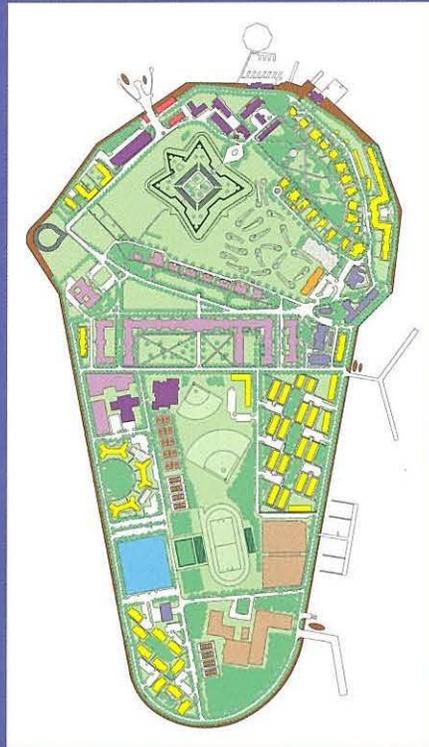
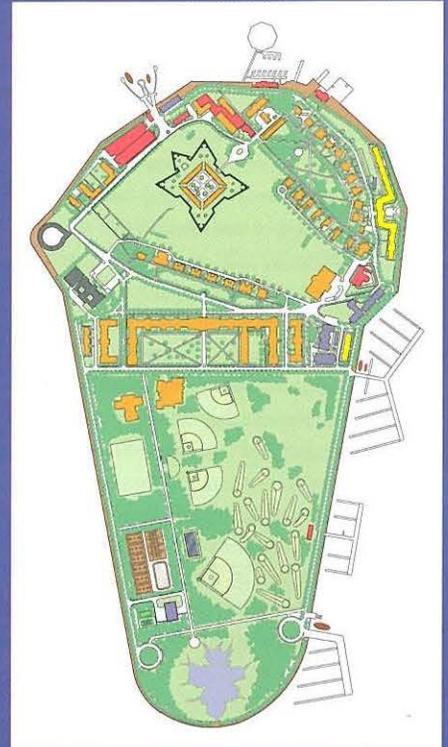




Reuse Option



Academic Option



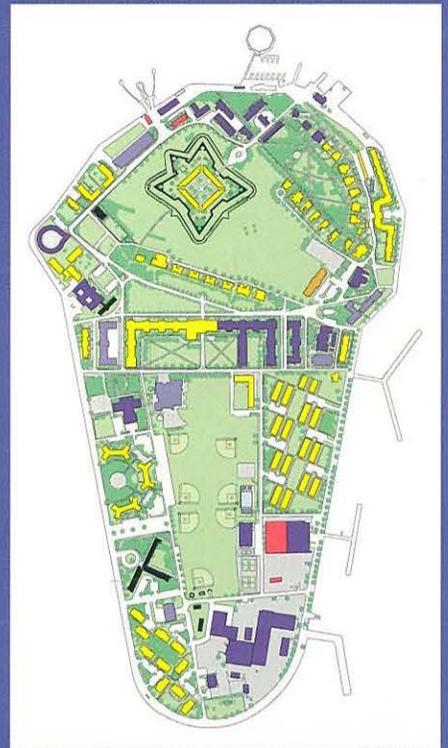
Recreation Option



Mixed Use Option



Maximum Development Option



Phase-In Option

Governors Island Land Use Study

EXECUTIVE SUMMARY

Prepared for the U.S. General Service Administration
by the Beyer Blinder Belle Consortium

December 1997

Governors Island Today

On October 16, 1995, the United States Coast Guard (USCG) announced that it would close Governors Island by the end of Summer 1997, after 30 years of residency. This event represents a remarkable opportunity to reclaim and reinvigorate one of New York's most promising assets.

Because it is an island and was used exclusively as a military post for more than two centuries, Governors Island has existed in splendid isolation. Nevertheless, like its neighbors, the Statue of Liberty and Ellis Island, Governors Island is perceived by the public at large as a national treasure. The island's long service as the sentry of New York Harbor, its magnificent historic structures, views, and parklike setting – all within a five-minute ferry trip from Manhattan – have captured the public's imagination, as Governors Island faces the next chapter in its illustrious history.

Governors Island is located in New York Harbor, one-half mile from the Battery in Lower Manhattan and one-third mile from Red Hook, Brooklyn. It contains 172 acres of land, 225 structures and over 100 acres of open space. On the northern end of the island, approximately 92 acres have been designated as a National Historic Landmark and a New York City Historic District, featuring 18th-century fortifications, pre-Civil War Arsenal buildings, Victorian housing, and early 20th-century neo-classical architecture. With its range of housing types, community and recreation facilities, tree-lined streets, and intimate parks, Governors Island has the character of a quiet village, even in the midst of a dynamic world city and international port.

History

Beginning with its purchase from the Manahatas Indians in 1637 by Wouter Van Twiller, the island was a rural sanctuary for colonial governors of first, New Netherland and later, New York. By the late 1600s, fortification of New York Harbor was urged by the colony's English rulers, and Governors Island, as it came to be known, was considered a key strategic point. While British troops were stationed in the harbor in 1775, American rebels built the first fortifications on the island – the beginning of more than 200 years as a major military site. Following the Revolutionary War, Governors Island, though garrisoned, remained inactive until the threat of war with France at the end of the 18th-century. The island was then substantially fortified, an act which is credited



Aerial view of Governors Island

for preventing an attack on New York Harbor during the War of 1812.

Under the control of the U.S. Army for 172 years, the island was the site of a major arsenal, a military prison, training camps, and a full-scale Army base.

At the turn of the century, landfill from New York City subway excavations and harbor dredging was used to nearly double the island's size to the south. In 1909, Wilbur Wright made the first flight over American waters from this new flat land. In 1966, the island was transferred to the USCG, which eventually replaced the Army's temporary structures on the island's southern half with a significant number of residential, industrial, and community facility buildings.

U.S. Coast Guard Move

The USCG's decision to close Governors Island was made in response to a Presidential mandate to identify recurring savings as part of federal deficit reduction efforts. Since that time, Coast Guard units stationed there have been relocated, and the island moved into caretaker status in August 1997. Security, fire protection, and facility maintenance is planned until the island's disposal.

The Coast Guard units that support maritime operations in the Port of New York and New Jersey were relocated to Staten Island and New Jersey; those units having regional responsibility over the Eastern United States were relocated to the Tidewater Virginia area; and the civilian and military personnel who operated and maintained the island have moved to various locations.

Disposal Process

Governors Island is subject to special legislation incorporated as part of the Balanced Budget Act of 1997 (Item 373: [17], Sec. 9101), as signed by President William J. Clinton. It directs the General Services Administration (GSA) to sell Governors Island at fair market value no earlier than fiscal year 2002. The State of New York and the City of New York have the right of first offer to purchase all or part of the island at fair market value. GSA Property Disposal representatives are analyzing the impact of the legislation and planning for its implementation.

While the preceding describes the disposition of Governors Island pursuant to the special legislation, the following is a brief synopsis of the standard disposal process based on the Federal Property Act of 1949 ('49 Act), as amended.

To convey the property to new users or owners under the '49 Act, there is a three-tiered process:

1. The first priority is screening for reuse of the island by another federal agency for its property needs.
2. In the absence of any federal need for the property, GSA must give priority to specifically legislated public benefit programs of the state and local governments, eligible institutions or non-profit organizations. These include park and recreation, historic monument, education, public health and homeless uses. In addition, the city or state may purchase the property (at fair market value) for public purposes not covered by these public benefit programs, such as for economic development.

3. In the absence of the public uses described above, GSA would then offer the property to private individuals and companies by competitive sale.

Governors Island will be disposed of according to the provisions of the special legislation (the Balanced Budget Act of 1997, Item 373: [17], Sec. 9101), unless that legislation is otherwise amended, modified, or withdrawn.

Purpose

This Land Use Study is not a legally-mandated part of the disposition process; rather it was commissioned by GSA in recognition of the uniquely special qualities of Governors Island. This Study, prepared by the Beyer Blinder Belle Consortium, is designed to: inform the public of the island's resources; guide the Environmental Impact Statement (EIS) by providing a range of possible land use options for analysis; and become a catalyst for ideas on Governors Island's reuse.

Plans for the future of Governors Island must be a balance between conservation and new construction; between looking back on history and forward to innovative solutions for the 21st century; between a world-class attraction and local needs; between the ideals of a long range vision and the immediate need to keep the buildings used and maintained; and between maximum public benefit and an economically sustainable reuse program.

Public Participation

Governors Island's future is a matter of great public interest. A key component of the Land Use Study was the public participation program, designed to keep all interested parties informed of the Study's progress, and provide mechanisms for receiving and incorporating public comment. Three public forums were held over a six-month period; summaries of the commentary from these meetings are available by request. Bi-weekly working meetings between the Beyer Blinder Belle Consortium and city, state and federal agencies guided the planning process. Focus groups and personal interviews were conducted with representatives of a range of potential user groups, such as housing groups, schools and universities, parks and recreation groups, developers, retailers, and civic and other non-profit organizations.

