

LOWER MANHATTAN DEVELOPMENT CORPORATION

**Proposed Amendments to Partial Action Plan 2, Partial Action Plan 7,
and the Final Action Plan**

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 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 (PAPs) and one Final Action Plan (FAP) allocate the entire \$2 billion grant towards remembrance, rebuilding, and renewal initiatives in Lower Manhattan, defined by LMDC as the entire area of Manhattan below Houston Street. All funds within the \$783 million grant were allocated through Partial Action Plans S1 and S-2.

Recently, LMDC identified an additional \$30 million allocation needed for the WTC Memorial and Cultural Program due to anticipated cost increases associated with the 130 Liberty Street deconstruction project. Accordingly, LMDC proposes amendments to PAP 7 to allocate an additional \$30,000,000 to the WTC Memorial and Cultural Program, reduce by \$7,000,000 the allocation to the Job Creation and Retention Program in PAP 2, and reduce by \$23,000,000 the allocation to Economic Development in the FAP. These proposed amendments would increase the total funding allocated to the WTC Memorial and Cultural Program to \$251,439,136.84.

The current versions of PAP 2, PAP 7, and FAP, as well as other PAPs are available on LMDC's website, www.renewyc.com, at http://www.renewnyc.com/FundingInitiatives/partialact_plans.asp

Any change greater than 5% in the funding committed to a certain program, the addition or deletion of any program, or change in the designated beneficiaries of a program constitutes a substantial amendment and such amendment will be available for public review and approval by HUD.

To date, HUD has approved 15 Partial Action Plans totaling the entire \$2.783 billion allocation:

PAP No.	Purpose of Partial Action Plan	Date Approved or Amended	Total PAP Expenditure
1	Residential Grant Program, Employment Training Assistance Program, Interim Memorial	09/27/2006	\$253,203,500
2	Business Recovery and Economic Revitalization	09/27/2006	\$329,000,000
3	Cultural and Community Development (as amended)	06/14/2003	\$24,617,048.42
4	Short Term Capital Projects, Long Term Planning, Supplemental Funds for Business Recovery Grant Program (as amended)	08/06/2003	\$154,305,603.00
S-1	New York Firms Suffering Disproportionate Loss of Life	09/15/2003	\$33,000,000.00
S-2	Utility Restoration and Infrastructure Rebuilding	09/15/2003	\$750,000,000.00
	Amendment to Utility Restoration and Infrastructure Rebuilding	Draft for Public Comment Released 09/29/2006	

5	Tourism and Communications	01/28/2004	\$2,421,052.63
6	Revised Affordable Housing Program (as amended)	11/18/2005	\$44,631,578.95
7	WTC Memorial and Cultural Program and Lower Manhattan Tourism (as amended)	07/06/2004	\$221,439,136.84
8	WTC Memorial and Cultural Program, Related Initiatives, and Lower Manhattan Tourism (as amended)	12/06/2006	\$93,391,473.69
9	WTC Memorial and Cultural Program, Tribute Visitors' Center, lowermanhattan.info, Pace Green Roof (as amended)	9/27/2006	\$70,994,736.84
10	Lower Manhattan Revitalization Programs, Lower Manhattan Tourism, Planning and Administration	2/28/2006	\$301,458,947.00
11	WTC Memorial and Cultural Program, Cultural Enhancement Initiatives, and the Drawing Center (as amended)	12/06/2006	\$162,086,073.63
12	WTC Memorial and Cultural Program, Fulton Corridor Revitalization Program, and Lower Manhattan Neighborhood Parks and Open Spaces	7/14/2006	\$157,500,000.00
FAP	Final Action Plan	12/06/2006	\$184,950,849
Total Funding Allocated To Date from \$2.783 billion allocation			\$2,783,000,000

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. The proposed amendments would (1) allocate an additional \$30 million to the WTC Memorial and Cultural Program in PAP 7, (2) reallocate \$7 million from the Job Creation and Retention Program in PAP 2, and (3) reallocate \$23 million from the Economic Development Initiatives in the FAP. 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 2, PAP 7 and FAP
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 April 25, 2007 at 5 P.M. Comments delivered by fax or telephone cannot be considered.

Proposed Amendments to Partial Action Plan 2, Partial Action Plan 7, and the Final Action Plan

The proposed amendments would allocate an additional \$30,000,000 to the WTC Memorial and Cultural Program in PAP 7. Such funds would be reallocated from the Job Creation and Retention Program in Partial Action Plan 2 (\$7,000,000) and from Economic Development Initiatives in the Final Action Plan (\$23,000,000).

The following table details the approved allocations for each of the three Action Plans and the proposed changes:

<u>(Partial) Action Plan</u>	<u>Current Allocation</u>	<u>Change</u>	<u>Revised Allocation</u>
PAP 7			
WTC Memorial and Cultural Program (130 Liberty Street portion)	\$207,117,180	\$30,000,000	\$237,117,180
Lower Manhattan Tourism	3,250,000		3,250,000
Planning and Administration	11,071,957		11,071,957
<i>Total PAP 7</i>	\$221,439,137		\$251,439,137
PAP 2			
WTC Business Recovery Grant Program	\$150,000,000		\$150,000,000
Job Creation and Retention Program	150,000,000	(\$7,000,000)	143,000,000
Small Firm Attraction & Retention Grant Program	29,000,000		29,000,000
<i>Total PAP 2</i>	\$329,000,000		\$322,000,000
Final Action Plan			
WTC Memorial/Museum Reserve Fund	\$45,000,000		\$45,000,000
Transportation Improvements	31,000,000		31,000,000
Community and Cultural Enhancements	60,950,849		60,950,849
Education Improvements	6,000,000		6,000,000
Economic Development	30,000,000	(\$23,000,000)	7,000,000
Affordable Housing	12,000,000		12,000,000
<i>Total Final Action Plan</i>	\$184,950,849		\$161,950,849
Total PAP 2, 7 & Final Action Plan	\$735,389,986		\$735,389,986

Please refer to Partial Action Plan 2, Partial Action Plan 7, and the Final Action Plan on the LMDC website (<http://www.renewnyc.com/FundingInitiatives/PartialActionPlans.aspx>) for the full text of those plans.

I. Partial Action Plan 2

WTC Job Creation and Retention Program

The proposed amendment reduces the LMDC allocation to the WTC Job Creation and Retention Program by \$7,000,000 from \$150,000,000 to \$143,000,000 (bringing total program funding down to \$313 million).

II. Final Action Plan

Economic Development

The proposed amendment reduces the allocation for Economic Development from \$30,000,000 to \$7,000,000.

III. Partial Action Plan 7

World Trade Center Memorial and Cultural Program (130 Liberty Street portion)

The proposed amendment would allocate an additional \$30,000,000 to pay for estimated increased costs associated with the deconstruction of the building at 130 Liberty Street. These costs include those associated with the abatement, cleaning and decontamination of the Building as well as construction management services, environmental services, and scaffolding rental.

LMDC will seek reimbursement for an appropriate share of these additional costs through the Deconstruction and Funding Agreement with the Prior Insurers of 130 Liberty Street. In addition, LMDC will seek to recover funds from Deutsche Bank related to the cost of abatement of hazardous material that existed in the building before September 11, 2001. If LMDC recovers any of these costs from other sources or the funds are not ultimately required, up to \$23,000,000 will be restored to the original FAP allocation for economic development.