

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

June 12, 2003

MINUTES**In Attendance****Directors:**

John C. Whitehead, Chairman
 Paul Crotty
 Richard Grasso
 Robert Harding
 Sally Hernandez-Pinero
 Thomas Johnson
 Edward J. Malloy
 Billie Tsien (via telephone)
 Carl Weisbrod
 Madelyn Wils
 Frank Zarb

Staff Attending:**For Lower Manhattan Development Corporation:**

Kevin Rampe, President and CEO
 Jennifer Brown, Assistant Vice President for
 Community and Government Relations
 Irene Chang, Vice Preseident for Legal
 Affairs
 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
 Christopher Glaisek, Director of Urban
 Planning for Planning, Design & Development
 John Hatfield, Program Manager for Memorial,
 Cultural & Civic Programs
 Matthew Higgins, Chief Operating Officer and
 Director of 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
Chief of Staff/Secretary
Tara Snow, Vice President for Community
and Government Relations
Sharon Tepper, Program Manager for Memorial,
Cultural & Civic Programs

Other Staff

For New York City:

Daniel Doctoroff, Deputy Mayor, Economic
Development

For Governor George E. Pataki:

Doug Blaise (via telephone)

For Empire State Development Corporation:

Kevin S. Corbett, Executive Vice President
and Chief Operating Officer

For Speaker Sheldon Silver:

Yvonne Morrow

For Chairman Whitehead:

Edward Novotny, Senior Advisor

Counsel to the Board:

Jason R. Lilien, Esq.
Ira Millstein (telephone)
Weil, Gotshal & Manges LLP

Also Present:

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 Chairman then called for the approval of the Minutes of the May 15, 2003 Directors' Meeting. Before calling for a vote on the Minutes, the Chairman noted that due to a typographical error, his reading to the Board of the resolution authorizing its contract with Frederic Schwartz Architects was \$6,000 too low and that the correct total authorization \$709,953.76. The Chairman further noted that the May 15, 2003 Minutes reflect the correct amount, and in approving the Minutes, the Directors would be approving the \$709,953.76 figure.

Mr. Harding then noted that his name had been omitted from the list of attendees at the May 15, 2003 Directors' meeting. Mr. Harding was informed that the May 15, 2003 Minutes would be revised to include his name. There being no further corrections, upon motion duly made and seconded, the following resolution was

unanimously adopted:

APPROVAL OF MINUTES AND RATIFICATIONS OF ACTIONS TAKEN AT
THE MAY 15, 2003 MEETING OF THE DIRECTORS OF THE LOWER
MANHATTAN DEVELOPMENT CORPORATION

RESOLVED, that the minutes of the meeting of the Corporation held on May 15, 2003, 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.

* * *

Chairman Whitehead opened his report by noting that there were signs of improvement downtown, including a commercial office space vacancy rate that is only one percent higher than that of New York City as a whole. The Chairman stated that the return of the Lower Manhattan Green Market on Tuesdays and Thursdays to Liberty Park was but one illustration of the quality of life improvements that would be seen in the coming months.

The Chairman affirmed LMDC's commitment to tourism initiatives. He announced that he had asked the LMDC to set aside substantial funds for tourism programs specifically focused on Chinatown. The Chairman stated the agency's commitment to identifying effective components of a Chinatown campaign as well as the appropriate organizations through which to implement them.

The Chairman also noted that the LMDC would be funding a number of downtown parks and open spaces that had been identified by the Mayor's Office and the Parks Department.

Chairman Whitehead appointed Director Weisbrod as Chair and Directors Crotty, Malloy and Wils as members of the Off-site Planning Working Group to cover further planning efforts outside of the World Trade Center site.

Interim President Rampe then provided his report. Mr. Rampe noted that the memorial competition received overwhelming international interest with 13,683 people having registered by the deadline.

Mr. Rampe then explained that LMDC's fraud investigation had led to the arrest and prosecution of one individual. It is expected, Mr. Rampe explained, that this person will receive six months in jail and be fined \$10,000.

Mr. Rampe then outlined the items to be addressed at today's meeting.

Next, the Chairman asked Mr. Rampe and Ms. Chang to discuss the proposed environmental review of the World Trade Center site.

The Chairman explained that due to the complexity of the materials and that fact that the Directors had only recently received the materials, the Directors would not be voting on them until next week at a special LMDC Directors' meeting.

Mr. Rampe outlined several components of the materials that were provided to the Directors. He then explained that the materials relate to a request for authorization for LMDC to adopt the Proposed General Project Plan, and take other related actions in connection with the World Trade Center Site Memorial and Cultural Program. Also the Directors were informed that the materials further request the designation of LMDC as the lead agency for purposes of conducting the environmental review of the entire World Trade Center site under both federal and State laws.

Following the report on the materials, Director Crotty asked the status of the Memorandum of Understanding between LMDC and the Port Authority that was mentioned in the report. Director Crotty also asked about the lead agency designation and who had consented to LMDC's designation.

With regard to the Memorandum of Understanding, Ms. Chang explained that it is in the final draft stage. She further stated that it represents a consistent division of

responsibilities between the memorial and cultural program and the redevelopment of the remainder of the site.

With regard to the lead agency status, Ms. Chang noted that if written consent was not received by June 11th, the consent would be assumed. She then identified several of the entities who had sent in written consents.

Director Zarb presented the Audit and Financial Report noting that LMDC's budget period ended March 31st and that the Corporation underspent by 14 percent in its first year. Director Zarb explained that audited statements will be available by the end of June and will be made public.

Director Zarb then noted for the record that one of LMDC's employees, Michele McManus, had applied for the Residential Grant Program and that her application was being processed.

Ms. Brown provided a report on outreach initiatives that LMDC will be conducting jointly with the City beginning in July. These workshops, she explained, will provide insight into the community's needs in developing additional programs and funding initiatives.

Director Pinero-Hernandez asked why LMDC was conducting more

workshops when so many have been done in the past and there are still others pending. She was informed that, in addition to other factors, the outreach initiatives were in keeping with HUD requirements with regard to spending the remainder of the federal funding.

Ms. Peterson presented a report on the Residential Grant Program, providing a breakdown of grants awarded.

Next, Ms. Poderycki explained that LMDC would be conducting a communications outreach campaign to announce, on an ongoing basis, the improvements set in motion by Governor Pataki in April. The campaign's aim, she explained, is to ensure that all stakeholders are aware of the improvements made and to provide the Lower Manhattan stakeholders with a positive and optimistic message about the rebuilding effort.

Ms. Poderycki outlined the components of the program, which will include the use of posters and palm cards to announce upcoming events.

The Chairman then called for a motion to conduct an Executive Session pursuant to paragraph (h) of subdivision 1 of Section 105 of the New York State Open Meeting Law. Upon motion

duly made and seconded, the following resolution was unanimously adopted:

EXECUTIVE SESSION - Pursuant to paragraph (h) of subdivision 1 of Section 105 of the New York State Open Meeting Law

RESOLVED, that the Directors conduct and Executive Session to consider matters pertaining to Paragraph (h) of subdivision 1 of Section 105 of the New York State Open Meeting Law.

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All persons were requested to leave the room with the exception of the Directors and members of senior staff. The Executive Session ended at 10:07 a.m. and the public meeting of the Board of Directors reconvened. It was noted for the record that no votes were taken during the Executive Session.

There being no further business, the meeting was adjourned at 10:08 a.m.

Respectfully submitted,

Eileen McEvoy
Assistant Secretary