Methodology

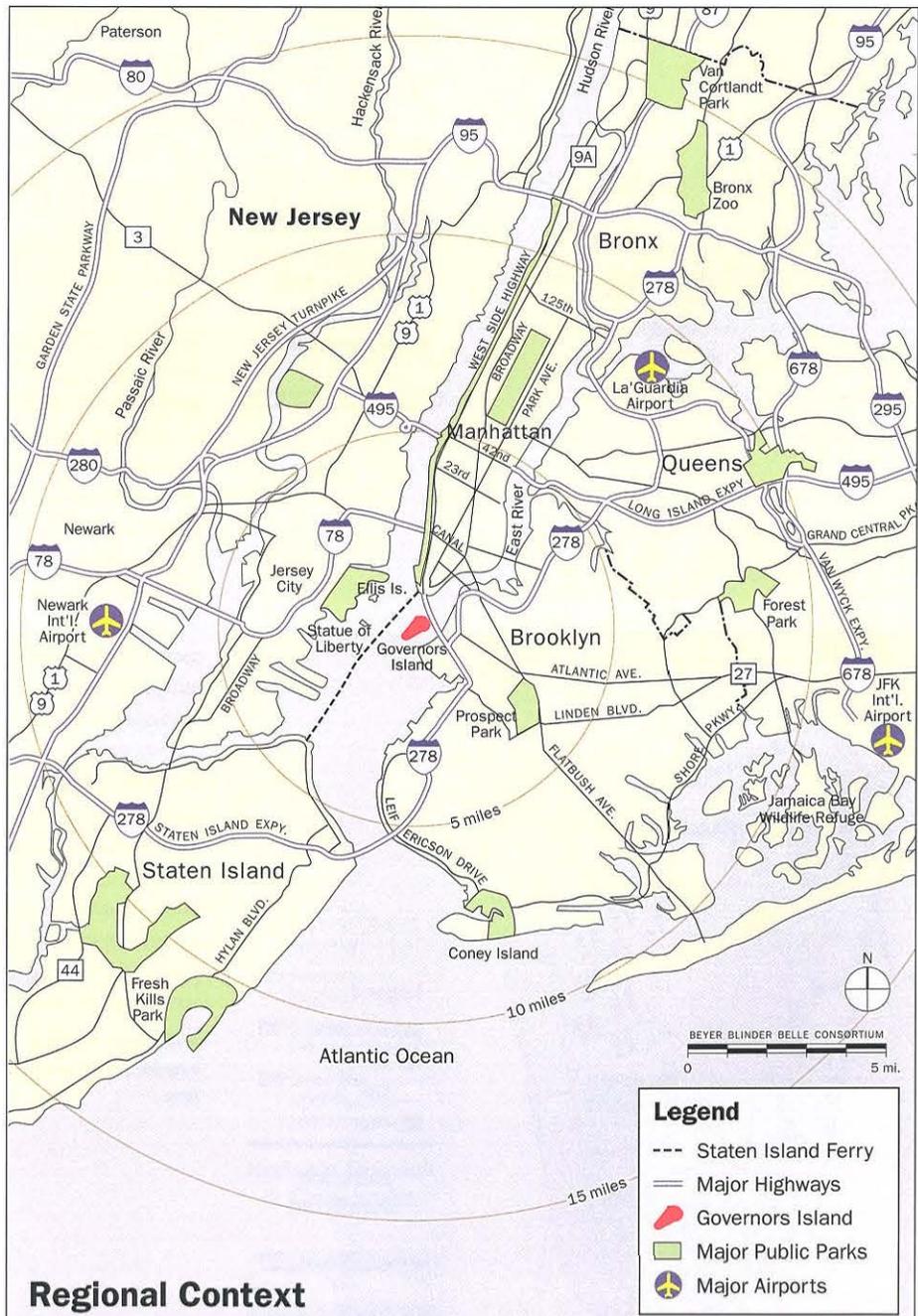
In order to provide a range of planning options for consideration in the Environmental Impact Statement, this Study consisted of an assessment and analysis of all relevant island conditions and a range of planning fac-

tors. Based on these analyses, a set of common planning elements for the island was established, which in turn guided the determination of six land use options. The findings of the Land Use Study are embodied in these six options, which, both as a group and individually, reflect the overall goals of the Study. None of these options, however, should be viewed as the preferred alternative.

Regional Context

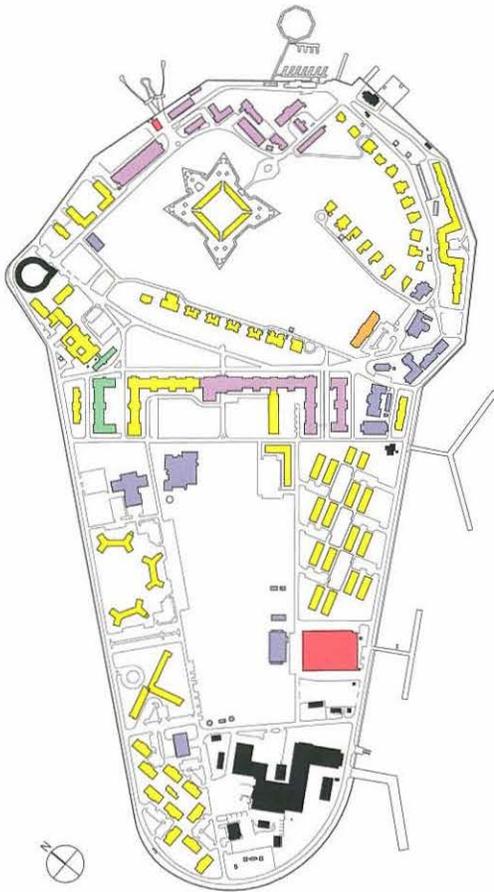
Since its inception as a fortified site, Governors Island's location has been a critical factor in its history. Today, the island's harbor setting creates both a physical and cultural context of considerable importance to its future. The regional waterfront is currently un-

dergoing a widespread transformation from primarily industrial uses to recreational and residential uses. Both New York and New Jersey have proposed greenway plans and new zoning for Manhattan, Staten Island, Brooklyn, and the western Hudson River shores. Governors Island shares New York Harbor with two of this region's most significant historic sites – Liberty and Ellis Islands – as well as a number of other popular tourist spots. Given the continued growth of tourism in the New York area, and the island's proximity to a revitalized Lower Manhattan and Brooklyn, Governors Island has great potential to become a major destination. It has the promise to enrich both the local and international communities with its remarkable resources.



Regional Context

BUILDING ASSESSMENT



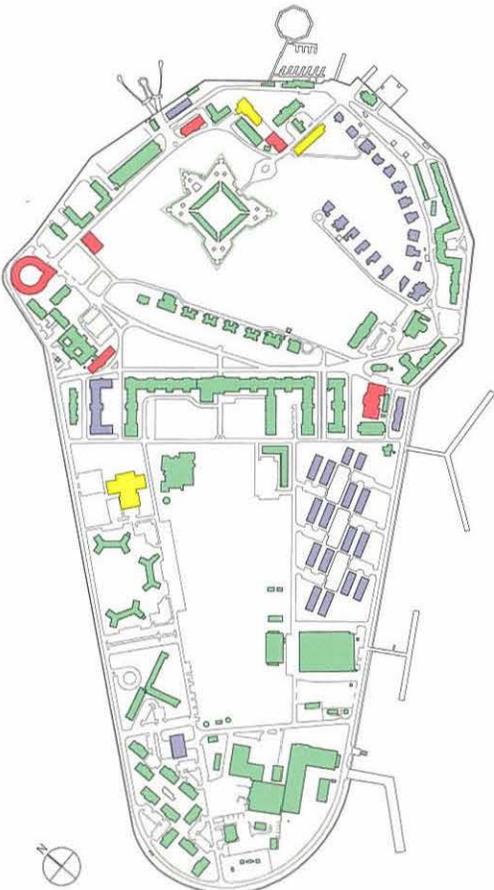
Legend

- Residential
- Community Facilities
- Administrative Offices
- Parking Structures
- Storage/Industrial/MEP
- Medical
- Retail
- Motel

Former Building Use



BEYER BLINDER BELLE CONSORTIUM



Legend

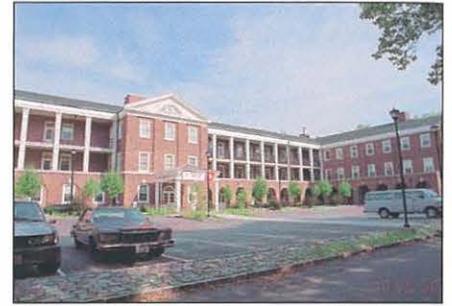
- Excellent
- Good
- Fair
- Poor

Building Condition



BEYER BLINDER BELLE CONSORTIUM

Building 550, a recently renovated health services clinic.



Former Building Use

The buildings on Governors Island are characterized by a wide range of uses, styles, heights and ages, not unlike what might be found in a small town. The most significant former building use was residential, consisting of over 1.7 million square feet and 62% of the total building area. A variety of housing types include individual houses, townhouses, apartment buildings and barracks. Under the USCG, a large portion of the Historic District was devoted to single- and two-family houses, with enclosed parking garages nearby. The District also contains multi-family apartments and barracks rooms. On the southern portion of the island, the residential accommodations include: townhouses, garden and high-rise apartments and barracks.

Community facilities were located throughout, including religious chapels, a public elementary school, a day care center, medical and dental clinics, a firehouse, and dining, entertainment and recreational facilities. Office space was located in the Historic District near the ferry landing, and most industrial and storage facilities were located on the southeastern portion of the island, near Lima Pier. Other miscellaneous structures include maintenance sheds, recreation shelters, monuments, and navigational towers.

