

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

August 14, 2003

MINUTES

In Attendance

Directors:

John C. Whitehead, Chairman
Paul Crotty
Christy Ferer (via telephone)
Robert Harding
Sally Hernandez-Pinero
Thomas Johnson
Edward Lewis
Edward J. Malloy (via telephone)
Stanley Shuman
Carl Weisbrod
Madelyn Wils
Frank Zarb

Staff Attending:

For Lower Manhattan Development Corporation:

Kevin Rampe, President and CEO
Jennifer Brown, Assistant Vice President for
Community and Government Relations
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
Christopher Glaisek, Vice President for
Planning, Design & Development
John Hatfield, Assistant Vice President -
Program Manager for Memorial, Cultural &
Civic Programs
Dyana Lee, Vice President for Investigations
Peter Madden, Senior Project Manager

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Eileen McEvoy, Assistant Secretary
Robert Miller, Chief Financial Officer
Amy Peterson, Vice President - Development
Programs & Economics
Stefan Pryor, Chief of Staff, Deputy to
the Chairman and Secretary
Joanna Rose, Assistant Vice President -
Communications and Press Secretary

Other Staff

For Governor Pataki:

Doug Blaise (via telephone)

For New York City:

Roy Bahat, Representing Daniel Doctoroff,
Deputy Mayor - Economic Development

For Speaker Sheldon Silver:

Judy Rapfogel, Chief of Staff
Yvonne Morrow

For Chairman Whitehead:

Edward Novotny, Advisor

Counsel to the Board:

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

Also Present:

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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.

The Chairman called for the approval of the Minutes of the July 10, 2003 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 JULY 10, 2003 MEETING OF THE DIRECTORS OF THE LOWER
MANHATTAN DEVELOPMENT CORPORATION

RESOLVED, that the minutes of the meetings of the Corporation held on July 10, 2003, 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 opened his report by noting that there are a number of initiatives on the Agenda that will continue to

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bring vitality and economic growth to Lower Manhattan.

The Chairman referred specifically to the Chinatown Tourism Initiative, explaining that a \$2 million campaign will be launched to bring tourists back to that part of the City that had been so damaged by September 11th and more recently by the misconceptions surrounding the SARS epidemic.

The Chairman noted that the campaign will be jointly funded by LMDC and the September 11th Fund.

The Chairman then provided brief outlines of several of the other initiatives before turning the meeting over to President Rampe to present his report.

President Rampe opened his report by noting that the series of six LMDC and City sponsored workshops had concluded last week. He further noted that LMDC was pleased with the level of participation and feedback.

President Rampe explained that LMDC was currently reviewing all of the input collected through the small group discussions and the surveys that were a part of the workshops and will

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prepare a report on the results, which will be released in the fall.

Mr. Rampe provided an update on the status of LMDC's environmental review process explaining that the corporation is currently on schedule to complete the review in April 2004.

Among the other Agenda items outlined by Mr. Rampe was the election of Joanna Rose to the office of Assistant Vice President for Communications and Press Secretary which would be put before the Board later in the meeting. Mr. Rampe also discussed LMDC's retention of two business integrity consultants to assist the Corporation in its efforts to strengthen internal controls.

The Chairman then read a resolution into the record electing Ms. Rose to the aforementioned office. Upon motion duly made and seconded, the following resolution was unanimously adopted:

Election of Officer

RESOLVED, that Joanna Rose is hereby elected Assistant Vice President for Communications and Press Secretary of the Corporation, and shall serve until such time as her successor is duly elected and qualified or until her earlier resignation or removal.

* * *

Mr. Zarb noted that the Corporation's Audited Financial Statements as well as the Budget Variance Report had been provided to the Directors.

Director Zarb then called on Mr. Miller to present the background information with regard to a request for the Directors to authorize LMDC to enter into amended agreements with certain named consultants to design and develop a database system to manage and track finances of the Corporation.

The Chairman then read a resolution into the record with regard to this request and upon motion duly made and seconded, the following resolution was unanimously adopted:

Retention of Database Development Consultant

RESOLVED, that the Corporation is hereby authorized to enter into amended agreements with each of B2B Technical Inc. and Frank Pollack Associates to design and develop a database system to manage and track finances of the Corporation; and be it

FURTHER RESOLVED, that the combined expenditures under all such agreements shall be for a one-year period for an amount not to exceed \$70,000 in the aggregate; and be it

FURTHER RESOLVED, that the proper officers of the Corporation are hereby authorized to take any such action and to

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execute such instruments as may be necessary and appropriate to effect the foregoing.

