

**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

October 6, 2005

**MINUTES**

**In Attendance**

**Directors:**

John C. Whitehead, Chairman  
Robert Balachandran  
Roland Betts  
Robert M. Harding  
Thomas Johnson  
Edward Lewis  
Edward J. Malloy (via telephone)  
Stanley S. Shuman  
Carl B. Weisbrod  
Madelyn Wils

**Staff Attending:**

**For Lower Manhattan Development Corporation:**

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

Other Staff

**For Mayor Bloomberg:**

Deputy Mayor Daniel L. Doctoroff

**For Speaker Sheldon Silver:**

Judy Rapfogel, Chief of Staff

**Counsel to the Board:**

Jason R. Lilien, Esq.  
Weil, Gotshal & Manges LLP

**For Governor Pataki:**

Doug Blais

**For HUD:**

Jan Opper

**Lower Manhattan Construction Command Center**

Charles Maikish, Executive Director  
Daniel McCormack, First Deputy Executive  
Director

**Also Present:**

The Public  
The Media and Press

The meeting of the Lower Manhattan Development Corporation ("LMDC") was called to order at 8:06 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.

Next, the Chairman called for a motion to approve the Minutes of the September 8, 2005 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 SEPTEMBER 8, 2005 MEETING OF THE DIRECTORS OF THE LOWER  
MANHATTAN DEVELOPMENT CORPORATION

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RESOLVED, that the minutes of the meeting of the Corporation held on September 8, 2005, 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 addressing the conclusion to the controversy surrounding the International Freedom Center. He reported that most of the Board was distressed that the public process was not allowed to work its way through to conclusion. The Chairman noted that the LMDC had been receiving public input from the families and its many constituents, and had been trying to work out an acceptable solution, perhaps an alternative site.

The Chairman went on to say that it is difficult for the LMDC Board to negotiate and settle the many issues that will

come before the LMDC in the months ahead unless the Board is seen by others to have the necessary authority to make the decisions.

The Chairman also noted that the Board was distressed that some people did not wait for the IFC to issue its required report before drawing conclusions, and expressed his disappointment that personal attacks were also waged, beyond what is appropriate in civil dialogue.

The Chairman noted that the decision does allow everyone to move forward on the monumentally important and complex task of rebuilding Lower Manhattan. He urged a spirit of cooperation as the projects advance.

The Chairman then summarized ten immediate action items for the LMDC moving forward, including the completion of the design of the Memorial and Memorial Museum, the creation of the Performing Arts Center, location of the Drawing Center in Lower Manhattan, creation of a new program for the Snohetta building that complements the Memorial Museum, development of retail at the site with the Port Authority and the City, allocation of the remaining funds for cultural and community enhancements, completion of the 130 Liberty Street deconstruction,

coordination of the agencies involved in the rebuilding around the Libeskind Master Site Plan, completion of the LMDC's various offsite initiatives, and support of the Rail Link to Long Island and JFK Airport.

The Chairman then invited other Board members to take this opportunity to make their own comments.

Director Betts stated that he found the decision on the IFC to be extremely troubling. He noted his highest regard for the LMDC Board and its open, thoughtful, and deliberate process as well as the extensive public process engaged in by the LMDC to date.

Director Betts then stated that he was troubled that the process was not allowed to run its course. He recounted that the LMDC asked the IFC to provide a case statement that would explain in detail what the institution's plans were, due on September 23rd. Director Betts went on to state that the LMDC asked for time to evaluate this statement and consult with various groups, which did not take place because the LMDC's decision on the IFC was preempted.

Director Betts then expressed his strong dedication to the memories of the victims of September 11<sup>th</sup>. He continued that the country needs to understand what happened, to debate and exchange ideas. Director Betts stated that there has been a consistency in the statements of President Bush, Governor Pataki, Mayor Giuliani, and Mayor Bloomberg that what was attacked was our freedom. He stated that our greatest freedom is freedom of expression, and that the decision regarding the IFC denied freedom of expression at Ground Zero.

Director Betts also stated that the charges against the IFC and the anti-American bias attributed to it were grossly unfair. He noted his agreement with Chairman Whitehead regarding the personal attacks waged, stating specifically that the attacks on Tom Bernstein were entirely inappropriate and unfair.