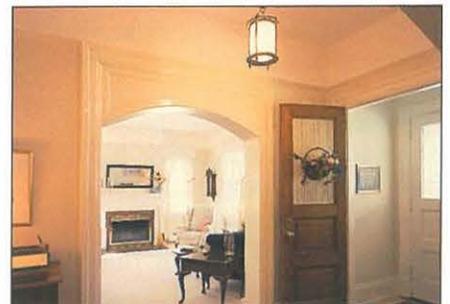
Building Conditions

The majority of the island's buildings have been well maintained. Some 90% are in excellent to good condition and need only minor repairs. In particular, many of the residential buildings in the Historic District have undergone substantial renovations over the past ten years, and are in excellent condition due to high levels of maintenance provided by the U.S. Coast Guard.

Building Code and Zoning Compliance

As federal property, the buildings on Governors Island were not subject to state and local codes. Therefore, many may not be compliant with the New York City Building Code. Also, many buildings were built prior to the passage of the American Disabilities Act and are non-compliant with this law. Based on preliminary site observations, approximately 68% of the buildings may have code infractions related to access and egress requirements: entry steps with no ramps and insuffi-

A renovated house interior on Colonel's Row.





Building 877, an eleven story 'skip-stop' apartment building

cient exit stairs. Many buildings may continue to be exempt if their uses remain the same and if no major renovations are proposed, provided a certificate of occupancy is obtained by the island's new owner.

Under the current New York City Zoning Resolution, Governors Island is zoned entirely as R3-2, a low density residential district. However, many existing structures do not meet the existing requirements, particularly in terms of use or height. If the island comes under New York City regulations, it would likely be rezoned.

Historic Preservation

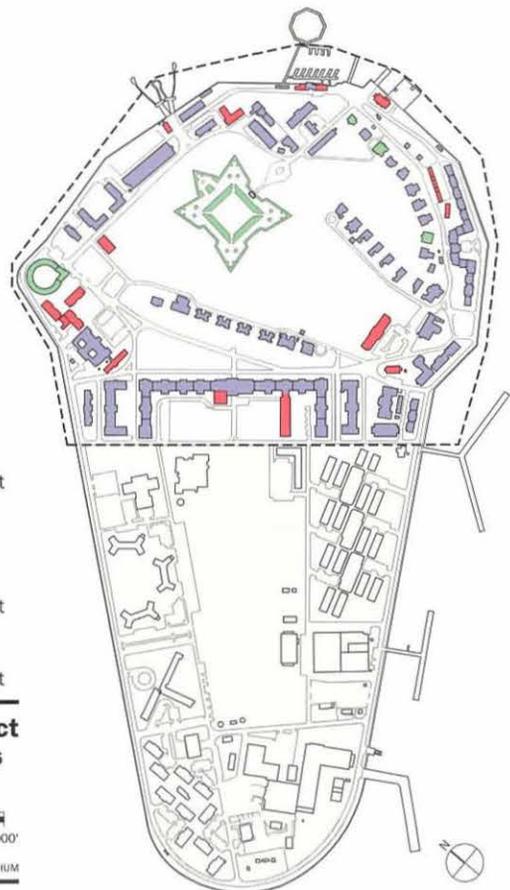
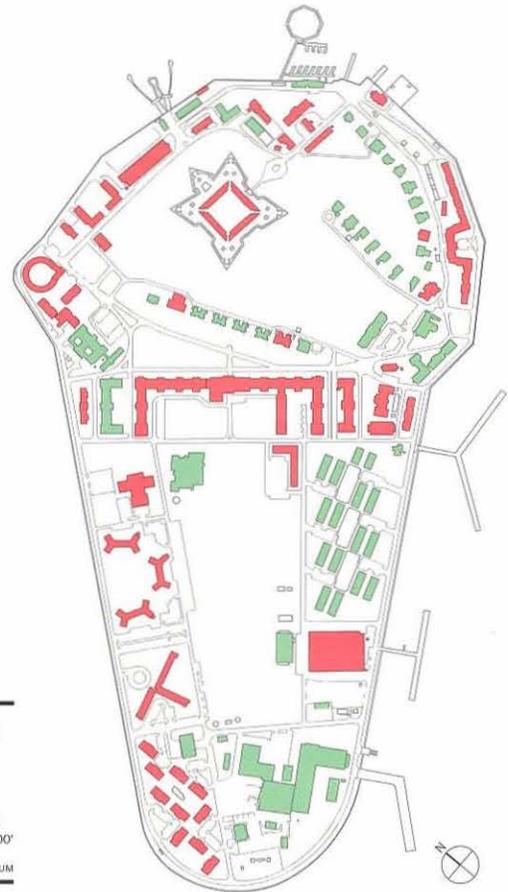
The Governors Island Historic District encompasses approximately 92 acres north of Division Road. This area was designated a National Historic Landmark in 1985 and as a New York City Historic District in 1996. Castle Williams, Fort Jay (and its four barracks), and Buildings: 1 - The Admiral's House, 2 - The Governor's House and 9 - The Blockhouse are individual landmarks. These designations recognize Governors Island's prominent role in the history of our national defense as well as the architectural significance of its structures.

The historic structures and open spaces must be preserved and maintained in accordance with the Governors Island Preservation & Design Manual (scheduled for completion early in 1998) and federal, state, and city landmark laws. Complementary to the legal protection provided by these designations, a key emphasis of this Study is a long-term respect for the island's cultural resources. Thus, the modern buildings within the District that are considered to be non-contributing may be eligible for demolition as a way of restoring original relationships between the historic landscape and fortifications. New development within the Historic District should not detract from its character and should conform to its scale. Reuse alternatives should capitalize on the island's unique location, architecture and environment by virtue of high quality design and by the sensitive placement of new structures and programs of new activities.

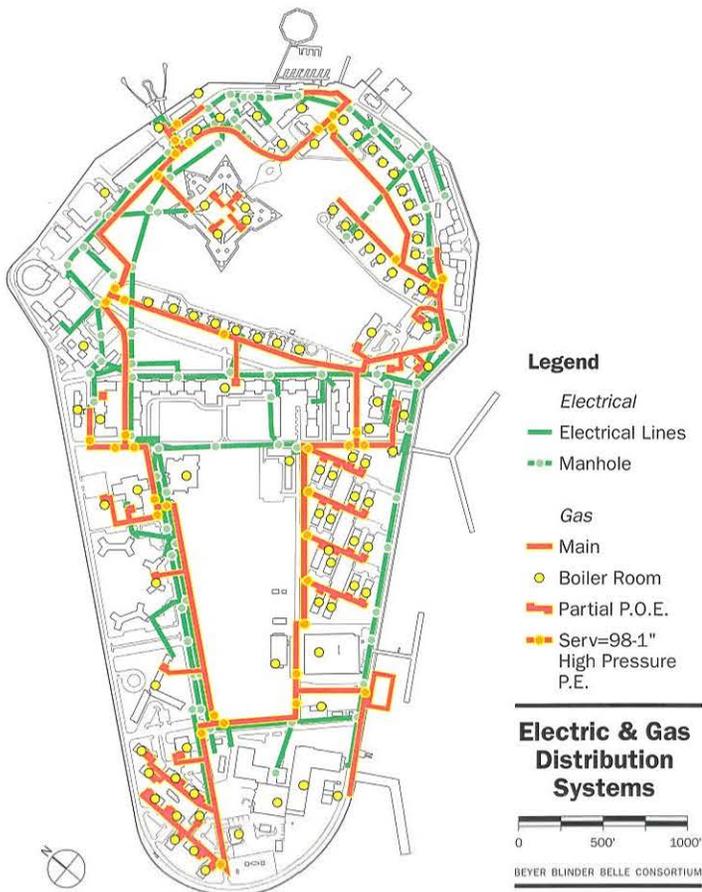
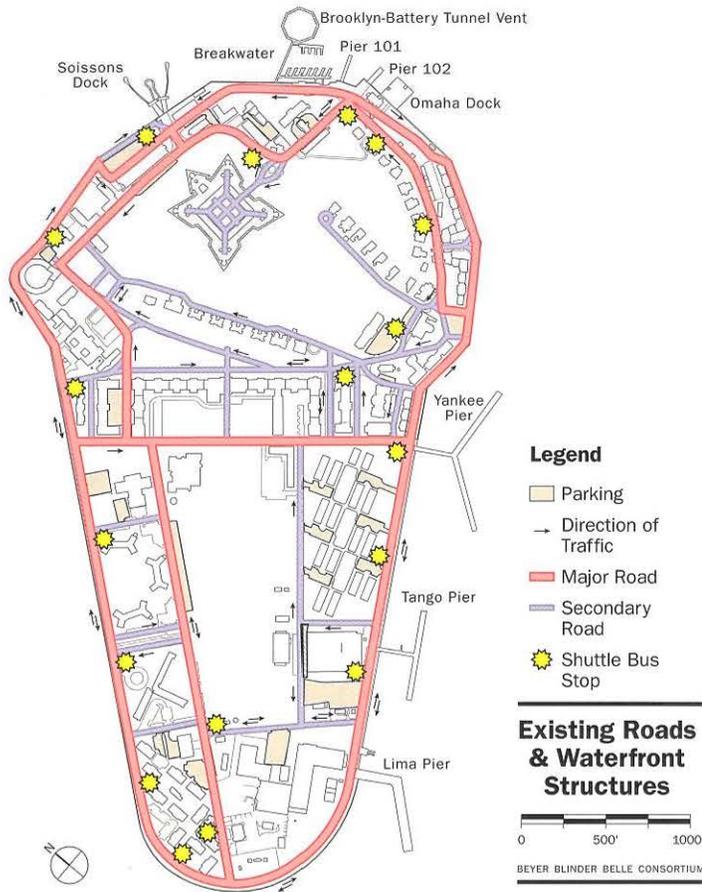
Nowhere in the metropolitan area does there exist a community of such authentic and well preserved antiquity. The preservation and reuse of these historic resources will greatly benefit any future economic and cultural program for the island.



