



LOWER MANHATTAN DEVELOPMENT CORPORATION

Proposed Amendments to Partial Action Plan S-2 Released for Public Comment April 29, 2016

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. Funds within the \$783 million grant were allocated through LMDC Partial Action Plans S-1 and S-2.

The original Partial Action Plan (PAP) S-2 allocated \$750,000,000 for the Utility Restoration and Infrastructure Rebuilding (URIR) program to restore, rebuild, and revitalize utility infrastructure in lower Manhattan in order to meet community and development needs resulting from the September 11th World Trade Center disaster. These activities had particular urgency because LMDC had determined that existing conditions posed a serious and immediate threat to the health or welfare of the City of New York and the individual residents of the City and sufficient other financial resources were not available to meet such needs. The URIR program was successfully completed by March 2011.

In June 2008, LMDC released for public comment proposed amendments to PAP S-2 to reallocate \$37.5 million of unused URIR funds for the 130 Liberty Deconstruction Program. The amendment was approved by HUD in September 2008. Subsequent amendments in January 2010 and November 2013 further increased the 130 Liberty Deconstruction Program allocations in PAP S-2 to \$59,925,000. These funds were needed to pay costs associated with the abatement and deconstruction of the former Deutsche Bank Headquarters building. LMDC endeavored to recover 130 Liberty Deconstruction Program costs from a number of third parties including the general contractor.

In August and October 2010 LMDC released for public comment proposed amendments to PAP S-2 expanding the URIR Program to add "Other World Trade Center Area Improvements". The amendments specifically identified funding for the World Trade Center Memorial and Museum (Memorial/Museum) as part of the "Utility Restoration, Infrastructure Rebuilding and Other World

Trade Center Area Improvements Program” (URIR/OWTC Program). In addition, the amendments reallocated funds from the *Restoration and Improvements* category of this program to the *Service Interference* category thus allowing a greater portion of eligible service interference claims to be paid. These amendments were approved by HUD in February 2011.

In March 2011, LMDC released for public comment proposed amendments to PAP S-2. These amendments proposed the addition of three new activities to the one activity already specified as part of the URIR/OWTC Program bringing the total to four activities:

1. Memorial/Museum (\$35,000,000)
2. World Trade Center Performing Arts Center (\$100,000,000)
3. Pedestrian Bridge over West Street at West Thames Street (\$20,000,000)
4. East River Waterfront Esplanade and Piers (\$17,000,000)

These amendments were approved by HUD in October 2011. Subsequent amendments in October 2011 and February 2012 further increased the Memorial/Museum allocation in PAP S-2 to \$38,894,000. LMDC made technical amendments to PAP S-2, and has published the current version of PAP S-2, as *Approved by HUD Revised 11/15/13*, on the LMDC website at www.renewnyc.com.

In May 2015, LMDC reached a settlement with Lend Lease Construction LMB Inc. (formerly Bovis Lend Lease LMB Inc.) whereby Lend Lease agreed to pay LMDC \$40 million and forgive \$10 million in outstanding payments. The \$10 million in outstanding payments is currently reflected in PAP S-2 in the Other World Trade Center Area Improvements activity and the \$40 million in payments will return funding to the PAP S-2 - 130 Liberty Street Deconstruction activity. As a result of LMDC’s successful recovery of these funds, LMDC is proposing to reallocate the recovered \$50 million as described below.

The proposed amendments will:

1. Reallocate \$10,000,000 held in the Other World Trade Center Area Improvements activity to the existing East River Waterfront Esplanade and Piers activity with the balance allocated for Program Administration and Monitoring.
2. Reallocate \$5,000,000 of recovered 130 Liberty Deconstruction funding to the existing East River Waterfront Esplanade and Piers activity
3. Reallocate \$700,000 of recovered 130 Liberty Deconstruction funding to the existing World Trade Center Memorial/Museum activity
4. Establish the following new activities in PAP S-2 to be funded with recovered 130 Liberty Deconstruction funding:
 - Manhattan Youth - \$500,000
 - Alliance for Downtown New York - \$300,000
 - Hudson River Park Trust - \$10,000,000
 - Pier 42 - \$7,000,000
 - Battery PlayScape - \$6,000,000
 - South Street Seaport Museum - \$4,800,000
 - Flea Theater - \$2,500,000

- University Settlement - \$1,126,850
- Jackie Robinson Museum - \$1,000,000
- God's Love We Deliver - \$500,000
- Downtown Boathouse - \$15,000

The recipients for each of these proposed activities have demonstrated the connection of their projects to the events of September 11, 2001. Furthermore, LMDC expects each of these projects to begin in 2016 with non-construction projects to be completed by March 31, 2018.

