not,

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we've already entertained a motion for approval.

That's been seconded.

All in favor?

(Chorus of "ayes.")

CHAIRMAN DOCTOROFF: Any opposed?

(No response.)

CHAIRMAN DOCTOROFF: No.

Thanks, John.

John will also present the next agenda item requesting authorization to amend the Property Management Agreement with Turner Construction Company.

MR. MEYERS: Thank you very much.

And in line with the \$20 million in spending that the Board has just approved, as you all know, the GIPEC Board of Directors had authorized us in 2003 to enter into a contract with Turner Construction.

This allows us to undertake virtually all of the capital work and much of the operating of the Island itself.

Outlined in your Board materials, the contract currently has a not to exceed amount of \$121,911,720.

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We are requesting today actually two actions.

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One is the removal of \$13 million of that which represents work that GIPEC has contracted directly and has not gone through Turner. And that is work for the Battery Maritime Building, as well as the purchase of the Islander, which we will talk about in some more detail later.

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And then an increase of \$20 million leaving us with a total new not to exceed amount for this contract of \$128,911,072. This will be funded through our '07/08 capital funding program as we've just gone through.

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I think the work that Turner will be performing here is the same work that is approved in the capital budget. Everything from the \$20 million that we've outlined we expect will be contracted through Turner. We have no expectations that being contracted directly by GIPEC.

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And, again, this was discussed in greater detail with the Operations committee last week.

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And so with that, the Directors are requested to:

Authorize amending the Turner contract to conform to the not to exceed contract amount in the correct amount of \$121,911,072;

To reduce the Turner contract amount by \$13 million to reflect the capital work performed directly by GIPEC; and

To then increase the Turner capital contract by \$20 million for the performance of the new capital projects for a total not to exceed contract amount of \$128,911,072 inclusive of contingency.

And based on the foregoing I recommend approval of this requested action.

CHAIRMAN DOCTOROFF: Ronay.

DIRECTOR MENSCHER: Sorry.

DIRECTOR GILL: Mr. Chairman.

John, on page two of the materials that were distributed before the meeting --

MR. MEYERS: Yes, sir.

DIRECTOR GILL: -- there's the following statement. It's in mid-page.

"Turner's use of staff and



2 subcontractor time is closely reviewed by GIPEC."

3 I'm satisfied that that's the fact  
4 of the matter. But I think it would be a wise  
5 idea if we put on the record precisely what those  
6 checks and balances are.

7 MR. MEYERS: Certainly.

8 We have a number of layers of checks  
9 and balances.

10 And thank you for the question.

11 On the most basic of day-to-day  
12 levels, the Turner staff works on a time sheet  
13 basis so we are reviewing the staff time weekly  
14 that Turner submits.

15 On a project-by-project basis we  
16 have our own in-house expertise who works very  
17 closely in supervision of Turner. And for each  
18 individual contract as well, we hire an outside  
19 engineer or an appropriate particular technical  
20 expert, depending on the project itself, to  
21 oversee the work and really work as our  
22 construction management eye and ears on the ground  
23 and oversight of the quality of work, as well as  
24 just simply making sure that the work is getting  
25 done in a timely manner.

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So, for example, for a building stabilization project, we have our Director of Preservation and our operation staff, who are working with Turner on that project. But we will also have an outside engineer who has designed a project and who sees it through to completion to make sure that is done, again, in the best possible manner and the most responsible manner both in terms of funds and safety and the quality of the work.

PRESIDENT KOCH: And John, you may also just, I guess, address procurement, getting competitive --

MR. MEYERS: Sure. Thank you.

And for each of our procurements that we do through Turner, we have a minimum with them of at least three bids that we expect to receive for each piece of work. And this is basically anything over \$5,000 that gets done this way.

We also keep a very close eye on making sure we're spreading work around among a variety of contractors so that we don't have too heavy reliance on any particular firm if anything

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should happen to that firm.

So we have a very -- it's really a constant process of building up a good bidder list and then working through that list very carefully for each individual project to make sure that we are getting, again, the best quality work and being responsible with the public funds that we are expending on the Island.

DIRECTOR GILL: Well, thank you for that.

On that same page there's a reference to a multiplier. Would you explain what that is?

