

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

March 10, 2005

MINUTES

In Attendance

Directors:

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

Staff Attending:

For Lower Manhattan Development Corporation:

Kevin Rampe, President and CEO
Irene Chang, General Counsel
Betty Chen, Vice President for Planning,
Design, and Development
Dan Ciniello, Senior Vice President for
Operations
Christopher Glaisek - Vice President for
Planning, Design & Development
Stephen Konopko, Director of Internal Audit
Dyana Lee, Vice President for Investigations
Robert Miller, Chief Financial Officer &
Treasurer to the Board
Amy Peterson, Senior Vice President for
Memorial, Cultural and Civic Development
Stefan Pryor, Senior Vice President - Policy
and Programs
Allison Bailey, Project Manager - Office of
the Chairman

Other Staff

For Mayor Bloomberg:

Daniel Doctoroff, Deputy Mayor

For Speaker Sheldon Silver:

Judy Rapfogel, Chief of Staff

For ESD:

Susanna Stein, Senior Vice President -
Operations

Counsel to the Board:

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

Also Present:

Charles Maikish, Lower Manhattan
Construction Command Center
The Public
The Media and Press

The meeting of the Lower Manhattan Development Corporation ("LMDC") was called to order at 8:07 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 February 10, 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 FEBRUARY 10, 2005 MEETING OF THE DIRECTORS OF THE LOWER
MANHATTAN DEVELOPMENT CORPORATION

RESOLVED, that the minutes of the meeting of the Corporation held on February 10, 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.

* * *

Chairman Whitehead began his remarks by reporting on the recent visit of the King and Queen of Norway to the Lower Manhattan Development Corporation. He noted that they were very pleased about all of the progress that has been made on the site thus far and enthusiastic overall with what has been happening in Lower Manhattan. Craig Dykers of Snohetta, the Norwegian architecture firm designing the Museum Facility, gave a presentation to them explaining the process and the thought that is going into the design of the museum facility. The King and Queen also toured the site with the Port Authority.

The Chairman then reported that the museums of Lower Manhattan ran their Kids Get in Free Week Campaign in February.

He explained that LMDC administers the Museums of Lower Manhattan Campaign promoting 15 museums and historic sites south of Houston Street. Chairman Whitehead further noted that the museums reported that the campaign was very successful and that LMDC plans on offering it again during Spring break. He thanked Carin Cardone for her work on the campaign.

The Chairman added that the World Trade Center Memorial Foundation Board will meet on April 7th and that he will report on the progress made by that Board at LMDC's next meeting.

President Rampe opened his report by noting that LMDC continues in its outreach efforts to ensure the involvement of women in the rebuilding of Lower Manhattan. In that regard, he noted, LMDC has sponsored an advertising campaign to encourage women to enter the construction industry through a new and non-profit job training effort. More information on that effort, he explained, is available at www.renewnyc.com.

President Rampe then spoke of the success of LMDC's traveling memorial exhibit. He explained that the exhibit has so far been displayed in Albany, Syracuse and Watertown, and that it will be traveling to Rochester, Buffalo, Binghamton and

Hauppauge before the exhibit is returned to its permanent display area at the World Financial Center in May.

President Rampe proceeded to outline in detail each of the funding requests to be considered by the Directors at the meeting.

Next, President Rampe introduced Charles Maikish, the new Executive Director of the Lower Manhattan Construction Command Center, to those present at the meeting. He asked Mr. Maikish to provide remarks.

Mr. Maikish stated that the construction-related activity level will increase dramatically over the next six months and that he looks forward to being a part of the restoration. He further noted that at the same time, he seeks to ensure the mitigation of the impact of those activities on the downtown economy as well as on the businesses and residents. Mr. Maikish stated that an example of coordinating construction activities includes the concept of a central staging area for construction materials coming into the area. This, he stated, will help to avoid a total gridlock in Lower Manhattan.

Overall, Mr. Maikish explained that the Construction Command Center will provide a central point where the community, the developers and the agencies can come and coordinate the work efforts and work to mitigate the impact.

Director Johnson then provided the Audit and Finance Committee Report, stating that the Committee had reviewed the background information with regard to the funding requests that will be presented to the Board for approval this date. The Committee, he noted, recommends the approval of same.

Director Johnson went on to address the Budget Variance Report that had been provided to the Directors and noted that LMDC is comfortably operating within its budget.

Director Johnson further stated that the report notes that the contract commitments have been reduced to reflect Partial Action Plan funding of certain contracts. Future expenditures under these contracts, he explained, will be directly funded through the relative Partial Action Plan and will not impact planning and administration expenditures.

