

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

February 19, 2004

MINUTES

In Attendance

Directors:

John C. Whitehead, Chairman
Roland Betts
Christy Ferer
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, Vice President of Legal Affairs
and Counsel
Daniel Ciniello, Vice President Internal
Audit
Anita Contini, Vice President - Memorial,
Cultural and Civic Programs
Ben Dookchitra, Project Manager for Board of
Directors
Christopher Glaisek, Director of Urban
Planning for Planning, Design & Development
Dyana Lee, Vice President for Investigations
Peter Madden, Project Manager
Robert Miller, Chief Financial Officer
Amy Peterson, Vice President - Development
Programs & Economics
Stefan Pryor, Chief of Staff and Deputy to
the Chairman and Secretary
Joanna Rose, Assistant Vice President -
Communications and Press Secretary

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, Advisor

Counsel to the Board:

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

Also Present:

Hazel Dukes, NAACP
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.

Next, the Chairman called for the approval of the Minutes of the January 20, 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 JANUARY 20, 2004 MEETING OF THE DIRECTORS OF THE LOWER
MANHATTAN DEVELOPMENT CORPORATION

RESOLVED, that the minutes of the meeting of the Corporation held on January 20, 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 asked the Directors to approve a technical correction to the Minutes of the July 10, 2003 Directors Meeting. The Chairman explained that at the July meeting, the Board approved a resolution for the West Street Pedestrian Connection Project and for West Street Technical Services and Planning for the correct figure of \$25,000,000. He further explained that subsequently the July Minutes, which were presented to the Board for approval in August, contained a clerical error. The Chairman read a resolution into the record to amend said July Minutes and upon motion duly made and seconded, the following resolution was unanimously adopted:

Amendment of Minutes of 7/10/03 Meeting

RESOLVED, that the minutes of the meeting of the Corporation held on July 10, 2003, previously approved by the Board on August 14, 2003, are hereby amended to provide that the amount of the expenditure approved by the Board for the West Street Pedestrian Connection Project and West Street Technical Services and Planning is \$25,000,000, and such amended minutes, as presented to this meeting, shall be filed with the records of the Corporation as the minutes of the July 10, 2003 meeting.

* * *

Next, Chairman Whitehead opened his report by stating that the LMDC had released its report on the Memorial and Cultural Complex of the World Trade Center site last week.

The Chairman stressed that from the beginning, culture and arts have been pivotal to the rebuilding process, not only in terms of bricks and mortar but also in terms of hearts and minds.

The rebuilt World Trade Center, the Chairman explained, will be a place where the memorial honoring the heroes of September 11th will be cradled by institutions and programs that will showcase the best of the human spirit.

To that end, the Chairman noted, LMDC has outlined a process to select cultural institutions that will be located on the World Trade Center site. Chairman Whitehead then provided a detailed outline of the proposed process.

President Rampe began his report by noting that on February 4th, the LMDC announced four concrete options for building a rail link between Lower Manhattan and the Long Island Railroad's Jamaica Station and JFK International Airport.

President Rampe explained that the announcement marks the mid-point of a study being conducted by the MTA, the Port Authority and the City's EDC. He explained that Mr. Pryor would provide a detailed report on the options later in the meeting.

President Rampe next stated that two public hearings had been held on February 18th and he expressed his appreciation to those Directors who were present at same. President Rampe also expressed appreciation to LMDC staff for their tireless and successful efforts with regard to the hearings. He explained that all public comments received would be taken into account as LMDC moves forward to develop the final generic environmental impact statement.

Next, President Rampe spoke on actions taken thus far in connection with requirements under Section 106 of the National Historic Preservation Act.

In that regard, President Rampe explained that LMDC is involved in a coordinated federal and state agency review of properties either listed in or determined to be eligible for a listing in the National Register of Historic Places. He further explained that a key component of the Section 106 process is the involvement of interested parties. To date, he noted, over 80 organizations and individuals, including family members, residents, and historians have been involved.

President Rampe explained that on February 6th, a Coordinated Determination of Eligibility was issued finding that the entire World Trade Center site is eligible for listing on the National Register. He further explained that on February 9th, LMDC issued a proposed Finding of no adverse impacts with respect to the memorial and redevelopment plan.

President Rampe went on to explain that the public comment periods have begun with regard to the afore-mentioned Determination and Finding.

The President noted that, moving forward, LMDC will look at ways to continue the consultative process involved and will specifically look at the September 11th relics. With regard to the relics, President Rampe explained that they are not

currently included in the inventory for Section 106 purposes because they are not presently located on the site.

President Rampe then spoke on the continued efforts of the Investigations Department, HUD, the Inspector General's Office and the United States Attorney General's Office regarding matters of suspected fraudulent conduct which have been referred to them by LMDC for prosecution.

President Rampe then provided a detailed overview of the items to be presented at the meeting.

In closing, President Rampe addressed the World Trade Center site insurance litigation. President Rampe stated that while this is a private dispute, its outcome will have a direct and substantial impact on rebuilding efforts going forward. Therefore, he urged all parties to come to a resolution as quickly as possible in the interest of the public good.

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

Director Johnson noted that as of January 31st, LMDC has

committed or spent \$22,000,000 or 66% of its fiscal year 2003-2004 budget. He stated that the Finance Committee feels that this level of expenditure is appropriate as LMDC approaches the end of its fiscal year.

Continuing on, Director Johnson stated that the Committee had reviewed the three funding items on today's agenda and found the costs to be reasonable. He then affirmed that adequate funding is available and that the projects are consistent with the overall budget. Director Johnson further noted that portions of the funding will require approval of a fiscal year 2004-2005 LMDC operating budget in the near future.

