

**ABNY Luncheon**  
**Thursday, May 12, 2005**

Thank you for that kind introduction.

I'd like to thank Bill Rudin and the membership of ABNY for their ongoing commitment to the rebuilding of Lower Manhattan.

I know New York can continue to count on you every step of the way to a brighter downtown future.

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I stand before you for the fifth time since September 11th to give you our six-month update on progress in rebuilding the World Trade Center site and revitalizing Lower Manhattan.

There is no question in my mind that our greatest strength is our unity, and if we are to overcome today's obstacles, we must continue to work together, as New Yorkers, just as we did after September 11th.

On that day, from City Hall to the Executive Chamber, from the union hall to the executive suite, from the Port Authority to New York's finest and bravest, we were bound together by a spirit of unity, resolution and purpose.

When we talk about the spirit of September 11th, we are talking about the unprecedented cooperation that allows us to do the unthinkable, and realize the unimaginable.

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The challenges we face today are small in comparison to those we faced before.

Let us recommit ourselves to the spirit of September 11th, that has inspired us to overcome far greater obstacles.

Steve Spinola – you remember when we thought we could never get residents back downtown. Vacancy rates were around 50%. And then the state, city, and LMDC joined with REBNY – we worked together to create the first-ever residential grant program, bringing occupancy rates in some areas to the highest they have ever been.

And Bill Rudin – we worried that the companies wouldn't come back. We faced skyrocketing vacancy rates. And business leaders teamed up with the EDC, ESDC, and LMDC to craft nine different packages to lure businesses and keep jobs downtown.

Charlie and Joe – you remember when the PATH tunnels were mangled and flooded from Hoboken to Lower Manhattan. Thousands of riders were stranded and people wondered how we could get this fixed. But we rebuilt the PATH on time and under budget -- and today it carries more than 40,000 passengers per day, a year ahead of our projections.

And finally, we all remember how we faced the challenge of rebuilding the World Trade Center site, but working together, thousands of New Yorkers selected Daniel Libeskind's inspirational and intelligent master site plan, including a bold, daring vision to reclaim our skyline.

I want everyone to look around the room.

We together, are responsible for what we have achieved, thus far.

We together, will continue to move this undertaking forward – no matter how long or

how hard the road may be.  
It is our solemn obligation, and our privilege.

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And now as I speak, you and I face yet another challenge – the challenge of building the Freedom Tower.

Some have said that we should shy away from building tall in New York.

That we should recoil in the face of terror.

Tall buildings would better be built in other cities, they say – not here in New York.

But we reject cowardice and we embrace courage.

We stand tall.

New York has been home to the world's tallest building a dozen times before.

And, with our Freedom Tower, we will be home to a proud and glorious structure once again.

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Yes, the Freedom Tower needs to be redesigned.

And yes, the reason why it must be redesigned is security.

But let me tell you, we have been taking all the necessary steps to meet this challenge head on.

The NYPD has been working with our rebuilding partners to ensure that the new security standards we received just a few short weeks ago are incorporated in a redesign.

Today, I am pleased to announce that the NYPD has reviewed the preliminary redesign and have determined that the building can be constructed in a manner that will provide the appropriate level of security.

Commissioner Kelly, thank you for your personal involvement on this important security matter.

And Daniel, David and Larry – we have a lot of work to do.

While redesigning the Freedom Tower is important, we must ensure that going forward, we have a clear and sure process in place to resolve issues before they stall our efforts.

Let me be clear:

For me, this is personal.

From the morning the towers fell, I vowed that the rebuilding and revival of Lower Manhattan would be the highest priority of my administration.

My commitment is ironclad: it has not changed, nor will it ever change.

There is no greater priority, nor can there ever be.

That was true on September 11th, and it will continue to be true so long as I am Governor.

Failure to rebuild is not an option -- not now, and not ever.

We will not tolerate unnecessary delays.

Rebuilding Lower Manhattan is my top priority, and as such, I am directing my top advisor to provide hands-on leadership as numerous rebuilding initiatives reach critical milestones.

He was with me on September 11th in the Executive Chamber.

And through the years, whenever I've needed to get crucial projects done, I've turned to him.

