

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

April 14, 2005

MINUTES

In Attendance

Directors:

John C. Whitehead, Chairman
Robert Balachandran
Roland Betts
Paul Crotty
Robert M. Harding
Edward Malloy
Stanley Shuman
Carl B. Weisbrod
Madelyn Wils

Staff Attending:

For Lower Manhattan Development Corporation:

Kevin Rampe, President and CEO
Carin Cardone, Director of Tourism and Marketing
Irene Chang, General Counsel
Betty Chen, Vice President - Planning, Design and Development
Dan Ciniello, Senior Vice President - Operations
Anita Contini, Vice President - Memorial, Cultural and Civic Programs
Stephen Konopko, Director of Internal Audit
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
Dyana Lee, Vice President - Investigations
Joanna Rose, Vice President - Communications
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:

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 March 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 MARCH 10, 2005 MEETING OF THE DIRECTORS OF THE LOWER MANHATTAN DEVELOPMENT CORPORATION

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

* * *

The Chairman then announced that Board Member Paul Crotty had been confirmed by the United States Senate as a U.S. District Court Judge for the Southern District of New York. The Chairman thanked Director Crotty for his dedication to the LMDC and read the following resolution of appreciation into the record:

A Resolution of the Board of Directors of the Lower Manhattan Development Corporation to Acknowledge the Contributions and Accomplishments of Former Board Member Paul A. Crotty and to Commend Him for His Service to the Lower Manhattan Development Corporation

WHEREAS Paul A. Crotty was a founding Board member of the LMDC, appointed in November 2001;

WHEREAS Mr. Crotty served as a model Board member and the contributions he made are appreciated by his colleagues;

WHEREAS Mr. Crotty served with great distinction and gave of his time generously as a member of every working group of the Board - as well as on the Audit and Finance Committee - and also served as Chair of the Board's Memorial Working Group, where he showed dedication and wisdom in ensuring the creation of a poignant and fitting memorial to those we lost on September 11th;

WHEREAS Mr. Crotty's steadfast commitment and abundant knowledge have inspired a thoughtful, energetic and innovative approach to the rebuilding of the World Trade Center site and the revitalization of Lower Manhattan;

WHEREAS the contributions of Mr. Crotty have been crucial to the realization of Lower Manhattan's revitalization, and his efforts have formed a solid foundation in ensuring that Lower Manhattan recovers from the attacks and emerges even stronger than it was before;

WHEREAS the Lower Manhattan Development Corporation congratulates and commends Mr. Crotty on his long and successful career in public service and on his new position as United States District Judge for the Southern District of New York State;

NOW THEREFORE BE IT RESOLVED that the Board of Directors of the Lower Manhattan Development Corporation HEREBY ACKNOWLEDGES, THANKS AND COMMENDS Paul A. Crotty for his exemplary service in helping the Lower Manhattan Development Corporation execute its mission.

* * *

Director Crotty then expressed his appreciation for the resolution as well as for the dedication of those he has worked with at LMDC over the past years.

Chairman Whitehead then reported on the second Board meeting of the World Trade Center Memorial Foundation. Among

other things, he noted the appointment of Gretchen Dykstra as President and CEO of the Foundation.

President Rampe opened his report by thanking Director Crotty for his support, wisdom, and guidance since the founding of the Corporation.

President Rampe then reported that by releasing the Draft Funding Allocation Plan and an associated report titled "Guiding the Process: The Public Dialogue in Lower Manhattan Revitalization Issues", LMDC took another important step toward allocating its remaining funding.

President Rampe explained that the report details the correlation between the major themes of public input received over the past three years and the projects funded by the LMDC to date. He stated that the LMDC will accept public comments on the Draft Allocation Plan through May 1st via mail or e-mail.

President Rampe further noted that LMDC will host a public forum on the report on April 27th.

President Rampe relayed other of the Corporation's recent activities and then proceeded to outline in detail each of the

funding requests to be considered by the Directors at the meeting.

Director Betts then provided the Audit and Finance Committee Report stating that the 2006 budget, which the Directors would be asked to approve at this meeting, contains an added \$4.8 million to be used for the start-up costs associated with the Construction Coordination Command Center. Director Betts stated that the Audit and Finance Committee carefully worked through the budget and recommends its approval.

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

Approval of 2005-06 Fiscal Year Budget

RESOLVED, that the Budget of the Corporation for fiscal year 2005-06 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.

* * *

Following the approval of the budget, Director Harding asked if the budget was for three-quarters, citing the State's fiscal year, and he was informed that it was for the year.

Next, Ms. Peterson asked the Directors to approve amendments to Partial Action Plan 8 for an additional \$44,105,000 for estimated costs for the development of the World Trade Center Memorial and Cultural Program through the end of the next fiscal year, March 31, 2006.

