

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

November 22, 2010

MINUTES

In Attendance

Directors:

Avi Schick, Chairman
Lawrence Babbio (via telephone)
Amanda Burden
Peter Davidson
Robert Douglass (via telephone)
Timothy Gilchrist
Robert Harding (via telephone)
Caswell Holloway
Thomas Johnson (via telephone)
Kate Levin
Julie Menin
Kevin Rampe
William Rudin
Robert Steel (via telephone)
Carl Weisbrod

Staff Attending:

For Lower Manhattan Development Corporation:

David Emil, President
Irene Chang-Cimino, General Counsel and
Corporate Secretary
Daniel Ciniello, Senior Vice President
Stephen Konopko, Vice President - Internal
Audit
Robert Miller, Chief Financial Officer
Andrew Wu, Deputy General Counsel
Other Staff

For the Lower Manhattan Construction Command Center:

Robert Harvey, Acting Executive Director

Counsel to the Board:

Richard J. Davis, Esq., Weil, Gotshal & Manges

For Speaker Silver:

Judy Rapfogel

Also Present:

Senator Daniel Squadron

Michael Laskawy, Senator Charles Schumer's Office

The Public

The Media and Press

The meeting of the Lower Manhattan Development Corporation ("LMDC") was called to order at 8:30 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.

First, Chairman Schick noted that, as has become the practice, since the Directors had received the resolutions for consideration in advance of today's meeting, he would not read the entire resolution into the record.

Chairman Schick then called for the approval of the Minutes of the October 6, 2010 Directors' Meeting.

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

APPROVAL OF MINUTES

RESOLVED, that the minutes of the meeting of the Corporation held on October 6, 2010, 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 ratified and approved as actions of the Corporation.

* * *

Chairman Schick then asked the Directors to approve a technical correction to the Minutes of the September 7, 2010 LMDC Directors' meeting. The Minutes, he noted, are being revised to correct an inaccurate reference to the date of a three month extension of an exterior scaffolding contract. The Chairman called for questions or comments. Hearing none, and upon motion made and seconded, the following resolution was unanimously adopted:

Amendment of Minutes of September 7, 2010 Meeting

RESOLVED, that the minutes of the meeting of the Corporation held on September 7, 2010, previously approved by the Board on October 6, 2010, are hereby amended to reflect that the three-month time extension approved by the Board for the Corporation's agreement with Regional Scaffolding and Hoisting Co., Inc. and Safeway Environmental Corp., a New York joint venture is for the period through March 31, 2011, and such amended minutes of the September 7, 2010 meeting and the related resolution reflecting the corrected date shall be filed with the records of the Corporation.

* * *

DRAFT - SUBJECT TO REVIEW AND REVISION

Chairman Schick then provided a report on the most recent activities of the Corporation.

The Chairman noted, in part, that deconstruction is continuing on pace at 130 Liberty Street and according to the schedule, the building will be down to the ground floor by the end of 2010.

The Chairman then provided a brief update on the legal matters relating to 130 Liberty.

The Chairman then noted that the response to LMDC's request for proposals on community and cultural projects has been very successful and the Corporation looks forward to quickly assembling a review committee to take a first cut at the applications.

Director Babbio asked how long the application review process would take and Chairman Schick stated that it would take a couple of months to review the 265 applications and establish priorities. It is anticipated, the Chairman continued, that some time in the latter part of the first quarter of 2011, LMDC can have decisions ready to go.

DRAFT - SUBJECT TO REVIEW AND REVISION

The Chairman then asked Director Babbio to provide the Audit and Finance Report.

Director Babbio noted that the Committee met twice to review the purpose, cost justification and the availability of funds for the ten funding authorizations and the Partial Action Plan Amendment resolutions that are being presented for consideration today. He outlined the method of consideration utilized and noted that the Committee recommends that the items be considered for approval by the Board.

The Chairman then provided a detailed synopsis of the relevant background information with regard to a request to the Directors to authorize LMDC to amend Partial Action Plan S-2 for the WTC Performing Arts Center. The Chairman noted, among other things, that he considered this to be a great lasting program for LMDC and the downtown community. He then called for questions or comments regarding same. Director Menin thanked the Board for their support of the project noting her belief that this is one of the most important of all of LMDC's projects.

The project, she continued, should be viewed as an economic revitalizaion program as it will create immediate construction

DRAFT - SUBJECT TO REVIEW AND REVISION

jobs as well as long term jobs.

Ms. Rapfogel echoed Director Menin's sentiments on behalf of herself and Speaker Silver.

