

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

December 16, 2004

MINUTES

In Attendance

Directors:

John C. Whitehead, Chairman
Robert Balachandran
Roland Betts
Paul Crotty
Robert Harding
Thomas Johnson
Edward Lewis
Edward J. Malloy
Carl Weisbrod
Madelyn Wils

Staff Attending:

For Lower Manhattan Development Corporation:

Kevin Rampe, President and CEO
Irene Chang, General Counsel
Betty Chen, Vice President - Planning,
Design and Development
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
Stephen Konopko, Director of Internal Audit
Robert Miller, Chief Financial Officer
Anne Papageorge, Memorial Design Director
Amy Peterson, Senior Vice President -
Memorial, Cultural and Civic Development
Stefan Pryor, Senior Vice President - Policy
and Programs
Joanna Rose, Vice President and Director of
Communications
Allison Bailey, Project Manager - Office of
the Chairman
Jennifer Brown, Vice President for Community

Development and Relations
Melvin Galloway, Project Manager - Community
Development and Relations

Other Staff

Counsel to the Board:

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

Also Present:

The Public
The Media and Press
Maria Cassidy, Deputy General Counsel - ESD

The meeting of the Lower Manhattan Development Corporation ("LMDC") was called to order at 8:08 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 of the November 10, 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 NOVEMBER 10, 2004 MEETING OF THE DIRECTORS OF THE LOWER
MANHATTAN DEVELOPMENT CORPORATION

RESOLVED, that the minutes of the meeting of the Corporation held on November 10, 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.

* * *

Chairman Whitehead began his report by speaking about the December 1st announcement of the initial membership of the Board of the World Trade Center Memorial Foundation. He explained that the members of this Board will create a fitting memorial to those lost on September 11, 2001 and February 26, 1993. This memorial, the Chairman stated, is the central element of all of the ongoing rebuilding efforts.

The Chairman further noted that this foundation will also provide guidance with regard to the development of the cultural buildings at the World Trade Center Site. He also announced that the schematic design for the memorial would be released that afternoon.

The Chairman then reported on the passing of Ed Novotny, telling how Mr. Novotny had been one of the initial employees of the LMDC, handling communications matters even before there was an office and a staff. He extended condolences to his family on behalf of the Board.

President Rampe opened his report by providing details of the Governor's update on the rebuilding of Lower Manhattan. This update, President Rampe explained, was delivered by the Governor in late November.

President Rampe noted that the Governor told how the LMDC was moving forward on time and on schedule. In addition, President Rampe said, the Governor called upon LMDC to work with the State and the City to create a comprehensive overall allocation plan for LMDC's remaining funds by March 2005.

President Rampe further noted that the LMDC released its first progress report at the Governor's speech. The report summarizes LMDC's efforts and achievements to date, and includes an independent analysis of the economic benefits of LMDC's programs.

President Rampe then provided a detailed synopsis of each of the funding requests to be considered by the Directors at this meeting.

Director Johnson then stated that the Audit and Finance Committee is virtually the last stop for all of the funding requests that are presented to the Board for consideration.

Director Johnson further explained that while the Committee is not involved in the substance of the proposals, it serves to ensure consistency with the intentions of the other working groups and committees of the Board as well as with LMDC's fiscal limitations. He further noted that all of the resolutions to be presented this morning would allocate previously committed LMDC funds.

Director Johnson went on to address a Budget Variance Report that had been provided to the Directors explaining the specifics regarding certain figures contained in the report.

Ms. Chang then asked the Directors to adopt the World Trade Center Memorial and Cultural Program General Project Plan Amendments and to authorize public hearings in connection with same.

Ms. Chang provided an outline of the proposed amendments explaining that they relate to the acquisition of real property and to LMDC's override powers. Ms. Chang provided a detailed analysis of each facet of the request before the Directors, including the reasons said amendments are required. She also provided an outline of the public hearing process and the related comment period.

Following Ms. Chang's presentation, Director Betts asked where the hearings would be held and Ms. Chang responded that it is anticipated that they will be held at St. John's University on Murray Street on January 26th.

Director Weisbrod then inquired about the location of the truck entrance, noting a lack of specificity in the plan and asking if it is still open for design.

Ms. Chen verified that the exact dimension from the intersection to the entrance remains in the planning stage.

Director Weisbrod urged that it be moved as far West as practical without interfering with traffic. He explained his belief that the further West it is, the less steep the proposed park will have to be.

