

LOWER MANHATTAN DEVELOPMENT CORPORATION

Meeting of the Directors
Held at the Offices of
Cleary, Gottlieb, Steen & Hamilton
One Liberty Plaza
New York, New York 10006

April 9, 2002

MINUTES

In Attendance

Directors:

John C. Whitehead, Chairman
Roland W. Betts
Paul Crotty
Lewis M. Eisenberg
Robert M. Harding
Edward J. Malloy
Madelyn Wils
Howard Wilson
Deborah C. Wright
Frank G. Zarb

Staff Attending:

For Lower Manhattan Development Corporation:

Louis R. Tomson, President
James Angley, Chief Financial Officer and
Treasurer
Alexander Garvin, Vice President for
Planning, Design and Development
Matthew Higgins, Vice President for
Communications
Eileen McEvoy, Assistant Secretary
Stefan Pryor, Deputy to the Chairman and
Secretary
Kevin Rampe, Executive Vice President and
General Counsel
Tara Snow, Vice President for Community
and Government Relations
Andrew Winters, Director of Design and
Development

For Empire State Development Corporation:

Kevin S. Corbett, Executive Vice President
and Chief Operating Officer
Anita W. Laremont, Senior Vice President-
Legal & General Counsel

For Chairman Whitehead:

Edward Novotny, Press Consultant

For Office of the Mayor:

Daniel Doctoroff, Deputy Mayor

Also Present:

Ira M. Millstein, Counsel to the Board,
Weil, Gotshal & Manges LLP
Jason R. Lilien, Esq.,
Weil, Gotshal & Manges LLP
Judy Rapfogel, Chief of Staff
Speaker Sheldon Silver's Office
Chuck Meara, Port Authority of
New York and New Jersey

The Public
The Press

The meeting of the Lower Manhattan Development Corporation ("LMDC") was called to order at 8:14 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 March 12, 2002 Directors' Meeting. There being no changes or corrections, upon motion duly made and seconded, the following resolution was unanimously adopted:

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS
TAKEN AT THE MARCH 12, 2002 MEETING OF THE
DIRECTORS OF THE LOWER MANHATTAN DEVELOPMENT
CORPORATION

RESOLVED, that the Minutes of the meeting of the Corporation held on March 12, 2002, 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 ratified and approved as actions of the Corporation.

* * *

The Chairman opened his remarks by noting that the Family Room had opened on April 8th. He stated that it is located within LMDC's offices on the 20th Floor of One Liberty Plaza overlooking the World Trade Center site.

The Chairman explained that the Family Room is a private place for families to go, with its own separate entrance, and is restricted only to family members.

He provided an outline of the work involved in creating this private space for the families.

The Chairman stated the hours of operation and noted the companies that had donated furnishings and toys for the room, in particular Castro Convertibles and Toys "R" Us.

The Chairman then went on to note the positive developments since the last Directors' meeting including the return of 8500 Merrill Lynch employees to the area.

Also noted were the opening of the West Side Highway and the return of 400 workers from the Bank of Nova Scotia to the area.

The Chairman also referred to Battery Park City being at 84% occupancy and the Tribeca Film Festival being scheduled for May 8th through May 12th as very positive signs for the area. He noted that the Corporation's incentive plan for residents has helped stimulate the return of residents to the area.

The Chairman then called upon Lou Tomson to provide the President's Report.

The President began his address by noting that the Corporation's new web-site, <http://www.renewnyc.com>, is up and running. The web-site will allow for a free flow of information to the public with regard to, among other things, the many advisory council meetings LMDC holds.

Next, the President introduced several new staff members. He provided background information on each and noted their anticipated functions within the Corporation.

He then spoke about the newly-created application review process. Mr. Tomson noted the anticipated demands on the Corporation's funds, and the need to have in place a

process for categorizing and informing the Board on the applications for funding the Corporation receives.

Mr. Tomson outlined the procedures by which such applications would be reviewed, and the staff that would be assigned to the manage this process.

