

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 14, 2004

MINUTES

In Attendance

Directors:

John C. Whitehead, Chairman
Robert Balachandran
Paul Crotty
Robert Harding
Edward Lewis
Edward J. Malloy
Stanley Shuman
Carl Weisbrod

Staff Attending:

For Lower Manhattan Development Corporation:

Kevin Rampe, President (via telephone)
Irene Chang, General Counsel
Daniel Ciniello, Senior Vice President -
Operations
Anita Contini, Vice President - Memorial,
Cultural and Civic Programs
Christopher Glaisek, Vice President
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 - Memorial,
Cultural and Civic Development
Stefan Pryor, Senior Vice President - Policy
& Programs
Joanna Rose, Assistant Vice President -
Communications and Press Secretary
Chara Tappin, Community Liaison

Other Staff

For Mayor Bloomberg:

Daniel Doctoroff

For Chairman Whitehead:

Edward Novotny, Senior Advisor

For HUD:

Jan Opper, Senior Program Officer

For Speaker Sheldon Silver:

Judy Rapfogel, Chief of Staff

Counsel to the Board:

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

Also Present:

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 8:05 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 September 9, 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 SEPTEMBER 9, 2004 MEETING OF THE DIRECTORS OF THE LOWER
MANHATTAN DEVELOPMENT CORPORATION

RESOLVED, that the minutes of the meeting of the Corporation held on September 9, 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 opened his remarks by reporting on the Splendor of Florence Festival, a festival for which LMDC had authorized funding. The Chairman noted that the festival had been a great success. The festival, he noted, had a strong educational component reaching out to 2500 New York art teachers and working with Pace University Art History classes.

The Chairman went on to address two of the items that the Directors would be considering at the meeting. First, he explained that the Directors would be asked to approve funding for the planning, design and construction of the Tribute Visitors' Center. He further explained that the Center will play a valuable role before the completion of the permanent

memorial, as visitors will be able to learn about the site and the events of 9/11 from a corp of volunteers made up of family members, first responders and survivors.

Secondly, the Chairman noted that the selection process for architects for the cultural buildings had been completed and that he was confident that the selected architects understand the sensitivity of the site as they enter into the schematic design phase.

Lastly, the Chairman stated that an important conference took place recently on the importance of retail at the World Trade Center Site and he called upon Director Weisbrod to provide a report on same.

Director Weisbrod outlined the recommendations brought forth at the conference, including the importance of retail at the ground level; making the retail permanent from the outset; having a coherent retail strategy which would be under the control of one single ownership and using the retail at the site to encourage retail throughout Lower Manhattan.

Chairman Whitehead added that the conference proved to be an effective tool in fulfilling LMDC's role to spur progress in the retail effort which has lagged behind other efforts in the

design process.

President Rampe opened his report by expressing that he looks forward to working with the architects selected for the cultural buildings at the site. He went on to express his appreciation to LMDC's staff members for their hard work in this regard, mentioning specifically Peter Madden, Betty Chen, Amy Peterson, and Anita Contini.

Mr. Rampe then outlined the various other items on the Agenda. He went on to note that he was pleased to announce that the Board would be asked to consider his recommendation that Amy Peterson be promoted to the office of Senior Vice President for Memorial, Cultural and Civic Development. The Chairman then read the relevant resolution into the record and upon motion duly made and seconded, the following resolution was unanimously adopted:

Appointment of Officer

RESOLVED, that Amy Peterson is hereby elected Senior Vice President for Memorial, Cultural and Civic Development, and shall serve until such time as her successor is duly elected and qualified or until her earlier resignation or removal.

* * *

Next, Mr. Crotty presented the Audit and Finance Report for the Directors information. He explained that the Committee had

met and reviewed the funding items on today's Agenda for approval by the Board.

Director Crotty went on to address the budget variance report stating that the Committee reviewed the report through August 31, 2004 and found that expenditures are equal to approximately \$6,000,000 and unexpended commitments of \$9.7 million.

Director Crotty then called the Directors' attention to the planning, design and development line of the report. He noted that this line is at 105% of its expended committed budget. Director Crotty explained that this line will be relieved once Partial Action Plan funds are transferred into it.

