

**TESTIMONY OF LOUIS TOMSON PRESIDENT
LOWER MANHATTAN DEVELOPMENT CORPORATION
BEFORE THE NEW YORK CITY COUNCIL
COMMITTEE ON ECONOMIC DEVELOPMENT
JOINTLY WITH THE SELECT COMMITTEE ON
LOWER MANHATTAN REDEVELOPMENT**

February 25, 2002

Speaker Miller, Chairman Sanders, Chairman Gerson and members of the City Council, my name is Lou Tomson and I am the President of the Lower Manhattan Development Corporation (LMDC). Thank you for giving me the opportunity to testify before you today.

The attacks of September 11th were not simply an attack on the World Trade Center, but an attack on the American way of life. The challenge before all of us today is remembering that tragic day and rebuilding and revitalizing Lower Manhattan. The LMDC is committed to meeting this challenge and looks forward to working with the New York City Council.

My remarks today will focus on providing you with an overview of the LMDC, and our process for ensuring full participation by both elected officials and the general public in our efforts. Governor George Pataki and Mayor Rudolph Giuliani, joined by then Mayor-elect Michael Bloomberg, agreed the Lower Manhattan Development Corporation should be created as a joint State-City corporation.

The LMDC, a subsidiary of Empire State Development Corporation, is charged with overseeing the rebuilding efforts in Lower Manhattan and coordinating the multitude of city, state, federal and private resources available to accomplish this very important goal.

The LMDC is governed by an 11-member Board of Directors chaired by John C. Whitehead, former co-chairman and senior partner of Goldman, Sachs & Co. Mr. Whitehead served as the top deputy to former Secretary of State George Schultz and as the Chairman of the Board of the Federal Reserve Bank of New York.

The LMDC's work is now well underway. Staff is being hired and we have moved into space at 1 Liberty Plaza directly adjacent to Ground Zero. We have been able to make progress thanks to the efforts of our Board, a small dedicated staff and a number of citizen-volunteers who have put in long nights and weekends to begin to shape LMDC into a working organization. I have provided you with a list of the LMDC staff.

I would be remiss if I did not mention that in carrying out all of our tasks we are fortunate to have as our partners both ESDC and the New York City Economic Development Corporation (EDC). Both ESDC and EDC have been very giving of their time and the seamless manner in which we have been able to work together is something that I have rarely seen in all of my years in government. I look forward to continuing to work with Deputy Mayor Doctoroff, Chairman Gargano and EDC President Alper as we continue to face the many challenges ahead.

Our success is contingent on the participation of elected officials and the many constituents who live and work in the various communities and neighborhoods throughout Lower Manhattan including the residents, small and large businesses, not-for-profits organizations and cultural institutions, and the many educational institutions that are so important to the economic renewal.

To that end there have been significant efforts to date to involve these groups. The Board and the staff have met with elected officials from the state and city, and we will continue to reach out and schedule meetings over the next several weeks with all levels of government to involve them in the rebuilding process. The LMDC cannot succeed unless we have the input and cooperation of those of you here today and we look forward to having an ongoing dialogue with these Committees and the City Council as we move forward.

To encourage, and provide for public participation, the LMDC has also created Advisory Councils to provide valuable public input to the LMDC as the rebuilding of Lower Manhattan begins. This Advisory Council structure includes a General Advisory Council comprised of government officials, business leaders and heads of major civic organizations and Advisory Councils representing constituents in Lower Manhattan.

The General Advisory Council, in addition to receiving notification and participation in the Advisory Council meetings will also be provided with periodic updates on LMDC activities and information so they can continue to be involved on an on-going basis.

The members of the General Advisory Committee include Assembly Speaker Sheldon Silver; Senate Majority Leader Joseph Bruno; Empire State Development Corporation Chairman Charles Gargano; Deputy Mayor Dan Doctoff; Senate Minority Leader Martin Connor; Congressman Jerrold Nadler; City Council Speak Gifford Miller; Manhattan Borough President C. Virginia Fields; Manhattan District Attorney Robert Morgenthau; Chairman Robert Douglass of the Downtown Alliance; Chairman Robert Cattell of the New York City Partnership; and Denis Hughes, President of the New York State AFL-CIO.

Each member of this General Advisory Council serves ex-officio on each of the Advisory Councils to ensure their participation in the process.

