

Quarterly Performance Report - Report Preview

Grant Number	B-02-DW-36-0002	Grant Name	State of New York, 9/11 Terrorist
Grantee Name	Lower Manhattan Development Corporation	Quarter	Oct 2004
Grant Amount	\$783,000,000.00	Obligation Date	9/15/2003

[Submitter Information]

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Plan Description: The Lower Manhattan Development Corporation was created in the aftermath of September 11, 2001 by Governor Pataki and then-Mayor Giuliani to help plan and coordinate the rebuilding and revitalization of Lower Manhattan, defined as everything south of Houston Street. The LMDC is a joint State-City corporation governed by a 16-member Board of Directors, half appointed by the Governor of New York and half by the Mayor of New York. LMDC is charged with ensuring Lower Manhattan recovers from the attacks and emerges even better than it was before. The World Trade Center attacks resulted in a staggering loss of life and extensive physical destruction to Lower Manhattan. Approximately 30 million square feet of commercial space was damaged or eliminated, and seven buildings in the World Trade Center site were completely leveled. Critical transportation infrastructure was disrupted or obliterated, including the PATH station, the 1/9 subway line and sections of Route 9A and Church Street. Vehicular access to the area south of Canal Street was prohibited for seven days. As a result of the tragedy, residential occupancy rates in the immediate region dropped to 60%, over 100,000 jobs were displaced, and small and large businesses struggled to maintain viability. The World Trade Center attacks inflicted widespread destruction upon the energy (electric, gas, and steam) and telecommunications utility infrastructure, resulting in extensive disruptions in service to the business and residential communities of Lower Manhattan. The energy and telecommunications firms responded rapidly in the aftermath of the disaster to provide emergency and temporary services and they are currently working to restore permanent service to all customers located within Lower Manhattan. The costs to deliver emergency and temporary services and to rebuild damaged infrastructure for permanent service delivery are considerable and have been borne by the affected utility service providers to the extent not covered by their insurance providers or funds from other sources such as lawsuits.

Plan Needs: The Lower Manhattan Development Corporation (LMDC) has prepared the following Partial Action Plan with regard to the \$783 million federal appropriation administered by the United States Department of Housing and Urban Development (HUD) for damaged properties and businesses (including the restoration of utility infrastructure) as well as for economic revitalization related to the terrorist attacks at the World Trade Center. LMDC received a separate \$2 billion federal appropriation through HUD for the World Trade Center disaster recovery and rebuilding efforts. This Plan details LMDC's proposed expenditure of \$750 million to fund a program to restore, rebuild, and revitalize utility infrastructure in Lower Manhattan. The program will be

administered by Empire State Development (ESD), New York State's economic development agency, in cooperation with the New York City Economic Development Corporation (EDC), and in consultation with the Lower Manhattan Development Corporation. This plan also details LMDC's proposed expenditure of \$33 million of that appropriation to fund a program to assist businesses in Lower Manhattan that suffered disproportionate loss of life as a result of the attacks on September 11, 2001. The program will be administered by Empire State Development (ESD), New York State's economic development agency in cooperation with the New York City Economic Development Corporation (EDC).

Funding Sources: N/A

Funds

Total Projected Budget:	\$783,000,000.00
Total HUD Disaster Recovery Funds:	\$783,000,000.00
Obligated HUD Disaster Funds to Date:	\$283,746,163.00
Unobligated HUD Disaster Funds to Date:	\$499,253,837.00
Cumulative HUD Disaster Funds to Date:	\$194,059,338.00

Overall Report Narrative:

With HUD funding, LMDC is funding a program to restore, rebuild, and revitalize utility infrastructure in Lower Manhattan. This program is being administered by Empire State Development (ESD), New York State's economic development agency, in cooperation with the New York City Economic Development Corporation (EDC), and in consultation with the Lower Manhattan Development Corporation. LMDC is also funding a program to assist businesses in Lower Manhattan that suffered disproportionate loss of life as a result of the attacks on September 11, 2001. This program is being administered by Empire State Development (ESD), New York State's economic development agency in cooperation with the New York City Economic Development Corporation (EDC).

