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REBUILDING LOWER MANHATTAN: 1955-1974

by

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Abstract

REBUILDING LOWER MANHATTAN: 1955-1974

by

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In the mid-1950's, Lower Manhattan was declining as an office center. By 1970, public redevelopment projects and private development of office buildings led to rejuvenation of the area. This study reconstructs the planned redevelopment efforts in Lower Manhattan during the period 1955-1974. It is concerned with two sets of questions about Lower Manhattan's redevelopment: 1) questions about who had power in the redevelopment of Lower Manhattan and about the sources of their power; 2) questions concerning the rationality of urban planning in Lower Manhattan's redevelopment.

Three categories of actors were involved in Lower Manhattan's redevelopment: major corporation executives, led by David Rockefeller, initiated the area's redevelopment. Their power, although wielded mainly by David Rockefeller, did not depend primarily on his unusual wealth and connections. Nor did it depend on unity among big businessmen; such unity was notably absent. Rather, David Rockefeller and his colleagues gained and held power in Lower Manhattan's planned redevelopment for several other reasons. 1) The power of business executives was built into the structure of urban governmental institutions like urban renewal and zoning and into the structures of organizations like the Port of New York Authority. 2) Because they occupied the position of business leadership, the public and the media held David Rockefeller and his colleagues in high esteem. 3) Politicians, and ultimately the public, needed or thought they needed the aid of major businessmen in organizing economic development.

Office building developers, to whom planning events in Lower Manhattan's redevelopment were frequently critical, were able to sidestep, subvert, and even use urban planning tools as means of obtaining sites and/or permission to build more floor space on sites than would otherwise have been allowed. Their power reflected the legal and practical weakness of planning. They did not, however, have power to influence the overall development of Lower Manhattan.

The power of major corporation executives did not reflect an ability to directly subordinate public officials; in fact, David Rockefeller did not even obtain complete cooperation from his brother Nelson during the redevelopment of Lower Manhattan. Rather, business executives shared common viewpoints with public officials; David Rockefeller, particularly, shared his vision of what Lower Manhattan should become with John V. Lindsay. As important, public officials, recognizing the city's need for economic development, turned to business leaders as spokesmen for business on questions of how that development could be organized. The weakness of planning institutions gave public officials few other choices in attempting to work for economic development.

The urban planning that took place in Lower Manhattan, as a whole, could not be considered rational from the point of view of the city as a whole. The arguments used to justify public actions and investments in the area, that it would lead to increases in the City's tax base and number of jobs, were extremely ill-founded. Urban planning in Lower Manhattan was more a matter of finding justifications for investments than a matter of weighing the rationality of investments. Urban planners functioned as development entrepreneurs, trying to attract resources to the area. This irrationality of urban planning, however, served the purpose of making it possible to attract investments, particularly public investments, that might not have been attracted in a more rational planning environment.

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INTRODUCTION

For over one hundred years, Lower Manhattan's¹ skyline has symbolized New York: its commercial dominance of the United States; its wealth; its architectural distinction and banalities. (Map 1 shows the boundaries of Lower Manhattan.) In accounts of the immigrant experience, the skyline has served as backdrop to the Castle Clinton and Ellis Island stations where most European immigrants to the United States set foot. To socialists and populists, Downtown's Wall Street has symbolized the evils of capitalism and monopoly.

Until World War I, Lower Manhattan was New York's sole office center. In 1910, 138 of New York's 150 large office buildings were there.² After World War I, however, Downtown began to lose offices to midtown. This process accelerated rapidly after 1920, as Table 1 shows:

TABLE 1
OFFICE BUILDINGS BUILT IN DOWNTOWN AND MIDTOWN
MANHATTAN, BY DATE OF CONSTRUCTION

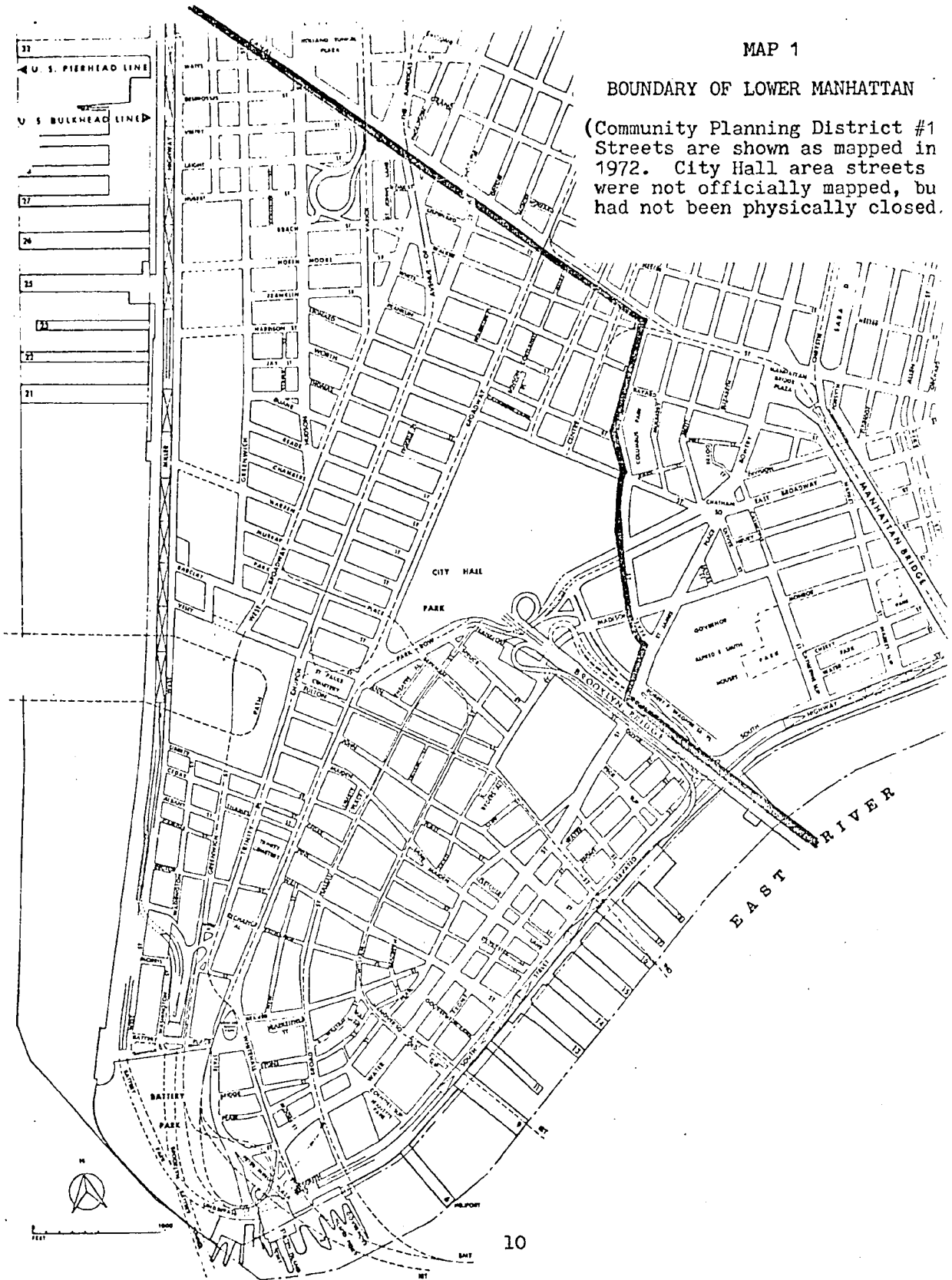
Built	Downtown	Midtown
Prior to 1900	71	3
1901-1910	67	9
1911-1920	47	35
1921-1946	34	128
1947-1953	3	29
Total to 1953	222	204

SOURCE: Earle Shultz and Walter Simmons, Offices in the Sky (New York: Bobbs-Merrill, 1959) p. 154. Shultz and Simmons separate downtown into "financial" and "city hall" districts; midtown into "Grand Central," "Plaza," "Times Square" and "Columbus Circle" districts, and include a miscellaneous category, the three buildings in which were allocated to midtown. This table understates downtown's relative decline, because its older buildings were, on average, much smaller than midtown's newer structures.

MAP 1

BOUNDARY OF LOWER MANHATTAN

(Community Planning District #1
Streets are shown as mapped in
1972. City Hall area streets
were not officially mapped, but
had not been physically closed.



Until the mid 1950's, most Manhattan real estate experts thought that the trend toward midtown was irreversible. Midtown had important advantages: It was closer to the growing middle-class residential areas of Westchester County and Queens and well-served by railroads terminating at Grand Central and Pennsylvania Stations. Traffic in midtown was not as chaotic as that Downtown, and sites for office buildings were easier to assemble. In 1949, a leading real estate expert noted,

The growing sentiment of large corporations to prefer uptown to downtown locations will mean that the main offices of most leading banks probably will be in the Grand Central-Plaza sections before another decade has passed.³

Between 1955 and 1970, however, the decline of Lower Manhattan as an office center was reversed. As Table 2 shows, while Downtown never regained its dominance, it accounted for about a third of new office space built in Manhattan during the fifteen years beginning in 1955.