I am happy to report that Advisory Councils meetings have already taken place and we were pleased to have Speaker Miller personally attend the Arts, Education and Tourism meeting. City Councilmember Alan Gerson also has been appointed as an ex-officio member of each Advisory Council. His staff, along with staff from the members of the General Advisory Council also attended those meetings. I welcome this participation and hope it continues. Each Advisory Council includes members of the LMDC Board:

- ? Residents - Madelyn Wils and Paul Crotty;
- ? Arts, Education and Tourism - Madelyn Wils and Howard Wilson;
- ? Restaurants, Retailers and Small Business – Roland Betts and Robert Harding;
- ? Families - Lew Eisenberg and Deborah Wright;
- ? Transportation & Commuters- Lew Eisenberg, Howard Wilson and Robert Harding;
- ? Development - Paul Crotty, Ed Malloy, and Roland Betts;
- ? Financial Services Firms - Dick Grasso and Frank Zarb;
- ? Professional Firms - Dick Grasso and Frank Zarb

All of these Advisory Councils have been announced with the exception of the Financial and Professional Firms which will be announced this week. Meetings of several of these Councils have already taken place and it is anticipated all of the Councils will complete initial meetings by

mid-March. The valuable public input we will receive from each of these Councils will allow the LMDC to develop guiding principles which will ultimately govern the redevelopment of Lower Manhattan. At the end of the process, it is our expectation that we will have an achievable plan for the redevelopment of lower Manhattan that will be the envy of urban centers around the world.

There will be a tremendous amount of public participation through the Advisory Councils, public hearings and comment periods to ensure their input is considered every step of the way. In addition to the Advisory Councils, the LMDC will also undertake additional initiatives to ensure the public is apprised of our activities. LMDC will be launching a web-site in the next couple of weeks which will contain LMDC press releases and news, enable individuals to share their views with the LMDC and serve as a central repository for news of all the exciting developments taking place in Lower Manhattan. LMDC will also be creating a newsletter which will be distributed throughout local neighborhoods and communities in Lower Manhattan. The LMDC has also sought, and has received, public input from a large number of additional sources. I have attended and participated in a number of forums held by non-profit groups and associations, including a recent forum held by the Civic Alliance at South Street Seaport, designed to solicit public input on the future of lower Manhattan.

I, along with many of the LMDC Board members attended the Community Board 1 hearing at Stuyvesant High School hosted by Madelyn Wils. The LMDC Board of Directors and staff will continue to welcome any opportunity for the LMDC to receive public input into the redevelopment process.

The LMDC has also, in coordination with ESDC and EDC, begun to put together programs to provide economic assistance to small businesses, non-profits and individuals in lower Manhattan, known as the Draft Plan for Assistance to Individuals. At the end of 2001 Congress provided the LMDC with a Community Development Block Grant of \$2 billion to assist the LMDC in its redevelopment efforts. LMDC has worked with ESDC, EDC, and the Federal Department of Housing and Urban Development (HUD) to put together a draft plan that provides financial assistance to residents of lower Manhattan who agree to remain in the area while also creating financial incentives to attract new residents.

The draft plan also makes available job training grants for businesses south of 14th St. Public input on the plan will be solicited in two phases. The draft plan, which was recently approved by the LMDC Board of Director, is now subject to a twenty-day public comment period through March 13, 2002.

To encourage public participation and awareness of this proposed initiative, the LMDC has developed a public outreach process. Newspaper ads are appearing in major metropolitan newspapers such as the New York Times, The Daily News, The New York Post, The Staten Island Advance, foreign language and local community newspapers briefly explaining the proposed plan, the various ways a copy of the plan can be obtained and ways in which public comment will be received. The draft plan can be easily accessed through a web-site www.nylovesbiz.com and copies of the plan are being distributed to various locations in lower and midtown Manhattan.

In addition, each member of the LMDC General Advisory Council has received a copy. It is vitally important that we receive as much input as possible and we ask you to assist us in ensuring we reach the broadest number of people.

Following the initial comment period, the LMDC is required to submit the plan to HUD. Upon submission to HUD, public comment will once again be solicited prior to final approval. The plan recognizes that, in order to revitalize lower Manhattan, it is essential that we stabilize our residential communities, while also encouraging individuals to move into the area. In addition, the plan recognizes a very real need for job-specific training in the small businesses that are the economic backbone of lower Manhattan. The plan will be an integral part of the revitalization of lower Manhattan, ensuring that downtown remains an attractive place to live and work.

A copy of the complete draft plan is attached to this testimony and I would encourage you to read it in detail and to provide public comment.

In closing, I would like to once again thank the Committees for holding today's hearing and for giving me an opportunity to briefly describe the LMDC and our process. I want to stress that we believe the input of the City Council is vital to achieving our goals. The LMDC looks forward to working with you as we move forward with coordinating the various city, state and federal resources in support of that effort. Thank you.