Progress in meeting requirement for non-federal public matching funds or its equivalent value(excluding Planning and Administration):

N/A

Activities performed for This Reporting Period

Activity - Loss-233) Payment for compensation for economic losses (WTC-only)

Responsible UOG: Empire State Development Corporation

Start Date: 9/15/2003

End Date: 6/30/2007

Location Description: Firms eligible for assistance under this program must have operated from business premises, located in Manhattan on or south of Canal Street on and before September 11, 2001.

National Objective: Urgent Need

Activity: N/A

Location(s):**Funds**

Total Projected Budget:	\$33,000,000.00
Total HUD Disaster Recovery Funds:	\$33,000,000.00
Obligated HUD Disaster Funds to Date:	\$33,000,000.00
Unobligated HUD Disaster Funds to Date:	\$0.00
Cumulative HUD Disaster Funds to Date:	\$32,999,997.00

Accomplishments/Beneficiaries

Measure Description	Expected Quantity	Cumulative to Date
# of Businesses	10	10
# of Non-business Organizations benefitting	0	10
# of Low Wage-Earners benefitting	N/A	37
# of Low + Mod Wage-Earners benefitting	N/A	387

Report Narrative for this Activity:

The Disproportionate Loss of Workforce Grant Program (DLW) provides \$33 million in program assistance to New York City businesses located in the area of Lower Manhattan south of Canal Street on September 11, 2001 that suffered a disproportionate loss of its workforce as a result of the attack on September 11, 2001. To be eligible for assistance, businesses must have: (1) operated their business on or south of Canal Street on September 11, 2001, and (2) suffered a loss of life of 50 or more employees, or lost 6 or more employees that accounted for at least 20% of their New York City workforce, and (3) a current employment of not less than the equivalent of 50% of their surviving September 11, 2001 workforce within New York City. --- Eligible companies were requested to submit an application within 30 days from HUD's September 15, 2003 date of approval of the program Action Plan. The application includes the necessary information to determine a grant award. Once ESDC and the New York City Economic Development Corporation (NYCEDC) has completed its review of the application and its supporting documents, a joint grant notification letter is issued by ESDC and NYCEDC to the eligible companies. The companies have 45 days to return a signed Grant Disbursement Agreement (GDA) along with supporting documentation before receiving the first installment, representing 95% of their grant award. The remaining 5% is to be disbursed within 160 days of the first disbursement. --- As of June 30, 2004, a total of 10 companies applied for assistance. All 10 companies were determined to be eligible for program assistance and have received 100% of their grant awards as of June 30, 2004. Among the existing employees of the company that had received funds, 387 of their existing employees were low- and moderate-income earners, (defined as annual earnings of less than \$35,150). Low-income earners, (defined as annual earnings of up to \$22,000), reflected 37 of total reported employment. (Employment distribution by salary band includes proprietors and partners and are based on information supplied by employers in the grant application or in the grant disbursement agreement with ESDC.) No activity has occurred during this quarter ending September 30, 2004. All funds for the Disproportionate Loss of Workforce Grant have been expended. This activity is completed, and there will be no further quarterly reporting.

Activity - CAT1-201) Privately owned utilities

Responsible UOG: Empire State Development Corporation

Start Date: 9/15/2003

End Date: 3/31/2004

Location Description:

Eligible applicants for this program are limited to investor-owned utility service providers under the jurisdiction of the New York State Public Service Commission (NYSPSC), the Federal Energy Regulatory Commission (FERC), or the Federal Communications Commission (FCC), with service territory in the affected area in Lower Manhattan, that incurred unreimbursed expenditures resulting from impact damage related to the attacks on September 11, 2001. (Note exception to eligibility below.) For the purposes of this program, Lower Manhattan is the area on and south of Canal Street, from the East River to the Hudson River (except for Category 6). Publication of the Partial Action Plan serves as the solicitation for eligible submissions for damage reimbursement from utility service providers. This Plan makes one exception to eligibility requirements above, for funding Categories Four (Construction of Carrier Neutral Lateral Telecommunications Conduit) and Five (Construction of Redundant Fiber Connections to Critical Facilities). Funding under these two categories is not restricted to regulated utilities that suffered damage related to the September 11, 2001 attacks. Eligible applicants under these two categories will be solicited through a Request for Proposals (RFP) process under the plan. Any firm able to demonstrate its qualifications to perform the proposed work may submit a proposal.