The rebuilding of Lower Manhattan was brought about by both normal market forces and planned urban redevelopment. In 1957, 20 Broad Street⁴, a 27-story office building of 414,000 square feet, was completed. This building, immediately south of the New York Stock Exchange, proved an immense success; it was completely rented by the end of 1954, when its steel framework had not yet reached street level. The building's success showed that many firms had been leaving Lower Manhattan, not because they disliked the area, but because adequate modern office space was not available.⁵

TABLE 2

OFFICE SPACE COMPLETED IN DOWNTOWN AND MIDTOWN MANHATTAN,
IN RENTABLE SQUARE FEET, BY YEAR OF COMPLETION, 1950-1973

Completed	Downtown	Midtown
	sq. ft.	sq.ft.
1950	206,000	3,227,000
1951	429,000	763,000
1952	- - -	995,000
1953	- - -	888,000
1954	- - -	2,299,000
1955	503,000	1,344,000
1956	- - -	3,875,000
1957	1,105,000	3,839,000
1958	1,400,000	3,401,000
1959	2,595,000	3,202,000
1960	900,000	3,591,000
1961	2,595,000	4,788,000
1962	1,150,000	2,796,000
1963	912,000	6,533,000
1964	110,000	4,888,000
1965	1,616,000	2,038,000
1966	1,000,000	800,000
1967	604,000	1,400,000
1968	3,329,000	3,568,000
1969	3,211,000	10,695,000
1970	3,980,000	4,617,000
1971*	7,857,000	8,110,000
1972*	6,132,000	11,115,000
1973	4,700,000	5,225,000

SOURCE: Regional Plan Association, The Office Industry: Patterns of Growth and Location, Prepared by Regina Belz Armstrong, Edited by Boris Pushkarev (Cambridge, Massachusetts: MIT Press, 1972) pp. 134-140. This book lists and maps all new office buildings completed in Manhattan during the period.

*1972 and 1973 figures are estimates. Precise completion dates were not obtained.

During the rejuvenation of Lower Manhattan, however, long-term efforts to stimulate reconstruction, using the techniques and legal powers of urban planning, have been even more apparent than unplanned market forces. In 1956, the Board of Directors of the Chase Manhattan Bank, led by David Rockefeller, made the decision to build its new headquarters Downtown. Shortly thereafter, Rockefeller began a careful and well-organized effort to redevelop the larger Lower Manhattan area. This study is concerned with the planned urban redevelopment of Lower Manhattan, rather than with the operation of "blind" market forces in Downtown's redevelopment. It will consider the operation of these "blind" market forces only as they are related to planned redevelopment of the area.

Three major categories of actors have been active in Lower Manhattan's redevelopment. First are executives of giant corporations, major businesses that have, or perceive themselves as having, a stake in the future of their city. These institutions are not primarily real estate businesses. Their participation in Lower Manhattan's redevelopment has been organized mainly by David Rockefeller.

The second group is made up of real estate developers, who build and frequently own office buildings and other real estate. Their interests lie more in the specific circumstances of particular real estate developments than in the general health of the area.

Third are government officials. In Lower Manhattan's

redevelopment, elected public officials and their higher-level appointees have played important roles; lower-level appointed officials have had relatively little influence over decisions. The roles of government officials in the redevelopment of Lower Manhattan have varied during the time under study as different officials have become involved in Lower Manhattan's redevelopment and as they have faced changing circumstances. Yet several common threads can be inferred from their actions; these include, their holding in common a set of assumptions about real estate development and its uses for the city and their search for tangible accomplishments often without having very clear ideas of exactly why specific accomplishments are desirable.

In addition to these actors, other groups have attempted to influence or change the way Lower Manhattan was to be redeveloped. People concerned with redirecting planning toward preservation of neighborhoods and historic sites have been particularly successful Downtown.

This study will explore how each of these groups has used the technical tools and public legal powers of urban planning; the sources and nature of their power; and the effects of their uses of urban planning.

NOTES: INTRODUCTION

1. The boundaries of Lower or downtown Manhattan have been drawn in various ways for various purposes. For purposes of this study, "downtown" and "Lower Manhattan" will be used interchangeably. Except where otherwise noted, the area will be defined as bounded by the Hudson and East Rivers, Canal Street on the north, and Baxter Street, New Street, Pearl Street, and the Brooklyn Bridge approached on the northeast. These are the boundaries of Manhattan Community Planning District # 1, established by the New York City Planning Commission. See Map 1.
2. Earle Shultz and Walter Simmons, Offices in the Sky (New York: Bobbs-Merrill, 1959), p. 154.
3. Robert H. Armstrong, quoted in New York Times, 8 May 1949, p. 5.
4. For the history of 20 Broad Street, see Chapter V.
5. Peters, Wagner interviews.

CHAPTER I
POWER AND PLANNING

Questions about the nature of power and its distribution in American communities have motivated hundreds of studies since World War II.¹ One part of this literature, the debate between "pluralists" and "elite theorists", is particularly relevant here. Some questions about Lower Manhattan's redevelopment may be drawn from that debate, without undertaking a review of the literature on community power structures.

The post- World War II debate over who has power in American cities began with Floyd Hunter's Community Power Structure², published in 1953. Hunter, in his case study of Atlanta, found that power rested in a tiny, cohesive elite made up almost exclusively of business leaders. Their's was the power to do almost anything significant. Politician's served business needs, and formal democratic processes were shams. Possibilities for major needed social changes never came up for public discussion. Commonly, Hunter's work is associated with C. Wright Mills' The Power Elite³, published in 1956. Mills argued that a tripartite national elite of top corporate, political and military leaders made the decisions of consequence for the United States without popular checks.

