

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

July 18, 2007

MINUTES

In Attendance

Directors:

Avi Schick, Chairman
Laurence T. Babbio, Jr.
Robert Balachandran
Michael Balboni
Amanda M. Burden
Daniel Doctoroff
Robert Douglass (via telephone)
Robert Harding
Thomas Johnson
Edward Malloy
Julie Menin
Kevin M. Rampe
William C. Rubin (via telephone)
Martha E. Stark (via telephone)
Carl B. Weisbrod
James Whelan

Staff Attending:

For Lower Manhattan Development Corporation:

David Emil, President
Irene Chang, General Counsel and Secretary
of the Corporation
Daniel Ciniello, Senior Vice President -
Operation
Stephen Konopko, Vice President - Internal
Audit
Eileen McEvoy, Assistant Secretary
Robert Miller, Chief Financial Officer
Avalon Simon - Paralegal
Andrew C. Wu, Deputy General Counsel

Other Staff

For Assembly Speaker Sheldon Silver:

Judy Rapfogel

Counsel to the Board:

Elizabeth Condren, Esq., Fulbright & Jaworski

For the Lower Manhattan Construction Command Center:

Charles Maikish, Executive Director
Daniel McCormack, First Deputy Director
Robert Harvey, Deputy Executive Director for
Capital Planning & Construction

For Empire State Development Corporation:

Shafali Puri, Senior Advisor to President
and Chief Operating Officer

Also Present:

The Public
The Media and Press

The meeting of the Lower Manhattan Development Corporation ("LMDC") was called to order at 8:03 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 May 18, 2007 Directors' Meeting.

There being no corrections, additions or deletions, upon motion duly made and seconded, the following resolution was unanimously adopted:

APPROVAL OF MINUTES AND RATIFICATIONS OF ACTIONS TAKEN AT THE MAY 18, 2007 MEETING OF THE DIRECTORS OF THE LOWER MANHATTAN DEVELOPMENT CORPORATION

RESOLVED, that the minutes of the meeting of the Corporation held on May 18, 2007, 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 Schick opened his report by noting that in conformance with the New York State law that went into effect on July 1st, the Directors' meeting was being webcast.

Chairman Schick then provided introductory remarks with regard to two new LMDC Directors - Michael Balboni and Julie Menin.

Chairman Schick then expressed gratitude on behalf of LMDC to Mr. Maikish for his services as Executive Director of the

Lower Manhattan Construction and Command Center over the past two years. Chairman Schick noted that as had been mentioned at earlier Directors' meetings, Mr. Maikish was moving on to pursue other endeavors.

Chairman Schick then reported briefly on the status of the Community Enhancement Fund process as well as on the clean-up efforts at 130 Liberty Street.

Chairman Schick finished his report by providing information on the recently created Small Firm Initiative. He explained that it is a collaborative effort between the City and State which will allow street-level businesses affected by the ongoing construction to apply for grants of up to \$25,000 to assist them during this time where street closures are causing a loss of business.

The Chairman then asked Director Babbio to provide the Audit and Finance Report. Director Babbio reported that the Committee met to review the items being presented for consideration today and that the Committee is satisfied that all of the items should move forward.

Director Babbio outlined various other reports that the

Committee reviewed including the proposed LMDC Budget for fiscal year 2007-2008. Director Babbio noted, in part, that because of staff reductions and other efficiencies, the 2008 Budget is significantly lower than the 2007 Budget.

Chairman Schick then called for approval of the 2007-2008 budget based upon the materials that were previously provided to the Directors.

Chairman Schick read the relevant resolution into the record and upon motion duly made and seconded, the following resolution was unanimously adopted:

Approval of 2007-08 Fiscal Year Budget

RESOLVED, that the Budget of the Corporation for fiscal year 2007-08 is hereby adopted as presented to this meeting; and be it

FURTHER RESOLVED, that the President and Chief Financial Officer are authorized and directed to implement and carry out the Budget and are directed to inform the Board of material variances from the Budget.

* * *

Next, Chairman Schick asked the Directors to authorize LMDC to amend its contract with Bovis Lend Lease LMB for additional safety measures during the cleaning and deconstruction of 130 Liberty Street.