Director Johnson then explained that LMDC sometimes pays or books expenditures through planning and administration prior to

there being an official Partial Action Plan authorization for certain items. April 1, 2005, he explained, will mark the start of the next fiscal year for LMDC and as has been done in the past, management is requesting a continuing resolution from the Board to authorize the use of unexpended funds from last year's planning and administration budget to fund operating costs in April, 2005. Management, Director Johnson stated, will request a full budget for the next fiscal year at the April Board meeting.

Director Johnson went on to explain that the Audit Committee has reviewed the conditions of this request and recommends its approval. The Chairman then read the relevant resolution into the record and then upon motion duly made and seconded, the following resolution was unanimously adopted:

Authorization to Expend Unused Funds from Fiscal Year
2004-05 Budget

RESOLVED, the Corporation is hereby authorized to expend, in accordance with applicable guidelines and policies of the Corporation, the balance of funds remaining in the Corporation's approved budget for fiscal year ending March 31, 2005 that have not been committed or expended as of such date, as may be required to fund operational expenses and contractual commitments of the Corporation for the period April 1, 2005 through April 30, 2005.

* * *

Next, Ms. Peterson asked the Directors to authorize LMDC to amend its contract for architectural services with Snøhetta for an additional \$2,062,500 to fund 50% of the preliminary design development for the World Trade Center Museum Facility.

Ms. Peterson provided the relevant background information with regard to this request and explained in detail what the preliminary design development will entail.

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 Agreement for Architectural Services

RESOLVED, that the Corporation is hereby authorized to amend its agreement with Snøhetta A.S. for architectural services to increase the authorized expenditures thereunder by an additional \$2,062,500 to an amount not to exceed \$5,312,500 in the aggregate, which expenditures shall be allocated from funds included in Partial Action Plan 8 or from funds included for planning and administration in the Corporation's annual budget for fiscal year ending March 31, 2006 to be presented to the Board for approval; and be it

FURTHER RESOLVED, that the expenditures approved hereby shall be used for costs related to preliminary design development services for the World Trade Center Museum Complex; 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. Chang presented a request relating to the Corporation's preparation and release of environmental findings.

Ms. Chang noted that at its December 2004 meeting, the Board preliminarily adopted proposed amendments to the General Project Plan for the World Trade Center Memorial and Cultural Program. She also noted that the proposed amendments were released for public comment and a public hearing was held on January 26, 2005 regarding the proposed amendments.

Ms. Chang explained that LMDC staff and outside consultants were performing an environmental assessment of the proposed amendments and other refinements to the World Trade Center Memorial Redevelopment Plan as noted at the December Board meeting. This assessment, she stated, will be completed by the end of March.

As the completion of the environmental assessment of the proposed amendments approaches, Ms. Chang explained, LMDC staff seeks authorization for LMDC's President to take such action as deemed necessary or appropriate in connection with the

preparation and release for public review of the proposed environmental findings as required under the National Environmental Policy Act and the State Environmental Quality Review Act. Ms. Chang asserted that this authorization is needed to permit the President to take the steps necessary to allow the public comment period to begin without delay in the event that the assessment indicates that there are no significant environmental impacts from the proposed plan changes.

Ms. Chang then stated that if it is determined that a Supplemental Environmental Impact Statement is required, that document will be provided to the Board for approval along with the formal public hearing schedule. Following Ms. Chang's full presentation, the Chairman read the following related resolution into the record and upon motion duly made and seconded the following resolution was unanimously adopted:

Authorization to Prepare and Release Environmental Findings

RESOLVED, that the President of the Corporation or his designee(s) is hereby authorized to take such action as deemed necessary or appropriate in connection with the preparation and release of proposed environmental findings as required under the National Environmental Policy Act ("NEPA") and the State Environmental Quality Review Act ("SEQRA") in connection with the environmental assessment of the proposed amendments to the World Trade Center Memorial and Cultural Program General Project Plan, as adopted by the Board of Directors on December 16, 2004,

and other refinements of the World Trade Center Memorial and Redevelopment Plan, which may include, without limitation, providing, filing or making available copies of the proposed environmental findings and/or digests thereof, fixing of the date for any hearings or meetings required pursuant to NEPA or SEQRA or any other applicable law, publication of notices relating to the proposed environmental findings and such hearings or meetings in accordance with the procedures approved by such persons, and making a report or reports to the Board of Directors on such hearings or meetings and written comments received respecting the proposed environmental findings; and be it

FURTHER RESOLVED, that the President of the Corporation or his designee(s) 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 in his or her discretion consider to be necessary or appropriate to effectuate the foregoing resolution.

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There being no further business, the meeting was adjourned at 8:30 a.m.

Respectfully submitted,

Eileen McEvoy
Assistant Secretary