

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

January 12, 2006

MINUTES

In Attendance

Directors:

John C. Whitehead, Chairman
Lawrence Babbio (via telephone)
Robert Balachandran
Amanda Burden
Daniel L. Doctoroff
Robert Douglass
Charles A. Gargano
Robert Harding
Thomas Johnson
James Kallstrom
Edward Malloy
William Rudin
Martha. Stark
Carl Weisbrod
Madelyn Wils

Staff Attending:

For Lower Manhattan Development Corporation:

Stefan Pryor, President and CEO
Bissera Antikarov, Director - Planning
Allison Bailey, Secretary of the Corporation &
Special Assistant to the President
Irene Chang, General Counsel
Dan Ciniello, Senior Vice President -
Operations
John Gallagher, Director of Communications
Michael Haberman, Vice President - Community
Development and Relations
Eileen McEvoy, Assistant Secretary
Robert Miller, Chief Financial Officer
Anne Papageorge, Senior Vice President -
Memorial and Cultural Development
Phil Plotch, Director of Transportation Policy
Other Staff

For Speaker Sheldon Silver:

Judy Rapfogel, Chief of Staff

Counsel to the Board:

Jason R. Lilien, Esq.
Weil, Gotshal & Manges LLP

For Governor Pataki:

Doug Blais

Lower Manhattan Construction Command Center

Charles Maikish, Executive Director
Thomas Kunkel, Director - Environmental
Compliance
Daniel McCormack, First Deputy Executive
Director

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.

The Chairman opened the meeting by welcoming all of the newly

appointed Directors to the meeting and to the LMDC Board. He then called for a motion to approve the Minutes of the December 15, 2005 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
DECEMBER 15, 2005 MEETING OF THE DIRECTORS OF THE LOWER
MANHATTAN DEVELOPMENT CORPORATION

RESOLVED, that the minutes of the meeting of the Corporation held on December 15, 2005, 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 began his report by noting that Governor Pataki earmarked \$80,000,000 in his Executive Budget for the Snøhetta Building.

This contribution, the Chairman explained, will enable LMDC to build the Snøhetta Building, thereby fulfilling the Libeskind Master Plan and providing a complement to the Memorial and Memorial Museum. He went on to note that this commitment signifies an important step forward in the rebuilding of the site as LMDC moves forward on schedule to break ground on the Memorial in March.

The Chairman then went on to note that after last month's Board meeting, LMDC joined Larry Silverstein at 7 World Trade Center for the announcement that another of the world's most esteemed architects, Lord Norman Forster, was joining the rebuilding, designing Tower 2.

The Chairman further noted that 7 World Trade Center had gained Ameriprise Financial as an additional tenant.

Lastly, the Chairman remarked that since 1990, the residential population of Lower Manhattan has more than doubled. The Chairman went on to note that construction and the opening of residential buildings in Lower Manhattan continues on a consistent basis - a sign of Lower Manhattan's vibrancy and economic vitality.

Following the conclusion of the Chairman's report, Mr. Pryor opened his report by providing the Directors with an update on LMDC's Cultural Enhancement Fund process.

Mr. Pryor stated that LMDC received over 100 proposals that run the gamut from small community arts organizations to large organizations of national reputation. Mr. Pryor went on to note that some of the requests are for capital projects that are already underway and some are from organizations looking to relocate to

Lower Manhattan. The proposals, he further stated, span every Lower Manhattan neighborhood.

Now that the proposals have been received, Mr. Pryor said, the Advisory Panel appointed by the Board will begin its work and will return to the Board with its recommendations regarding issuance of the grants.

Mr. Pryor then provided a detailed outline of the items to be considered by the Directors at the meeting.

Next, Director Johnson provided the Audit and Finance report. Director Johnson opened by stating that the Committee reviewed the purpose, cost justification, availability of funds, and Board Working Group comments relevant to the funding resolutions on today's agenda and based upon same, the Committee recommends their approval.

Director Johnson then referred to the Budget Variance Report for the period ended November 30, 2005 and noted that expenditures are a little bit slow since the LMDC has not yet begun paying out the majority of construction expenses for the deconstruction of 130 Liberty Street.

(It was noted for the record that Director Wils joined the meeting.)

Director Johnson also explained that the internal auditor has indicated that three formal reports will be provided by the time of the next Board meeting. Director Johnson noted that the auditor continues to receive full cooperation from management and that the auditor has nothing out of the ordinary to report.

Next, Ms. Antikarov requested authorization for LMDC to increase expenditures for design work to Louise Nevelson Plaza. Following Ms. Antikarov's full presentation, Director Douglass asked Mr. Maikish if the park work will be coordinated with the reconstruction of Maiden Lane and any work being done on Liberty. Director Douglass noted that the reason he was asking the question was because at present, it is extremely difficult to move through the area.

Mr. Maikish stated that it would be, as it is a critical intersection that needs to be attended to.

Mr. Maikish went on to advise that there will be increased activity on Maiden Lane over the next several months for a period of approximately 20 months. That activity, he explained, will be

in part due to the MTA's project for Fulton Transit Center and the relocation of utilities, as well as the creation of new stairwells.