Director Betts concluded by stating that the LMDC Board should call upon the Governor and the Mayor to reaffirm their commitment to the LMDC and its role in the planning process. He further stated that the LMDC needs to be more rigorous in defense of its own process and the elements that have emerged from it.

Director Weisbrod then stated that he was a supporter of the IFC and was deeply disappointed that it would not have a place at the World Trade Center site. He also expressed his concern about the changing boundaries of what is considered the Memorial precinct. Director Weisbrod also stated that the Memorial to those who died is the centerpiece to commemorate what happened, but noted that the attack on September 11<sup>th</sup> was also an attack on our way of life, our economy, and our neighborhood. He stated that it is central to rebuild the neighborhood and the economy of Lower Manhattan. Director Weisbrod closed by expressing his hope that the LMDC Board would be able to exercise increased vigilance and strength going forward.

Director Wils expressed her concurrence with Director Betts and Director Weisbrod. She stated that she had been encouraged by the IFC's thoughtfulness in their final proposal, and that she wished they had had the opportunity to share it with the public.

Director Wils expressed her sympathy with all those who suffered the loss of a close family member on September 11<sup>th</sup>, saying that she still mourns and grieves for all of them. She went on to say that she lost many friends and neighbors that

day, along with the neighborhood and community. She stated that everyone needs to remember that the 16 acres have gone through an enormous public planning process and belong to everyone.

Director Wils then stated that although she never made one public comment during the IFC controversy, she was criticized on a website. She stated her belief that the intimidation and personal attacks have driven people to listen to rumors instead of facts.

Director Wils concluded by calling on the Governor and Mayor, along with the LMDC Board, to stand together and ensure that what is built on the 16 acres is a model for planning around the world. She asked that anyone who wants to be involved in the process air their concerns directly in a dialogue and not an attack.

Director Lewis added his concurrence with Directors Wils, Betts, and Weisbrod. He stated that the decision by the Governor regarding the IFC was appalling and indefensible. Director Lewis stated that confirmation was needed of the LMDC Board's continuing authority to make judgments in the community's best interest.

Director Johnson stated that, serving as a member of the Board of both the LMDC and the Memorial Foundation, he has argued that what is needed at the site is much more than just a literal depiction of September 11<sup>th</sup>, those who were lost, and those who were rescuers and first responders. He stated that he regarded the decision on the IFC as a violation of the substance and principles the LMDC Board has tried to follow consistently from the beginning under the Chairman's leadership. Director Johnson further stated that he regarded this decision as one episode, and that he has dedicated himself, and believed his colleagues would do likewise, to ensuring that what is built at the World Trade Center site would reflect the values of America.

Director Harding expressed his agreement with Director Betts regarding the unfair characterization of people involved in the process. But he went on to state that the primary purpose of the LMDC is the establishment of a world-class Memorial. He expressed that he had hoped the process with the IFC to establish parameters would be successful, but had been concerned about the idea of negotiating with a cultural institution over its displays.

Director Harding continued that he believed there could be freedom of expression at the Memorial, but that nothing could be

done to desecrate the memories of those who were lost. He stated his agreement with the Governor's decision.

Director Harding went on to say that while he agreed with the decision, he believed the Board now faced an enormous task, and that Chairman Whitehead was the perfect person to establish an appropriate Memorial.

Director Balachandran expressed that the LMDC Board is one of the most dedicated Boards, consistently showing incredible commitment and dedication of time to all of the various complex LMDC projects. He stated his belief and trust that the Board would continue to make decisions in the best interest of the public. Director Balachandran then echoed the Chairman's statement that the LMDC must now move forward. He stated that the LMDC has an awesome responsibility to build the site in an appropriate and fitting manner.

Director Shuman stated that he agreed with his fellow Board members' eloquent statements. He expressed his disappointment at the loss of freedom of expression in this decision. He further stated that all involved are still grieving for the victims and first responders, and that the process needs to continue and move forward. Director Shuman echoed Director

Betts's call for the endorsement and reaffirmation from both the Governor and the Mayor for the LMDC's efforts. He further stated his belief that the outcome of the LMDC's long and laborious work should be a wonderful, vibrant downtown community that will include culture and a suitable Memorial.

Director Malloy stated his belief that if the LMDC Board could not marry the memories of those that perished on September 11<sup>th</sup> to the expression and expansion of ideas of freedom, he wondered whether the Board could achieve the mission it was designated to fulfill.

