

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

October 9, 2003

MINUTES

In Attendance

Directors:

John C. Whitehead, Chairman
Roland Betts
Paul Crotty
Christy Ferer
Robert Harding
Sally Hernandez-Pinero
Edward J. Malloy
Stanley Shuman
Billy Tsien (via telephone)
Carl Weisbrod
Madelyn Wils

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
Betty Chen, Director of Design
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
Matthew Higgins, Chief Operating Officer and
Director of Communications

Anthoula Katsimatides, Assistant VP for
Communications & Government Relations
Dyana Lee, Vice President for Investigations
Holly Leight, Director of Planning
Jennifer Lumpp, Director of Business
Relations
Peter Madden, Senior Project Manager
Eileen McEvoy, Assistant Secretary
Robert Miller, Chief Financial Officer
Amy Peterson, Vice President - Development
Programs & Economics
Stefan Pryor, Deputy to the Chairman & Chief
of Staff, Secretary of the Corporation
Joanna Rose, Assistant Vice President for
Communications and Press Secretary
Beatrice Sibblies, Assistant Vice President
for Development Programs & Economics
Andrew Winters, Vice President & Director
for Planning, Design, & Development

Other Staff

For ESD:

David Catalfamo, Senior Vice President and
Senior Deputy Commissioner
Kevin S. Corbett, Chief Operating Officer

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:

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 September 16, 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 SEPTEMBER 16, 2003 MEETING OF THE DIRECTORS OF THE LOWER
MANHATTAN DEVELOPMENT CORPORATION

RESOLVED, that the minutes of the meeting of the Corporation held on September 16, 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 with the

rebuilding of the World Trade Center Site and the broader efforts to revitalize Lower Manhattan, the downtown economy continues to recover at a rapid rate.

The Chairman cited the signing of major leases for Class A office space from Battery Park City to the Financial District and new residential development as evidence of this vigorous recovery.

Chairman Whitehead stated that downtown has proven to be a key driver of the region's economy with great potential for further development. The Chairman stressed that LMDC must fully utilize all available tools, including remaining Liberty Bonds, to ensure that this potential is realized.

The Chairman closed his report by explaining that Director Tsien was resigning from the Board. He thanked her for her distinguished service and read a resolution of appreciation into the record regarding Director Tsien as follows:

Resolution of Appreciation to Director Billie Tsien

WHEREAS Billie Tsien was a valued Board member of the LMDC, appointed in April 2002;

WHEREAS the contributions made by Ms. Tsien were appreciated by her colleagues;

WHEREAS Ms. Tsien served with great distinction on the Board's Site Plan Working Group and on the finalist selection committee for the Innovative Design Study for the World Trade Center Site, where her renowned design expertise and principled intellect helped frame the process for the development of the site plan;

WHEREAS the contributions of Ms. Tsien constitute key pieces of the foundation upon which the rebirth of Lower Manhattan will be realized;

WHEREAS the term of Ms. Tsien is only the most recent chapters in her long, distinguished history of public service and service to Lower Manhattan;

NOW THEREFORE BE IT RESOLVED that the Board of Directors of the Lower Manhattan Development Corporation HEREBY ACKNOWLEDGES, THANKS AND COMMENDS Billie Tsien for her excellent service in helping the Lower Manhattan Development Corporation execute its mission.

* * *

Director Betts added his appreciation, on behalf of the Site Planning Committee, to Director Tsien for her valued advice and counsel to that group.

President Rampe opened his report by noting that he and Matthew Higgins had traveled to Albany last week to receive the New York State American Institute of Architect's Community Development Award on behalf of LMDC. He explained that LMDC was

cited for its comprehensive public process in connection with Site planning and the memorial competition as well as the excellence of Daniel Libeskind's winning site designs.

President Rampe went on to update the Board on other areas in which LMDC is actively involved including transportation and business relations.

President Rampe reported on the present status of the fraud-related cases connected to LMDC's amnesty program. He further outlined the other fraud controls currently in place and expressed appreciation to Ms. Lee and Mr. Sammon for their tremendous and successful efforts in this regard.