Building 1, the historic Admiral's House.



TRANSPORTATION & INFRASTRUCTURE ASSESSMENT



Transportation & Waterfront Structures

The limited accessibility of Governors Island, reached only by boat, has played a key role in the development of its infrastructure. Under the USCG, the island was served by passenger and vehicle ferry service from two slips in the Battery Maritime Building (owned by the City) in Lower Manhattan, and two slips on the island. The island's two slips, racks, and transfer bridges are in good structural condition. Alternative access could be provided via a new bridge or tunnel, but this scenario is likely to be prohibitively expensive and could negatively impact the island's historic character.

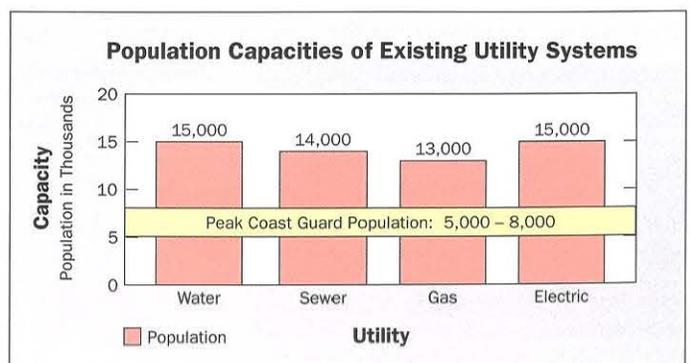
Roads and parking lots comprise 29% of the total land area. The island's street network is made up of a perimeter loop road, two internal loops, and small connector roads. The roads are in fair condition, with only a few repairs needed at the perimeter where wave and tidal action has eroded some of the subsoil through the seawall, causing sinkholes. Parking was primarily off-street in parking lots or garages, with limited areas for curbside parking. Under the USCG, daily use of automobiles was discouraged and frequent bus service was provided on the island.

The entire island is accessible by foot, with an established network of paths and sidewalks, particularly in the Historic District. On the southern portion, a few pedestrian zones exist within the housing complexes, but on the whole, the area is not a comfortable pedestrian environment. Sidewalks throughout are generally in good condition and street lighting is provided for most of the road system.

Waterfront structures include the seawall, two ferry slips, a breakwater, two small piers, a dock, and three large piers on Buttermilk Channel. The seawall is in excellent condition, having received regular maintenance over the years. The three Buttermilk Channel piers are in good structural condition and are connected to sewage lines, water supply mains, and electric power. The Omaha Dock, on the north end of the island, is condemned due to structural deficiencies.

Utilities

The utility systems for Governors Island are in good condition and have sufficient capacity so that only minor improvements are required to support a wide range of reuse options. Water is supplied by the City via mains from either Brooklyn or Manhattan; gas recently replaced oil heating and is supplied from Brooklyn; electricity is supplied by Con Edison via Brooklyn; and the telephone system is provided by Bell Atlantic. Under the USCG, a sanitary sewer system was maintained on the island, with sewage delivered to the Red Hook Wastewater Treatment Plant and solid waste removed by a contracted carting company. The storm sewer system is independent of the sanitary sewer, with outfalls leading directly into the Harbor and the Channel.





Colonel's Row Park

Open Space

The landscape and its open space is a defining characteristic of Governors Island accounting for 58% of the total land area. The landscape reflects the island's geological and topological history, from early fortifications through ongoing land expansion and building developments, and today encompasses a range of passive and active recreational uses. The island's spectacular views of New York and the Harbor intensify its unique setting and, along with view corridors within the island's interior, are a critical open space feature.

The quiet parks, intimate courtyards, and historic Parade Grounds of the Historic District are among the region's most picturesque open spaces, made all the more striking by their proximity and contrast to Manhattan. The thick tree canopies, lush lawns and gently changing topography make an inviting landscape.

By contrast, the southern portion of the island consists of a flat expanse of open space devoted primarily to active recreational use. The major open space is located in the center of the island, providing soccer and softball fields as well as a pool and bowling alley. The vegetation is sparse and windswept. Rows of street trees, along Gresham Road and Craig Road South, provide the only scale and structure to the landscape. Unlike the civic ambiance of the Historic District, the south landscape lacks scale and spatial definition.

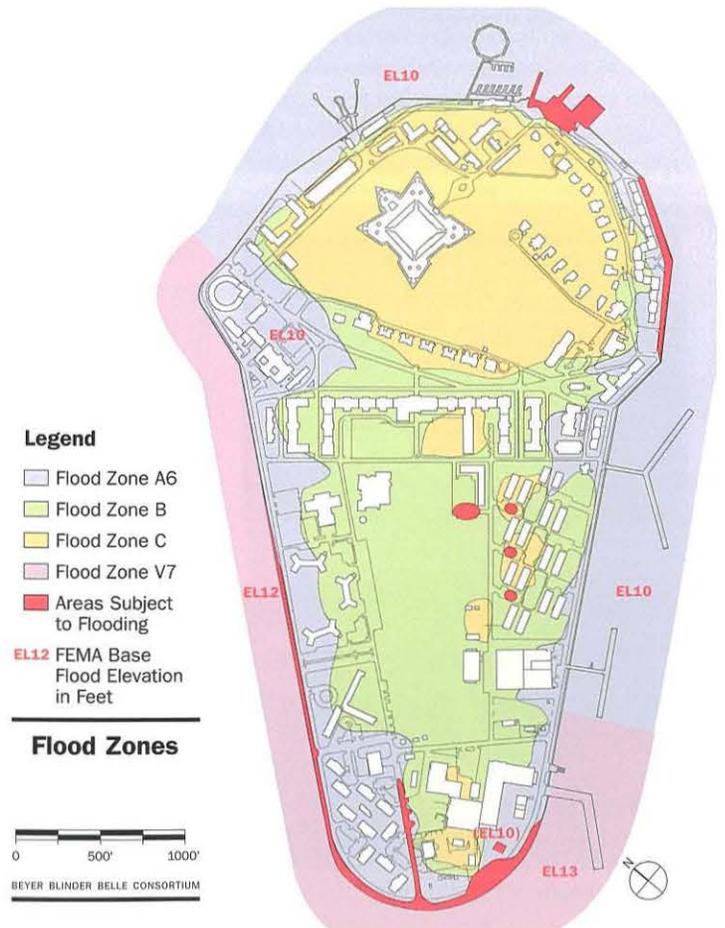
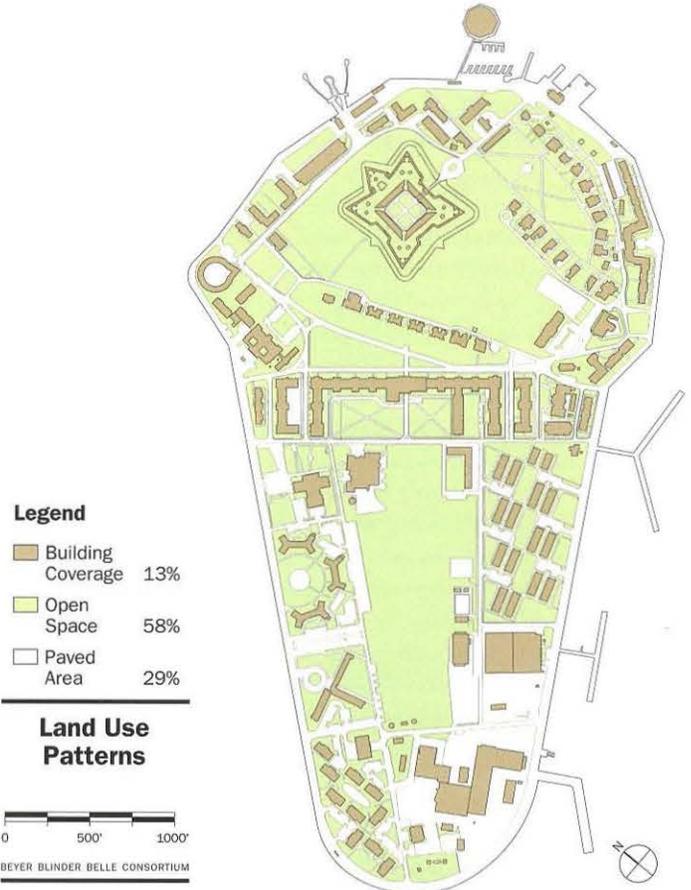
Reuse recommendations for the island's distinctive open spaces focus on emphasizing the historic character, augmenting successful elements, and removing non-contributing landscape elements.

