

225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The applications listed below, as well as other related filings required by the Board, are available for immediate inspection at the Federal Reserve Bank indicated. The application also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)). If the proposal also involves the acquisition of a nonbanking company, the review also includes whether the acquisition of the nonbanking company complies with the standards in section 4 of the BHC Act. Unless otherwise noted, nonbanking activities will be conducted throughout the United States.

Unless otherwise noted, comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than March 2, 1999.

**A. Federal Reserve Bank of Richmond** (A. Linwood Gill III, Assistant Vice President) 701 East Byrd Street, Richmond, Virginia 23261-4528:

1. *Millennium Bankshares Corporation*, Reston, Virginia; to become a bank holding company by acquiring 100 percent of the voting shares of Millennium Bank, N.A., Reston, Virginia (in organization).

Board of Governors of the Federal Reserve System, February 2, 1999.

**Robert deV. Frierson**,  
*Associate Secretary of the Board.*

[FR Doc. 99-2909 Filed 2-5-99; 8:45 am]

BILLING CODE 6210-01-F

## FEDERAL RESERVE SYSTEM

### Notice of Proposals to Engage in Permissible Nonbanking Activities or to Acquire Companies that are Engaged in Permissible Nonbanking Activities

The companies listed in this notice have given notice under section 4 of the Bank Holding Company Act (12 U.S.C. 1843) (BHC Act) and Regulation Y, (12 CFR Part 225) to engage *de novo*, or to acquire or control voting securities or assets of a company, including the companies listed below, that engages either directly or through a subsidiary or other company, in a nonbanking activity that is listed in § 225.28 of Regulation

Y (12 CFR 225.28) or that the Board has determined by Order to be closely related to banking and permissible for bank holding companies. Unless otherwise noted, these activities will be conducted throughout the United States.

Each notice is available for inspection at the Federal Reserve Bank indicated. The notice also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the question whether the proposal complies with the standards of section 4 of the BHC Act.

Unless otherwise noted, comments regarding the applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than February 22, 1999.

**A. Federal Reserve Bank of San Francisco** (Maria Villanueva, Manager of Analytical Support, Consumer Regulation Group) 101 Market Street, San Francisco, California 94105-1579:

1. *Wells Fargo & Company*, San Francisco, California, and Norwest Insurance, Inc., Minneapolis, Minnesota; to acquire through a joint venture, ATI Title Agency of Ohio, Inc., Cleveland, Ohio, and thereby engage in title insurance agency, escrow and other real estate closing services, pursuant to §§ 225.28(b)(2)(i),(v), and (viii) of Regulation Y.

Board of Governors of the Federal Reserve System, February 2, 1999.

**Robert deV. Frierson**,  
*Associate Secretary of the Board.*

[FR Doc. 99-2910 Filed 2-5-99; 8:45 am]

BILLING CODE 6210-01-F

## GENERAL SERVICES ADMINISTRATION

### Public Building Service; Record of Decision, Proposed Disposal of Governors Island, New York Harbor, New York, NY

#### I. Introduction

The United States General Services Administration (GSA) announces its decision, in accordance with the National Environmental Policy Act of 1969, as amended (NEPA), and the regulations issued by the Council on Environmental Quality (40 CFR Parts 1500-1508), for the proposed disposal of federally-owned real property known as Governors Island, New York Harbor, New York, New York. The purpose of this Record of Decision (ROD) is to clearly communicate GSA's decision on implementing the Preferred Alternative identified in the Final Environmental Impact Statement dated November 4,

1998 (the FEIS) and the basis for that decision, and to identify any mitigation measures to be implemented as part of that decision. This ROD describes the alternatives considered and the rationale for selecting the chosen alternative and documents my decision regarding this proposal.

Public scoping meetings for the Draft Environmental Impact Statement (the DEIS) were held on December 16 and 17, 1997. The period for comments on the proposed disposal action was open from December 1, 1997 and ended on January 19, 1998. GSA released the DEIS for a 45-day public comment period on June 5, 1998. Public hearings were held during the comment period on June 24 and 25, 1998. The FEIS was released for a 30-day public comment period which closed on December 14, 1998. GSA provided written Notices of Availability for these documents in the **Federal Register**, local newspapers and direct mailings to interested parties. The purpose and need for the proposed action is for GSA to comply with a legislative directive with respect to approximately 172 acres of Federally-owned property known as Governors Island, New York, as provided in the Balanced Budget Act of 1997 (Item 373:[17], Sec. 9101) as signed by President Clinton, described below:

(a) In General—Notwithstanding any other provision of law, the administrator of General Services shall, no earlier than fiscal year 2002, dispose of by sale at fair market value all rights, title, and interests of the United States in and to the land of, and improvements to, Governors Island, New York.