The Chairman then noted his appreciation to all of those who worked so hard to bring this project to fruition.

There being no further questions or comments, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization to Amend Partial Action Plan S-2 to Provide Funding for the World Trade Center Performing Arts Center

RESOLVED, that the Corporation is hereby authorized to amend Partial Action Plan S-2 (the "Amended Partial Action Plan") to allocate \$100 million of funds within the Utility Restoration, Infrastructure Rebuilding, and Other World Trade Center Area Improvements Program for the World Trade Center Performing Arts Center ("PAC"), \$99 million of which will be allocated on a contingent basis (and subject to separate Board approval) to fund actual future construction costs of the PAC, and 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 Partial Action Plan, as may be required; and be it

FURTHER RESOLVED, that the President of the Corporation or his designee is hereby authorized to make such changes to the Amended Partial Action Plan as may be necessary or appropriate

DRAFT - SUBJECT TO REVIEW AND REVISION

to comport with applicable HUD requirements and to reflect any public comments solicited and received thereon, provided any changes so made shall be consistent with the criteria set forth in such Amended Partial 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.

* * *

Mr. Emil then asked the Directors to authorize LMDC to amend Partial Action Plan S-2 to provide funds for the West Thames Street Bridge and the East River Waterfront Esplanade and Piers.

Mr. Emil provided a detailed outline of the specifics of this request.

Following Mr. Emil's full presentation, the Chairman called for questions and comments. Director Weisbrod remarked that this is an extraordinarily transformative project and that it is truly remarkable to see it completed in a reasonable time frame.

Director Burden then stated that if not for Director Weisbrod's vision in the very beginning, LMDC would not have focused on how important this amenity is to strengthening Lower Manhattan including the financial district.

DRAFT - SUBJECT TO REVIEW AND REVISION

There being no further questions or comments, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization to Amend Partial Action Plan S-2 to Provide Funding for West Thames Street Bridge and East River Waterfront Esplanade and Piers

RESOLVED, that the Corporation is hereby authorized to amend Partial Action Plan S-2 (the "Amended Partial Action Plan") to allocate \$37 million of funds within the Utility Restoration, Infrastructure Rebuilding, and Other World Trade Center Area Improvements Program for the West Thames Street Bridge and the East River Waterfront Esplanade and Piers, 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 HUD the Amended Partial Action Plan, as may be required; and be it

FURTHER RESOLVED, that the President of the Corporation or his designee is hereby authorized to make such changes to the Amended Partial Action Plan as may be necessary or appropriate to comport with applicable HUD requirements and to reflect any public comments solicited and received thereon, provided any changes so made shall be consistent with the criteria set forth in such Amended Partial 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.

* * *

Chairman Schick then noted that the two previous projects were from Partial Action Plan S-2 which was previously known as

DRAFT - SUBJECT TO REVIEW AND REVISION

the utilities funds. In that regard, Chairman Schick noted that these funds were available through the efforts of the ESD staff and the LMDC staff who did a remarkable job in their role as stewards and fiduciaries of these funds. He expressed his appreciation to Peter Davidson and to staff for their successful efforts in making these funds available.

Chairman Schick then asked the Directors to authorize LMDC to amend Partial Action Plan 12 to provide funding for a Start up Business Program. The Chairman noted, among other things, that the goal of this program is to identify a dozen or more businesses that would start, locate here and grow and leverage their private investment of both human capital and financial capital. Following the full presentation, the Chairman called for questions and comments. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization to Amend Partial Action Plan 12 to Provide
Funding for Start-up Business Program

RESOLVED, that the Corporation is hereby authorized to amend Partial Action Plan 12 (the "Amended Partial Action Plan") to reduce the funding allocated to the Fulton Corridor Revitalization Program by \$4 million and to create and provide funding up to \$4 million for a new Start-up Business Program, as described in the materials presented to this meeting; and be it

DRAFT - SUBJECT TO REVIEW AND REVISION

FURTHER RESOLVED, that the proper officers of the Corporation are hereby authorized to submit for public comment and review by HUD the Amended Partial Action Plan, as may be required; and be it

FURTHER RESOLVED, that the President of the Corporation or his designee is hereby authorized to make such changes to the Amended Partial Action Plan as may be necessary or appropriate to comport with applicable HUD requirements and to reflect any public comments solicited and received thereon, provided any changes so made shall be consistent with the criteria set forth in such Amended Partial 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.

