



LOWER MANHATTAN DEVELOPMENT CORPORATION

Partial Action Plan No. 4 for Short-Term Capital Projects, Long-Term Planning, and Supplemental Funds for Business Recovery

Overview

The Lower Manhattan Development Corporation (LMDC) has prepared the following Partial Action Plan with regards to the \$2 billion federal appropriation for the World Trade Center disaster recovery and rebuilding efforts administered by the United States Department of Housing and Urban Development (HUD). LMDC anticipates additional funding by a more recent \$783 million federal appropriation to HUD for damaged properties and businesses (including the restoration of utility infrastructure) as well as economic revitalization related to the terrorist attacks at the World Trade Center. This plan details the proposed expenditure of \$151,929,673.00 out of the \$2 billion to fund the following items:

1. Short-Term Capital Projects totaling up to \$66,100,000.00.
2. Long-Term Planning totaling up to \$13,233,189.00
3. WTC Business Recovery Grant Program totaling up to \$74,500,000.00
4. Reallocate remaining Employment Training Assistance Program funds up to \$9,500,000.00
5. Planning and administration activities totaling up to \$7,596,484.00.

To date, HUD has approved two Partial Action Plans allocating approximately \$656 million to LMDC. On June 7, 2002, HUD approved the Partial Action Plan calling for the expenditure of approximately \$306 million for the Residential Grant Program, the Employment Training Assistance Program, the Interim Memorial Program, and Administration and Planning. This Partial Action Plan was amended on September 25, 2002. On November 22, 2002, HUD approved the Partial Action Plan for Business Recovery and Economic Revitalization calling for the expenditure of an additional \$350 million for the WTC Business Recovery Grant Program, the Small Firm Attraction and Retention Grant Program, and the Job Creation and Retention Program. On May 7, 2003, LMDC submitted Partial Action Plan 3 to HUD, calling for the expenditure of approximately \$24 million for Cultural and Community Development. Versions of these Plans with public comments and responses thereto are available on the LMDC web site: www.RenewNYC.com.

Future partial action plans will detail the projected expenditure of the remainder of funds available from the \$2 billion appropriation and will be subject to a public comment period with later submission to HUD.

This Partial Action Plan proposes the allocation of \$151,929,673.00 out of the remaining \$1.32 billion for Short-Term Capital Projects, Long-Term Planning, and Supplemental Funds for Business Recovery. The Short-Term Capital Projects will provide immediate relief to Lower Manhattan residents, businesses, workers, and visitors by improving accessibility in and around Lower Manhattan and enhancing the quality-of-life in Lower Manhattan, making it a more attractive place to live, work, and visit. The Long-Term Planning program is the first step towards realizing the Governor’s and the Mayor’s vision for Lower Manhattan focusing on airport access, links to Long Island, major boulevards such as West Street and Water Street, and underutilized resources such as the East River Waterfront. The World Trade Center (WTC) Business Recovery Grant program provides much needed additional funding for the Business Recovery Grant program while reallocating underutilized funding in the Employment Training Assistance Program.

Partial Action Plan Activities	Allocation from \$2 billion
Short-Term Capital Projects	\$66,100,000.00
Long-Term Planning	\$13,233,189.00
WTC Business Recovery Grant Program	\$74,500,000.00
Reallocate remaining Employment Training Assistance Program funding	(\$9,500,000.00)
Planning and Administration	\$7,596,484.00
Total	\$151,929,673.00

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

National Objective

The Lower Manhattan Development Corporation is a subsidiary of the New York State Urban Development Corporation d/b/a Empire State Development created in December 2001 to oversee the rebuilding and revitalization of Lower Manhattan. The activities contained in this Partial Action Plan have been designed to meet community and development needs resulting from the September 11th World Trade Center disaster. These activities have particular urgency because LMDC has determined that existing conditions pose a serious and immediate threat to the health or welfare of the City of New York and the individual residents of the City and other financial resources are not available to meet such needs. The geographic areas of focus of this and future partial action plans are located in Manhattan, south of Houston Street. Projects included in this Partial Action Plan also meet the national objective of benefiting low and moderate income persons and communities.