The works of Hunter, Mills and their followers were harshly critical of the United States, debunking American claims to democracy. Hunter argues that the business elite

runs local government in its own interests, conceived primarily in economic terms. Although Mills believed that there is a three-part elite including military and political as well as economic leaders, he too implied that a single corporate economic elite runs the United States in its own interests. The American constitutional and legal structure allows the elite to make most basic decisions about the economy without governmental interference. Through participation in government to its own ends. Many of Mills' followers have argued that participation in foreign policy decision-making is particularly important in guaranteeing elite interests.⁴

In 1960, Yale political scientists who called themselves pluralists mounted an attack on Hunter. Most important among their studies of power at the local level was Robert Dahl's Who Governs?,⁵ a study of New Haven. The pluralists argued that power in local decision-making is widely dispersed; that most groups, if they only organize themselves, can protect and advance at least their most important interests; that most participants in decision-making participate only in rather narrowly bounded policy areas. For the pluralists, politicians are hardly lackeys. Rather they play the essential role of arranging compromises and trade-offs between groups, and are usually the only actors important in many issue areas.

Wallace A. Sayre and Herbert Kaufman, in Governing New York City, expressed pluralist views on the structure

of local decision-making as follows:

New York's huge and diverse system of government and politics is a loose-knit and multi-centered network in which decisions are reached by ceaseless bargaining and fluctuating alliances among the major categories of participants in each /formal, governmental decision-making/ center, and in which the centers are partially but strikingly isolated from each other. 6

Like the elite theories, the pluralists' work have ideological significance. The pluralists portray American communities as enjoying a working approximation as is possible in a huge, complex society. To pluralists, the major difficulty of the system is that community-wide concerns, of considerable importance to the whole community but of crucial importance to no single group, tend to be ignored. Further, the pluralists' power structure tends toward a veto system, in which each group's weight is so balanced by others' so that little can be accomplished. Vigorous and skillful political leadership, however, can do much to overcome these limitations.

Arnold Rose, a sociologist not directly associated with the Yale political scientist, developed a very useful critique of Mills' work in The Power Structure.⁷ Rose does not call himself a pluralist, but rather proposes a "multi-influence hypotheses", in contrast to the Mills-Hunter "economic-elite-dominance" hypothesis. Rose writes of the two,

The latter sees conflict merely between a more or less unified elite and largely unorganized "masses" ...The multi-influence hypothesis sees conflict as often multi-lateral, with large proportions of the population often not involved, with the sides changing at least partially from issue to issue, and with consensus being achieved only temporarily and on a limited number of issues....

The multi-influence hypothesis differs from the economic-elite-dominance hypothesis both in its conception of the elite and in its conception of the masses. The latter hypotheses envisages society as a vast pyramid, with the people of wealth in control at the top. They may or may not be seen as interspersed with a military elite...At the bottom is the great bulk of the population, envisaged...as inert masses deprived of their rights and exploited economically and politically to serve the interests of those on top.

....The [multi-influence] ...hypothesis...conceives of society as consisting of many elites, each relatively small numerically and operating in different spheres of life, and of the bulk of the population classifiable into organized groups and publics as well as masses. Among the elites are several that have their power through economic controls, several others that have power through political controls, and still others that have power through military, associational, religious, and other controls. 8

Rose argues that Mills and other supporters of the elite theory ignore a number of important facts in arriving at their conclusion that an economic elite rules our cities in its own interests. First, Rose argues, the power of the economic elite is limited by historical forces that even they cannot control -- technology and large-scale social trends. Second, the elite is limited by cultural values. Third, the elite can suffer "false consciousness" -failure to recognize its own interests -- as can the mass or lower classes. In addition, the elite is seldom unified.

In turn, elite theorists have criticized the pluralists on several counts. First, Dahl and the other students of New Haven politics failed to recognize that the important decisions about New Haven and other communities might be made outside those cities,⁹ particularly in federal government. Moreover, Dahl and Sayre and Kaufman, but

not Rose, assumes decisions made by government and political parties were the only decisions of interest. They assumed that decisions made by public bodies or political parties are somehow inherently different from decisions made by private groups and individuals -- that the latter decisions are not political. This assumption appears to be incorrect. Boundaries between public and private decision-making are established by struggles in which groups attempt to keep or place decisions that are important to them in the sphere where they can act most effectively. The ability of an interest group to keep certain types of decisions in the non-governmental sphere, or in one governmental sphere rather than another, may be an extremely important reflection and guarantee of its power.

The elite theorist-pluralist debate has continued with considerable rancour, but with very little resolution of issues. A number of social scientists have attempted to develop concepts and methods that would transcend the conflict.¹⁰ But the central questions both pluralists and elite theorists tried to answer remain important: How much power do business elites have in American cities? How do they use it? Do they have too much power?

