

**DRAFT - SUBJECT TO REVIEW AND REVISION**

**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

July 8, 2004

**MINUTES**

**In Attendance**

**Directors:**

John C. Whitehead, Chairman  
Roland Betts  
Robert Balachandran  
Paul Crotty  
Robert Harding  
Thomas Johnson  
Edward Lewis  
Stanley Shuman (via telephone)  
Carl Weisbrod  
Madelyn Wils

**Staff Attending:**

**For Lower Manhattan Development Corporation:**

Kevin Rampe, President and CEO  
Irene Chang, General Counsel  
Daniel Ciniello, Senior Vice President -  
Operations  
Anita Contini, Vice President - Memorial,  
Cultural and Civic Programs  
Christopher Glaisek, Director of Urban  
Planning for Planning, Design &  
Development  
Dyana Lee, Vice President for Investigations  
Peter Madden, Senior Project Manager  
Robert Miller, Chief Financial Officer  
Amy Peterson, Vice President - Development  
Programs & Economics  
Stefan Pryor, Senior Vice President - Policy  
and Program  
Joanna Rose, Assistant Vice President -  
Communications and Press Secretary  
Chara Ann Tappin, Community Liaison  
Andrew Winters, Vice President & Director  
for Planning Design & Development

Other Staff

**For Speaker Sheldon Silver:**

Judy Rapfogel, Chief of Staff

**For Chairman Whitehead:**

Edward Novotny, Press Consultant

**For HUD:**

Jan Opper, Senior Program Officer

**Counsel to the Board:**

Jason R. Lilien, Esq.  
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 8:07 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.

Next, the Chairman called for the approval of the Minutes of the June 2, 2004 Directors' Meeting. There being no comments

or corrections, upon motion duly made and seconded, the following resolution was unanimously adopted:

APPROVAL OF MINUTES AND RATIFICATIONS OF ACTIONS TAKEN AT  
THE JUNE 2, 2004 MEETING OF THE DIRECTORS OF THE LOWER  
MANHATTAN DEVELOPMENT CORPORATION

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RESOLVED, that the minutes of the meeting of the Corporation held on June 2, 2004, 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 then noted that there was a new Board Member and he introduced Robert Balachandran to the meeting. Chairman Whitehead explained that Mr. Balachandran is presently a Managing Director in the Public Finance Department of Bear, Stearns and a former President of the Hudson River Park Trust.

Chairman Whitehead then summarized some recent milestones, including the laying of the cornerstone of the Freedom Tower on July 4<sup>th</sup> and the recent announcement of the four cultural institutions to be located on the World Trade Center Site.

Next, the Chairman reported on a bill to extend the Liberty Bond Program that had passed the House and the Senate and was now awaiting passage of the larger tax bill. With regard to

the Liberty Bond Program, the Chairman noted that there is more than sufficient demand downtown for the remaining \$3 billion in commercial Liberty Bonds.

The Chairman closed his report by remarking favorably on Downtown's upbeat real estate market, citing it as part of a larger trend of growth in the area spurred by LMDC's efforts to rebuild.

President Rampe began his report by noting that the selection of the cultural institutions marks a critical step because the selection means that all of the components that will make up the rebuilt World Trade Center Site are in place.

President Rampe reported on a workshop that LMDC held in late June in Chinatown to address the area's myriad traffic and transportation issues. President Rampe also mentioned that for the second year in a row, LMDC has sponsored a successful summer intern program.

President Rampe then provided a brief overview of the items to be presented at the Directors' meeting.

Following Mr. Rampe's presentation, Director Lewis asked how many interns were hired and he was informed that there were ten interns this summer.

Next, Director Johnson provided the Audit and Finance Committee Report for the Directors' information.

Director Johnson stated that the Committee had reviewed the five funding resolutions and two contract extensions on today's agenda and that the Committee recommends that each be considered for approval by the Board. Director Johnson further noted that the Committee also reviewed the Partial Action Plan items being considered and determined that the scope of the plans are appropriate and recommend their approval.

