

**Testimony of Lou Tomson President,
Lower Manhattan Corporation Before
New York State Assembly
October 8, 2002**

GOOD MORNING SPEAKER SILVER AND MEMBERS OF THE ASSEMBLY. MY NAME IS LOU TOMSON AND I'M THE PRESIDENT AND EXECUTIVE DIRECTOR OF THE LOWER MANHATTAN DEVELOPMENT CORPORATION. THANK YOU FOR ALLOWING ME TO TESTIFY.

TODAY, I WOULD LIKE TO PROVIDE YOU WITH AN UPDATE OF LMDC'S WORK AND AN OVERVIEW OF THE PLANNING PROCESS FOR THE WORLD TRADE CENTER SITE, THE MEMORIAL AND THE REVITALIZATION OF LOWER MANHATTAN. BUT BEFORE ADDRESSING THE CHALLENGES THAT LIE AHEAD, I THINK IT'S IMPORTANT TO STEP BACK FOR A MOMENT AND UNDERSTAND JUST HOW FAR WE'VE COME IN THE SPAN OF ONE YEAR.

ON SEPTEMBER 11, THE LOSS OF LIFE WAS STAGGERING AND THE PHYSICAL DESTRUCTION SEEMED INSURMOUNTABLE. SEVEN BUILDINGS WERE LEVELED, 30 MILLION SQUARE FEET OF COMMERCIAL SPACE WAS DAMAGED OR ELIMINATED AND CRITICAL TRANSPORTATION INFRASTRUCTURE WAS DISRUPTED OR OBLITERATED.

THE MIRACULOUS GROUND ZERO RECOVERY - COMPLETED IN UNDER NINE MONTHS AND FOR BILLIONS OF DOLLARS LESS THAN ORIGINALLY PROJECTED – SET THE PACE AND STANDARD FOR THE REVITALIZATION EFFORT.

TODAY, THE 1/9 TRAIN IS BACK ON TRACK...ALL BUT ONE OF THE 12 SUBWAY STATIONS DESTROYED IN THE ATTACKS ARE IN SERVICE...BUSINESSES HAVE REOPENED AND MADE A LONG TERM COMMITMENT...RESIDENTS HAVE RETURNED AND NEW ONES HAVE MOVED IN...

THE LMDC HAS A THREEFOLD MISSION: TO COORDINATE THE REVITALIZATION OF LOWER MANHATTAN SOUTH OF HOUSTON STREET, RIVER TO RIVER - TO WORK WITH THE PORT AUTHORITY TO PLAN THE FUTURE OF THE WORLD TRADE CENTER SITE AND SURROUNDING AREAS - AND TO CREATE A FITTING MEMORIAL TO THOSE WE LOST.

IT IS AN AMBITIOUS MANDATE, BUT WE DO NOT CARRY IT OUT ALONE. WE HAVE MANY PARTNERS IN THE PUBLIC AND PRIVATE SECTORS WHO WORK TOGETHER FOR THE BENEFIT OF LOWER MANHATTAN. LMDC'S PARENT AGENCY, EMPIRE STATE DEVELOPMENT, WORKS WITH THE CITY'S ECONOMIC DEVELOPMENT CORPORATION TO PROVIDE HELP TO BUSINESSES. THANKS TO PRESIDENT BUSH AND CONGRESS, LMDC RECEIVED OVER 2.7 BILLION DOLLARS TO HELP REVITALIZE LOWER MANHATTAN. ALTHOUGH WE ARE A STATE AGENCY, ALL OF OUR OPERATING EXPENSES ARE PAID WITH FEDERAL FUNDS. ONE OF LMDC'S FIRST PRIORITIES WAS TO STABILIZE LOWER MANHATTAN'S RESIDENTIAL BASE. IN JUNE, THE FEDERAL GOVERNMENT APPROVED LMDC'S