5. Reallocate \$558,150 of recovered 130 Liberty Deconstruction funding for Program Administration and Monitoring.

The current version of PAP S-2, previous amendments, 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/>.

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.

Public Comment

Some of the proposed amendments are substantial amendments that are open to public comment as required by HUD for thirty calendar days from the date of publication of the proposed amendments. Public comments will be accepted in writing delivered to LMDC either by posted mail or by electronic submission by May 31, 2016 as follows:

By post to: Public Comment on Amended PAP S-2
Lower Manhattan Development Corporation
22 Cortlandt Street, 11th Floor
New York, NY 10007

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

Comments delivered by fax or telephone will not be considered.

Proposed Amendments to Partial Action Plan S-2

These amendments propose changes to PAP S-2 and the URIR/OWTC Program associated with the successful recovery of 130 Liberty Deconstruction Program funds through a \$50 million legal settlement with Lend Lease Construction LMB Inc. (formerly Bovis Lend Lease LMB Inc.). Lend Lease agreed to pay LMDC \$40 million and to forgive more than \$10 million in outstanding payments. By June 30, 2016 LMDC expects to have received the final \$10 million towards the full \$40 million settlement payments from Lend Lease Construction LMB Inc. which is accounted for in the *130 Liberty Deconstruction* activity within PAP S-2. The other \$10 million exists in the *Other World Trade Center Area Improvements* activity also in PAP S-2.

LMDC proposes to reallocate the \$50 million litigation settlement funds to a slate of 14 projects or programs identified by a Working Group established to evaluate settlement funds proposals. The Working Group held a public forum on September 17, 2015 to solicit feedback from the community on how the funds should be spent. After an extensive and comprehensive public process which included the review of dozens of project proposals, meetings with stakeholders, and project site visits, the Working Group recommended to the LMDC Board of Directors projects that would provide the greatest benefits to lower Manhattan.

The 14 projects identified below were approved by the LMDC Board of Directors in March 2016. The amendments propose reallocating recovered and available funds from the **Other World Trade Center Area Improvements** and **130 Liberty Deconstruction** PAP S-2 activities to two other already existing activities within PAP S-2, and establishing 11 new activities in PAP S-2.

Proposed Amendments to Partial Action Plan S-2 (continued)

The amendment proposes to reallocate \$10,000,000 of the \$13,298,913 Other World Trade Center Area Improvements activity and \$5,000,000 of recovered 130 Liberty Deconstruction funding to the existing East River Waterfront (ERW) Esplanade and Piers activity thereby increasing the ERW Esplanade and Piers allocation in PAP S-2 from \$17,000,000 to \$32,000,000. The ERW Esplanade and Piers project seeks to redevelop approximately two-miles of the waterfront on the east side of Manhattan from Peter Minuit Plaza at the southern tip of Manhattan to East River Park on the Lower East Side. The remaining balance in the Other World Trade Center Area Improvements activity will be allocated for Program Administration and Monitoring.

The additional \$15,000,000 in funding for the ERW Esplanade and Piers activity will support two distinct projects. The first project is ERW North. The proposed \$10,000,000 would facilitate construction of new sidewalk paving and curbs for a portion of the ERW running from approximately Robert Wagner Senior Place to Catherine Slip for the ERW North project. The second project is Brooklyn Bridge Beach. The proposed \$5,000,000 in funding for the Brooklyn Bridge Beach project would facilitate further sidewalk paving and curb construction for the portion of the ERW esplanade running from approximately Peck Slip to Robert Wagner Senior Place. The project will include the installation of new railings and site furnishing while creating limited beach access near the Brooklyn Bridge for which \$7,000,000 has been committed by the New York City Council and the Borough President's Office.

The amendment proposes to reallocate \$700,000 of recovered 130 Liberty Deconstruction funding to the existing World Trade Center Memorial/Museum activity thereby increasing the World Trade Center Memorial/Museum allocation in PAP S-2 from \$38,894,000 to \$39,594,000. The proposed reallocation would support the Tribute in Light program costs for an additional two years. Tribute in Light is an annual installation of searchlights that project the shape and orientation of the Twin Towers in remembrance of the 9/11 attacks. The illuminated memorial reaches four miles into the sky and is the strongest shaft of light ever projected from earth into the night sky. LMDC has supported Tribute in Light over the past ten years.

The amendment also proposes to create 11 new activities, described below, within PAP S-2 using the funds recovered as part of the litigation settlement agreement. Proposed funding for each of these activities will be provided by decreasing funding in the 130 Liberty Deconstruction activity in PAP S-2.

