

ADDENDUM #5: Request For Proposals for the Preservation and Redevelopment of Governors Island – Questions and Answers; Additional Information

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PLEASE CHECK THE GIPEC WEBSITE, www.govisland.com, FOR ANY ADDITIONAL ADDENDA POSTINGS.

1) **Q:** If GIPEC intends to be a broker, creating composite teams of responders, what criteria will you use?

A: In order to attain the greatest uses and mixes of uses for the Island, GIPEC may suggest certain Respondents join together as part of a larger Respondent Team. It will be up to the Respondents themselves to determine whether to so join together, and the terms of any such joint agreement between Respondents shall be between the parties themselves. GIPEC seeks capability, synergy, and compatibility amongst team members which would contribute to our stated public benefit goals and the other selection criteria outlined in Section 11.3 of the RFP.

2) **Q:** Does GIPEC have prejudices against any type of tenant, such as a co-op board could against certain tenants?

A: GIPEC does not have prejudices against any type of potential tenant. The desirability of different uses for Governors Island depends on the specifics of actual proposals, their compatibility with each other and with the Island's development framework. GIPEC's selection criteria are stated in Section 11.3 of the RFP, and types of tenants will be evaluated on a case by case basis.

3) **Q:** I am concerned about the protection of proprietary information. How much information do we reveal to you in the RFP?

A: Please refer to Section 13.4 "Freedom of Information Law" of the RFP. It is up to Respondents to decide how much information to submit in their proposals. However, Respondents should submit sufficient information so that GIPEC can fully understand the proposal and make a proper evaluation. GIPEC may request additional information from short-listed firms.

4) **Q:** If my proposal comes in on May 11, after the RFP process is concluded, does that disqualify me?

A: Proposals received after the specified date and time will not be considered.

5) **Q:** What is GIPEC looking for in terms of a financial threshold?

A: There is no financial threshold per se. GIPEC will evaluate proposals on financial attractiveness to GIPEC along with other selection criteria outlined in Section 11.3 of the RFP.

6) **Q:** Is there a minimum financial commitment a developer should have?

A: No. The financial commitments will be specific to each proposal and evaluated accordingly. Respondents should keep in mind that financial attractiveness to GIPEC will be one of the selection criteria.

7) **Q:** Will there be a long build-out timeline?

A: The exact timeframe for rebuilding is to be determined and will vary with types and densities of uses chosen for the Island. GIPEC also anticipates the island may develop in phases. The terms of the lease negotiations and the master planning process will establish a phasing timeline. GIPEC will coordinate the phasing and staging plan and any interim uses until full build-out.

8) **Q:** Who would be in charge of phasing, staging and interim uses?

A: GIPEC would work with the selected respondents, the National Park Service, and other stakeholders (such as the public) to coordinate phasing, staging, and interim uses. See also answer to Question #7.

9) **Q:** When do you see breaking ground?

A: Construction can start when the environmental review process concludes. GIPEC anticipates this will be early 2008.

10) **Q:** So negotiation will take a year?

A: No, GIPEC's timeline anticipates execute Conditional Designation(s) in mid-November of this year.

11) **Q:** For development, are approvals required, such as the Army Corps of Engineers?

A: Approvals (including, but not limited to, U.S. Army Corps of Engineers and/or New York State Department of Conservation) may be necessary, depending on the type and nature of development proposed.

12) **Q:** Has GIPEC started the Environmental Impact Statement?

A: No. GIPEC will base the environmental impact assessment on scenarios from the RFP proposals.

13) **Q:** How is GIPEC's estimated Environmental Impact Statement timeframe derived ?

A: GIPEC has based its estimate on other large urban development projects in the New York City region and the timelines for other comparable Empire State Development Corporation projects.

14) **Q:** What guarantees are there for prospective respondents vis-à-vis the environmental review process and the feasibility of their proposals? Will Respondents and proposals be subject to the decision-making of the Environmental Impact Statement (EIS) process?

A: Selected proposals will be subject to environmental review and approval. There are no guarantees or environmental review findings in advance of GIPEC conducting the environmental impact statement analysis. It is anticipated that the conditional designation agreement(s) would have contingencies concerning environmental approvals.

15) **Q:** Do you have a historic consultant?

A: GIPEC employs a preservation consultant dedicated to Governors Island and will also be working with the master planning consultants (EDAW, Inc.) on preservation issues.

16) **Q:** Are just buildings considered historic or is land also considered historic?