Public Comment to the Partial Action Plan

This Partial Action Plan allocates funds to Short-Term Capital Projects, Long-Term Planning, and Supplemental Funds for Business Recovery.

This Partial Action Plan is open to public comment. HUD requires that the public comment period extend for fifteen calendar days from the date of publication of this plan. Public comment must be made in writing and may be delivered to LMDC either by posted mail or by electronic mail, addressed as follows:

By post to: Public Comment on LMDC Partial Action Plan No. 4
Lower Manhattan Development Corporation
1 Liberty Plaza, 20th Floor
New York, NY 10006

Electronically at LMDC's web site www.renewnyc.com under Funding Initiatives - Partial Action Plans – Comments.

The deadline for receipt of public comment is June 12, 2003. Comments delivered by fax or telephone cannot be considered.

I. Public Participation

Since its inception, LMDC has solicited and received an unprecedented amount of public comment from all over the world regarding the rebuilding of the World Trade Center site, the creation of a permanent memorial, and the revitalization of Lower Manhattan. Several Advisory Councils representing a broad spectrum of groups affected by the World Trade Center attacks – including victims’ families, business owners, arts and cultural institutions, and downtown residents – regularly consult with LMDC on issues of concern to their respective constituencies. LMDC regularly conducts public meetings, which provide an avenue for the public to express their thoughts and concerns about the rebuilding efforts and the revitalization of Lower Manhattan. To date, LMDC has held many public meetings and was a sponsor of "Listening to the City" in July of 2002, which drew over 4,000 participants. Public meetings and meetings with the Advisory Councils have often focused specifically on the redevelopment of the World Trade Center site, but broader issues such as transportation, cultural and civic issues, and economic development in the aftermath of September 11, 2001 are also discussed.

LMDC conducts additional outreach initiatives, such as mailings to city, state, and federal elected officials and civic and community organizations, participates in Community Board meetings, and meets regularly with community groups, civic organizations, and public officials to ensure the opinions of those who were affected are taken into account. LMDC has also sponsored several public exhibits that provided visitors with information and the opportunity to submit written comments on the revitalization efforts. LMDC has received nearly 10,000 comments at the exhibits.

On a continuous basis, the LMDC website solicits public feedback on a variety of topics, such as WORLD TRADE CENTER site planning, transportation, Lower Manhattan neighborhoods, the World Trade Center Site Memorial, and Partial Action Plans. LMDC has received thousands of comments through its website.

LMDC also gathers public input through its Funding Application Process. The Funding Application Process provides an opportunity for members of the public, through their funding proposals and subsequent meetings with LMDC staff, to articulate their perceptions of, and solutions to, the diverse needs of Lower Manhattan.

This Partial Action Plan outlines immediate actions that the Lower Manhattan Development Corporation can take while LMDC continues to solicit public input and develop an overall plan for the remaining funding.

II. Short-Term Capital Projects

The short-term capital projects were selected through a consultation process involving participants from community groups, local businesses, and city and state government. Manhattan Community Board 1 contributed insight into residents' needs for the area at meetings and through written correspondence. Input was solicited and received from organizations such as the Alliance for Downtown New York, the Real Estate Board of New York, the Association for a Better New York, the Partnership for New York City, Wall Street Rising, and the American Institute of Architects. Major area firms and property owners were also consulted to determine specific needs to facilitate and sustain economic growth. The City of New York Mayor's Office compiled input from a number of sources and a range of constituencies, determining areas of overlap and greatest need. The Short-Term Capital Projects were first announced by Governor George Pataki on April 24, 2003

The short-term capital projects will provide immediate relief to Lower Manhattan residents, businesses, workers, students, and visitors by improving accessibility in and around Lower Manhattan and enhancing the quality-of-life in Lower Manhattan, making this a more attractive place to live, work, and visit. These projects can be completed in the short-term, many within six months to one year, providing tangible improvements to life in Lower Manhattan and helping to retain and attract businesses and residents while work to realize the long-term vision moves forward.