Ms. Peterson provided the relevant background information with regard to this request, including the costs it will cover from last year as well as those estimated costs for services in the coming year.

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:

Approval of Amendments to Partial Action Plan 8

RESOLVED, that the Corporation is hereby authorized to amend Partial Action Plan 8 ("Amended Partial Action Plan 8") to include as additional expenditures therein an amount not to exceed \$44,105,263.16 for costs incurred in connection with the planning, development and preliminary implementation of the

World Trade Center Memorial and Cultural Program, as described in the materials presented to the Board at this meeting; and be it

FURTHER 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 the Amended Partial Action Plan 8 covering the foregoing additional expenditures; and be it

FURTHER RESOLVED, that any agreements associated with such expenditures included in Amended Partial Action Plan 8 shall be subject to separate Board approval pursuant to applicable policies of the Corporation; and be it

FURTHER RESOLVED, that the President of the Corporation or his designee shall be authorized to make such changes to Amended Partial Action Plan 8 as he may deem necessary or appropriate to comport with applicable HUD requirements and to reflect public comments received thereon, and to take such other actions as may be necessary or appropriate to effect the foregoing resolutions.

* * *

Next, Ms. Contini presented a request for authorization to issue an amendment to Partial Action Plan 8 for public comment. Said amendment, she explained, will include an initiative for the Alliance for Downtown New York for the River to River Festival 2005. This River to River Festival will also include a "mini-festival" featuring the four WTC cultural institutions. The Directors were also requested to authorize LMDC to enter into a Subrecipient Agreement with the Alliance for Downtown in regard to said initiative.

Following Ms. Contini'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 (It was noted for the record that Directors Weisbrod and Wils recused on the following resolution.):

Authorization to Issue Partial Action Plan and Enter into Subrecipient Agreement for River to River Festival 2005

RESOLVED, that the Corporation is hereby authorized to amend Partial Action Plan 8 ("Amended Partial Action Plan 8") to include as additional expenditures therein an amount not to exceed \$500,000 for costs associated with the Corporation's sponsorship of the 2005 River to River Festival, as described in the materials presented to the Board at this meeting; and be it

FURTHER 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 the Amended Partial Action Plan 8 covering the foregoing additional expenditures; and be it

FURTHER RESOLVED, that the Corporation is hereby authorized to enter into a subrecipient agreement with the Alliance for Downtown New York, Inc. for the foregoing purpose in an amount not to exceed \$500,000, which agreement shall be subject to approval by HUD of the Amended Partial Action Plan 8 submitted for such purpose; and be it

FURTHER RESOLVED, that the President of the Corporation or his designee shall be authorized to make such changes to Amended Partial Action Plan 8 as he may deem necessary or appropriate to comport with applicable HUD requirements and to reflect public comments received thereon, and to take such other actions as may be necessary or appropriate to effect the foregoing resolutions.

* * *

Next, Ms. Chang asked the Directors to authorize LMDC to amend its agreement with legal consultants related to the World Trade Center Memorial and Redevelopment Plan for an additional contract term of one year and for an increased amount of \$450,000. The increased amount of \$450,000 will be funded through Partial Action Plan 7, as amended, Ms. Chang explained.

Ms. Chang provided the relevant background information with regard to this request and 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 with Legal Consultants related to the World Trade Center Memorial and Redevelopment Plan

RESOLVED, that the Corporation is hereby authorized to amend its agreement with Weil, Gotshal & Manges LLP for the provision of legal services to the Corporation in connection with the World Trade Center Memorial and Redevelopment Plan to extend the term of such agreement for an additional one year period and to increase the authorized expenditures thereunder by \$450,000 to an amount not to exceed \$1,000,000 in the aggregate, which amount shall be allocated from funds included in Partial Action Plan 7, as amended; 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.

* * *

Next, Ms. Chang presented a request for authorization for LMDC to amend its agreements with Legal consultants in connection with Environmental Land Use and Real Estate matters to increase authorized expenditures by an additional \$2.5 million.

Ms. Chang explained that of the \$2.5 million increase, \$500,000 will be provided for in the Legal Department's 2005-2006 planning and administrative budget, \$1 million will be provided through Partial Action Plan 7, as amended, and \$1 million will be provided through Partial Action Plan 8, as amended, and Partial Action Plan 9.