(b) Right of First Offer—Before a sale is made under subsection (a) to any other parties, the State of New York and the City of New York shall be given the right of first offer to purchase all or part at fair market value as determined by the Administrator of General Services, such right may be exercised by either the State of New York or the City of New York or by both the parties acting jointly.

(c) Proceeds—Proceeds from the disposal of Governors Island under subsection (a) shall be deposited in the general fund of the Treasury and credited as miscellaneous receipts.

In accordance with NEPA, GSA disclosed information concerning the potential environmental effects associated with the disposition of this property. GSA examined a range of reasonably foreseeable land use options that might be implemented on the island by another party after disposal. GSA has no authority to implement a reuse on Governors Island. Potential future reuses on Governors Island would be subject to their own environmental and land use review

processes upon implementation. The ultimate reuse scheme for the island will be determined by the future owners and will be subject to all applicable Federal, State and local regulations.

## II. Alternatives Considered

Through the environmental review process, GSA identified a preferred alternative, the Action Alternative (disposition of Governors Island), as well as the No Action Alternative (retention of Governors Island). In conjunction with the disposition alternative, and in order to disclose any potential impacts and/or benefits that could result from the island's reuse by a party other than GSA after disposition, a number of potential Land Use Options were reviewed for Governors Island. These options were developed during the preparation of the Governors Island Land Use Study, commissioned by GSA. The land use options are illustrative of a range of reasonably foreseeable reuses that might be implemented on the island by another party or parties. The options were developed based on a year-long effort that included input from local, State and Federal agencies as well as the public at large. The options are not reflective of any GSA plans for the future of the island. The land use options encompass what GSA believes to be a range of reasonable and likely land uses, given the island's opportunities and constraints. Before the implementation of any future reuse of the island the sponsoring party would need to comply with all of the applicable local, State, and Federal laws and regulations. This may include the preparation of a project-specific Environmental Assessment or Environmental Impact Statement and the provision of a specific mitigation plan.

### A. No Action Alternative

The No-Action Alternative assumes that the island is not disposed of by GSA after the fiscal year (FY) 2002. Under this alternative, the Federal government would retain ownership of Governors Island. The annual appropriation of monies for the on-island caretaking effort are assumed to continue.

### B. Action Alternative

The Action Alternative involves the disposition of Governors Island by GSA. As directed by the Balanced Budget Act of 1997, GSA has been limited to two distinct means by which to dispose of Governors Island; disposition to New York State or New York City for fair market value; and, disposition to another or entities for fair market value.

Because of GSA's mandate under the Balanced Budget Act to dispose of the island to another party, as well as GSA's inability to specify or control the land uses that may be developed on disposed property in the future, a precise statement of the specific land use-related environmental and socioeconomic effects that could result from reuse would be largely hypothetical. In response to the lack of certainty concerning a future reuse for the island, GSA has developed a range of reasonably foreseeable land use options that might result upon disposition of the island. These land use options were developed through a planning effort undertaken by the United States Coast Guard (USCG) and GSA, with input from New York State and New York City officials as well as the public, which culminated in the Governors Island Land Use Study.

The specific purpose of the land use options was to describe a range of reasonable uses that could be implemented on the Island upon disposition. The FEIS generically disclosed the potential impacts pertaining to the short and long term, direct and indirect, beneficial and adverse significant regional cumulative impacts associated with these land use options.

This analysis was provided in order to explore the issues associated with the reuse of the island by a party other than GSA. GSA has no intention of implementing any of the Land Use Options. The potential land use options that resulted from the Governors Island Land Use Study analyzed in conjunction with the Action Alternative, disposition of Governors Island, are as follows:

1. *Reuse Option.* This option reuses as many buildings as is feasible, while expanding open space. There is a strong residential focus.

2A. *Academic Option.* This option assumes use of the Island by an academic institution of approximately 4,000 students. There is a large open and recreational space component.

2B. *Academic Option with New York City Proposal for a Casino.* This option is similar to the Academic Option, with the inclusion of a gambling casino and its necessary ancillary facilities. Review of this option was requested by New York City during the environmental scoping period.