Mr. Schick noted, among other things, that the expenditures approved today will be allocated from funds included in Partial Action Plan 7, as amended, and from the recovery or reimbursement from Bovis or prior insurers or a third party.

Following his full presentation, Chairman Schick 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 Director Harding recused himself from voting on the following resolution.):

Authorization to Amend Contract with Bovis Lend Lease LMB, Inc. for 130 Liberty Street Deconstruction

RESOLVED, that the Corporation is hereby authorized to amend its agreement with Bovis Lend Lease LMB, Inc. for the cleaning and deconstruction of 130 Liberty Street, to increase the authorized expenditures thereunder by an additional \$3,300,000 to an amount not to exceed \$85,689,869 in the aggregate, and to extend the term of such agreement through June 2008, as described in the materials presented to this meeting; and be it

FURTHER RESOLVED, that the expenditures approved hereby shall be allocated from funds included in Partial Action Plan 7, as amended, and from the recovery or reimbursement of such costs under the 130 Liberty Street Memorandum of Understanding with Deutsche Bank and its insurers of 130 Liberty Street, Allianz and AXA, and the Deconstruction Funding and Settlement Agreement with Allianz and AXA; 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.

* * *

Chairman Schick then asked the Directors to authorize LMDC to amend its scaffolding contract with Regional Scaffolding and Hoisting Co., Inc. and Safeway Environmental Corp. for protective measures for the firehouse adjacent to the construction site.

Following his full presentation, Chairman Schick read the relevant resolution into the record and upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization to Amend Contract with Regional Scaffolding and Hoisting Co., Inc. and Safeway Environmental Corp.

RESOLVED, that the Corporation is hereby authorized to amend its agreement with Regional Scaffolding and Hoisting Co., Inc. and Safeway Environmental Corp., to increase the authorized expenditures thereunder by an additional \$438,800 to an amount not to exceed \$15,161,380 in the aggregate, as described in the materials presented to this meeting; and be it

FURTHER RESOLVED, that the expenditures approved hereby shall be allocated from funds included in Partial Action Plan 7, as amended, and from any recovery or reimbursement of such costs from others; 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. Emil asked the Directors to authorize LMDC to amend its contract with LiRo Program and Construction Management P.C. for services in connection with the World Trade Center site and the value planning associated with same.

Mr. Emil also asked the Directors to authorize LMDC to take further action with regard to the Final Action Plan in connection with this request.

Following this presentation, the Chairman read the relevant resolution into the record and upon motion duly made and seconded, the following resolutions were unanimously adopted:

Authorization to Amend Contract with LiRo Program & Construction Management P.C.

RESOLVED, that the Corporation is hereby authorized to amend its agreement with LiRo Program & Construction Management P.C. for program and construction management services, to increase the authorized expenditures thereunder by an additional \$1,000,000 to an amount not to exceed \$4,250,000 in the aggregate, as described in the materials presented to this meeting; and be it

FURTHER RESOLVED, that the expenditures approved hereby shall be subject to approval by federal Department of Housing and Urban Development (HUD) of the amended Final Action Plan submitted for such purpose and shall be allocated from funds included therein; 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.

* * *

Authorization to Amend Final Action Plan

RESOLVED, that the Corporation is hereby authorized to amend the Final Action Plan (the "Amended Final Action Plan"), to reallocate \$1,000,000 from the World Trade Center Memorial/Museum Reserve Fund for program and construction management services, as described in the materials presented to this meeting; and be it

FURTHER 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) the Amended Final Action Plan, as may be required; and be it

FURTHER RESOLVED, that each of the President of the Corporation, his designee or the Chairman of the Board of Directors of the Corporation is hereby authorized to make such changes to the Amended Final Action Plan as may be necessary or appropriate to comport with applicable HUD requirements and to reflect any public comments solicited and received on such Amended Final Action Plan, provided any changes so made shall be consistent with the criteria set forth in such Amended Final Action Plan; 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. Chang then asked the Directors to take various actions including adopting an EDPL Determination and Findings in connection with LMDC's WTC Street Transactions.

