

LOWER MANHATTAN DEVELOPMENT CORPORATION

Meeting of the Directors
Held at the Offices of
Cleary, Gottlieb, Steen & Hamilton
One Liberty Plaza
New York, New York 10006

April 24, 2002

MINUTES

In Attendance

Directors:

John C. Whitehead, Chairman
Roland W. Betts
Lewis M. Eisenberg
Robert M. Harding
Sally Hernandez-Pinero
Edward J. Malloy
Billie Tsien
Carl B. Weisbrod
Madelyn Wils
Howard Wilson
Deborah C. Wright
Frank G. Zarb

Note: Paul Crotty, Richard Grasso and Stanley O'Neal attempted to participate by teleconference, but were unable due to technical difficulties.

Staff Attending:

For Lower Manhattan Development Corporation:

Louis R. Tomson, President
James Angley, Chief Financial Officer
and Treasurer
Alexander Garvin, Vice President for
Planning, Design and Development
Matthew Higgins, Vice President for
Communications
Eileen McEvoy, Assistant Secretary
Stefan Pryor, Deputy to the Chairman
and Secretary
Kevin Rampe, Executive Vice President
and General Counsel
Tara Snow, Vice President for Community
and Government Relations
Andrew Winters, Director of Design and

Development

Staff Attending - Continued:

For Empire State Development Corporation:

Kevin S. Corbett, Executive Vice President
and Chief Operating Officer

Anita W. Laremont, Senior Vice President-
Legal & General Counsel

Eric Mangan, Director-Public Affairs

For Chairman Whitehead:

Edward Novotny, Press Consultant

For Office of the Mayor:

Daniel Doctoroff, Deputy Mayor

Also Present:

Ira M. Millstein, Counsel to the Board
Weil, Gotshal & Manges LLP

Jason R. Lilien, Esq.

Weil, Gotshal & Manges LLP

Judy Rapfogel, Chief of Staff

Speaker Sheldon Silver's Office

Chuck Meara, Port Authority of

New York and New Jersey

Carolyn Lukensmeyer, Executive Director-
America Speaks

The Public

The 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.

The Chairman noted that since the Directors had not had adequate time to review the draft of the Minutes of the April 9, 2002 Directors' Meeting, approval of said Minutes would be postponed until the May Directors' meeting.

Next, the Chairman welcomed four new Directors to the LMDC Board - Sally Hernandez-Pinero, E. Stanley O'Neal, Billie Tsien and Carl B. Weisbrod. He then called for a vote to ratify an amendment to the by-laws to increase the size of the board.

The Chairman read a resolution into the record regarding the Board's ratification of an amendment to the by-laws. Following his reading of said resolution and upon motion duly made and seconded, the following resolution was unanimously adopted:

RATIFICATION OF BY-LAW AMENDMENT

RESOLVED, that the action of the Sole Shareholder of the Corporation to amend Section 2.1 of the Corporation's by-laws to increase the number of directors to sixteen, with eight directors appointed on the written advice of the Governor and eight directors appointed on the written advice of the Mayor, is hereby ratified and approved.

* * *

The Chairman then provided an update on recent note-worthy activities of the Corporation. He explained that since the

Family Room opened on April 8th, approximately 600 family members have visited the room.

The Chairman expressed his appreciation to the Port Authority Police who have agreed to provide 24 hour coverage so that the Room can remain open around the clock.

The Chairman then noted various re-openings that have taken place or are soon to take place in the downtown area, including the Liberty Street pedestrian bridge, the Embassy Suites Hotel and the United Artists movie house.

The President began his address by noting the cooperation among the various governmental and non-governmental entities with respect to Seven World Trade Center. In particular, he cited the cooperation of the City Planning Department, Con Ed, Larry Silverstein and Verizon in the condemnation by the Empire State Development Corporation of four feet of Vesey Street that will make it possible to align the rebuilt Con Ed substation in a way that will not hinder future development.

The President then noted that the comment period on LMDC's Partial Action Plan ended on April 23rd and that approximately

150 comments had been received. He explained that the next step is the submission of the plan to HUD for review and approval.

The President then provided the highlights of his recent trip to Washington with representatives of the MTA and the Port Authority. This group provided an overview of the transportation projects which will require additional funding.

The President then introduced several new staff members. He provided background information on each and noted their anticipated functions within the Corporation.

Next, the President explained that at the suggestion of Deputy Mayor Doctoroff, the Corporation has been meeting with the City's Department of Business Services and ESD's Division of Minority and Women's Business Development in order to strengthen the minority and women's business enterprise portion of LMDC's program.

The President then addressed the meeting with regard to a Cooperation Agreement between LMDC and the Port Authority.

He outlined the basic terms of the agreement that will allow the two entities to continue what he stated was an extraordinary working relationship.

The President explained the agreement is still in negotiation and that the Directors will be asked to authorize LMDC's staff to enter into the Cooperation Agreement.

The Chairman then asked if there were any questions regarding Mr. Tomson's presentation.

