

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

September 8, 2005

MINUTES

In Attendance

Directors:

John C. Whitehead, Chairman
Robert Balachandran
Robert M. Harding
Edward J. Malloy
Stanley S. Shuman (via telephone)
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
Betty Chen, Vice President - Planning,
Design and Development
Dan Ciniello, Senior Vice President -
Operations
John Gallagher, Director of Communications
Michael Haberman, Vice President - Community
Relations and Community Development
Anthoula Katsimatides, Assistant Vice
President for Family Relations
Lou Mendes, Director of Construction -
Memorial and Cultural Development
Robert Miller, Chief Financial Officer
Anne Papageorge, Senior Vice President -
Memorial and Cultural Development
Edward Sidor, Director of Design - Planning,
Design, and 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 8:10 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.

Next, the Chairman called for a motion to approve the Minutes of the August 11, 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 AUGUST 11, 2005 MEETING OF THE DIRECTORS OF THE LOWER
MANHATTAN DEVELOPMENT CORPORATION

RESOLVED, that the minutes of the meeting of the Corporation held on August 11, 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.

* * *

To observe the fourth anniversary of the terrorist attacks on September 11, 2001, Chairman Whitehead asked for a moment of silence to honor those lost on that day, as well as for the victims of Hurricane Katrina.

The Chairman then opened his report by noting that Goldman Sachs has committed to a new headquarters in Lower Manhattan at Site 26. He further noted that Goldman anticipates the creation

of approximately 4,000 new jobs by 2019 and that their commitment is sure to attract other businesses to follow suit.

The Chairman went on to state that at the end of August, Governor Pataki, joined by Mayor Bloomberg and Speaker Silver, signed an aggressive economic development package into law to provide significant tax incentives to attract new businesses and to encourage existing businesses to recommit to Lower Manhattan. The Chairman then elaborated upon the positive effects that are anticipated to result from this package.

Among other positive aspects of the rebuilding efforts that the Chairman reported on were two significant groundbreakings for the Fulton Transit Center and the World Trade Center Transportation Hub. The Chairman explained that these construction projects will ultimately result in the connection of every mode of transit in Lower Manhattan. He noted that this of course will make access to the area simpler and more convenient for hundreds of thousands of people everyday.

Mr. Pryor began his report by echoing the Chairman's sentiments regarding the Hurricane victims and noting that LMDC has been called upon by various federal, state and local officials to share information about the Corporation's efforts

in Lower Manhattan. Mr. Pryor stated that LMDC is working hard to provide as much information and assistance as possible.

Mr. Pryor then spoke briefly about the ceremonies, as planned by the various involved entities, to commemorate the fourth anniversary of September 11th.

Next, Mr. Pryor explained that LMDC joined Governor Pataki on a trip to Long Island on September 7th to select some of the first trees that will be relocated to the Memorial Plaza.

Mr. Pryor went on to provide information on an upcoming series of workshops on future programming ideas for the Memorial Museum which is dedicated to the events of September 11th and the 1993 bombings.

This series, he explained, will provide the public with the opportunity to offer input on the preliminary programming concepts that have been developed by LMDC in conjunction with its curatorial and institutional planning consultants.

Among other issues addressed by Mr. Pryor were those relating to the International Freedom Center ("IFC").

As a follow up to the Chairman's report on this matter at last month's Board meeting, Mr. Pryor stated that it is LMDC's belief that the IFC is in the process of working on the submission requested by LMDC regarding its specific plans, programs and governance structure. Such submission, he noted, is due to LMDC by September 23rd.

Mr. Pryor further noted that as part of last month's statement, LMDC asked the IFC to work with family members and other stakeholders during this process. He noted that the IFC has since formed an advisory group of family members.

In addition, Mr. Pryor explained, LMDC engaged an experienced and neutral facilitator, Peter Woodin, to help ensure the constructiveness and productivity of these discussions as the process moves forward.

Next, Director Balachandran, provided the Audit and Finance Committee Report. Director Balachandran stated that the Committee reviewed the purpose, cost justification, availability of funds, and the Board working group comments regarding each of the items to be presented today. Based upon that review, he stated, the Committee recommends their consideration for approval by the Board.

