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Title: Resolution calling upon the Federal Government to transfer Governors Island to the State and City of New York at a minimal cost for the redevelopment of the Island for public purposes.

Sponsors: Jerome X. O'Donovan, June M. Eisland, Kathryn E. Freed, Martin Malave-Dilan, Pedro G. Espada, Guillermo Linares, Helen M. Marshall, Eva S. Moskowitz, Philip Reed, Martin J. Golden, Adolfo Carrion, Stephen DiBrienza, Kenneth K. Fisher, Howard L. Lasher, Sheldon S. Leffler, Stanley E. Michels, Jose Rivera, Annette M. Robinson, John D. Sabini

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Res. No. 1344

Resolution calling upon the Federal Government to transfer Governors Island to the State and City of New York at a minimal cost for the redevelopment of the Island for public purposes.

By Council Members O'Donovan, Eisland, Freed, Malave-Dilan, Espada, Linares, Marshall, Moskowitz, Reed and Golden; also Council Members Carrion, DiBrienza, Fisher, Lasher, Leffler, Michels, Rivera, Robinson and Sabini

Whereas, Governors Island is located in the Upper New York Bay, off the southern tip of Manhattan and has had a long and distinguished history as an American military facility, having been acquired by the British in 1674 as a means of fortification of New York Harbor; and

Whereas, Governors Island was given by the City of New York to the Federal government over 200 years ago for military purposes and has been under the jurisdiction of the United States Coast Guard since 1966 for operations in the eastern United States and the Port of New York; and

Whereas, The Island, which has been designated as a New York City Historic District, currently consists of 172 acres of land, including over 100 acres of open space, and contains 225 structures, including Fort Jay and Castle William, which are listed on the National Register of Historic Places; and

Whereas, On October 16, 1995 the United States Coast Guard announced that it would close its base on Governors Island by the summer of 1997, after almost thirty years of occupancy, as part of a Presidential mandate to the Coast Guard to reduce the Federal Budget deficit; and

Whereas, By August 1996 all residents of the Island had been transferred, full Coast Guard operations closed in August 1997 and a caretaker crew of civilian and military Coast Guard personnel began providing security, fire protection and maintenance services on the Island at an estimated maintenance cost of \$6 million a year; and

Whereas, The United States General Services Administration (GSA), the agency responsible for the conveyance of excess and surplus federal real property, was directed by the Balanced Budget Act of 1997 ("Act"), §9109, Item 373 (17), to conduct the sale of Governors Island no earlier than the fiscal year 2002, that the State and City of New York have the right of first offer for sale of the property at fair market value and that the revenue for the fair market value of the Island was estimated at \$500 million; and

Whereas, In early 1997 United States Senator Daniel Patrick Moynihan indicated that President Clinton had offered to assist the City and State to purchase the Island for \$1 if they could provide a plan for a "public use" of the property; and

Whereas, In 1998 the New York City Economic Development Corporation (EDC) retained consultants to prepare a financial analysis of certain redevelopment options and an infrastructure analysis of the existing condition of the Island and costs associated with infrastructure improvements; and

Whereas, In June 1998, EDC issued two reports, "Market Assessment and Financial Analyses for a Proposed Development on Governor's Island", which analyzed four potential development alternatives (residential, office, casino and hotel/spa/conference center) and estimated a

range of income to the City from \$4.7 (conference center) to \$57 million (casino) for each alternative, and "The Governor's Island Condition Assessment", which estimated the cost of improvements to roads, utilities and piers would range from \$20 to \$45 million depending of the development option chosen; and

Whereas, In July 1998 the EDC issued a Request of Expressions for Interest (RFEI) for the redevelopment of Governor's Island and according to EDC and published reports approximately twenty-five (25) proposals were submitted in response to the RFEI in September 1998; and

Whereas, In January 1999 the Mayor created a panel to help plan the redevelopment of Governors Island and evaluate the proposals submitted in response to the RFEI, consisting of former Deputy Mayor Randy Levine, as Chair, representatives of Senator Patrick Moynihan, members of Congress Jerrold Nadler and Carolyn Maloney, Governor George Pataki, Assembly Speaker Sheldon Silver, Senate Majority Leader Joseph Bruno, Council Member Kathryn Freed and several civic groups, including the Municipal Art Society, The City Club of New York and Regional Plan Association and according to published reports the panel met approximately a dozen times over the year; and

Whereas, Governor Pataki established his own Task Force on Governors Island, consisting of James Gill, Chairperson of the Battery Park City Authority, Charles Gargano, President of the Empire State Development Corporation and State Parks Commissioner Bernadette Castro and according to published reports the Battery Park City Authority contracted with a separate consultant to review possible development options for the Island; and

Whereas, On January 6, 2000 Mayor Guiliani, Governor Pataki, Senator Moynihan and N.Y.S. Assembly Speaker Silver announced a City/State and private partnership concept for the redevelopment and reuse of Governors Island ("Reuse Plan"), which would include limited commercial, retail and food establishments as well as a 2-mile esplanade surrounding the Island; and

Whereas, According to the January 6, 2000 joint press release by Mayor Guiliani, Governor Pataki, Senator Moynihan and Assembly Speaker Silver, the Reuse Plan would require that the landmarked northern portion of the Island will be maintained as an historic cultural center and museum, including Fort Jay and Castle William, and would also encompass a major conference center, an extended stay hotel, moderately priced family lodging and a health/wellness center, while the southern portion of the Island would consist of 50-acre public park, athletic fields and a new museum/aquarium celebrating the Hudson River; and

Whereas, According to the joint press release, the Reuse Plan would create a subsidiary of the Empire State Development Corporation to administer and govern the Island, including overall management responsibilities, operation of public space and recruitment of private developers for specific elements of the plan, and that the Mayor and Governor would make appointments to the entity; and

Whereas, According to the joint press release, the Reuse Plan would require \$300 million in private investment from a developer and include approximately \$30 million in City/State funds for capital improvements (out of a total of \$70 million in needed capital funding) and estimated that it would cost at least \$40 million per year to maintain and operate the Island; and

Whereas, On January 27, 2000 Mayor Guiliani submitted a letter to President Clinton requesting that the budgetary and legislative process for the transfer of Governors Island to the City and State at no cost be initiated based on the announced joint City/State reuse proposal; and

Whereas, On February 7th President Clinton announced his proposed federal budget for Fiscal Year 2001 beginning in October, including a reduction in the revenue estimates for the sale of the Island from \$500 to \$300 million; and

Whereas, Senator Moynihan was able to secure a letter from the Office of Management and Budget that the \$300 million amount was flexible based on the further review and presentation of a well-defined City/State plan; and

Whereas, On February 10, 2000 the Committee on Economic Development, chaired by Council Member Jerome X. O'Donovan, and the Committee on Land Use, chaired by Council Member June M. Eisland, conducted a joint oversight hearing on reuse proposals for Governors Island; and

Whereas, The Council of the City of New York supports the appropriate redevelopment of Governors Island for maximum public use with the Island becoming self-supporting, now, therefore, be it

Resolved, That the Council of the City of New York calls upon the Federal Government to transfer Governors Island to the State and City of New York at a minimal cost for redevelopment of the Island for public purposes.

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