

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

April 13, 2004

MINUTES

In Attendance

Directors:

John C. Whitehead, Chairman
Roland Betts
Paul Crotty
Christy Ferer
Robert Harding
Sally Hernandez-Pinero (via telephone)
Thomas Johnson (via telephone)
Edward Lewis
Edward J. Malloy
Stanley Shuman
Carl Weisbrod
Madelyn Wils

Staff Attending:

For Lower Manhattan Development Corporation:

Kevin Rampe, President and CEO
Irene Chang, General Counsel
Anita Contini, Vice President - Memorial,
Cultural and Civic Programs
Ben Dookchitra, Project Manager
Christopher Glaisek, Director of Urban
Planning for Planning, Design &
Development
Dyana Lee, Vice President for Investigations
Peter Madden, Senior Project Manager
Eileen McEvoy, Assistant Secretary
Robert Miller, Chief Financial Officer
Amy Peterson, Vice President - Development
Programs & Economics
Stefan Pryor, Chief of Staff, Deputy to
the Chairman and Secretary
Joanna Rose, Assistant Vice President -
Communications and Press Secretary

Chara Tappin, Community Liaison

Other Staff

For Governor Pataki:

Doug Blais

For Chairman Whitehead:

Edward Novotny, Advisor

For HUD:

Jan Oppen, Senior Program Officer

Counsel to the Board:

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

Also Present:

The Public
The Media and Press

The meeting of the Lower Manhattan Development Corporation ("LMDC") was called to order at 8:00 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 the approval of the Minutes

of the March 11, 2004 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 MARCH 11, 2004 MEETING OF THE DIRECTORS OF THE LOWER
MANHATTAN DEVELOPMENT CORPORATION

RESOLVED, that the minutes of the meeting of the Corporation held on March 11, 2004, 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.

* * *

Chairman Whitehead began his report by noting that the most significant action on the agenda is the approval of the Final Generic Environmental Impact Statement ("FGEIS"). He went on to provide an outline of the actions taken thus far in connection with this approval. The Chairman then thanked the numerous parties, including Irene Chang and outside counsel, for their effective efforts in this regard.

The Chairman noted that it is anticipated that following adequate review of the relevant documents, the Directors will approve the final environmental findings at their next meeting.

The Chairman then explained that work has proceeded on the

development of the Memorial Center which, he noted, is an integral part of the Memorial Complex. The Chairman went on to note that a Memorial Center Advisory Committee has been established by LMDC to develop recommendations on how the below-ground memorial center can best tell the stories of the terrorist attacks of September 11, 2001 and February 26, 1993.

The Chairman then turned the floor over to President Rampe to present his report. The President opened his report by outlining several of the items on the Agenda, including a request to authorize LMDC to enter into a contract with Davis Brody Bond as associate architect to work with the design team architect Michael Arad and the landscape architect Peter Walker.

The President also provided information on Opportunity Downtown, Women Working. He explained that this event, which was sponsored by LMDC and numerous other entities, was attended by 700 women and provided important information on working in the construction trades.

President Rampe moved on, stating that the Directors had received the Corporation's 2004-2005 budget and that they would be asked to approve it later in the meeting. He then noted that several changes will be made to the structure of the staff and

that the Board will be asked to approve several new officers of the Corporation.

In closing, President Rampe outlined items that the Directors would be asked to approve at the meeting.

The Chairman then read a resolution into the record electing certain individuals to the offices stated in the following resolution. Following said recitation and upon motion duly made and seconded, the following resolution was unanimously adopted:

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:

Irene Chang	General Counsel
Jennifer Brown	Vice President for Community Development and Relations
Amy Peterson	Vice President for Memorial, Cultural & Civic Development
Daniel Ciniello	Senior Vice President - Operations
Stefan Pryor	Senior Vice President - Policy & Programs

* * *

The Chairman explained that the foregoing title changes were made necessary by the ongoing change in the organization's needs as the rebuilding work progresses.

Director Johnson provided the Audit and Finance Committee Report for the Directors' information. Director Johnson explained that the Audit Committee held a meeting recently and that all of the planned internal audits that were scheduled to be completed up to the time of that meeting were completed without any significant issues being left unresolved. Director Johnson added that LMDC has fulfilled the most important aspect of effective auditing in that staff and management have followed up on and responded efficiently to audit issues.

