

LOWER MANHATTAN DEVELOPMENT CORPORATION

Meeting of the Directors
Held at the Offices of the Corporation
One Liberty Plaza -20th Floor
New York, New York 10006

January 9, 2003

MINUTES

In Attendance

Directors:

John C. Whitehead, Chairman
Roland W. Betts
Paul Crotty
Robert M. Harding
Sally Hernandez-Pinero (via telephone)
Thomas Johnson
Edward J. Malloy (via telephone)
Carl Wesibrod
Madelyn Wils
Deborah Wright
Frank G. Zarb

Staff Attending:

For Lower Manhattan Development Corporation:

Louis R. Tomson, President
James Angley, Chief Financial Officer
And Treasurer
Jennifer Brown, Assistant Vice President for
Community and Government Relations
Daniel Ciniello, Vice President for
Internal Audit
Anita Contini, Vice President and Director
for Memorial, Cultural and Civic Programs
Ben Dookchitra, Project Manager for Board
Of Directors
Hugh Eastwood, Planner for Planning, Design
And Development
Alexander Garvin, Vice President for
Planning, Design and Development
Christopher Glaisek, Director of Urban
Planning for Planning, Design & Development
John Hatfield, Program Manager for Memorial,
Cultural & Civic Programs
Matthew Higgins, Vice President for

Communications

Dyana Lee, Vice President for Investigations
Peter Madden, Project Manager
Eileen McEvoy, Assistant Secretary
Amy Peterson, Project Director for
Development Programs & Economics
Nancy Poderycki, Assistant Vice President
For Communication
Stefan Pryor, Deputy to the Chairman
and Secretary
Kevin Rampe, Executive Vice President
and General Counsel
Beatrice Sibblies, Assistant Vice President
For Development Programs & Economics
Brandon Smith, Planner For Planning, Design
And Development
Tara Snow, Vice President for Community
and Government Relations
Sharon Tepper, Program Manager For Memorial,
Cultural & Civic Programs
Andrew Winters, Director of Design and
Development

For Empire State Development Corporation:

Kevin S. Corbett, Executive Vice President &
Chief Operating Officer
Anita W. Laremont, Senior Vice President
& General Counsel

For Chairman Whitehead:

Edward Novotny, Press Consultant

For the Office of the Mayor

Daniel Doctoroff, Deputy Mayor

For Governor George E. Pataki

Diana Taylor

Also Present:

Jason R. Lilien, Esq.
Weil, Gotshal & Manges LLP
Judy Rapfogel, Chief of Staff
Speaker Sheldon Silver's Office
Yvonne Morrow, Representing Assembly Speaker

Silver's Office

The Public
The Media and Press

The meeting of the Lower Manhattan Development Corporation ("LMDC") was called to order at 8:05 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 first order of business was the approval of the Minutes to the December 12, 2002 Directors' Meeting. There being no changes or corrections, upon motion duly made and seconded, the following resolution was unanimously adopted:

APPROVAL OF MINUTES AND RATIFICATIONS OF ACTIONS TAKEN AT
THE DECEMBER 12, 2002 MEETING OF THE DIRECTORS OF THE
LOWER MANHATTAN DEVELOPMENT CORPORATION

RESOLVED, that the minutes of the meeting of the Corporation held on December 12, 2002, as presented to this meeting, are hereby approved and all actions taken by the Directors presented at such meeting, as set forth in such minutes, are hereby in all respects and approved as actions of the Corporation.

* * *

The Chairman opened his report by noting that NASDAQ has decided to move back from Midtown to Lower Manhattan. He added that this is important and welcome news.

The Chairman then spoke of the presentation to the public of the redevelopment plans as a major step in the rebuilding process.

Chairman Whitehead explained that the plans have inspired and raised LMDC's sights. He then went on to thank Roland Betts and Lou Tomson for guiding the process along.

The Chairman stressed that public interest in the plans has been outstanding thus far and that LMDC looks forward to further public comment at various public hearings that the Corporation has scheduled throughout the City and New Jersey for the upcoming weeks.

Before closing his report, the Chairman emphasized the need for LMDC to address related needs, including transportation and environmental issues as well as the redevelopment of Fulton Street, as integral parts of the rebuilding process.

In closing, the Chairman noted that the draft Mission Statement and Program were issued to the public on January 8th and that Anita Contini would provide a presentation later in

the meeting.