The President outlined items to be addressed at the meeting including funding requests for studies regarding improvements to the residential area in the vicinity of Greenwich Street south of the World Trade Center site. He noted that the Communications Department will present several funding request as well.

Director Betts provided the Audit and Finance Committee Report for the Directors' information. Included in this report was his explanation that the budget variance suggests that for

the first six months LMDC's actual expenditures are substantially below the budget for the pending fiscal year.

He explained that while this is somewhat misleading, as there is a timing lag of approximately two months based on the way in which expenditures are processed, it is anticipated that the corporation's expenditures will not significantly vary from the budget.

Director Betts further noted that the six funding initiatives that will be considered by the Directors later in the meeting are already included in the corporation's budget.

Next, Mr. Glaisek presented two items relating to funding for a new off-site planning initiatives. The requests, he explained, relate to two separate contracts for urban design and traffic analysis services for Greenwich Street South -- the area around Greenwich Street south of the World Trade Center Site.

Mr. Glasiek noted that the total monetary amount requested is \$880,000 with \$660,000 for an urban design contract and \$220,000 for a traffic analysis.

Mr. Glasiek provided an outline regarding the purpose of each study, the firms selected and the services to be rendered by each firm.

Following Mr. Glasiek's presentation, Director Weisbrod commented favorably with regard to the studies and the firms selected. The Chairman then read the relevant resolutions into the record and upon separate motions duly made and seconded, the following resolutions were unanimously adopted.

Retention of Urban Design Consultant - Greenwich Street
South Urban Design Study

RESOLVED, that the Corporation is hereby authorized to enter into an agreement with Hardy Holzman Pfeiffer Associates LLP to provide urban design consultant services to the Corporation in connection with the Greenwich Street South Urban Design Study, including the preparation of a comprehensive urban design plan for the area immediately south of the World Trade Center site; and be it

FURTHER RESOLVED, that such agreement shall be for a one year period for an amount not to exceed \$660,000; 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.

* * *

Retention of Transportation Consultant - Greenwich Street
South Traffic Study

RESOLVED, that the Corporation is hereby authorized to enter into an agreement with URS Corporation - New York to provide transportation consulting services to the Corporation in connection with the Greenwich Street South Traffic Study, including the preparation of a comprehensive traffic analysis of the area of Lower Manhattan between Liberty Street and Battery Place, from Broadway to West Street; and be it

FURTHER RESOLVED, that such agreement shall be for a one year period for an amount not to exceed \$220,000; 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.

* * *

Ms. Peterson then provided the background details with regard to a request to the Board to authorize an expenditure for the development of a database relating to the short-term improvement projects. Specifically, Ms. Peterson explained that the Louis Berger Group has created a database of Lower Manhattan projects as part of the work that it has been doing for LMDC with regard to its environmental impact and review consultant services.

One portion of that database, Ms. Peterson explained, involves socio-economic data. LMDC is requesting that the Directors increase the Louis Berger Group contract by \$50,000 in order to expand the work that they have done in this area.

Ms. Peterson went on to state that the further development of the database will allow LMDC to review the socio-economic impact of LMDC-funded projects, as well tracking temporary and permanent job creation.

In closing, Ms. Peterson explained that the Board had previously approved \$400,000 for a contract for Appleseed to do the above-mentioned work. This Appleseed contract, she explained, will be decreased by \$50,000 and Berger's contract will be increased by \$50,000. Following this presentation, Director Crotty asked if this meant that there would be no net increases and Ms. Peterson stated that that was correct. 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 of Additional Funds for Environmental
Consultants

RESOLVED, that the Corporation is hereby authorized to amend its agreement with the Louis Berger Group for environmental consulting and review services to increase the expenditures under such agreement by an amount not to exceed \$50,000, which funds shall be used to expand the socio-economic statistical database developed in connection with the environmental review process; 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.