MR. MEYERS: Sure.

In the original Board-approved Turner contract, there is an approved multiplier which is a standard in the construction management and operations management industry which is essentially a percentage of the contract that is for Turner's administration which includes, you know, benefits that they pay, as well as the central Turner administration office use and a multiplier for profit and other aspects of that.

And that was part of the original

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2 bid and approved contract. And I believe the  
3 Board is aware, but just so everybody is, in fact,  
4 aware, this contract is up for re-bid next year.  
5 And we look forward to further conversations about  
6 that and about the appropriate way to re-bid that.

7 DIRECTOR GILL: Fine. Thanks.

8 CHAIRMAN DOCTOROFF: Any other  
9 questions from the Directors?

10 DIRECTOR CAPOCCIA: One other  
11 question, Mr. Chairman.

12 Leslie and John, can you give us an  
13 idea of what your longer view is on how we are  
14 beginning to sort of project or calculate what you  
15 think the ultimate capital expenses are going to  
16 be here, the capital investment, the public  
17 capital investment? Is it all possible at this  
18 stage?

19 CHAIRMAN DOCTOROFF: It's a lot.

20 (Laughter.)

21 DIRECTOR CAPOCCIA: It's amazing.  
22 I mean we're approaching \$100 million. It's --

23 CHAIRMAN DOCTOROFF: Well, it will  
24 be a lot more than that.

25 Where we've spent the most time,

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2 obviously, we've been cataloging the long-term  
3 infrastructure which to some extent will be a  
4 function of what is ultimately going to be on the  
5 Island itself.

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Where we've spent most of the time  
recently is looking at the capital cost for the  
park itself as well the associated infrastructure  
necessary to support the park.

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And those costs will run into the  
many hundreds of millions. The current estimate -  
and this is just an estimate - is above what we  
have allocated today roughly \$400 million or so  
for the park, which we'll be talking about in the  
Chairman's and President's report in a few  
moments.

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Our hope is obviously that much of  
that investment will be recouped from the  
development that occurs eventually on the Island  
itself, which there's a strong possibility that  
not all of it will be.

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On the other hand, speaking at least  
for the City, we see it as a very worthy  
investment, but one that would be the subject of  
much more conversation at the Board level as we

2 move forward.

3 PRESIDENT KOCH: And the one thing  
4 I would add to that is I believe in public  
5 presentations, certainly prior to my arrival,  
6 there were similar numbers put forth of what we've  
7 done -- and we can talk about this in more detail  
8 in my report -- in the last year, as Dan alluded  
9 to, is both to understand what the costs are in  
10 creating really a world-class destination park  
11 that basically serves as the first stage in the  
12 reactivation of the Island, but also that whatever  
13 infrastructure spending we do both reflects a much  
14 richer understanding of what the current  
15 conditions are, but also maps to really the  
16 strategy we've outlined which is a multiphase,  
17 mixed-use development strategy.

18 So while the overall numbers are  
19 probably not a surprise to the Board, because I  
20 think you've heard that number of zeros before,  
21 our understanding of how to phase that and where  
22 to prioritize the dollars is much richer, which  
23 we've developed with both the team of consultants  
24 over the last year.

25 DIRECTOR MACK: And are you

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confident you'll be able to get these funds? It seems to be slipping from the City and State.

CHAIRMAN DOCTOROFF: I am optimistic that we will be able to secure all the funds necessary, but I can't commit to it. Right now there's a lot of processes that have to be attended to and that would be developed over, I'm sure, the course of the next several months.

But certainly our intention is to create, as Leslie said, a world-class destination park, something that you can't get anywhere else not only in the City but in the region, and I would argue anywhere else in the world.

And that we do believe - and we're starting to see evidence as I'll describe in a moment - that the idea of creating Governors Island as a destination park and an anchor will be successful in attracting commercial and nonprofit, academic tenants who ultimately will help defray a significant portion of the park and older infrastructure.

That's the objective.

DIRECTOR MACK: Do you write that into the plan when you're applying for the funds?

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COURT REPORTER: Could you speak

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up, please.

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DIRECTOR MACK: I was just

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wondering is that something that is then written

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into the plan, like how much and over what period

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of time that it takes you to be able to pay it

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back?

