

**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

August 11, 2005

**MINUTES**

**In Attendance**

**Directors:**

John C. Whitehead, Chairman  
Robert Balachandran  
Roland Betts  
Robert M. Harding  
Thomas S. Johnson  
Edward Lewis  
Edward J. Malloy  
Stanley S. Shuman  
Carl B. Weisbrod

**Staff Attending:**

**For Lower Manhattan Development Corporation:**

Stefan Pryor, President

Phillip Anastos, Project Manager - Memorial,  
Cultural & Civic Development  
Allison Bailey, Secretary of the  
Corporation & Special Asst to the President  
Irene Chang, General Counsel  
Betty Chen, Vice President - Planning,  
Design and Development  
Dan Ciniello, Senior Vice President -  
Operations  
John Gallagher - Director of Communications  
Michael Haberman, Vice President - Community  
Relations and Community Development  
William Kelley, Director of Technical  
Services  
Robert Miller, Chief Financial Officer  
Anne Papageorge, Senior Vice President -  
Memorial and Cultural Development  
Joanna Rose, Vice President - Communications  
Edward Sidor, Director of Design - Planning,  
Design & Development

Andrew Wu, Deputy General Counsel

Other Staff

**For Mayor Bloomberg:**

Deputy Mayor Daniel L. Doctoroff

**For Speaker Sheldon Silver:**

Judy Rapfogel, Chief of Staff

**Counsel to the Board:**

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

**For HUD:**

Jan Oppen

**Lower Manhattan Construction Command Center**

Charles Maikish, Executive Director  
Daniel McCormack, First Deputy Executive  
Director

**Also Present:**

The Public  
The Media and Press

The meeting of the Lower Manhattan Development Corporation ("LMDC") was called to order at 8:10 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 a motion to approve the Minutes of the July 14, 2005 Directors' Meeting. The Chairman noted that the Minutes provided to the Directors for review included corrections to certain resolutions considered at last month's meeting. There being no comments or further corrections, upon motion duly made and seconded, the following resolution was unanimously adopted:

APPROVAL OF MINUTES AND RATIFICATIONS OF ACTIONS TAKEN AT  
THE JULY 14, 2005 MEETING OF THE DIRECTORS OF THE LOWER  
MANHATTAN DEVELOPMENT CORPORATION

---

RESOLVED, that the minutes of the meeting of the Corporation held on July 14, 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 stated that he would provide his report at the end of the meeting.

Mr. Pryor began his report by noting that the next action item on the Agenda was the appointment of Michael Haberman to the Office of Vice President of Community Relations and

Community Development. Mr. Pryor noted that Mr. Haberman would be joining the LMDC from his role at NYU as a director of government and community relations efforts, and welcomed Mr. Haberman to the staff.

Mr. Pryor then announced the recent promotion of Melvin Galloway to Assistant Vice President for Community Relations and Community Development.

Mr. Pryor further noted that Joanna Rose is being appointed as Press Secretary to the Governor for New York City and that John Gallagher will be replacing her as Director of Communications. Mr. Pryor noted that this would be Ms. Rose's last Directors' meeting with the LMDC, and voiced his appreciation for her work, noting that Ms. Rose would continue working closely with the LMDC in her new role.

Mr. Pryor proceeded to provide a detailed outline of the remainder of the items on the agenda. The Chairman then read the appointment of officer resolution into the record and upon motion duly made and seconded, the following resolution was unanimously adopted:

Election of Officer

---

RESOLVED, that Michael Haberman is hereby elected Vice President of the Corporation for Community Relations and Community Development, and shall serve until such time as his successor is duly elected and qualified or until his earlier resignation or removal.

\* \* \*

Next, Director Johnson provided the Audit and Finance Committee Report, noting that the Committee reviewed each of the items to be presented today and that the Committee is satisfied with them from a financial perspective. He further noted that the relevant Board working groups have like-wise reviewed and approved these proposals.

Director Johnson then stated that the Committee met briefly with the internal auditor and that there are presently no concerns worthy of being reported.

Next, Ms. Chang presented a request for authorization for the LMDC to enter into a contract with Bovis Lend Lease LMB, Inc. for the cleaning and deconstruction of 130 Liberty Street.