3. *Recreation Option.* This option's predominant use is a 70-acre public park. Some residential units and a conference center are also included.

4. *Mixed Use Option.* This option strikes a balance between new development and a public park. Major

components of this option include a 42-acre park and approximately 2,400 housing units.

5. *Maximum Development Option.* This option features the highest residential density (4,450 units in apartments and townhouses) of all the land use options. It also includes a 20-acre park, hotel, golf course and retail uses.

6. *Phase-In Option.* This option is intended for transitional use of existing facilities prior to implementation of any of the land use options. Residential and hotel or hostel use is emphasized.

The FEIS provides a narrative description and a tabular summary of the potential environmental consequences of each of the land use options. Recommended mitigation for any adverse environmental consequences is also set forth in the narrative description and tabular summary. GSA itself has no intention of implementing any of the land use options, and only intends to transfer the property to another party who would determine the island's ultimate land use. Mitigation for any future adverse impacts identified in association with the land use options or other specific development plans would be the responsibility of the future owner of Governors Island. A specific development plan for the island would be subject to Federal, State and local regulations that would ensure proper mitigation of adverse impacts associated with any future development.

## III. Decision

Based upon review of the written materials associated with the environmental review process, including the transcripts of the scoping and public hearings and the comments received from those who reviewed the DEIS and FEIS, I have decided to proceed with the disposal of Governors Island under the Action Alternative as summarized above. This ROD is in keeping with the statutory mission of GSA to dispose of Federally-owned real property, as well as the Balanced Budget Act of 1997 that mandates disposal of Governor Island. My decision is based on the following factors:

A. On October 16, 1995, the USCG announced that it would close Governors Island by the end of Summer 1997. This decision was made in response to the Presidential mandate to meet the goals of the National Performance and Results Act, and the challenge of reducing the Federal budget deficit. The USCG developed a five-part Integrated Business Decision Package, of which closing Support

Center New York on Governors Island was a key element.

An Environmental Assessment (EA) was prepared under the guidance of Coast Guard direction COMDTINST M16475.1B (Final Environmental Assessment for the Closure of Support Center New York, Governors Island, May 1995), pursuant to NEPA. This EA evaluated the closure of Governors Island for potential environmental impacts. The EA concluded that no significant environmental impacts would result from the closure of Governors Island and relocation of USCG commands under the preferred alternative of standard maintenance.

B. 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 Clinton. The act directs GSA to dispose of Governors Island at fair market value no earlier than FY 2002. The State and city of New York have the right of first offer to purchase all or part of the island at fair market value. Disposition of the island under the Action Alternative is in compliance with this legislation.

C. Since closure of the USCG facility, the island and its structures have been maintained by a caretaker detachment of Federal and contract personnel at an approximate annual cost of \$6 million in FY 1998 and \$7 million in FY 1999, respectively. The responsibility of continuing maintenance of Governors Island would be transferred to the owner of the island upon disposition, thus alleviating the Federal Government of the annual expenditure for maintenance of the island.

D. The island is acknowledged to contain resources of historic merit. In fulfillment of its consultation responsibilities under Section 106 of the National Historic Preservation Act, GSA was a signatory to a Programmatic Agreement between the USCG, the Advisory Council on Historic Preservation, the New York State Historic Preservation Officer, the city of New York, and the National Trust for Historic Preservation. This agreement provides for the preservation of the Governors Island National Historic Landmark District (GINHL) and continuing covenants which will be binding upon the new owner of the property. GSA is presently preparing the Governors Island Preservation and Design Manual, which will become the governing document for all future preservation and maintenance activities within the GINHL. The obligation for adherence to the provisions of this document will be transferred along with the island's title upon disposition. This

guarantees the future preservation of the GINHL after disposition.

E. Disposal of Governors Island by GSA does not have any direct effect on the physical, biological or manmade environment. Any future reuse of the island would need to comply with any and all Federal, State, and local regulations. If there were project-specific impacts at that time, they would need to be disclosed and mitigated by the future owner of the island.

F. The USCG is currently completing all environmental closure and clean-up operations in compliance with Federal, State and local regulatory standards prior to disposal of the island. Full remediation will have occurred by the time of transfer of the island, or the USCG will continue such remediation after transfer as necessary.