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CHAIRMAN DOCTOROFF: I think

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there's a lot of uncertainty right now about that.

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My assumption is that, again, speaking for the

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City, is that we will think about making the

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investment without assuming we get paid back

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directly or indirectly, but that our expectation

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is, at least for any portion, we will.

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Now, the form in which you get paid

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back I think we'll have figure out later on. But

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I think we will have to go into this with the

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expectation, at least with respect to the

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investment in the park, like other parks in the

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City, mainly because they add substantially to the

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quality of life and experience and the competitive

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position of the City and that's what we're trying

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do at this park.

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DIRECTOR GILL: Mr. Chairman, do



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we have any ballpark estimate with respect to the commencement of demolition in the south?

CHAIRMAN DOCTOROFF: Yes. We've begun talking about it.

Our hope is that we could actually begin demolition while the design of the park is ongoing. What we don't want to do is everything sequentially here. We'd like to do things simultaneously and then we could be in a position to begin demolition as early April of next year.

Any other questions?

(No response.)

CHAIRMAN DOCTOROFF: Any questions from the public?

(No response.)

CHAIRMAN DOCTOROFF: No?

Okay. I thought we had a motion. I don't believe I heard a second.

Is there a second?

DIRECTOR GILL: Second.

CHAIRMAN DOCTOROFF: Great.

All in favor?

(Chorus of "ayes.")

CHAIRMAN DOCTOROFF: Anybody

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opposed?

(No response.)

CHAIRMAN DOCTOROFF: Thank you,  
John.

Next, Paul Kelly will present our  
next agenda item requiring -- requesting  
ratification of the purchase of the Islander  
Ferry.

MR. KELLY: Thank you, Dan.  
And good morning, Board members,  
Leslie.

As the Board members know, we've had  
a long standing need for a second ferry to provide  
additional redundant service for our current ferry  
boat, the Coursen.

A new boat similar in size and  
vehicular capacity, the cost will run in the \$25  
million range. Due to that cost, we have focused  
our efforts in purchasing a used vessel. And the  
Board has previously approved up to \$3.2 million  
for the purchase and renovation of a second ferry  
boat.

GIPEC, through Turner, issued an RFP  
for a naval architect. We picked JMS Naval

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2 Architect to help us review our ferry needs and to  
3 search the market for appropriate used ferry  
4 boats.

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6 What we did determine through JMS's  
7 efforts is that the used ferry market is a very  
8 small one. Most ferries are made for particular  
9 uses and there's not a lot of ferries out there.

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11 So JMS identified four or five  
12 boats. We went through all of them and really only  
13 one was suitable for our needs, the Islander  
14 Ferry.

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16 So we met with JMS, GIPEC, Turner.  
17 We talked to Ronay Menschel, ESD legal staff and  
18 we all agreed that the Islander was the  
19 appropriate ferry.

20

21 The issue with the Islander was it  
22 was owned by the Woods Hole, Martha's Vineyard and  
23 Nantucket Steamship Authority, (the "Authority")  
24 and it was selected to be auctioned off by the  
25 Authority on July 10 of this past year, with a  
state minimum bid price of \$750,000.

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27 After discussions with JMS they did  
not think there would be a lot of bids for the  
boat so they suggested we bid \$500,000 which is

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what we did.

The Authority accepted our bid and on August 14, 2007, we closed and purchased the boat.

In early February the Harbor Ferry Services, our ferry crew, went up there and piloted the boat back down to the Island. It is now sitting at Yankee Pier.

GIPEC, through Turner, has issued an RFP for design services for the design and scope of repair and renovation work for the Islander. Those bids are due back this Friday.

After the return of the bids, GIPEC will then directly bid out the repair and renovation work and return to the Board for approval of the repair and renovation contract.

We expect that this repair and renovation work will be funded in part from existing earmarked Federal Transportation funds.

We anticipate the design work, procurement of the contractor and actually performance of all the renovation to take about a year.

So at this time the requested action

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2 is that the Directors ratify the purchase of the  
3 Islander vessel by GIPEC.

4 DIRECTOR GILL: Is there a  
5 boardroom being built into this?

6 (Laughter.)

