

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

February 9, 2006

MINUTES

In Attendance

Directors:

John C. Whitehead, Chairman
Laurence T. Babbio, Jr. (via telephone)
Robert Balachandran
Amanda M. Burden
Daniel L. Doctoroff
Robert Douglass
Robert M. Harding
James Kallstrom
Edward J. Malloy
William C. Rudin
Martha E. Stark (via telephone)
Carl B. Weisbrod
Madelyn Wils

Staff Attending:

For Lower Manhattan Development Corporation:

Stefan Pryor, President
Bissera Antikarov, Director - Planning
Allison Bailey, Secretary of the Corporation
and Special Assistant to the President
Irene Chang, General Counsel
Dan Ciniello, Senior Vice President -
Operations
John Gallagher, Vice President -
Communications
Victor Gallo, Counsel - Environmental and
Regulatory Affairs
Michael Haberman, Vice President - Community
Development and Relations
Eileen McEvoy, Assistant Secretary
Robert Miller, Chief Financial Officer
Anne Papageorge, Senior Vice President -
Memorial and Cultural Development

Phil Plotch, Director of Transportation
Policy

Amy Weisser, Assistant Vice President -
Memorial, Cultural and Civic Programs

Other Staff

For Speaker Sheldon Silver:

Judy Rapfogel, Chief of Staff

Counsel to the Board:

Jason R. Lilien, Weil, Gotshal & Manges

Joel Moser, Fulbright & Jaworski

Elizabeth Condren, Fulbright & Jaworski

For Governor Pataki:

Doug Blais

Lower Manhattan Construction Command Center

Charles Maikish, Executive Director

Daniel McCormack, First Deputy Executive
Director

Also Present:

Jennifer Hoppa - New York City Parks
Department

Joshua Laird - New York City Parks
Department

The Public

The Media and Press

The meeting of the Lower Manhattan Development Corporation ("LMDC") was called to order at 8:11 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 January 12, 2006 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 12, 2006 MEETING OF THE DIRECTORS OF THE LOWER
MANHATTAN DEVELOPMENT CORPORATION

RESOLVED, that the minutes of the meeting of the Corporation held on January 12, 2006, 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 began his report by expressing appreciation on behalf of the full Board to Jason Lilien who has served LMDC as pro bono counsel for the past several years.

The Chairman then introduced Joel Moser, who will be taking over Mr. Lilien's duties.

The Chairman then went on to note that 7 World Trade Center continues to gain tenants and that LMDC has moved forward

significantly in its Memorial process.

The Chairman noted that LMDC recently selected Alice M. Greenwald as the Director of the Memorial Museum. As the Director, the Chairman noted, Ms. Greenwald will work with the LMDC and Foundation staffs to oversee the creation of the Memorial Museum.

The Chairman then spoke about the Cultural Enhancement Funds Advisory Panel, noting that LMDC has received more than 100 applications for these funds. The Chairman explained that the Panel has devoted many hours to reviewing the applications and will make its recommendations to the Board by the end of February.

Following the conclusion of the Chairman's report, Mr. Pryor opened his report by echoing the Chairman's appreciation and praise for Jason Lilien and his welcome to Ms. Greenwald.

Mr. Pryor then provided a detailed outline of the items to be considered by the Directors at the meeting, specifically addressing two items in detail - the second round of funding for parks and open spaces throughout Lower Manhattan and the issuance of a Partial Action Plan for the Fulton Corridor Project.

The Chairman then asked the Directors to approve the appointment of John Gallagher to the office of Vice President - Communications. Upon motion duly made and seconded, the following resolution was unanimously adopted:

Election of Officer

RESOLVED, that John Gallagher is hereby elected Vice President of the Corporation for Communications, and shall serve until such time as his successor is duly elected and qualified or until his earlier resignation or removal.

* * *

Next, Director Babbio provided the Audit and Finance report. Director Babbio opened by stating that the Committee reviewed the purpose, cost justification, availability of funds, and Board Working Group comments relevant to the funding resolutions on today's agenda and based upon same, the Committee recommends their approval.

