

LOWER MANHATTAN DEVELOPMENT CORPORATION

Meeting of the Directors
Borough of Manhattan Community College
245 Greenwich Street
Conference Room #1304
New York, New York 10007

July 23, 2015

MINUTES

In Attendance

Directors:

Joseph Chan, Chairman
Alicia Glen
Thomas Johnson
Catherine McVay-Hughes
Mehul Patel
Carl Weisbrod
Peter Wertheim
Dominic Williams

Staff Attending:

For Lower Manhattan Development Corporation:

David Emil, President
Daniel Ciniello
Stephen Konopko
Laura Rogers, Associate Counsel
Debbie Royce, Acting Secretary

For ESD:

Elizabeth Fine, Executive Vice President and General Counsel
Carey Gabay, First Deputy General Counsel

Also Present:

Judy Rapfogel
The Media
The Press

The meeting of the Lower Manhattan Development Corporation (“LMDC”) was called to order at 9:49 a.m. It was noted for the record that notice to the public and news media of the time and place of the meeting had been given in compliance with the New York State Open

Meetings Law.

The Chairman asked the Directors if any of them had a potential conflict of interest with regard to any of the items on the Agenda and if so, to make that information known at this time. If any potential conflict exists, the Chair continued, the Directors will be reminded at the appropriate time to recuse themselves from the vote on any such item. Director Glen noted for the record she is on the Board of the Performing Arts Center (“PAC”) and while she does not view this as a conflict, she felt it worthy of noting as there will be discussions at the meeting regarding a sub-recipient agreement for the PAC.

The Chair then noted that he has learned a great deal about Lower Manhattan in the past few months, including the challenges that are in place in terms of rebuilding. He further noted that he has also learned of the challenges that have been overcome and he acknowledged the hard work of the Board in moving the rebuilding forward.

The Chair also acknowledged the importance of the partnership between the State and the City to make the necessary decisions and to move forward in unison.

The Chairman then called for a motion to approve the Minutes of the May 5, 2015 Directors’ meeting.

Upon motion duly made and seconded, the following resolution was unanimously

adopted:

Approval of Minutes

RESOLVED, that the minutes of the meeting of the Corporation held on May 5, 2015, as presented to this meeting, are hereby approved and all actions taken by the Corporation's employees, officers or Directors in furtherance of the matters referred to therein are hereby ratified and approved as actions of the Corporation.

* * *

The Chair then presented his report addressing, among other things, LMDC's goal of allocating the Bovis settlement funds in the most responsible way. The Chair spoke at length on the measures that LMDC will take to ensure that that will happen. The Chair noted that criteria has been proposed for the use of these funds. The Board, he noted, will be asked to approve this criteria.

The Chair then outlined the mandatory and supplemental criteria that the Board will be asked to consider.

Mr. Emil was the asked by the Chair to go over the terms of the settlement that he and LMDC's staff had been empowered by the Board to execute.

Mr. Emil noted that the litigation with Bovis was settled for a \$40,000,000 cash payment which allowed LMDC to release \$10,000,000 in reserve, reflecting the fact that Bovis released all claims against the Corporation making a total of \$50,000,000 available for allocation by the

Board.

Mr. Emil then outlined the process that LMDC staff recommends regarding the allocation of the settlement funds including outreach to the public for comments and the appointment of a working group.

Following Mr. Emil's full presentation, the Chair called for questions or comments.

Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Approval of Funding Allocation Criteria, Public Meeting to Solicit Comments on Proposed Allocations of 130 Liberty Street Settlement Funds, and Creation of a Working Group

RESOLVED, that the criteria to govern LMDC's proposal review and prioritization process for the allocation of the \$50 million in 130 Liberty Street Settlement Funds, as described in the materials presented in this meeting, are hereby approved and adopted; and be it

FURTHER RESOLVED, that the plan to hold a public meeting to solicit comment on the proposed preliminary project list and hear suggestions for additional projects, as described in the materials presented in this meeting, is hereby approved; and be it

FURTHER RESOLVED, that the plan to create a Working Group to develop funding recommendations, as described in the materials presented in this meeting, is hereby approved; and be it

FURTHER RESOLVED, that the proper officers of the Corporation are hereby authorized to take any such action and to execute such instruments as may be necessary or appropriate to effect the foregoing.