7 CHAIRMAN DOCTOROFF: You have a  
8 free ride any time you want.

9 Any other questions or comments,  
10 requests?

11 (No response.)

12 CHAIRMAN DOCTOROFF: No? Okay.  
13 Any comments from the public?

14 MR. MOONEY: I did not hear a word  
15 you said sitting right here.

16 MR. KELLY: I said Yankee Pier on  
17 Governors Island.

18 CHAIRMAN DOCTOROFF: That's one of  
19 our main tourist attractions.

20 DIRECTOR GILL: I'll move it.

21 DIRECTOR MARTIN BERGER: Second.

22 CHAIRMAN DOCTOROFF: All in favor?

23 (Chorus of "ayes.")

24 CHAIRMAN DOCTOROFF: Any opposed?

25 (No response.)

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CHAIRMAN DOCTOROFF: Okay. Thank  
you.

That's the end of the formal action  
items.

I'd like to say a few words and then  
I'll turn it over to Leslie.

We haven't met for about six months,  
although there has been an enormous amount of  
activity over the course of this past six months.

And I think as we review the level  
of activity what you begin to see is that the  
vision for the future of the Island is actually  
coming into much clearer focus and that is  
extremely exciting.

First, of course, is the park. Some  
time shortly, hopefully within the next couple of  
weeks, we will announce who will design the park  
for us. Everyone here has reviewed the various  
options, having a little inside information as I  
think everyone on the Board does as well.

I think what we are heading toward  
is extremely exciting and I believe achieves, will  
achieve, the standard that we all set out for this  
park which is a destination for --

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(There was brief an interruption.)

CHAIRMAN DOCTOROFF: Which is a destination for people from around the City, from around the region and around the world where it will act as a catalyst to the development of the rest of the Island.

Our goal, our standard has been to be able to attract people for repeat visits and have experiences they can't find anywhere else certainly in New York City. And I do believe the winning design will achieve that standard.

The park itself will feature a number of unique activities and features, one of which, we hope, will be a major public amphitheater.

One of the things that New York does not have is an outdoor/indoor out-covered, outdoor amphitheater like a Wolf Trap that can seat between 7,000 or 8,000 people.

That feature has been built into several of the designs and right now we are in the process of evaluating the feasibility of that.

We finally now retained someone to help us actually do that and that is underway. We

2 think that can merely add to the attractiveness of  
3 the park itself.

4 Secondly, so secondly, we're  
5 beginning to see significantly more interest in  
6 tenants for the Island and a vision for that, I  
7 think, is also coming into clearer focus.

8 As everybody knows, the New York  
9 City Department of Education is going to put the  
10 Harbor School on the Island. And they are now in  
11 the process of working on their plans and  
12 development schedule of when the school will open  
13 in the fall of 2009. And that's always been the  
14 schedule. They're on schedule to be able to do  
15 that.

16 I hope everyone heard about the  
17 Mayor's interest in funding a global health, call  
18 it commons, on the Island. He has actually done a  
19 significant amount of research on the idea of a  
20 global health commons.

21 His team has talked to people from  
22 around the world - academic, other philanthropic  
23 organizations, governmental entities from around  
24 the world, the pharmaceutical industry.

25 And what everyone agrees is that



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2 there is a desperate need in the field of global  
3 health for a place where people can come together  
4 not just talk, but to really work together to  
5 solve some of the truly vexing problems of global  
6 health which tend not to be the discovery of  
7 medical treatments or solutions, but instead how  
8 to actually get those treatments to the people  
9 would actually need them.

10 And so he is interested in this  
11 idea. He obviously has not committed and clearly  
12 we would have to go through an RFP process to see  
13 if there are others who would have an interest in  
14 being a part of the Island - principally Noland  
15 Park would be identified as the area of interest.

16 But I think what it does do is it  
17 speaks to this evolving notion of Governors Island  
18 as in some place, a meeting place for the world  
19 where people come together to solve problems,  
20 which merely reinforces in some ways, what New  
21 York's competitive advantage is relative to other  
22 cities around the world.