Whether it was assembling the Hudson River Park, attracting IBM's \$2 billion chip investment to the Hudson Valley, or delivering the first on-time budget in more than twenty years, he gets the job done.

And I know that John Cahill will get this job done.

Effective immediately, John will lead and coordinate, on a day-in and day-out basis, the efforts of the LMDC, MTA, Port Authority, Empire State Development, Department of Transportation, and Battery Park City Authority.

In addition, he will also serve as point person leading negotiations with the NYPD, Larry Silverstein, Goldman Sachs, the City of New York, and all other interested parties.

Specifically, John will focus on the completion of the following five critical challenges: First, prompt delivery of a new design for the Freedom Tower, incorporating NYPD security standards;

Second, the deconstruction of the Deutsche Bank Building;

Third, a resolution of negotiations with Goldman Sachs;

Fourth, an on-schedule groundbreaking for the Calatrava World Trade Center Transportation Hub;

And fifth, and most importantly, making sure that nothing stands in the way of the construction of the memorial.

The rebuilding effort in Lower Manhattan is once more at a crossroads -- and John Cahill is the best possible person to navigate the challenges ahead.

But we are going to give John some help.

To address any emerging security concerns, I am charging someone with unparalleled experience in the field of counter-terrorism and law enforcement.

He was in charge of the FBI's New York City office.

He was there in 1993 when the World Trade Center was first attacked.

And he will be there to make sure the Freedom Tower incorporates the highest security standards in the world.

I know if there is ever a security issue, it won't take weeks or months to address.

Jim Kallstrom has never backed down in the face of terror...and he never will.

Thank you again Jim, for helping to make our city, state, and country safe.

Working with John and Jim as the new President of the LMDC will be a person you all know well.

He has worked tirelessly at the LMDC since its inception and I know Stefan Pryor is the right person for the job.

And finally, another key member of this team will be Charlie Makish, head of the Lower Manhattan Construction Command Center, managing the construction process from concept to concrete.

Charlie tells me that the Construction Command Center will be up and running in thirty days.

I am confident that this new leadership will multiply our efforts and move us forward with even greater energy in the rebuilding process.

Working with this team, I challenge David Childs once again to amaze us with his skill, astound us with the elegance of his design, and make the new Freedom Tower not a fortress but a world-class center of commerce.

Let me tell you what we can expect.

Consistent with the Libeskind master site plan, David will ensure that this iconic building lays its foundation in the northwest corner of the site ... that it soars to 1776 feet tall ... and that it serves as a beacon of freedom to the entire world.

By the end of June, we will unveil a design for the new tower so the world may see how it will look.

And at that time, we will set out an aggressive schedule for the construction of this new design.

Ed Malloy, you have said that the construction trades, the best builders in the world, can make up time on the worksite and get us back on schedule.

Ed, I believe you are right.

Larry, that's the kind of attitude that I believe will get us the Freedom Tower built with all the care, precision, and speed required, of this great undertaking.

Let's continue to reach for an ambitious but achievable schedule together.

Thank you, Daniel for your continued vision and commitment.

And thank you, David, for stepping up yet again and offering your talents to our city, state, and nation.

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It's understandable that regular readers of the tabloids might be laboring under the misconception that nothing good is happening.

Every move is scrutinized.

Every key player is on the chopping block.

Will they ever get on track?

They write, "They are too tired."

"They lost their drive."

You know....It must be tough being Joe Torre.

But, you and I know differently.

The Yankees are back on track and so are we.

You and I know that rebuilding the Freedom Tower, while crucial, is only one part of our bold vision for the future – one of three elements in our master plan for the 16-acre World Trade Center site.

The other two elements are transportation and the memorial-cultural complex – and it's here that we've seen clear and unmistakable progress that dispels the misconceptions.

Let's review our progress – and let's start with transportation.

Ask any business person and they will tell you that the key to a strong economy is a world-class system of transportation. That was why in the wake of September 11th, we acted quickly to build the temporary PATH station.

And that's one reason we're seeing the kind of strong economic growth across Lower Manhattan that few people dared to predict just 3 ½ years ago.

In the last quarter alone, Lower Manhattan had the third largest increase in commercial occupancy rates in the nation.