A: There are 62 historically significant buildings and certain historically significant landscapes in the 92 acre Historic Landmark District. See Appendix F: "Governors Island Historic District Preservation and Design Manual" for more detail.

17) **Q:** When I lease a building, can I create a historic tax easement and sell the easement?

A: GIPEC is not able to answer the question at this time. Please make an assumption for the purposes of compiling your proposal, state the assumption made, and be explicit about the financial implications for your proposal with and without selling such easements.

18) **Q:** If a building is in the Historic District, does it have to comply with preservation requirements?

A: If the building is considered to be one of those which contributes to the historic district, it must comply with preservation requirements. See Appendix F: "Governors Island Historic District Preservation and Design Manual" for more detail.

19) **Q:** How many buildings and how many square feet of buildings are in the historic district?

A: 62 structures are considered to be historically significant within the 92 acre historic district. Together, they contain a total of 1.5 million square feet.

20) **Q:** How is the GIPEC Board comprised?

A: GIPEC is a subsidiary of the Empire State Development Corporation with half of its board of directors appointed by the Mayor of New York City and half

appointed by the Governor of New York State. Deputy Mayor Daniel Doctoroff is the Chairman, and Mr. Mallory Factor is the Vice-Chairman. A full list of board members is available on the GIPEC website: www.govisland.com.

21) **Q:** What is CUNY's role?

A: CUNY, like any other institution, may or may not decide to submit a proposal. No decisions have been made regarding CUNY or any other institution having a role in future development.

22) **Q:** The National Trust for Historic Preservation had a role in the disposition of Governors Island from the Federal government to GIPEC. Is it still involved in any capacity? Will all three levels of government continue to be involved in historic preservation?

A: The National Trust for Historic Preservation is not involved in review. They developed the preservation guidelines and leave the administration of those guidelines to local preservation offices. GIPEC now works with the New York State Historic Preservation Office and the New York City Landmarks Commission on historic preservation reviews and approvals. The Federal government retains interest in preservation through the National Park Service (For further information see Appendix D: Quitclaim Deed Section 2). In addition, where Historic Preservation Tax Incentives are used, or federal funding is used, federal review of projects will come in to play.

23) **Q:** What are the priorities for the funds that have been allocated so far?

A: Funds have been allocated for operating and capital expenses. The \$45 million in capital funds GIPEC will receive this year will go toward preserving and stabilizing the historic buildings, infrastructure design, and environmental remediation. In addition, \$7 million in Federal transportation funds will be used for docks and/or ferries. The largest portion of GIPEC's capital spending right now is for maritime-related uses – docks and boats. A smaller portion is dedicated to building stabilization (exterior envelope, roofing, windows).

24) **Q:** Have you decided yet where the public park will be?

A: The deed requires a minimum of 40 acres of public parkland, mainly south of Division Road, plus the esplanade around the Island. However, the precise location of the public park will be determined during the master planning phase in conjunction with determining locations for private development parcels, although a meaningful portion of the park will be adjacent to the esplanade.

25) **Q:** Are there other City statutes besides the New York City Building Code that you are voluntarily subject to?

A: At this time, no. As the governance structure of the Island is established, GIPEC will work with other State and City entities to formalize controls and applicable statutes.

26) **Q:** Will plans be submitted to the New York City Landmarks Commission?

A: Plans for modifying historic buildings will go to the New York City Landmarks Commission (as well as the State Historic Preservation Office) to examine historic stewardship. GIPEC will work on facilitating and streamlining this process for developers.

27) **Q:** Please clarify what constitutes an educational use.

A: The Quitclaim Deed contains a broad definition of educational uses – See Appendix D – Quitclaim Deeds for details.

28) **Q:** If athletic fields were part of the park, would they count as educational uses?

A: This would have to be evaluated by looking at the specifics of a proposal and what type of access educational institutions and the general public have to the facilities.

29) **Q:** Are there limitations on types of capital structures or countries of origin?

A: Not in the Quitclaim Deeds or the GIPEC charter. However, if there are any general limitations imposed by applicable federal, state or local law, those limitations would be applicable. GIPEC will retain ownership of land, but enter into long-term leases.

30) **Q:** Is there a preference for a ferry or tram from Brooklyn to Governors Island tied into development along the Brooklyn waterfront?

A: GIPEC seeks to enhance passenger access from Brooklyn to Governors Island. Governors Island should be linked to as many places as possible through multiple forms of transportation – GIPEC ferry, private ferries or water taxis and possibly an aerial gondola. See Section 5.1 for the RFP for more information on Transportation and Access.

31) **Q:** Is there a chance to look at RFEI proposals?