Discussion and agreement by the Board followed as to the desirability of lowering the height of the park and Director Weisbrod reiterated his position that this could best be done by moving the entrance to the West.

Director Weisbrod then referenced a sentence regarding one of the amendments which states "retail uses at or above grade

will be maximized while providing spaces for other allocated uses." With regard to that statement, Director Weisbrod stated his belief that it is the sense of this Board that retail uses at grade be maximized to the fullest extent possible. President Rampe stated that that is certainly LMDC's staff's understanding of the Board's position. There being no further questions or comments, the Chairman read the related resolution into the record and upon motion duly made and seconded, the following resolution was adopted:

Adoption of World Trade Center Memorial and Cultural Program General Project Plan Amendments and Authorization of Hearings

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, relating to the World Trade Center Memorial and Cultural Program (the "Program"), the Corporation hereby adopts, pursuant to Section 16 of the New York State Urban Development Corporation Act, as amended (the "Act"), the amendments to the General Project Plan (the "Plan") as set forth in Exhibit A hereto; and be it

FURTHER RESOLVED, that subject to the applicable provisions of the Act, the President of the Corporation, in consultation with the Chair of the Site Plan Working Group, is hereby authorized to enter into such agreements with The City of New York, The Port Authority of New York and New Jersey, and the Port Authority's net lessees at the World Trade Center site as may be necessary to facilitate the implementation of the Program as consistent with the Plan, provided that any agreement requiring expenditures by the Corporation shall be submitted separately to the Board of Directors for authorization in accordance with the applicable policies of the Corporation; and be it

FURTHER RESOLVED, that, the President of the Corporation or his designee is hereby authorized to take such action as may be necessary or appropriate in connection with the holding of the

hearings and meetings required pursuant to Section 16 of the Act, New York State Eminent Domain Procedure Law ("EDPL"), §§ 201, 202 and 203, and any other applicable law (which hearings may be held simultaneously), including, without limitation, the providing, filing or making available copies of the Plan and/or digests thereof, the fixing of a date for such hearings and public meetings, the publication of notices relating to such hearings in accordance with the procedures approved by such persons, and the making of a report or reports to the Board of Directors on such hearings, written comments received, and any local governmental recommendations respecting the proposed acquisition of 140 Liberty Street, Block 56, Lots 15 and 21, the proposed acquisition of (1) a public street known as Washington Street from the northern side of Cedar Street to the southern side of Liberty Street, (2) subsurface portions of a public street known as Liberty Street from the eastern side of West Street to the western side of Greenwich Street, and (3) subsurface portions of a public street known as Cedar Street from the eastern side of West Street to the eastern side of Washington Street.

* * *

The Chairman then asked Director Betts to provide comments with regard to these requests, noting that Director Betts is the Chairman of the Board's working group on these plans.

Director Betts explained that throughout the fall, various entities including Larry Silverstein, the Port Authority, the City, the Department of Transportation, the State, and the various architectural parties had come together to resolve any conflicts. Director Betts quoted the New York Times in describing the rebuilding as "a game of inches," noting that it is a very busy and tight site. Director Betts went on to explain that fortunately a consensus has been reached on all of the issues with all of the parties. Director Betts commented

that it was extraordinary that the spirit of the project pervaded, ultimately allowing an amicable resolution to these conflicts in a constructive and productive manner.

The Chairman noted that Ms. Contini would present the next two items which related to the memorial center and the cultural institutions.

Ms. Contini presented a request for authorization for LMDC to enter into an agreement with Lord Cultural Resources Planning and Management, Inc. and Howard & Revis for institutional planning services. Following Ms. Contini's detailed account of the relevant background information with regard to this request, the Chairman read the following related resolution into the record, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization to Enter into Agreement for Institutional
Planning Services

RESOLVED, that the Corporation is hereby authorized to enter into an agreement for institutional planning services regarding the Memorial Center and related aspects of the World Trade Center Memorial and Cultural Program with each of Lord Cultural Resources Planning & Management Inc. and Howard & Revis, which services shall collectively include program development, business planning, implementation planning, curatorial consulting and content development; and be it

FURTHER RESOLVED, that each such agreement shall be for a six-month period and for an aggregate amount under both such

agreements not to exceed \$500,000, which shall be allocated from funds included in Partial Action Plan 8; 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.