The short-term capital projects selected must meet some or all of the following criteria:

- Enhance the quality-of-life in Lower Manhattan in the near-term for residents, businesses, workers, students, and/ or visitors;
- Provide or enhance open space in Lower Manhattan;
- Leverage additional private or public funds for completion of the full scope of the capital project; and
- Funds will be used for capital or core costs, not operational costs.

All projects must be short-term in that they must be able to be completed within one year. Exceptions will be allowed for projects that show substantial significant progress and meet some or all of the criteria above within one year.

The short-term capital projects may include, but are not limited to, the following:

A. Downtown Alliance Streetscape Program

As a result of the recovery efforts and round-the-clock clean-up at the World Trade Center site since September 11, 2001, the condition of the streetscape along Broadway and adjacent streets has suffered considerably. To restore a sense of civic pride along this historic thoroughfare, the Alliance for Downtown New York has developed a short term action plan, based on its previously completed Streetscape Study.

The project area consists of both sides of Broadway, from Battery Park to City Hall Park. The project area is divided into three segments: Battery Place to Exchange Place, Exchange Place to Liberty Street, and Liberty Street to Barclay Street.

The short term action plan outlines the completion of the already-initiated Streetscape Plan. Elements of the Streetscape Plan include: repaving sidewalks with specially tinted concrete; 12" granite curbs; tinted concrete slabs with street names and markers of historic Broadway events; new custom lighting designed to improve overall illumination; new benches, bollards, and waste receptacles; and specially-designed signage to facilitate way-finding and identification of significant sites.

B. New York Stock Exchange Area Security and Aesthetic Improvements

Heightened safety concerns since September 11, 2001 have intensified existing efforts to secure the area surrounding the New York Stock Exchange. Unsightly and temporary barricades, checkpoints, and security vehicles have decreased the quality-of-life and ease of access for local residents, businesses, workers, and visitors. A security and aesthetic plan, based in part on a pre-September 11 plan for the New York Stock Exchange area, will address these issues.

Current plans include installing security barriers and guard facilities on critical streets, developing a more effective street treatment, and providing more attractive street furniture, such as bollards, barriers, and fences, to facilitate secure pedestrian and vehicular circulation within the historic core of Lower Manhattan.

C. Pocket Parks & Open Spaces

Many Lower Manhattan parks and open spaces were closed or damaged after September 11, 2001. Repairing and enhancing these open spaces is critical to restoring Lower Manhattan as a place that serves not only workers and tourists, but a growing residential population as well. To address these needs, the New York City Department of Parks and Recreation has prepared a Lower Manhattan Vision Open Space Report (2003).

Community Board 1 and 3 comprise the proposed Lower Manhattan project area. Community Board 1 has the highest population growth rate of the city's 59 community boards, with increases of 100%, 59%, and 35%, over the last three decades respectively. According to the 2000 Census, the population is 34,420 residents, with over 6,791 families.

A dire need for additional parks has repeatedly been identified by the Community Board in its annual Statement of Needs, particularly on the district's East Side where virtually no park space is available. In addition to its growing residential population, the area hosts hundreds of thousands of tourists annually, making improved public spaces essential to the sustainability of the area.

In contrast, Community Board 3 consists of predominantly low- and moderate-income households and has the third lowest median income in Manhattan. Community Board 3 has a long tradition of ethnic, economic, and cultural diversity and with a population of 164,407 according to the 2000 Census is one of the City's most densely populated areas. The need for additional parkland and the rehabilitation of existing parks has been identified as a high priority of the Community Board.

Great cities are defined as much by their parks and open spaces as they are by architecture. These parks will serve as a catalyst for the redevelopment of Lower Manhattan by providing an amenity for local workers, a draw for businesses, and an improvement in the quality of life for downtown's growing residential population. They will also provide a significant destination for visitors by capitalizing on downtown's magnificent waterfront setting, unique architectural character, and important historical context.