A: The 95 responses to the “Request for Expressions of Interest” from 2005 are listed by proponent name in “Additional Materials” of the RFP. The full proposals themselves have been available for review in the reference materials resource room (see Section 10.7 of the RFP).

32) **Q:** If I have a \$20 billion proposal, do I have to have all my investors lined up?

A: As stated in the RFP in Section 8.1, letters of interest from lenders and/or investors should be included in the proposals. GIPEC recognizes that securing financial commitments is an iterative process. At this early stage, Respondents should include whatever information they can provide about their financial commitments in their proposals. GIPEC wants to see sufficient evidence of financial wherewithal to demonstrate the financial feasibility of the proposal.

33) **Q:** Can we come back for more extensive tours of the buildings we are interested in, or look at plans?

A: See Section 10.5 of the RFP. GIPEC will consider all requests and accommodate them, to the extent feasible. Section 10.6 provides information about available Governors Island Plans, and Appendix I includes building summaries and plans.

34) **Q:** Are most buildings in as good shape as the ones on the site tours?

A: The buildings on the site tour represent the general condition of the historic buildings. Obviously, individual buildings will have conditions that are better and/or worse than those on the tour. Building condition assessment reports are available in the reference materials resource room.

35) **Q:** What is the review timeframe and what are submission criteria?

A: The review process is laid out in Section 11.1 of the RFP. The Selection Criteria are found in Section 11.3, and the timeline is indicated in Section 11.4.

36) **Q:** 1) Does missing the May deadline prohibit someone or an organization from being involved in a component of the project later on? 2) If you do not receive enough good projects to encompass the entire island, will you seek proposals for the unused pieces?

A: 1) No. GIPEC expects that Successful Respondent teams will naturally evolve over time in their make-up. Nevertheless, GIPEC strongly suggests to potential Respondents that they submit proposals to GIPEC prior to the deadline. While it is possible a selected Respondent could later seek out entities or organizations to fill out a portion of its larger proposal, there is no certainty that process will happen or that any particular entity or organization would be considered by such selected Respondent(s). The only way to be sure that a proposal will be considered is to submit it to GIPEC on or before the deadline on May 10, 2006. 2) GIPEC will make a determination of follow-up steps depending on the proposals received and the capabilities of the Successful Respondent teams.

37) **Q:** Why are permanent residences prohibited? How firm is that restriction?

A: The applicable use restrictions are set forth in the Quitclaim Deed from the federal government. The Quitclaim Deed does not specifically prohibit permanent residential uses but states that residential uses, except as otherwise

expressly permitted by the Deed, are prohibited. The Deed specifically permits hospitality uses, student and faculty housing and short term or extended stay accommodations. In addition, residential uses associated with other permitted uses under the Deed, such as health facilities, entertainment facilities and cultural and arts facilities would be permissible. This deed restriction is binding upon GIPEC and can only be modified upon the consent of the federal government through an amendment to the Quitclaim Deed.

38) **Q:** Is there duration to the restrictions in the deed?

A: Restriction terms vary for different uses. Please refer to the Quitclaim Deeds (see Appendix D).

39) **Q:** Is there consensus on what temporary housing is? Does it preclude one year rentals?

A: The Quitclaim deed does not use the term “temporary housing”. See the answer to the Question #37 above. The Quitclaim Deed does not provide guidance as to what occupancy time periods would satisfy “short term” or “extended stay” uses permitted by the Deed. Respondents seeking to submit any short term or extended stay proposals should perform their own legal due diligence to determine if any of those terms are further defined, qualified or limited by any applicable laws, rules or regulations.

40) **Q:** Who decides what is permitted by the deed? Does the Federal government get back into the picture in a discussion about what is permitted?

A: GIPEC will interpret the Quitclaim Deeds relative to specific development proposals and uses. It is premature to speculate about what, if any, reactions or comments the Federal government may have to GIPEC’s plans for the Island. We anticipate that the Federal government will contact GIPEC if they believe GIPEC is pursuing uses not permitted under the Quitclaim Deeds.

41) **Q:** Does GIPEC perceive that after this RFP process it will be in a position to lease out 50% of the buildings, have a basic overall master plan and take some time to lease out the rest of the space.

A: The leasing rate and phasing of the project will depend on the responses to the RFP.

42) **Q:** To what extent will the State be involved in funding some of the improvements?

A: GIPEC’s capital funding to date has been provided equally between the State and the City, in addition to \$7 million in Federal funds. GIPEC anticipates that in the future, it will receive funding sufficient to provide utility infrastructure labeled the responsibility of GIPEC in Appendix G.

