

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

November 10, 2004

MINUTES

In Attendance

Directors:

John C. Whitehead, Chairman
Robert Balachandran
Roland Betts
Paul Crotty
Robert Harding
Thomas Johnson (via telephone)
Stanley Shuman
Carl Weisbrod
Madelyn Wils

Staff Attending:

For Lower Manhattan Development Corporation:

Kevin Rampe, President
Irene Chang, General Counsel
Daniel Ciniello, Senior Vice President -
Internal Audit
Anita Contini, Vice President - Memorial,
Cultural and Civic Programs
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, Senior Vice President -
Memorial, Cultural and Civic Development
Stefan Pryor, Senior Vice President - Policy
and Programs
Joanna Rose, Vice President -
Communications Director

Other Staff

For Mayor Bloomberg:

Daniel Doctoroff
Laurie Tamis

For Chairman Whitehead:

Edward Novotny, Senior Advisor to the
Chairman

For HUD:

Jan Charles Opper, Director, Disaster
Recovery and Special Issues Office of the
Assistant Secretary for Community Planning
and Development

For Speaker Sheldon Silver:

Judy Rapfogel, Chief of Staff

Counsel to the Board:

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

Also Present:

Speaker Sheldon Silver
The Public
The Media and Press
Maria Cassidy, Deputy General Counsel - ESD

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 the approval of the Minutes of the October 14, 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 OCTOBER 14, 2004 MEETING OF THE DIRECTORS OF THE LOWER
MANHATTAN DEVELOPMENT CORPORATION

RESOLVED, that the minutes of the meeting of the Corporation held on October 14, 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 welcoming Speaker Sheldon Silver to the meeting and stating that the Speaker would be addressing the meeting later.

The Chairman then briefly outlined the three funding items on the agenda, namely, the acquisition of additional property for the Memorial and Cultural Program, the deconstruction of 130 Liberty Street and the dissemination of information about Lower Manhattan. He stated that President Rampe would address these

items more fully in his report.

Next, the Chairman spoke about the favorable real estate market in Lower Manhattan as well as of the success of this past summer's Tribeca Film Festival.

President Rampe opened his report by acknowledging Speaker Silver and his Chief of Staff, Judy Rapfogel. He noted that Ms. Rapfogel is present at most of LMDC's meetings and he expressed appreciation for her guidance and support as well as that of Speaker Silver.

President Rampe then outlined several recent activities including the October 21st topping off of the 52nd story of 7 World Trade Center and the receipt by LMDC of an award for its commitment to Chinatown.

Next, President Rampe elaborated upon the items mentioned by the Chairman earlier in the meeting. He then explained that Joanna Rose would be appointed to the Office of Vice President and Director of Communications.

Following Mr. Rampe's report, the Chairman read the related Appointment of Officer resolution into the record. Following said recitation and upon motion duly made and seconded, the

following resolution was unanimously adopted:

Appointment of Officer

RESOLVED, that Joanna Rose is hereby elected Vice President and Director of Communications and shall serve until such time as her successor is duly elected and qualified or until her earlier resignation or removal.

* * *

Next, Director Johnson stated that the five funding and contract resolutions to be considered by the Directors at this meeting had been reviewed by the Audit and Finance Committee and that all are recommended for approval.

Director Johnson also noted that a Budget Variance Report for the period ending September 30, 2004 had been provided to the Board. He explained that the \$9.2 million listed for contract commitments relate to the fact that certain departments have made commitments in anticipation of Partial Action Plan funding after which those funds transfer back as appropriate.

In closing, Director Johnson stated that the Members of the Audit Committee met with the internal auditors and that there are no matters of concern to report.

Ms. Chang then presented a request for authorization to issue a Partial Action Plan for the acquisition of the remainder

of the Southern Site for the World Trade Center Memorial and Redevelopment Plan. Ms. Chang defined the area in detail. She explained that the acquisition will allow the redistribution of commercial, retail and open space development. She stated that this, in turn, will allow the implementation of the World Trade Center Memorial and Cultural Program as described in the General Project Plan.

Ms. Chang noted that the present request is for the release of the Partial Action Plan and for its modification and submission to HUD. She explained that as the funds are closer to becoming available, staff will return to the Board for approval of specific transactions.

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

Authorization to Issue Partial Action Plan for Acquisition of the Remainder of the Southern Site for the World Trade Center Memorial and Cultural Program

RESOLVED, that the proper officers of the Corporation are hereby authorized to release for public comment and submit for review and approval by the federal Department of Housing and Urban Development (HUD) a Partial Action Plan, on substantially the terms as presented to this meeting, for the expenditure of up to \$44,500,000 of the Corporation's funds for costs associated with and relating to the acquisition of real property to the south of the World Trade Center site in order to

implement the World Trade Center Memorial and Cultural Program;
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 the agreements necessary to implement such Partial Action Plan, and the expenditures to be incurred by the Corporation in connection therewith, shall be submitted separately to the Board of Directors for authorization; 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.