D. Hudson River Park Improvements

The Hudson River Park Trust was created in 1998 to design, build, and operate a five-mile stretch of self-sufficient waterfront public park along the Hudson River. The Park consists of seven segments. Segments 1, 2, and 3 include the Lower Manhattan communities of Battery Park City and Tribeca, both of which were severely impacted by the September 11th attacks on the World Trade Center. To advance the revitalization of these areas and support the stabilization and expansion of the residential community, the Hudson River Park Trust has proposed the creation of new recreational opportunities through the Segment 3 Interim Revitalization Initiative.

E. Millennium High School

The Millennium High School, an academically rigorous school, will be the first open admission high school specifically serving Lower Manhattan students. The area served will be all of Lower Manhattan south of Houston Street. The high schools currently located below Houston Street serve students from all over the city; many are selective and require a test for entry or have specialized fields of study. Currently, students need to commute to school in other parts of Manhattan and New York City. A new, academically rigorous neighborhood high school will help retain families in Lower Manhattan, as well as attract new families with school-age children. Ensuring the stability and encouraging the growth of the residential population has been identified as key in Lower Manhattan's economic recovery from September 11th. The creation of the Millennium High School has broad community support. Community Board 1 has created a not-for-profit corporation to accept donations for the school. While the New York City Department of Education (DOE) supports the creation of the school, DOE does not have sufficient capital funds to create a new high school; therefore DOE is relying almost exclusively on funding sources outside DOE to open the school.

The Millennium High School will be located at 75 Broad Street at the intersection of Broad and South William Street. LMDC funds will be used to renovate the space at 75

Broad Street. The renovations entail converting three floors of what is currently commercial office space into classrooms, administrative offices, and other school facilities. The top floor of the building will be converted into a gymnasium.

F. West Street Pedestrian Connections

This project proposes to construct a temporary pedestrian bridge near the intersection of Vesey and West Streets and provide enhancements to the current bridge and walkway at Liberty Street. This improvement is intended to foster safe pedestrian flows across West Street, as well as appropriately handle the expected high volumes of pedestrians that will use this crossing daily once PATH service is restored by December of 2003.

The former North Bridge, which connected the World Trade Center site to the World Financial Center, was entirely destroyed by the terrorist attacks on September 11, 2001. This bridge was a major connection between the former PATH Terminal (which served an estimated 67,000 in-bound PATH riders daily and was also destroyed on September 11, 2001) and the heavily utilized offices at the World Financial Center. During peak hours, 6,000 people per hour utilized the pedestrian bridge prior to September 11th. Since the attacks, the number of pedestrians crossing West Street at the Vesey Street intersection has steadily recovered from levels immediately after the attacks, and it is expected that as the area around the World Trade Center continually recovers, these numbers will continue to rise further. Furthermore, the temporary PATH service to the PATH Terminal at the World Trade Center site is scheduled to be complete by the end of 2003. As PATH riders arrive at the World Trade Center and cross West Street to reach the World Financial Center, a replacement for the destroyed bridge will be needed in order to safely and efficiently serve the estimated 6,500 pedestrians that would utilize the West Street-Vesey Street intersection hourly.

This Partial Action Plan will provide funding for both construction of the Vesey Street Bridge and for improvements to the Liberty Street connection.

G. Damaged Buildings Beautification

Several buildings were severely damaged on September 11, 2001 and are still uninhabitable. The owners of these buildings and local officials are working together to determine the fate of these buildings. These damaged buildings remain a blight on the community, negatively affecting area businesses, residents, workers, and visitors. While the work proceeds to determine the fate of damaged buildings around the World Trade Center site, LMDC will assist building owners by providing funding to improve and beautify these structures and their protective installations.

H. Lower Manhattan Communications Outreach Campaign

The timely and regular dissemination of information regarding the revitalization of Lower Manhattan is critical to LMDC's mission. Lower Manhattan residents, business owners, visitors, and others interested in and affected by the attacks must be kept apprised of developments on the World Trade Center site and the broader off-site

revitalization effort. Such information enables Lower Manhattan stakeholders to track key milestones and hold government accountable, make long-term decisions based on projected target dates for achievement of those milestones, and anticipate any disruptions to their routine and plan accordingly.

The primary target area for dissemination of information is Lower Manhattan south of Houston Street.

