

**Oct 1, 2005 thru Dec 31, 2005 Performance Report
B-02-DW-36-0002**

Lower Manhattan Development Corporation
\$783,000,000

Active

Obligation Date:

Award Date:

09/15/2003

Contract End Date:

Reviewed By HUD:

Submitted - Await for Review

FEMA-DR-1391-NY

Submitter

Name

Email address

LMDC Contact InfoLMDC@renewnyc.com

Plan Description:

The Lower Manhattan Development Corporation was created in the aftermath of September 11, 2001 by Governor Pataki and then-Mayor Giuliani to help plan and coordinate the rebuilding and revitalization of Lower Manhattan, defined as everything south of Houston Street. The LMDC is a joint State-City corporation governed by a 16-member Board of Directors, half appointed by the Governor of New York and half by the Mayor of New York. LMDC is charged with ensuring Lower Manhattan recovers from the attacks and emerges even better than it was before. The World Trade Center attacks resulted in a staggering loss of life and extensive physical destruction to Lower Manhattan. Approximately 30 million square feet of commercial space was damaged or eliminated, and seven buildings in the World Trade Center site were completely leveled. Critical transportation infrastructure was disrupted or obliterated, including the PATH station, the 1/9 subway line and sections of Route 9A and Church Street. Vehicular access to the area south of Canal Street was prohibited for seven days. As a result of the tragedy, residential occupancy rates in the immediate region dropped to 60%, over 100,000 jobs were displaced, and small and large businesses struggled to maintain viability. The World Trade Center attacks inflicted widespread destruction upon the energy (electric, gas, and steam) and telecommunications utility infrastructure, resulting in extensive disruptions in service to the business and residential communities of Lower Manhattan. The energy and telecommunications firms responded rapidly in the aftermath of the disaster to provide emergency and temporary services and they are currently working to restore permanent service to all customers located within Lower Manhattan. The costs to deliver emergency and temporary services and to rebuild damaged infrastructure for permanent service delivery are considerable and have been borne by the affected utility service providers to the extent not covered by their insurance providers or funds from other sources such as lawsuits.

Recovery needs:

The Lower Manhattan Development Corporation (LMDC) has prepared the following Partial Action Plan with regard to the \$783 million federal appropriation administered by the United States Department of Housing and Urban Development (HUD) for damaged properties and businesses (including the restoration of utility infrastructure) as well as for economic revitalization related to the terrorist attacks at the World Trade Center. LMDC received a separate \$2 billion federal appropriation through HUD for the World Trade Center disaster recovery

and rebuilding efforts. This Plan details LMDC's proposed expenditure of \$750 million to fund a program to restore, rebuild, and revitalize utility infrastructure in Lower Manhattan. The program will be administered by Empire State Development (ESD), New York State's economic development agency, in cooperation with the New York City Economic Development Corporation (EDC), and in consultation with the Lower Manhattan Development Corporation. This plan also details LMDC's proposed expenditure of \$33 million of that appropriation to fund a program to assist businesses in Lower Manhattan that suffered disproportionate loss of life as a result of the attacks on September 11, 2001. The program will be administered by Empire State Development (ESD), New York State's economic development agency in cooperation with the New York City Economic Development Corporation (EDC).

Overall	This Report Period	To Date
Total Projected Budget from All Sources		783,000,000
Total CDBG Disaster Recovery Grant Funds Budgeted		783,000,000
Obligated CDBG DR Funds	0	620,500,000
Expended CDBG DR Funds	718,923	225,558,341
Match Contributed	0	0
Program Income Received	0	0

Progress Toward Required Numeric Targets

Requirement	Required	To Date
Minimum Overall Benefit Percentage	0	29
Minimum Non-Federal Match	0	0
Limit on Public Services	0	0
Limit on Admin/Planning	0	2,245,166
Limit on State Admin	0	0

Overall Progress Narrative:

With HUD funding, LMDC is funding a program to restore, rebuild, and revitalize utility infrastructure in Lower Manhattan. This program is being administered by Empire State Development (ESD), New York State's economic development agency, in cooperation with the New York City Economic Development Corporation (EDC), and in consultation with the Lower Manhattan Development Corporation. LMDC is also funding a program to assist businesses in Lower Manhattan that suffered disproportionate loss of life as a result of the attacks on September 11, 2001. This program is being administered by Empire State Development (ESD), New York State's economic development agency in cooperation with the New York City Economic Development Corporation (EDC).