Director Wright noted her enthusiasm for the process for collaboration that is being put together. She then asked how the Directors will be able to track, among other things, specific responsibilities and funds spent in the planning process.

Mr. Tomson stated his view that the best way to provide the Directors with the relevant information would be through a regular report to be provided by LMDC staff.

Director Betts then asked for elaboration on the point of how this collaborative effort will work with regard to the RFP process. Mr. Garvin outlined the anticipated delineation of responsibilities. Director Betts then asked if the coordination

of all of the efforts by the various experts that are retained through the RFP process will be coming out of Mr. Garvin's office.

Mr. Garvin replied that LMDC will work jointly with the Port Authority on all matters.

An extensive discussion followed regarding the Cooperation Agreement. It was vigorously stressed that there was a need for communication to the Board and the public, particularly to the families, of the anticipated process as it goes forward.

There being no further questions or discussion, the Chairman read a resolution into the record with regard to the Cooperation Agreement. Following the Chairman's reading of said resolution and upon motion duly made and seconded, the following resolution was unanimously adopted:

AUTHORIZATION TO ENTER INTO COOPERATION AGREEMENT

RESOLVED, that the President of the Corporation is hereby authorized to execute, on behalf of the Corporation, a Cooperation Agreement with the Port Authority of New York and New Jersey regarding the development of conceptual plans for World Trade Center site redevelopment and lower Manhattan transportation improvements on substantially the terms presented to this meeting, and to take any such action as may be necessary and appropriate to effect the foregoing.

* * *

The Chairman then asked Andrew Winters of LMDC's planning staff to present a report on the World Trade Center site fence.

Mr. Winters explained that when the recovery operation is complete, the Port Authority will build a fence around the site.

Mr. Winters provided the design details and the goals of those details. He also provided drawings of same.

Following this presentation, Director Weisbrod asked how many viewing areas there would be along Church Street. Not specifying any number, Mr. Winters explained that there would be viewing areas all along Church Street and Liberty Street. Director Weisbrod then noted that consideration must be given to maintenance of those areas.

Mr. Winters concurred with Director Weisbrod and Director Betts noted that in Oklahoma City they have established a clear policy whereby the public knows that after a certain time period, the items left will be archived. He suggested that the same approach is used in New York.

Various questions were then asked with regard to price and when a mock up would be provided. Both of those matters,

Mr. Winters explained, are currently being looked into.

The Chairman then asked the Advisory Boards to start their reports, beginning with the Families Advisory Council chaired by Directors Eisenberg and Wright.

Ms. Snow then opened a presentation on a town meeting proposed for July 2002. She was joined in this presentation by Carolyn Lukensmeyer, Executive Director of America Speaks. They provided a detailed outline of the town meeting, which, among other things, will allow for face-to-face roundtable discussions on the plans that will be part of the RFP process that was discussed at the meeting.

The Chairman then read a resolution into the record to authorize the Corporation to make an appropriation of up to \$500,000, if necessary, to partially fund this public meeting.

Following the Chairman's reading of said resolution and upon motion duly made and seconded, the following resolution was unanimously adopted:

PARTIAL ACTION PLAN REGARDING LISTENING TO THE CITY II

RESOLVED, that the proper officers of the Corporation are hereby authorized to prepare a Partial Action Plan for a town meeting or meetings in mid-summer 2002 to be convened by the Civic Alliance

to Rebuild Downtown New York in partnership with the Lower Manhattan Development Corporation and other major civic organizations, and to submit such Partial Action Plan to the federal Department of Housing and Urban Development (HUD) in accordance with federal guidelines applicable thereto; and be it

FURTHER RESOLVED, that upon approval of the Partial Action Plan by HUD, the Corporation shall appropriate and expend out of the Corporation's funds an amount not to exceed \$500,000 for costs associated with such meeting or meetings; 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.

* * *

Moving to other business, the Chairman asked Mr. Zarb to provide the Audit Committee Report and Mr. Zarb did so noting that this committee is looking at a request for funding for business and non-profit assistance programs from ESD and EDC.

Next, the Chairman called for a motion to conduct an Executive Session pursuant to paragraph (d) of Subdivision 1 of Section 105 of the New York State Open Meetings Law. Upon motion duly made and seconded, the following resolution was unanimously adopted:

EXECUTIVE SESSION - Pursuant to Paragraph (d) of Subdivision 1 of Section 105 of the New York State Open Meetings Law

RESOLVED, that the Directors conduct an Executive Session to consider matters pertaining to paragraph (d) of Subdivision 1 of Section 105 of the New York State Open Meetings Law.

* * *

Before the Directors left the room for Executive Session, questions were taken from the media. This part of the meeting was not recorded for the public record.

All persons were requested to leave the room with the exception of the Directors and members of senior staff. The Executive Session ended at 11:30 a.m. It was noted for the record that no votes were taken during the Executive Session.

There being no further business, the meeting was adjourned at 11:31 a.m.

Respectfully submitted,

Eileen McEvoy
Assistant Secretary