LMDC will launch the Lower Manhattan Communications Outreach Campaign (the Campaign) in June 2003. The Campaign will be created and directed by in-house staff of LMDC, minimizing the use of outside contractors in order to maximize resources. LMDC is consulting with businesses, community groups and trade organizations to formulate the elements of the Campaign and to leverage their collective ability to reach thousands of Lower Manhattan residents, workers, and visitors. Elements of the Campaign include:

- Development and widespread distribution of monthly updates on the rebuilding effort;
- Weekly electronic updates on the rebuilding effort;
- Maintenance and promotion of centralized source for information on the Internet;
- Identification of fixed locations to disseminate information on a recurring basis (e.g., World Trade Center site, World Financial Center, kiosk); and
- Outreach to corporate HR departments, building owners and property managers to communicate directly with Lower Manhattan residents and employees.

The total estimated cost for the Short-Term Capital Projects is up to \$66,100,000.00.

III. Long-Term Planning

Long-term planning provides funding to plan for public investments including a transportation plan that positions Lower Manhattan as the gateway to the region and the world, a plan that transforms public boulevards into grand public promenades, and one that capitalizes on the underutilized resources of Lower Manhattan. By providing funding for these important long-term projects now, LMDC will ensure the ability to move forward on the critical components of the revitalization of Lower Manhattan as quickly as possible.

The projects that will be funded in long-term planning must meet some or all of the following criteria:

- Consistent with the Lower Manhattan Development Corporation's *Principles and Preliminary Blueprint for the Future of Lower Manhattan*;
- Consistent with the Lower Manhattan Development Corporation's *A Vision for Lower Manhattan: Context and Program for the Innovative Design Study*;
- Consistent with Mayor Michael Bloomberg's *New York City's Vision for Lower Manhattan*; and
- Connect Lower Manhattan to the world.

The long-term planning projects may include, but are not limited to, the following:

A. Lower Manhattan Transportation Planning: Commuter and Airport Access Alternatives Analyses

LMDC is coordinating a transportation study to identify and evaluate long-range opportunities to provide enhanced rail access to the Lower Manhattan Central Business District from John F. Kennedy International Airport (JFK) Airport in Queens and from the Long Island Railroad (LIRR) Station in Jamaica, Queens. The study will be jointly conducted by LMDC, the Port Authority of New York and New Jersey (PA), the Metropolitan Transit Authority (MTA) and the City of New York (the City). Holding a dialogue with a broad range of constituents, LMDC, the MTA, the PA, and the City have identified improvements in access from Lower Manhattan to JFK and Jamaica Station as a key element in the area's economic recovery, and, in the case of JFK access, in Lower Manhattan's ability to compete with other global economic centers such as London, Berlin, and Tokyo that have direct access to their international airports. LMDC will be hiring a Director of Transportation Policy to act as a coordinator of this study, as well as to act as an adviser on Lower Manhattan-related transportation policy.

This study will evaluate a range of options with particular focus on constructability and operational feasibility. The study will document existing baseline conditions and services, examine the cost of each alternative, and explore environmental, organizational, and community impacts. Rigorous demand analyses based on ridership forecasts and population growth data will be conducted. Alternatives will be identified that will provide a significant improvement compared to existing service in categories such as travel time, frequency, number of transfers, and passenger utilization. Ultimately, a single recommended alternative will be chosen for implementation. Short-term solutions

may also be identified for implementation while the development and construction of the long-term approach progresses.

B. West Street Planning

New York State Department of Transportation (NYS DOT) is responsible for post-September 11th repair of Route 9A, also known as West Street, as well as the planning for future enhancements. West Street is a multi-lane, 260-foot wide highway serving both regional and local traffic in Lower Manhattan. The street acts as the western boundary for the World Trade Center site. West Street's traffic conditions and width -- more than twice as wide as a typical Manhattan avenue -- make it a barrier for pedestrians by cutting off Battery Park City, the World Financial Center, and the Hudson River waterfront from the rest of Lower Manhattan. Significantly, West Street acts as a divide between the World Trade Center site, the emerging residential community south of Liberty Street, and the existing Battery Park City community. Residents complain about the safety hazards of crossing West Street and retailers in the World Financial Center suffer from their lack of accessibility.