Activities

Grantee Activity ID: **CAT1-201**
 Activity Category: **Privately owned utilities**
 National Objective: **Urgent Need**
 Start Date: **09/15/2003**
 Projected End Date: **06/30/2005**
 Activity Status: **Under Way**
 Responsible Organization: **Empire State Development Corporation**

	This Report Period	To Date
Total Projected Budget from All Sources		250,000,000

Total CDBG Disaster Recovery Grant Funds Budgeted		250,000,000
Obligated CDBG DR Funds	0	250,000,000
Expended CDBG DR Funds	0	160,313,178
Match Contributed	0	0
Program Income Received	0	0

Performance Measures

	This Report Period			Cumulative Actual Total/Expected		
	Low	Mod	Total	Low	Mod	Total
# of Businesses	0	0	0	0/ 0	0/ 0	55857/ 28511
# of Persons benefiting	0	0	0	21072/ 21072	8727/ 8727	60122/ 60122

Location Description:

Eligible applicants for this program are limited to investor-owned utility service providers under the jurisdiction of the New York State Public Service Commission (NYSPSC), the Federal Energy Regulatory Commission (FERC), or the Federal Communications Commission (FCC), with service territory in the affected area in Lower Manhattan, that incurred unreimbursed expenditures resulting from impact damage related to the attacks on September 11, 2001. (Note exception to eligibility below.) For the purposes of this program, Lower Manhattan is the area on and south of Canal Street, from the East River to the Hudson River (except for Category 6). Publication of the Partial Action Plan serves as the solicitation for eligible submissions for damage reimbursement from utility service providers. This Plan makes one exception to eligibility requirements above, for funding Categories Four (Construction of Carrier Neutral Lateral Telecommunications Conduit) and Five (Construction of Redundant Fiber Connections to Critical Facilities). Funding under these two categories is not restricted to regulated utilities that suffered damage related to the September 11, 2001 attacks. Eligible applicants under these two categories will be solicited through a Request for Proposals (RFP) process under the plan. Any firm able to demonstrate its qualifications to perform the proposed work may submit a proposal.

Activity Progress Narrative:

The Utility Restoration and Infrastructure Rebuilding Program's Partial Action Plan received the United States Department of Housing and Urban Development (HUD) approval on September 15, 2003. This Plan details the proposed expenditure of \$750 million to restore, rebuild, and revitalize utility infrastructure of Lower Manhattan. Empire State Development Corporation (ESDC), in consultation with the Lower Manhattan Development Corporation and in cooperation with the New York City Economic Development Corporation, is administering the Plan. Plan details include funding the following activities: (1) Category One- Emergency and Temporary Service Response; (2) Category Two- Permanent Restoration and Infrastructure Improvements; (3) Category Three- Service Interference; (4) Category Four- Construction of Carrier Neutral Lateral Conduits; Category Five Construction of Redundant Fiber Connections; (6)Category Six- Mandated Infrastructure Improvements. As of December 31, 2005, field audit work continued for Category One- Emergency and Temporary Service Response for Verizon Communications and AT& T Corporation Field audit work has been completed for Con Edison and AT&T Wireless. Requests for Category One Totaled \$403,674,125. Reimbursements to date for Category One dollars disbursed to date equal \$160,313,178, leaving a balance of \$89,686,822 from the Category One allocation of \$250 million. ---The following represents the number of Lower Manhattan businesses and residential customers served by the utilities receiving Category One reimbursements: (1) Number of Low/Mod income persons - 29,799 (2) Number of Low Income persons - 21,072 (3) Number of persons - 60,122 (4) Number of

businesses 55,857.

Activity Location

Address City State ZIP

No Addresses Found

Other Funding Sources Budgeted - Detail

No Data Found

Grantee Activity ID: **CAT2-202**
 Activity Category: **Privately owned utilities**
 National Objective: **Urgent Need**
 Start Date: **09/15/2003**
 Projected End Date: **12/31/2005**
 Activity Status: **Under Way**
 Responsible Organization: **Empire State Development Corporation**

	<u>This Report Period</u>	<u>To Date</u>
Total Projected Budget from All Sources		330,000,000
Total CDBG Disaster Recovery Grant Funds Budgeted		330,000,000
Obligated CDBG DR Funds	0	330,000,000
Expended CDBG DR Funds	0	30,000,000
Match Contributed	0	0
Program Income Received	0	0

Performance Measures

	Cumulative Actual					
	This Report Period			Total/Expected		
	<u>Low</u>	<u>Mod</u>	<u>Total</u>	<u>Low</u>	<u>Mod</u>	<u>Total</u>
# of Businesses	0	0	0	0/ 0	0/ 0	28511/ 28511
# of Persons benefiting	0	0	0	21072/ 21072	8727/ 8727	60122/ 60122

Location Description:

Eligible applicants for this program are limited to investor-owned utility service providers under the jurisdiction of the New York State Public Service Commission (NYSPSC), the Federal Energy Regulatory Commission (FERC), or the Federal Communications Commission (FCC), with service territory in the affected area in Lower Manhattan, that incurred unreimbursed expenditures resulting from impact damage related to the attacks on September 11, 2001. (Note exception to eligibility below.) For the purposes of this program, Lower Manhattan is the area on and south of Canal Street, from the East River to the Hudson River (except for Category 6). Publication of the Partial Action Plan serves as the solicitation for eligible submissions for damage reimbursement from utility service providers. This Plan makes one exception to eligibility requirements above, for funding Categories Four (Construction of Carrier Neutral Lateral Telecommunications Conduit) and Five (Construction of Redundant Fiber Connections to Critical Facilities). Funding under these two categories is not restricted to regulated utilities that suffered damage related to the September 11, 2001 attacks. Eligible applicants under these two categories will be solicited through a Request for Proposals (RFP) process under the plan. Any firm able to demonstrate its qualifications to perform the proposed work may submit a proposal.