43) **Q:** What is GIPEC's position on mixing team members? How much will you intervene?

A: Please refer to Section 13.2 of the RFP "Right to Form Respondent Teams". GIPEC wants to ensure that Governors Island is redeveloped with the best possible uses and mix of uses. Accordingly, we reserve the right to request substitutions in Respondent Teams. This having been said, GIPEC recognizes that entities will have put in a lot of work forming teams and that certain synergies may be present in the composition of such teams. Accordingly GIPEC does not intend to make team substitutions prematurely or arbitrarily or without careful consideration of the reasons for initial team formation and synergy.

44) **Q:** How independent is GIPEC in terms of dealing with open space? Is it a model similar to Battery Park City? Or will other city agencies such as the Parks Department have oversight?

A: GIPEC owns the Project Area and has responsibility for developing it including all open space and future parkland. GIPEC will certainly work with the National Park Service and in consultation with other State and City agencies on the development of the open space. The ultimate management and operations structure for the open space, whether by public agency, conservancy, hybrid, or other, remains to be determined.

45) **Q:** Will another entity be able to prevent a team's inclusion even once a team has been given the project?

A: The selection process and selection criteria have been described in the RFP. GIPEC intends to follow the stated process leading to Conditional Designation(s) of one or more Successful Respondents. The process will involve consultation with the GIPEC Board and input from the public, elected officials, civic groups, State agencies, and City agencies.

46) **Q:** Is there asbestos information for each building?

A: Some information regarding asbestos and asbestos abatement history is available in the building conditions assessment reports (available in the reference materials resource room). However, these reports may be an incomplete accounting of the use of asbestos in the buildings.

47) **Q:** Do you have a favorite master plan concept?

A: No. There is no preferred master plan scheme. The conceptual models which GIPEC developed were illustrative of potential uses and configurations, but do not represent any development preferences.

48) **Q:** How do I find out what the whole island proposals are and who is proposing them?

A: GIPEC will not know what the proposals are or who is submitting them until after the submission deadline. However, to facilitate communications amongst prospective respondents, we have posted information on the website under *Addenda 4 and 5* about respondents who wish to be contacted about possible partnerships. Please also continue to check later addenda for possible updates to the list.

49) **Q:** What is the \$60 million for the 51 buildings earmarked for?

A: Approximately \$30 million is earmarked for infrastructure, including marine infrastructure, and approximately \$35 million is dedicated toward stabilization of the historic buildings.

50) **Q:** Will GIPEC be doing brickwork, masonry and re-pointing as part of the historic building stabilization?

A: GIPEC may do some of this type of work where necessary to maintain the buildings, but we will not be undertaking major re-pointing projects at this point.

51) **Q:** How important is finance-ability?

A: The ability of the Respondent or Respondent Team to finance its proposal is very important. Please refer to Section 8.1. Letters of interest from lenders and/or investors should be included in the proposals. Respondents should include whatever information they can provide about their financial commitments in their proposals. GIPEC is looking for sufficient information to demonstrate that a respondent has the financial capacity, through both debt and other sources, to effectuate the submitted proposal. GIPEC expects to receive proposals with a range of financing structures and will evaluate the merits of each.

52) **Q:** Is there anything in GIPEC's charter about the kind of deal structure a project can or cannot have?

A: No.

53) **Q:** Do you have any revenue projections for these buildings?

A: No, revenue projections will depend on the proposals. However, *Addendum 3* includes a market study produced by one of our consultants last year.

54) **Q:** Will Liberty Bonds be available?

A: At this time GIPEC does not expect that Liberty Bonds will be available for use on Governors Island.

55) **Q:** Is the island for sale?

A: No, GIPEC has no intention of selling its portion of the island.

56) **Q:** The project area map is outside the seawall edge of the island. Does that mean the island can be expanded?

A: There are approximately 30 underwater acres that are part of the Project Area owned by GIPEC, and that is why the boundary extends beyond the seawall. Expansion of the island is not precluded, but would be subject to rigorous approvals by the relevant agencies.

57) **Q:** Have you looked at bringing the water into the island?

A: Yes. Please see Appendix E – “Design Objectives for Buildings and Landscape” , for more information on this issue.

58) **Q:** What is the plan for the piers and docks?

A: Please see Appendix O: “Preliminary Transportation Plan” for more information. The future master plan for the Island will include the piers and docks (demolition, repair, or new, if any).

59) **Q:** Could the perimeter of the Island be used to put pipes down for river water cooling?