Since September 11th, there has been extensive discussion of the best ways in which to accommodate the large traffic volumes that flow along West Street, while also improving the pedestrian experience and making the areas adjacent to West Street more amenable to residential and commercial development. The portion that runs along the length of the World Trade Center site is of special concern since it must provide an appropriately dignified and aesthetically graceful setting for the future World Trade Center memorial. Numerous design concepts have been considered that attempt to address the dual goals of meeting the needs of the Memorial Garden within the bathtub of the World Trade Center site -- an integral component of Studio Daniel Libeskind's site design -- and eliminating West Street as a barrier between Lower Manhattan neighborhoods.

Goals for the design of West Street include creating better east-west pedestrian connections, improving the pedestrian environment, easing surface congestion, and accommodating the need to create a quiet, respectful site for the memorial.

NYS DOT's work on West Street to be funded in this Partial Action Plan includes necessary technical services related to the repair and restoration of essential transportation facilities and planning for future enhancements to West Street.

C. Lower Manhattan Planning Studies and Improvements

LMDC is coordinating with various agencies of the City of New York in order to pursue planning studies and targeted improvement projects that will address ongoing complications resulting from the damage on September 11th and assist in Lower Manhattan's recovery by improving the physical environment of Lower Manhattan.

Ongoing construction, enhanced security measures, and the loss of public open space are among the many factors that necessitate the planning studies proposed. The planning

studies aim to provide more public open space, improve the public realm through aesthetic enhancements and practical measures such as traffic management, and facilitate the construction that will occur in Lower Manhattan in the coming years. As contemplated in *New York City's Vision for Lower Manhattan*, public investments in these types of projects can trigger private market reactions that will strengthen Lower Manhattan's role as a global financial center, major commercial office market, residential neighborhood, and host to visitors from around the world.

To make these investments successful, they must be carefully planned, taking into account what exists in Lower Manhattan today and what the potential is for the future. Lower Manhattan has significant physical assets, including waterfront on three sides, landmarks from throughout American history, and a street grid and urban experience unique to North America. However, in addition to the tragic loss of life on September 11, 2001, the physical destruction and disruption that occurred in Lower Manhattan made clear that the future growth and success of the district depends on how well its buildings, infrastructure, and public spaces work together to accommodate its existing uses and assets with future development opportunities. A comprehensive effort is required to coordinate work toward improving the quality of Lower Manhattan's infrastructure, public spaces, waterfront, and streets.

The planning studies are focused on the area south of Houston Street in Manhattan with an emphasis on areas beyond the boundaries of the World Trade Center site.

The East River waterfront design study will explore improved alternative uses for the waterfront between the Battery Maritime Building and Pier 42 to the north, including the development of open spaces and development sites for a wide variety of uses. The street management plan will enable the most efficient use of street and sidewalks in Lower Manhattan through traffic data collection, traffic and parking management, and distribution of traffic information. A comprehensive urban design study of the spaces and services along Water Street will provide options to improve the experience along the length of the boulevard. The infrastructure management plan will survey and analyze Lower Manhattan's infrastructure, in particular conditions underground, and develop a strategy for improved future provision of infrastructure.

These planning activities will evaluate existing conditions and analyze, design, and develop options to improve uses, public space, and access. These activities may include the following activities: architecture and landscape architecture; urban design and planning; marine, structural, civil, mechanical, environmental, and traffic engineering; intelligent traffic systems design; surveying; infrastructure analysis and design; construction management; financial and cost accounting; economic impact analysis; commercial real estate, residential property, and retail analysis; environmental consultation; legal advice and consultation; graphic design; and other related disciplines.

The total estimated cost for Long-Term Planning is up to \$13,233,189.00.