Director Babbio further stated that LMDC continues to provide funding for the Lower Manhattan Construction Command Center. In that regard, Director Babbio explained that the Committee has authorized the funding of an 18-month office lease for the Center. Director Babbio added that in the future, other entities that benefit from the Command Center will provide ongoing financial support.

Director Babbio then outlined three reports that were provided to the Directors: the Budget Variance Report for expenditures for a period ending December 31, 2005; a report comparing the Board's authorizations with the current year's budget; and a report tracking the LMDC's progress in committing its spending funds authorized in Partial Action Plans.

Next, Mr. Haberman requested authorization for LMDC to issue a Partial Action Plan and enter into a Subrecipient Agreement with the New York City Department of Parks and Recreation for Phase II of the Parks and Open Space Project.

Mr. Haberman opened his report by noting that Jennifer Hoppa and Joshua Laird from the New York City Parks Department were present at the meeting. Mr. Haberman stated that these two individuals were crucial in putting the plan together with the LMDC and he expressed his appreciation to them on behalf of the Corporation.

Following Mr. Haberman's detailed report, which included a presentation of slides of certain of the conceptual designs for the various locations, the Chairman read the relevant resolution into the record and upon motion duly made and seconded, the

following resolution was unanimously adopted:

Issuance of Partial Action Plan for the Parks and Open Spaces Project and Authorization to Enter into Subrecipient Agreement with The City of New York Department of Parks and Recreation

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 up to \$19,500,000 of the Corporation's funds for services related to the renovation and development of six Lower Manhattan parks, as described in the materials presented to the Board at this meeting; 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 to comport with applicable HUD requirements and to reflect public comments received on such Plan; and be it

FURTHER RESOLVED, that, subject to approval of the Partial Action Plan by HUD, the Corporation is hereby authorized to enter into a subrecipient agreement with The City of New York Department of Parks and Recreation to implement the projects included in the Partial Action Plan in an amount not to exceed \$19,500,000; 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 or appropriate to effect the foregoing.

* * *

Ms. Antikarov then presented two requests. The first was for authorization for the LMDC to issue a Partial Action Plan for public comment for the Fulton Corridor Revitalization Project.

Ms. Antikarov provided a detailed description of each of the

five components of the project which she outlined as follows:
enhancement of existing open spaces; creation of new open spaces;
establishment of retail and façade improvement grant programs;
streetscape improvements; and improvements to the street wall.

Following this presentation, Director Wils and the Chairman commented positively on the proposed project. 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 unanimously adopted:

Issuance of Partial Action Plan for Improvements to the
Fulton Corridor

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 up to \$38,000,000 of the Corporation's funds for improvements to the Fulton Corridor, as described in the materials presented to the Board at this meeting; 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 to comport with applicable HUD requirements and to reflect public comments received on such Plan; and be it

FURTHER RESOLVED, that the agreements necessary to implement such Partial Action Plan, and the expenditures to be incurred by the Corporation in connection therewith, shall be submitted separately 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 and to execute such instruments as may be necessary or appropriate to effect the

foregoing.

* * *

The second request was for authorization for LMDC to amend its agreement with Parsons Brinkerhoff for traffic and transportation services in connection with the Chinatown Access and Circulation Study.

Following this presentation, Director Wils commented that while she was certainly pleased to support this item, she believes it is important to suggest that before the parking studies are done, the Department of Transportation should review all of the permit parking that is going on in Lower Manhattan.

Director Wils added that since September 11th, addressing illegal police parking in the area has not been a priority with the New York City Police Department and she called upon Deputy Mayor Doctoroff to look into the matter. The Deputy Mayor agreed to do so on an expedited basis.

Director Weisbrod added that this is not just a City issue as there are also parking permits granted by Federal and state government agencies.

The Chairman noted his agreement with the previous comments.

Director Burden stressed the importance of the LMDC not losing sight of the important connection between Park Row, the Police Plaza, and Chinatown because of the Chatham Square Study being addressed today. Mr. Pryor noted his agreement with Director Burden's position.

