

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

September 4, 2008

**MINUTES**

**In Attendance**

**Directors:**

Avi Schick, Chairman  
Lawrence T. Babbio, Jr. (via telephone)  
Michael A. Balboni  
Amanda Burden (via telephone)  
Robert Douglass  
Robert Lieber  
Edward J. Malloy (via telephone)  
Julie Menin  
Kevin M. Rampe  
William C. Rudin (via telephone)  
Martha Stark (via telephone)  
Carl Weisbrod  
John Zuccotti

**Staff Attending:**

**For Lower Manhattan Development Corporation:**

David Emil, President  
Irene Chang, General Counsel and Secretary  
of the Corporation  
Daniel Ciniello, Senior Vice President -  
Operation  
Stephen Konopko, Vice President - Internal  
Audit  
Sayar Lonial, Director of Planning and  
Development  
Eileen McEvoy, Assistant Secretary  
Robert Miller, Chief Financial Officer  
Jennifer Mulhern, Director of Projects and  
Development  
Michael Murphy, Press Secretary  
Andrew Wu, Deputy General Counsel

Other Staff

**For the Lower Manhattan Construction Command Center:**

Robert Harvey, Acting Executive Director

**For Assembly Speaker Sheldon Silver:**

Judy Rapfogel, Chief of Staff

**Counsel to the Board:**

Caitlin Halligan, Weil, Gotshal & Manges

**For Empire State Development Corporation:**

Shafali Puri, Senior Advisor to President  
and Chief Operating Officer

**Also Present:**

The Public

The Media and Press

The meeting of the Lower Manhattan Development Corporation ("LMDC") was called to order at 8:34 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.

First, Chairman Schick noted that since the Directors had received the resolutions for consideration in advance of today's meeting, he would not read the entire resolution into the

record. Instead, he explained, he will read only the title at the time the resolution comes up for a vote.

Chairman Schick then explained with regard to the Inventus agreement considered at the last Directors' meeting that the action consisted of both an addition of funds and an extension of the length of the contract.

Chairman Schick then called for the approval of the Minutes of the June 26, 2008 Directors' Meeting, including the clarification of the amendment of the Inventus agreement.

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

APPROVAL OF MINUTES AND RATIFICATIONS OF ACTIONS TAKEN AT  
THE JUNE 26, 2008 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 26, 2008, 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 Schick then spoke at length on the status of ongoing activities relating to 130 Liberty.

Among other things, Chairman Schick noted that LMDC anticipates that staff at the site will be increased to 500 by October. This, he added, will assist in allowing the Corporation to reach its goal of having the building abated by the end of 2008 with the deconstruction taking place a number of months after that.

Chairman Schick went on to review The Port Authority of New York and New Jersey's process with regard to a schedule that the Port Authority will put in place for the remainder of the rebuilding activities in Lower Manhattan.

In that regard, Chairman Schick explained that the Port Authority's work was spurred by and built on the work that LMDC and LMCCC had done over the last year and a half in terms of analyzing the schedule and doing a risk analysis of same.

The Port Authority, with the advice of its World Trade Center Steering Committee, he explained, is attempting to reconcile the various interests and arrive at the best overall resolution. He explained that a public report will be provided by the end of the month setting forth how things will move forward.

Chairman Schick then outlined in detail the progress made by the City, the State and LMDC in rebuilding Lower Manhattan. He stressed the importance of the cultural component of this redevelopment and asked Director Menin to further address that point.

Director Menin asked the Board to consider moving forward on a cultural master plan for Lower Manhattan. She stated that she looked forward to working with Carl Weisbrod on such a plan.

Chairman Schick then invited any other interested Directors to join Directors Menin and Weisbrod in their efforts.

Director Lieber then commented that the Port Authority's report came about through the initiative and the leadership of the LMDC and the LMCCC to undertake a study of what was a feasible and practical time frame for delivery of the different components of the site.

Next, the Chairman asked Director Babbio to provide the Audit and Finance Report.

First, Mr. Babbio explained that the Committee reviewed the quarterly budget and noted that spending is well controlled and

below the allocated levels for staff and the associated projects.

Mr. Babbio further noted that since the last meeting, the Committee was notified with regard to three emergency contract authorizations that will be presented to the Directors for ratification at today's meeting.

Director Babbio then reported that since the last Directors' meeting, the Committee met to review the purpose, cost justification and the availability of funds for the items being presented for consideration today and that the Committee recommends, based on that criteria, that all the requests be considered for approval by the Board.

With regard to the financial advisory consultant contract, Director Babbio noted that the final selection of the firms has not yet been made. Director Babbio explained that in order to move forward on this work as quickly as possible, the Committee recommends authorization of the expenditures and delegation of the approval by LMDC management of the final firms.

Next, Director Babbio addressed the funding issues relating to the LMCCC. In that vein, he noted that the Port Authority

has executed a funding agreement that has satisfied its obligations through the first half of the current year.