Ms. Chang explained that these actions are needed to conform ownership of the property at the World Trade Center site to the configuration of development sites and streets as outlined in the WTC Memorial Redevelopment Plan.

Ms. Chang utilized Powerpoint to provide a detailed presentation with regard to the specifics of this request. Following same, Chairman Schick noted that the entire resolution had been provided to the Directors, along with the relevant materials prior to the meeting and because of that, he would not read the entire resolution but only refer to the heading.

Before reading the relevant resolution heading into the record, the Chairman expressed appreciation to Ms. Chang and her staff for their tremendous efforts in moving this process forward. The Chairman then read the relevant resolution heading and upon motion duly made and seconded, the following resolution was unanimously adopted:

Adoption of the Determination and Findings Pursuant to the New York State Eminent Domain Procedure Law and Sections 10 and 13 of the New York State Urban Development Corporation Act for Certain Real Property Acquisitions from the City of New York; Authorization to Acquire That Real Property by Eminent Domain; Authorization to Transfer That Real Property to The Port Authority of New York and New Jersey; and Authorization to Take Related Actions

Affirmation of Land Use Improvement Project Findings Pursuant to Sections 10(c)(1), (2) and (3) of the New York State Urban Development Corporation Act

RESOLVED, that, on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the World Trade Center Memorial and Cultural Program Land Use and Civic Improvement Project (Project), the Corporation hereby affirms, pursuant to Sections 10(c)(1), (2) and (3) of the New York State Urban Development Corporation Act, that:

(i) the area in which the Project is to be located is a substandard or insanitary area, or is in danger of becoming a substandard or insanitary area, and tends to impair or arrest the sound growth and development of the municipality; and

(ii) the Project consists of a plan or undertaking for the clearance, replanning, reconstruction and rehabilitation of such area and for recreation and other facilities incidental or appurtenant; and

(iii) the Project affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole.

Affirmation of Civic Project Findings Pursuant to Sections 10(d)(1), (2), (3) and (4) of the New York State Urban Development Corporation Act

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Project, the Corporation hereby affirms, pursuant to Sections 10(d)(1), (2), (3) and (4) of the New York State Urban Development Corporation Act, that:

(i) there exists in the area in which the Project is to be located a need for the cultural, recreational, community, municipal or other civic facilities to be included in the Project; and

(ii) the Project, as described in the General Project Plan, will consist of a building or buildings or other facilities which are suitable for cultural, recreational, community, municipal or other civic purposes; and

(iii) the Project will be leased to or owned by the State or an agency or instrumentality thereof, a municipality or an agency or instrumentality thereof, a public corporation, or any other entity that is carrying out a community, municipal or other civic purpose, and that adequate provision has been, or will be, made for the payment of the cost of acquisition, construction, operation, maintenance and upkeep of the Project; and

(iv) the plans and specifications assure or will assure adequate light, air, sanitation and fire protection.

Affirmation of Project Findings Pursuant to Section 10(g) of the New York State Urban Development Corporation Act

RESOLVED, that, on the basis of the materials presented to this meeting, which indicate that no families or individuals reside in or are to be displaced from the Project area, the Corporation hereby affirms that the requirements of Section 10(g) of the New York State Urban Development Corporation Act are satisfied.

Adoption of the Determination and Findings Pursuant to the New York State Eminent Domain Procedure Law and Section 13 of the New York State Urban Development Corporation for the Acquisition of Property Interests in the World Trade Center from the City of New York; Authorization to Acquire Such Real Property Interests by Eminent Domain; and Authorization to Take Related Actions

RESOLVED, that, on the basis of the materials presented to this meeting, copies of which are hereby ordered filed with the records of the Corporation, the Corporation hereby makes and adopts, after full consideration of the matters set forth or referred to therein, the Determination and Findings for the World Trade Center Memorial and Cultural Program Land Use and Civic Improvement Project (Determination and Findings) made pursuant to the New York State Eminent Domain Procedure Law in the form submitted to this meeting and finds that the Determination and Findings meets the requirements of Sections 201-204 of the New York State Eminent Domain Procedure Law and Section 6 of the New York State Urban Development Corporation Act, a copy of which Determination and Findings is hereby ordered filed with the records of the Corporation; and be it

