

LOWER MANHATTAN DEVELOPMENT CORPORATION
Meeting of the Directors
Held at the Offices of
Lower Manhattan Development Corporation
One Liberty Plaza
New York, New York 10006

June 5, 2002

MINUTES

In Attendance

Directors: John C. Whitehead, Chairman
Roland W. Betts (via telephone)
Paul Crotty
Lewis M. Eisenberg
Robert M. Harding
Sally Hernandez-Pinero (via telephone)
Thomas S. Johnson
Edward J. Malloy
Billie Tsien
Carl B. Weisbrod
Madelyn Wils
Howard Wilson
Deborah C. Wright
Frank G. Zarb

Staff Attending: For Lower Manhattan Development Corporation:

Louis R. Tomson, President
James Angley, Chief Financial Officer and
Treasurer
Alexander Garvin, Vice President for
Planning, Design and Development
Matthew Higgins, Vice President for
Communications
Eileen McEvoy, Assistant Secretary
Amy Peterson, Program Director
Stefan Pryor, Deputy to the Chairman and
Secretary
Kevin Rampe, Executive Vice President and
General Counsel

Staff Attending: For Lower Manhattan Development Corporation: -
Continued:

Tara Snow, Vice President for Community
and Government Relations

For Empire State Development Corporation:

Kevin S. Corbett, Executive Vice President
and Chief Operating Officer

For Chairman Whitehead:

Edward Novotny, Press Consultant

For Office of the Mayor:

Daniel Doctoroff, Deputy Mayor

For Speaker Sheldon Silver's Office:

Judy Rapfogel, Chief of Staff
Yvonne Morrow

For the Port Authority of New York and New
Jersey

Chuck Meara

Also Present: Ira M. Millstein, Counsel to the Board
Weil, Gotshal & Manges LLP
Jason R. Lilien, Esq.
Weil, Gotshal & Manges LLP
Marcus Ferguson, Representing Senate Majority
Leader Joseph Bruno
Howard Graubard
The Public
The Press

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 May 15, 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 RATIFICATIONS OF ACTIONS TAKEN
AT THE MAY 15, 2002 MEETING OF THE DIRECTORS OF THE
LOWER MANHATTAN DEVELOPMENT CORPORATION

RESOLVED, that the Minutes of the meeting of the Corporation held on May 15, 2002, as presented to this meeting, are hereby approved and all actions taken by the Directors presented at such meetings as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Corporation.

* * *

The Chairman then opened his report by noting that two ceremonies were held recently to mark the end of the recovery period. He noted that the May 30th ceremony was particularly moving, given the silent nature of the event.

The Chairman expressed gratitude to those individuals who worked night and day to complete the recovery operation in half

of the estimated time and at a fraction of the anticipated cost. He then extended condolences to those who lost loved ones in the terrorist attack, stating that the end of the recovery period is an especially difficult time for them.

Next, the Chairman spoke with regard to the public hearing that LMDC held at Pace University on May 23rd. He explained that the hearing was attended by over 1,000 people and included presentations by Mr. Garvin of LMDC and Mr. Lombardi of the Port Authority.

The Chairman went on to explain that the important themes that developed included the need for a world-class memorial, the importance of recognizing the diverse communities of Lower Manhattan and the need for superb architectural design.

The Chairman next provided an update on the Family Room, located adjacent to LMDC offices. He noted that over 2,500 visits have been made to the room since it opened on April 8th.

The Chairman then provided an update on recent revitalization activities in the area, including the kick-off of the summer-long River-to-River Festival on May 30th.

Other positive activity noted by the Chairman include new ferry service to lower Manhattan, largely due to Deputy Mayor Doctoroff's efforts, and increased residential occupancy levels, which can be attributed in large part to LMDC's Housing Assistance Program.

The President opened his remarks by discussing the selection by LMDC and the Port Authority of Beyer Blinder Belle as the land use and transportation planning consultants for the World Trade Center site and adjacent areas.

The President explained that the selection resulted from the joint decision of a team composed of three representatives of the Port Authority and three representatives of LMDC.

He noted that Parsons Brinckerhoff, a well-known and experienced transportation firm, is a part of the team that will develop up to six schemes for presentation in mid-July. This presentation, Mr. Tomson explained, will take place before LMDC's large "town hall" meeting, which is scheduled for July 20th in the Javits Center.

The President then addressed LMDC's public outreach efforts, and cited the success of the recent public hearing at Pace University. He explained that LMDC staff is currently reviewing public comments LMDC has received to date through the outreach process, as well as comments received by other entities, so that a record of all comments can be compiled and made accessible to the public.

The Advisory Council members then reported on recent activities of their respective advisory groups.

First, Ms. Wright reported on the Families Advisory Council meeting.

Ms. Wright explained that the meeting opened with an update on the World Trade Center site, which included information on the public hearing to be held in connection with 7 World Trade Center. Also discussed were the plans for the fence that will surround the entire site. The families, Ms. Wright noted, appeared to be generally pleased with recent developments, particularly with regard to the plans for the fence.

Most of the meeting, Ms. Wright noted, revolved around a presentation by the Port Authority on the planning process. She noted that productive dialogue was had between the families and representatives of Beyer Blinder and Belle. However, Ms. Wright stated that some members continued to express concern about what they view as an aggressive time schedule.

The Families Advisory Council also discussed separating into subgroups to work on the development of the memorial- one for process issues and the other for program matters.