- The amendment proposes to reallocate \$500,000 of 130 Liberty Deconstruction funding to support two years of the Manhattan Youth Recreation and Resources, Inc. (Manhattan Youth) afterschool and senior programs to keep those programs affordable and available to lower Manhattan families and seniors. Manhattan Youth provides childcare and academic, recreational and cultural activities to individuals and families who live or work in lower Manhattan, regardless of their income. Currently, Manhattan Youth runs seven downtown after-school programs that are either free or offered at affordable rates serving over 1,200 children daily. In addition, Manhattan Youth runs a seniors program offering activities including free swim to 600 seniors in lower Manhattan.
- The amendment proposes to reallocate \$300,000 of 130 Liberty Deconstruction funding to Alliance for Downtown New York for the Lower Manhattan Headquarters (LMHQ) which opened to the public in June 2015. Funding will reduce start-up costs during the first two years of its operations. LMHQ is a new 14,000 square foot office space located at 150 Broadway which intends to serve as a central meeting place for members of the creative, tech, non-profit, civic and marketing communities in lower Manhattan.
- The amendment proposes to reallocate \$10,000,000 of 130 Liberty Deconstruction funding to Hudson River Park Trust (HRPT) to complete Segment 3 of Hudson River Park, which runs from Chambers Street to West Houston Street and includes two public recreational piers (Piers 25 and 26), an ecological pier, and an adjacent upland park area. Funding will help complete unfinished areas of Pier 26, the platform between Piers 25 and 26, and add a new deck, and landscaping to the upland park. HRPT was created in 1998 to design, build, and operate a public park along the Hudson River waterfront. Hudson River Park begins at Battery Place and extends north for five miles to 59th Street.
- The amendment proposes to reallocate \$7,000,000 of 130 Liberty Deconstruction funding to the City of New York for East River Waterfront Pier 42 landscaping, lighting and the build out of a playground and comfort station area specified in the East River Waterfront master plan. The master plan aims to create public spaces in underutilized and inaccessible and/or abandoned areas on the waterfront that will complete the greenway around lower Manhattan.
- The amendment proposes to reallocate \$6,000,000 of 130 Liberty Deconstruction funding to either The Battery Conservancy (The Battery) or the New York City Department of Parks and Recreation to support the construction of the new and expanded playground, the “PlayScape” at The Battery. The PlayScape will be located on the eastern side of the park, between State Street and South Street, which currently houses a playground built in the 1950s. The new design expands the playground footprint to 60,000 square feet (one of the largest below 42nd Street). The PlayScape will address the open space needs of thousands of students in lower Manhattan, and is intended to serve as a model for the innovative integration of water management into flood zone playgrounds. The Battery is a not-for-profit educational corporation created in 1994 for the purpose of rebuilding and revitalizing Battery Park, a 25-acre public park at the southern tip of Manhattan.
- The amendment proposes to reallocate \$4,800,000 of 130 Liberty Deconstruction funding to South Street Seaport Museum to support the development of a new 11,000-square foot Educational Community Center; an elevator installation; and new electrical, lighting, HVAC, fire safety, and security systems at the Thompson warehouse at 213-215 Water Street. The proposed new Center would help support the Museum's programs and

exhibitions and provide flexible multi-use programmable community spaces to the Seaport and lower Manhattan. Founded in 1967, the South Street Seaport Museum (SSSM) is a non-profit cultural institution located in a 12 square-block historic district on the East River in lower Manhattan.

- The amendment proposes to reallocate \$2,500,000 of 130 Liberty Deconstruction funding to Flea Theater to support its theater construction project, scheduled to be completed in 2016. Founded in 1996, The Flea Theater (The Flea) is one of the leading Off-Off Broadway theatres. The Flea's new three-theatre complex located at 20 Thomas Street will increase the Flea's capacity to support artists and draw audiences to its annual productions, and will enable the Flea to develop a new partnership initiative that will provide subsidized rental space to other performing arts and community organizations in lower Manhattan.
- The amendment proposes to reallocate \$1,126,850 of 130 Liberty Deconstruction funding to University Settlement (US) to support improvements to the Houston Street Center, a 42,000 sq. ft. community center that is co-owned and operated by US and the Chinatown YMCA and the US headquarters offices at 184 Eldridge. US is dedicated to improving the life circumstances of low-income people living on the Lower East Side. It serves a largely immigrant community by providing adult literacy classes, mental health counseling, child care, housing assistance, job training, after-school and summer camp programs, youth development, senior services, arts programs, and a credit union.
- The amendment proposes to reallocate \$1,000,000 of 130 Liberty Deconstruction funding towards construction of the new Jackie Robinson Museum in lower Manhattan to serve as a permanent tribute to Jackie Robinson's pioneering legacy and his role as a catalyst for the American Civil Rights movement. The 18,500 sq. ft. museum, planned for 75 Varick Street, will chronicle Mr. Robinson's achievements placed within the context of United States history from Mr. Robinson's birth in 1919 to the present. The Jackie Robinson Foundation was established in 1972 by Jackie Robinson's wife, Rachel Robinson, to further Mr. Robinson's legacy.
- The amendment proposes to reallocate \$500,000 of 130 Liberty Deconstruction funding to God's Love We Deliver to help complete the renovation of its new office space located in the Michael Kors Building in SoHo. Funding would be designated towards various capital improvements, including new technology infrastructure, kitchen equipment and furniture. God's Love We Deliver is a New York City non-profit organization that cooks and delivers meals, individually tailored by a Registered Dietitian Nutritionist, to people living with severe illness.
- The amendment proposes to reallocate \$15,000 of 130 Liberty Deconstruction funding to Manhattan Youth for the benefit of the Downtown Boathouse. Funds proposed for this activity will be used to purchase 25 new kayaks. The Downtown Boathouse currently runs free kayaking programs on Pier 26 in Tribeca. The programs serve more than 20,000 people each year, including visitors from more than 130 countries. The Downtown Boathouse is an all-volunteer non-profit organization founded over 20 years ago that is dedicated to providing free public access to the harbor in New York City through public kayaking programs.