The redevelopment of Lower Manhattan offered an opportunity to test the elite and pluralist theories. If there is an economic elite in New York or the United States as a whole, some of those involved in Lower Manhattan's redevelopment must certainly be among its members. But, if Sayre

and Kaufman are correct, decision-making power in such a giant metropolis as New York City is diffusely held. New York, that is, must have a more "pluralist" power structure than most smaller cities. Therefore, if an elite dominance exists here, more obvious and thoroughgoing elite dominance is likely to exist in other American cities. One must generalize very carefully from findings drawn from one geographical area. But this study about Lower Manhattan may provide some of the data necessary to answer broader questions concerning the roles of elites in American cities and society.

Many critics of American society argue not only that a business elite dominates American life, but that the business elite is organized in family-based groupings.¹¹ In such arguments, the descendants of John D. Rockefeller are one of the most important elite family groups. Because David and Nelson Rockefeller were deeply involved in Downtown planning and redevelopment, this study offers an opportunity to test the family-groupings version of the elite-dominance thesis.

The question of elite dominance may be broken down into a number of more manageable questions: Does an observable elite operate purely or primarily in its own interests? If so, how does that elite identify its own interests? What are the sources of its power? A particularly critical point at which the elite-dominance and pluralist hypotheses may be tested is in the elites' ability to use and control politicians. Have politicians in Lower Manhattan acted

to serve elite interests? When acting in the interests of business, have they so acted because they are controlled by businessmen, or because they agreed with businessmen about the proper courses of action? In what situations, if any, have important business interests been ignored by politicians?

The notion of family-groupings elite dominance leads to more specific questions. Have the Rockefellers as a family group worked toward common ends in the redevelopment of Lower Manhattan? How have those ends been defined? To what extent are their efforts Downtown part of a broad family strategy to increase their power and/or economic resources?

William Domhoff and some other elite theorists have argued that community elites and the national elite are organized through personal acquaintances, begun during adolescence at summer resorts and boarding schools, reinforced during college in the exclusive Ivy League clubs, and carried over to careers in business, government, and education, and foundations. In these acquaintances, members of the elite come to share common attitudes and values. This study may offer some opportunities to test this notion of how the elite coordinates its activities. Again, several specific questions are more manageable. To what extent has coordination of elite actions depended on personal acquaintance? To what extent have members of the elite held common attitudes, that at the same time differed from

those of non-elite participants in Lower Manhattan redevelopment planning?

Planning

"Planning" may be defined as an attempt to replace or supplement market mechanisms for allocating resources by allocations decided upon by means of a presumably rational process of drawing up explicit plans and systematically carrying them out. Because a very wide variety of activities have been labelled planning, no much more specific definition is workable. Planning as a means of systematically directing the development of specific areas or segments of a society, of course, must be separated from the personal and organizational planning that goes on in everyday life.

In its early history the idea of planning was closely associated with socialism. Planning was the way by which the economy would be run after state socialization of the means of production had replaced the market. Preparation of a plan was a single, if gigantic, task. It would be carried out by a state organization or hierarchy of organizations having ultimate authority to enforce the plan once it was approved. This vision of planning was held by Marxists among others.¹²

Even avowed apologists of capitalism saw planning in much the same light. Joseph Schumpeter, for example, wrote the following in Capitalism, Socialism and Democracy:

To facilitate matters, we will assume that means of production are present in given and, for the moment, unalterable quantities. Now let the central board

resolve itself into a committee on a particular industry, of, still better, let us set up an authority for each industry that is to manage it and to cooperate with the central board which controls and coordinates all these industrial managers or managing boards. This the central board does by allocating productive resources--all of which are under its control --- to these industrial managements. 13

Schumpeter's work is addressed to the question of whether socialism can work. He arrives at the conclusion that it can work through planning, however much the advocate of classic liberalism may dislike that recognition. In his argument, Schumpeter assumes three conditions necessary for planning can be met, although he does not explicate these assumptions: 1) A central planning agency, staffed by technically competent, incorruptible people, can be created. 2) In its work, the planning agency will face a manageable set of choices. Its goals will be defined clearly, and the means by which those goals can rationally be pursued will be ascertainable. 3) The planning agency will have an effective means of enforcing the plans it makes.

Karl Mannheim's thinking on planning developed from rather different concerns.¹⁴ Above all, Mannheim searched for a means by which western European democracies could avoid repetitions of the rise of Hitler. Mannheim saw the problems of those societies as resulting, first, from the entry into politics of previously disenfranchised masses. How, he asked, were these groups to be incorporated in political processes without creating massive upheavals? Second, Mannheim was concerned that rapid refinement of the division of labor had created a situation in which no one

was in a position to apply a broad rationality -- the "functional rational" he contrasted to narrow "technical rationality"-- to solving society's problems. Mannheim assumed that a sort of social planning designed to solve these problems would take at least equal rank with economic planning. Yet his planning system would be based on assumptions not too different from Schumpeter's. An elite, undoubtedly including many humanistically inclined social scientists, would carry out planning activities. Their choices would be made clear-cut in a new sort of thinking, "thought at the level of planning".¹⁵ Mannheim did not discuss the problems of enforcing their plans, but clearly assumed the power of government, in the hands of this elite, would suffice. That Mannheim's set of assumptions is similar to those of Schumpeter is not surprising; these assumptions are implied by the very application of the word planning to directing a society.