Chairman Whitehead thanked the entire Board for their comments and their long and thorough dedication to this process, stating his appreciation for all of their work.

Mr. Pryor echoed the Chairman in thanking the Directors. He then provided a thorough outline of the items to be presented to the Directors for their consideration at today's meeting.

Following Mr. Pryor's report, the Chairman asked the Directors to approve the appointment of Valerie Corbett to the office of Senior Vice President of the Corporation for Projects and Programs.

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

Election of Officer

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RESOLVED, that Valerie Corbett is hereby elected as Senior Vice President of the Corporation for Projects and Programs, and shall serve until such time as her successor is duly elected and qualified or until her earlier resignation or removal.

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Next, Director Johnson provided the Audit and Finance report. First, he briefly referred to the Budget Variance Report, stating that it shows that LMDC is operating as it has from the beginning, within the budgetary limits that it has set for itself.

Director Johnson then stated that the Committee is confident that all of the items to be considered today have been reviewed by the appropriate Board working groups. He further stated that the Committee is satisfied that the costs proposed for these items are justified. Mr. Johnson then stated that based upon this review, the Committee recommends their consideration for approval by the Board.

Director Johnson then spoke positively with regard to the numerous LMDC projects taking place downtown. He stated that this point is often missed by persons who are influenced by word of mouth or the media. Director Johnson stated that many are under the misconception that nothing of merit is happening downtown. He closed by sharing his opinion that the LMDC has made a massive contribution to New York City as is seen in the vitality of the business community and the surge in the residential community, which has all been supported by LMDC projects.

Ms. Papageorge then presented a request for an amendment to LMDC's contract for construction management and environmental consulting services related to the 130 Liberty Street deconstruction.

Among other things, Ms. Papageorge explained that the amendment is for an amount not to exceed \$4,003,183 for a total contract amount not to exceed \$7,335,983 in the aggregate. Ms. Papageorge further explained that the request to amend the contract reflects the costs associated with implementing the approved deconstruction plan and regulatory agencies' requirements for air monitoring, cleaning, and deconstruction.

Following Ms. Papageorge's 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 Agreement for Construction Management and Owner's Representation Services for the Deconstruction of 130 Liberty Street

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RESOLVED, that the Corporation is hereby authorized to amend its agreement with URS Corporation for construction management and owner's representation services relating to the deconstruction of 130 Liberty Street (i) to increase the authorized expenditures under such agreement by an additional \$4,003,183 to an amount not to exceed \$7,335,983 in the aggregate and (ii) to extend the term of such agreement to June 1, 2007, 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 7; 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.

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Mr. Gallagher then asked the Directors to authorize the LMDC to extend its contract for website design and maintenance services for [www.renewnyc.com](http://www.renewnyc.com) for an additional year for an amount not to exceed \$157,200.

Following Mr. Gallagher's full 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 Increase Expenditures for Website Design and Maintenance Services

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RESOLVED, the Corporation is hereby authorized to amend its agreement with Something Digital for website design and maintenance services (i) to increase the authorized expenditures under such agreement by an additional \$157,200 to an amount not to exceed \$572,310 in the aggregate and (ii) to extend the term of such agreement to October 31, 2006, 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 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.

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Mr. McCormack, the First Deputy Executive Director of the Lower Manhattan Construction Command Center, was called upon to present three items.

The first item was a request for authorization for the Corporation to enter into a grant agreement with the Federal Transit Administration (FTA) and for LMDC to accept funds in the

amount of \$5,216,000 on the Command Center's behalf.

Mr. McCormack explained, in part, that the grant award is part of the \$4.55 billion federal appropriation for recovery from the terrorist attacks. Mr. McCormack outlined the anticipated costs, including personnel salaries and equipment, to be paid for under this grant.

Following the report, Director Wils asked how long a period of time the money will cover. Mr. McCormack stated that it is the first of several grants and it will be used for the Command Center's initial phase of operations. Depending on the terms of the contract, he explained, it could be two years for an individual contract or a one year manual operating budget.

The Chairman read the relevant resolution into the record and after the motion had been duly made and seconded, the Chairman stated his belief that Director Wils' comment implied that she was inquiring with regard to the high amount of the grant. Director Wils noted that the amount was of interest to her. The Chairman asked Mr. Maikish to respond to this issue.