300 MILLION-DOLLAR RESIDENTIAL RETENTION AND ATTRACTION PROGRAM. THE PROGRAM OFFERS FINANCIAL INCENTIVES TO RESIDENTS WHO MAKE A TWO-YEAR COMMITMENT TO LIVE IN LOWER MANHATTAN, AND PROVIDES GRANTS TO RESIDENTS WHO LIVED IN THE AREA ON SEPTEMBER 11TH. WE WORKED CLOSELY WITH GOVERNOR PATAKI AND SPEAKER SILVER TO REFINE THE PROGRAM TO INCLUDE RESIDENTS OF CHINATOWN AND THE LOWER EAST SIDE AND TO OFFER GRANTS FOR FAMILIES WHO MAKE A HOME IN LOWER MANHATTAN. AMY PETERSON, LMDC'S RESIDENTIAL GRANT PROGRAM DIRECTOR, WILL PROVIDE A MORE DETAILED STATUS UPDATE FOLLOWING MY TESTIMONY. BUT I WILL SAY THE GRANTS ARE HAVING A DRAMATIC IMPACT. FROM THE TIME THE PROGRAM WAS ANNOUNCED, THE RESIDENTIAL OCCUPANCY RATE WENT FROM 60 PERCENT TO OVER 95 PERCENT IN A RECENT NEW YORK TIMES SURVEY.

I'M PLEASED TO ANNOUNCE TODAY THAT LMDC WILL BEGIN DISTRIBUTING CHECKS TO LOWER MANHATTAN RESIDENTS THIS MONTH. THE LMDC ALSO RECOGNIZED EARLY ON THAT REVAMPING LOWER MANHATTAN'S TRANSPORTATION INFRASTRUCTURE WAS PERHAPS THE GREATEST INVESTMENT THAT COULD BE MADE IN THE FUTURE OF DOWNTOWN. WE WORKED WITH OUR PARTNERS IN CONGRESS AND CITY, STATE AND FEDERAL GOVERNMENT TO HELP SECURE 4.55 BILLION DOLLARS IN FEDERAL FUNDS. THIS MONEY WILL GO A LONG WAY TOWARD CREATING A 21ST CENTURY TRANSPORTATION NETWORK. NOW THAT THE RESOURCES HAVE

BEEN COMMITTED, PROJECTS ARE BEING DEVELOPED AND REFINED, SUCH AS THE CREATION OF A GRAND POINT OF ARRIVAL IN LOWER MANHATTAN. THE PROMISE OF A MODERN TRANSPORTATION SYSTEM WILL HELP CONVINCED RESIDENTS AND BUSINESSES TO COMMIT TO THE FUTURE OF LOWER MANHATTAN. AND IT WILL ENSURE THAT WE CAN ACCOMMODATE MILLIONS OF PEOPLE WHO WILL JOURNEY TO THE PERMANENT MEMORIAL EVERY YEAR.

TO HELP PLAN FOR THE SITE, THE LMDC IS CONDUCTING THE MOST AMBITIOUS PUBLIC OUTREACH PROGRAM EVER UNDERTAKEN. WE HAVE CONSULTED AND ENGAGED ALL OF THE STAKEHOLDERS IN LOWER MANHATTAN AND AROUND THE REGION IN A TRANSPARENT AND INCLUSIVE PLANNING PROCESS. EIGHT ADVISORY COUNCILS PROVIDE INVALUABLE GUIDANCE, INCLUDING A FAMILIES ADVISORY COUNCIL AND A GENERAL ADVISORY COUNCIL COMPRISED OF SPEAKER SILVER AND OTHER PUBLIC OFFICIALS. IN JULY, WE SPONSORED A MODERN TOWN HALL FORUM AT THE JAVITS CENTER, WHERE MORE THAN 4,500 PEOPLE VOICED THEIR OPINIONS ON THE FUTURE OF LOWER MANHATTAN. AT EVERY MAJOR MILESTONE, THE PUBLIC HAS AN OPPORTUNITY TO HELP SHAPE THE OUTCOME OF THE PLANNING PROCESS –THROUGH PUBLIC HEARINGS, AN EXHIBIT AT FEDERAL HALL OR OVER THE INTERNET. BUT WE'RE NOT SIMPLY A REPOSITORY FOR PUBLIC COMMENTS, WE SEEK THEM OUT BY GOING INTO THE COMMUNITIES DIRECTLY AFFECTED BY SEPTEMBER 11 - WHETHER IT'S MEETING WITH CHINATOWN

RESIDENTS AT THE REQUEST OF SPEAKER SILVER OR NEW JERSEY FAMILIES AT THE REQUEST OF GOVERNOR MCGREEVEY.

PERHAPS THE MOST IMPORTANT ASPECT OF OUR OUTREACH CAMPAIGN IS THAT WE CATALOGUE EVERY COMMENT WE RECEIVE, PUBLISH AN ACCOUNTING OF HOW WE CONSIDERED THOSE COMMENTS - AND THAT WE ACTUALLY LISTEN.