In a more recent discussion, of Polish economic planning, Zygmunt Baumann outlined a set of "functional requisites of perfect planning", similar to the conditions Schumpeter and Mannheim assumed would be present:

Any planning activity obviously requires some decision-making and planning agent that makes the plan....Perfect planning, however, requires something more; it requires that agent to be the only and unchallenged factor determining the totality of social action. Not every social situation makes such a role possible, although any executive of a big organization wants to achieve it. The basic requirements listed below ~~must~~ be met if this situation is to exist.

1 The social system must be self-sufficient and isolated in the sphere of those activities which are subjected to planning....

[2]... the perfect-planning model requires all possible information important and valid from the point of view of the activities subjected to plan to be in possession of the planning agent....

[3] The perfect-planning model requires further that the planning agent be capable of making decisions which are not only realistic but also most effective in terms of the overall systemic goals. This, in turn, requires that (1) the planning agent should be 'depersonalized', free of any motivations which are not identical with the preestablished goals of the system as a whole...(2) the planning agent should be competent in the sense of being able to choose among many alternatives how to use available resources to achieve the best solution....(3) the alternatives among which selection is to be made must be reducible to a common denominator, commensurable, exhaustible by a simple and universal quantifying and quantifiable measure...

[4] Perfect planning implies also that the social system is homogeneous in the sense that there are no events which are beneficial to one part of the system and harmful to another at the same time, in other words, that the system does not consist of parts which have mutually conflicting interests....

[5] Closely connected with social homogeneity is the further requirement that there be nothing in between the planning agent and elementary units of behavior which does not derive its decision-making and executive power merely from delegation by the planning agent. 16

Baumann's first prerequisite is one condition necessary if the planning agency is to have an effective means of enforcing the plans it makes, as is the fifth prerequisite he lists. Baumann's second prerequisite is equivalent to the necessity for a manageable set of goals and the ability to ascertain how to achieve these goals. The first and second part of Baumann's third prerequisite are equivalent to the first condition listed above, that a technically competent, incorruptible staff be available. One might argue that the third part of this third prerequisite is not essential, even to "perfect planning", as decisions might frequently be made on the bases of ordinal rankings of

of priorities. Baumann's fourth prerequisite, likewise, is not essential, even for "perfect planning", inasmuch as losers in cases where interests collide might be compensated by being rewarded in other decisions. With these qualifications, then, Baumann's "prerequisites for perfect planning" are equivalent to the assumptions behind planning listed above. "Perfect planning", of course, never takes place in the real world, but for any sort of planning to be successful these assumptions must be at least partially realized.

Urban planning theory and practice had a separate origin from attempts to initiate economic or other kinds of political planning.¹⁷ Several circumstances have created this separation: First, urban planning grew up primarily as a branch of architecture and landscape architecture and most of its practitioners have been far more familiar with design techniques than with the social sciences. Second, urban planning has used specialized and highly specific legal tools, -- including zoning, subdivision controls, rights of eminent domain for public use and benefits and the careful spatial ordering of physical public investments. These are irrelevant or only tangentially relevant for other sorts of planning. Even in countries where other kinds of planning are well developed, urban planning is usually not closely integrated with them. Finally, in the United States business groups have usually supported and shaped urban planning, while generally opposing other forms of planning.¹⁸

Despite the separation of urban from other sorts of

planning, urban planning has been based on assumptions analogous to those of Schumpeter and Mannheim and to the prerequisites Baumann worked out. After World War I, advocates of urban planning argued more and more that it should be carried out by city planning commissions. Ideally, such commissions would be insulated from politics by the overlapping and relatively long terms of office held by their members, and by the requirement that a planning commission's decisions could be overruled only by 2/3rds vote of its municipality's elected governing body. The city planning commission was to be staffed by experts or at least guided by the work of an expert staff which was to make its decisions according to a presumable unambiguous public interest. Its decisions in zoning, housing and building codes, capital budgets, street and subdivision plans, would have the force of law and so would be readily enforce-¹⁹able.

Particularly since World War II, an immense amount of experience in urban planning has been accumulated in the United States, including many case studies by scholars from various disciplines. Most frequent have been studies of urban renewal planning. J. Clarence Davies III's Neighborhood Groups and Urban Renewal²⁰ and Langley Carlton Keyes' The Rehabilitation Planning Game²¹ are two of the best studies of urban renewal planning, and provide empirical tests of whether the assumptions behind urban planning are realized in concrete planning processes.