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The Chair then noted that the next item in his report relates to the makeup of the Audit

and Finance Committee. He noted that with the changes to the Board that were announced at the last meeting, staff believed it to be prudent to reiterate the current make-up of the Audit and Finance Committee. This Committee, he added, plays a critical role in the functioning of LMDC.

The Chair first thanked Tom Johnson, the long-time Chair of the Committee for his continued role on that Committee.

Chair Chan added that in addition to Tom Johnson, the Committee includes Catherine McVay-Hughes. The Chair explained that both Mr. Johnson and Ms. McVay-Hughes serve as independent members, meaning non-governmental, on the Committee.

The Chair noted that the other member, Carl Weisbrod, serves in his capacity as a representative for the City of New York.

The Chair then called for questions or comments. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

LOWER MANHATTAN DEVELOPMENT CORPORATION –Audit and Finance Committee

RESOLVED, that the Board reaffirms the appointment of Thomas S. Johnson, Catherine McVay-Hughes, and Carl Weisbrod to service on the Audit and Finance Committee.

* * *

Director Johnson then presented the Audit and Finance Committee report with regard to the items to be considered by the Directors at this meeting. Among other things, Director Johnson noted that the Committee met last week and that it supports the proposed funding allocation process. He also reported that the 19th HUD Office of Inspector General Audit Report of LMDC was issued without any findings or concerns noted. Mr. Johnson commended the LMDC staff for their extremely good work.

He further noted that the Committee reviewed and supports the other items on today's Agenda.

The Chair then presented an item relating to the amendment of the existing sub-recipient agreement with the World Trade Center Performing Arts Center ("PAC"). The amendment, he added, is to increase the funding by \$70,000 for the planning, design and development to be undertaken by the World Trade Center.

At the Chair's request, Mr. Emil presented further information with regard to this request.

Following the full presentation, the Chair called for questions or comments. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization to Amend the Subrecipient Agreement with the WTC Performing Arts Center, Inc. for Planning, Design and Development

RESOLVED, that the Corporation is hereby authorized to amend its subrecipient agreement with the WTC Performing Arts Center, Inc. for planning, design and development to increase funding by \$70,000 as described in the materials presented in this meeting; and be it

FURTHER RESOLVED, that the expenditures approved hereby shall be allocated from funds included in Partial Action Plan 11; and be it

FURTHER RESOLVED, that the proper officers of the Corporation are hereby authorized to take any such action and to execute such instruments as may be necessary or appropriate to effect the foregoing.

* * *

The Chair noted that there was a second item involving PAC relating to a design study and he asked Mr. Emil to provide the specifics of that request.

Mr. Emil noted that the current request is for authorization to add \$500,000 to LMDC's existing sub-recipient agreement with PAC to conduct a design study to review how to create a project which can be built for no more than \$200 million on the existing Site 1B.

Mr. Emil went on to provide the relevant background details regarding the proposed study.

Following the full presentation, the Chair called for questions or comments. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization to Amend the Subrecipient Agreement with the WTC Performing Arts Center, Inc. for a World Trade Center Performing Arts Center Project Design Study

RESOLVED, that the Corporation is hereby authorized to amend its subrecipient agreement with the WTC Performing Arts Center, Inc. to increase funding by up to \$500,000 to an amount not to exceed \$1,570,000 in the aggregate for the PAC, Inc. to undertake a design study to reduce the scale and cost of the project to no more than \$200 million as described in the materials presented in this meeting; and be it

FURTHER RESOLVED, that the expenditures approved hereby shall be allocated from funds included in Partial Action Plan 11; and be it

FURTHER RESOLVED, that the proper officers of the Corporation are hereby authorized to take any such action and to execute such instruments as may be necessary or appropriate to effect the foregoing.

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The Chair then noted that the next item to be considered by the Directors involves a sub-recipient agreement with the New York City Department of Transportation in an amount not to exceed \$650,000 to carry out the Gateways to Chinatown project.