FURTHER RESOLVED, that the President of the Corporation or

his designee is hereby authorized to take such action as deemed necessary or appropriate in connection with the Determination and Findings pursuant to the New York State Eminent Domain Procedure Law and the New York State Urban Development Corporation Act and any other applicable law, including, without limitation, the providing, filing or making available of copies of the Determination and Findings and/or a synopsis thereof and the publication of the notices relating to the Determination and Findings; and be it

FURTHER RESOLVED, that it is necessary and convenient for the Corporation to acquire, for its immediate or future use in furtherance of its corporate purposes, in connection with the Project, all or part of the real property (as such term is defined by Section 3(8) of the New York State Urban Development Corporation Act), that is described in the attached Determination and Findings, all as more fully set forth in the Determination and Findings; and be it

FURTHER RESOLVED, that at such time or times and upon such terms that the President of the Corporation or his designee deems appropriate, the officers of the Corporation be and each of them hereby is, authorized to cause the Corporation to acquire all or any part of the real property interests described in the Determination and Findings, and to convey all or any part of the same to The Port Authority of New York and New Jersey in accordance with the Corporation's Guidelines for Acquisition and Disposition of Property; and be it

FURTHER RESOLVED, that the President of the Corporation or his designee be, and each of them hereby is, designated as the officer to execute the certificate of corporate purposes specified in Section 13 of the New York State Urban Development Corporation Act, and to make all agreements, execute all other instruments or take any other action as the President or his designee may deem necessary or appropriate in order that the Corporation may acquire and dispose of the real property pursuant to these resolutions; and be it

FURTHER RESOLVED, that it is the policy of the Corporation, as expressed in Section 301 of the New York State Eminent Domain Procedure Law, to make every reasonable and expeditious effort to justly compensate persons for the acquisition of their real property by negotiation and agreement; and be it

FURTHER RESOLVED, that at such time as the President of the Corporation or his designee deems appropriate, the Corporation

shall condemn the real property interests of the City of New York, as described in the Determination and Findings, with no consideration being paid by the Corporation to the City of New York respecting any such interests, and, after being so acquired, be conveyed, without consideration, at such time and in such manner as the President of the Corporation or his designee deems appropriate, to The Port Authority of New York and New Jersey; and be it

FURTHER RESOLVED, that in connection with the Project and prior to any acquisition of land therefore, the Corporation shall publish all required notices, and comply with any and all other provisions of the New York State Eminent Domain Procedure Law, the New York State Urban Development Corporation Act, the Public Authorities Accountability Act of 2005 (as and to the extent applicable), or any other applicable provision of law; and be it

FURTHER RESOLVED, that the President of the Corporation or his designee is authorized to take such action, commence such litigation, or execute on behalf of the Corporation such documents as he may consider necessary or appropriate in connection with the resolutions adopted today and in furtherance of the Project.

* * *

Ms. Chang then asked the Directors to authorize LMDC to enter into or amend certain agreements with law firms on the Empire State Development Corporation's pre-qualified counsel list for legal services.

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

Authorization to Enter into or Amend Agreements for Legal Services

RESOLVED, that the Corporation is hereby authorized to enter into or amend agreements with such firm or firms as appear on the Empire State Development Corporation's Pre-Qualified Counsel List, a copy of which is included in the materials presented to this meeting, for legal services through July 31, 2008 in the areas of real estate and land use law, environmental law, condemnation law, construction law, labor law, and any related litigation; and be it

FURTHER RESOLVED, that the expenditures approved hereby shall not exceed in the aggregate \$700,000 plus any unexpended funds from the \$2,000,000 amount previously authorized for such types of expenditures on July 14, 2005, which expenditures shall be allocated from funds included in the Legal Department's planning and administration budget for the fiscal year ending March 31, 2008 and/or the appropriate project-related Partial Action Plans; and be it

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

* * *

Next, Ms. Chang presented a request for LMDC to amend its contract with LeBouef Lamb Green & MacRae for environmental land use and real estate and legal services.