Think about it.

Only two commercial districts in this entire nation absorbed commercial space faster than Lower Manhattan.

And residential growth has indeed been dramatic.

Over 3,000 housing units are under construction and thousands more are expected to be built across Lower Manhattan. It's predicted that by 2009, the residential population will grow by over 12,000 units.

Since I last addressed you, many businesses such as Morgan Stanley, Dow Jones, BMW and Hickey Freeman, have decided to locate or remain downtown.

Other proud employers that are new to Lower Manhattan are here today, such as McKee Nelson, the New York Software Industry Association, and RAI, the Italian television company.

And Verizon has not only repaired the damage done to its building on September 11th ....

It is relocating its world headquarters directly across the street from the World Trade Center site, joining other global giants -- Merrill Lynch and American Express.

And we are working night and day to have another firm you may have heard of join its ranks....Goldman Sachs.

Goldman, downtown is your home; you belong here.

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Since I last spoke with you, something truly remarkable has happened -- an on-time budget.

The budget helps Lower Manhattan in several ways: cutting income tax rates; authorizing a new Empire Zone in Chinatown; and providing a major new tax break for financial service and communications firms.

But we must do more.

Working with the Mayor and Speaker Silver, we will advance a new incentive program to help lure out of state companies to Lower Manhattan.

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Businesses are choosing Lower Manhattan because they know they can take advantage of the world's premier transportation infrastructure and the improvements we are making.

One of these improvements will be the new South Ferry station.

It will help ensure a smoother, faster commute to downtown.

Work is under way and we expect this state-of-the-art project to be completed by the end of 2007 -- on track and on schedule.

Construction on the Fulton Transit Center is already underway, which will allow millions of riders to easily navigate their commute.

The 2/3 line portion will be open in 2006.

Soon to follow, the Dey Street concourse and the A/C mezzanine will open in 2007.

And finally, the beautiful new station house will be complete in 2008.

All on track and all on schedule.

And soon to take the place of the temporary PATH station will be a spectacular World Trade Center Transit Hub designed by Santiago Calatrava.

It will untangle Lower Manhattan's network of confusing mass transit connections.

The Hub will provide links from east to west, north to south, and ease connections between subways, PATH, and ferry services.

And I am proud to announce that we will break ground for this stunning project this summer.

Work will begin on the Hub's concourse in 2006, and the new station will be fully operational in 2009.

All on track and on schedule.

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Now to West Street.

We decided that the at-grade approach was the best approach.

It will be a grand promenade, to rival the Champs Elysees, a glorious, tree-lined border to the site.

Construction began on the South Promenade last fall and is expected to be complete in the spring of next year. Work on the North Promenade will start in the spring of 2007.

The entire project will be completed by the end of 2009...on time and ahead of schedule.

And at least two years faster than would have been possible with the tunnel.

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And as to the final piece of our transportation puzzle:

The Long Island/JFK rail link project is making great progress thanks to tremendous support from you, the downtown business community and the backing of the White House.

Preliminary work on the project has already begun.

The environmental review is under way.

And I am pleased to announce that the Federal Transit Administration has agreed to work with us to apply a streamlined process so that we can complete the project on time and on schedule.

In the meantime, we're securing the funds necessary to make this project a reality...

Already we have substantial commitments in hand.

The Port Authority's existing \$560 million commitment promised under the New York City airport lease extension.

The MTA's \$400 million capital plan contribution.

And we hope and expect that our Congressional delegation will deliver the \$2 billion tax credit conversion supported by the President, the City and the State.

Today let's make another major commitment...

I am calling upon the Port Authority to provide another piece of the financial puzzle.

There are two signature projects currently in the Port Authority's strategic plan – Access to the Region's Core (or ARC) and the Lower Manhattan rail link.

I support both.

We've talked to New Jersey and New York officials at the Port Authority and I'm confident the Port Authority will support both as well.

Specifically, as the Port Authority allocates funding for these priorities, I am asking the agency to dedicate an additional \$1 billion dollars to the Lower Manhattan rail link.

With these additional billion dollars, we'll have secured approximately \$4 billion for this project – and that means we'll be two-thirds of the way there.