* * *

Ms. Chang then provided background information with regard to two funding requests related to the environmental process. First, Ms. Chang explained that LMDC was requesting authorization to amend its contracts with the Louis Berger Group, Inc. and AKRF, Inc. for environmental review consulting services in an amount not to exceed \$1.75 million. Ms. Chang further noted that these amendments were in addition to the \$2 million approved for environmental review in June. Ms. Chang noted that in order to fund these amendments, it would be necessary to modify LMDC's budget to reallocate funds from the Legal Affairs Department and the Overhead Department to the Planning, Design and Development Department.

President Rampe added that at the time the Board originally approved the budget, it was anticipated that the Port Authority would share in the cost of the environmental review process. That situation, however, has changed. Mr. Rampe explained that the LMDC will continue to seek reimbursement. However, in order to proceed on track, the Corporation needs authorization at this time to reallocate funds within its budget.

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President Rampe asked Ms. Chang to continue and to present the item relating to the Partial Action Plan 4. Ms. Chang explained that based upon prior approval by the Board, Partial Action Plan 4, which includes the Governor's short-term capital projects, had been issued to the public and submitted to HUD for approval.

Ms. Chang further explained that following a public comment period, the Board approved subrecipient agreements which are needed to implement the projects.

Partial Action Plan 4, she noted, was approved by HUD on August 6th resulting in the allocation of funding for the short-term capital projects in a total amount not to exceed \$69,405,000.

Ms. Chang continued on, explaining that in accordance with LMDC's obligations to fulfill the environmental requirements relating to the funding of these projects, LMDC will act as lead agency. In that regard, Ms. Chang noted, LMDC will ask the Directors to authorize LMDC's President to take various actions including, but not limited, to approving and carrying out some or

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all of the short-term capital projects based on appropriate terms, conditions and modifications.

Ms. Chang went on to explain that the modifications, findings and conclusions will be communicated to the Board. In closing, Ms. Chang stated that the authorization as outlined is necessary to ensure that LMDC can take all of the requisite steps to secure the funding for and implement all of the short-term capital projects within their specified timeframe.

Director Crotty asked a question regarding the status of the Deutsche Bank building. He asked if it is known whether or not the building will be torn down. Director Crotty was informed that the owner of the building has filed an action in State Court seeking an early resolution at trial relating to the status of the building and that LMDC has submitted an affidavit in support of the early resolution. Director Wils commented that she would support any move to save the moneys that had been designated for a mural for the Deutsch Bank building as she felt it represented a very temporary measure.

There being no further questions or comments on either of the requests, the Chairman read a resolution into the record

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regarding the amendment of LMDC's contract with its environmental consultants. Following that reading and upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization of Additional Expenditures for Environmental
Review Consulting Services

RESOLVED, that the Corporation is authorized to amend the agreements entered into with The Louis Berger Group, Inc. and AKRF, Inc. (formerly Allee King Rosen & Fleming, Inc.) for environmental review consulting services to increase the expenditures under such agreements by an additional \$1,750,000 to an amount not to exceed \$4,000,000 in the aggregate for both agreements; 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.

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The Chairman then read a resolution into the record regarding the environmental review process for short-term projects. Following said recitation and upon motion duly made and seconded, the following resolution was unanimously adopted:

Environmental Review Process for Short Term Projects

RESOLVED, that the President is hereby authorized to approve and carry out the Short-Term Capital Projects set forth in the Partial Action Plan for Short-Term Capital Projects, Long-Term Planning and Supplemental Funds for Business Recovery, approved by the federal Department of Housing and Urban Development (HUD) on

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August 6, 2003, a copy of which shall be filed with these resolutions in the records of the Corporation; and be it

FURTHER RESOLVED, that the President is authorized to allocate and release out of the Corporation's funds such amounts as are necessary to implement the Short-Term Capital Projects, which amounts shall not exceed the amounts approved by the Board of Directors for such Projects on July 10, 2003, and be it

FURTHER RESOLVED, that the President of the Corporation is authorized and directed to conduct and complete, on behalf of the Corporation, all such environmental reviews and assessments under the National Environmental Policy Act of 1969 and the New York State Environmental Quality Review Act, as may be required in connection with each of the Short Term Capital Projects; and be it

FURTHER RESOLVED, that with respect to such environmental reviews of the Short Term Capital Projects, the President of the Corporation is authorized to make, on behalf of the Corporation, all such modifications, findings and determinations thereunder as shall, in his judgment, be necessary and appropriate on the basis of such reviews and assessments, and the President shall communicate such modifications, findings, and determinations to the Board of Directors; and be it

FURTHER RESOLVED, that the President of the Corporation or his designee is hereby further authorized to publish and file such notices and take all such other actions as he or such designee may consider to be necessary or appropriate to carry out the Short Term Capital Projects, including, without limitation, securing the release of funding for such Projects from HUD.