Director Balachandran then briefly outlined the Budget Variance Report for the period ending July 31, 2005 for the Directors. He next stated that the Committee met briefly with the internal auditor and that there are no matters to report at this time.

Next, Mr. Miller presented a request for authorization for the LMDC to enter into a subrecipient agreement with the Hudson River Park Trust for completion of the Tribeca Segment of the Hudson River Park. He noted that the request is for an amount not to exceed \$70 million. Mr. Miller further stated that funding for this request will be included in the upcoming Partial Action Plan 10.

Mr. Miller outlined the background information regarding LMDC's involvement in funding the renovation of the Hudson River Park Lower Manhattan Segment. He then provided a synopsis of the areas to be effected and the work to be performed.

Following Mr. Miller's detailed presentation, the Chairman stated that LMDC has known for several years that it would be making a large appropriation for this purpose.

The Chairman then requested that Mr. Miller's report be put on LMDC's website for the benefit of the public and the press. Mr. Pryor stated that that would be done.

Director Wils then suggested that a drawing be provided on the website as well. Mr. Pryor said that staff would create images and text for the website to make sure that the information is clear.

Director Wils then spoke of the positive effects of the renovations, not only for residents but for businesses as well.

Director Balachandran then addressed the meeting, noting that he was the former President and CEO of the Hudson River Park Trust ("HRPT") and that as such, he would be remiss if he did not say a few words on the subject.

Director Balachandran stated that Hudson River Park has been the harbinger of change for the renaissance on the West Side. The renovations in this segment in Tribeca and the Downtown area, he continued, will assist in anchoring the rest of the changes to be done and incorporating them as part of HRPT's mission with LMDC.

Director Balachandran thanked all of those at the table, including Deputy Mayor Docotoroff and Doug Blais, representing the Governor, for their roles in moving the project forward. He then expressed his appreciation to LMDC on behalf of the millions of people who use the park every day.

There being no further comments, the Chairman 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 Wils recused herself from voting on the following resolution.):

Authorization to Enter Into Subrecipient Agreement with Hudson River Park Trust

RESOLVED, that the Corporation is authorized to enter into a subrecipient agreement with the Hudson River Park Trust for the funding of the renovation of the Hudson River Park Tribeca Segment, as described in the materials presented to the Board at this meeting; and be it

FURTHER RESOLVED, that the amount to be expended by the Corporation pursuant to such subrecipient agreement shall not exceed \$70,000,000, which expenditure shall be subject to approval by the federal Department of Housing and Urban Development of Partial Action Plan 10 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 and appropriate to effect the foregoing.

* * *

Mr. Haberman then asked the Directors to authorize the LMDC to amend Partial Action Plan 3 to provide for the expenditure of an additional \$570,000 to cover additional costs relating to the renovation of the Columbus Park Pavilion and to enter into a Subrecipient Agreement with the City of New York in connection with same.

Following Mr. Haberman's detailed 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 Partial Action Plan 3 and Enter into Subrecipient Agreement

RESOLVED, that the Corporation is hereby authorized to amend Partial Action Plan 3 ("Amended Partial Action Plan 3") to provide for the expenditure of up to an additional \$570,000 of the Corporation's funds to cover additional costs relating to the renovation of Columbus Park Pavilion for a total amount not to exceed \$998,571 for such project, 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 submit for public comment and review by the federal Department of Housing and Urban Development the Amended Partial Action Plan 3 covering the foregoing expenditure; and be it

FURTHER RESOLVED, that the Corporation is hereby authorized to enter into a subrecipient agreement with The City of New York covering the foregoing expenditure in an aggregate amount not to exceed \$998,571, which expenditure shall be subject to approval

by HUD of the Amended Partial Action Plan 3 submitted for such purpose; and be it

FURTHER RESOLVED, that the President of the Corporation or his designee shall be authorized to make such changes to Amended Partial Action Plan 3 as he may deem necessary or appropriate to comport with applicable HUD requirements and to reflect public comments received thereon, and to take such other actions as may be necessary or appropriate to effect the foregoing resolutions.