Mr. Maikish noted that the grant will provide funding for the start up of the Command Center and salary and support

services for approximately 18 months.

The majority of the grant, he further explained, will be used for program coordination and if necessary, putting in place programming and planning to mitigate the impact on the community.

Mr. Maikish then outlined several other anticipated uses, including getting the environmental compliance program up and running. He added that it is currently anticipated that it will be a five year program in which there will be a series of grant applications.

Director Wils then asked if it is expected that a budget will be created. Mr. Maikish stated that there will be and that the budget was the subject of an intense review by both the FTA and LMDC's Audit Committee with every line item being reviewed. He added that the controls are in place to monitor the costs and ensure that the moneys are well spent.

Director Johnson stated that every line in the budget is in response to matters that are mandated by the environmental review and various other legal and regulatory requirements.

There being no further questions or comments, the Chairman called for the adoption of the following resolution which had been read into the record, moved and seconded earlier in the meeting, and the following resolution was unanimously adopted.

Authorization to Enter into Grant Agreement with Federal Transit Administration

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RESOLVED, that the Corporation is authorized to enter into a grant agreement with the Federal Transit Administration (FTA) for the purpose of accepting a FTA grant in the amount of \$5,216,000 to be made to the Lower Manhattan Construction Command Center, 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 and appropriate to effect the foregoing.

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Next, Mr. McCormack requested authorization for the Corporation to enter into an agreement for Program Coordination in connection with the Lower Manhattan Construction Command Center.

Following Mr. McCormack's outline of the specifics of this request, Director Weisbrod asked if the contract requires a specific project coordinator and Mr. McCormack stated that LiRo's staff will be in the Command Center.

Mr. Maikish added that there will be a lead person on the

contract. That person, Mr. Maikish explained, has been interviewed and the Command Center is comfortable with the choice. Mr. Maikish further stated that LiRo is already involved in Lower Manhattan performing a great deal of utility coordination work.

Director Weisbrod expressed his satisfaction that the LiRo's staff brings a lot of knowledge regarding the area to this Project.

Mr. Maikish stated that LiRo's Lower Manhattan experience was part of the reason the Company was selected.

There being no further questions or comments, the Chairman read the relevant resolution into the record and following the motion being duly made and seconded, the following resolution was unanimously adopted:

Authorization to Enter into Agreement for Program  
Coordination Services

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RESOLVED, that the Corporation is hereby authorized enter into an agreement with LiRo Program & Construction Management P.C. for program coordination services in connection with the construction coordination and supervision activities of 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 two-year period for an amount not to exceed \$2,250,000, of which

\$2,000,000 shall be allocated from anticipated Federal Transit Administration funds and \$250,000 of which shall be allocated from funds included in the Corporation's annual budget for fiscal year ending March 31, 2006 for the Lower Manhattan Construction Command Center; 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.

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Lastly, Mr. McCormack requested authorization for the Corporation to amend LMDC's subrecipient agreement with the City of New York for the Lower Manhattan Information Program to extend it by one month from October 31, 2005 to November 30, 2005, increasing the expenditures thereunder by \$55,000.

Following Mr. McCormack's detailed report, the Chairman read the relevant resolution into the record and upon motion duly made and seconded, the following resolution was unanimously adopted:

Amendment to LowerManhattan.Info Subrecipient Agreement

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RESOLVED, that the Corporation is hereby authorized to amend its subrecipient agreement with the City of New York for the LowerManhattan.Info program (i) to increase the authorized expenditures thereunder by \$55,000 to an amount not to exceed \$2,625,000 in the aggregate and (ii) to extend the term of such agreement by and additional one month to November 30, 2005, 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 for the Lower Manhattan Construction Command Center; 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.

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Mr. Pryor then asked the Directors to authorize LMDC to amend its Agreement with The Lewis Berger Group for environmental services, extending the term of the agreement for six months. No additional funds were requested.

Following Mr. Pryor's 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 Agreement for Environmental Consulting Services

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RESOLVED, that the Corporation is hereby authorized to amend its agreement with The Louis Berger Group for environmental consulting services to extend the term of such Agreement by an additional six months to April 15, 2006; 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.

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There being no further business, the meeting was adjourned  
at 9:14 a.m.

Respectfully submitted,

Eileen McEvoy  
Assistant Secretary