Next, Director Johnson stated that the funding resolutions to be considered by the Directors at this meeting had been reviewed by the Committee along with the scope of the Partial Action Plan and all are recommended for approval.

Director Johnson then addressed in detail the Budget that had been submitted to the Directors for approval. He then noted, in part, that the budget reflects a restructuring of several of LMDC Departments as well as efforts to limit the use of planning and administrative funds.

Following Director Johnson's presentation on the Budget, the Chairman read the following resolution into the record. Then upon motion duly made and seconded, the following resolution was unanimously adopted:

Approval of 2004-05 Fiscal Year Budget

RESOLVED, that the Budget of the Corporation for fiscal year 2004-05 is hereby adopted as presented to this meeting; and be it

FURTHER RESOLVED, that the President and Chief Financial Officer are authorized and directed to implement and carry out the Budget and are directed to inform the Board of material variances from the Budget.

* * *

The Chairman then called upon Ms. Chang to provide a presentation on the Final Generic Environmental Impact Statement that had been sent to the Board in advance of the meeting.

Ms. Chang provided a detailed synopsis of all of the steps taken thus far with regard to the publication of this document, focusing particularly on those areas covered since the January issuance of the Draft GEIS.

Ms. Chang explained that public hearings were held on February 18th on both the DGEIS and the amended General Project Plan. She further explained that approximately 670 comments

from over 300 commenters had been received.

Said comments were summarized, grouped together by subject matter and responded to in a new chapter to the EIS, which is now Chapter 27.

Ms. Chang went on to outline various other aspects of the Final GEIS explaining that, subject to the Board's approval today, the FGEIS will be released publicly on April 15th via LMDC's website. It will then be subject to another comment period that will conclude on May 24.

Included in Ms. Chang's report on the Final GEIS was an outline of the parallel review process undertaken of the World Trade Center site under Section 106 of the National Historic Preservation Act. She explained that this process culminated on March 31st in a Coordinated Determination of Eligibility of the World Trade Center site for listing on the National Register of Historic Places.

Next, Ms. Chang provided a synopsis of LMDC's proposed commitment in connection with the acquisition of the 130 Liberty Street parcel and the deconstruction of the Deutsche Bank Building.

Ms. Chang explained, in part, that on February 26, 2004, LMDC entered into a Memorandum of Understanding ("MOU") with the owners of 130 Liberty Street and the insurers of the building on that parcel. This, she explained, was done in order to resolve the litigation between the insurers and the owners to permit LMDC to acquire that parcel and deconstruct the building as part of the overall plan. Said agreement, she further noted, being subject to the completion of the environmental reviews, as well as numerous other conditions.

Following the presentation, Director Crotty asked if any of the numerous comments received resulted in significant changes being made to the EIS. Ms. Chang said that some of the comments resulted in certain chapters being changed to reflect additional information. She went on the note that the Final GEIS reflects the changes made by using a different font.

Director Weisbrod then noted that some of the comments received and responded to in the EIS relate not only to the specific actions before the Board today but also to the broader issues of construction, traffic and transportation in Lower Manhattan. In that regard, he asked what the relationship will be between the Board's approval of the EIS today and the evolving efforts to address the aforementioned issues more

broadly in Lower Manhattan.

Ms. Chang stated that in her view, the EIS has contemplated at all levels the specific work that has gone on between LMDC and the other agencies that are sponsoring projects in the area.

Ms. Chang explained that as part of the on-going rebuilding efforts, the various agencies have agreed to coordinate construction and to address some of the impacts that each entity has identified in the course of their individual analyses.

In response to a query posed by Director Weisbrod, Ms. Chang explained that in approving the EIS today, LMDC is committing itself to certain projects. LMDC is also committing itself, she explained, to continuing to work with the other entities to lessen the impacts that may be created by the fact that LMDC's construction work will be going on while other projects are also being constructed in the immediate area.

Director Wils stressed the importance of LMDC staying in the lead and on top of the construction coordination so that area workers and residents know that the best efforts are being made to mitigate the negative impacts of ongoing construction.

Director Crotty inquired as to whether or not LMDC's present outside counsel will be representing the Corporation should there be any litigation in the future. Ms. Chang stated that the firms' contracts come up for renewal in August and it is expected that their contracts will be extended. Said extensions, as well as any other specific authorizations, Ms. Chang noted, will be brought before the Board for approval.

