

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

January 13, 2005

MINUTES

In Attendance

Directors:

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

Staff Attending:

For Lower Manhattan Development Corporation:

Kevin Rampe, President and CEO (via telephone)
Stefan Pryor, Senior Vice President - Policy and Programs
Amy Peterson, Senior Vice President - Memorial, Cultural and Civic Development
Betty Chen, Vice President - Planning, Design and Development
Robert Miller, Chief Financial Officer
Dan Ciniello, Senior Vice President - Operations
Jennifer Brown, Vice President for Community Development and Relations
Irene Chang, General Counsel
Allison Bailey, Project Manager - Office of the Chairman
Christopher Glaisek - Vice President - Planning, Design, and Development

Other Staff

For Governor Pataki:

Douglas Blais

For Speaker Sheldon Silver:

Judy Rapfogel

For ESD:

Susanna Stein, Senior Vice President, Loans
and Grants

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 8:05 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.

The first order of business was the approval of the minutes of the December 16, 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 DECEMBER 16, 2004 MEETING OF THE DIRECTORS OF THE LOWER
MANHATTAN DEVELOPMENT CORPORATION

RESOLVED, that the minutes of the meeting of the Corporation held on December 16, 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 speaking about the January 5th inaugural meeting of the Board of the World Trade Center Memorial Foundation. He explained that he will serve as the Interim Chairman of the 33-member Board. The members, the Chairman stated, have already shown a strong commitment to making certain that the memorial and cultural complex will meet the expectations not only of New York City but of the entire world.

The Chairman then noted one of the items from Governor Pataki's State of the State Address; the Governor has proposed legislation that will add an income tax checkoff to the New York State Income Tax Form so that citizens may make donations to the World Trade Center Memorial. The Chairman stated that in addition to providing added resources, this move by the Governor illustrates a great vote of confidence in this undertaking.

Citing another positive event regarding Lower Manhattan, the Chairman stated that Morgan Stanley recently announced that it would rent 447,000 square feet of office space at One New York Plaza and will be moving 1,415 employees into that space. The Chairman noted that this move by Morgan Stanley provides a signal that businesses formerly located downtown are beginning to give Lower Manhattan a well-deserved second look. He added his belief that this is the beginning of a trend that will continue.

The Chairman then asked those present to observe a moment of silence in honor of those lost in the Indian Ocean tsunami tragedy, as well as in the California landslide.

President Rampe centered his report on the two funding requests to be considered by the Directors at the meeting. He provided a detailed synopsis of each and stressed their importance in moving forward with the overall site plan.

Director Johnson then stated that the Audit and Finance Committee had reviewed the background information with regard to the two funding requests to be presented to the Board for consideration this date. He stated that the Committee recommends the approval of both items from a financial perspective.

Director Johnson went on to address the Budget Variance Report that had been provided to the Directors, explaining, among other things, that there are several areas of the total budget where the percentage appears to be high. He noted that this is because certain expenditures are recorded in one department first in anticipation of being reallocated after partial action plans are approved.

Director Johnson went on to state that in substance, therefore, LMDC is operating within budget and that there are no concerns about continuing to do so throughout the rest of the fiscal year.

Ms. Peterson then asked the Directors to authorize LMDC to enter into contracts with five firms for air monitoring services at 130 Liberty Street.

Ms. Peterson provided an outline of the selection process involved in connection with these contracts. She explained that LMDC is entering these contracts to ensure that the needed air monitoring throughout the area and the building is in place.

Ms. Peterson further explained that LMDC issued a Request for Qualifications in November and received twenty-four

proposals. Of those twenty-four proposals, five have been selected. A competitive mini-bid process will be conducted in which the five firms will each propose pricing for the air monitoring services and the work will be awarded based on the proposals. The contracts will be funded through Partial Action Plan #7.

Following Ms. Peterson's presentation, the Chairman read the related resolution into the record and upon motion duly made and seconded, the following resolution was adopted:

Authorization to Enter into Agreements for Air Monitoring Services at 130 Liberty Street

RESOLVED, that the Corporation is hereby authorized to enter into an agreement for a two-year period with one or more of AKRF Inc., BEM Systems, GZA GeoEnvironmental Inc, LiRo Engineers and TRC Engineers for air quality monitoring services at 130 Liberty Street; and be it

FURTHER RESOLVED, that the combined expenditures under all such agreements shall not exceed \$500,000 in the aggregate, which shall be allocated from funds included in Partial Action Plan 7; and be it

FURTHER RESOLVED, that the President of the Corporation shall determine the scope of services provided by, and the amounts payable to, each such firm in accordance with the applicable competitive bid-process relating thereto; 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. Chen presented a request for authorization for

LMDC to amend its agreement for cost estimating and preconstruction services with the following firms: Bovis Lend Lease LMB; Building Conservation Associates, Inc.; Hanscomb, Faithful and Gould, Inc.; and VJ Associates, Inc. She explained that the funds will be applied for the second year of work being performed by the consultants who will continue to prepare and refine estimates and schedules. Ms. Chen further explained that the funds are provided for under Partial Action Plan #8. Following Ms. Chen's detailed account of the relevant background information with regard to this request, the Chairman read the following 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 Director Harding recused himself from voting on the following resolution.):

Authorization to Amend Agreement for Cost Estimating and Preconstruction Services

RESOLVED, that the Corporation is hereby authorized to amend its agreements with each of Bovis Lend Lease LMB, Inc, Building Conservation Associates, Inc., Hanscomb, Faithful and Gould, Inc. and VJ Associates, Inc. for cost estimation, preconstruction and related services to increase the combined expenditures under all such agreements by \$650,000 to an amount not to exceed \$1,240,000 in the aggregate for all such agreements, which 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 and to execute such instruments as may be necessary and appropriate to effect the foregoing.

There being no further business, the meeting was adjourned
at 8:20 a.m.

Respectfully submitted,

Eileen McEvoy
Assistant Secretary