Director Babbio further explained that the Metropolitan Transportation Authority has not satisfied any of its obligations and the Committee has directed staff to continue their efforts to obtain all the funds due from both entities.

Further, Director Babbio noted, that the Committee recommends extending the budget authorization to the LMCCC obligations funded by the MTA only through October 31, 2008. If by that time, he continued, the MTA has not met its commitments, the Committee recommends that LMDC develop an alternative financing plan and/or an amended budget that can be presented to the Committee prior to the next Board meeting which is scheduled for November.

Lastly, Director Babbio noted that the Committee met with the internal auditor and noted that there were no items of significant risk to report.

Chairman Schick then asked the Directors to ratify three legal service contracts as outlined in the following resolution.

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

Ratification of Contract Amendments

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RESOLVED, that each of the amendments the Corporation entered into with respect to its existing agreements with Carter Ledyard & Milburn LLP to extend the term of such agreement through December 31, 2008, Dewey & LeBoeuf LLP to extend the term of such agreement until March 31, 2009 and to increase the amount of such agreement by \$250,000, and Thelen LLP (formerly Thelen Reid Brown Raysman & Steiner LLP) to increase the amount of such agreement by \$150,000, as described in the materials presented to this meeting, is hereby ratified and approved in all respects; and be it

FURTHER RESOLVED, that any unexpended funds from the \$2,950,000 aggregate amount previously authorized for all contracts with Empire State Development Corporation's Pre-Qualified Counsel through July 31, 2008 in the areas of real estate and land use, environmental and condemnation law, and any related litigation are hereby authorized for expenditures under such contracts through December 31, 2008.

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Next, Chairman Schick asked the Directors to ratify the continuing authorization of the LMCCC expenditures.

Following his brief presentation with regard to this request, Chairman Schick called for questions or comments. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:



Continuing Authorization of Lower Manhattan Construction  
Command Center Expenditures

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RESOLVED, that the proper officers of the Corporation are directed to proceed to secure funds from all appropriate funding entities consistent with the approved Lower Manhattan Construction Command Center ("LMCCC") budget for fiscal year 2008-2009 on or before October 31, 2008; and be it

FURTHER RESOLVED, that, notwithstanding anything to the contrary in the Board resolutions of April 10, 2008 and June 26, 2008 related to the LMCCC budget for fiscal year 2008-2009, LMCCC expenditures starting on October 1, 2008 that are supported by funds from state funding entities other than the Corporation as contemplated in the adopted budget may be made so long as the Metropolitan Transportation Authority ("MTA") satisfies both of the following conditions by October 31, 2008:

(a) commitments to LMCCC for the fiscal year ended March 31, 2008, have been satisfied in full; and

(b) commitments to LMCCC for the two quarters ended June 30, 2008 and September 30, 2008 have been satisfied in full; and be it

FURTHER RESOLVED, that, in the event that MTA cannot be reasonably expected to satisfy both conditions by October 31, 2008, the proper officers of the Corporation shall present an alternative financing plan and an amended budget as may be appropriate to the Audit and Finance Committee prior to the next Directors' meeting in November 2008; and be it

FURTHER RESOLVED, that the proper officers of the Corporation are authorized and directed to implement and carry out said budget for LMCCC operations and are directed to inform the Board of material variances therefrom.

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Ms. Mulhern then presented a request for authorization for LMDC to enter into subrecipient agreements for five of the slate of 35 projects approved by the Board to receive support as part

of the Community Enhancement Fund Program.

Among other things, Ms. Mulhern explained that the items being considered address a broad range of community needs and will serve to strengthen and enhance Lower Manhattan.

Ms. Mulhern also provided a brief synopsis of each request.

Following Ms. Mulhern's full presentation of the five agreements, both the Chairman and Director Menin commented favorably with regard to the \$4,500,000 grant to the City of New York, through its Department of Education, for the creation of a Lower Manhattan public schools fund.

The Chairman then called for questions or comments with regard to this request.

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

Authorization to Enter into Community Enhancement Fund  
Subrecipient Agreements

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RESOLVED, that the Corporation is hereby authorized to enter into subrecipient agreements, in the aggregate amount of \$6,865,000 under all such agreements, with the following entities, for the following purposes:

- Auxiliary of Gouverneur Hospital, Inc. for costs associated with the comprehensive health center for women and children in an amount not to exceed \$1,500,000;
- Clemente Soto Velez Cultural and Education Center, Inc. for costs associated with support of interior planning and design efforts in an amount not to exceed \$250,000;
- Lower East Side Conservancy for costs associated with the creation of the Lower East Side Visitors Center in an amount not to exceed \$215,000;
- Lower East Side District Management Association, Inc. for costs associated with the renovation of office space, including public meeting space, in an amount not to exceed \$400,000; and
- The City of New York City through its Department of Education for costs associated with the creation of a Lower Manhattan Public Schools Fund in an amount not to exceed \$4,500,000;

as part of the Community Enhancement Fund grants, as described in the materials presented to this meeting; and be it

FURTHER RESOLVED, that the expenditures approved hereby shall be allocated from funds allocated for the Community Enhancement Program in the Final 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.