Next, Ms. Chang presented a request for authorization for LMDC to expend additional funds for environmental consultant services. The amendment, Ms. Chang explained, is for an amount not to exceed \$991,000. Ms. Chang outlined the reasons such an amendment was needed including, among other things, plan changes and the increase in the cost of environmental assessment of certain short-term off-site improvement projects due to details that have emerged during the planning and implementation stages.

In closing, she noted that funds for the World Trade Center final GEIS are budgeted in the planning department's fiscal year

2003-2004 budget and funds for the off-site projects are budgeted within the fiscal year 2003-2004 budget and the Partial Action Plan 4. Following this presentation, the Chairman read the related resolution into the record and upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization of Additional Funds for Environmental Consultants

RESOLVED, that the Corporation is hereby authorized to amend its agreements with The Louis Berger Group and AKRF, Inc. for environmental consulting and review services to increase the expenditures under such agreements by an additional \$991,000 to an amount not to exceed \$5,041,000 in the aggregate for both agreements; and be it

FURTHER RESOLVED, that the amount of such increased expenditures that relates to the environmental review of short-term projects set forth in Partial Action Plan 4 shall be allocated from funds approved by the Board 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 and to execute such instruments as may be necessary and appropriate to effect the foregoing.

* * *

Next, Ms. Contini asked the Directors to authorize LMDC to increase expenditures pursuant to the Memorial Finalist Contract. Ms. Contini outlined the reasons for said increase and noted that the amendment amount of \$198,000 was within the Board approved budget for the 2003-2004 fiscal year.

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

Authorization to Increase Expenditure Pursuant to Memorial Finalist Contract

RESOLVED, that the Corporation is authorized to amend its agreement with Michael Arad, winner of the World Trade Center Memorial Competition, to increase the authorized expenditures under such agreement by an additional \$198,000 to an amount not to exceed \$577,500 in the aggregate, which additional funds shall be used to further develop the winning design, Reflecting Absence; and be it

FURTHER RESOLVED, that such additional funds shall be used primarily for the (i) retention of sub-consultants to analyze engineering, pedestrian movement, code and safety aspects of the memorial design, (ii) the production of visual materials that address technical aspects of the memorial design, and (iii) the coordination and management of the foregoing; 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. Contini then asked the Directors to authorize LMDC to increase expenditures for the Memorial Competition Administration Consultants Services. This increase, she explained will allow for, among other things, an extension of a lease for space in an art storage facility to store 5201 submissions to the memorial competition.

Ms. Contini further noted that expenditures before March 31st are consistent with LMDC's fiscal year 2003-2004 budget and the remaining expenditure will require funding in the LMDC fiscal year 2004-2005 budget. Following the 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 Increase Expenditures for Memorial
Competition Administration Consultant Services

RESOLVED, the Corporation is hereby authorized to amend its agreement with Landair Project Resources, Inc. for consulting services with respect to the World Trade Center Memorial Competition to increase the expenditures under such agreement by an additional \$84,000 to an amount not to exceed \$1,059,000 in the aggregate and to extend the term under such agreement through December 31, 2004; and be it

FURTHER RESOLVED, that such additional funds shall be used for, among other things, (i) storage and handling of Memorial Competition materials, (ii) coordination of access to Memorial Competition submissions at the Corporation's direction, and (iii) coordination of Memorial Competition records and database; 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. Contini then announced that as of this date, LMDC launched a website to exhibit all 5,201 memorial competition

entries on the internet. She then asked Ms. Rose to present a detailed report on the website.

Ms. Rose noted that the name of the website is WTCSiteMemorial.org. Ms. Rose went on to explain exactly what can be found on the website and the various ways in which information can be accessed.

Next, Mr. Pryor provided a status report on the Commuter and Airport Access Study. Mr. Pryor explained that LMDC serves as the coordinating agency with regard to the Lower Manhattan Commuter and Airport Access Study which is a joint effort on the part of the MTA, the Port Authority and the City EDC. He then explained that the goal of the study, as previously noted, is to select a rail link that will connect Lower Manhattan with the LIRR's Jamaica Station as well as with JFK Airport. The Study, he explained, is expected to be completed in April.

Mr. Pryor then provided a brief description of each of the four options that are being pursued. Mr. Pryor noted that project cost estimates for the recommended alternative will be developed by the conclusion of the study in April. He noted that a financing framework that will also be issued at that time.

Director Wils then thanked Mr. Pryor for the great job that he has done in leading this effort and she also praised the staff of all the involved agencies. She then stated that transportation in Lower Manhattan has not had significant improvement in 75 years and this was a truly exciting prospect for the area.

Director Weisbrod echoed Director Wils' sentiments regarding Mr. Pryor's tremendous leadership of this effort. He then stated that transportation development is a major priority and is crucial for all major employers in the downtown area.

The Chairman then introduced Hazel Dukes, a distinguished member of the NAACP, to those present at the meeting. The Chairman noted that a meeting had been held with the NAACP last week to reaffirm LMDC's commitment to equal treatment for all in the work in which LMDC is involved.

Ms. Dukes then briefly addressed the meeting noting, in part, that the NAACP is currently in New York City starting their annual meeting and planning for the 100th year of the NAACP in this great city.

Director Wils then thanked the Chairman and other Directors for their efforts with regard to the Liberty Bond legislation.

There being no further business, the meeting was adjourned at 9:05 a.m.

Respectfully submitted,

Eileen McEvoy
Assistant Secretary