The amendment also proposes to reallocate \$558,150 of recovered 130 Liberty Deconstruction funding for LMDC Program Administration and Monitoring.

The following tables detail (1) the current allocations for each activity as approved by HUD revised November 15, 2013, and (2) allocations as they are proposed in these amendments:

Partial Action Plan Activities		Allocation as Approved by HUD, Revised 11/15/2013	Proposed Reallocations	Proposed Revised Allocation
I. Utility Restoration, Infrastructure Rebuilding, and Other World Trade Center Area Improvements (URIR/OWTC)				
1.	Emergency and Temporary Service Response	\$159,830,994		\$159,830,994
2.	Permanent Restoration and Infrastructure Improvements	\$207,033,415		\$207,033,415
3.	Service Interference	\$116,517,678		\$116,517,678
4.	Other World Trade Center Area Improvements			
	A. World Trade Center Memorial/Museum (<i>See Note 1</i>)	\$38,894,000	\$700,000	\$39,594,000
	B. World Trade Center Performing Arts Center	\$100,000,000		\$100,000,000
	C. West Street Pedestrian Bridge at West Thames Street	\$20,000,000		\$20,000,000
	D. East River Waterfront Esplanade and Piers (<i>See Note 1</i>)	\$17,000,000	\$15,000,000	\$32,000,000
	E. Other World Trade Center Area Improvements	\$13,298,913	(\$10,000,000)	
			(\$3,298,913)	\$0
	<i>Subtotal OWTC Area Improvements</i>	\$189,192,913		\$191,594,000
	Subtotal URIR/OWTC	\$672,575,000		\$674,976,087
II. Program Administration				
	A. ESD Program Management	\$10,000,000		\$10,000,000
	B. LMDC Program Administration & Monitoring (<i>See Note 1</i>)	\$3,500,000	\$558,150	
			\$3,298,913	\$7,357,063
	C. NYC MOSAICS Permit Management System	\$4,000,000		\$4,000,000
	Subtotal Program Administration	\$17,500,000		\$21,357,063
III. 130 Liberty Deconstruction		\$59,925,000		
	Proposed Amendment for Existing Activities (<i>See Note 1</i>)		(\$6,258,150)	
	Proposed Amendment for New Activities		(\$33,741,850)	\$19,925,000
IV. 130 Liberty Settlement Funds (New Activities)				
	A. Manhattan Youth		\$500,000	\$500,000
	B. Lower Manhattan Headquarters		\$300,000	\$300,000
	C. Hudson River Park Trust		\$10,000,000	\$10,000,000
	D. East River Waterfront - Pier 42		\$7,000,000	\$7,000,000
	E. PlayScape at The Battery		\$6,000,000	\$6,000,000
	F. South Street Seaport Museum		\$4,800,000	\$4,800,000
	G. The Flea Theater		\$2,500,000	\$2,500,000
	H. University Settlement		\$1,126,850	\$1,126,850
	I. Jackie Robinson Museum		\$1,000,000	\$1,000,000
	J. God's Love We Deliver		\$500,000	\$500,000
	K. Downtown Boathouse Kayaks		\$15,000	\$15,000
	Subtotal 130 Liberty Settlement Funds New Activities			\$33,741,850
	Partial Action Plan Total	\$750,000,000	\$0	\$750,000,000

Note 1: Funding for the "Proposed Reallocations" to existing activities: WTC Memorial/Museum (\$700,000), \$5 million of the East River Waterfront Esplanade and Piers, and \$558,150 for LMDC Program Administration and Monitoring (totaling \$6,258,150) will come from the "130 Liberty Deconstruction" activity.