23 When you think about what we have in  
24 New York, whether it's the scientific academic  
25 community, the philanthropic community, the

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financial community, the corporate community, in this case with respect to the pharmaceutical industry, the list goes on. And the fact that there are already with the United Nations and literally hundreds of NGOs in New York City, it is a logical role for New York City, and given the particular geographic characteristics of Governors Island, a great opportunity for Governors Island.

Other people have vaguely expressed interest in Governors Island for other extensions of that kind of idea, whether it relates to energy or sustainability, all very, very preliminary. But we think there is a notion of Governors Island, particularly in the northern portion of it, as a meeting place to solve big, global problems essentially as a significant focus that appears to be emerging.

With respect to the southern part of the Island, other than the park, one of the things that has been interesting is the City's Economic Development Corporation has actually convened a working group or a task force of virtually all of the institutions of higher education in New York City around the issue of resolving their space

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needs.

You talk to any institution of higher learning in the City and they all recognize that they have massive issues as they look out over the next 20 to 25 years.

By some estimates the need is between 30 and 35 million square feet of space for faculty housing, for student housing, for programmatic needs that everyone recognizes are going to be very difficult to fill.

There's been a lot of interest in co-locating, which is something that academic institutions rarely express an interest in doing. And several institutions, including NYU, have expressed some interest in Governors Island for a variety of different needs.

And so we will be pursuing discussions with academic institutions as we move forward.

Again, we think the possibility of Governors Island, particularly in combination, which you may be aware of this northern portion that is evolving, could be a truly exciting combination. And people are really, I can tell

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you, attracted by the progress that has been made in the park itself. And the evolving notion of this Island is proving to be as we hoped it would, something of a magnet for people because they're now beginning to see that there's really activity and this is gaining momentum.

It's too early to say exactly what will happen, but as I said, I think it's fair to characterize this as an emerging, emerging vision.

A final piece of this is that I think what we are all seeing is Governors Island as the centerpiece of the harbor district.

As we all know, underway right now there's the development of:

Brooklyn Bridge Park;

The East River Waterfront Park in Lower Manhattan;

Battery Park is undergoing renovation;

Hudson River Park is hopefully shortly will have secured all the funding necessary to complete Hudson River Park; and

There's a lot of other additional activities.

2                   Governors Island sits in the middle  
3 of it. All the various City, State entities,  
4 including the National Park Service, have banded  
5 together to form a Harbor District Advisory  
6 Council where we're focusing on ways of jointly  
7 marketing this new notion of the harbor district,  
8 of connecting it better through different forms of  
9 transportation, coordinating the programmatic  
10 elements of the various entities to make sure we  
11 don't have too many of one thing and too few of  
12 another.

13                   Those conversations are going well.  
14 But it's Governors Island that actually sits right  
15 in the middle.

16                   Transportation is important and  
17 we're all very focused on the transportation  
18 element. You heard today about the purchase of  
19 the Islander, but there are a number of other  
20 things that are going on as well.

21                   The City designated a private  
22 developer to work with us to develop the Battery  
23 Maritime Building. We think that plan is very  
24 exciting. It will serve a wonderful gateway to  
25 Governors Island for the vast bulk of passengers.

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2                   The City also, finally after  
3 decades, it seems, resolved the conflict over Pier  
4 A. The City now controls Pier A and is in close  
5 to final discussions with Battery Park City who  
6 would be our developer, if you will, of Pier A.  
7 And that will be the gateway, we hope, for the  
8 National Park Service and other sort of  
9 intra-harbor ferry travel that we hope will all be  
10 coordinated.

11                   Finally, lest we forget the gondola.  
12 We have not forgotten about the aerial gondola.  
13 In fact, we've been undertaking a, what, about a  
14 six-month study of the feasibility of the aerial  
15 gondola. We're another month or so away from  
16 concluding the results of that analysis.

17                   And while it's too soon to actually  
18 predict the exact outcome of that, what I can tell  
19 you, to use Leslie's words, there have been no  
20 show-stoppers so far. It's a viable concept from  
21 what we can tell so far and one that over time we  
22 will be having more conversations assuming there's  
23 nothing further that is found in the additional  
24 analysis.

25                   So that said, a lot has been going

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on really now starting in our view, to come into focus. I've probably now taken all of Leslie's thunder, but she'll give you a lot more detail, I think, on some of these elements.