Next, Director Weisbrod inquired as to the additional costs listed for the deconstruction of 130 Liberty Street. Specifically, he wanted to know first, whether the amount was \$20 or \$30 million dollars and second, what costs the funds are expected to cover.

Ms. Chang noted that it is a range of \$20 to \$30 million dollars and that the costs relate to insurance coverage that LMDC will need to purchase once the Corporation obtains title to the building. In addition, Ms. Chang explained, LMDC needs project management and construction management services relating to the management of the deconstruction process.

Director Wils asked if there was a breakdown of the numbers and Ms. Chang stated that there was not sufficient enough information as yet to provide a breakdown. Approval is being

sought at this time, Ms. Chang explained, because it is imperative that LMDC is ready to enter into the various agreements as they become necessary and without delay.

The Chairman suggested that approval be given as requested but because the amount requested appears to be higher than he and the Directors anticipated, a refined breakdown should be provided to the Board as soon as possible.

Following all discussions, the Chairman read a resolution into the record adopting the FGEIS and authorizing various related actions. Then upon motion duly made and seconded, the following resolution was unanimously adopted:

World Trade Center Memorial and Redevelopment Plan - Final
Generic Environmental Impact Statement and Related Matters

RESOLVED, that, on the basis of the materials presented to this meeting, copies of which are hereby ordered filed with the records of the Corporation, the Corporation hereby approves and adopts the Final Generic Environmental Impact Statement (FGEIS) for the World Trade Center Memorial and Redevelopment Plan (Proposed Action) in the form submitted to this meeting and finds that the FGEIS meets the requirements of the National Environmental Policy Act and the New York State Environmental Quality Review Act, a copy of which FGEIS is hereby ordered filed with the records of the Corporation; and be it

FURTHER RESOLVED, that the President of the Corporation or his designee is hereby authorized to take such action as deemed necessary or appropriate in connection with the FGEIS required pursuant to the National Environmental Policy Act, the New York State Environmental Quality Review Act and any other applicable

law, including without limitation, the providing, filing or making available of copies of the FGEIS and/or digests thereof, the publication of the notices relating to the FGEIS, the extension of time for filing the FGEIS for the Proposed Action pursuant to 6 NYCRR § 617.9(a)(5)(ii)(a), and the making of a report or reports to the Board of Directors on written comments received respecting the FGEIS; and be it

FURTHER RESOLVED, that, on the basis of the materials presented to this meeting, copies of which are hereby ordered filed with the records of the Corporation, the President of the Corporation or his designee is hereby authorized, in the name and on behalf of the Corporation, to enter into the World Trade Center Memorial and Redevelopment Plan Programmatic Agreement with the New York State Historic Preservation Officer and the Advisory Council on Historic Preservation, substantially in the form as presented to this meeting, in order to carry out LMDC's obligations under the National Historic Preservation Act, and to take all such other actions as may be required in connection with such Programmatic Agreement; and be it

FURTHER RESOLVED, that the President of the Corporation or his designee is hereby authorized to issue and release for public review a Draft Conformity Determination under the Clean Air Act and to take such other action as deemed necessary or appropriate in connection with the draft determination, including, without limitation, the publication of notices providing a public comment period on the draft and the making of a report or reports to the Board of Directors on comments received; and be it

FURTHER RESOLVED, that the President of the Corporation or his designee is hereby authorized to take any such action as deemed necessary or appropriate in connection with the New York State Eminent Domain Procedure Law, including, without limitation, the holding of public hearings, the publication of the notices relating to such hearings, and the making of a report or reports to the Board of Directors on comments received during or following such hearings.

* * *

Ms. Chang then presented a request to the Directors to authorize certain expenditures in connection with the

acquisition of 130 Liberty Street and the deconstruction of the Deutsche Bank Building to be funded from Partial Action Plan 7. The issuance of this Action Plan, she noted, will be presented to the Board for authorization later in the meeting.

Following Ms. Chang's presentation, the Chairman read a resolution into the record regarding same.

The Chairman then called for questions with regard to this matter and Director Lewis asked for a clarification of the amounts requested and Ms. Chang provided same. Director Malloy asked if there was any difference between demolition and deconstruction and he was informed that there was, in fact, a difference.

Specifically, Ms. Chang explained that a demolition implies an implosion which is not anticipated with regard to 130 Liberty Street. Rather, she noted, the Deutsche Bank Building will be deconstructed or basically taken down piece by piece.