FOLLOWING THE RELEASE OF THE SIX INITIAL PLANS IN JULY, WE VOWED TO INCORPORATE CHANGES BASED ON PUBLIC COMMENTS. ONE THEME WE ACTED UPON IMMEDIATELY WAS TO FIND A WAY TO INVOLVE THE BEST MINDS IN THE WORLD IN A DESIGN STUDY. WE RECENTLY ANOUNCED THE SELECTION OF SIX TEAMS OF THE WORLD'S MOST INNOVATIVE AND IMAGINATIVE ARCHITECTS, PLANNERS AND ARTISTS TO DEVELOP NEW PLANS FOR THE SITE AND SURROUNDING AREAS. THEY COUNT AMONG THEIR ACCOMPLISHMENTS SUCH NOTABLE WORKS AS THE JEWISH MUSEUM IN BERLIN, THE GETTY CENTER IN LOS ANGELES, AND THE MORGAN STANLEY HEADQUARTERS IN NEW YORK. WHILE WE'RE WORKING WITH THE PORT AUTHORITY TO FINALIZE MORE FLEXIBLE PROGRAM ALTERNATIVES, SOME THINGS ARE CERTAIN. THE NEXT SET OF PLANS WILL ALL FEATURE A GRAND PROMENADE ON WEST STREET, RESPECT THE FOOTPRINTS OF THE TWIN TOWERS FOR THE MEMORIAL AND CREATE A POWERFUL LOWER MANHATTAN SKYLINE. THE PLANS WILL ALSO PROVIDE FOR A MIX OF USES ON AND OFF THE SITE, INCLUDING RETAIL,

RESIDENTIAL, CULTURAL AND COMMERCIAL SPACE - ALTHOUGH COMMERCIAL SPACE WILL BE SUBSTANTIALLY REDUCED ON THE SITE ITSELF.

THESE NEW PROGRAM ALTERNATIVES ENSURE A VARIETY OF IDEAS WILL CAPTURE OUR IMAGINATIONS IN THE NEXT PHASE OF THE PLANNING PROCESS. BY THE END OF THE YEAR, WE WILL RELEASE THREE NEW PLANS TO THE PUBLIC, FOLLOWED BY ANOTHER EXTENSIVE ROUND OF PUBLIC COMMENT. WE EXPECT TO HAVE A FINAL PLAN IN PLACE BY NEXT SPRING.

TO ENSURE THAT THE MEMORIAL REMAINS FIRST IN OUR MINDS, THE MEMORIAL PROCESS IS MOVING FORWARD CONCURRENT AND COORDINATED WITH PLANNING FOR THE OVERALL SITE. WE HAVE HELD HEARINGS IN ALL FIVE BOROUGHES AND NEW JERSEY TO BEGIN A DIALOGUE ON THE MEMORIAL - WHAT IT SHOULD REPRESENT, WHAT FORM IT SHOULD TAKE AND WHAT PROCESS SHOULD BE FOLLOWED TO CREATE IT. AS PART OF THIS EFFORT, LMDC HAS BEEN VISITING OTHER MEMORIALS – FIRST IN NEW YORK CITY WITH KEN JACKSON AS OUR GUIDE, THEN OUTSIDE NEW YORK.

LAST WEEK A GROUP OF LMDC OFFICIALS AND FAMILY MEMBERS OF SEPTEMBER 11TH VICTIMS TRAVELED THE NATION TO GAIN INSIGHT INTO HOW OTHER MEMORIALS WERE CREATED AND TO DEMONSTRATE SOLIDARITY WITH OTHER COMMUNITIES VICTIMIZED BY TERRORISTS ON SEPTEMBER 11. WE

VISITED SHANKSVILLE, PENNSYLVANIA, WASHINGTON DC, OKLAHOMA CITY AND MONTGOMERY, ALABAMA.

AT EACH SITE, WE CONSIDERED VARIOUS APPROACHES TO A MEMORIAL, AND DISCUSSED THE IMPACT OF THE MEMORIAL ON SURROUNDING AREAS IN TERMS OF TRAFFIC, TOURISM, RESIDENTIAL LIFE, AND OTHER IMPORTANT ISSUES.