Geology, Climate & Flooding

Until 1902, when the landfill expansion began on Governors Island, it was a rocky prominence at the mouth of the Hudson River, with its base rock Manhattan schist and its highest point 25 feet above sea level (at the hill of Fort Jay). Today, approximately 60% of the land mass is comprised of fill materials, with a depth range from 25 to 40 feet.

General climatic conditions and the island's own micro-climate are significant planning factors for Governors Island. In particular, the effect of westerly winds is profound, as demonstrated by twisted and stunted trees along the windward shore. From April through September there is only a 3% to 4% chance of calm days, and in the winter the western perimeter is often littered with flotsam delivered over the seawall by waves. The windswept character of the western shore makes it a harsh winter environment.

The island contains four flood zones, as per the FEMA Flood Insurance Rate Map, with nearly the entire perimeter within the 100-year flood zone. Zone V7, along the western shore, is also subject to wave action, prohibiting construction in this zone except landward of mean high tide (the seawall).



MARKET FACTORS & FINANCIAL ANALYSIS

Market Factors

In order to determine the market and economic feasibility of potential reuse options, the national and regional socio-economic, market and financial context was assessed, relevant to Governors Island. In addition, analyses of comparable projects were conducted, as were interviews with members of the real estate development community.

In general, the future of Governors Island can be considered within the context of a diverse and growing economy. Broad changes in the nature of doing business should be considered in planning for the island. National trends of significance include the continuing shift from a manufacturing to a service and information-based economy, the restructuring of major corporations, a maturing population, and growth in domestic tourism.

The region, including the metropolitan New York-New Jersey-Connecticut area, has competitive strengths identified as: financial, business, and media services; arts, culture and tourism; bio-medicine; advanced machinery and systems; and fashion; with the best growth prospects in the financial and business services clusters.

Population, household, and income trends are positive. The region's population is maturing and household incomes are growing, which is consistent with national trends. From a regional perspective, key demographic factors support demand for nearly all real estate uses. Current and projected real estate market conditions in New York City and the

region provide strong support for development of residential, retail and hospitality uses. The strength of the market has also led to increasing demand for recreational uses, such as marinas, golf, and health club facilities, as well as cautious exploration of conference and specialty uses, including assisted living, large-scale urban retail, and restaurants.

In New York City, unemployment has declined significantly from its 1992 high of 11% to 8.9% in November 1997, but is still higher than the national average of 4.7%. Of particular importance to Governors Island, the strength of Wall Street markets in recent years has meant new money available for real estate development and different criteria being utilized for real estate financing.

New York City is clearly a cultural center, with the highest concentration of cultural institutions in the world. The estimated economic impact of these institutions is over \$10 billion annually, and they are a major draw for millions of domestic and international visitors each year. Governors Island shares New York Harbor with two of the City's top tourist destinations, the Statue of Liberty and Ellis Island.

Governors Island is well-positioned to take advantage of generally positive market indicators and a growth cycle for real estate development and financing. However, the scale and long-term nature of the island's reuse suggests that timing and phasing of investment will be critical to success.

Financial Analysis

The goal of the financial analysis was to determine from a financial standpoint the reasonableness of the Land Use Options being considered for the Environmental Impact Statement. Six land use options, each with a 10-year financial analysis summary, are described on the following pages.

The financial analysis included an in-depth survey of the property, market overviews of current and projected real estate trends in

the region, interviews with the developer community, and the preparation of a 10-year cash flow analysis for each land use option.

In the cash flow analysis, the general feasibility of each option was determined by the extent to which net operating income does or does not exceed the Total Island-Wide Operating and Capital Development Costs. *The cash flow analysis is not a valuation. It does not attempt to determine feasibility in terms of returns, profitability or residual land values.*

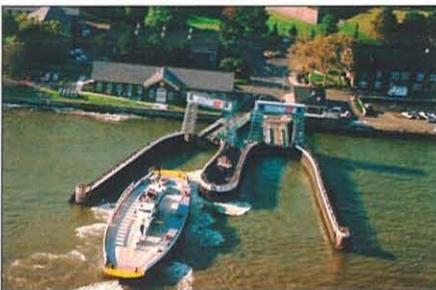
The methodology and assumptions used in the cash flow analysis are as follows. Net Operating Income was derived by applying market rate lease and sale prices to each income-generating use to determine gross revenues. Market based absorption, vacancy, rollover, operating costs, and cost of financing were applied to gross revenues to come up with net operating income. Additionally, the capital costs associated with project development of income-generating uses are assumed to be 100% financed with market-rate interest only over the 10-year time frame used for the cash flows. No escalations, real estate taxes, municipal service costs, land costs, or developer profits were used in preparing the cash flows.

Capital Costs used construction costs with a 15% premium for the island location. The costs were phased in at various times depending on when they would be required to support development and marketing of the income-generating uses. Additionally, the capital costs associated with project development of Island-Wide Uses are assumed to be 100% financed with market-rate interest only over the 10-year time frame used for the cash flows.

Operating Costs for Island-Wide Uses reflect New York City and more specifically Manhattan cost estimates.

Capital and Operating Costs for Island-Wide Uses have not been allocated to either the state, city, or private sector user. Additionally, land costs, for the Island or related Off-Island facilities, are not included.

Many assumptions were made in developing the financial analysis, erring on the conservative side, including: 100% financing, the use of a static model with no discounts, and a high level of public amenities. However, small changes in interest rates, financing packages, build-out and absorption rates, market fluctuations, or public sector investment could change the financial numbers dramatically.



Soissons Dock, North Ferry Landing.



Statue of Liberty.

Major NYC Tourist Destinations	Annual Visitors
Times Square	20.0 million
Broadway Attendance	9.8 million
Metropolitan Museum of Art	4.9 million
Liberty and Ellis Island	4.2 million
Empire State Building	2.5 million
World Trade Center	1.8 million
United Nations	0.4 million

COMMON PLANNING ELEMENTS

Common Planning Elements

This Study has devised a group of planning elements which recognizes the significant role the island's unique resources have on its future reuse. The Common Planning Elements are intended to: protect the island's historic resources and views; to augment its extensive open spaces; to improve access and links to the region; to exploit the potential for water-related activities; and to advocate appropriate and practical reuse. The Common Planning Elements are broadly organized under: public access; transportation and infrastructure; open space and views; North Island (the Historic District) and South Island issues.

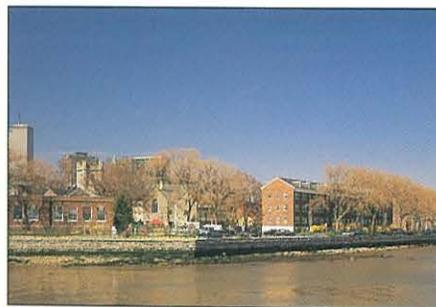
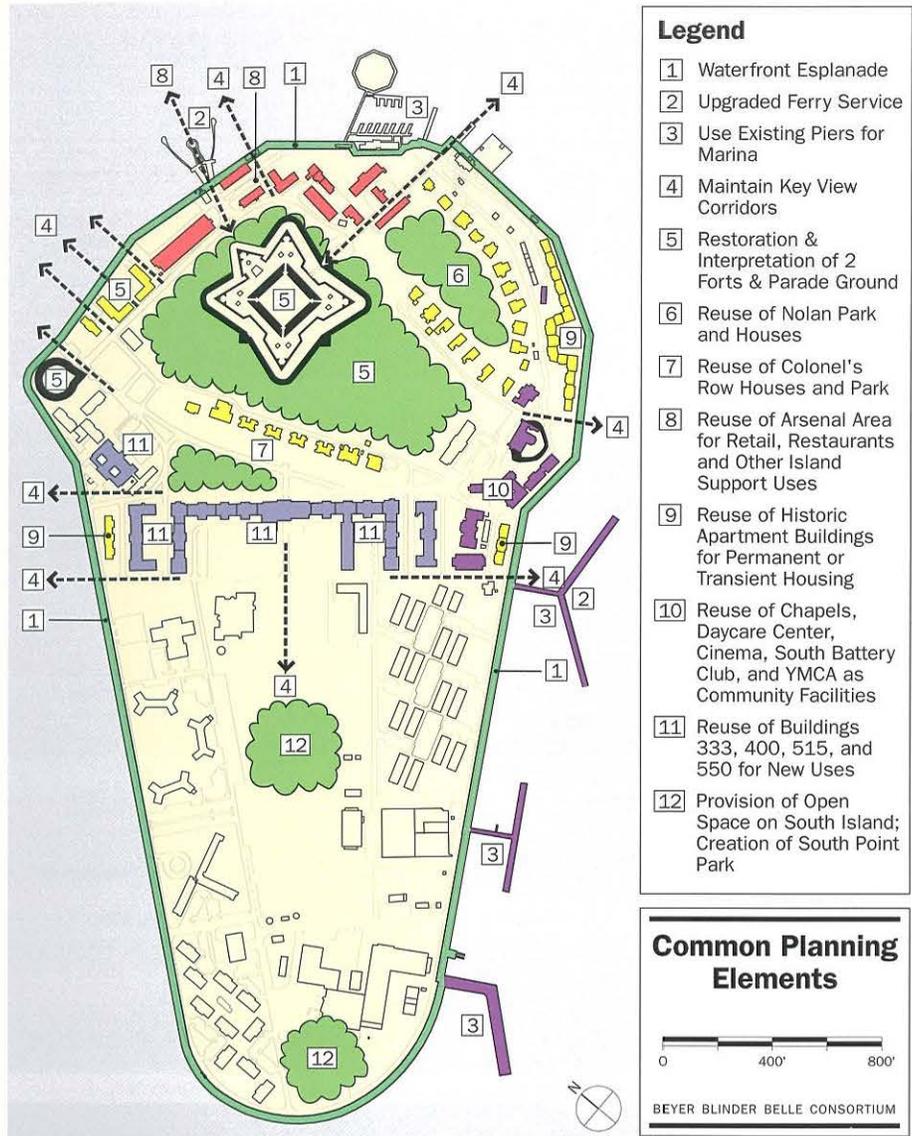
Access to and within the island is a major factor in its reuse. While the existing transportation systems and infrastructure are immediately usable, the island would benefit from improvements to create a more publicly-accessible and pedestrian-oriented place.

