

**Remarks by Avi Schick, Chairman, Lower Manhattan Development Corp.
Alliance for Downtown New York Breakfast
Thursday, September 6th, 2007**

It is a particularly poignant time to be speaking about the progress we're making in revitalizing Lower Manhattan. We're merely days away from the sixth anniversary of the September 11th attacks, a time that always tempers our resilient call for progress with the sorrowful remembrance of the thousands we lost to the brutality of that day. We have also just recently lost two more brave men as a result of the August 18th fire that swept through the former Deutsche Bank building.

The deaths of Joseph Graffagnino and Robert Beddia last month serve as a reminder for all New Yorkers of that day when hundreds of men in uniform lost their lives after they valiantly rushed downtown and up the burning, smoke-filled stairs of the Twin Towers to rescue those trapped within. The sacrifice made by Joseph Graffagnino and Robert Beddia, and by their brethren six years earlier, is a debt to their families that we can never repay. We owe it to their memories and to their families to ensure that their deaths were not in vain, and that we live up to the legacy of courage they have left us.

This means that we are working with our partners in the City to ensure that the conditions that led to blaze, that exacerbated it, and that contributed to the difficulty of fighting it, are completely eradicated. We are also working closely with city, state and federal regulators to ensure that when the deconstruction resumes it both protects the public from any possible environmental harm and ensures the safety of first responders who must rush into the building in the event of an emergency.

We are committed to ensuring that the tragic fire at 130 Liberty Street does not impede the exciting and long overdue progress we have made this year in pushing forward the redevelopment at Ground Zero and throughout the rest of Lower Manhattan. The fire occurred just as the dark shadow cast by the shrouded Deutsche Bank building had finally begun to diminish. After years of wrangling and delay, deconstruction of the building had finally commenced and 14 floors had been removed.

Indeed, it was this progress that inspired JP Morgan to decide to build its new worldwide investment banking headquarters at 130 Liberty Street. This commitment by JP Morgan will bring over 7000 jobs to Lower Manhattan.

So my vow to you today is this: We will bring that wretched building down. We will do so safely. We will do so carefully. And we will do so expeditiously. We must remove this last ugly vestige and reminder of September 11th.

Attracting JP Morgan downtown was essential to cementing Lower Manhattan's identity as the financial capital of the world. Already Goldman Sach's new global headquarters is beginning to rise on West Street, across from where the Freedom Tower will stand. Merrill Lynch is across the highway in the World Financial Center. Together they represent an unsurpassed concentration of global financial leaders.

And while there have been recent noises that Merrill might move from downtown, let me say this: I'm the Chair of the Lower Manhattan Development Corporation and we will work like heck to make sure Merrill stays downtown where it belongs.

This brings me to another crucial point about Lower Manhattan's revival: From the beginning, it has been clear that rebuilding downtown would be a partnership between public and private sectors. As our friends at the Downtown Alliance have long recognized, for real revitalization, it is not enough for Lower Manhattan to be the premiere destination for business and global capitalism. To truly thrive, the neighborhoods of Lower Manhattan must be 24-7 communities, where people work, live and play.

We now have an opportunity to change the landscape of Lower Manhattan, and with it, its destiny. The private sector is doing its part to realize this brighter future. Nearly two dozen hotel projects are underway or slated for construction and they will bring over 3,000 new hotel rooms to the area. Similarly, in the last few years, Lower Manhattan's apartment inventory has increased by over 20%. And the retail market is flourishing.

Now, Governor Spitzer has pledged the public sector will deliver on its end of the bargain. As you all know the Governor has a close attachment to Lower Manhattan. During his 8 years as attorney general, he worked downtown and was in his offices at 120 Broadway watching as the Twin Towers fell. He cares deeply about the future of this neighborhood and community and knows that the public infrastructure needs to be in place for it to grow and thrive. The Governor also understands that if this is to happen, the intractable battles that plagued the progress in prior years must end. Over the last 8 months he acted quickly and decisively to ensure that they did.

Indeed, by forging consensus and bringing discipline, focus, and certainty to the decision-making, Governor Spitzer has already presided over an extraordinary list of accomplishments downtown. Almost immediately upon taking office, he ended the longstanding uncertainty around construction of the Freedom Tower, a critically important milestone that signaled that hand-wringing and paralysis would no longer be the order of the day. The Governor then ended the years-long legal battle with the insurers, freeing up billions of dollars necessary to rebuild on the site. And working with Speaker Silver he brought JP Morgan downtown.