Mr. Johnson then provided a report on the Financial Services Advisory Council's meeting, noting that Mr. Garvin provided this group with a presentation of the draft Principles and Blueprint for Action.

Mr. Tomson and Ms. Peterson then reported on the Partial Action Plan that was submitted to HUD in May. The Board, Mr. Tomson explained, will be asked to authorize expenditures by LMDC to fund the operation of the Program, subject to HUD approval of the Partial Action Plan.

Ms. Peterson then outlined the administrative services that will be required to carry out the program, and the firms that have been proposed to provide such services.

Following this presentation, Ms. Wright asked if the funds requested for administrative services will cover the contracts through 2005. Ms. Peterson responded yes. Mr. Zarb then asked LMDC staff to ensure that any audits prepared by HUD are passed on to Mr. Angley. It was agreed that that would be done.

The Chairman then read a resolution into the record with regard to the entire Partial Action Plan. Following the Chairman's recitation and upon motion duly made and seconded, the following resolution was adopted (It was noted for the record that Ms. Wils recused herself from voting on the following resolution.):

Approval of Funds for Partial Action Plan

RESOLVED, that upon the approval by the federal Department of Housing and Urban Development of the Partial Action Plan submitted to HUD, the Corporation shall appropriate and expend out of the Corporation's funds an amount not to exceed \$316,000,000.00 to carry out the programs and purposes set forth in the Partial Action Plan; 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.

* * *

The Chairman then read a resolution into the record with regard to the contracts outlined in the previous report by Mr. Tomson and Ms. Peterson. Following the Chairman's recitation and upon motion duly made and seconded, the following resolution was adopted:

Authorization to Enter into Contracts with Program Administrators

RESOLVED, that the Corporation is hereby authorized to negotiate and enter into an agreement with each of the Concera Corporation, Asian Americans for Equality, IBM Corporation and New York Association for New Americans, Inc. to provide such administrative services for the Housing Assistance Program as are outlined in the attached Recommendation of Selection; and be it

FURTHER RESOLVED, that the aggregate value of such agreements shall not exceed \$15,000,000.00, which amount shall be allocated from the funds the Corporation authorized for the Housing Assistance Program; and be it

FURTHER RESOLVED, that if the Corporation is unable to agree to terms with one or more of the above-named firms, then the President of the Corporation shall, in consultation with the Ad Hoc Committee of the Board, be authorized to negotiate and enter into an agreement with one or more alternative firms to provide administrative services; and be it

FURTHER RESOLVED, that the proper officers of the Corporation are hereby authorized to take any such action as may be necessary and appropriate to effect the foregoing.

* * *

The Chairman then asked Mr. Crotty to discuss a funding request submitted by the Alliance for Downtown New York in connection with the River-to-River Festival. He outlined the activities making up this festival. In response to her query, Ms. Pinero-Hernandez was informed that this year's festival would be larger than those in past years.

It was noted for the record that Mr. Weisbrod was not present in the room for the presentation or for the vote. It was further noted for the record that Ms. Wils also recused herself from the vote. The Chairman then read the following resolution into the record. Following the Chairman's recitation and upon motion duly made and seconded, the following resolution was adopted:

Authorization of Funds for River-to-River Summer Festival

RESOLVED, that the Corporation hereby approves the expenditure of \$500,000.00 of the Corporation's funds for costs associated with the Downtown River-to-River Summer Festival; and be it

FURTHER RESOLVED, that the proper officers of the Corporation are hereby authorized to take such other actions, in accordance with applicable HUD guidelines, as may be necessary and appropriate to effect the foregoing, including the issuance of a partial action plan, if necessary.

* * *

The President then presented a request for authorization for funds to cover expenses related to construction work at the corporation's offices. He outlined the scope of said work.

The Chairman then read a resolution into the record with regard to same. Following the Chairman's reading of said resolution and upon motion duly made and seconded, the following resolution was unanimously adopted:

Leasehold Improvements

RESOLVED, the Corporation is hereby authorized to appropriate and expend out of the Corporation's funds an amount not to exceed \$800,000.00 for costs relating to the construction of additional offices, open work stations and a public hearing room at the Corporation's offices, including related equipment and furnishings; and be it

FURTHER RESOLVED, that the Corporation is hereby authorized to enter into an agreement with Harris Smith Design, Inc. for an amount not to exceed \$60,000.00 to prepare design concepts and to coordinate and implement such construction; and be it

FURTHER RESOLVED, that the proper officers of the Corporation are hereby authorized to take any such action as may be necessary and appropriate to effect the foregoing.

Ms. Wils then noted that the Community School Board District 2 had received a grant to create a small, academically rigorous high school in lower Manhattan.

Next, Mr. Malloy stated that early in the cleanup of the World Trade Center site, workers uncovered a piece of steel in the shape of a cross. This, he stated, became a symbol of all faiths that worked on the recovery. Mr. Malloy noted that a service has been held every Sunday at that location, with this past Sunday being the last that the services will be held.

Mr. Malloy explained that he is acting as the messenger of a request made at that final service that the cross be made a part of the permanent memorial on the site. In response to Mr. Crotty's question, Mr. Malloy stated that the hope is that the cross will remain where it is - on Church Street adjacent to Century 21 - behind the fence to be constructed by the Port Authority.

The Chairman then called for a motion to conduct an Executive Session pursuant to paragraph (d) 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 Paragraph (d) 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 paragraph (d) 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 10:03 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 10:04 a.m.

Respectfully submitted,

Eileen McEvoy
Assistant Secretary