* * *

Ms. Peterson then presented a request for authorization for LMDC to amend its agreement with Gilbane Building Company in an amount not to exceed \$2.5 million for the deconstruction of 130 Liberty Street. Following Ms. Peterson's detailed account of the relevant background information with regard to this request, Director Wils stated that as far as it can be ascertained, the \$2.5 million will be sought from either Deutsche Bank or the insurance companies. Ms. Peterson stated that that was LMDC's assumption.

There being no further questions or comments, upon motion duly made and seconded, the following related resolution which had been read into the record by the Chairman was unanimously

adopted:

Authorization to Amend Agreement with Gilbane Building Company regarding Deconstruction of 130 Liberty Street

RESOLVED, that the Corporation is hereby authorized to amend its agreement with Gilbane Building Company for deconstruction activities at the building located at 130 Liberty Street to increase the total authorized expenditures under such agreement by up to an additional \$2,500,000 to an amount not to exceed \$47,500,000 in the aggregate, which shall be allocated from funds previously approved by the Board pursuant to Partial Action Plan 7; and be it

FURTHER RESOLVED, that such expenditures shall be used for costs related to supplemental work the Corporation may authorize Gilbane Building Company to perform related to the deconstruction of the building at 130 Liberty Street, including costs associated with the cleaning and removal of hazardous materials; and be it

FURTHER RESOLVED, that the proper officers of the Corporation are hereby directed to seek recovery or reimbursement of such costs promptly under the agreements with Deutsche Bank and its prior insurers relating to 130 Liberty Street in order to reduce the cost of the project to the Corporation to the greatest extent practicable; and be it

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

* * *

Following approval of the resolution, the Chairman asked for a comment as to the anticipated timeframe for the deconstruction. Ms. Peterson stated that LMDC is currently completing phase one of the deconstruction plan, the results of which the Corporation plan to share with the regulators and the public shortly. It is anticipated, she noted, that gross

cleaning of the building can begin later in the year.

Ms. Peterson noted that it is currently anticipated that completion can be achieved by the end of next year or the beginning of 2006.

The Chairman remarked that it has taken longer than originally anticipated due to LMDC's desire to move forward carefully. Ms. Peterson agreed, noting that LMDC wants to make sure that the plans that it puts forth will meet all of the regulator's requirements and that the public has the opportunity to participate.

Ms. Peterson then presented a request for authorization to amend a construction management agreement regarding 130 Liberty Street. Ms. Peterson explained that LMDC is requesting an additional \$990,000 for additional construction management services including environmental consulting, testing and reporting and construction management services related to safety and community concerns. Ms. Peterson outlined the reasons for said additional services as well as how payments will be administered. The Chairman then read the related resolution into the record and upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization to Amend Construction Management Agreement
regarding 130 Liberty Street

RESOLVED, that the Corporation is hereby authorized to amend its agreement with URS Corporation to provide construction management and owner's representation services relating to the deconstruction of 130 Liberty Street to increase the expenditures under such agreement by an additional \$990,000 to an amount not to exceed \$1,880,000 in the aggregate; and be it

FURTHER RESOLVED, that the expenditures approved hereby shall be allocated from funds previously approved by the Board pursuant to Partial Action Plan 7, and shall be used for additional construction management services relating to the deconstruction of 130 Liberty Street, including environmental consulting, testing, and reporting, and construction services related to safety and community concerns; 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.

* * *

Next, Ms. Rose, jointly with Ms. Tamis from Deputy Mayor Doctoroff's office, presented a request to the Board to authorize the issuance of a Partial Action Plan and the amendment of a Subrecipient Agreement regarding LowerManhattan.info. Following this presentation of the details of this request which included a brief overview of the campaign by Ms. Tamis, the Chairman read the relevant resolution into the record. Before a vote was taken, Director Weisbrod stated that he would make the motion. He then stressed the importance of this campaign because, as the Board materials point out, a substantial number of workers and residents still feel they are

not getting sufficient information about what is happening in Lower Manhattan.

This website and some others Director Weisbrod noted, contribute to the important object of getting information to downtown workers and residents. Director Weisbrod mentioned that the Downtown Alliance's survey shows that the more workers are aware of what is happening in Lower Manhattan, the happier they are and the more they and their businesses want to stay downtown.