Similarly, the Governor directed me and the leadership at the LMDC to resolve the fractious and emotional battle regarding the fate of the Survivor Staircase which needs to be moved to allow the Port Authority to rebuild on the site. And working with the Memorial Foundation, we did so. By ending the stalemate between the various parties, I can proudly say that LMDC has transformed the Survivor Staircase from a symbol of intractability to an artifact of our shared experience, and a testament to possibility of harmonizing respectful memory with renewal and progress.

But the Governor is not resting on these accomplishments and neither is the LMDC. There is still too much important work to be done by the public sector to match the momentum of our private sector partners. At Ground Zero, LMDC is taking significant steps to coordinate and bring clarity to the rebuilding process so that the public gets the progress it has patiently waited for. The Governor has made clear that just as there will be no more false starts, there will be no more false promises. Chief among these steps is establishing a rigorous, independently vetted master rebuilding schedule that sets forth realistic and accurate dates by which the public can expect completion of the key projects on the site.

To this end, LMDC has brought together all of the government agencies doing work related to rebuilding the site. We have replaced the balkanization by which each stakeholder focused on its individual projects with coordination and consensus-building. We are working closely with an independent engineering firm to identify any potential obstacles and the steps necessary to overcome them. When this work is done, the public will know that any dates the Governor announces are not symbolic, but real.

In addition to this important work at Ground Zero, we are putting into place the public infrastructure necessary to transform Lower Manhattan from merely a

commercial center into a thriving, diverse, world-class residential, cultural and recreational environment.

For example, approximately \$10 billion dollars has been allotted to crucial transportation infrastructure projects that will entirely transform access throughout Lower Manhattan. These projects include, of course, the breathtaking Santiago Calatrava PATH hub - a Grand Central Station for Twenty-First Century Lower Manhattan - and the Fulton Street Transit Center which will connect the dozen subway lines that link Lower Manhattan to the rest of the City and the outer boroughs. When all of this is done, the improvements will provide seamless river-to-river access downtown. It will enable residents and visitors to take in the views of the East River at the South Street Seaport and then easily get to Battery Park City to compare them to those of the Hudson River.

And whether residents, workers or visitors are on the east or west side, they will benefit from the ring of green park space and open space that will extend along the perimeter of Lower Manhattan, opening up the waterfront for recreational use. This ring of green, for which LMDC has committed a quarter of a billion dollars in funding, includes the East River Waterfront Esplanade that will transform that stretch of waterfront, as well as significant improvements to Hudson River Park and Battery Park.

For those who prefer cultural activities, the revitalized Lower Manhattan will contain world-class cultural facilities. Chief among these, of course, is the National September 11 Memorial Museum. The LMDC and the state have provided more than \$300 million in funding, but Mayor Bloomberg has secured its future with his superb fundraising and leadership, and by installing Joe Daniels and Alice Greenwald to bring the memorial and museum life.

LMDC is also committed to bringing a world class performing arts center to Ground Zero. While this project has had a difficult history, the Governor is dedicated to making it happen, and the LMDC has committed \$55 million to the effort – the only money in place so far. LMDC has also funded numerous cultural programs and entities off the WTC site. To date it has given away more than \$30 million in cultural funds to downtown entities so that Lower Manhattan can be a community where the arts are woven into the very fabric of the community.

Finally, LMDC is aware that the long-term health and vibrancy of downtown requires that the residents of all of Lower Manhattan's diverse neighborhoods have the social infrastructure they need to prosper. Next month we

will announce \$45 million in community enhancement grants that will target underserved and overlooked populations and shore up the organizations that serve them. Earlier this year we began a project, in conjunction with the City to provide \$5 million in assistance to street-level businesses affected by the disruption of construction disruption. For those businesses the slightest loss of revenue can mean the difference between staying open or shutting their doors.

I want to conclude today by coming back to where I started. We have all been focused in the last few weeks on the Deutsche Bank fire and we will continue to expend all the energy needed to ensure that such a tragedy never happens again. But my message today is that we will continue on the path of progress we have traveled this year. New Yorkers have already waited far too long for the rebuilding and renaissance that they deserve.

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