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Mr. Lonial then asked the Directors to authorize LMDC to enter into agreements with five consultants for environmental services. Mr. Lonial explained that the contracts will be for a period of three years and will not exceed \$2,750,000 in the aggregate.

Among other things, Mr. Lonial explained that these

services will be sought on an as needed basis to rework older programs, to build existing projects and to aid in the development and completion of future projects.

Following Mr. Lonial's detailed presentation, the Chairman called for questions or comments. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization to Enter into Agreements for Environmental Services

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RESOLVED, that the Corporation is hereby authorized to enter into an agreement for a three-year period with each of AKRF, Inc., BEM Systems, Inc., The Louis Berger Group, Inc., STV, Inc., and TRC Companies, Inc. for environmental services, as described in the materials presented to this meeting; and be it

FURTHER RESOLVED, that the combined expenditures under all such agreements shall not exceed \$2,750,000 in the aggregate; and be it

FURTHER RESOLVED, that the expenditures approved hereby shall be allocated from funds included in the appropriate department budget 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.

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Next, Mr. Emil asked the Directors to authorize LMDC to enter into agreements for financial advisory services relating to a potential bus garage project in the Greenwich Street South

area.

Following Mr. Emil's detailed presentation, Chairman Schick called for questions or comments. At Director Lieber's request, Mr. Emil clarified the potential number of firms to be hired.

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

Authorization to Enter into Agreements for Financial  
Advisory Services

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RESOLVED, that the Corporation is hereby authorized to enter into agreements with one or more firms as appear on the Empire State Development Corporation's list of Pre-Qualified Underwriters, Financial Advisors and/or Financial Products Providers/Swap Counterparties, for financial advisory services relating to a potential bus garage project in the Greenwich Street South area, subject to the prior review and approval of management's recommended firm or firms by the Chairman of the Board and the Board's Audit and Finance Committee, as described in the materials presented to this meeting; and be it

FURTHER RESOLVED, that such agreement(s) shall be for an 18-month period and an aggregate amount not to exceed \$250,000 under all such agreement(s), which expenditures approved hereby shall be allocated as appropriate from funds included in the Planning Department or administrative budgets or the 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.

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Mr. Lonial then asked the Directors to approve several actions related to the environmental review of New York City's Peck Slip Project.

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

Authorization to Serve as Lead Agency Under National Environmental Policy Act and State Environmental Quality Review Act for New York City's Peck Slip Project; Approval of Environmental Assessment and Environmental Findings for East River Waterfront Access Project at Peck Slip; Approval of Finding of No Adverse Effect Pursuant to the National Historic Preservation Act; Authorization to Take Other Related Actions

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RESOLVED, that the Corporation shall serve as lead agency for the environmental review of the East River Waterfront Access Project at Peck Slip (the "Project") pursuant to the National Environmental Policy Act ("NEPA") and the New York State Environmental Quality Review Act ("SEQRA"), which review has been coordinated with other necessary reviews pursuant to the Coastal Zone Management Act, National Historic Preservation Act, State Historic Preservation Act and other applicable laws and regulations; and be it

FURTHER RESOLVED, that, on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, the Corporation hereby approves, the Environmental Assessment ("EA") for the Project in the form submitted at this meeting and finds that the EA meets the requirements of NEPA, SEQRA, the Coastal Zone Management Act, National Historic Preservation Act, State Historic Preservation Act, and other applicable laws and regulations, and is adequate for the purposes of public review; and be it

FURTHER RESOLVED, that, on the basis of the EA, including its appendices, the Corporation hereby determines that the Project will not, either individually or cumulatively, have a significant impact on the quality of the human environment or a significant adverse environmental impact; and, accordingly, that no environmental impact statement is required for the Project under NEPA or SEQRA; and authorizes the President of the Corporation or his designee(s) to issue for public comment a Finding of No Significant Impact under NEPA and a Negative Declaration under SEQRA; and be it

FURTHER RESOLVED, that, if the Corporation does not receive comments that raise substantial new environmental issues requiring changes to the Environmental Assessment or environmental findings, the President of the Corporation is hereby authorized, in the name and on behalf of the Corporation, to complete any certifications required to finalize such findings and to request a release of funds from the U.S. Department of Housing and Urban Development for the Project; and be it

FURTHER RESOLVED, that on the basis of the materials presented at this meeting, copies of which are hereby ordered filed with the records of the Corporation, the Corporation hereby approves a finding of no adverse effect on historic resources pursuant to Section 106 of the National Historic Preservation Act; and be it

FURTHER RESOLVED, that the President of the Corporation or his designee(s) is hereby authorized and directed, in the name and on behalf of the Corporation, to execute and deliver any and all documents and to take all related actions as he may in his sole discretion consider necessary or appropriate to effectuate the foregoing resolutions.

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There being no further business, the meeting was adjourned at 9:12 a.m.

Respectfully submitted,

Eileen McEvoy  
Assistant Secretary