G. The FEIS provided recommended mitigation for any adverse environmental impacts identified in association with the land use options. However, mitigation for any such adverse environmental impacts would be the responsibility of the future owner of Governors Island. A specific development plan for the island would be subject to Federal, State and local regulations that would ensure proper mitigation of any associated impacts.

#### **IV. Environmentally Preferred Alternative**

As required by NEPA, a lead agency must identify its environmentally preferred alternative. The environmentally preferred alternative is the alternative which best satisfies and promotes the national environmental policies incorporated in Section 101 of NEPA. The Action Alternative, disposition of Governors Island, is both the preferred and the environmentally preferred alternative. By disposing of Governors Island to another party, the Balanced Budget Act would be adhered to, the property could begin to generate tax revenue (if disposed of to a private entity) that might offset any maintenance costs associated with the island, and the public could potentially gain access to this previously secured facility. Disposal will also allow for reuse of the GINHL in compliance with the Programmatic Agreement and the *Governors Island Preservation and Design Manual*, ensuring the appropriate maintenance and preservation of this resource. Disposal of Governors Island would not have any direct adverse effect on the physical, biological, or man-made environment, but rather beneficial impacts could be realized as cited above. Any specific development plan for the island would

be subject to Federal, State and local regulations that would ensure proper mitigation of any associated impacts.

#### **V. Environmental Impacts and Mitigation Measures**

In terms of environmental harm and degradation, the Action Alternative, disposition of Governors Island, would have minimal or no adverse impacts to physical and natural resources, biological resources, and man-made or socioeconomic characteristics. All practical means to alleviate, minimize and/or compensate environmental harm were considered.

Under the first scenario of the Action Alternative, Governors Island would be disposed of to New York State or New York City (NYS and/or NYC) for fair market value no earlier than FY 2002. The responsibility of continued preservation and maintenance of the National Register Landmark District would be transferred to NYS and/or NYC along with the island's title. Generally, properties owned by NYS or NYC do not generate tax revenue. Under this Action Alternative scenario, the change in public ownership would not necessarily constitute an increase in tax revenue for the city or state. The possibility does exist, however, that NYS and/or NYC would create an arrangement on the island where some land uses would be privately sponsored and would pay taxes. Similarly, if the island is disposed of to NYS and/or NYC the burden of providing services on the island would fall to local government. Transfer of the island to NYS and/or NYC could enable public access to a portion of the city previously unavailable to visitors and possibly create additional open space for the city. It is not anticipated that the addition of Governors Island to the NYC real estate market would adversely affect prices for comparable properties, as the current real estate market is strong and Governors Island possesses unique characteristics (size, location, existing facilities). Under the Action Alternative, the sale of Governors Island for fair market value would result in the Federal government realizing a monetary gain. Additionally, the Federal government's responsibility for caretaking on the island would cease and the annual recurring expense for caretaking would end. Disposal of Governors Island to NYS and/or NYC does not have any direct effect on the physical, biological or man-made environment. Any future development of the island by NYS and/or NYC would be subject to all applicable Federal, State, and local regulations.

Under the second scenario associated with the Action Alternative, Governors Island would be disposed of to an entity other than NYS and/or NYC for fair market value. The continued preservation and maintenance of the GINHL district would be an obligation transferred along with the island's title. Disposition to an entity other than NYS and/or NYC under the Action Alternative could be beneficial in terms of the creation of new tax ratables within NYC. Additionally, if profit-generating uses occur on the island, these uses would generate sales or corporate taxes, which would accrue to NYS and/or NYC. Provision of police, fire and other municipal services to Governors Island would be necessary, the cost of which could be offset to some degree by taxes. The possibility exists that the island could be disposed of to a not-for-profit institution at fair market value, or some combination of not-for-profit entity. In this case the not-for-profit institution would be exempt from paying taxes. This could result in a burden to local services without commensurate tax relief. A Payment in Lieu of Taxes (PILOT) could offset this burden. Under this scenario, the Federal Government would realize the financial gains generated from sale of the island, as well as the annual savings of the costs associated with maintaining the island. Disposal of Governors Island to an entity or entities other than NYS and/or NYC does not have any direct effect on the physical, biological or man-made environment. Any future development of the island by the new owner would be subject to all applicable Federal, State, and local regulations.