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Ms. Contini then presented a request for authorization for LMDC to enter into an agreement with Crozier Fine Arts, Inc. for art handling and storage services. Ms. Contini outlined the services to be provided which include storage of the 5,201 submissions to the memorial competition and other materials from previous LMDC exhibitions.

Ms. Contini provided background information including the fact that an RFP had been issued on October 25, 2004 resulting in the selection of Crozier for the current contract.

Following Ms. Contini's presentation, Director Weisbrod inquired as to longer term art storage planning and Ms. Contini stated that this issue would be brought to the Foundation to determine how they would like to see these materials stored in the future. Director Weisbrod asked if it is anticipated that the decision can be reached in two years and Ms. Contini stated that was the hope. There being no further questions or comments, the Chairman then read the related resolution into the record and upon motion duly made and seconded, the following

resolution was unanimously adopted:

Authorization to Enter into Agreement for Art Storage and Handling Services

RESOLVED, that the Corporation is hereby authorized to enter into an agreement with Crozier Fine Arts, Inc. for art storage and handling services for materials relating to the World Trade Center Memorial Competition and other exhibitions sponsored by the Corporation; and be it

FURTHER RESOLVED, that such agreement shall be for a two-year period for an amount not to exceed \$110,000 in the aggregate, which shall be allocated from funds included in Partial Action Plan 8; 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.

* * *

Next, Ms. Papageorge presented a request to the Board to authorize an amendment to the agreements with architects for the World Trade Center Memorial. The Chairman then read the relevant resolution into the record and following the motion duly made and seconded, Director Johnson outlined the methods utilized to estimate the aggregate costs incurred in design and development and explained that the Finance Committee was satisfied that LMDC is on course and within reason in this regard. The motion having been previously made and seconded, the following resolution was unanimously adopted:

Authorization to Amend Agreements with Architects for the World Trade Center Memorial

RESOLVED, that the Corporation is hereby authorized to amend its agreements or enter into new agreements with Davis Brody Bond LLP, Handel Architects and Peter Walker and Partners Landscape Architecture Incorporated for schematic design services and design development services for the World Trade Center Memorial to increase the total authorized expenditures for design development services under all such agreements by an additional \$2,000,000 to an amount not to exceed \$6,200,000 in the aggregate for all such agreements; and be it

FURTHER RESOLVED, that the expenditures approved hereby shall be allocated from funds included in Partial Action Plan 8; 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. Papageorge then presented a request for authorization to amend agreements with David Brody Bond and Snohetta for design services for the World Trade Center Memorial Center. Ms. Papageorge provided the relevant background information and the Chairman read the related resolution into the record and upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization to Amend Agreements with Architects for Design Services for the World Trade Center Memorial Center

RESOLVED, that the Corporation is hereby authorized to amend its agreement with each of David Brody Bond LLP and Snohetta AS for pre-design and schematic design services regarding the World Trade Center Memorial Center to increase the authorized expenditures under both such agreements by an additional aggregate amount of \$550,000 to an amount not to exceed \$1,300,000 in the aggregate for both such agreements; and be it

FURTHER RESOLVED, that the expenditures approved hereby shall be allocated from funds included in Partial Action Plan 8; 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. Peterson then presented a request for authorization for LMDC to amend its agreements with Gehry Partners, LLP and Snohetta for planning and schematic design services for the World Trade Center Cultural Program. Following Ms. Peterson's detailed account of the relevant background information with regard to this request, the following related resolution was read into the record by the Chairman and upon motion duly made and seconded, the following resolution was adopted (It was noted for the record that Director Wils recused herself from voting on the following resolution.):

Authorization to Amend Agreements with Architects for Planning and Schematic Design Services for World Trade Center Cultural Program

RESOLVED, that the Corporation is hereby authorized to amend its agreement with each of Gehry Partners, LLP and Snohetta AS for architectural services in respect of the World Trade Center Cultural Program to increase the total authorized expenditures under such agreements by an aggregate additional amount of \$3,250,000 to an amount not to exceed \$7,850,000 in the aggregate under both such agreements, with the expenditures under the Corporation's agreement with Gehry Partners, LLP limited to \$4,600,000 and expenditures under the Corporation's agreement with Snohetta AS limited to \$3,250,000; and be it

FURTHER RESOLVED, that the expenditures approved hereby shall be used for costs related to programming and schematic design services for the cultural facilities to be located at the World Trade Center site, and shall be allocated from funds included in Partial Action Plan 8 or from funds included for planning and administration in the Corporation's annual budget for fiscal year ending March 31, 2005; and be it

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

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Following the approval of the foregoing resolution, Director Betts asked what time period the present authorization will take LMDC through. Ms. Peterson responded that they will take the Corporation through to the February deliverables, which, she stated, is through the schematic design phase.