Does anybody have any questions of me before I turn it over to Leslie?

DIRECTOR GILL: Well, I just want to say that the Planning Committee had a preview of the park piece. And while I don't mean to tantalize people, it is absolutely breathtaking and I think everybody is going embrace it readily.

I also want to say that we are ready, willing and able to participate in the redevelopment of Pier A. We're ready to go forward with that program as soon as we get the word.

CHAIRMAN DOCTOROFF: Any other questions or comments?

(No response.)

CHAIRMAN DOCTOROFF: Leslie.

PRESIDENT KOCH: I thought I would just sort of add to some of what the Chairman articulated just to update members of the Board on progress.

We are pursuing what we like to

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refer to as four key strategic actions for the reactivation of Governors Island rather than what people term as a conventional plan.

As Dan has spoken about and Mr. Gill has added so eloquently, creating a world-class park and open on the Island is the first phase of the reactivation of the Island, but also running parallel with that is expanding early signature uses and visitation and visibility on the Island, investing in historic stabilization, transportation and other infrastructure, and then executing a multiphase, mixed-use development strategy.

So I thought I would just add a few more details without repeating the Chairman's remarks, on some of our progress in the last six months in each of those areas.

As you know, we had a very exciting design competition. I think people are aware that the competition was exhibited both on the Island and in Manhattan.

We had hundreds of people on our opening night. Thousands of people visited the exhibits. We had hundreds of on-line comments.



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Lots of public dialogue.

The Governors Island Advisory Council met with each of the design teams. Our goal was not only to select a world-class design team, but to stimulate dialogue about the possibilities for a park and promenade on the Island.

And what we have to remind ourselves is that less than a year ago, eleven months ago we sat in this building and we showed renderings of what a park and promenade might look like.

Those parts of the Island actually are closed to the public. So when you think about what we've accomplished collectively as a Board and an organization, we basically transferred attention to a part of the Island that's closed where people can imagine a park in a place that really no one has visited.

So the southern half of the Island and what we now term the great promenade, are now phrases that appeared in The New York Times, all of the architectural publications and attracted several hundred people to a public forum in June.

So not only are the designs

1  
2 themselves captivating - and I agree with Mr. Gill  
3 that the recommended team is beyond tantalizing -  
4 but I think you will hear and you can see it in  
5 blogs and elsewhere, lots of conversation about  
6 what it means to have a world-class park in the  
7 middle of New York Harbor where you can bike and  
8 walk and enjoy unbelievable, beautiful views and  
9 do things that really complement the signature  
10 parks of New York.

11 Obviously we have the legacy of  
12 Frederick Law Olmsted. So the bar that was set was  
13 very high because New York is already blessed as  
14 probably the most famous park in the world.

15 And I actually am confident that the  
16 park design team that will -- that has been  
17 recommended by the jury and will be announced, we  
18 hope, shortly, really lives up to that legacy.

19 I should also mention that the jury  
20 really attracted incredible participation by the  
21 State Parks Commissioner, the City Parks  
22 Commissioner as well as distinguished design  
23 professionals. And we had just an amazing  
24 dialogue around what those ideas were.

25 In thinking about the park,

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2 obviously we're thinking about new forms of  
3 recreation. And I just wanted to report briefly  
4 on a goal of expanding visitation and visibility  
5 for the Island.

6

7 I think we've shared with you in the  
8 past, the press coverage not just around the  
9 design competition, but about visitation to the  
10 Island.

11

12 We had what we thought was an  
13 ambitious goal of 50,000 visitors this summer. We  
14 exceeded that. We had close to 56,000 visitors.  
15 And that's only a small number if you compare that  
16 to Central Park. But remember in the summer of  
17 2005 a grand total of 8,000 people visited the  
18 Island.

19

20 And if you think about the Island's  
21 history as a military base, there probably were no  
22 more than 50,000 people over those hundreds of  
23 years who did not belong to the Armed Services,  
24 whoever visited the Island.

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26 For those of you who didn't have the  
27 opportunity to go to the island, we introduced  
28 bicycling this summer. Again, a very important  
29 future use in our park. Incredibly popular.