* * *

The Chairman then provided the relevant details regarding a request for authorization to amend the Final Action Plan to modify the Affordable Housing Program. Chairman Schick explained that the goal, once this amendment is approved, is to identify a process where community groups can put in some proposals to the City to try to access this money and attempt to create some more very successful housing programs.

Following this presentation, the Chairman called for questions or comments regarding same. Director Menin stressed the importance of this program especially given the fact that it has been shown to be a program that actually works. There being

DRAFT - SUBJECT TO REVIEW AND REVISION

no further questions or comments, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization to Amend Final Action Plan to Modify
Affordable Housing Program

RESOLVED, that the Corporation is hereby authorized to amend the Final Action Plan (the "Amended Final Action Plan") to modify the Affordable Housing Program to increase the existing cap on per unit expenditures from \$100,000 to \$125,000, 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 HUD the Amended Final Action Plan, as may be required; and be it

FURTHER RESOLVED, that the President of the Corporation or his designee 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 thereon, 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.

* * *

Chairman Schick then asked the Directors to authorize LMDC to amend Partial Action Plan 4 and the Final Action Plan and further to authorize the Corporation to enter into subrecipient agreements with the City of New York for the planning and administration of LMDC funded projects.

DRAFT - SUBJECT TO REVIEW AND REVISION

The Chairman noted, in part, that this will allow the City to access some of those funds for certain staff costs. The Chairman went on to outline the historical background relating to this action.

Following this detailed presentation, the Chairman called for questions or comments regarding same. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization to Amend Partial Action Plan 4 and the Final Action Plan; Authorization to Enter into Subrecipient Agreement with The City of New York for Planning Administration of LMDC-funded Projects

RESOLVED, that the Corporation is hereby authorized to amend Partial Action Plan 4 and the Final Action Plan (the "Amended Action Plans") to reduce the funding allocated to the Transportation Improvements Program in the Final Action Plan by \$355,000 and to reallocate such \$355,000 to Long Term Planning in Partial Action Plan 4, 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 HUD the Amended Action Plans, as may be required; and be it

FURTHER RESOLVED, that the President of the Corporation or his designee is hereby authorized to make such changes to the Amended Action Plans as may be necessary or appropriate to comport with applicable HUD requirements and to reflect any public comments solicited and received thereon, provided any changes so made shall be consistent with the criteria set forth in such Amended Action Plans; and be it

FURTHER RESOLVED, that the Corporation is hereby authorized

DRAFT - SUBJECT TO REVIEW AND REVISION

to enter into a subrecipient agreement with The City of New York (the "City") in an amount not to exceed \$710,000 to provide funds for costs incurred in connection with planning and administration by the City of projects funded by the Corporation, as described in the materials presented to this meeting; and be it

FURTHER RESOLVED, that the previous authorization to enter into a subrecipient agreement with the City in an amount not to exceed \$355,000 to provide funds for costs incurred in connection with planning and administration by the City of projects funded by the Corporation is superseded hereby, and no funds shall be allocated pursuant to such previous 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 Chairman then called upon Senator Daniel Squadron to address the meeting. The Chairman noted that the Senator represents Lower Manhattan and has become a great advocate for the area. The Senator spoke in a positive manner with regard to the recently passed resolutions. He also expressed his appreciation to LMDC's Chairman, President and staff for their steadfast and successful efforts over the years.

Senator Squadron then specifically addressed the East River Esplanade action item. In that vein, he noted that the vision for that project will not be fully realized without the inclusion of Pier 42. This, he explained, will allow for a

DRAFT - SUBJECT TO REVIEW AND REVISION

continuous ribbon of green around Manhattan that will be as transformative on the East Side as Hudson River Park was on the West Side.

The Senator then called upon Senator Charles Schumer's senior staffer, Mr. Michael Laskawy, to address the meeting. Mr. Laskawy reiterated Senator Squadron's sentiments and stressed that the project is of the utmost importance to Senator Schumer.

Chairman Schick, President Emil and Director Menin expressed their belief that going forward, LMDC should work with the staff of the various entities and attempt to find ways to bring the ribbon park concept to fruition.

Director Weisbrod cautioned as to the actual availability of funding. Director Weisbrod explained that it has already been necessary to pass over a number of good projects due to the lack of additional funding sources.

In the discussion that followed, Chairman Schick stated that there are other pockets of money that may be looked into including the fund that will flow from Bovis should LMDC prevail in its current lawsuit against that company. Among other points

DRAFT - SUBJECT TO REVIEW AND REVISION

raised during this discussion, Director Menin stressed the importance of looking at the Pier 42 project as economic revitalization.