Director Johnson then discussed the two budget variance reports, copies of which had been provided to the Directors. He explained that the first report covered the entire fiscal year that ended on March 31<sup>st</sup>. In that regard, Director Johnson noted that LMDC spent approximately \$20 million or 61 percent of its budget. This report, he noted, does not include final accounting adjustments.

Director Johnson further noted that unspent funds are not at risk and are available to be authorized by the Board in the future. He added that the 61 percent does not represent a lack of accomplishment but rather denotes changes in timing from what was contemplated when the budget was put together approximately 15 months ago.

With regard to this year's report, Director Johnson explained that it shows spending through May as being just above \$1 million and identifies \$10.8 million in contract commitments.

Director Betts addressed the issue of the appropriate use of the remaining funds. He stated that it is the Corporation's prime responsibility to rebuild the World Trade Center site. Director Betts then stated that smaller funding projects, though meritorious, should be considered in light of the remaining needs at the World Trade Center site.

Following Director Betts' address, Director Lewis asked how much money was left and he was informed that after deducting Deutsche Bank costs, a little under \$900 million remained.

Ms. Sibblies then asked the Board to approve the amendment of the existing contract for economic consulting services with Appleseed.

Ms. Sibblies provided the background information regarding this request and the Chairman read the related resolution into the record. Following the Chairman's recitation and upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization to Amend Agreement for Economic Consulting Services

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RESOLVED, that the Corporation is hereby authorized to amend its agreement with Appleseed, Inc. for economic consulting services to increase the total expenditures under such agreement by an additional \$175,000 to an amount not to exceed \$625,000 in the aggregate, which funds shall be used to cover the costs of consulting services to be provided to the Corporation through August 2005; 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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Ms. Chen then presented three requests for consideration by the Directors. The first two related to Studio Daniel Libeskind. The third request centered on the amendment of contracts for cost estimating and preconstruction services. Following Ms. Chen's presentation and the Chairman's reading of

all three resolutions, upon motion duly made and seconded, the following resolutions were unanimously adopted. (It was noted for the record that Director Harding abstained from voting with regard to the resolution authorizing the Amendment of Contracts for Cost Estimating and Preconstruction Services.):

Authorization to Amend Memorial and Cultural Planning Agreement with Studio Daniel Libeskind

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RESOLVED, that the Corporation is authorized to amend its agreement with Studio Daniel Libeskind for Memorial and Cultural Planning services to expand the scope of services provided to the Corporation under such agreement to include master planning and design guidelines matters and to extend the term of such agreement for an additional one-year period; 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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Authorization to Amend Innovative Design Study Agreement with Studio Daniel Libeskind

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RESOLVED, that the Corporation is authorized to amend its agreement with Studio Daniel Libeskind in connection with the Innovative Design Study to extend the term of such agreement from the expiration date set forth therein through and until December 31, 2004; 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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Authorizations to Amend Contracts for Cost Estimating and



Preconstruction Services

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RESOLVED, that the Corporation is hereby authorized to amend its agreements with each of Bovis Lend Lease LMB, Inc, Building Conservation Associates, Inc., Hanscomb, Faithful and Gould, Inc. and VJ Associates, Inc. for cost estimation, pre-construction and related services to increase the combined expenditures under all such agreements by \$315,000 to an amount not to exceed \$590,000 in the aggregate for all such agreements; and be it

FURTHER RESOLVED, that each such agreement shall be further amended to extend the term of such agreement by an additional one-year period; 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 and appropriate to effect the foregoing.

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Next, Ms. Contini provided further information on the previously mentioned cultural institutions. She spoke with regard to the process involved in making such selections. Ms. Peterson then presented several requests for funding for the Directors' consideration. The requests included the approval of the issuance of a Partial Action Plan as well as authorization for LMDC to enter into several subrecipient agreements.