National Objective: Urgent Need

Activity Location(s): N/A

Funds

Total Projected Budget:	\$250,000,000.00
Total HUD Disaster Recovery Funds:	\$250,000,000.00
Obligated HUD Disaster Funds to Date:	\$250,000,000.00
Unobligated HUD Disaster Funds to Date:	\$0.00
Cumulative HUD Disaster Funds to Date:	\$160,313,178.00

Accomplishments/Beneficiaries

Measure Description	Expected Quantity	Cumulative to Date
# of Low/Mod Income persons benefitting	29799	29799
# of Low-Income persons benefitting	21072	21072
# of Public Facilities	N/A	0
# of Businesses	28511	55857
# of Households benefitting	N/A	0
# of Persons benefitting	60122	60122
# of Linear feet of Public Improvement	N/A	0
# of Linear miles of Public Improvement	N/A	0

Report Narrative for this Activity:

UTILITY RESTORATION AND INFRASTRUCTURE REBUILDING PROGRAM – EMERGENCY AND TEMPORARY SERVICE RESPONSE --- The Utility Restoration and Infrastructure Rebuilding Program’s Partial Action Plan received the United States Department of Housing and Urban Development (HUD) approval on September 15, 2003. This Plan details the proposed expenditure of \$750 million to restore, rebuild, and revitalize utility infrastructure of Lower

Manhattan. Empire State Development Corporation (ESDC) in consultation with the Lower Manhattan Development Corporation (LMDC) and with the cooperation of the New York City Economic Development Corporation (EDC) is administering the Plan. Plan details include funding the following activities: (1) Category One – Emergency and Temporary Service Response; (2) Category Two – Permanent Restoration and Infrastructure Improvements; (3) Category Three – Service Interference; (4) Category Four – Construction of Carrier Neutral Lateral Conduits; (5) Category Five – Construction of Redundant Fiber Connections; (6) Category Six – Mandated Infrastructure Improvements --- Currently, ESDC is reviewing reimbursement requests for Category One - Emergency and Temporary Service and Response. Category One’s objective is to protect businesses and residential customers from bearing the cost of emergency and temporary services response conducted by utilities pertaining to the events of September 11, 2001.---To date, Category One reimbursement requests include that of Consolidated Edison, Verizon Communications, AT& T Corporation, and AT&T Wireless Services Incorporated (ATTW).---Disbursements to date \$160,313,178. Category One requests total \$407,117,540.--- The following represents the number of Lower Manhattan businesses and residential customers served by the utilities receiving Category One reimbursements: (1) Number of Low/Mod income persons - 29,799 (2) Number of Low Income persons - 21,072 (3) Number of persons - 60,122 (4) Number of businesses – 55,857.

Activity - PA) Administration

Responsible UOG: Empire State Development Corporation

Start Date: 9/15/2003

End Date: 12/31/2007

Location Description: N/A

National Objective: N/A

Activity Location(s): N/A

Funds

Total Projected Budget:	\$15,000,000.00
Total HUD Disaster Recovery Funds:	\$15,000,000.00
Obligated HUD Disaster Funds to Date:	\$746,163.00
Unobligated HUD Disaster Funds to Date:	\$14,253,837.00
Cumulative HUD Disaster Funds to Date:	\$746,163.00

Accomplishments/Beneficiaries: N/A

Report Narrative for this Activity:

ESDC is designated to provide staff for the implementation and administration of the Category One program. This quarter, program funds were used to cover administrative expenses associated with Category One.

Total number of activities reported = 3