

LOWER MANHATTAN DEVELOPMENT CORPORATION

Meeting of the Directors
Held at the office of
Cleary, Gottlieb, Steen & Hamilton
One Liberty Plaza - Room 3902
New York, N.Y. 10006

February 21, 2002

MINUTES

In Attendance

Directors:

John C. Whitehead, Chairman
Roland W. Betts (telephone)
Paul Crotty
Lewis M. Eisenberg
Richard Grasso (telephone)
Robert M. Harding
Edward J. Malloy
Madelyn Wils
Howard Wilson
Deborah C. Wright
Frank G. Zarb (telephone)

Staff Attending:

For the Lower Manhattan Development Corporation:

James Angley, Chief Financial Officer and Treasurer
Alexander Garvin, Vice President for Planning, Design and Development
Christopher Glaisek, Director of Urban Planning
Matthew Higgins, Vice President for Communications
Peter Madden, Project Manager
Eileen McEvoy, Assistant Secretary
Stefan Pryor, Deputy to the Chairman and Secretary
Kevin Rampe, Executive Vice President and General Counsel
Tara Snow, Vice President for Community and Government Relations
Louis R. Tomson, President
Andrew Winters, Director of Design & Development

For the Empire State Development Corporation:

Kevin S. Corbett, Executive Vice President
and Chief Operating Officer
Anita W. Laremont, Senior Vice President-
Legal and General Counsel

For Chairman Whitehead:

Edward Novotny, Press Consultant

For Office of the Mayor:

Daniel Doctoroff, Deputy Mayor

Also Present: Ira M. Millstein, Counsel to the Board
Weil, Gotshal & Manges LLP
Jason R. Lilien, Esq.
Weil, Gotshal & Manges LLP

Patrick Robinson
Staubach Managing Principal

The Public
The Press

Before calling the meeting to order, the Chairman expressed his appreciation to Messrs. Karasz and Sperling, of the law firm of Cleary, Gottlieb, Steen & Hamilton, for the law firm's steadfastness and dedication to Lower Manhattan.

Then, the meeting of the Lower Manhattan Development Corporation ("LMDC") was called to order at 8:10 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 25, 2002 Directors' Meeting. There being no changes or corrections, upon motion duly made and seconded, the following resolution was unanimously adopted:

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT
THE JANUARY 25, 2002 MEETING OF THE DIRECTORS OF THE LOWER
MANHATTAN DEVELOPMENT CORPORATION

RESOLVED, that the Minutes of the meeting of the Corporation held on January 25, 2002, 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 ratified and approved as actions of the Corporation.

* * *

The Chairman opened his remarks by noting that Messrs. Kennedy and Opper, two representatives from HUD were present at the meeting and expressing his appreciation to HUD for the funds that have been made available.

The Chairman stated that progress has been made with regard to staffing and office space matters. Next, he pointed out that although there still exist many problems in the downtown area, which are being handled on an emergency basis, there is also a great deal of movement in a positive direction.

Specifically, the Chairman explained that the cleanup

process is ahead of schedule and further cited the creation of the various Advisory Boards as reasons for optimism. In addition, he stated that various retail stores, as well as the Ritz Carlton Hotel, had opened over the last few weeks and that other stores and another hotel are expected to open within a short period of time.

Further positive strides noted by the Chairman include numerous cultural events which will take place over the course of the next few months and progress with regard to the transportation situation.

The Chairman stressed that the greatest amount of progress that will be achieved will be as a result of the spirit of teamwork which exists among the various parties interested in these redevelopment efforts. He then asked Mr. Tomson to provide a report on LMDC's recent activities for the Director's information.

Mr. Tomson first expressed his gratitude to LMDC's new staff members as well as to those of the other interested governmental entities for their recent hard work. He then introduced each of the new staff members to those present at the meeting.

Mr. Tomson went on to briefly note that progress has been made

with regard to office space negotiations. He further noted that progress had also been made with regard to the creation to a temporary memorial.