Following Ms. Chang's detailed presentation 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:

Authorization to Amend Agreement with Legal Consultants in connection with Environmental, Land Use and Real Estate Matters

RESOLVED, that the Corporation is hereby authorized to amend its agreement with each of Carter Ledyard & Milburn and LeBoeuf, Lamb, Greene & MacRae for the provision of legal services in the areas of environmental, land use and real estate law in connection with planning matters and development projects

in Lower Manhattan to extend the term of each such agreement for an additional one-year period and to increase the combined expenditures under both such agreements by \$2,500,000 to a total amount not to exceed \$7,500,000 in the aggregate under both such agreements; and be it

FURTHER RESOLVED, that of the expenditures approved hereby, \$500,000 shall be allocated from funds included for planning and administration in the Corporation's annual budget for fiscal year ending March 31, 2006, \$1,000,000 shall be allocated from funds included in Partial Action Plan 7, as amended, and \$1,000,000 shall be allocated from funds included in Partial Action Plan 8, as amended, and Partial Action Plan 9; 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. Cardone then provided detailed background information with regard to three requests for funding relating to the Museum of Lower Manhattan Campaign. Among other things, Ms. Cardone explained that the areas of funding include costs related to brand development, advertising creative services, public awareness services and printed collateral distribution.

Following Ms. Cardone's full presentation, the Chairman read all three related resolutions into the record, and upon separate motions duly made and seconded, the following resolutions were unanimously adopted:

Authorization to Amend Agreement for Brand Development and Advertising Services

RESOLVED, that the Corporation is hereby authorized to amend its agreement with Bandujo, Donker & Brothers for brand development and advertising creative services in connection with the Museums of Lower Manhattan Campaign to extend the term of such agreement for an additional one-year period and to increase the authorized expenditures thereunder by a \$1,100,000 to an amount not to exceed \$2,141,841 in the aggregate, which amount shall be allocated from funds included in 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.

* * *

Authorization to Amend Agreement for Public Awareness
Campaign Services

RESOLVED, that that the Corporation is hereby authorized to amend its agreement with Dan Klores Communications for public awareness campaign services in connection with the Museums of Lower Manhattan Campaign to extend the term of such agreement for an additional one-year period and to increase the authorized expenditures thereunder by a \$210,000 to an amount not to exceed \$420,000 in the aggregate, which amount shall be allocated from funds included in 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.

* * *

Authorization to Amend Agreement for Printed Material
Distribution Services

RESOLVED, that that the Corporation is hereby authorized to amend its agreement with CTM Brochure Display, Inc. for printed material distribution services in connection with the Museums of Lower Manhattan Campaign to extend the term of such agreement for an additional one-year period and to increase the authorized

expenditures thereunder by \$25,500 to an amount not to exceed \$64,515 in the aggregate under such agreement and all prior related agreements, which amount shall be allocated from funds included in 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 presented two requests for funding to the Directors. The first was for advertising services in connection with the public advertising of various LMDC initiatives. The second item related to a contract amendment for exhibition, design and production services related to the "Recovery to Renewal" exhibit in the Winter Garden Theatre.

Following Ms. Rose's detailed presentation regarding each item, the Chairman read the relevant resolutions into the record and upon separate motions duly made and seconded, the following resolutions were unanimously adopted:

Authorization to Amend Agreements for Advertising Services

RESOLVED, that the Corporation is hereby authorized to amend its agreements 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 to increase the term of each such agreement for an additional one-year period and to increase the combined expenditures under both such agreements by \$915,000 to a total amount not to exceed \$2,515,000 in the aggregate under both such agreements, which amount shall be

allocated from funds included for planning and administration in the Corporation's annual budget for fiscal year ending March 31, 2006 and from funds included in Partial Action Plans 7,8 and 9, as applicable; 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.

* * *

Authorization to Increase Expenditures for Exhibition Design and Production Services

RESOLVED, the Corporation is hereby authorized to amend its agreement with Whirlwind & Company, Inc. for exhibition design and production services to extend the term of such agreement for an additional one-year period and to increase the expenditures thereunder by \$88,000 to an amount not to exceed \$578,000 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.

* * *

President Rampe then asked the Directors to authorize LMDC to extend the term of its contract with B&B Technical, Inc. for database development consulting services. 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 Extend Term of Contract with Database Development Consultant

RESOLVED, the Corporation is hereby authorized to amend its agreement with B2B Technical, Inc. for database development consulting services to extend the term of such Agreement for an additional one year period; 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.

* * *

Before the meeting was adjourned, Director Crotty noted that his employee, Verizon, had headquarters at 42nd Street and Sixth Avenue and that Verizon is moving its headquarters to 140 West Street with 900 employees. He further noted that Verizon will start to accomplish this in the fourth quarter of 2005, and that this is a great sign for business downtown.

There being no further business, the meeting was adjourned at 8:58 a.m.

Respectfully submitted,

Eileen McEvoy
Assistant Secretary