Following Ms. Chang's detailed presentation, which included an outline of the selection process, the Chairman inquired as to the anticipated timeframe for the project. Ms. Chang informed

him that it is estimated that the project will be completed approximately 16 months after the approval of the deconstruction plan which, she added, will be finalized shortly.

Director Betts then stated that this is an enormously complicated project. He added that the building must be scaffolded and scaffolding is weather-dependent, which could affect the schedule. The project, he noted, is on schedule now, however if delays occur and winter sets in, another six or seven months will need to be added because work will not be able to commence until spring.

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. (It was noted for the record that Director Harding recused himself from voting on the following resolution.):

Authorization to Enter into Agreement for Cleaning and  
Deconstruction of 130 Liberty Street

---

RESOLVED, that the Corporation is hereby authorized to enter into an agreement for a two-year period with Bovis Lend Lease LMB, Inc. for the cleaning and deconstruction of 130 Liberty Street, as described in the materials presented to the Board at this meeting; and be it

FURTHER RESOLVED, that such agreement shall be for an amount not to exceed \$75,000,000, which shall include the

\$4,000,000 expenditure for preparatory work relating to the cleaning and deconstruction of 130 Liberty Street approved by the Board at its July 14, 2005 meeting; and be it

FURTHER RESOLVED, that the expenditures approved hereby shall be allocated from funds included in Partial Action Plan 7, the Deconstruction Funding and Settlement Agreement with Deutsche Bank's insurers of the building, AXA and Allianz, and a claim under the August 31, 2004 Purchase and Sale Agreement for the 130 Liberty Street building; 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.

\* \* \*

Mr. Kelley then asked the Directors to authorize the LMDC to enter into or amend contracts with five firms selected through the RFP process for environmental testing and consulting services in connection with 130 Liberty Street, off-site projects, and the Construction Command Center Air Monitoring Program.

Following Mr. Kelley'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 Enter into Agreement for Environmental Consulting Services

---

RESOLVED, that the Corporation is hereby authorized to

expend up to \$9,828,309 of the Corporation's funds for environmental consulting services in connection with air monitoring programs being undertaken by the Corporation and the Lower Manhattan Construction Command Center and other off-site environmental review and consulting services, as described in the materials presented to the Board at this meeting, which shall be allocated from funds included for planning and administration in the Corporation's annual budget for fiscal year ending March 31, 2006, the appropriate project-related partial action plan and/or anticipated Federal Transit Administration funds; and be it

FURTHER RESOLVED, that the President of the Corporation or the Executive Director of the Lower Manhattan Construction Command Center, as applicable, shall be authorized to negotiate and enter into and/or amend existing agreements for a two-year period for the foregoing purposes with one or more of AKRF Inc., BEM Systems, GZA GeoEnvironmental Inc., LiRo Engineers, and TRC Engineers, and the President shall notify the Chairman of the Audit and Finance Committee of the entry into, or amendment of, an agreement with such firm(s); and be it

FURTHER RESOLVED, that the aggregate expenditures under all such agreements, together with funds previously authorized for air quality monitoring services under agreements with TRC Engineers and BEM Systems, shall not exceed \$10,644,109 in the aggregate; and be it

FURTHER RESOLVED, that the proper officers of the Corporation or the Executive Director of the Lower Manhattan Construction Command Center, as applicable, are hereby authorized to take such other actions as may be necessary or appropriate to effect the foregoing.

\* \* \*

Mr. Anastos then asked the Directors to authorize the LMDC to amend agreements with Architects for the World Trade Center Memorial -- Davis Brody Bond LLP, Handel Architects and Peter Walker Partners Landscape Architecture Incorporated -- to expend additional design development 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 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 Partners Landscape Architecture Incorporated for schematic design services and design development services for the World Trade Center Memorial to increase the total authorized expenditures for design development services under all such agreements by an additional \$2,686,563 to an amount not to exceed \$8,886,563 in the aggregate for all such agreements, 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 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, Mr. Pryor asked the Directors to authorize the LMDC to extend its contract with Appleseed for four months to perform economic analysis services. He noted that no additional funding was being requested.

Following Mr. Pryor's brief outline of the request, the

Chairman read the relevant resolution into the record and following the motion being duly made, Director Weisbrod asked why the extension was not for a longer period of time and whether or not the timeframe indicated that Appleseed was working on specific matters for LMDC.