Davies studied the urban renewal planning of Robert Moses, among others. Robert Moses, recently the subject of Robert A. Caro's massive biography²², built a network of powerful positions and connections. His various official positions included Chairman of New York State Parks Commission, Chairman of the immense Triborough Bridge and Tunnel Authority, New York City Parks Commissioner, member of the City Planning Commission, City Construction Coordinator, head of the City Arterial Highway Program, and Chairman of the City's Slum Clearance Committee. As a result of his position, reputation and willingness to use extraordinary means to get his way, Moses developed immense power, independent of the men who appointed and reappointed him. Lower Manhattan's redevelopment took place as Moses' power was waning, but he played important roles in several sets of events there, as will be recounted below.

As Chairman of the New York City Slum Clearance Committee, Moses dominated New York's urban renewal and housing programs from 1949 until 1960. He saw urban renewal as a tool for tearing down slums, building expensive housing and other facilities, and thus increasing the city's tax base. To achieve these goals, however, Moses had to find private investors willing to purchase urban renewal land and redevelop it.

Moses found an efficient means of finding willing redevelopers. In many cases, he simply located and designed

projects, in consultation with redevelopers, to make them attractive investments, and did not announce his plans until redevelopers had committed themselves. Moses' planning technique gave the urban renewal program a fast start in New York, but also forced the program away from its original goals. Under Moses', urban renewal rebuilt, if not the worst slums, those well-located areas that could, one way or another, be classified as slums. The way Moses planned urban renewal projects, thus, forced planning away from consideration of the city's slum problems and how they might best be attacked and toward consideration of how investors might be attracted to participation in the program.

Langley Carlton Keyes studied the urban renewal planning of Edward Logue in Boston during the first half of the 1960's. Logue differed from Moses in his conception of the goals of urban renewal. He thought urban renewal should be used to rebuild residential neighborhoods in ways that would strengthen, rather than replace, existing neighborhood physical and social structures. Logue's position was also quite different from that of earlier urban renewal administrators. By the 1960's, federal housing subsidy programs had been developed that made it possible to build low and moderate-income housing owned by either nonprofit groups or businesses whose mortgages were federally insured, in urban renewal areas. These programs made careful attention to the needs of investors in selecting urban renewal sites less important. At the same time, however,

the widely based support the urban renewal program had enjoyed in most major cities during its early history had decreased, and Logue faced the problem of building neighborhood political support for each project.

Logue dealt with these different circumstances as efficiently as Moses had dealt with his. Logue was a master at obtaining federal subsidies, and piling them one on another to make almost any housing proposal workable, at least on paper. As important, however, was his ability to deal with community groups. Through public and private meetings and negotiations, Logue managed to develop projects that received nearly unanimous support from articulate elements in the communities where they were located. This ability to build neighborhood support was the key to Logue's success in most of his Boston urban renewal projects. However, this procedure too had costs. Frequently, the most articulate elements in the communities Logue worked in wanted to use urban renewal as a means of removing groups they saw as undesirable. Often, the groups most in need of public help, suffered from urban renewal under Logue's planning.

Alan Altshuler's study The City Planning Process is one of the best studies of city planning not focussed on urban renewal.²³ Altshuler studied planning in Minneapolis and St. Paul in the early 1960's. In Minneapolis, he found the city's planners in a very difficult position: The business groups who constituted the only potential source

of support for their work were quite uninterested in planning. As a result, Minneapolis' planners developed their proposals not with an emphasis on serving the city as a whole or realizing the technical standards of planning, but with an appeal to the economic interests of businessmen. St. Paul's planners at the same time were involved in preparing a master plan. To appeal to their booster constitutents, the planners falsified projections of the city's growth and deemphasized the fact that highway, school and other plans would create a shortage of low-income housing. ²⁴

Davies, Keyes, and Altshuler, then , all found that planners could not carry out their plans without aid from groups outside government. The planners, therefore, shaped their proposals to make them attractive to potential supporters. That is, the assumption that the planning agency would have a means of enforcing its plans was not met in these cases, a condition which shaped the goals planners pursued and the means they used.

Planning in circumstances like those in Lower Manhattan - that is a purely business district where important businessmen were very interested in urban planning and redevelopment, has been studied less than planning in residential areas or planning in circumstances of business reluctance to plan as described in Altshuler. The first question about planning, then is: did Lower Manhattan planners, particularly those employed by public agencies, shape their proposals

primarily to make them attractive to potential supporters?
If so, how?

In Altshuler's cases, at least, not even the second assumption on which planning is based was realized: the planners he studied did not seem to face manageable choices. Their goals were poorly defined, and the means by which those goals could rationally be pursued were unclear. These circumstances made compromising technical findings and standards easier than it would have been otherwise. A second question about Lower Manhattan planning must therefore be raised: were Downtown planning goals clearly defined, and did the planners use systematic means of finding out how to achieve or work toward those goals?

