

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

June 16, 2005

MINUTES

In Attendance

Directors:

John C. Whitehead, Chairman
Robert Balachandran
Robert M. Harding
Thomas S. Johnson
Edward Lewis
Edward Malloy (via telephone)
Madelyn Wils

Staff Attending:

For Lower Manhattan Development Corporation:

Stefan Pryor, President and CEO
Allison Bailey, Secretary of the Corporation and Policy and Programs Project Manager
Jennifer Brown, Vice President for Community Development and Relations
Carin Cardone, Director of Tourism and Marketing
Irene Chang, General Counsel
Betty Chen, Vice President - Planning, Design and Development
William Kelley, Director of Technical Services
Robert Miller, Chief Financial Officer
Amy Peterson, Senior Vice President - Memorial, Cultural and Civic Development
Joanna Rose, Vice President - Communications
Edward Sidor, Director of Design - Planning, Design & Development

Other Staff

For Governor Pataki:

Doug Blais

For Speaker Sheldon Silver:

Judy Rapfogel, Chief of Staff

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 8:05 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 May 19, 2005 Board 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 MAY 19, 2005 MEETING OF THE DIRECTORS OF THE LOWER
MANHATTAN DEVELOPMENT CORPORATION

RESOLVED, that the minutes of the meeting of the Corporation held on May 19, 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 then reported that since the last meeting, he joined with Governor Pataki and Mayor Bloomberg in their announcement of an allocation plan for the remaining LMDC funds.

The Chairman then stated that Mr. Pryor would provide the details of the plan that allocates more than \$800 million to investments on the World Trade Center Site and throughout Lower Manhattan. He then provided a brief outline of certain anticipated uses for the allocated funds including, for example, the Tribeca Segment of Hudson River Park and the revitalization of the East River Waterfront.

Next, the Chairman noted that the 2005 River to River Festival is underway and flourishing with over 500 extraordinary and diverse free events offered throughout the summer. Chairman

Whitehead explained that the festival spurs a great energy in Lower Manhattan throughout the summer and that LMDC is proud to be sponsoring it for the third year.

Among other things, the Chairman cited some of the promising new developments downtown, including Morgan Stanley's decision to move 2,300 staff members back to Lower Manhattan.

The Chairman concluded his report by speaking briefly on two interim Memorial projects that would be announced by Governor Pataki later in the day - Story Corps and the Tribute Center.

Mr. Pryor then welcomed LMDC's summer interns and thanked Amy Peterson for creating the program and Carin Cardone for overseeing it.

Mr. Pryor then addressed the previously mentioned allocation plan reminding all present of the extensive public process that was involved in formulating this plan. He then outlined the process in detail referencing a minimum of 75 public meetings including the Town Hall session held in 2002 which involved approximately 5,000 participants.

Mr. Pryor further noted that in April of 2005, LMDC released a draft framework for the allocation of the remaining funds. He noted that a public hearing was held and that based upon comments received, a revised funding framework was issued in May. This revised framework, he explained, serves as the basis for the plan to be presented at this meeting.

Mr. Pryor then outlined the remaining items for today's meeting.

Director Johnson then provided the Audit and Finance Committee Report. Director Johnson explained that the funding requests on the Agenda fall under five general categories. He went on to provide an overview of those five categories.

Director Johnson then explained that the Committee reviewed the purpose, cost justification and availability of funds pertaining to these requests and the Committee recommends their approval.

Next, Director Johnson noted that a budget variance report will be provided covering the entire fiscal year upon receipt by LMDC of the final audit presently being prepared by an independent audit firm.

Lastly, Director Johnson stated that a report was received from LMDC's internal auditor which did not contain any items that need further action or reporting at the Board level.

Next, Mr. Pryor presented a request for authorization for LMDC to adopt the Allocation Plan for the remaining \$819 million of CDBG funds. He proceeded to provide a detailed overview of the items to be funded and the amounts of the related allocations to be considered by the Directors today.

Following Mr. Pryor's detailed presentation, Ms. Rapfogel noted Speaker Silver's support for the east side K-8 school as part of the Allocation Plan, and thanked Madelyn Wils, Community Board 1, and the LMDC for their support.