IV. WTC Business Recovery Grant Program

Business Recovery Programs Established by ESD

Congress appropriated an initial \$700 million to New York State for economic recovery and revitalization efforts through HUD's Community Development Block Grant Program. This fund is managed by Empire State Development (ESD) in cooperation with New York City's Economic Development Corporation (EDC) in accordance with a Final Action Plan and an Amended Action Plan accepted and approved by HUD. The Final Action Plan describes all of the business recovery and revitalization programs. After extensive public comment and the development of new estimates based on the programs' operating history, the benefits available for economic compensation were increased and businesses with fewer than 10 employees (already eligible for economic compensation) were included in the program providing incentives for new leasing activity. The largest increase was provided to businesses located closest to Ground Zero. The Amended Action Plan modified three programs: (1) the Small Firm Attraction & Retention Grant Program, (2) the WTC Business Recovery Loan Fund, and (3) the Infrastructure Rebuilding Program. Both ESD's Final Action Plan and Amended Action Plan are available on the ESD web site: www.empire.state.ny.us.

Additional Business Recovery Funding from LMDC in Partial Action Plan 2

Both ESD's Final Action Plan and Amended Action Plan recognized that more than \$700 million would be needed to fully fund the business recovery and revitalization programs as described. When an initial \$2 billion was appropriated to LMDC, Congress intended that some portion would be directed to the business recovery and revitalization effort administered by ESD. LMDC's Partial Action Plan 2 provided an additional \$350,000,000 to ESD with \$150,000,000 in funding allocated to the WTC Business Recovery Grant (BRG) Program bringing the total program fund to \$481 million. The BRG program provides economic loss compensation for small businesses and not-for-profits (less than 500 employees) located on or below 14th Street, based on a percentage of gross revenue and the business' location within the eligible area.

Additional Business Recovery Funding Required

The BRG program accepted applications from January 25, 2002 through December 31, 2002. The last two days of the program brought in over 19% of all small business applications. By September 1, 2002, when the program allowed for increased grant amounts, only 52% of the BRG allocation had been approved. By December 1, 2002, 88% had been approved and the BRG program was on target with program estimates. The volume of applications received during the final days of the program resulted in a need for 110% of the BRG allocation.

By Dec 1, 2002, ESD had received applications from 11,859 businesses, equaling \$449 million, on track with the initial allocation of \$481 million. By the program deadline, December 31, 2002, ESD had received applications from 15,306 businesses. Eventually, 14,248 of these businesses were approved for a total of \$558 million. 3,447, or 22% of the entire applicant population applied in the last month of the program and over half of those (1,842) came in on the last two days. This large percentage was a result of an extensive door-to-door outreach campaign and an advertising campaign conducted by ESD. This resulted in demand in excess of the original allocation.

ESD reallocated unused funds. (\$8.86 million from the Business Recovery Loan Program and \$8.24 million from the Bridge Loan Program) to the BRG Program to fulfill the demand for program funds.

2,166 eligible businesses are awaiting disbursement. Of these, 1,714 businesses have not received any previous grant awards from the BRG program, whereas the others are waiting for a supplemental or appeal award. The businesses awaiting funds have an average of 6 employees in NYC.

More than 144,000 jobs will have been directly affected by the BRG program.

As contemplated in each of the Action Plans, ESD and EDC are seeking \$10 million in reimbursement of funds for the Retail Recovery Grant and Lower Manhattan Plan programs, respectively. These programs provided economic compensation to Lower Manhattan small businesses in the fall of 2001, while federal funding was being secured. The Retail Recovery Grant disbursed \$13.7M to 3,054 companies.

ESD estimates that a gap of \$74,500,000 exists for the BRG program including \$54,500,000.00 for BRG grants to nearly 2,100 small businesses and \$20,000,000.00 for repayment to the City and the State for the Retail Recovery Grant and Lower Manhattan Non-Retail Recovery Program.

The total estimated cost for WTC Business Recovery Grant Program is up to \$74,500,000.00.

V. Reallocate Employment Training Assistance Program

LMDC's Partial Action Plan 1, approved by HUD on June 7, 2002 and amended on September 25, 2002, included a \$10,000,000.00 allocation for Employment Training Assistance Program (ETAP) to be administered by ESD. This program was expected to provide grants to train current and prospective employees of businesses and not-for-profit organizations in the area south of 14th Street.