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We had concerts. Every Saturday we partnered with the Governors Island Alliance, who's represented here by Rob Pirani, is a very strong partner in working with Trinity Church, Richie Havens, our most popular concert. Also family festivals.

But what we began to see were really diverse uses. We welcomed visitors from all over the City, from Manhattan and Brooklyn, not surprisingly but really diverse neighborhoods throughout those two boroughs, as well as the other three boroughs and actually more than 30 countries.

So we will continue that work because we believe that this is part of the development strategy. It is our public obligation, in terms of the deed, to open up the Island to visitors. And we are unable, as you know, to currently do that because of safety concerns in the southern half of the Island.

But more importantly, as people read about the Island, as people come to visit, it shows that you don't need a passport to get there. And that this is a place where people can imagine

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a future home for a university, a think-tank for a hotel, for other uses.

We had a session last week with a number of cultural leaders out on the Island. And people were asked their first impression and they said it's just so much closer than we thought. So that's a dominant view.

So we plan, and we'll have future announcements for you for next summer when we welcome two of New York's leading cultural organizations - one a performing arts and one visual arts, hopefully to have major projects on Governors Island next summer.

So we've established a goal of at least 75,000 visitors by next summer and I'm confident that we'll achieve it.

In our previous discussion about the budget, I think we made a reference to ongoing investment in historic stabilization infrastructure. Again, that's ongoing work, not as visible to the public.

But if you come visit, you will notice some beautiful gleamy copper gutters and new roofs. And that is part of our obligation.

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We are, as you all know, the landlord for the 52 landmark structures. That is a very important obligation for us.

But in addition, the Islander is an important part of our strategy. We don't have redundancy. That's important for operations, but it also means as we expand visitors, that we are going to be able to welcome more visitors during the summer and in the future which is very important both for events and concerts as well as ongoing visitation.

We had, at our peak this summer, over 3,500 people get off the Island in an hour and that's the kind of goal that we need to have as we expect to see tens of thousands of people visiting the Island when the park opens on a given day.

And then finally, as Dan alluded to, this is a multiphase, mixed-use development strategy. I don't like to put a timeline on it but I think people are aware of the challenges of bringing back to life a 150-acre island in the middle of New York City that has no residents other than geese and is accessible only by boat.

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So the first tenant, as we know, is the New York Harbor School.

We'll be very interested in learning more about the Mayor's visions for a global health commons and how that fits within the historic buildings.

And as Dan mentioned, I think it fits very well with many of the comments that advocates have made and as well as what we've seen in the market by taking advantage of the unique attributes of the Island.

And as Dan mentioned, we're very encouraged by NYU actually having an open house tonight and requested 300 copies of materials about Governors Island as they look at Governors Island as part of their strategic plan.

And as Dan mentioned, we are continuing to talk other universities and other tenants. But it is not surprising, as you hear visitors walking on Colonels Row, they always say, "this looks like a campus." So we are hopeful that it will be a campus in the broadest sense of the word in the future.

So there's much more detail, but

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rather than take too much of your time we have made considerable progress in all of those areas and everything we do is tied to these four strategic objectives.

And we will continue to move forward and we have a sense of urgency, but also recognize the challenges in bringing this beautiful place back to life.

And I want to just thank all the Board members personally. Everyone around this table has played an important role in providing advice.

Carol and I were e-mailing last night about an island in Helsinki and what we could learn from it. It's just a small example of what each Board member has done and I'm very grateful for that.

And I'm happy to answer any questions.

CHAIRMAN DOCTOROFF: And let me echo Leslie's comments about thanking everybody on the Board for the amount of time put into this. It has been significant and very much appreciated.

And let me add, too, my thanks to



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Leslie and the staff. You know, you get a little taste of these meetings, but there's much more during the committee meetings of the quality and energy, and Leslie is doing a magnificent job leading this Board.

John, and Betty and Paul and the entire team bring to this and it is really thanks to their efforts that we're really moving forward at this point.

DIRECTOR GILL: Well, I underscore that and also thanks to you, Chairman, for developing the momentum that's been developed here. It really is incredible. This thing is on the move now. It's electric. And it's because of your leadership and the hard work of the staff.