Following the President's report, the Chairman read a resolution into the record electing two of the new staff members as officers of LMDC. Following his reading of said resolution and upon motion duly made and seconded, the following resolution was unanimously adopted:

Lower Manhattan Development Corporation -
Election of Officers

RESOLVED, that the following persons are elected to the offices of the Corporation set forth opposite each of their respective names, to serve until their respective successors are duly elected and qualified or until their earlier resignation or removal:

Patrice Derrington	Vice President for Corporate Development
Irene Chang	Vice President for Legal Affairs

* * *

Next, the Chairman called upon certain of the directors to provide reports on their respective Advisory Council's activities.

Mr. Eisenberg presented the first report on behalf of the Families Advisory Council. He explained that the

Council had met for approximately three hours the previous evening.

Chief among the issues addressed by this council was that of communication between LMDC and family groups.

Mr. Eisenberg mentioned the establishment of LMDC's web-site as well as setting a firm monthly family council meeting schedule as steps in a positive direction. He further noted that representatives of various governmental agencies will attend such meetings and provide status reports on the rebuilding efforts. Ms. Wright echoed Mr. Eisenberg's point that the families desire a greater involvement in the entire process and stressed the importance of ensuring that there is a continuous loop in the communication process whereby the families views are brought to LMDC's Directors' meetings. Ms. Wright noted in particular the families' concern about transportation reconstruction and the development of the World Trade Center site.

Ms. Wils, speaking for the Resident's Council, noted some of the ongoing concerns of the residents which include air quality, pedestrian access and construction debris. At the Council's most recent meeting, Dr. James Miller, who leads the City's Air Quality Task Force, made a

presentation on the air quality issues, and Andrew Salkin, the Lower Manhattan Borough Commissioner, addressed the transportation and construction issues. Mr. Rampe of LMDC also provided a report outlining LMDC's Draft Assistance Plan for Individuals.

Mr. Crotty expressed his belief that it would be helpful if the City's Departments of Health and Environmental Protection worked toward better communications with the residents.

The Chairman noted the end of the Advisory Council reports and thanked those staff members responsible for their efforts in making each of those meetings successful.

Mr. Garvin then provided the Planning, Design and Development Report which included the Principles and the Preliminary Blueprint for the Future of Lower Manhattan which have been developed over the course of LMDC's listening period.

Mr. Garvin outlined the Principles and then presented in detail the relevant points included in the Blueprint, including both the short term and long term proposed rebuilding plans. In doing so, he explained the extensive consultation process that had been undertaken, not just

with the advisory councils, but with the various involved governmental agencies as well.

Following Mr. Garvin's presentation, Mr. Zarb inquired as to the process involved in carrying out the elements of the Blueprint.

Overall, Mr. Garvin explained that first step would be to seek public input on the Principles and the Blueprint, and to submit them to the advisory councils and the community board and other interested parties for their views. He then noted that LMDC will be working with the various state and city agencies to further develop some of the elements of the Blueprint, and with the assistance of the agencies, price the alternatives and develop timeframes. Ultimately, it will propose recommendations to the Board as to what the options are.

Ms. Wils commented favorably on the work done by Mr. Garvin and LMDC's staff in this regard. She then expressed her view that, in expanding the residential population, the Board remain sensitive to the reasons why lower Manhattan had been the fastest growing residential area in New York City because it allowed for large spaces and less density in many of the areas.

Mr. Crotty then noted the importance of setting realistic timeframes for the development goals, and establishing a method of measuring progress with respect to these goals.

The President then stressed that as important as the overall redevelopment is, it is also of great importance to address the quality of life issues in a timely fashion.

Next, the Chairman noted that the objective is to handle the short term issues as efficiently as possible, however, in terms of the long range reconstruction issues time must be taken to ensure that decisions made today do not impact negatively on future development. He emphasized that speed, while important, is not the essential part of good development. Quality is the essential part of good development.

Ms. Wright then expressed support for the Chairman's sentiment noting that the families are very concerned that the appropriate input is considered for any long term decision such as transportation reconstruction.