The Chairman then asked Mr. Tomson to provide the President's report. Mr. Tomson explained that the three key components - the plans, the Memorial Mission Statement and the transportation efforts are moving forward in parallel ways. He explained, it is anticipated that this consistency will ultimately result in the Corporation being able to move on to the crucial business of deciding how to apply the available resources to the projects that LMDC wants to put forward.

Mr. Tomson then recognized Nancy Poderycki, the new Assistant Vice President for Communications, to those present at the meeting. He announced that she would be appointed as an officer of the Corporation.

The Chairman then read a resolution into the record appointing said officer. Following the Chairman's reading of this resolution and upon motion duly made and seconded, the following resolution was unanimously adopted:

ELECTION OF THE OFFICER

RESOLVED, that Nancy Poderycki is hereby elected Assistant Vice President for Communications of the Corporation, and shall

serve until such time as her successor is duly elected and qualified or until her earlier resignation or removal.

* * *

The Chairman then called on Director Betts to present the background information regarding a request for authorization for funds to continue the work of the design teams.

Before addressing the request, Director Betts noted how extraordinary and encouraging it was that the release of the designs was covered by the press throughout the world.

Director Betts went on to explain that LMDC had requested additional services from the seven architectural firms that have been working with LMDC on the Innovative Design Study. He explained that the next phase of work would consist of technical analysis of their plans and that this phase of work would require a further allocation of money to pay the teams for this work.

The Chairman noted that this allocation would be in addition to the initial stipends of \$49,000 per team, and a further allocation of \$300,000 that had been approved by the Board at their December meeting. The Chairman read a resolution into the record authorizing an increase in expenditures under the seven

contracts by \$700,000. Following the Chairman's reading of said resolution and upon motion duly made and seconded, the following resolution was adopted:

Authorization of Additional Expenditures for Innovative Design Study

RESOLVED, that the Corporation is hereby authorized to expend up to \$700,000 for additional costs incurred by the design firms designated by the President of the Corporation, in consultation with the Chair of the Site Plan Working Group, to continue participation in the Innovative Design Study of the World Trade Center Site and Adjacent Areas; and be it

FURTHER RESOLVED, that such funds shall be expended in accordance with the agreements entered into with the Corporation for such purposes; and be it

FURTHER RESOLVED, that the amount paid by the Corporation to such design firms for services pursuant to the Innovative Design Study, together with all funds previously approved for such services, shall not exceed \$1,350,000 in the aggregate; and be it

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

* * *

Next, the Chairman asked Mr. Garvin to address the request for authorization to expend funds for consulting services focusing on the Fulton Corridor.

Mr. Garvin briefly outlined the selection process as well as the scope of services in connection with the two contracts to be

funded.

Following Mr. Garvin's presentation, Director Wils asked how Gensler will dovetail its work on the retail study with whatever other consultant work is being done on the site. Mr. Garvin explained that in order to redevelop Fulton Street, part of Gensler's services will be to examine Fulton Street's retail in relationship to the surrounding area. This is necessary, Mr. Garvin asserted, in order to ensure that LMDC has an integrated plan that includes retail in the World Trade Center site as it relates to everything from the South Street Seaport to the World Financial Center.

Next, Director Wright asked Mr. Garvin to distinguish between what LMDC's planning vendors will be doing relative to what the private sector will be doing as development begins to take place. Director Wright explained that she was asking this because the description of some of the services outlined in the materials appeared to be very similar to what a private developer would do in an effort to ascertain which retail uses would be most practical for a certain area.

Mr. Garvin stated that since there is no single entity that is responsible for Fulton Street and many of the stores are

small, it was decided by the various governmental entities that the street would be looked at as a whole. Much the same, he explained, as is done in many American cities.

Mr. Garvin further stated that LMDC is attempting to do the analytical work to develop a coherent strategy for the entire street. Something, he maintained, that the individual store owners would not be organized enough to do.

Director Wright then clarified that it was not the individual vendors that she was referring to but rather the developers who will be building on this side of Fulton Street. Director Wright asked if the intent is to do the pre-work to develop a set of guidelines as to what uses would be supported by the market and/or preferable to LMDC.

Mr. Garvin stated that it was in fact the idea to develop a set of recommendations that can be used by the City and LMDC to guide the future of Fulton Street as a corridor to assist in making decisions on the World Trade Center site.

Director Weisbrod then inquired, with regard to the East Side of Broadway on the Fulton Street corridor, if the purpose is of determining zoning and the public investments that would best

serve to transform the corridor.