The Chairman then read a resolution into the record appointing officers of the Corporation. Following his reading of said resolution and upon motion duly made and seconded, the following resolution was unanimously adopted:

LOWER MANHATTAN DEVELOPMENT CORPORATION - Election of Officers

RESOLVED, that the following persons are elected to the offices of the Corporation set forth opposite each of their respective names, to serve until their respective successors are duly elected and qualified or until their earlier resignation or removal:

Kevin Rampe	Executive Vice President and General Counsel
Stefan Pryor	Deputy to the Chairman and Secretary of the Board
Alexander Garvin	Vice President for Planning, Design and Development
James Angley	Chief Financial Officer and Treasurer of the Board
Tara Snow	Vice President for Community and Government Relations
Matthew Higgins	Vice President for Communications

* * *

Next, certain of the Advisory Council Members provided

reports on the individual council's activities in connection with the recovery of Lower Manhattan.

Ms. Wils, reporting for the Residents Advisory Committee, stressed that the most important issue to be addressed is the environmental issue. She stressed that indoor spaces will need to be cleaned and undergo some form of government inspection before residents will feel safe enough to return to their homes.

Other matters to be addressed include the need for more recreational space; street cleaning issues and concern over higher real estate taxes.

Mr. Crotty, also a member of the Residents Advisory Council, underscored that the indoor air quality was a primary concern and spoke to the possibility of retaining a consultant to harmonize the standards of the various state and city agencies as they relate to air quality.

Mr. Crotty also noted that many of the older buildings in the area have not cleaned the outsides of their buildings and given certain weather conditions, the pulverized concrete and other materials resulting from the terrorist attack become airborne again. He stated his belief that this is a matter that

the Corporation can look into remedying.

Next, Mr. Wilson of the Arts, Education and Tourism Council addressed the group. He explained that this Advisory Council's meeting was composed of mostly representatives of the museums and the performing arts from the downtown area.

Mr. Wilson stated that each group presented both short-term and long-term ideas to revitalize the cultural life of the area.

Among the short-term plans to be considered are street banners, planters and flowers to make the downtown area streets more attractive for tourists and residents. Mr. Wilson further noted that his Advisory Council has requested that proposals for both short-term and long-term plans be submitted to LMDC in writing by March 15th.

Ms. Wils, Co-Chair of the Arts, Education and Tourism Council added, among other things, that a representative from the YMCA expressed an interest in building a center downtown possibly at the WTC site.

The Chairman then called upon Ms. Snow, LMDC's Vice President for Community and Government Relations; who provided a brief overview of the number, make-up and responsibilities of the

different Advisory Councils, those that have already been created as well as those that have yet to be officially formed.

The Chairman next asked Mr. Garvin, LMDC's Vice President for Planning, Design and Development, to address the meeting. Mr. Garvin did so, speaking in part with regard to the various sites that have been proposed for a temporary memorial as well as an historical sculpture which had been salvaged from Ground Zero as the possible centerpiece.

The Chairman asked Kevin Corbett and Lou Tomson to provide the Directors with information regarding the proposed criteria to be issued in connection with the allocation of federal funds.

Mr. Tomson introduced the subject explaining that the federal government has appropriated a total of \$2.7 billion through HUD for economic recovery assistance loans. Of that amount \$2 billion was specifically allocated to LMDC and \$700 million to ESDC.

Mr. Tomson explained that the legislation allocating the funds requires LMDC, within 45 days of enactment, to issue initial criteria and requirements necessary to accept applications from individuals, not-for-profits and small

businesses for economic losses from the September 11, 2001 terrorist attack.

The Directors, Mr. Tomson noted, will be asked to adopt, subject to review, a plan adopted by ESD and EDC as to businesses and not-for-profits. He explained that by adopting such plan, LMDC is not appropriating money or expending any funds. The funds, he stated, are currently being expended by ESD.

Mr. Tomson then asked Mr. Corbett to talk about the ESD plan that the Board will be asked to confirm.

Mr. Corbett began by noting that there has been a remarkable degree of cooperation among the various governmental entities involved in these recovery efforts. He went on to provide an outline of the economic assistance program for small businesses currently being administered by ESD.

Director Wils inquired as to the number of applications received as well as to the turn around time on those applications.

Mr. Corbett stated provisions for emergency assistance were set up on September 13th. Since that time, some 15,000 calls or

visits have been received. These have been used to set up a data base from which to work.