## VI. Supporting Information

GSA has received a limited number of comments concerning the FEIS. Upon review of these comments, I am satisfied that they have already been sufficiently addressed in both the DEIS and FEIS. In support of this, GSA has received notification from the Environmental Protection Agency (EPA) that "In light of the covenants that will be set forth in the transfer deed, we have concluded that the proposed project would not result in significant adverse environmental impacts; therefore, EPA has no objections to the implementation of the proposed project".

The Port Authority of the State of New York and New Jersey has requested that in reference to the Hazardous Materials Sections of the "Re-Use Options", GSA "forbear from characterization of dredged material absent actual sampling and testing". The FEIS disclosed that if dredging were

determined to be necessary adjacent to the island in connection with the construction of docks or piers, "and the spoil is contaminated, or is ocean-dumped, this may constitute an impact under Section 103 of the Marine Protection, Research, and Sanctuaries Act" (Governors Island Disposition FEIS, November 1998, pp. IV.E-9, IV.R-52, IV.E-90, IV.E-109, IV.E-131). Because of the conceptual nature of the land use options, it is not clear if dredging is actually necessary. GSA did not intend to indicate that spoil material is contaminated, rather that if the spoil were contaminated the potential for impact could exist. In order to determine the nature of any spoil material associated with dredging activities an actual sampling and testing program would need to be undertaken.

The Port Authority also indicated that the \* \* \* disposition to New York City or New York State is preferable to a private disposition and should be evaluated as such in the decision-making process." As indicated earlier, GSA has undertaken the disposition of Governors Island as directed by the Balanced Budget Act of 1997. While the Balanced Budget Act does provide the city and State of New York with the right of first offer (at fair market value), it does not designate a preference as to the purchaser of the island. In keeping with the directive offered in this Act, GSA has employed a similar two-tiered approach to the environmental review of the disposition of the island. The potential benefits and impacts associated with disposition to New York City and/or New York State as well as to a private/institutional party have been fully disclosed in the FEIS. The selection of the disposition alternative as the preferred alternative does not indicate a preference as to the purchaser of the island yet it still allows the State and or city of New York the right of first offer. I believe that sufficient background information concerning the effects of disposition to a public or private entity has been provided to the appropriate parties in the decision-making process.

Finally, a letter received from the Regional Plan Association (RPA) indicates that "[t]he DEIS does not adequately examine the consequences of its action alternatives". I disagree with this assessment and am confident that the analysis of the action alternative has been conducted and the impacts and benefits disclosed as required by NEPA. As I indicated above, GSA has disclosed the impacts and benefits associated with the disposition of the island to either New York City/New York State or another entity. Additionally, in

conjunction with the action alternative, GSA has identified and analyzed a range of reasonably foreseeable reuse options that could occur on the island. In total, GSA has provided a sufficient level of review of the consequences associated with the disposition of the island.

## VII. Conclusion

Environmental and other relevant concerns presented by interested agencies and private citizens have been fully addressed within the FEIS. GSA believes there are no outstanding environmental issues to be resolved with respect to the proposed project which are within the mission capabilities of this agency.

After consulting with GSA staff, reviewing the FEIS and all of its related materials, it is my decision GSA will proceed with the disposal of Federally-owned real property known as Governors Island, New York Harbor, New York.

Dated: January 27, 1999.

**Robert W. Martin,**

*Acting Regional Administrator.*

[FR Doc. 99-2722 Filed 2-5-99; 8:45 am]

BILLING CODE 6820-23-M

## DEPARTMENT OF HEALTH AND HUMAN SERVICES

### Statement of Organization, Functions and Delegations of Authority; Program Support Center

Part P (Program Support Center) of the Statement of Organization, Functions and Delegations of Authority for the Department of Health and Human Services (60 FR 51480, October 2, 1995 as amended most recently at 63 FR 71143, December 23, 1998) is amended to reflect changes in Chapter PB within Part P, Program Support Center, Department of Health and Human Services. The Human Resources Service (HRS) is reorganizing and realigning its divisions which perform personnel activities by consolidating the personnel operations and employee/labor relations functions into two newly established Divisions: The Division of Personnel Operations—Parklawn and the Division of Personnel Operations—Switzer. The proposed organizational structure will better support the HRS in its role as a multi-customer, competitive, service-for-fee cost center. The HRS is also clarifying the statement describing the Board for Correction of PHS Commissioned Corps Records to reflect that its operations are overseen by an Executive Director who is located in the immediate Office of the Director, Program Support Center.