Mr. Pryor further explained that what Appleseed often does for LMDC is perform quick analysis assignments as needed by the Corporation. Mr. Pryor went on to state that staff does not anticipate having funds enough to extend the contract beyond the four months and that a request for additional funding will be made in the future.

There being no further questions or comments, the motion was seconded, and the following resolution was unanimously adopted:

Authorization to Amend Agreement for Economic Consulting Services

---

RESOLVED, that the Corporation is hereby authorized to amend its agreement with Appleseed, Inc. for economic consulting services to extend the term of such Agreement by an additional four months to December 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.

\* \* \*

Mr. Pryor then asked the Directors to authorize the implementation and administration of procedures relating to the operations of the Lower Manhattan Construction Command Center.

Mr. Pryor explained the basic organizational structure of LMCCC, which will operate as a division of LMDC, noting in pertinent part that the LMDC's fiduciary role will involve providing oversight and assistance regarding legal and financial matters.

Following his full presentation, Mr. Pryor called upon Mr. Maikish for comments with regard to the foregoing.

Mr. Maikish explained briefly that after consultation with the Governor's Office, the Mayor's Office and Senior Executive, Bernard Cohen of the FTA, the solution presented today was crafted.

Director Weisbrod then noted the importance of the LMCCC's role and welcomed Mr. Maikish as a great addition to the team. He then noted that there is a component of responsibilities assigned to the Empire State Development Corporation. In that regard, he asked if those were essentially the same as those

currently performed by ESD for LMDC or whether there are specific additions or subtractions that are unique to the Command Center. Mr. Maikish stated and Mr. Pryor confirmed that ESD's proposed role in connection with LMCCC mirrors that of its relationship with LMDC.

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 for the Implementation and Administration of  
Procedures Relating to the Operations of the Lower  
Manhattan Construction Command Center

---

WHEREAS, the New York State Governor and the New York City Mayor issued executive orders, number 133 and number 53, respectively (the "Executive Orders"), establishing the Lower Manhattan Construction Command Center (the "LMCCC") to be composed of an Executive Director (the "Executive Director") and an Executive Committee; and

WHEREAS, the Executive Director reports to the Governor and the Mayor pursuant to the Executive Orders; and

WHEREAS, the Federal Transit Administration is expected to award a grant (the "FTA Grant") to the LMDC as grant recipient to fund, in part, LMCCC's activities; and

WHEREAS, as recipient of the FTA Grant, the board of the LMDC shall have and shall retain fiduciary responsibility for the FTA Grant funds; and

WHEREAS, the LMDC board has budgeted certain other funds for LMCCC operations (together with the FTA Grant, the "LMDC/LMCCC Funds") and these LMDC/LMCCC funds are providing for

the current activities of the LMCCC ("the LMDC Funded Construction Command Activities"); and

WHEREAS, for the purpose of receipt and administration of the LMDC/LMCCC Funds, the LMCCC will be constituted as a division of LMDC under which arrangement the LMCCC will continue to report to the State and City pursuant to the Executive Orders (including certain coordination responsibilities with respect to LMDC) but will be accountable to the LMDC with respect to the LMDC's fiduciary role in providing oversight and assistance regarding legal and financial matters;

NOW, THEREFORE, BE IT RESOLVED that LMDC hereby vests the Executive Director with such authority as is necessary to carry out the LMDC Funded Construction Command Activities including requisitioning and expenditure of the LMDC/LMCCC Funds and those things necessarily incident to the LMDC Funded Command Center Activities including the execution and submission of the FTA Grant application (subject to LMDC procedures); provided, however, that such funds shall be subject to the protocols for the disbursement of LMDC funds and that the Audit and Finance Committee ("the Committee") shall provide oversight over the LMCCC with respect to the expenditure of LMDC/LMCCC Funds pursuant to the Committee's grant of authority from the LMDC board and as otherwise required by the FTA grant; and provided that the LMDC CFO, the LMDC General Counsel, and other personnel as identified by the Committee or its Chair shall provide oversight and assistance regarding legal and financial matters; and be it

FURTHER RESOLVED that the LMDC President is authorized and directed to delegate to the Executive Director the authority to approve the procurement process, selection panels, recommendations of selection, and execute contracts in relation to the LMDC Funded Construction Command Activities; and be it

FURTHER RESOLVED that the Executive Director shall provide such reports and other information on LMDC Funded Construction Command Activities as shall be requested from time to time by the Audit and Finance Committee or its Chair, or by LMDC's CFO, General Counsel, or Compliance/Monitoring, Investigations or Internal Audit staff, including as they relate to LMDC and federal procedures and regulations on behalf of the Committee or its Chair.