President Rampe then sought to clarify the fact that although approval is being sought to put a \$164,000,000 Partial Action Plan out for the public comment, LMDC is asking today for approval of only expenditures of \$45,000,000 and \$10,000,000

thereunder. Any further proposed expenditures, he explained, will be brought before the Board for approval. Ms. Chang agreed with President Rampe's synopsis and added that said expenditures are also dependent upon various other conditions being met.

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

Authorization for Expenditures and Related Agreements for
the Deconstruction of 130 Liberty Street

RESOLVED, that in accordance with and subject to the terms and conditions of the Memorandum of Understanding entered into by the Corporation on February 26, 2004 with Allianz Global Risks US Insurance Company, AXA Corporate Solutions Insurance Company, Deutsche Bank, AG, and Taunus Corporation relating to the parcel of land and building located at 130 Liberty Street, a copy of which is hereby ordered filed with the records of the Corporation, and subject to the acquisition by the Corporation of the parcel of land and building located at 130 Liberty Street, the Corporation is authorized to enter into an agreement with Gilbane Building Company to carry out deconstruction activities at the building located at 130 Liberty Street for a term that shall extend through the completion of such deconstruction, which agreement shall provide that the Corporation is not obligated to expend more than \$45,000,000 in the aggregate for such deconstruction; and be it

FURTHER RESOLVED, that in accordance with and subject to the terms and conditions of the Memorandum of Understanding, the Corporation is authorized to enter into an agreement with Allianz and AXA relating to the allocation among the Corporation and Allianz and AXA of costs arising from the deconstruction activities at the building located at 130 Liberty Street, for a term that shall extend through the completion of such deconstruction; and be it

FURTHER RESOLVED, that in connection with the deconstruction of such building, the Corporation is authorized to expend out the Corporation's funds an amount not to exceed \$10,000,000 to obtain such commercial and pollution liability insurance as the President of the Corporation determines is necessary; and be it

FURTHER RESOLVED, that each of the foregoing agreements and expenditures shall be subject to (a) the approval of Partial Action Plan 7 by the federal Department of Housing and Urban Development, which includes such expenditures, (b) the completion by the Corporation and other responsible governmental authorities of all required environmental, eminent domain, and other reviews in connection with the World Trade Center Memorial and Cultural Program, with all required findings and determinations, and (c) approval of the final World Trade Center Memorial and Cultural Program by the Board of Directors of the Corporation; and be it

FURTHER RESOLVED, that the President of the Corporation or his designee be, and each of them hereby is, authorized, in the name and on behalf of the Corporation, to execute and deliver any and all documents and to take all related actions as he or she may consider to be necessary or appropriate to effectuate the foregoing resolutions, including entering into such agency or subrecipient agreements with The Port Authority of New York and New Jersey or the Empire State Development Corporation to assist the Corporation in carrying out its obligations under the agreements referred to above as the President may determine to be necessary or appropriate to carry out the intent of the foregoing resolutions.

* * *

Next, President Rampe presented a request that the Board authorize the issuance of a Partial Action Plan for the World Trade Center Memorial and Cultural Program and Lower Manhattan Tourism for two funding initiatives that have already been approved by the Board.

President Rampe explained that essentially LMDC is asking the Board to include the two initiatives in the Partial Action Plan so that they will be funded through same rather than coming out of the administrative funds of the Corporation.

President Rampe identified the two initiatives as: the Splendor of Florence Festival, authorized in January and the Tribeca Film Festival, authorized in March.

Director Crotty read the related resolution into the record and upon motion duly made and seconded, the following resolution was unanimously adopted:

Approval of Partial Action Plan 7

RESOLVED, that the Partial Action Plan for World Trade Center Memorial and Cultural Program and Lower Manhattan Tourism, as presented at this meeting, a copy of which shall be filed with the records of the Corporation, is hereby approved, and that such Partial Action Plan be issued to the public for comment and, following such comment period, be submitted to the federal Department of Housing and Urban Development (HUD) in accordance with federal guidelines applicable thereto; and be it

FURTHER RESOLVED, that the President of the Corporation shall be authorized to make changes to the Partial Action Plan as may be necessary or appropriate to comport with applicable HUD requirements and to reflect public comments received on such Plan; and be it

FURTHER RESOLVED, that any funds expended pursuant to the Partial Action Plan shall be subject to separate Board approval; and be it

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

* * *

(It was noted for the record that Chairman Whitehead and Director Wils recused themselves from voting on the foregoing resolution.)