Senator Squadron again stressed the importance of this project and Chairman Schick agreed that discussion would get underway to work toward adding this to LMDC's legacy.

Chairman Schick then asked the Directors to authorize LMDC to amend the 130 Liberty Integrity Monitoring Service Agreement with Thacher Associates, LLC. Following his full presentation, the Chairman called for questions or comments regarding same. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted

Authorization to Amend Agreement with Thacher Associates,
LLC

RESOLVED, that the Corporation is hereby authorized to amend its agreement with Thacher Associates, LLC for integrity monitoring and related services at 130 Liberty Street, to increase the authorized expenditures thereunder by \$150,000, to an amount not to exceed \$6,940,000 in the aggregate, and to extend the term of such agreement for an additional three-month period through March 31, 2011, 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 Partial Action Plan S-2, and that the Corporation shall seek recovery of these funds through indemnity or insurance claims to the extent possible; 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 Chairman then provided the relevant details regarding a request for authorization for LMDC to amend its agreement with Inventus. Following this presentation, the Chairman called for questions or comments regarding same. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization to Amend Agreement with Inventus

RESOLVED, that the Corporation is hereby authorized to amend its agreement with Inventus for document copying, imaging, and related services to increase the authorized expenditures thereunder by up to \$100,000, to an amount not to exceed \$1,100,000 in the aggregate, and to extend the term of such agreement for an additional one-year period through December 31, 2011, as described in the materials presented to this meeting; and be it

FURTHER RESOLVED, that the expenditures approved hereby shall be allocated from recovery of funds through pending indemnity and insurance claims, through Partial Action Plan 7, or through Partial Action Plan S-2, as may be appropriate, and any remainder through the Legal Affairs Department budget for fiscal year 2010-2011 and fiscal year 2011-2012, and that the Corporation shall seek recovery of these funds through indemnity or insurance claims to the extent possible; 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 extend authorization and funding of pre-qualified counsel agreements for legal services.

The Chairman then provided the specifics of this request.

Following this detailed presentation, the Chairman called for questions or comments regarding same. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Extension of Authorization and Funding of Pre-Qualified
Counsel Agreements for Legal Services

RESOLVED, that the existing authorization to enter into agreements and amendments with one or more law firms on the Empire State Development Corporation Pre-Qualified Counsel List is hereby extended for an additional nine-month period through December 31, 2011, 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 take any such action and to execute such instruments as may be necessary or appropriate to effect the foregoing.

* * *

The Chairman then briefly provided details regarding a request for authorization for LMDC to amend its agreements for

DRAFT - SUBJECT TO REVIEW AND REVISION

Website Services related to www.RenewNYC.com and www.LowerManhattan.info. Following this presentation, the Chairman called for questions or comments regarding same. Hearing none, and upon motion duly made and seconded, the following resolutions were unanimously adopted:

Authorization to Amend Agreement for Website Services related to www.RenewNYC.com

RESOLVED, that the Corporation is hereby authorized to amend its agreement with Something Digital for website hosting, maintenance and support services related to the Corporation's website, www.RenewNYC.com, to increase the authorized expenditures thereunder by up to \$36,000, to an amount not to exceed \$159,000 in the aggregate, and to extend the term of such agreement for an additional one-year period through December 31, 2011, as described in the materials presented to this meeting; and be it

FURTHER RESOLVED, that the expenditures approved hereby shall be allocated from funds in the Communications Department budget for fiscal years 2010-2011 and 2011-2012; 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.

Authorization to Amend Agreement for Website Services related to www.LowerManhattan.info

RESOLVED, the Corporation is hereby authorized to amend its agreement with PB Americas, Inc. for website hosting, maintenance and support services related to the LMCCC's website, www.LowerManhattan.info, to increase the authorized expenditures thereunder by up to \$45,000, to an amount not to exceed \$157,000 in the aggregate, and to extend the term of such agreement for an additional ten-month period through October 31, 2011, as described in the materials presented to this meeting; and be it

DRAFT - SUBJECT TO REVIEW AND REVISION

FURTHER RESOLVED, that the expenditures approved hereby shall be committed to and allocated upon commitment of funds provided to the Corporation under Lower Manhattan Construction Command Center's grants from Federal Transit Administration and funding agreements with The Port Authority of New York and New Jersey, the Metropolitan Transportation Authority, and the New York State Department of Transportation; 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 9:25 a.m.

Respectfully submitted,

Eileen McEvoy
Assistant Secretary