

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 2005

Grant Amount \$783,000,000.00

Obligation Date 9/15/2003

[Submitter Information]

Name: LMDC

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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:	\$620,500,000.00

Unobligated HUD Disaster Funds to Date:	\$162,500,000.00
Cumulative HUD Disaster Funds to Date:	\$224,839,418.00

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 Firms eligible for assistance under this program must have operated from business premises,

Description: located in Manhattan on or south of Canal Street on and before September 11, 2001.

National Urgent Need

Objective:

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	0
# of Low Wage-Earners benefitting	N/A	0
# of Low + Mod Wage-Earners benefitting	N/A	0

Report Narrative for this Activity:

This activity is closed.

Activity - CAT1-201) Privately owned utilities

Responsible Empire State Development Corporation

UOG:**Start Date:** 9/15/2003**End Date:** 6/30/2005**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:

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 and in cooperation with the New York City Economic Development Corporation, 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; Category Five – Construction of Redundant Fiber Connections; (6) Category Six – Mandated Infrastructure Improvements. As of September 30, 2005, ongoing field audit work continued for Category One- Emergency and Temporary Service Response for Verizon Communications, AT&T Corporation, and AT&T Wireless Services Incorporated. The field audit work for AT&T Wireless is anticipated for completion in the fall of 2005. Field audit work has been completed for Con Edison. Requests for Category One Totalled \$403,674,125. Reimbursements to date for Category One dollars disbursed to date equal \$160,313,178,

leaving a balance of \$89,686,822 in the Category One allocation of \$250 million. ---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 - CAT3-203) Privately owned utilities

Responsible UOG: Empire State Development Corporation

Start Date: 9/15/2003

End Date: 12/31/2007

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:	\$60,000,000.00
Total HUD Disaster Recovery Funds:	\$60,000,000.00
Obligated HUD Disaster Funds to Date:	\$0.00
Unobligated HUD Disaster Funds to Date:	\$60,000,000.00
Cumulative HUD Disaster Funds to Date:	\$0.00

Accomplishments/Beneficiaries

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

Report Narrative for this Activity:

N/A

Activity - CAT2-202) Privately owned utilities

Responsible UOG: Empire State Development Corporation

Start Date: 9/15/2003

End Date: 12/31/2005

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:	\$330,000,000.00
Total HUD Disaster Recovery Funds:	\$330,000,000.00
Obligated HUD Disaster Funds to Date:	\$330,000,000.00
Unobligated HUD Disaster Funds to Date:	\$0.00
Cumulative HUD Disaster Funds to Date:	\$30,000,000.00

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	28511
# 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 --- As outlined in Partial Action Plan S-2, Category Two pertains to permanent restoration and infrastructure improvements. The application submission deadline for Category Two was December 31, 2004, and amended applications accepted

through March 31, 2005. As of March 31, 2005, Category Two reimbursement requests were received from Consolidated Edison (Con Edison), Verizon communications, and the AT& T Corporation. Category Two requests totaled \$383,614,301.03. Category Two dollars disbursed to date equals \$30,000,000, leaving a balance of \$300,000,000 in the Category Two allocation of \$330 million. The following represents the number of Lower Manhattan businesses and residential customers that will be served by the utilities for Category Two 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 - CAT4-204) Privately owned utilities

Responsible UOG: Empire State Development Corporation

Start Date: 9/15/2003

End Date: 12/31/2004

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:	\$50,000,000.00
Total HUD Disaster Recovery Funds:	\$50,000,000.00
Obligated HUD Disaster Funds to Date:	\$0.00
Unobligated HUD Disaster Funds to Date:	\$50,000,000.00
Cumulative HUD Disaster Funds to Date:	\$0.00

Accomplishments/Beneficiaries

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

Report Narrative for this Activity:
N/A

Activity - CAT5-205) Privately owned utilities

Responsible UOG: Empire State Development Corporation

Start Date: 9/15/2003

End Date: 12/31/2004

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:	\$20,000,000.00
Total HUD Disaster Recovery Funds:	\$20,000,000.00
Obligated HUD Disaster Funds to Date:	\$0.00
Unobligated HUD Disaster Funds to Date:	\$20,000,000.00
Cumulative HUD Disaster Funds to Date:	\$0.00

Accomplishments/Beneficiaries

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

Report Narrative for this Activity:

N/A

Activity - CAT6-206) Privately owned utilities

Responsible UOG: Empire State Development Corporation

Start Date: 9/15/2003

End Date: 12/31/2004

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:	\$25,000,000.00
Total HUD Disaster Recovery Funds:	\$25,000,000.00
Obligated HUD Disaster Funds to Date:	\$0.00
Unobligated HUD Disaster Funds to Date:	\$25,000,000.00
Cumulative HUD Disaster Funds to Date:	\$0.00

Accomplishments/Beneficiaries

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

Report Narrative for this Activity:

N/A

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
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Total HUD Disaster Recovery Funds:	\$15,000,000.00
Obligated HUD Disaster Funds to Date:	\$7,500,000.00
Unobligated HUD Disaster Funds to Date:	\$7,500,000.00
Cumulative HUD Disaster Funds to Date:	\$1,526,243.00

Accomplishments/Beneficiaries: N/A

Report Narrative for this Activity:

As set forth in Partial Action Plan S-2, \$15 million, or 2% of the total funds allocated in the Partial Action Plan, have been reserved for costs associated with ESD/EDC program administration as well as LMDC oversight. The Partial Action Plan reserves \$3.5 million for LMDC program monitoring costs, \$7.5 million for ESD for program management costs, and \$4 million has been reserved for upgrades to the New York City MOSAICS system. ---To date, program administration funds have been used for activities related to the implementation of Categories One and Two of the Utilities Restoration and Infrastructure Rebuilding (URIR) program. As of September 30, 2005, funds used for the the URIR program for program administration is \$1,526,243, Such activities include general management, oversight, and coordination. These activities also include program publication, review of proposed infrastructure investments, environmental review clearance, financial evaluation and processing of funding reimbursement requests, and auditing of funds that have been reimbursed for Category One and Category Two. --- To date, ESDC approved contracts to Tishman Real Estate Services for a Study for a Lower Manhattan Wireless Redundancy System, and to Appleseed Consulting and Booz Allen Hamilton for an for the Assessment of the Economic and Public Benefit of Investment in Carrier-Neutral Lateral Telecommunications Conduit and Redundant Fiber Connections to Critical Facilities in Lower Manhattan. The Tishman report has been completed and published. The Appleseed and Booz Allen reports are in the final stages of edits and are expected to be published by end of Q4 2005. Contracts have been approved to AKRF Inc and The Louis Berger group for Environmental Consulting Services. These consultants will assist ESDC in assuring that all projects included for reimbursement under the program are in compliance with HUD's environmental review regulations, in addition to all other applicable federal, state, and local environmental and historic laws, regulations and rules. A contract has been approved to KPMG for IT Consulting Services. KPMG will be Testing and Auditing the Integrity and Security of the Electronic Systems of the applicants. On site testing of the first two systems is underway and a final report is expected by the fourth quarter of 2005.

Total number of activities reported = 8