Mr. Pryor then asked the Directors to authorize LMDC to take certain actions in connection with the Tribute Visitors Center. Director Crotty noted that certain background information had been provided at the previous meeting and the Directors had adopted a sense-of-the-Board resolution at that time.

Mr. Pryor then outlined in detail the specific conditions that the Directors had agreed were necessary in order for them to approve the \$3,000,000 in funding being requested at today's

meeting.

Following Mr. Pryor's presentation, Director Crotty asked for the term of the lease and it was determined that it was approximately five years. Director Crotty stressed the importance of obtaining a sufficient lease term in order to ensure that the Visitors Center remains in operation until such time as the memorial and memorial center are in place. Mr. Pryor stated that LMDC would make sure of that.

Director Lewis then inquired as to the funding recipient's, WVFA's, efforts to raise matching funds. Mr. Pryor stated that WVFA is proceeding separately in regard to fundraising efforts. He added that LMDC is setting targets for their fundraising so that there are clear goals and that LMDC's funds flow as a function of that. There being no further questions or 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 Issue Partial Action Plan and Enter Into Subrecipient Agreement with September 11th Widows and Victims' Families Association

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 \$3,000,000 of the Corporation's funds for costs related to the planning,

design, operations, lease payments and construction of the Tribute Visitors' Center at 120 Liberty Street, an initiative of the September 11th Widows and Victims' Families Association ("WVFA"); and be it

FURTHER RESOLVED, that, subject to the approval by HUD of the foregoing Partial Action Plan which includes such expenditures, and the receipt by the President of the Corporation of a satisfactory governance and management structure, fundraising plan and a lease agreement between the WVFA and the landlord of 120 Liberty Street, the Corporation is authorized to enter into a subrecipient agreement with WVFA to provide funding for the Tribute Visitors Center; and be it

FURTHER RESOLVED, that such subrecipient agreement shall be for a one-year period for an amount not to exceed \$2,800,000 in the aggregate, which amount shall be used to match funds raised for the Tribute Visitors Center from other sources; and be it

FURTHER RESOLVED, that the Corporation is hereby further authorized to enter into a subrecipient agreement with WVFA for planning activities relating to the Tribute Visitors' Center, which agreement shall be for a one-year period for an amount not to exceed \$200,000 in the aggregate; 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 asked the Directors to authorize LMDC to enter into contracts for architectural services for the museum complex and the performing arts complex with Gehry Partners, LLP and Snohetta A.S. Ms. Peterson provided a detailed account of the process involved in selecting the architects that the Directors were being asked to approve.

Ms. Peterson went on to note that the Directors were being

asked to approve expenditures under these agreements in an amount not to exceed \$4,600,000. This amount, she explained, was allocated under Partial Action Plan 8 and the funds will come out of the Memorial, Cultural and Civic Development budget until Partial Action Plan 8 is approved.

Following Ms. Peterson's presentation, Director Crotty asked if there are any plans in place to ensure that the design work is consistent with the existing master plan. In that regard, he noted that Ms. Peterson had referred to a multi-party collaboration and he asked who was in charge of that collaboration.

Ms. Peterson stated that LMDC is in charge of the multi-party collaboration and that several meetings have been set up between the architects and several of the involved parties, including the master planner and the designer of the memorial.

The Chairman stated that he met with the architects and that he was confident that they will strive to have their work fit in with the surrounding area.

Director Lewis asked if the \$4.6 million will be split between the two architects and Ms. Peterson stated that it would. She went on to note that it has not yet been determined

what amount each will receive. Director Weisbrod then noted that the \$4.6 million is entirely an LMDC contribution and asked at what point the designated cultural institutions will be asked to contribute funds.

Ms. Peterson explained that the cultural institutions are contributing funds to the other work that they are doing during the schematic design planning phase that is currently going on. She further explained that a big part of what is presently being done with the architects is determining the overall costs of the buildings and determining how the funding will be split.

Director Weisbrod then asked if his assessment that at the end of this phase, LMDC will have the overall cost for both buildings as well as a general idea of what percentage of that cost will be contributed by the public and how much will be contributed by the designated cultural institutions.

Ms. Peterson said that his conclusion was correct and that that is a big part of what this six month phase is about.

Director Balachandran then asked if the occupants of the cultural center and museum will be sitting at the table as the parties move forward with the design of the buildings.