Following the presentations, Director Lewis asked if the \$1.5 million amount mentioned for the subrecipient agreements relating to the cultural institutions was part of the \$6.5

million Partial Action Plan request. Ms. Peterson informed him that it was a part of that request.

Director Lewis then inquired as to what will happen when the contracts exceed \$1.5 million and Ms. Peterson told him that staff does not anticipate that happening in this six-month period.

Director Crotty asked if it is clear that this is a six-month evaluation period and that LMDC reserves the right to revisit these contracts if any of the institutions do not meet the standards that are being proposed. Ms. Peterson stated that that is clear and that the intent is to ensure that the selected institutions will be the proper ones to go forward with on the site.

Director Wils then asked what the status was of having the cultural institutions invest some of their own money into the process. Further, Director Wils inquired into the request made by the Directors for a document reflecting deliverables in six months.

Ms. Contini stated that the document reflecting deliverables is in the process of being finalized. With regard

to the participation of the various institutions, Ms. Contini explained that LMDC is not underwriting all parts of the planning site and that each of the institutions is working on developing business plans for a move.

Director Johnson asked if in each case there is an estimate of what the aggregate expenditures would be during this six month period institution by institution that includes their contribution and LMDC's contribution.

Ms. Contini stated that each institution will provide LMDC with their proposed scope of work and the associated costs. She added that LMDC will review that before funds are distributed.

Director Crotty then asked when the deliverables will be made available to the Board. Ms. Contini stated that she believed that that would be available soon.

President Rampe then stated that there is a major financial commitment by each of the institutions even at this stage, in terms of the planning. President Rampe indicated that approval today is necessitated first by the fact that the resolution involves a Partial Action Plan which always involves a time lag.

Secondly, President Rampe explained that in order to come within the proposed time frame, it is necessary that each institution begin their planning process before the August Board meeting. He further explained that this will still allow staff an opportunity to address the issues raised regarding the institutions' contributions and deliverables, before the related agreements are executed.

Director Lewis asked when the selection of architects will take place and Ms. Peterson stated that LMDC is looking to issue an RFP which will probably be due right after Labor Day.

Next, Ms. Contini presented the background information regarding a request for authorization for LMDC to enter into a subrecipient agreement with the Municipal Art Society for the purchase and ongoing maintenance of lights for the annual September 11<sup>th</sup> Tribute in Light. Ms. Contini stated that the allocation requested was \$3.5 million to fund the Tribute for the next five years.

Director Weisbrod asked the cost for 2002 and 2003. Ms. Contini stated that it cost approximately \$700,000 each of those years. Director Weisbrod asked if that money was raised privately and Ms. Contini stated that it was.

Director Weisbrod then stated that given that fact, a greater contribution should be sought from the civic community than is presently anticipated. Ms. Contini stated that the Municipal Art Society had committed to continue fundraising.

Director Wils noted her support of the Tribute and then asked where the lights will be stored and what happens after five years, for example, can LMDC sell the lights.

Ms. Contini explained that the lights will be stored at a location that had been donated to the Municipal Art Society. The cost of getting them back and forth, she further explained, will be incurred by the Municipal Art Society.

Ms. Contini then stated that the lights, which have a 40 year life span, will be owned by LMDC to use as part of the Memorial or to sell. Further discussion on the Tribute lights centered around the cost of each light and the extremely high cost of having outside suppliers provide them.

Ms. Contini noted that staff was requesting that funding for the River-to-River Festival subrecipient agreement, that was approved last month, be included in this morning's Partial

Action Plan request. Ms. Contini stressed that this was not a request for additional funds but merely for authorization to include it in the Partial Action Plan.