Mr. Corbett gave examples of the numbers involved including a reference to 3000 applications being received for retail grants and of that number, approximately 2900 being approved.

Mr. Corbett and Director Wils briefly discussed certain insurance issues and it was agreed that efforts would be made to ensure that the insurers live up to their obligations.

Next, the Chairman read a resolution into the record authorizing LMDC to approve certain criteria for issuance with regard to businesses and non-profits in connection with the allocation of the aforementioned funds. Following the Chairman's recitation of the resolution and upon motion duly made and seconded, the following resolution was unanimously adopted:

LOWER MANHATTAN DEVELOPMENT CORPORATION - Issuance of
Criteria for Businesses and Non-Profits

RESOLVED, that the initial criteria and requirements necessary to accept applications from businesses and non-profits, in the form attached hereto, are hereby approved, and the proper officers of the Corporation are hereby authorized to take such actions, alone or in conjunction with the Empire State Development Corporation, as may be necessary to effect the issuance of these criteria.

* * *

Director Wilson then expressed his appreciation on behalf of the Board for the tremendous efforts of the staffs of LMDC, ESDC and EDC and Mr. Millstein in preparing the necessary guidelines.

The Chairman echoed Director Wilson's sentiment and then asked Mr. Tomson to provide the background information with regard to the criteria for individuals.

Mr. Tomson did so, outlining the steps taken to draft said plan as well as the formulas to be used in allotting the funds.

Mr. Tomson also explained that there would be a public comment period on the draft assistance plan for individuals which would commence on February 22nd and run through March 13th. Following the comment period, the plan will be submitted to the Board and the to HUD. A further comment period will then commence on the plan itself.

The Chairman then read a resolution into the record authorizing LMDC to approve the criteria for individuals. Following the Chairman's reading of said resolution and upon motion duly made and seconded, the following resolution was unanimously adopted:

LOWER MANHATTAN DEVELOPMENT CORPORATION - Issuance of
Criteria for Individuals

RESOLVED, that the initial criteria and requirements necessary to accept applications from individuals, in the form attached hereto, are hereby approved, and the proper officers of the Corporation are hereby authorized to take such actions, alone or in conjunction with the Empire State Development Corporation, as may be necessary to effect the issuance of these criteria, including the issuance of the criteria to the public for comment.

* * *

The Chairman then read a resolution into the record authorizing LMDC to create an Audit and Finance Committee. Following the reading of said resolution and upon motion duly made and seconded, the following resolution was unanimously adopted:

LOWER MANHATTAN DEVELOPMENT CORPORATION -Audit and Finance
Committee

RESOLVED, that the Corporation is hereby authorized to create an Audit and Finance Committee of the Board of Directors fo the Corporation to assist the Board in overseeing the allocation of the Corporation's resources and to perform such functions and carry out such activities relating to the financial affairs of the Corporation as may be assigned to it by the Board of Directors under a Charter for the Audit and Finance Committee approved by the Board; and be it further

RESOLVED, that the following Directors are hereby appointed to service on the Audit and Finance Committee: Frank Zarb (Chairman), Deborah Wright and Roland Betts.

* * *

The Chairman then provided a proposed schedule of Board meetings to the Directors noting the meetings would generally be

held every three weeks.

The Chairman then called for a motion to conduct an Executive Session pursuant to paragraphs (d) and (f) of Subdivision 1 of Section 105 of the New York State Open Meetings Law. Upon motion duly made and seconded, the following resolution was unanimously adopted:

EXECUTIVE SESSION - Pursuant to Paragraphs (d) and (f) of Subdivision 1 of Section 105 of the New York State Open Meetings Law

RESOLVED, that the Directors conduct an Executive Session to consider matters pertaining to paragraphs (d) and (f) of Subdivision 1 of Section 105 of the New York State Open Meetings Law.

* * *

Before the Directors left the room for Executive Session, questions were taken from the media. This part of the meeting was not recorded for the public record.

All persons were requested to leave the room with the exception of the Directors and members of senior staff. The Executive Session ended at 10:35 a.m. It was noted for the record that no votes were taken during the Executive Session.

There being no further business, the meeting was adjourned
at 10:36 a.m.

Respectfully submitted,

Eileen McEvoy
Assistant Secretary