The island's open spaces, particularly the historic grounds and the nearly continuous waterfront esplanade, are assets to be retained and improved. Sensitivity to the views to, from, and within the island is considered fundamental in any scheme.

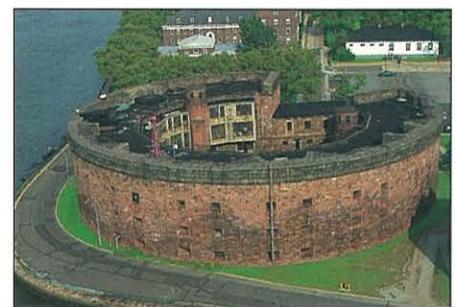
The Historic District's character should also be preserved and enhanced to retain the island's value and identity. New uses for the historic buildings will add vitality to the District, while appropriate and modest modifications, additions, demolition, and new construction can improve its integrity.

The South Island has potential for the reuse of existing facilities, new development, and significant open space with a marina.

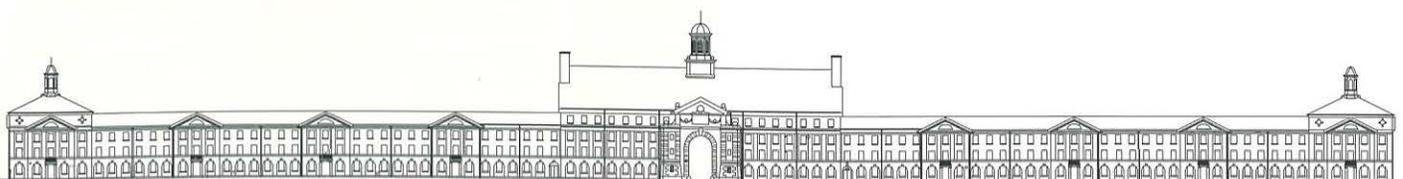
By identifying the key assets that deserve consideration under any reuse scenario, the Common Planning Elements guided the creation of six land use options, described on the following pages. These planning options studied development themes that are reasonable, generally feasible, and highly flexible. Their programs can be mixed and matched. They are not proposals or recommendations by the GSA, but are meant as catalysts for ideas on the island's reuse potential.



Historic District near Buttermilk Channel.



Castle Williams.



North Elevation of Building 400

REUSE OPTION



Reuse Option

This option is based on reusing as many buildings as is feasible and marketable for their former use, while expanding and upgrading the open space for public recreation. Because most of the buildings on the island were used for residences and residential support functions, this option has a residential theme, and includes approximately 1,100 housing units.

The North Island Historic District is the focal point of the Reuse Option, featuring interpretive museum uses of the historic forts, permanent and transient residences in and around Nolan Park and Colonel's Row, and the reuse of the many community facilities. The Arsenal District at the north end of the island becomes a mixed-use area, to both support the permanent population and attract a significant visitor population.

The South Island remains residential with an active recreational public park. The industrial complex would be removed and the South Park expanded and improved.

The Reuse Option requires minimal changes to the island's infrastructure. Parking and ferry service capacities are relatively unchanged, with island residents allowed to park on the island and to bring vehicles on and off via the ferry. A new jitney system with a fleet of 10 buses would provide frequent island-wide service.

Market factors support this option. There is a strong demand for housing; neighborhood supportive retail is especially strong throughout the region; and there is interest from developers and investors in a full range of hospitality uses, including hostels and bed & breakfast facilities.

This option's extensive reuse of existing facilities will mean lower development costs and a shorter implementation schedule, resulting in an economically viable scenario.

Reuse Option Highlights

Residential	1,618,000 SF
Mixed Use	143,000 SF
Hospitality	224,000 SF
Community Facilities	118,500 SF
Museum Facilities	
Castle Williams	65,000 SF
Fort Jay (outdoor only)	286,200 SF
Building 515	53,200 SF
Open Space & Recreation	
South Park	46 acres
Esplanade	8.5 acres
Marina	440 slips
Golf	18-hole pitch & putt course

Legend

- Permanent Residential
- Mixed Use: Retail, Restaurant, Fitness
- Hospitality: Hotel, Bed & Breakfast, Conference Center, Transient Housing
- Community Facility: Church, Fire, Police, School, Post Office, Medical Offices
- Museum & Interpretive Center

10-Year Financial Analysis

Capital Costs (in millions)

Total to build Income Generating Uses and Transportation Facilities	\$125
Total to Build Common Area Uses	\$70

Net Operating Income & Common Area Operating Costs

Net Pre-Tax Income from Income Generating Uses and Transportation Facilities	\$183
Total Common Area Operating Costs	\$158
Difference Between Net Pre-Tax Income & Common Area Operating Costs	\$25

Academic Option

This option assumes the island's use by an academic institution of approximately 4,000 students, and creates a collegiate environment by taking advantage of the defined sub-areas of the island, the architecture of the historic buildings, the large quantities of open space, and the many residential units.

This option particularly benefits from the campus-like setting of the North Island Historic District. Faculty housing would be located in the historic homes and apartments. Classroom and library facilities would be centrally located in Buildings 400, 333, 550, and 515. Administrative offices and student services are located in the Arsenal District. Castle Williams and Fort Jay would be museum facilities. Income-generating development would include the existing motel, golf course, museum, retail and restaurants.

On South Island, the existing housing would be reused as dormitories. Research labs and athletic facilities would be accommodated in mostly new construction. A major new indoor sports center would be adjacent to ballfields, courts and an open landscape setting.

The regular use of passenger cars on the island would be restricted. Two ferries operating every 15 minutes would be proposed with a jitney bus system which includes eight buses.

While Governors Island readily lends itself to the needs of a college, market support would be a function of the needs of a major New York State/City institution to expand, move, or create a new campus. Initial market research indicates interest by a number of educational institutions.

Although the capital costs have been estimated, the potential revenues (tuition, grants, etc.) which would offset these costs have not been determined. Therefore, the difference between income and costs appears negative. It is significant that this option includes income-producing uses of \$25 million over ten years.



Note: Heavy lines denote new construction

10-Year Financial Analysis

Capital Costs (in millions)

Total to build Income Generating Uses and Transportation Facilities	\$282
Total to Build Common Area Uses	\$29

Net Operating Income & Common Area Operating Costs

Net Pre-Tax Income from Income Generating Uses and Transportation Facilities	\$25
Total Common Area Operating Costs	\$56
Difference Between Net Pre-Tax Income & Common Area Operating Costs	\$(31)

Academic Option Highlights

Student Housing	810,500 SF
Classroom/Library	971,800 SF
Laboratory	280,800 SF
Athletic Facilities	221,600 SF
Recreation Fields	28 acres
Museum Facilities	
Castle Williams	65,000 SF
Fort Jay (indoor & outdoor exhibits)	340,127 SF
Open Space Esplanade	8.5 acres

Legend

	Dormitory, Faculty Housing
	Hotel, Bed & Breakfast
	Academic Administration
	Classrooms & Library
	Academic Laboratory
	Museum
	Student Activities
	Athletic Facility
	Mixed Use (Retail, Restaurant)

Mixed Use Option

This option creates a balance between new development and a public park on South Island. The result is a low-rise, 2,100-unit residential neighborhood and a 42-acre public park with recreational fields and courts.