* * *

The Chairman then called upon Ms. Rose and Mr. Catalfamo to present a request to the Directors to authorize LMDC to partially fund the production and distribution of a Lower Manhattan Zagat Guide. Mr. Catalfamo provided an overview of the Guide as well as its intended purpose, noting in that the Guide will be distributed free of charge to workers in Lower Manhattan.

Following Mr. Catalfamo's report, Ms. Rose provided further details with regard to the production of the Guide. She explained that Zagat has offered to produce the Guide for the below-cost price of approximately \$1.00 per Guide. At the end of Ms. Rose's portion of the presentation, Director Ferer inquired as to the method of distribution.

Ms. Rose explained that businesses will be identified through a letter campaign which will be undertaken by EDC and ESD.

Director Malloy asked if this will be a one-time printing. Ms. Rose informed him that it would be. Director Malloy noted that he was asking this because Lower Manhattan is very fluid and in three to six months numerous restaurants, stores or hotels may open up. He then asked if consideration would be given to printing a supplement. Ms. Rose explained that that is not being considered at this time.

Director Ferer noted that it may be worth it to look into distributing the Guide to visitors as they are the ones who spend the bulk of the money in shops and restaurants. Ms. Rose noted that that would be looked into as a possibility. Director Weisbrod noted his concurrence with Director Ferer's opinion regarding distribution to visitors.

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 Shuman recused himself from voting on the following resolution.):

Approval of Funds for Zagat Survey Lower Manhattan Guides

RESOLVED, that the Corporation is hereby authorized to appropriate and expend out of the Corporation's funds an amount not to exceed \$220,000 for the design, production and printing of approximately 375,000 Zagat Survey Lower Manhattan Guides, which funds shall be allocated to the Empire State Development Corporation for the purpose of carrying out the foregoing; 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.

* * *

Ms. Rose presented a request to authorize the Corporation to expend funds to rent space and equipment for the exhibition of memorial designs in the World Financial Center Winter Garden and for related public announcements. Ms. Rose provided the relevant details with regard to this request.

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

Authorization of Funds for World Trade Center Memorial
Exhibition

RESOLVED, that the Corporation is hereby authorized to enter into an 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 Memorial Exhibition and public announcements related thereto; and be it

FURTHER RESOLVED, that such agreement shall be for a term ending March 31, 2004 for an amount not to exceed \$120,000; 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.

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President Rampe then presented a request for \$3 million to fund advertisements. The scope of those advertisements, he explained, fall under two broad categories: 1) those mandated by HUD or other regulations and 2) those that help LMDC to realize its mission or accomplish specific initiatives.

President Rampe provided a detailed synopsis of each of the above-mentioned advertisement categories.

Following this presentation, the Chairman read the relevant resolution into the record and upon motion duly made and

seconded, the following resolution was unanimously adopted:

Authorization of Funds for Advertising

RESOLVED, that the Corporation is hereby authorized to appropriate and expend out of the Corporation's funds an amount not to exceed \$3,000,000 for advertising costs during fiscal year 2003-04, which shall be allocated as follows:

- Up to \$1,600,000 for public notice advertisements in connection with the Memorial Competition, the environmental review process, partial action plans submitted to the public for comment, public forums and meetings, and for other administrative purposes.
- Up to \$100,000 for the placement of advertisements and newsletter inserts in local papers to advertise short-term capital improvements, in connection with the Lower Manhattan Communications Campaign described in Partial Action Plan 4.
- Up to \$1,100,000 for the History and Heritage Campaign to promote Lower Manhattan cultural institutions, which amount shall be allocated from funds previously approved by the Board for the History and Heritage Campaign.
- Up to \$200,000 in advertisements and notices related to the Residential Grant Program, which amount shall be allocated from funds previously approved by the Board for the Residential Grant Program pursuant to Partial Action Plan 1.

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.

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There being no further business, the meeting was adjourned

at 9:51 a.m.

Respectfully submitted,

Eileen McEvoy
Assistant Secretary