\* \* \*

The Chairman then provided his report, focusing on recent discussions regarding the International Freedom Center ("IFC") and the Drawing Center. He stressed his belief that his statement reflected the sentiment of the Board.

The Chairman noted that the Board continues to feel that its first priority is to remember and honor those lives that were so tragically ended on September 11, 2001 through the Memorial and the Memorial Museum.

The Board, he went on, also believes that the site must reflect a strong, positive answer to the terrorists that they will not prevail, that the nation will recover as it has from other threats throughout history -- stronger and more committed to our freedoms. He noted that the Libeskind master site plan provides for the expression of those ideas, and Michael Arad's plans for the Memorial and Memorial Museum affirm them.

The Chairman continued by outlining the extensive public process that has led LMDC to its position today. He stressed that the inclusion of cultural activities on the site was an integral part of Libeskind's plan, selected in early 2003.

The Chairman further noted that the International Freedom

Center and The Drawing Center were identified through an open, nationwide competition. In June of 2004, he stated, the LMDC announced their tentative selection, along with the Joyce Theater and Signature Theatre, for consideration for the World Trade Center site.

The Chairman then noted that in recent weeks, the LMDC has developed an approach regarding the cultural institutions that will take public concerns into account and preserve the master site plan.

He stated that the LMDC would move forward and complete the design and construction of the Snohetta building about thirty percent smaller than originally contemplated. The Chairman then noted that the building would contain a Visitor Center and exhibition spaces, but the precise content of those spaces would be further considered.

Regarding the International Freedom Center concerns, the Chairman stated that the LMDC is asking the IFC to work with victims' family members and other stakeholders, and to develop and present specific plans, program, and governance structure. He noted that these plans would be shared with the public in such forums as the LMDC's and the IFC's websites, and that they

would be presented and discussed before the LMDC makes a final decision as to the IFC's submission. The deadline for this submission from the IFC, he noted, is no later than September 23<sup>rd</sup>. The Chairman expressed his hope that this time would allow for the development of a suitable and inspiring outcome.

Regarding The Drawing Center, the Chairman noted that that institution had been exploring alternative sites with the LMDC. He stated that this exploration process would allow The Drawing Center to remain a key part of the revitalization of Lower Manhattan.

The Chairman then made an announcement that the LMDC intended to earmark \$50 million in LMDC funds toward the creation of the Performing Arts Center as a further demonstration of the LMDC's commitment to culture at the World Trade Center site.

The Chairman then stated that as the LMDC continues through this process, it would not lose focus on the centerpiece of its efforts - the Memorial to those we lost and the Memorial Museum that will tell their story and offer an account of the greatest rescue effort in history. He noted that the Memorial would break ground in the spring of next year.

The Chairman closed his report by asking that, over the coming weeks and months, all parties - including families, survivors, residents, businesses, and civic groups - join together in fulfilling our collective vision.

Following the Chairman's full report, Deputy Mayor Doctoroff expressed his disappointment, given the amount of public input that initially went into these selections, that this is the Board's current approach to the situation. He added that he was not necessarily at odds with the conclusions, but rather with the process. Deputy Mayor Doctoroff expressed his concern that there was not more discussion before action was taken regarding The Drawing Center.

With regard to the Drawing Center, the Chairman stated that the institution's board is finding it difficult to comply with requirements that have been laid down, so they have chosen to look at other sites.

Deputy Mayor Doctoroff reiterated his disappointment that there was not more discussion on this matter and the Chairman apologized for not having discussed it more with him.

The Chairman added, however, that many weeks of discussion and consultation had taken place before this conclusion was reached.

There being no further business, the meeting was adjourned at 9:00 a.m.

Respectfully submitted,

Eileen McEvoy  
Assistant Secretary