ETAP was introduced in July 2002. ESD and related groups have done marketing and workshops to educate small businesses in Lower Manhattan about this program. To date 24 applications have been received totaling a maximum amount of obligated payments of approximately \$500,000.

This program is similar to programs offered by the Federal, State, and City governments and by not-for-profit organizations. These programs include:

- Federal:
 - H-1B Technical Skills Training Grants - \$200 million in grant funds for skill training programs for unemployed and employed workers.
- State:
 - BUSINYS - funds for businesses to provide training to workers in specific skills needed for that industry for career growth and increased wages.
 - Layoff Aversion Training Activities - funding to support training needs as part of a businesses layoff aversion strategy.
 - Management E-learning pilot program funded by Labor Dept. with State Workforce Investment Board- assists in upgrading managers' skills- offers 450 courses in various management topics.
- City:
 - NYC Training Grant - The NYC Training Grant program has attracted many positive responses and applications from companies interested in training new and current employees, including businesses in Lower Manhattan. As a result, the City has obligated all funds currently available to the program. Additional funding may be available in the next year.
 - On-The-Job Training - This program provides reimbursement of up to 50 percent of a targeted new employee's salary during the employee's training period.
 - Worker Career Centers Training Vouchers - Individual training vouchers for up to \$2000 awarded to individuals based on needs and assessment.
 - Customized Training Contracts – NYC Workforce Investment Act (WIA) system through the One Stop can allocate training funding through a contract training that is customized to businesses' specific needs.
- Not-for-profits:
 - Consortium for Worker Education (CWE) has the capacity to design industry-specific training initiatives to meet the needs of its union partners. CWE is currently preparing participants for careers in the baking, construction, health care, and child care industries.
 - September 11th Fund Employment Assistance: Surviving family members and the severely injured (regardless of pre-9/11 employment), and all displaced workers

(regardless of immigration status) who lost jobs or experienced severe loss of income between September 11, 2001 and January 11, 2002, and worked South of Canal (or in portions of Chinatown and Little Italy) can receive career counseling, job readiness training, job referrals, English classes, and skills training and income support while in job training.

Businesses in the area have oversubscribed to programs such as the BRG program and undersubscribed to ETAP. Therefore, LMDC is reallocating all remaining funds for ETAP to the BRG program through this Partial Action Plan. This will allow alternative sources of funding to be used for employment training assistance and allow HUD funds to be targeted where there is an immediate demand for funding and limited alternative sources of funding.

The total estimated savings for the reallocation of ETAP is up to \$9,500,000.00.

VI. Planning and Administration

LMDC engages in broad planning and administration activities relating to the recovery, remembrance, and rebuilding efforts in Lower Manhattan, defined by LMDC as the entire area of Manhattan south of Houston Street.

LMDC's planning activities began with the site planning for the World Trade Center site and the areas immediately surrounding the site. This planning will continue over the next year and include planning, design guidelines, and environmental review.

The agency's planning activities also include the other neighborhoods in Lower Manhattan that have been affected by September 11th and its aftermath. Specifically, LMDC's planning activities include expansive analyses of Lower Manhattan's transportation, traffic, housing and related amenities, open space, retail development, and economic development capacity, needs, and potential. Based on these analyses, LMDC will develop and propose concept plans for specific areas and projects in Lower Manhattan.

LMDC's planning activities over the next year will focus on the administration of the competition and planning for the memorial.

LMDC's administration activities include and will continue to include extensive public information and coordination activities relating to its LMDC planning work. As part of its coordination activities, LMDC serves as a facilitator of outreach and discussions between affected communities as well as the public at large and government agencies and officials. LMDC's public information work will continue to include: large scale public meetings and hearings; periodic printed newsletters and reports; an up-to-date, comprehensive, and interactive web site (www.RenewNYC.com); extensive electronic communications; and other public outreach and participation efforts. In addition, LMDC continues to maintain its network of community contacts through its advisory councils.

HUD has authorized the use of up to 5% of the total grant to LMDC for costs associated with planning and administration activities, including costs for overhead, personnel, and consultants. This Partial Action Plan proposes the allocation of \$7,596,484.00 towards LMDC's planning and administration activities.