GOING FORWARD, WE WILL RELEASE GUIDELINES FOR THE MEMORIAL AND LAUNCH AN INTERNATIONAL MEMORIAL COMPETITION EARLY NEXT YEAR. OUR GOAL IS FOR A SELECTION COMMITTEE TO CHOOSE A DESIGN BY SEPTEMBER 2003, BUT IF THERE'S ONE LESSON WE LEARNED ON THE TRIP, IT IS THAT THE QUALITY OF THE MEMORIAL MUST DRIVE THE TIMELINE. IF WE NEED TO SLOW DOWN TO ACHIEVE THE BEST RESULT, WE ARE PREPARED TO DO SO. IN THE INTERIM, THE LMDC HAS HELPED ESTABLISH AND FINANCE A TEMPORARY MEMORIAL AT BATTERY PARK – THE SPHERE BY FRITZ KOENIG, WHICH ONCE STOOD IN THE WORLD TRADE CENTER PLAZA. WE ALSO WORKED WITH THE PORT AUTHORITY TO CREATE A PUBLIC VIEWING WALL AROUND THE SITE'S PERIMETER, WHICH LISTS THE NAME OF EVERY VICTIM LOST ON SEPTEMBER 11TH.

IN ADDITION TO CREATING A MEMORIAL AND REBUILDING THE WORLD TRADE CENTER SITE, THE CHALLENGE BEFORE US IS TO ENSURE LOWER

MANHATTAN EMERGES FROM THIS TRAGEDY AS A VIBRANT MIXED USE COMMUNITY. AT THE SAME TIME, WALL STREET MUST RETAIN ITS DISTINCTION AS THE FINANCIAL CAPITAL OF THE WORLD. TO ACCOMPLISH BOTH, WE NEED TO ESTABLISH THE AMENITIES THAT MAKE A NEIGHBORHOOD A GREAT PLACE TO LIVE, WORK AND VISIT. THOSE INCLUDE WORLD CLASS TRANSPORTATION, WHICH I HAVE ALREADY DISCUSSED, BUT ALSO HOUSING, CULTURAL INSTITUTIONS, OPEN SPACES AND QUALITY RETAIL.

IN THE LAST SEVERAL WEEKS, THE LMDC AND THE CITY PLANNING DEPARTMENT LAUNCHED TWO STUDIES. THE FIRST STUDY WILL IDENTIFY WAYS TO DEVELOP MORE HOUSING, INCLUDING AFFORDABLE HOUSING, SOUTH OF CHAMBERS STREET. THE SECOND STUDY WILL LOOK AT ENHANCING THE RETAIL, CULTURAL AND ENTERTAINMENT CORRIDOR ALONG FULTON STREET FROM THE SOUTH STREET SEAPORT TO THE WORLD FINANCIAL CENTER. BOTH STUDIES WILL BE CONDUCTED IN PHASES AND COMPLETED BY NEXT YEAR. WE'LL SOON LAUNCH A STUDY OF THE PROBLEMS FACING CHINATOWN SO WE CAN BETTER ADDRESS THE LINGERING EFFECTS OF SEPTEMBER 11TH ON THIS VITAL COMMUNITY. FINALLY, WE 'RE DEVELOPING A PROGRAM TO SUPPORT AND NURTURE LOWER MANHATTAN'S CULTURAL INSTITUTIONS AND TO ATTRACT NEW ONES.

ONE YEAR AFTER SEPTEMBER 11, LOWER MANHATTAN HAS SHOWN THE WORLD WHAT A COMMUNITY DEVASTED BY TERRORISM CAN ACCOMPLISH. OUR WORK IS NOT DONE. BUT I SUSPECT THAT WHEN WE LOOK BACK AGAIN ON OUR PROGRESS ONE YEAR FROM NOW, THE STRIDES WE'VE MADE WILL BE JUST AS REMARKABLE.

I WANT TO THANK SPEAKER SILVER AND THE CHAIRPERSONS OF THE VARIOUS ASSEMBLY COMMITTEES FOR HOLDING THIS HEARING AND FOR GIVING ME THE OPPORTUNITY TO BRIEFLY DISCUSS LMDC'S INITIATIVES. I LOOK FORWARD TO CONTINUING TO WORK WITH YOU AS WE MOVE FORWARD WITH REBUILDING LOWER MANHATTAN.

NOW I WOULD LIKE TO INTRODUCE AMY PETERSON TO PROVIDE AN UPDATE ON LMDC'S RESIDENTIAL GRANT PROGRAM.