The Chairman then read a resolution into the record approving the Principles and Blueprint for issuance to the Advisory Councils for their review and comment. Following the Chairman's reading of the resolution and upon motion

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

Lower Manhattan Development Corporation -
Adoption of Principles and Preliminary
Blueprint

RESOLVED, that the Principles and Preliminary Blueprint for the Future of Lower Manhattan, as presented to this meeting, are hereby adopted, and such documents shall be provided to the LMDC's Advisory Councils for their review and comment.

* * *

The Chairman then asked the Ad Hoc Committee of the Board, established to review public comments on the Draft Assistance Plan for Individuals, to report on its activities to date.

Mr. Betts provided the report noting that the Committee reviewed the Draft Plan in the context of the over 1100 comments received on it to date. It then made modifications to the plan to reflect those comments.

Mr. Betts outlined those modifications and the reasons for same.

The Chairman then read a resolution into the record to approve the Ad Hoc Committee's recommended changes to the Draft Plan for Assistance to Individuals.

Following the Chairman's reading of said resolution and upon motion duly made and seconded, the following resolution was unanimously adopted:

Lower Manhattan Development Corporation
- Recommendations of Ad Hoc Committee

RESOLVED, that the recommended changes to the Assistance Plan for Individuals, as presented to this meeting by the Ad Hoc Committee of the Board, are hereby approved, and such Plan, as so modified, shall be included in the Partial Action Plan to be submitted to the federal Department of Housing and Urban Development.

* * *

Next, the Chairman read a resolution into the record to approve a Partial Action Plan for submission to HUD. Following the Chairman's reading of said resolution and upon motion duly made and seconded, the following resolution was unanimously adopted:

Lower Manhattan Development Corporation
- Approval of Partial Action Plan

RESOLVED, that the Partial Action Plan, as presented to this meeting, is hereby approved, and that such Partial Action Plan be submitted to the federal Department of Housing and Urban Development (HUD) in accordance with federal guidelines applicable thereto; and be it

FURTHER RESOLVED, that the President of the Corporation shall be authorized to make changes to the Partial Action Plan as may be necessary or appropriate for the submission of the Plan to HUD, and for HUD's approval thereof, with any changes so made consistent with the criteria set forth in the Plan; and be it

FURTHER RESOLVED, that any changes to the Partial Action Plan that are substantive in nature shall be made by the President in consultation with the Ad Hoc Committee of the Board; and be it

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

* * *

The Audit and Finance Committee Report was then provided by Mr. Zarb. Mr. Zarb noted that a charter had been drawn up that sets forth the role and responsibilities of the Committee. The Chairman then read a resolution into the record to approve said Charter. Following the Chairman's reading of the resolution and upon motion duly made and seconded, the following resolution was unanimously adopted:

Lower Manhattan Development Corporation
- Audit and Finance Committee Charter

RESOLVED, that the Charter of the Audit and Finance Committee, in the form presented to this meeting, is hereby approved.

* * *

The Chairman then addressed the scheduling of future Board meetings, noting that there would be a change made to the date of the meeting presently scheduled for June 27th.

Next, the Chairman called for a motion to conduct an Executive Session pursuant to paragraph (h) of Subdivision

1 of Section 105 of the New York State Open Meetings Law.

Upon motion duly made and seconded, the following

resolution was unanimously adopted:

EXECUTIVE SESSION - Pursuant to
Paragraph (h) of Subdivision 1 of
Section 105 of the New York State Open
Meetings Law

RESOLVED, that the Directors conduct an Executive Session to consider matters pertaining to paragraph (h) of Subdivision 1 of Section 105 of the New York State Open Meetings Law.

* * *

Before the Directors left the room for Executive Session, questions were taken from the media. This part of the meeting was not recorded for the public record.

All persons were requested to leave the room with the exception of the Directors and members of senior staff. The Executive Session ended at 11:05 a.m. It was noted for the record that no votes were taken during the Executive Session.

There being no further business, the meeting was adjourned at 11:06 a.m.

Respectfully submitted,

Eileen McEvoy
Assistant Secretary