Director Weisbrod then made a motion, which was duly seconded and the following resolution was unanimously adopted:

Issuance of Partial Action Plan and Amendment of Subrecipient Agreement regarding LowerManhattan.info

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 (HUD) a Partial Action Plan for the expenditure of up to \$1,270,000 of the Corporation's funds for costs related to the continued funding of the Lower Manhattan Public Information Plan Program, including the Program's website, www.lowermanhattan.info, for an additional year; and be it

FURTHER RESOLVED, that subject to approval by HUD of such Partial Action Plan, the Corporation is hereby authorized to amend its subrecipient with the City of New York to increase the term of such agreement by an additional year and to increase the total authorized expenditures thereunder by \$1,270,000 to an amount not to exceed \$2,570,000 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 and appropriate to effect the foregoing.

* * *

Ms. Rose then presented a request for authorization to amend a subrecipient agreement for Lower Manhattan Information Center Staffing Services. Ms. Rose noted that the Communications Department is seeking staff services for an additional one year for an amount not to exceed \$125,000 for LMDC's initial kiosk located on the northeast corner of the World Trade Center site.

Ms. Rose provided the background information with regard to the kiosk itself as well as to the present request for additional funding. Following Ms. Rose's presentation, Director Crotty asked if there will come a time when the Visitors Center that was approved at last month's meeting will take over the function of the kiosk.

Ms. Rose stated that it will be evaluated in the future. She then noted that the two serve different functions in that the kiosk provides information on restaurants and things of that nature while the Visitors Center will cover the events of September 11th.

Director Crotty suggested that LMDC attempt to coordinate these efforts as money is getting scarcer. There being no questions or comments, the Chairman read the related resolution into the record and upon motion duly made and seconded, the following resolution was unanimously adopted: (It was noted for the record that Directors Weisbrod and Wils had recused themselves from voting on the following resolution.)

Authorization to Amend Subrecipient Agreement for Lower Manhattan Information Center Staffing Services

RESOLVED, that the Corporation is hereby authorized to amend its subrecipient with the Alliance for Downtown New York to provide staffing services for the Lower Manhattan Rebuilding Information Kiosk to increase the term of such agreement by an additional year and to increase the total authorized expenditures thereunder by \$125,000 to an amount not to exceed \$245,110 in the aggregate; and be it

FURTHER RESOLVED, that such additional funds shall be allocated from funds previously approved by the Board for the Lower Manhattan Communication Outreach Campaign pursuant to Partial Action Plan 4, and shall be used to cover costs related to the staffing of the Lower Manhattan Rebuilding Information Kiosk for an additional year; 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 called upon Speaker Silver to address the meeting. Speaker Silver noted that he was addressing the meeting not only as the Speaker of the Assembly but also as a resident of and the Assemblyman

elected to represent the area. He then stated that he views the rebuilding and revitalization of Lower Manhattan as profoundly important.

The Speaker went on to express his respect for the LMDC and his readiness to assist the Corporation in carrying out its mandate. The Speaker then said that the most significant things that we hear from our leaders in government are the urge to redevelop the far west side of Manhattan without a discussion about how we are going to bring back the commercial community of Lower Manhattan. He asked why those who support the executive branch in this State and in this nation still have a hard time understanding why the State of Wyoming received more Federal homeland security dollars per capita than New York State.

The Speaker went on to voice his concerns about the securities industry's vulnerability in Lower Manhattan and the need for adequate backup facilities to prevent the future relocation of securities firms. He also noted the need to address the restricted public access to Chinatown due to the closure of Park Row, bridge and tunnel closures, and other disruptions, as it is affecting the apparel manufacturing community in Chinatown. He stressed the need

to start erecting the kind of facilities that will bring business and workers back to Lower Manhattan in a vibrant 24-hour community.

Speaker Silver also stressed his belief that there should be greater community representation on the LMDC Board.

The Speaker asked: How much LMDC money has gone to the Port Authority? What did the Port Authority do with the funds it has already received from a variety of sources? What is the Port Authority planning to do with the money it is seeking?

Speaker Silver spoke of his concerns about community needs, including schools, a community center, libraries, and the Second Avenue Subway. Speaker Silver also asked for support in a request for a Chinatown Empire Zone and for \$70 million in funding for Hudson River Park's Segment 3.

Speaker Silver also stressed that the direct Long Island Rail Road Service and link to JFK is vital to the revitalization of Downtown. He noted that he recognized the LMDC's actions on continuing to protect the people who live and work near the Deutsche Bank Building throughout

the complex deconstruction process. He then noted his concern for the residents who live around the building and suggested at the very least the establishment of a widespread system to provide vital emergency and evacuation information quickly and efficiently.

In closing, he again stressed his willingness to assist LMDC to build a better Lower Manhattan.

The Chairman thanked the Speaker for his remarks and stated that LMDC looks forward to working with him to achieve the objectives that he has outlined.

There being no further business, the meeting was adjourned at 9:15 a.m.

Respectfully submitted,

Eileen McEvoy
Assistant Secretary