The Chair further noted that this project also includes a request to amend Partial Action Plan 10 to identify the New York City Department of Transportation rather than the Chinatown Partnership Local Development Corporation, as a named recipient of the remaining Chinatown funds.

The Chair asked Mr. Ciniello to provide further information on this request.

Following the full presentation, the Chair called for questions or comments. Hearing

none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization to Enter into a Subrecipient Agreement with the NYC Department of Transportation; Authorization to Amend Partial Action Plan 10

RESOLVED, that the Corporation is hereby authorized to enter into a subrecipient agreement with the NYC Department of Transportation (the "NYC DOT") to carry out the Gateways to Chinatown Project ("Gateways Project"), in an amount not to exceed \$650,000 (the "Chinatown Funds"), as described in the materials presented to this meeting; and be it

FURTHER RESOLVED, that the Corporation is hereby authorized to amend Partial Action Plan 10 (the "Amended Partial Action Plan 10") to identify the NYC DOT rather than the Chinatown Partnership Local Development Corporation as the recipient of the remaining Chinatown Funds as described in the materials presented to this meeting; and be it

FURTHER RESOLVED, that the proper officers of the Corporation are hereby authorized to submit for public comment and review by the Federal Department of Housing and Urban Development ("HUD") the Amended Partial Action Plan 10, as may be required; and be it

FURTHER RESOLVED, that the President of the Corporation or his designee shall be authorized to make such changes to the Amended Partial Action Plan 10 as may be necessary or appropriate to comport with applicable HUD requirements and to reflect any public comments solicited and received thereon; and be it

FURTHER RESOLVED, that the expenditures approved hereby shall be allocated from funds included in the Amended Partial Action Plan 10; and be it

FURTHER RESOLVED, that the proper officers of the Corporation are hereby authorized to take any such action and to execute such instruments as may be necessary or appropriate to effect the foregoing.

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The Chair then noted that there were two administrative items for the Board to consider.

The Chair noted that the first is a request to amend LMDC's agreement with Faithful and Gould to extend the term of the agreement for an additional two years. He added that no additional funds were being sought with regard to this request.

The Chair explained the second item is a request to extend LMDC's agreement with Miller Advertising for an additional year through July 31, 2016.

Mr. Emil briefly addressed the item relating to the Faithful and Gould Agreement and then Director Johnson made a motion to move both items. Motion being duly made and seconded, the following resolutions were unanimously adopted:

Authorization of Cost Estimating, Scheduling, Construction Feasibility, and Pre-Construction Services Agreements

RESOLVED, that the Corporation is hereby authorized to amend its agreement with Faithful + Gould to extend the term of such agreement for two-years through March 31, 2017 for cost estimating, scheduling, construction feasibility and pre-construction services, as described in the materials presented to this meeting; and be it

FURTHER RESOLVED, that the expenditures approved hereby shall be allocated from funds included in Partial Action Plans 11 and S-2; and be it

FURTHER RESOLVED, that the proper officers of the Corporation are hereby authorized to take any such action and to execute such instruments as may be necessary or appropriate to effect the foregoing; and be it

FURTHER RESOLVED, that all such actions previously taken in furtherance of the foregoing by the Corporation's employees, Officers or Directors are hereby ratified and approved in all respects.

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Authorization of Advertising Services Contract Extension

RESOLVED, that the Corporation is hereby authorized to extend its agreement, for a one-year period through July 31, 2016, with Miller Advertising for advertising services, as described in the materials presented to this meeting; and be it

FURTHER RESOLVED, that the expenditures approved hereby shall be allocated from funds included in the appropriate LMDC FYE 2016 and anticipated FYE 2017 Budgets for Planning and Administration or relevant Partial Action Plan; and be it

FURTHER RESOLVED, that the proper officers of the Corporation are hereby authorized to take any such action and to execute such instruments as may be necessary or appropriate to effect the foregoing; and be it

FURTHER RESOLVED, that all such actions previously taken in furtherance of the foregoing by the Corporation's employees, Officers or Directors are hereby ratified and approved in all respects.

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There being no further business, the meeting was adjourned at 10:27 a.m.

Respectfully submitted,

Debbie Royce
Acting Secretary