There being no further comments, the Chairman read the first of two relevant resolutions into the record and upon motion duly made and seconded, the following resolution was unanimously adopted:

Funding Allocation Plan

RESOLVED, that the Funding Allocation Plan, as presented to this meeting, a copy of which shall be filed with the records of the Corporation, is hereby adopted; and be it

FURTHER RESOLVED, that prior to the expenditure of the funds set forth in the Funding Allocation Plan, (i) the Board of Directors shall have approved each such expenditure and the agreements to be entered into connection therewith, in each case in accordance with applicable policies of the Corporation, and (ii) the federal Department of Housing and Urban Development shall have approved a partial action plan providing for such expenditure, as may be required; 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.

* * *

The Chairman then read the second resolution relating to Mr. Pryor's presentation into the record and upon motion duly made and seconded, the following resolution was unanimously adopted:

Issuance of Partial Action Plan 10

RESOLVED, that the proper officers of the Corporation are hereby authorized to submit for public comment and review by the federal Department of Housing an Urban Development (HUD) a Partial Action Plan for the following purposes, as described in the Funding Allocation Plan and other materials presented to the Board at this meeting:

1. a commitment of up to \$254 million (in addition to the more than \$46 million contained within Partial Action Plan 8) to and for the World Trade Center Memorial Foundation, Inc. for costs associated with the World Trade Center Memorial and Cultural Program;
2. an allocation of up to \$70 million to the Hudson River Park Trust for costs associated with Segment 3 of the Hudson River Park renovation project;

3. an allocation of up to \$15 million for engineering, design, and construction costs associated with the replacement of the damaged Fiterman Hall of the Borough of Manhattan Community College;
4. an allocation of up to \$150 million for costs incurred in connection with the East Side Waterfront redevelopment project;
5. an allocation of up to \$20 million for costs incurred in connection with the planning, design and construction of a new K-8 public school to be located on Beekman Street; and
6. an allocation of up to \$9 million towards the study, review and implementation of surface transportation enhancements in Lower Manhattan and increased ferry transportation to Lower Manhattan.

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 as may be necessary or appropriate to effect the foregoing.

* * *

Ms. Brown then asked the Directors to authorize revisions to Partial Action Plan 6. The request, she noted, is for an amount not to exceed \$50 million and will be utilized in connection with the implementation of the City's revised affordable housing program.

Ms. Brown provided the relevant background information with regard to this request including an overview of each component of the revised program. Following Ms. Brown's presentation, Director Malloy asked if, with regard to the renovations, the federal guidelines for wages will be applied on these jobs. He was informed that they will 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:

Approval of Revisions to Partial Action Plan 6

RESOLVED, that the Corporation is hereby authorized to revise Partial Action Plan 6 ("Revised Partial Action Plan 6") to modify the purposes for which the Corporation's funds are to be expended in connection with the Corporation's \$50,000,000 affordable housing initiative included in Partial Action Plan 6, 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 Revised Partial Action Plan 6; and be it

FURTHER RESOLVED, that any agreements associated with the expenditures included in Revised Partial Action Plan 6 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 revise Partial Action Plan 6 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, Mr. Miller asked the Directors to authorize LMDC to amend Partial Action Plan 4 in connection with the West Street Pedestrian Connections Project.

Mr. Miller provided a detailed presentation of this request to reallocate up to \$1.8 million from the long-term planning program to the short-term project program. Following Mr. Miller's presentation, Director Wils asked if the Board is to assume that because the amount of money to go to the planning on the West Side is being reduced, the funds are not needed. Mr. Miller stated that the shorter answer is yes and the reality is that other funds have been identified to do all of the studies that are required.

Next Director Wils inquired as to the status of the elevators on the pedestrian bridges. Mr. Miller stated his understanding that work on the elevators is currently on hold due to labor issues.

Mr. Pryor stated that the DOT and Brookfield operate those elevators jointly and some labor issues exist with regard to

elevators beyond the particular ones in Lower Manhattan. A remedy to the situation is being worked out.

Director Wils requested that LMDC use the opportunity of this allocation to vigorously pursue having the elevators fixed. Mr. Pryor said that that would be done.