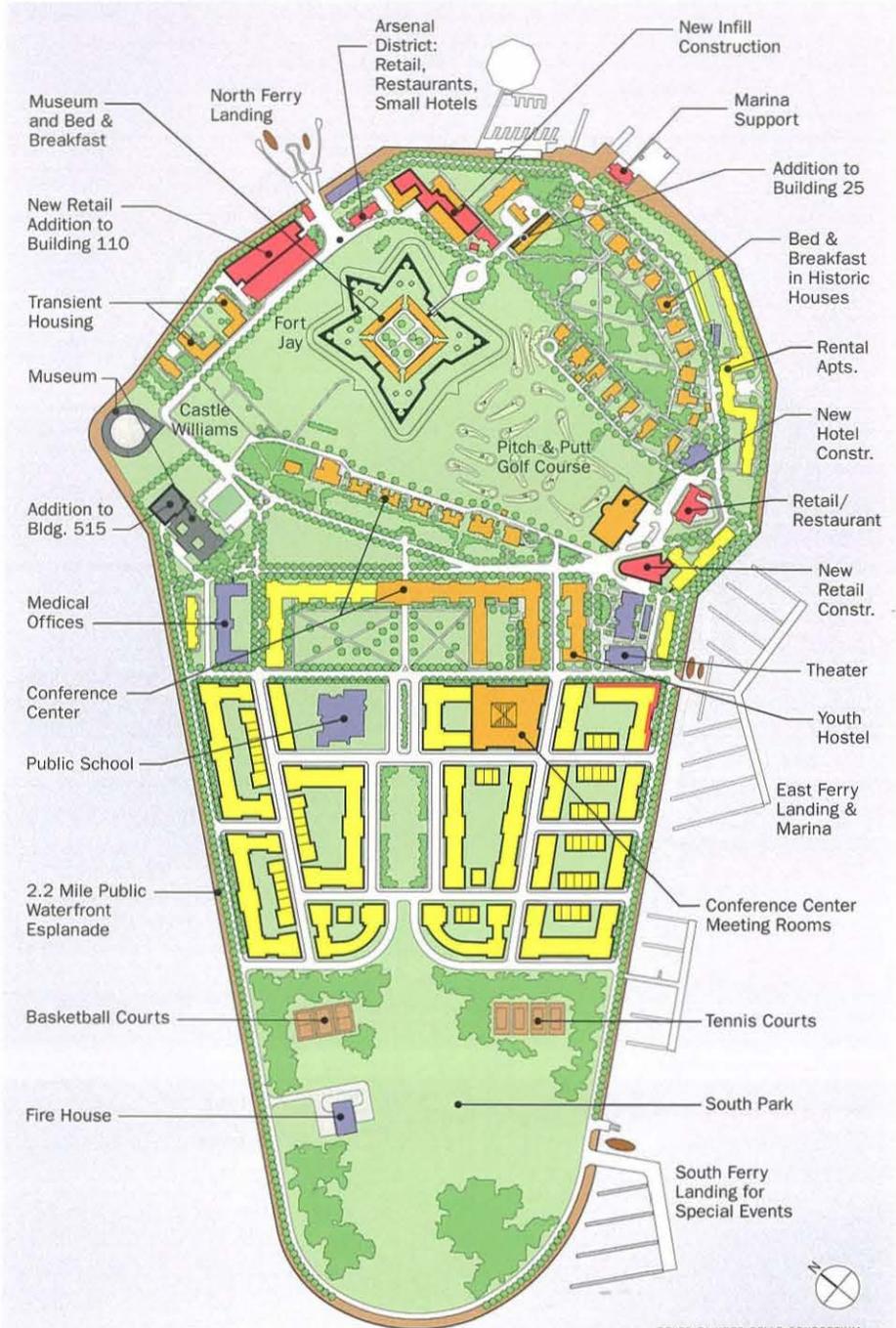
Within the North Island, a mix of public and private uses are proposed to create a lively and viable town center in the historic district. The uses include a conference center, hospitality facilities and some retail uses.

On South Island, a new permanent residential development is provided in 12 blocks on the northern half of South Island. The height of the new buildings would be limited to the center roof ridge line of Building 400, or approximately 80 feet. Some ground floor retail is proposed on the eastern side of the new neighborhood, providing an opportunity for increased pedestrian activity at a second (east) ferry landing.

This option brings a significant increase in parking demands, which cannot be accommodated on Governors Island. Therefore, a larger parking garage and ferry facility to serve the island from the Brooklyn waterfront is proposed, requiring the construction of a dock, transfer bridge, slip, terminal building and parking facilities. Passenger ferry service would continue from the Battery Maritime Ferry Building in Manhattan. The island jitney system would include 17 buses.

The strength of the residential, retail, hospitality and recreation markets in the city and region supports the uses. The 2,100 residential units are consistent with projected demand.

The financial analysis here underscores the high initial costs for building and financing major new residential development, conference facilities, and infrastructure within a ten-year period. Careful phasing, to account for market-based absorption and resultant revenues, will be needed for a project of this size and complexity to be successful.



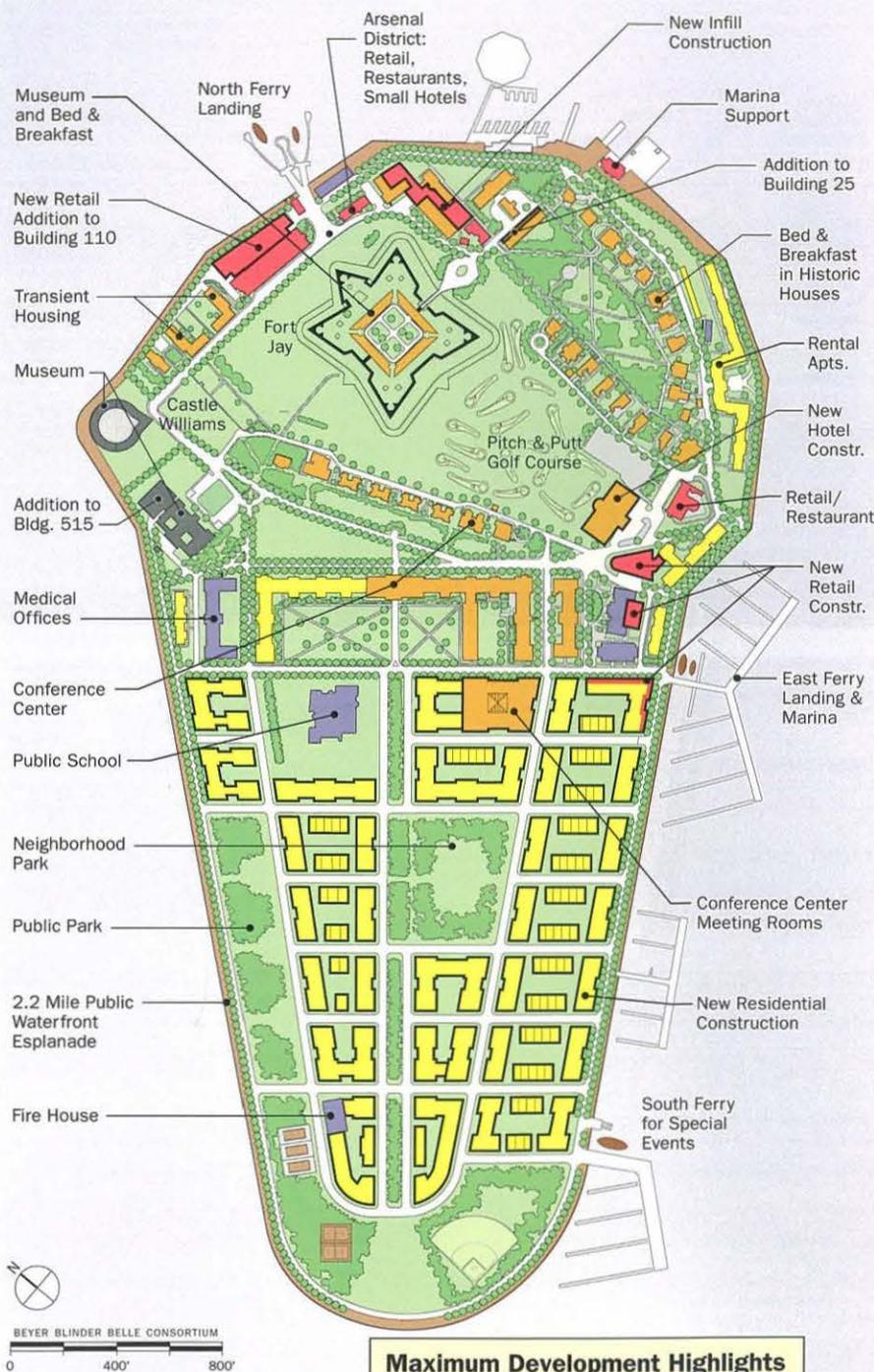
Note: Heavy lines denote new construction

Legend	
	Permanent Residential
	Mixed Use: Retail, Restaurant, Fitness
	Hospitality: Hotel, Bed & Breakfast, Conference Center, Transient Housing
	Community Facility: Church, Fire, Police, School, Post Office, Medical Offices
	Museum & Interpretive Center

Mixed Use Option Highlights	
Permanent Residential	2,997,640 SF
Mixed Use	298,600 SF
Hospitality (incl. conference ctr.)	798,300 SF
Student Housing	62,300 SF
Community Facilities	111,300 SF
Museum Facilities	
Castle Williams	65,000 SF
Fort Jay (outdoor only)	286,200 SF
Building 515 plus addition	74,700 SF
Open Space & Recreation	
South Park	34.5 acres
Esplanade	8.5 acres
Marina	440 slips
Golf	18-hole pitch/putt course

10-Year Financial Analysis	
Capital Costs (in millions)	
Total to build Income Generating Uses and Transportation Facilities	\$660
Total to Build Common Area Uses	\$117
Net Operating Income & Common Area Operating Costs	
Net Pre-Tax Income from Income Generating Uses and Transportation Facilities	\$165
Total Common Area Operating Costs	\$206
Difference Between Net Pre-Tax Income & Common Area Operating Costs	\$(40)

MAXIMUM DEVELOPMENT OPTION



Maximum Development Highlights

Permanent Residential	4,537,600 SF
Mixed Use	297,242 SF
Hospitality (incl. conference ctr.)	852,500 SF
Student Housing	62,300 SF
Community Facilities	111,300 SF
Museum Facilities	
Castle Williams	65,000 SF
Fort Jay (outdoor only)	286,200 SF
Building 515 plus addition	74,700 SF
Open Space & Recreation	
South Park & neighborhood parks	20 acres
Esplanade	8.5 acres
Marina	440 slips
Golf	18-hole pitch & putt course

Maximum Development Option

This option is intended to create the greatest number of new residential units without sacrificing a public park. The result is a 4,000-unit development and a 20-acre park on South Island.