Mr. Garvin said that that would be the best result of the strategy. He stressed that the results of how much would be capital investment and how much would be regulatory could not be predetermined and it is for that reason that LMDC is taking these steps.

Director Crotty then asked a process question with regard to the Stern consultant contract and Mr. Garvin outlined in detail the selection process involved in connection with that contract. There being no further questions, the Chairman read a resolution into the record authorizing LMDC to enter into a contract for Fulton Corridor Retail and Arts/Entertainment consulting services. Upon motion duly made and seconded, the following resolution was adopted:

Retention of Fulton Corridor Retail and Arts/Entertainment Consultant

RESOLVED, that the Corporation is hereby authorized to enter into an agreement with Gensler Architecture, Design & Planning Worldwide, Inc. to provide retail and arts/entertainment planning consulting services to the Corporation in connection with the proposed Fulton Corridor; and be it

FURTHER RESOLVED, that such agreement shall be for a one-year period for an amount not to exceed \$425,000; and be it

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

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Next, the Chairman read a resolution into the record authorizing LMDC to enter into a contract for House Urban Design Consultant Services in connection with the Fulton Corridor. Following the Chairman's recitation of said resolution and upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization for Contract with In-House Urban Design Consultants

RESOLVED, that the Corporation is hereby authorized to enter into an agreement with Robert A.M. Stern Architects to serve as in-house urban design consultants to the Corporation; and be it

FURTHER RESOLVED, that such agreement shall be for a two-year period for an amount not to exceed \$525,000; and be it

FURTHER RESOLVED, that services provided under this shall agreement include work regarding the creation of a preliminary urban design concept plan for the proposed Fulton Corridor; and be it

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

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At the Chairman's request, Mr. Higgins presented a request for funding relating to Website Design Services.

Following Mr. Higgins presentation and the Chairman's reading of a resolution regarding same, upon motion duly made and seconded, the following resolution was unanimously adopted.

Authorization for Expenditures Pursuant to the Web-site Consultant Contract

RESOLVED, that the Corporation is hereby authorized to amend the agreement with Light & Power Communications, LTD, dated October 20, 2002, to expand the scope of website hosting services provided to the Corporation thereunder; and be it

FURTHER RESOLVED, that the Corporation is hereby authorized to increase the expenditures under such agreement to an amount not to exceed \$150,000 in the aggregate; and be it

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

* * *

Ms. Contini then provided a report for the Directors' information on the recently released Memorial Mission Statement and Program.

Ms. Contini read pertinent parts of the Memorial Mission Statement noting that the statement will serve as a compass to guide not only the creation of the memorial but also its evolution through the ages.

Ms. Snow then presented a request for funding for various public outreach initiatives. Following Ms. Snow's outline of the anticipated initiatives and the Chairman's reading of a resolution into the record regarding same, and upon motion duly made and seconded, the following resolution was adopted:

Authorization for Expenditures Related to Public Outreach Campaign

RESOLVED, that the Corporation is hereby authorized to enter into an agreement with one or more of the following firms to serve as consultants to the Corporation in implementing the "Plans in Progress Campaign" and other public outreach initiatives: Hurley-Frank & Associates, AmericaSpeaks, and Zamechansky-Barfield-McCaffrey; and be it

FURTHER RESOLVED, that such agreements shall be for a one-year period for an aggregate amount not to exceed \$300,000; and be it

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

* * *

Mr. Zarb then provided a brief outline of the most recent activities of the Finance Committee.

Mr. Rampe then provided background information with regard to a request to extend the option on the space now leased by LMDC.

The Chairman read a resolution into the record regarding said request and upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization to Enter into Option to Lease for One Liberty Plaza Office

RESOLVED, that the Corporation is hereby authorized to enter into an Option with Brookfield Properties to extend the lease of the Corporation's offices at One Liberty Plaza for a five-year term upon the expiration of the current lease on February 28, 2005; and be it

FURTHER RESOLVED, that the Corporation shall not expend any funds in connection with entering into such Option; and be it

FURTHER RESOLVED, that the decision whether to exercise such Option shall be made by the Board of Directors on or before December 31, 2003; and be it

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

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Before calling for a motion to adjourn the meeting, questions were taken from the media. This part of the meeting was not recorded for the public record.

There being no further business, the meeting was adjourned at 9:10 a.m.

Respectfully submitted,

Eileen McEvoy
Assistant Secretary