Mr. Miller then presented a request for authorization to enter into a subrecipient agreement to facilitate the reimbursement of expenses incurred with regard to the Lower Manhattan Business Retention Grant Program. Following Mr. Miller's presentation of the specifics of this request, Director Crotty inquired as to the success rate of the program with regard to how many businesses remained in operation as a result of having received these funds. Mr. Miller stated that he did not have the information readily available but that he would obtain same from the City and provide it to the Directors. Director Weisbrod added that it would also be interesting to

know how many of the recipients acting within the requirements of the grant agreement have since relocated and where they have relocated. There being no further questions or comments, the Chairman read the related resolution into the record and upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization to Amend Agreements with Architects for Planning and Schematic Design Services for World Trade Center Cultural Program

RESOLVED, that the Corporation is hereby authorized to amend its agreement with each of Gehry Partners, LLP and Snohetta AS for architectural services in respect of the World Trade Center Cultural Program to increase the total authorized expenditures under such agreements by an aggregate additional amount of \$3,250,000 to an amount not to exceed \$7,850,000 in the aggregate under both such agreements, with the expenditures under the Corporation's agreement with Gehry Partners, LLP limited to \$4,600,000 and expenditures under the Corporation's agreement with Snohetta AS limited to \$3,250,000; and be it

FURTHER RESOLVED, that the expenditures approved hereby shall be used for costs related to programming and schematic design services for the cultural facilities to be located at the World Trade Center site, and shall be allocated from funds included in Partial Action Plan 8 or from funds included for planning and administration in the Corporation's annual budget for fiscal year ending March 31, 2005; and be it

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

* * *

Next, Ms. Rose presented a request to the Board to authorize the extension of an agreement with Brookfield

Financial Properties for the rental of space and technical services for the World Trade Center Timeline and Memorial and Cultural Exhibition space and related public announcements. Following the presentation of the details of this request, Director Wils asked if the \$80,000 LMDC is paying is for rental fees or labor costs or both.

Ms. Rose stated that the \$80,000 is for two potential public announcements and the exhibition space, for which LMDC is basically paying labor costs to keep the area maintained. She noted that the LMDC would not be paying market rate rental fees on the space. 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 adopted (It was noted for the record that Director Weisbrod recused himself from voting and Director Harding voted in the negative on the following resolution):

Extension of Agreement for Exhibition Space and Public Announcements

RESOLVED, that the Corporation is hereby authorized to amend its agreement with Brookfield Financial Properties, L.P. for the rental of space at the World Financial Center and technical services for the World Trade Center Timeline and Memorial and Cultural Exhibition and related public announcements to increase the authorized expenditures thereunder by an additional \$80,000 to an amount not to exceed \$200,000 in the aggregate and to extend the term of such Agreement for an additional 6-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 or appropriate to effect the foregoing.

* * *

President Rampe then presented a request for authorization to revise a previous Board approval. Said revision will allow LMDC to enter into a subrecipient agreement with the DEP instead of Pace University to fund the planning and design phases for the Pace University Green Roof. President Rampe outlined the reasons for this request. The Chairman then read the related resolution into the record and upon motion duly made and seconded, the following resolution was adopted (It was noted for the record that Directors Wils and Weisbrod recused from voting with regard to the following resolution):

Authorization to Enter into Subrecipient Agreement with DEP for Pace University Green Roof

RESOLVED, that the Corporation is hereby authorized to enter into a subrecipient agreement with the New York City Department of Environmental Protection (DEP) in an amount not to exceed \$100,000 for the purpose of funding initial phases of work, including planning, schematic design, design development and construction documentation, and establishment of a green roof research center, for the One Pace Plaza Green Roof Project being undertaken by Pace University in partnership with the U.S. Environmental Protection Agency and the New York City Department of Environmental Protection; and be it

FURTHER RESOLVED, that the subrecipient agreement with DEP approved hereby shall replace the subrecipient agreement the Board previously authorized the Corporation to enter into with Pace University for such purpose, without any expenditure to

Pace University having been made by the Corporation in connection therewith; 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.

* * *

There being no further business, the meeting was adjourned at 9:22 a.m.

Respectfully submitted,

Eileen McEvoy
Assistant Secretary