Similar to the previously described Mixed-Use Option, the North Island contains a mix of public and private uses to create a lively and viable Historic District. The uses include a conference center, hospitality facilities, and mixed-use development.

On the South Island, the new development encompasses 20 blocks with buildings. New retail would occur near the new east ferry landing marina. A public park wraps around the southern and western edge of the island to buffer the strong westerly winds.

Due to the higher residential density of this option, a new parking and ferry facility in Brooklyn, as described in the Mixed-Use Option, is required, plus an additional east island ferry dock along Buttermilk Channel. Two vehicular and two passenger ferries will be needed to be operating. Based on a 24 passenger jitney, 42 buses are needed during peak hours on the island.

The strength of the residential, retail, hospitality, and recreation markets in New York City and the region support these proposed uses. However, although the residential market is strong, an absorption rate of 200 units per year was estimated.

The cash flow results are similar to the Mixed-Use Option except for two important differences. First, the absorption rate of 200 units per year used results in a 20-year build-out period. Therefore, only half of the income-generating residential units are available in the 10-year analysis, lowering the income and capital costs. Second, the smaller public park results in lower capital costs to build and operate the Common Area components. These factors will impact any financial analysis undertaken.

10-Year Financial Analysis

Capital Costs (in millions)

Total to build Income Generating Uses and Transportation Facilities	\$644
Total to Build Common Area Uses	\$110

Net Operating Income & Common Area Operating Costs

Net Pre-Tax Income from Income Generating Uses and Transportation Facilities	\$188
Total Common Area Operating Costs	\$183
Difference Between Net Pre-Tax Income & Common Area Operating Costs	\$5

Note: Heavy lines denote new construction

Legend

- Permanent Residential
- Mixed Use:
Retail, Restaurant, Fitness
- Hospitality:
Hotel, Bed & Breakfast,
Conference Center,
Transient Housing
- Community Facility:
Church, Fire, Police, School,
Post Office, Medical Offices
- Museum & Interpretive Center

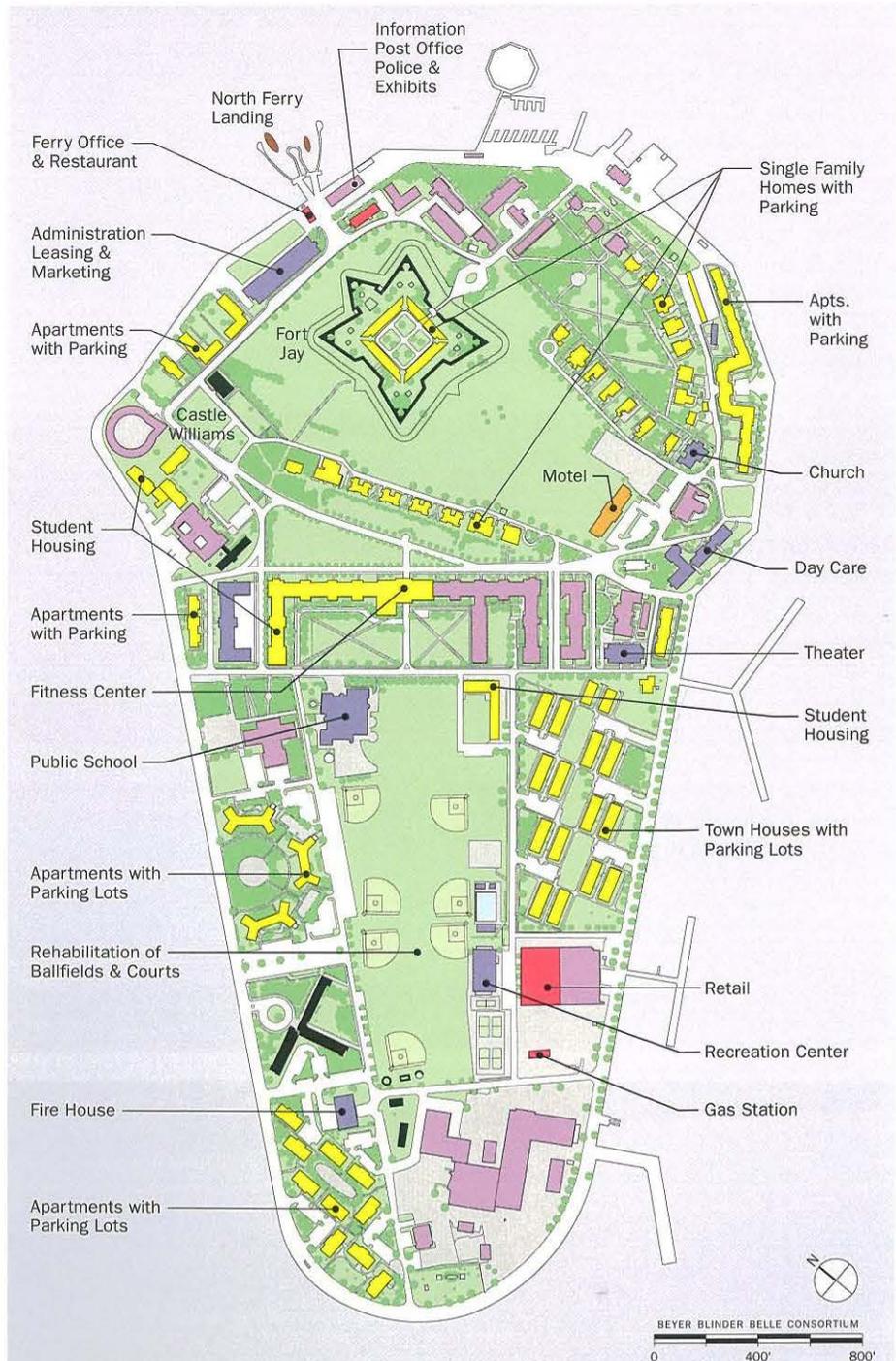
Phase-In Option

This option envisions a transitional use for the existing structures while long-term plans for the island are being processed. It makes use of many of the buildings without precluding other permanent options to occur. It allows the buildings to be quickly occupied and maintained during the interim period between disposal and new development. It is assumed that during a phase-in period there could be approximately 800 residential units, 350 hostel or hotel units, and basic community services.

In buildings where the proposed use is the same as the former use, minimum rehabilitation is necessary for immediate occupancy. This category includes most of the single family homes and multi-family apartments, as well as many of the administrative offices in the Historic District. Moderate rehabilitation is necessary in buildings where a change of use is desired – predominantly an issue with regard to retail facilities. Many buildings not suited for immediate occupancy would be mothballed, or sealed off, with only basic maintenance and upkeep for weather protection and security. A few selected structures would be demolished due to their limited reuse potential.

For the most part, residential buildings are reused as housing. The houses on Nolan Park and Colonel's Row are used as single family houses with limited leases, based on the presumption that the uses will change depending on the island's future.

Reuse of the existing buildings will permit overall costs for rehabilitation to be kept at a level at which market pricing will be competitive. As with the Reuse Option, emphasis on reusing as many of the existing buildings as possible for various types of residential (rental units) with supportive retail and hospitality (a small hotel), is consistent with current primary market demands.



Note: Heavy lines denote new construction

10-Year Financial Analysis

Capital Costs (in millions)

Total to build Income Generating Uses and Transportation Facilities	\$46
Total to Build Common Area Uses	\$13

Net Operating Income & Common Area Operating Costs

Net Pre-Tax Income from Income Generating Uses and Transportation Facilities	\$131
Total Common Area Operating Costs	\$66
Difference Between Net Pre-Tax Income & Common Area Operating Costs	\$65

Phase-In Option Highlights

Residential	1,350,100 SF
Student Housing	281,600 SF
Mixed Use	140,700 SF
Hospitality	27,000 SF
Community Facilities	104,850 SF
"Mothball" Buildings	773,400 SF
Open Space & Recreation	
South Park and Existing Ballfields	20 acres

Legend

Minor Rehabilitation

Residential
Motel
Community Facility

Moderate Rehabilitation

Retail
Mothball Building
Demolish Building

Summary

The future reuse of Governors Island has great potential to significantly and positively impact the State and City of New York on a long-term basis. The challenge will be to balance the needs and desires of national, state and city interests while respecting the island's venerable history and incomparable setting. The Governors Island Land Use Study represents the collaborative efforts of the GSA, USCG, and the Beyer Blinder Belle Consortium to produce a document that: provides an informative land and facility assessment; incorporates a wide range of public perspectives; and creates a flexible planning framework for reasonable reuse options.

The Land Use Study is available to inform and guide the many participants in the on-going disposal process.

Acknowledgements

A great number of elected officials, government agencies, organizations and individuals contributed to the Land Use Study, including New York State and New York City public officials; over 13 Federal, State and City agencies; over 30 national and local educational, civic and planning organizations; and well over 300 individual participants. This list will be made available.

Credits

U.S. General Services Administration

United States Coast Guard

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Further Information

For further information on Governors Island, you may visit the GSA web site at: <http://www.gsa.gov/pbs/pr/govisland.htm>

Or you may call or write:

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Sketch of Governors Island as it is today