* * *

Ms. Papageorge then asked the Directors to authorize the LMDC to expend up to \$3,430,385 in additional funds for design development services by Davis Brody Bond LLP, Handel Architects, and Peter Walker Partners Landscape Architecture Incorporated in connection with the World Trade Center Memorial.

Following this presentation, the Chairman asked for an outline of the anticipated timing of the expenditures as well as of the design construction work.

Ms. Papageorge outlined same noting, in part, that LMDC will receive a design development submission later this month from its consultants. After receipt of this submission, a value engineering and review phase will be entered into to verify the costs of the project.

Director Wils asked why an additional four million dollars

is required.

Ms. Papageorge explained that LMDC has been in an intensive process with the Port Authority to resolve many of the moving issues. Because all of these projects are in the development stage, there is a great deal of coordination needed with the Port Authority, the commercial buildings and the 9A Project. This, she explained, has extended the duration of the phase and requires much more effort on behalf of the consultants to explore options and resolve the issues.

Director Wils asked if any of this work was being done for the Port Authority or for the MTA.

Ms. Papageorge stated that those entities are doing their own work although coordinating the boundaries requires some review of the adjacent work. The LMDC consultants are not, however, actually designing the MTA work or the Port Authority work.

Director Balanchandran added that he and the other members of the Finance Committee have dealt extensively with the staff and are well aware of the situation, and the Committee feels very comfortable with recommending the current resolution for

approval today.

The Chairman then stated, among other things, that the work is more complicated than initially contemplated, requiring more architectural coordination than had been expected.

There being no further comments, 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 Agreements with Architects for the World Trade Center Memorial

RESOLVED, that the Corporation is hereby authorized to enter into or amend its existing agreements with Davis Brody Bond LLP, Handel Architects and Peter Walker Partners Landscape Architecture Incorporated for schematic design services and design development services for the World Trade Center Memorial to increase the total authorized expenditures for design development services under all such agreements by an additional \$3,430,385 to an amount not to exceed \$12,316,948 in the aggregate for all such agreements, 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 8; 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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Next, Mr. Gallagher asked the Directors to authorize LMDC

to amend its subrecipient agreement with Whirlwind & Company for exhibition design and management services.

Following Mr. Gallagher's outline of the request, the Chairman read the relevant resolution into the record and following the motion being duly and seconded, the following resolution was unanimously adopted:

Authorization to Increase Expenditures for Exhibition Services

RESOLVED, the Corporation is hereby authorized to amend its agreement with Whirlwind & Company, Inc. for exhibition design and management services to extend the term of such agreement for an additional six-month period and to increase the expenditures thereunder by \$180,000 to an amount not to exceed \$758,000 in the aggregate, as described in the materials presented to the Board at this meeting; and be it

FURTHER RESOLVED, that the expenditure 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 or the appropriate project-related 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.

* * *

Mr. Pryor then asked the Directors to authorize LMDC to amend its subrecipient agreement with the Drawing Center. This amendment, he noted, will increase the authorized expenditures thereunder by an additional \$150,000 and extend the term of the

agreement through January 31, 2006. This funding would go toward an exploration of alternative sites downtown, and an options study analyzing the physical, operating, and marketing potential for possible sites. Mr. Pryor noted that although the request involves a time extension of five months, it is expected that the process will in fact be completed in a shorter time period.

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 Subrecipient Agreement with Drawing Center

RESOLVED, the Corporation is hereby authorized to amend its subrecipient agreement with the Drawing Center to increase the authorized expenditures thereunder by an additional \$150,000 and to extend the term of such agreement through January 31, 2006; and be it

FURTHER RESOLVED, that the expenditure approved hereby shall be primarily used to explore alternative locations for the Drawing Center in Lower Manhattan, as described in the materials presented to the Board at this meeting, and 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 or appropriate to effect the foregoing.

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

Respectfully submitted,

Eileen McEvoy
Assistant Secretary