There being no further questions or comments, the Chairman then read the following related resolution into the record, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Approval of Amendments to Partial Action Plan 4

RESOLVED, that the Corporation is hereby authorized to amend Partial Action Plan 4 ("Amended Partial Action Plan 4") to reallocate \$1.8 million from Long-Term Planning to Short-Term Capital Projects for the West Street Pedestrian Connections Project, 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 4; and be it

FURTHER RESOLVED, that any agreements associated with the expenditures included in Amended Partial Action Plan 4 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 4 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.

* * *

Ms. Contini then provided detailed background information with regard to a request for authorization to amend Institutional Planning Consultant Agreements, noting that said funding is provided for in Partial Action Plan 8.

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

Authorization to Amend Institutional Planning Consultant Agreements

RESOLVED, that the Corporation is hereby authorized to amend its agreements with Lord Cultural Resources Planning & Management Inc. and Howard + Revis Design for institutional planning services to expand the scope of services provided under such agreements to include exhibition development and institutional development services, as described in the materials presented to the Board at this meeting; and be it

FURTHER RESOLVED, that the Corporation is further authorized to amend such agreements to increase the combined expenditures under both such agreements by an additional \$590,000 to a total amount not to exceed \$1,240,000 in the aggregate under both such agreements, which shall be allocated from funds included in Partial Action Plan 8; and be it

FURTHER RESOLVED, that the Corporation is further authorized to amend its agreement with Howard + Revis Design to

increase the term of such agreement by one 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 or appropriate to effect the foregoing.

* * *

Ms. Chen then presented two items, the first of which was a request for authorization to issue a Partial Action Plan and to amend a Subrecipient Agreement in connection with the New York Stock Exchange area improvements.

Following Ms. Chen's detailed presentation regarding this item, the Chairman read the relevant resolution into the record and upon motion duly made and seconded, the following resolution was unanimously adopted:

Issuance of Partial Action Plan and Amendment of
Subrecipient Agreement for NYSE Phase II Improvements

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 \$15,000,000 of the Corporation's funds for additional security and aesthetic improvements to the area surrounding the New York Stock Exchange, as described in the materials presented to the Board at this meeting; 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 agreement with the New York City Department of Small Business Services regarding the New York Stock Exchange area improvements to increase the authorized

expenditures thereunder by \$15,000,000 to an amount not to exceed \$25,000,000 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. Chen then asked the Directors to authorize LMDC to amend its agreement with Studio Daniel Libeskind for planning services related to the overall World Trade Center Memorial and Redevelopment Plan. 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 Amend Agreement with Studio Daniel Libeskind

RESOLVED, that the Corporation is hereby authorized to amend its agreement with Studio Daniel Libeskind for planning services related to the overall World Trade Center Memorial and Redevelopment Plan to increase the authorized expenditures under such agreement by up to an additional \$3,000,000 to an amount not to exceed \$5,250,000 in the aggregate, as described in the materials presented to the Board at this meeting; and be it

FURTHER RESOLVED, that 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, 2006; and be it

FURTHER RESOLVED, that the proper officers of the Corporation are hereby directed to seek reimbursement or cost-sharing of such additional costs from the Port Authority of New York and New Jersey as promptly as practicable; 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. Chang then presented a request for issuance of an Amended Partial Action Plan 9 relating to the acquisition of land in connection with the World Trade Center Memorial and Cultural Program.

Following Ms. Chang's detailed 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 Partial Action Plan 9

RESOLVED, that the Corporation is hereby authorized to amend Partial Action Plan 9 ("Amended Partial Action Plan 9") to allocate an additional \$20 million of the Corporation's funds to the \$44.5 million previously approved by the federal Department of Housing and Urban Development in Partial Action Plan 9 for costs relating to the acquisition of real property to the south of the World Trade Center in order to implement 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 9 covering the foregoing expenditures; and be it

FURTHER RESOLVED, that any agreements associated with such

expenditures included in Amended Partial Action Plan 9 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 9 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, Mr. Sidor presented a request for an amendment to LMDC's contract with Snøhetta for design services related to the World Trade Center Cultural Center.