A: Theoretically, yes. However, there are permitting issues for river water cooling in addition to technical engineering feasibility. GIPEC cannot confirm at this time whether such technology would be able to receive the required permits. Other relevant information is contained in the Preliminary Utility Master Plan Report – Appendix G.

60) **Q:** Where can we information on the island’s infrastructure, such as the power grid?

A: Utility infrastructure information is in the Preliminary Utility Master Plan, Appendix G of the RFP.

61) **Q:** Would you accept projects with Federal funding?

A: Yes.

62) **Q:** Is the aerial gondola feasible?

A: An aerial gondola between Lower Manhattan, Governors Island, and Brooklyn is a preliminary concept at this time, but we do believe that a gondola to the Island is feasible from an engineering standpoint. Any decision to build such a gondola would require a great deal of planning, engineering analysis, community input, environmental review, and public comment.

63) **Q:** Do the 20 acres of educational uses have to be continuous?

A: No.

64) **Q:** Are Gondola pictures available as a jpeg?

A: Yes. Please send your request to DevServ-GIPEC@empire.state.ny.us

65) **Q:** What is the largest contiguous indoor space on the existing island?

A: The Liggett Hall Gymnasium is the largest in the north side of the island. On the South Island, the warehouse building has approximately an acre of space.

66) **Q:** Have you considered transport on the island? How will you get people around the island?

A: Please see Section 5.1 "Transportation and Access" of the RFP.

67) **Q:** Could there be shopping centers?

A: Retail is a permissible use under the Quitclaim Deeds.

68) **Q:** Can we move Soissons dock?

A: It is probably impractical to move Soissons dock, but GIPEC is considering a second freight vehicle landing, possibly matched with a new landing on the Brooklyn waterfront. During construction and demolition there may be a need for a temporary dock.

69) **Q:** Does the development theme have to use the water?

A: No.

70) **Q:** Would you consider a casino?

A: No, it is a prohibited use in the deed.

71) **Q:** What is going on with the buildings on the south side of the island?

A: GIPEC is doing minimal maintenance to prevent any safety hazards in the vicinity.

72) **Q:** Would GIPEC pay for demolition?

A: Payment for demolition is subject to negotiation.

73) **Q:** What are GIPEC's estimated costs for the retrofit?

A: GIPEC has preliminarily estimated \$550-650 million (\$365-430/sqft) would be required to bring the 1.5 million square feet in the historic district (62 structures) to a condition ready for adaptive reuse. The vast majority of this cost would be borne by the buildings' developers, although but some of it is included in GIPEC's current capital repairs. The figures are an order of magnitude estimate. The costs could be less, or more, depending on the future uses of the structures. The \$550 - 650 million figures do not include utility and waterfront infrastructure work or any demolition or construction costs on the South Island.

74) **Q:** Where does the requirement for 40 acres of park come from?

A: The Quitclaim Deeds (Appendix D).

75) **Q:** Is all of Governors Island wetlands?

A: None of the island is wetlands.

76) **Q:** Would a proposal that addresses the entire Northern part of the Island, and includes both adaptive re-use of the existing buildings and the construction of new structures, be considered a Component Proposal? Or would it have to be submitted as a Whole-Island Proposal? The definition of 'Component Proposal' in the GIPEC guidelines does not address this point specifically.

A: Classification would depend on the amount of the South Island being included. If the Proposal is for the North Island only, it would be considered a Component Proposal. Proposals that include all or substantially all of the Project Area are considered "Whole-Island" proposals.

77) **Q:** Regarding the fee that is required when a proposal is submitted, would a NYC municipal agency be categorized as a general "Respondent" or a "not-for-profit organization."

A: Not-for-profit.

78) **Q:** Which firm/company did the AUTOCAD version of the individual building plans available from the outside vendor? Would there be a way for respondent teams to access those AUTOCAD files?

A: The original building plans were created by the U.S. Coast Guard and U.S. Army prior to GIPEC's ownership of the Island. GIPEC is not in possession of the any AUTOCAD files or original plans (mylars or vellums). The scanned plans accessible through GIPEC's designated vendor are the only versions available to RFP Respondents.

79) **Q:** Has the deadline for submissions been extended?

A: No.

80) **Q:** Is it permissible to re-paint the exterior of any of the historic structures?

A: Yes, re-painting for maintenance purposes is permissible within the existing color palette. Any work on the historic structures, interior and exterior, must conform to the requirements of the Governors Island Historic District Preservation and Design Manual – see Appendix F.