Ms. Peterson then presented the background information with regard to a request for authorization for LMDC to enter into an agreement with Davis Brody Bond LLP to serve as associate architect for the World Trade Center Site Memorial and to take other related actions.

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

Authorization to Enter into Agreements for Architectural Services

RESOLVED, that the Corporation is hereby authorized to enter into an agreement for a one-year period with Davis Brody Bond LLP to serve as Associate Architect for the World Trade Center Site Memorial; and be it

FURTHER RESOLVED, that pursuant to such agreement, Davis Brody Bond LLP shall provide pre-design services to the Corporation, including review of programming, solicitation and selection of subconsultants, development of phasing and schedule

for design, cost estimate review, establishment of sustainable design goals, and design studies of specific issues as required; and be it

RESOLVED, that the Corporation is hereby authorized to enter into agreements for a one-year period with each of Michael Arad and Peter Walker (or firms with which Messrs. Arad and Walker are affiliated) for pre-design services in connection with the World Trade Center Site Memorial, which services shall include working with the Associate Architect, Davis Brody Bond LLP, in the selection of subconsultants, development of phasing and schedule for design, cost estimate review, establishment of sustainable design goals, and design studies of specific issues as required; and be it

FURTHER RESOLVED, that the combined expenditures under all such agreements shall not exceed \$1,000,000 in the aggregate; and be it

FURTHER RESOLVED, that the President of the Corporation shall consult with the Audit and Finance Committee prior to the execution of such agreements regarding the final terms thereof; 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. Albin then presented a request for authorization for LMDC to enter an agreement with Dan Klores Communications to provide public awareness services and a second agreement with Bandungo, Donkers and Brothers to provide brand development and advertising creative services.

Following Mr. Albin's presentation, the Chairman read the first of the two resolutions into the record. He then called

for a discussion on same.

Director Ferer inquired into the need for another Lower Manhattan website and suggested that existing promotional efforts be closely coordinated. Director Hernandez-Pinero expressed her support of Director Ferer's position. There being no further questions for comments, upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization to Enter into Agreement for Public Awareness Campaign Services

RESOLVED, that that the Corporation is authorized to enter into an agreement with Dan Klores Communications for public awareness campaign services in connection with the History and Heritage Campaign, which services shall include achieving high profile media placements for the campaign; and be it

FURTHER RESOLVED, that such agreement shall be for a one-year period for an amount not to exceed \$210,000, which shall be allocated from funds previously approved by the Board pursuant to Partial Action Plan 3; 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 the second resolution into the record. There being no questions or comments, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization to Enter into Agreement for Brand Development
and Advertising Services

RESOLVED, that the Corporation is authorized to enter into an agreement with Bandujo, Donker & Brothers for brand development and advertising creative services in connection with the History and Heritage Campaign, which services shall include development of a branded identity for the campaign and related advertising services, a branded web site and various printed materials; and be it

FURTHER RESOLVED, that such agreement shall be for a one-year period for an amount not to exceed \$1,048,841, which shall be allocated from funds previously approved by the Board pursuant to Partial Action Plan 3; 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.

* * *

Ms. Rose then asked the Directors to authorize LMDC to enter into agreements with New York Press Services and Miller Advertising, Inc. for advertising services and related expenditures.

Following this 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 Enter into Agreements for Advertising
Services

RESOLVED, that the Corporation is hereby authorized to enter into agreements for a one-year period with each of New York Press Service and Miller Advertising, Inc. for advertising services and related expenditures in connection with the public advertisement of various initiatives of the Corporation, including the Residential Grant Program, Partial Action Plans, the environmental review process, public meetings and hearings, and other community outreach initiatives; and be it

FURTHER RESOLVED, that the combined expenditures under all such agreements shall not exceed \$1,600,000 in the aggregate; 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 stated that in view of the comments made with regard to the last several presentations, he believes that a report should be provided at the next meeting reviewing grants made thus far to advertise and promote Lower Manhattan. President Rampe agreed to provide same.

Lastly, Mr. Opper from HUD provided a slide show marking the 30th Anniversary of HUD's Community Development Block Grant Program.

There being no further business, the meeting was adjourned at 9:30 a.m.

Respectfully submitted,

Eileen McEvoy
Assistant Secretary