



LOWER MANHATTAN DEVELOPMENT CORPORATION

Proposed Amendments to Partial Action Plan S-2 August 3, 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 \$783 million in additional federal funds 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.

The proposed amendments would amend the purposes of the Utility Restoration and Infrastructure Rebuilding Program to add a new category of activities entitled Other World Trade Center Area Improvements that would be funded by any funds not used to for existing categories of utilities costs and to change the title of the program to the Utility Restoration, Infrastructure Rebuilding, and Other World Trade Center Area Improvements Program.

This proposed amendment would expand the existing 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. A subsequent plan specifying projects to be funded and levels of support to be provided will be the subject of an amendment that will be made available for public comment in the future.

The current version of Partial Action Plan S-2 as well as the other 14 Action Plans approved by HUD, totaling \$2.783 billion in the aggregate, are available on LMDC's website, www.renewnyc.com, 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, www.renewnyc.com, under Funding Initiatives – Partial Action Plans – Comments.

The deadline for receipt of public comments is September 2, 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 proposed amendment would expand the Utility Restoration and Infrastructure Rebuilding Program to include Other World Trade Center Area Improvements and rename it the Utility Restoration, Infrastructure Rebuilding, and Other World Trade Center Area Improvements Program. Two new categories of activities would be funded by approximately \$90 million from the amounts allocated to but no longer needed to fund the approved claims under the existing category entitled Category One - Emergency and Temporary Service Response, and up to \$122.3 million following the final determinations on the claims in the existing category entitled Category 2 - Permanent Restoration and Infrastructure Improvements.

The following tables detail the current and proposed allocations for each of the activities:

| <u>Current Partial Action Plan S-2</u> | <u>Allocation</u> |
|--|--------------------------|
| I. Utility Restoration and Infrastructure Rebuilding | \$680,000,000 |
| Category One - Emergency and Temporary Service Response | \$250,000,000 |
| Category Two - Permanent Restoration and Infrastructure Improvements | \$330,000,000 |
| Category Three - Service Interference | \$60,000,000 |
| Category Four - Construction of Carrier Neutral Lateral Conduits | \$35,000,000 |
| Category Five - Redundant Fiber Connections to Critical Facilities | \$5,000,000 |
| Category Six - Mandated Infrastructure Improvements | \$0 |
| II. Program Administration | \$17,500,000 |
| III. 130 Liberty Deconstruction | \$52,500,000 |
| TOTAL | \$750,000,000 |

| Amended Partial Action Plan S-2 | Allocation |
|--|----------------------|
| 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 | \$90,169,006 |
| Category Two - Permanent Restoration and Infrastructure Improvements | \$330,000,000 |
| Category Two-S - Other World Trade Center Improvements | TBD |
| Category Three - Service Interference | \$60,000,000 |
| Category Four - Construction of Carrier Neutral Lateral Conduits | \$35,000,000 |
| Category Five - Redundant Fiber Connections to Critical Facilities | \$5,000,000 |
| Category Six - Mandated Infrastructure Improvements | \$0 |
| II. Program Administration | \$17,500,000 |
| III. 130 Liberty Deconstruction | \$52,500,000 |
| TOTAL | \$750,000,000 |

There is approximately \$90 million in funds currently allocated to Category 1 of the Utility Restoration and Infrastructure Rebuilding Program that is not needed to pay approved claims in that category and the possibility that an amount up to \$122.3 million will not be needed to pay claims following the final determinations on applications to Category 2 of the Program. Accordingly, the proposed amendments would allow such funds to be reallocated to Other World Trade Center Area Improvements that would assist properties and businesses damaged by, and economic revitalization directly related to, the September 11 terrorist attacks on New York City. These improvements would include 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.

Please refer to approved Partial Action Plan S-2 as published on LMDC's website (<http://www.renewnyc.com/FundingInitiatives/PartialActionPlans.aspx>) for the full text.