Among other things, Ms. Chang explained that the term of the contract will be extended for a one year period through August 31, 2008 and the amount of expenditures will be increased by \$1.465 million.

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 Amend Contract with LeBoeuf, Lamb, Greene & MacRae LLP

RESOLVED, that the Corporation is hereby authorized to amend its agreement with LeBoeuf, Lamb, Greene & MacRae LLP for legal services in the areas of environmental, land use and real estate matters, to increase the authorized expenditures thereunder by an additional \$1,465,000 to an amount not to exceed \$6,400,000 in the aggregate, and to extend the term of such agreement for an additional one-year period through August 31, 2008, as described in the materials presented to this meeting; and be it

FURTHER RESOLVED, that the expenditures approved hereby shall be allocated from funds included in the appropriate Partial Action Plans; 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.

* * *

Lastly, Ms. Chang asked the Directors to authorize LMDC to amend its contract with Weil, Gotshal & Manges LLP for WTC project related legal services.

Ms. Chang noted, in part, that the term of the contract will be extended through June 30, 2008 and the amount of authorized expenditures will be increased by \$500,000.

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

Authorization to Amend Contract with Weil, Gotshal & Manges LLP

RESOLVED, that the Corporation is hereby authorized to amend its agreement with Weil, Gotshal & Manges LLP for legal services in connection with the World Trade Center Memorial and Redevelopment Plan, to increase the authorized expenditures thereunder by an additional \$500,000 to an amount not to exceed \$1,500,000 in the aggregate, and to extend the term of such agreement through June 30, 2008, as described in the materials presented to this meeting; and be it

FURTHER RESOLVED, that the expenditures approved hereby shall be allocated from funds included in Partial Action Plan 7; 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. Emil then presented a request with regard to providing authorization for LMDC to enter into a contract with Amy Stursberg for consulting services related to the administration of LMDC's Community Enhancement Fund Program.

Following this presentation, Chairman Schick read the

relevant resolution into the record and upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization to Enter into Contract with Amy Stursberg

RESOLVED, that the Corporation is hereby authorized to enter into an agreement with Amy Stursberg for consulting services related to administration of the Corporation's Community Enhancement Fund Program, as described in the materials presented to this meeting; and be it

FURTHER RESOLVED, that such agreement shall be for a term through December 31, 2007 in an amount not to exceed \$100,000, which expenditures shall be allocated from funds included in the Lower Manhattan Community Enhancement Funds in the Final Action Plan; 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.

* * *

Following the approval of the aforementioned resolution, Director Harding inquired as to when the Committee was expected to report back. Chairman Schick stated that the goal is for the staff recommendations to be brought before the Board in September. He further noted that the Committee will meet throughout August in an effort to achieve this goal.

Next, Mr. Emil presented a request for authorization for LMDC to enter into a contract for printing services with GM Printing, Inc. and Graphic Technology, Inc.

Following this presentation, Chairman Schick read the relevant resolution into the record and upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization to Enter into Contracts for Printing Services

RESOLVED, that the Corporation is hereby authorized to enter into agreements with GM Printing, Inc. and Graphic Technology, Inc. for printing services, as described in the materials presented to this meeting; and be it

FURTHER RESOLVED, that such agreements shall be for a term of two years in an aggregate amount not to exceed \$100,000, which expenditures shall be allocated from funds included in the Corporation's planning and administration budgets and/or the appropriate Partial Action Plans; 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. Emil then asked the Directors to authorize LMDC to expend funds in an amount not to exceed \$60,000 for photocopying services through March 31, 2009.

Following the full presentation, the Chairman read the relative resolution into the record and upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization to Expend Funds for Photocopying Services

RESOLVED, that the Corporation is hereby authorized to appropriate and expend out of the Corporation's funds an amount not to exceed \$60,000 for photocopying services through March 31, 2009, as described in the materials presented to this meeting, which expenditures shall be allocated from funds included in the Corporation's planning and administration budgets and/or the appropriate Partial Action Plans; 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.

* * *

There being no further business, the meeting was adjourned
at 8:50 a.m.

Respectfully submitted,

Eileen McEvoy
Assistant Secretary