We will pay for and build this project – and, quite simply, Lower Manhattan’s economic future will be stronger because of it.

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In addition to investing in transportation, we’re going to deploy resources to expand our progress both on and off of the Trade Center site. With the benefit of extensive public input, the LMDC has issued a draft framework for the allocation of its remaining federal funds...

To that end, Mayor Bloomberg and I have developed a comprehensive allocation plan, consistent with that framework and the vision we set forth.

The Mayor and I will have more to say about the specifics of our joint plan next week. But let me give you a sneak preview.

\$220 million will be provided to transform Lower Manhattan’s waterfronts into great public spaces.

With \$70 million of this allocation, we will turn the Tribeca section of Hudson River Park into a vibrant community resource.

Another initiative involves Fiterman Hall, which was destroyed on September 11th. We will commit \$15 million in LMDC funding, which, when joined with State and City support, will ensure its first-rate rebuilding.

With these funds, Fiterman’s deconstruction can commence by the end of this year.

And with up to \$190 million, we will assist off-site cultural institutions, refurbish and create more parks and playgrounds, build a new, east-side K-through-8 school, and improve retail opportunities.

With our LMDC monies, we’ll also provide \$36 million for surface transportation improvements throughout Lower Manhattan.

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And finally, while we must invest in these projects, it’s imperative that we provide the resources needed to honor the heroes we lost on September 11th.

To that end, I am pleased to announce that the LMDC will be dedicating the additional funds necessary to significantly advance work on the memorial.

We will be committing \$300 million to the World Trade Center Memorial Foundation. \$100 million will serve as a down payment and the \$200 million balance will serve as a challenge grant that will help attract additional private dollars.

Its Chairman, John Whitehead, and its new President, Gretchen Dykstra, are working together with the Foundation Fundraising team – including Jonathan Tisch, Jon Rosenwald and Tom Bernstein.

The Memorial Foundation is off to a strong start in its private fundraising efforts.

Thank you John, thank you Gretchen.

This is the best foundation board in America and I know you will meet your \$500 million private fundraising goal.

Together, these funds will make our memorial a reality.

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The memorial, together with the cultural institutions, comprise the centerpiece of the Libeskind master site plan – and indeed, all of our rebuilding efforts.

I'm pleased to announce that next week, Mayor Bloomberg and I will reveal the design for the cultural building that will be located in the northeast corner of the memorial complex.

This unique building will serve as a gateway to the memorial and house a visitor's center as well as two splendid cultural institutions: the International Freedom Center and the Drawing Center.

These institutions – along with the Joyce and the Signature Theaters that comprise the performing arts center – offer a unique and dynamic mix of programming that will reaffirm life and bring vibrancy to the World Trade Center site.

The moving memorial design by Michael Arad and Peter Walker, in collaboration with Max Bond, will be a lasting tribute to the September 11th heroes -- conveying the magnitude of our loss and the extraordinary courage we witnessed.

We have already begun testing key aspects of the architect's plans in the real world. For example, we have constructed a life-size replica of one of the memorial fountains. That model demonstrates that Michael and Peter's design is not only inspirational, but achievable.

In the coming months we will find and flag the oak trees that will make up the Memorial Grove.

Many of those trees are being cultivated right here in New York State.

And I am pleased to announce that by the end of this year, the first bid package for the memorial's foundations will be on the street.

We will break ground by March of 2006, ensuring we keep our promise to the families and open the memorial as scheduled by September 11th, 2009.

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It is right and good that we remember those we lost on September 11th by building a fitting memorial at the site where they perished.

But there is one more thing we must do to honor their memory.

Those who caused their deaths were seeking to bring down our city, state, and nation by attacking the most visible symbol of our prosperity and our freedom.

By resolving to rebuild, we honor our heroes and deny terrorism its victory.

September 11th saw us come together – now we must stay together.

September 11th saw the Twin Towers fall – now let's make the Freedom Tower rise.

For the sake of those who have died, and those yet to be born, let's recommit ourselves, and build a better, brighter future.

Let's move forward in unity, and rededicate ourselves to the sacred task of rebuilding Lower Manhattan.

We can do no less.

Thank You and God Bless You.