* * *

Mr. Pryor then provided the Directors with a report regarding a request for authorization for LMDC to enter into an agreement with consultants to conduct a transportation study. He explained that the contract - which will be for an amount up to \$3 million -- will be drawn from the \$5 million authorized as

part of Partial Action Plan 4.

Mr. Pryor went on to note that the study will result in the selection of a rail service that will provide improved access to Lower Manhattan from JFK Airport and Long Island. Following the provision of further details with regard to the study, the Chairman read the relevant resolution into the record and upon motion duly made and seconded, the following resolution as unanimously adopted:

Authorization of Agreement for Air Access Study

RESOLVED, that the Corporation is authorized to enter into an agreement with Parsons Transportation Group of New York, Inc. and SYSTRA Engineering, Inc., to conduct a transportation study that will identify and evaluate opportunities to link Lower Manhattan to John F. Kennedy International Airport and Long Island, and related transportation topics; and be it

FURTHER RESOLVED, that such agreement shall be for an amount not to exceed \$3,000,000, which shall be derived from funds included in the Partial Action Plan for Short-Term Capital Projects, Long-Term Planning and Supplemental Funds for Business Recovery, approved by the federal Department of Housing and Urban Development on August 6, 2003; and be it

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

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Ms. Peterson provided brief updates on the Partial Action Plans for supplemental funding for business recovery programs presented to the Board at the May meeting. She also discussed the affordable housing program that Board would be asked to act upon at a later meeting.

With regard to the portion of Ms. Peterson's report relating to housing, Director Hernandez-Pinero made inquiries with regard to the affordable housing requirements.

Ms. Peterson provided Director Hernandez-Pinero with various ranges and told her that as the numbers were not right in front of her, she would provide her with more specified information following the meeting.

Ms. Peterson then provided information on the Chinatown Tourism initiative which will be included in Partial Action Plan 5. She then turned the floor over to Mr. Bahat to present information on the second part of the request.

Mr. Bahat from Deputy Mayor Doctoroff's office provided background information with regard to a funding request relating to the lowermanhattan.info campaign - also a

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component of Partial Action Plan 5. The Chairman read the relevant resolution into the record and Director Crotty made an inquiry regarding the Chinatown Tourism initiative. Specifically, he asked if it was necessary to submit an Action Plan and whether or not the RFP process can be started in anticipation of the Action Plan being approved rather than having to start the process following approval. Director Crotty was informed that the RFP will begin on the Monday following the meeting.

Director Harding inquired as to the inclusion of the \$50 million for the housing program and he was informed that that will be considered at next month's Board meeting. There being no further questions or comment, upon motion duly made and seconded, the following resolution was unanimously adopted:

Approval of Issuance of Partial Action Plan No. 5

RESOLVED, that the proper officers of the Corporation are hereby authorized to submit for public comment and review by the federal Department of Housing and Urban Development (HUD) a Partial Action Plan for the expenditure of the Corporation's funds for the following purposes:

1. An allocation of up to \$1,000,000 of the Corporation's funds for the creation of a tourism and marketing initiative for the Chinatown area of lower Manhattan.

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2. An allocation of up to \$1,300,000 of the Corporation's funds for the LowerManhattan.info campaign, a comprehensive web-site that offers regularly updated information on Lower Manhattan.

and be it

FURTHER RESOLVED, that following approval of the Partial Action Plan by HUD, the agreements necessary to implement the Partial Action Plan, and the expenditures to be incurred by the Corporation in connection therewith, shall be submitted to the Board of Directors for authorization; 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.

* * *

Next, Ms. Contini provided the background information in connection with the first of two funding requests relating to the exhibition of the designs of the finalists in the memorial competition.