Activity Progress Narrative:

UTILITY RESTORATION AND INFRASTRUCTURE REBUILDING PROGRAM EMERGENCY AND TEMPORARY SERVICE RESPONSE --- The Utility Restoration and Infrastructure Rebuilding Program's Partial Action Plan received the United States Department of Housing and Urban Development (HUD) approval on September 15, 2003. This Plan details the proposed expenditure of \$750 million to restore, rebuild, and revitalize utility infrastructure of Lower Manhattan. Empire State Development Corporation (ESDC) in consultation with the Lower Manhattan Development Corporation (LMDC) and with the cooperation of the New York City Economic Development Corporation (EDC) is administering the Plan. Plan details include funding the following activities: (1) Category One - Emergency and Temporary Service Response; (2) Category Two - Permanent Restoration and Infrastructure Improvements; (3) Category Three - Service Interference; (4) Category Four - Construction of Carrier Neutral Lateral Conduits; (5) Category Five - Construction of Redundant Fiber Connections; (6) Category Six- Mandated Infrastructure Improvements --- As outlined in Partial Action Plan S-2, Category Two pertains to permanent restoration and infrastructure improvements. The application submission deadline for Category Two was December 31, 2004, and amended applications accepted through March 31, 2005. As of December 31, 2005, Category Two reimbursement requests were received from Consolidated Edison (Con Edison), Verizon communications, and the AT& T Corporation. Category Two requests totaled \$383,614,301 To date Category Two disbursements total \$30,000,000, leaving a balance of \$300,000,000 in the Category Two allocation of \$330 million. The following represents the number of Lower Manhattan businesses and residential customers that will be served by the utilities for Category Two reimbursements: (1) Number of Low/Mod income persons - 29,799 (2) Number of Low Income persons - 21,072 (3) Number of persons - 60,122 (4) Number of businesses 55,857.

Activity Location

Address **City State ZIP**

No Addresses Found

Other Funding Sources Budgeted - Detail

No Data Found

Grantee Activity ID:	PA
Activity Category:	Administration
National Objective:	N/A
Start Date:	09/15/2003
Projected End Date:	12/31/2007
Activity Status:	Under Way
Responsible Organization:	Empire State Development Corporation

	<u>This Report Period</u>	<u>To Date</u>
Total Projected Budget from All Sources		15,000,000
Total CDBG Disaster Recovery Grant Funds Budgeted		15,000,000
Obligated CDBG DR Funds	0	7,500,000
Expended CDBG DR Funds	718,923	2,245,166
Match Contributed	0	0
Program Income Received	0	0

Performance Measures

	Cumulative Actual					
	This Report Period			Total/Expected		
	<u>Low</u>	<u>Mod</u>	<u>Total</u>	<u>Low</u>	<u>Mod</u>	<u>Total</u>

No Data Found

Location Description:

N/A

Activity Progress Narrative:

As set forth in Partial Action Plan S-2, \$15 million, or 2% of the total funds allocated in the Partial Action Plan, have been reserved for costs associated with ESD/EDC program administration as well as LMDC oversight. The Partial Action Plan reserves \$3.5 million for LMDC program monitoring costs, \$7.5 million for ESD for program management costs, and \$4 million has been reserved for upgrades to the New York City MOSAICS system. ---To date, program administration funds have been used for activities related to the implementation of Categories One and Two of the Utilities Restoration and Infrastructure Rebuilding (URIR) program. As of September 30, 2005, funds used for the URIR program for program administration is \$1,526,243, Such activities include general management, oversight, and coordination. These activities also include program publication, review of proposed infrastructure investments, environmental review clearance, financial evaluation and processing of funding reimbursement requests, and auditing of funds that have been reimbursed for Category One and Category Two. --- To date, ESDC approved contracts to Tishman Real Estate Services for a Study for a Lower Manhattan Wireless Redundancy System, and to Appleseed Consulting and Booz Allen Hamilton for an for the Assessment of the Economic and Public Benefit of Investment in Carrier-Neutral Lateral Telecommunications Conduit and Redundant Fiber Connections to Critical Facilities in Lower Manhattan. The Tishman report has been completed and published. As of December 31, 2005, Booz Allen Hamilton submitted its final report related to Category 4. Appleseed has also conducted a study related to Categories 4 and 5 of the URIR Program. Based on approaches presented in the early phases of the Appleseed study, additional work was performed during the quarter. The submission of the final report is anticipated during the first quarter of 2006. KMPG submitted a draft final report ascertaining the integrity of grant applicant technology systems used for maintaining data and records.

Activity Location

Address City State ZIP

No Addresses Found

Other Funding Sources Budgeted - Detail

No Data Found