There being no further questions or comments, the Chairman read the relevant resolution into the record and upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization to Increase Expenditures for Design Work
Relating to Louise Nevelson Plaza

RESOLVED, that the Corporation is hereby authorized to amend its agreement with Smith-Miller + Hawkinson for design work on Louise Nevelson Plaza to increase the authorized expenditures thereunder by an additional \$86,000 to an amount not to exceed \$821,000 in the aggregate and to extend the term of such agreement through December 31, 2007, as described in the materials presented to the Board at this meeting; and be it

FURTHER RESOLVED, that the expenditures approved hereby shall be allocated from funds included in Partial Action Plan 4; and be it

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

* * *

Ms. Antikarov then presented two requests. The first was for authorization for LMDC to amend its agreement with H3 Hardy Collaboration for Urban Design Consulting Services in connection with the Greenwich Street South Project.

The second request was for authorization for LMDC to amend its agreement with the URS Corporation for transportation consulting services in connection with the Greenwich Street South Traffic Study.

Following the presentation of both items, the Chairman read the relevant resolutions into the record and upon motion duly made and seconded, the following resolutions were unanimously adopted:

Amendment of Greenwich Street South Urban Design Services Agreement

RESOLVED, that the Corporation is hereby authorized to amend its agreement with H3 Hardy Collaboration (formerly Hardy Holzman Pfeiffer Associates LLP) for urban design consulting services in connection with the Greenwich Street South project 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 or appropriate to effect the foregoing.

* * *

Amendment of Greenwich Street South Transportation Analysis Agreement

RESOLVED, that the Corporation is hereby authorized to amend its agreement with URS Corporation for transportation consulting services in connection with the Greenwich Street South Traffic Study 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 or appropriate to effect the foregoing.

* * *

(It was noted for the record that Director Rudin joined the meeting.)

Next, Mr. Plotch asked the Directors to authorize the Corporation to enter into an agreement with each of Hugh O'Neill Ltd d/b/a Appleseed, Economic Research Associates, and the Louis Berger Group, Inc. for the purpose of evaluating the economic impacts of projects and development in Lower Manhattan.

Following this presentation, Director Malloy asked if all three firms work in conjunction with one another or if they report individually.

Mr. Plotch stated that all three were separate and where appropriate, LMDC would choose the best firm for a specific project.

There being no further questions or comments, the Chairman read the relevant resolution into the record and upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization to Enter into Agreement for Economic Impact
Analysis Consulting Services

RESOLVED, that the Corporation is hereby authorized to enter into an agreement for economic impact analysis consulting services with each of Hugh O'Neill Ltd d/b/a Appleseed, Economic Research Associates and The Louis Berger Group, Inc. for the purpose of evaluating the economic impacts of projects and development in Lower Manhattan, as described in the materials presented to the Board at this meeting; and be it

FURTHER RESOLVED, that such agreements shall be a for a two-year period and for an aggregate amount not to exceed \$450,000 for all such agreements, which shall be allocated from funds included or to be included for planning and administration in the Corporation's annual budget for fiscal years ending March 31, 2006, 2007 and 2008 and/or the appropriate project-related partial action plan; and be it

FURTHER RESOLVED, that the proper officers of the Corporation are hereby authorized to take such other actions as may be necessary or appropriate to effect the foregoing.

* * *

Next, Mr. Kunkel requested authorization for the Corporation to enter into a contract with BEM Systems, Inc. to continue the air quality monitoring program and related environmental services in Lower Manhattan. Specifically, Mr. Kunkel explained, the Board is being asked to authorize an amendment for an additional amount not to exceed \$361,612 and to extend the contract through November 30, 2006.

Following Mr. Kunkel's presentation, the Chairman read the relevant resolution into the record and upon motion duly made and

seconded, the following resolution was unanimously adopted:

Authorization to Amend Air Monitoring Agreement

RESOLVED, that the Corporation is hereby authorized to amend its agreement with BEM Systems, Inc. for environmental testing and consulting services in connection with the air quality monitoring program for Lower Manhattan being undertaken by the Lower Manhattan Construction Command Center to increase the authorized expenditures thereunder by an additional \$361,612 to an amount not to exceed \$677,412 in the aggregate and to extend the term of such agreement by an additional one-year period, as described in the materials presented to the Board at this meeting and be it

FURTHER RESOLVED, that the expenditures approved hereby shall be allocated from funds included in the Federal Transit Administration grant made to the Lower Manhattan Construction Command Center on October 5, 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 or appropriate to effect the foregoing.

* * *

Mr. Pryor then asked the Directors to authorize LMDC to amend its contract with Ernst & Young with regard to their work performed as compliance auditors for the Residential Grant Program. Mr. Pryor explained that what is being sought is a simple six month time extension with no additional funds being required.

Following Mr. Pryor's presentation, the Chairman read the relevant resolution into the record and upon motion duly made and seconded, the following resolution was unanimously adopted:

Amendment of Agreement with Compliance Auditor for Residential Grant Program

RESOLVED, that the Corporation is hereby authorized to amend its agreement with Ernst & Young LLP regarding its retention as Compliance Auditor for the Corporation's Residential Grant Program to extend the term of such agreement by an additional six-month 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.

* * *

There being no further business, the meeting was adjourned at 8:35 a.m.

Respectfully submitted,

Eileen McEvoy
Assistant Secretary