I just have one question that may not be in order, but nonetheless, there was a concept that was presented at some point whereby there would be a facility on Governors Island to teach retired people to become teachers. And I thought it was great idea because we're in dire need of good teachers in our public school system. There's no question about that.

And it's also true that a lot of

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retirees are living longer than they have heretofore, thank God.

(Laughter.)

DIRECTOR GILL: And hopefully it's going to get better.

But in any event, there's great longevity and you've got people who are retiring, people who are bankers, people who are accountants, actuaries, engineers, all sorts of people would I think would be very much interested in having a second career as a teacher and making a contribution.

I mean the teaching profession is a wonderful profession probably as honorable a profession as you can think of and we have need for those people.

And I would like to put that back on the table for consideration one time because I think it's enormously worthwhile and would serve our community and our children in an extraordinary way.

CHAIRMAN DOCTOROFF: I agree it would be a very natural fit for the Island. And then the question is obviously can it be funded.

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As you may have heard from the Mayor's comments about the global health commons, it's not inexpensive. You're talking about \$100 million to renovate some buildings and \$20 million a year plus in order to operate it.

So I think our best chance for something like that would be a philanthropist who shares that vision and is willing to actually spend some time and effort - ultimately capital - to bring something like that to life.

DIRECTOR GILL: Perhaps NYU might have an interest in something along those lines.

CHAIRMAN DOCTOROFF: Yes. Inevitably as we move forward we'll be having conversations with them and others about a wide array. But the idea is completely consistent with it.

DIRECTOR MARTIN BERGER: Yeah. I would agree that there is just tremendous resources available among retired and semi-retired people who want to do something constructive. And they don't need a paycheck and I think that's a great idea, Jim, I really do.

DIRECTOR MENSCHER: Can I just

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add.

I think -- I, too share your excitement and everybody's excitement about where we are. And I agree with that and I think the vision for the Island is really coming together.

And I'd like to mention, you mentioned the performing arts center. One of my interests is the -- having the Island become a destination for public art, and that public art to shape, or help to shape the character of the Island.

And I think that is done by including artists who worked in this field in development of permanent installations as well as space in the Island for temporary installations.

But I think in terms of making the Island very special, a destination, that public art can serve that role very well. And certainly the City and really the nation's appetite for it was confirmed by the Gates Project that brought thousands of people from all over the country as well as engaging our own public in the middle of February.

So Leslie and I have been talking to

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people about this and I think that it offers many very exciting possibilities.

CHAIRMAN DOCTOROFF: I completely agree.

PRESIDENT KOCH: And I would add that both in the case of the amphitheater and the public art, one of the reasons in looking at those is the very strong anchor features of the park is that they're not available in New York. And when we look at other cities, people point a lot to Millennium Park in Chicago as an example.

Both of those features that have transformed not only that area of Chicago, but Chicagoan's view of their own city. And we are looking at the feasibility and sort of approach in both of those areas.

But we are very excited about that and welcome other comments that gives us a wonderful opportunity ultimately for a public-private partnership to complement the public investment in the park in both of those areas.

But we like to imagine a concert with the Statute of Liberty in the background and

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we can equally imagine that magnificent sculpture,  
talking advantage of the unique views we have with  
Lower Manhattan in the backdrop.

CHAIRMAN DOCTOROFF: Other  
question or comments?

(No response.)

CHAIRMAN DOCTOROFF: Well, there  
being no further business, I'll call for a motion  
to adjourn the meeting.

DIRECTOR GILL: So moved.

CHAIRMAN DOCTOROFF: The meeting is  
adjourned.

Thank you.

(At 10:57 a.m., the proceedings were  
concluded.)

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C E R T I F I C A T I O N

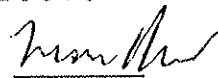
STATE OF NEW YORK )

SS.

COUNTY OF NEW YORK )

I, MARC RUSSO, a Shorthand  
(Stenotype) Reporter and Notary  
Public within and for the State of  
New York, do hereby certify that the  
foregoing pages 1 through 55 taken  
at the time and place aforesaid, is  
a true and correct transcription of  
my shorthand notes.

IN WITNESS WHEREOF, I have  
hereunto set my name this 30th day  
of October, 2007.



MARC RUSSO

\* \* \*