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 unanimously adopted:

Amendment of Agreement with Parsons Brinkerhoff for Traffic and Transportation Services

RESOLVED, that the Corporation is hereby authorized to amend its agreement with Parsons Brinkerhoff for traffic and transportation services in connection with the Chinatown Access & Circulation Study, to extend the term of such agreement for an additional one-year period, to expand the scope of services provided under such agreement to include a further feasibility study of the conceptual design for Chatham Square and to increase the authorized expenditures thereunder by an additional \$82,000 to an amount not to exceed \$432,000 in the aggregate, as described in the materials presented to the Board at this meeting; and be it

FURTHER RESOLVED, that the expenditures approved hereby shall be allocated from funds included for planning and administration in the Corporation's annual budget for fiscal year ending March 31, 2006 and from anticipated funds included for planning and administration in the Corporation's annual budget for fiscal year ending March 31, 2007; 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.

* * *

Next, Mr. Plotch asked the Directors to authorize the Corporation to amend its Subrecipient Agreement with the City of New York for its Lower Manhattan Street Management Program. This program, Mr. Plotch explained, is designed to address traffic issues that are associated with construction, security, and development.

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:

Amendment of Subrecipient Agreement with The City of New York for its Lower Manhattan Street Management Program

RESOLVED, that the Corporation is hereby authorized to amend its subrecipient agreement with The City of New York for its Lower Manhattan Street Management Program, to increase the authorized expenditures thereunder by an additional \$4,800,000 to an amount not to exceed \$6,000,000 in the aggregate, as described in the materials presented to the Board at this meeting; and be it

FURTHER RESOLVED, that the expenditures approved hereby shall be allocated from funds included in Partial Action Plan 10; 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, Mr. Gallagher presented two requests for the Directors' consideration. First, he asked the Directors to authorize the LMDC to amend its agreement with Brookfield Financial Properties for the Winter Garden Exhibition space. Next, Mr. Gallagher asked the Directors to authorize the LMDC to amend its agreement with Shelter Express Corporation for maintenance of the World Trade Center and Chinatown kiosks.

Following Mr. Gallagher's presentation of both items, the Chairman read the relevant resolutions into the record and upon motion duly made and seconded, the following resolutions were unanimously adopted:

Amendment of Agreement with Brookfield Financial Properties
for Winter Garden Exhibition Space

RESOLVED, that the Corporation is hereby authorized to amend its agreement with Brookfield Financial Properties 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 extend the term of such agreement for an additional one-year period and to increase the authorized expenditures thereunder by an additional \$24,000 to an amount not to exceed \$224,000 in the aggregate, as described in the materials presented to the Board at this meeting; and be it

FURTHER RESOLVED, that the expenditures approved hereby shall be allocated from funds included in the Corporation's annual budget for communications for fiscal year ending March 31, 2006 and 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 and to execute such instruments as may be necessary or appropriate to effect the foregoing.

* * *

Amendment of Agreement with Shelter Express Corp. for
Maintenance of World Trade Center and Chinatown Kiosks

RESOLVED, that the Corporation is hereby authorized to amend its agreement with Shelter Express Corp. for the regular maintenance and cleaning of the World Trade Center kiosk and the Chinatown kiosk, to extend the term of such agreement for an additional six-month period, as described in the materials presented to the Board at this meeting; 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.

* * *

Mr. McCormack then asked the Directors to authorize the LMDC to enter into a Lease Agreement with BFP One Liberty Plaza, LLC for permanent office space for the Lower Manhattan Construction Command Center located on the 29th floor of One Liberty Plaza.

Mr. Maikish described certain of the proposed functions of the Command Center including permit and street closing analysis, traffic management, and environmental functions. Mr. Maikish described each of the functions in detail.

Mr. Maikish went on to ask that the LMDC Board add its voice to enhancing the political will to do the job to mitigate the impact of the construction, to facilitate the construction, and to communicate.

Director Balachandran, speaking on behalf of the Finance Committee, expressed appreciation to Mr. Maikish and his staff for addressing concerns that were raised with respect to the lease.

Director Rudin then asked how much the rent was per square foot and Mr. Maikish gave a description of the lease terms.