Ms. Contini noted that the request was for authorization for LMDC to enter into a contract with selected finalists to elaborate on their Stage 1 design concepts. Following Ms. Contini's presentation, Director Crotty asked how many finalists there will be. Ms. Contini stated that LMDC has been mentioning approximately five finalists, but in fact, she explained, the jury has flexibility to select more or less.

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Director Ferer asked how the process was going and she was informed that LMDC is still projecting a fall date for the finalist selection process to be completed.

Ms. Rose then presented a request for authorization for LMDC to enter into a contract with an exhibition design and production services firm to create an exhibition in connection with the World Trade Center Site Memorial competition.

Ms. Rose provided the background details with regard to said request noting that the firm will be chosen through an open and competitive process.

The Chairman read a resolution into the record authorizing LMDC to enter into contracts with competition finalists for Presentation and Exhibition Materials. Upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization of Contracts with Memorial Competition
Finalists

RESOLVED, that the Corporation is hereby authorized to enter into an agreement with each of the Finalists selected by the Jury in the World Trade Center Site Memorial Competition regarding the refinement of their respective memorial design concepts in the second stage of the Memorial Competition; and be it

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FURTHER RESOLVED, that the aggregate amount to be expended by the Corporation under all such agreements shall not exceed \$937,300, which amount shall be allocated equally among the Finalists to cover services provided and costs incurred by the Finalists in the second stage of the Memorial Competition; and be it

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

* * *

The Chairman next read a resolution into the record authorizing LMDC to expend funds for an exhibition in connection with the World Trade Center Site Memorial Competition. Following the reading of same and upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization of Funds for Exhibition in connection with
World Trade Center Site Memorial Competition

RESOLVED, that the Corporation hereby approves the expenditure of up to \$250,000.00 of the Corporation's funds to retain a firm to provide exhibition design and production services to create an exhibition in connection with the World Trade Center Site Memorial Competition; and be it

FURTHER RESOLVED, that the President of the Corporation shall be authorized to select such firm from among those firms selected through the Request for Qualifications for Exhibition Design and Production Services issued on March 3, 2003, and shall notify the Chairman of the Audit and Finance Committee of such

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selection; and be it

FURTHER RESOLVED, that the proper officers of the Corporation are hereby authorized to take such other actions, including entering into agreements with the selected firm, as may be necessary and appropriate to effect the foregoing.

* * *

Ms. Rose then provided a synopsis of the details relating to a funding request for the design and construction of informational kiosks.

Director Crotty then asked if there is any kind of integration of all of this public information and President Rampe stated that LMDC works diligently to coordinate these efforts.

A discussion was then had with regard to the importance of coordinating all of these communication efforts to ensure their effectiveness. It was then suggested that the meeting that LMDC holds approximately every two months with senior communications people from various community groups downtown be broadened to include all of the relevant Lower Manhattan entities. It was also suggested that the meetings be held on a monthly basis.

President Rampe concluded the discussion by stating that a report will be provided to the Board next month outlining the

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steps that have been taken to coordinate these communication efforts.

The Chairman read the relevant resolution into the record and upon motion duly made and seconded, the following resolution was unanimously adopted: (It was noted for the record that Mr. Weisbrod abstained from voting on the following resolution):

Authorization of Funds for Design and Construction of
Informational Kiosks

RESOLVED, that the Corporation hereby approves the expenditure of up to \$500,000.00 of the Corporation's funds to retain a firm to provide design and construction services to create three outdoor kiosks at the World Trade Center site to serve as informational centers for Lower Manhattan residents, employees, visitors and businesses; and be it

FURTHER RESOLVED, that the President of the Corporation shall be authorized to select such firm from among those responding to the Request for Proposals for Kiosk Design and Construction Services issued on June 23, 2003, shall notify the Chairman of the Audit and Finance Committee of such selection; and be it

FURTHER RESOLVED, that the proper officers of the Corporation are hereby authorized to take such other actions, including entering into agreements with the selected firm, as may be necessary and appropriate to effect the foregoing.

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The Chairman then called for a motion to conduct an

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Executive Session pursuant to paragraph (h) of subdivision 1 of Section 105 of the New York State Open Meeting 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 Meeting 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 Meeting Law.

* * *

All persons were requested to leave the room with the exception of the Directors and members of senior staff. The Executive Session ended at 10:04 a.m. and the public meeting of the Board of Directors reconvened. 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 10:05 a.m.

Respectfully submitted,

Eileen McEvoy
Assistant Secretary