Their being no further questions or comments on any of the foregoing presentations, the Chairman read the related resolutions into the record and upon motion duly made and seconded, the following resolutions were unanimously adopted. (It was noted for the record that Director Weisbrod recused himself from voting on the following resolution.):

#### Approval of Issuance of Partial Action Plan

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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 a Partial Action Plan for the expenditure of the Corporation's funds for the following purposes:

1. An allocation of up to \$6,500,000 for costs related to the planning and schematic design for the following cultural facilities to be located at the World Trade Center Site: the Freedom Center, The Drawing Center, the Joyce Theater Foundation, Inc. International Dance Center and the Signature Theatre Company Signature Center;
2. An allocation of up to \$3,500,000 for costs related to the purchase of lights and on-going maintenance for the next five years of the annual 9/11 memorial commemoration, *Tribute in Light*, commencing in 2004;
3. An allocation of up to \$200,000 for costs associated with the River to River 2004 festival, the expenditure and subrecipient agreement for which was approved by the Board at its June 2, 2004 meeting;

and be it

FURTHER RESOLVED, that the agreements necessary to implement items 1 and 2 above, and the expenditures to be incurred by the Corporation in connection therewith, shall be submitted separately to the Board of Directors for authorization; 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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Authorization to Enter into Subrecipient Agreements with Cultural Institutions

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RESOLVED, that the Corporation is hereby authorized to enter into subrecipient agreements for a one-year period with each of the Freedom Center, The Drawing Center, the Joyce Theater Foundation, Inc. and the Signature Theatre Company to cover expenses related to planning and schematic design work for the cultural facilities of such institutions to be located at the World Trade Center Site; and be it

FURTHER RESOLVED, that the combined expenditures under all such agreements shall not exceed \$1,500,000 in the aggregate; and be it

FURTHER RESOLVED, that prior to approval by the federal Department of Housing and Urban Development (HUD) of the Partial Action Plan that includes funds for such purpose, the expenditures approved hereby shall be allocated from funds included for planning and administration in the Corporation's annual budget for fiscal year ending March 31, 2005, in accordance with applicable HUD guidelines; 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 and appropriate to effect the foregoing.

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Following the Chairman's reading of the Tribute in Light resolution, Director Crotty stated that his sense of the Board is that the emphasis should be on the "not to exceed \$3.5 million" portion of the resolution. He stated further his belief that it is entirely fair and appropriate to ask the Municipal Arts Society to bear, at least partially, part of this expenditure.

The Chairman noted his agreement and then upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization to Enter into Subrecipient Agreement for  
Tribute in Light

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RESOLVED, that the Corporation is hereby authorized to enter into a subrecipient agreement with the Municipal Art Society to fund the purchase of lights and on-going maintenance for the next five years of the annual 9/11 memorial commemoration, Tribute in Light, commencing in 2004, which agreement shall be for an amount not to exceed \$3,500,000; and be it

FURTHER RESOLVED, that the foregoing agreement and expenditure shall be subject to the approval by the federal Department of Housing and Urban Development of the Partial Action Plan that includes funds for such purpose; 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 and appropriate to effect the foregoing.

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Next, Ms. Rose presented a request for funding for Offset Digital and Photo Printing Services. Following her presentation and Chairman Whitehead's recitation of the relevant resolution, and upon motion duly made and seconded, the following resolution was unanimously adopted (It was noted for the record that Director Betts recused himself from voting on the following resolution.):

Authorization to Enter Into Agreements for Offset, Digital and Photo Printing Services

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RESOLVED, that the Corporation is hereby authorized to enter into an agreement for a one-year period with each of Duggal Visual Solutions, Inc., Digital Imaging Services, LLC and Graphic Technology, Inc. to provide offset, digital and photo printing services to the Corporation; and be it

FURTHER RESOLVED, that the combined expenditures under all such agreements shall not exceed \$700,000 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 such instruments as may be necessary and appropriate to effect the foregoing.

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There being no further business, the meeting was adjourned at 9:17 a.m.

Respectfully submitted,

Eileen McEvoy

Assistant Secretary