Director Malloy then asked if the rented space will be the only site for the Command Center or if there will be satellite trailers on the construction sites. Mr. Maikish stated that some satellite operations are anticipated but it has not yet been determined how many.

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 to Enter into Lease Agreement with BFP One Liberty Plaza, LLC for Permanent Office Space for the Lower Manhattan Construction Command Center

RESOLVED, that the Corporation is hereby authorized to enter into a lease agreement with BFP One Liberty Plaza, LLC for permanent office space for the Lower Manhattan Construction Command Center, as described in the materials presented to the Board at this meeting; and be it

FURTHER RESOLVED, that such agreement shall be for a five-year period for an amount not to exceed \$3,246,217.63 in the aggregate (including the cost for electrical services), of which the rent for the first one and one-half years (in the amount of \$788,850.00) shall be allocated from the Corporation's HUD grant for planning and administration and the remainder of the rent due under the agreement shall be allocated from other available funds of the Corporation (including, without limitation, anticipated Federal Transit Administration funds and anticipated state and local agency funds); 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.

* * *

Mr. Gallo then provided a presentation regarding a request for authorization for the LMDC to make environmental findings and give project approval for Hudson River Park Segment 3.

Following this presentation, Director Rudin inquired as to the timeline for completing the work assuming there is a negative declaration. Mr. Gallo stated that construction would begin this spring and would continue through 2009 with some finishing work to extend into 2010. Mr. Gallo added that the most intense construction would occur in 2007.

Director Rudin then asked what the total budget was for the work and Mr. Gallo informed him that the total budget was \$82 million and that of that amount, LMDC has committed \$70 million.

The Chairman then asked about the exact location of construction in Hudson River Park. Mr. Gallo stated that Segment 3 extends from approximately West Houston Street down to Chambers Street, with the most intense construction being the reconstruction of Piers 25 and 26.

Director Rudin then inquired as to the acreage involved and Mr. Gallo stated that it involved approximately 13½ acres.

Director Balachandran then stated, among other things, that it is his understanding that this action is needed to allow the process to go through the first steps and start ordering the piles in time to maintain the overall schedule.

Director Weisbrod then asked for a clarification on exactly what the Board was authorizing. Mr. Gallo stated that the Board would be authorizing the President to make a determination on the assessment. The assessment, he noted, would still be subject to public review and comment. Based on those public comments, the President would be authorized to take the next steps which would

be to request the release of funding from HUD that would essentially allow the construction to begin.

The Chairman then stated that reports on this project could be made to the Board from time to time. Director Weisbrod asked that such reports be provided.

Director Doctoroff then stated that he believed this action to be an important step and that the LMDC is playing an absolutely essential role in creating what many believe will be the single greatest harbor district in the world. The Chairman noted his concurrence with Director Doctoroff's sentiments.

Director Doctoroff added that this is an indication of the progress being made towards the vision of a true 24/7 community for Lower Manhattan that is attractive to corporate employers.

There being no further questions for comments, the Chairman read the relevant resolution into record and upon motion duly made and seconded, the following resolution was unanimously adopted (It was noted for the record that Director Wils recused herself from voting on the following resolution.):

Authorization to Make Environmental Findings and Give Project Approval for Hudson River Park Segment 3

RESOLVED, that the President of the Corporation is hereby authorized to (1) take all such action as deemed necessary or appropriate in connection with carrying out all appropriate environmental reviews of the Hudson River Park Segment 3 Project pursuant to the National Environmental Policy Act (NEPA), the New York State Environmental Quality Review Act (SEQRA) and any other applicable law (including, without limitation, making available copies of an environmental assessment and proposed environmental determinations or findings and/or digests thereof, publication of notices relating to the proposed environmental determinations or findings and making final environmental determinations or findings based on public comments), and (2) approve such Project on the basis of such environmental determinations or findings and all such other considerations as the President shall determine to be relevant.

* * *

There being no further business, the meeting was adjourned at 9:29 a.m.

Respectfully submitted,

Eileen McEvoy
Assistant Secretary