Following Mr. Sidor's presentation of the specifics of this request, 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 Cultural Center Design Agreement

RESOLVED, that the Corporation is hereby authorized to amend its agreement with Snøhetta A.S. for design services related to the Cultural Center to be located at the World Trade Center site to increase the authorized expenditures under such agreement by up to an additional \$17,299,500.00 to an amount not to exceed \$22,612,000.00 in the aggregate, as described in the materials presented to the Board at this meeting; and be it

FURTHER RESOLVED, that the expenditures approved hereby shall be allocated from funds included in Partial Action Plan 8, and shall be used to fund the remaining programming, preliminary design development, final design development, and construction documentation phases through December 2006 as well as associated

allowances; 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. Peterson then presented two items for the Directors' consideration. First, she asked the Directors to authorize LMDC to enter into an agreement for scaffolding, preliminary engineering, permitting, and prep work related to the 130 Liberty Street deconstruction. Following her 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 Scaffolding, Preliminary Engineering, Permitting and Prep Work Agreement

RESOLVED, that the Corporation is hereby authorized to expend up to \$1,000,000 of the Corporation's funds to retain a firm to provide preliminary engineering, permitting and preparation work in connection with the preparation phase of the deconstruction of 130 Liberty Street, as described in the materials presented to the Board at this meeting; and be it

FURTHER RESOLVED, that the President of the Corporation shall be authorized to negotiate and enter into an agreement with such firm selected, in accordance with applicable policies of the Corporation, from among those responding to the Invitation to Bid for Exterior Scaffolding in connection with the Deconstruction of 130 Liberty Street issued on May 31, 2005, and the President shall notify the Chairman of the Audit and Finance Committee of such selection and agreement; and be it

FURTHER RESOLVED, that such agreement shall be for an amount not to exceed \$1,000,000 in the aggregate, which shall be allocated from funds included in Partial Action Plan 7; and be it

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

* * *

Ms. Peterson then presented a request for authorization for LMDC to amend its construction management agreement relating to the deconstruction of 130 Liberty Street.

Following Ms. Peterson's detailed presentation regarding this item, 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 Construction Management Agreement relating to Deconstruction of 130 Liberty Street

RESOLVED, that the Corporation is hereby authorized to amend its agreement with URS Corporation for construction management and owner's representation services relating to the deconstruction of 130 Liberty Street to increase the authorized expenditures under such agreement by up to an additional \$1,452,800 to an amount not to exceed \$3,332,800 in the aggregate, which funds shall used for site maintenance and environmental consulting services as described in the materials presented to the Board at this meeting; and be it

FURTHER RESOLVED, that the expenditures approved hereby shall be allocated from funds included in Partial Action Plan 7; 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.

* * *

Mr. Kelley then presented a request for funds for the Lower Manhattan Construction Command Center Neighborhood Air Quality Monitoring Program.

Among other things, Mr. Kelley noted in his presentation that the air monitoring program is one step that the Construction Command Center is instituting to ensure that the air quality in Lower Manhattan is not compromised by construction-related emissions. Mr. Kelley further noted that air monitoring systems will be set up at four geographical locations.

Mr. Kelley also explained that funds for the contract will be provided under the Lower Manhattan Construction Command Center's fiscal year 2005-2006 budget and through Federal Transit Administrative funds.

Following Mr. Kelley's full presentation, Director Wils asked if it had been decided exactly where the four air monitoring systems will be located.

Mr. Maikish answered that the locations are still under discussion and study and open to suggestions from the community. He further noted that this is only a part of the air monitoring anticipated for the area.

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 Air Monitoring Agreement

RESOLVED, that the Corporation is hereby authorized to enter into an agreement with BEM Systems, Inc. for environmental testing and consulting services in connection with the air quality monitoring program for Lower Manhattan being undertaken by the Lower Manhattan Construction Command Center, as described in the materials presented to this meeting; and be it

FURTHER RESOLVED, that such agreement shall be for a one-year period for an amount not to exceed \$315,800 in the aggregate, which shall be allocated from funds included in the Corporation's annual budget for fiscal year ending March 31, 2006 for the Lower Manhattan Construction Command Center and from anticipated Federal Transit Administration funds; 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 9:18 a.m.

Respectfully submitted,

Eileen McEvoy
Assistant Secretary