Ms. Peterson said that they would be. There being no further questions or 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 Enter into Agreements for Architectural Services for the Museum Complex and the Performing Arts Complex

RESOLVED, that the Corporation is hereby authorized to enter into an agreement for a one-year period with each of (i) Gehry Partners, LLP, for architectural services in respect of the World Trade Center Cultural Program Performing Arts Complex, and (ii) Snohetta A.S., for architectural services in respect of the World Trade Center Cultural Program Museum Complex; and be it

FURTHER RESOLVED, that the total authorized expenditures under both such agreements shall not exceed \$4,600,000 in the aggregate; and be it

FURTHER RESOLVED, that prior to approval by the federal Department of Housing and Urban Development (HUD) of Partial Action Plan 8, which includes funds for such purpose, 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, 2005, in accordance with applicable HUD guidelines; 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. Peterson then presented a request for authorization for LMDC to amend its Memorial Design Team Contract. Ms. Peterson provided the reasons such amendment is required. Following Ms. Peterson'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 Agreements with Architects for the World Trade Center Memorial

RESOLVED, that the Corporation is hereby authorized to amend its agreements with Davis Brody Bond LLP, Handel Architects and Peter Walker and Partners Landscape Architecture Incorporated for schematic design services and design development services for the World Trade Center Memorial to increase the total authorized expenditures under all such agreements by an additional \$1,200,000 to an amount not to exceed \$4,200,000 in the aggregate; and be it

FURTHER RESOLVED, that of the expenditures approved hereby, \$1,000,000 shall be allocated for schematic design services and \$200,000 shall be allocated for design development services; and be it

FURTHER RESOLVED, that prior to approval by the federal Department of Housing and Urban Development (HUD) of Partial Action Plan 8, which includes funds for such purpose, 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, 2005, in accordance with applicable HUD guidelines; 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. Peterson presented a request for authorization for LMDC to enter into a contract for a Memorial Center Design Team. Following Ms. Peterson'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 Enter into Agreements with Architects for Design Services for the World Trade Center Memorial Center

RESOLVED, that the Corporation is hereby authorized to enter into an agreement for a one-year period with each of David Brody Bond LLP and the architectural firm selected by the Corporation through the Request for Proposals issued on August 2, 2004 for Architectural Services for the World Trade Center Cultural Program to provide design services for the World Trade Center Memorial Center; and be it

FURTHER RESOLVED, that the total authorized expenditures under both such agreements shall not exceed \$750,000 in the aggregate; and be it

FURTHER RESOLVED, that prior to approval by the federal Department of Housing and Urban Development (HUD) of Partial Action Plan 8, which includes funds for such purpose, 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, 2005, in accordance with applicable HUD guidelines; 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. Chang then asked the Directors to authorize LMDC to extend the terms of its Legal Consultants Contract in connection with the 130 Liberty Street Acquisition and related transactions. Following Ms. Chang'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 Extend Agreements with Legal Consultants
for 130 Liberty Street Acquisition and Related Transactions

RESOLVED, that the Corporation is hereby authorized to amend its agreements with each of Piper Rudnick LLP and Weil, Gotshal & Manges LLP for the provision of mediation and related legal services and related dispute resolution services in connection with 130 Liberty Street to extend the term of such agreements through March 31, 2005; 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.

* * *

Lastly, Ms. Peterson asked the Directors to authorize LMDC to enter into a contract for Construction Management Services and Owner's Representation Services for the deconstruction of 130 Liberty Street. Following Ms. Peterson's presentation, the Chairman read the relevant resolution into the record. Director Weisbrod asked who will be leading the team. Ms. Peterson stated that Mike Burton is the person in charge. She added that LMDC is getting his services and it does not have to pay for them. Ms. Peterson further added that the project manager is very strong. 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 Construction Management and Owner's Representation Services for the Deconstruction of 130 Liberty Street

RESOLVED, that the Corporation is hereby authorized to enter into one or more agreements with URS Corporation to provide construction management and owner's representation services relating to the deconstruction of 130 Liberty Street; and be it

FURTHER RESOLVED, that each such agreement shall be for a period of two years and the total authorized expenditures under all such agreements shall not exceed \$890,000 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.

* * *

There being no further business, the meeting was adjourned at 8:55 a.m.

Respectfully submitted,

Eileen McEvoy
Assistant Secretary