



LOWER MANHATTAN DEVELOPMENT CORPORATION

Proposed Additional Amendments to Partial Action Plan S-2 October 13, 2010

Overview

The Lower Manhattan Development Corporation (LMDC) is the recipient of a \$2 billion federal grant for the World Trade Center (WTC) disaster recovery and rebuilding efforts for Lower Manhattan. LMDC received a second federal grant of \$783 million for damaged properties and businesses (including the restoration of utility infrastructure) as well as economic revitalization directly related to the terrorist attacks at the WTC Site. Both of these federal grants are administered by the United States Department of Housing and Urban Development (HUD).

Twelve LMDC Partial Actions Plans and one Final Action Plan allocate the entire \$2 billion grant towards remembrance, rebuilding, and renewal initiatives in Lower Manhattan, the area of Manhattan below Houston Street. All funds within the \$783 million grant were allocated through LMDC Partial Action Plans S-1 and S-2.

In August 2010 LMDC released for public comment a proposed amendment to Partial Action Plan S-2 (PAP S-2), as amended January 10, 2010. That amendment proposes to expand the Utility Restoration and Infrastructure Rebuilding Program (URIR Program) to add Other World Trade Center Area Improvements in order to fund activities and costs associated with World Trade Center Memorial and Cultural facilities, and affordable housing, education, infrastructure, open space, quality of life, transportation, and economic development projects benefiting the area. In addition, the proposed amendment states that future amendments identifying specific projects and funding levels would be made available for public comment. That proposed amendment has not yet been finalized and submitted to HUD.

Recently, LMDC made technical amendments to the last version of PAP S-2, and has published that version, now the current version of PAP S-2, as amended October 8, 2010 on the LMDC website at www.renewnyc.com. Those recent technical amendments do not affect any of the changes in the proposed amendment released for public comment in August 2010.

The additional amendments proposed at this time specifically identify the World Trade Center Memorial and Museum as part of the Other World Trade Center Area Improvements and the potential reallocation of funds from Category Two to Category Three of the URIR Program in order to allow a greater portion of eligible Category Three claims to be paid.

The current version of PAP S-2, the August 2010 proposed amendment, and the other 14 Action Plans approved by HUD, totaling \$2.783 billion, are available on LMDC's website at http://www.renewnyc.com/FundingInitiatives/partialact_plans.asp.

Any of the following constitutes a substantial amendment and such amendment will be available for public review and subject to later approval by HUD:

- The elimination of any of the activities identified by this Partial Action Plan;
- Any fundamental change in the eligibility criteria for funding under this Partial Action Plan; or
- The addition of any activities not defined by this Partial Action Plan

Public Comment

The proposed amendments are substantial amendments that are open to public comment as required by HUD to extend for thirty calendar days from the date of publication of the proposed amendments. Public comment must be made in writing and may be delivered to LMDC either by posted mail or by electronic mail as follows:

By post to: Public Comment on Amended PAP S-2
 Lower Manhattan Development Corporation
 1 Liberty Plaza, 20th Floor
 New York, NY 10006

Electronically at LMDC's website: http://renewnyc.com/FundingInitiatives/frm_comments.asp.
 In the Category section dropdown box, select: *PAP Comments*.

The deadline for receipt of public comments is November 12, 2010 at 5 P.M. Comments delivered by fax or telephone cannot and will not be considered.

Proposed Amendments to Partial Action Plan S-2

This amendment proposes two changes to PAP S-2 and the URIR Program:

1. Use of \$35 million of the funds for Other World Trade Center Area Improvements for the World Trade Center Memorial and Museum.

In Partial Action Plans 8, 11, 12, and the Final Action Plan, LMDC allocated \$384,922,872 for planning, design, construction, and exhibitions for the World Trade Center Memorial and Museum. This amendment would allocate additional funds as follows:

- a. \$25 million for construction of the World Trade Center Memorial and Museum.
 - b. \$7.5 million for the Memorial Museum Pavilion, which serves as the entrance to the Museum (formerly known as the Visitor Orientation and Education Center), to cover costs of construction and fit-out, including expenses relating to security screening, information technology, auditorium, and special features in the area of the signature tridents from the original Twin Towers.
 - c. \$2.5 million to plan and manage safe public access to and the opening of the Memorial in September 2011, including creation of temporary visitor orientation and screening facilities, pedestrian safety services, wayfinding signage, construction fencing, bus management, and interim communications systems.
2. Reallocation of up to \$19 million from Category Two to Category Three of the URIR Program in order to fund a resolution of all open claims in the Program.

The \$100 million allocation in Category Three will not cover the total amount of verified claims of more than \$180 million. If a satisfactory resolution of all outstanding claims is agreed to by Empire State Development Corporation (the program administrator) and the utility service providers, consistent with applicable law, up to \$19 million will be reallocated from Category Two to Category Three to allow payment of a greater portion of eligible Category Three claims. If such resolution requires a reallocation of less than \$19 million, the unused funds will remain in Category Two or be allocated to the proposed Category Two-S.

The following tables detail (1) the current allocations for each activity as they were proposed to be amended in August 2010, and (2) allocations as they are proposed in this amendment:

<u>Current Partial Action Plan S-2 as amended October 8, 2010</u>	<u>Allocation</u>
I. Utility Restoration, Infrastructure Rebuilding, and Other World Trade Center Area Improvements	\$680,000,000
Category One - Emergency and Temporary Service Response	\$250,000,000
Category Two - Permanent Restoration & Infrastructure Improvements	\$330,000,000
Category Three - Service Interference	\$100,000,000
Category Four - Construction of Carrier Neutral Lateral Conduits	\$0
Category Five - Redundant Fiber Connections to Critical Facilities	\$0
Category Six - Mandated Infrastructure Improvements	\$0
II. Program Administration	\$17,500,000
III. 130 Liberty Deconstruction	\$52,500,000
TOTAL	\$750,000,000

<u>Amended Partial Action Plan S-2 as proposed on August 3, 2010 and on October 12, 2010</u>	<u>Allocation</u>
I. Utility Restoration, Infrastructure Rebuilding, and Other World Trade Center Area Improvements	\$680,000,000
Category One - Emergency and Temporary Service Response	\$159,830,994
Category One-S - Other World Trade Center Improvements	
World Trade Center Memorial and Museum	\$35,000,000
Other World Trade Center Improvements (tbd)	\$55,169,006
Category Two - Permanent Restoration & Infrastructure Improvements	~\$206,891,093
Category Two-S - Other World Trade Center Improvements (tbd)	~\$104,108,907
Category Three - Service Interference	≤\$119,000,000
Category Four - Construction of Carrier Neutral Lateral Conduits	\$0
Category Five - Redundant Fiber Connections to Critical Facilities	\$0
Category Six - Mandated Infrastructure Improvements	\$0
II. Program Administration	\$17,500,000
III. 130 Liberty Deconstruction	\$52,500,000
TOTAL	\$750,000,000

For the full text of approved PAP S-2, as amended October 8, 2010, and proposed amended PAP S-2 as released for public comment August 3, 2010, please go to LMDC's website at <http://www.renewnyc.com/FundingInitiatives/PartialActionPlans.aspx>.