Not surprisingly, many other case studies of urban planning provide data similar to that provided by these three particular cases. One would expect urban planning to face obstacles and fall short of its goals. But studies demonstrate failure after failure so consistently as to make failure appear to be part of the structure of urban planning. Urban planning seems to be an institution capable of meeting some needs; otherwise it would be abandoned. But it does not seem to be capable of consistently accomplishing its stated goal of rationally (or even more rationally than would be possible without it) directing city development.

This discussion suggests a final set of questions about Lower Manhattan planning: has the planning that has taken place in Lower Manhattan since the mid-1950's been based

on or created a set of planning institutions capable of rationally directing city development? If planning has been carried on without the necessary planning institutions, what have been the latent purposes, functions, and effects of planning? Whose interests has it served?

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CHAPTER II

BIG BUSINESS IN THE PLANNING PROCESS

The planned redevelopment of Lower Manhattan as a whole was initiated by David Rockefeller, now Chairman of the Chase Manhattan Bank and keeper of many of the Rockefeller family's business interests. Warren Lindquist is an assistant to David Rockefeller; Lindquist has been involved in many of Rockefeller's real estate ventures. In Lower Manhattan's redevelopment, Lindquist carried out much of the day-to-day work behind David Rockefeller's efforts, and worked very closely with Rockefeller in deciding what actions to take. Lindquist spoke of the need Downtown,

...to develop and sustain the kind of physical environment which would support the continued kind and amount of growth that the dominant Downtown business institutions--I don't want to say industries but business institutions--would have to enjoy if they were going to continue to enjoy their share, a reasonable share of the expanding commerce of the city, excuse me, of the country and of the world.¹

Lindquist's words define his institutions well. They are the largest businesses Downtown. They exist, not at the periphery of the economy, but at its very center. Lindquist sees them, not in a position of hoping to make profits as opportunities appear, but as having a right to a "reasonable share" of commerce and profits. They are tied to the city, and perhaps to this particular part of the city; if the city declines, their fortunes may also decline.²

Rockefeller's Chase Manhattan Bank is one such business institutions, but David Rockefeller attempted to involve executives of the other large Downtown businesses in the redevelopment of Lower Manhattan. He succeeded at least in becoming their spokesman. But the possibility must be explored that the presence of other important businessmen in the efforts to redevelop the area has been little more than window dressing for Rockefeller's own efforts. This chapter will explore this possibility; the motivations of David Rockefeller and other leaders of major corporations in working for Downtown's redevelopment; how they defined their interests; and the extent and sources of their power in Lower Manhattan's redevelopment. From 1955 until the mid-1960's, big business executives played the leading roles in Lower Manhattan's redevelopment planning. Therefore, most of the area's redevelopment history during that period will be dealt with in this chapter.

The Beginning

David Rockefeller's efforts to redevelop Lower Manhattan began with the decision, in the mid-1950's, to build a new Chase Manhattan Bank headquarters Downtown.³ Already, in 1954, plans had been completed for 20 Broad Street, the financial district's first new office building in over thirty years.⁴ 20 Broad had been completely rented before its steel framework rose to street level.

Prior to Chase's decision, however, the future of Lower Manhattan was questionable. The area had a great deal of vacant office space, even in the core around Wall and Broad Streets. Almost all of Downtown's major banks and other corporations were considering moving their headquarters to midtown. The real estate developer William Zeckendorf, who played a role in Chase's decision to remain Downtown, wrote in his autobiography,

/In the mid-1950's/ Chase, like every other financial institution downtown, was living with its hat on, ready to jump uptown.⁵

Chase occupied space in eight buildings Downtown, and within the next few years it would need much more space, because banking activity and employment were expanding rapidly.

Their immediate problem was: should they build a new building downtown to bring everything under one roof or should they abandon their downtown holdings in favor of new quarters in midtown.⁶

In 1954, Zeckendorf convinced Chase to purchase the Mutual Benefit Life Insurance Company Building, at the corner of Pine and William Streets. Zeckendorf's recounting of the event is worth quoting:

When the gentlemen from Chase said that they would like to preserve their thirty-seven-million dollar investment in the area, I replied that while this saving was important, the real question was, could the Wall Street community be saved? If it could be saved, this would call for a truly bold maneuver....

I said, "The trick will be to stabilize Wall Street. You can't do it alone, but you can start....

...
All this time David Rockefeller had been quietly directing the meeting. He did this sotto voce, because that is his manner and because many of the

older men in that room were more powerful than he within the bank, but it was David who personally guided Chase's gamble on the stabilization of Wall Street.⁷

Chase's decision to remain Downtown was not made instantly. In 1955, Chase retained Skidmore, Owings and Merrill, the nation's most prestigious architectural firm, to carry out a study of whether they should stay Downtown or move to midtown.⁸ Several years before, Edward Mathews, a partner in Skidmore, Owings and Merrill (S.O.M.), had carried out a similar study for Mutual Benefit Life and concluded they should move uptown. Now, he handled the Chase study, and his thinking was "turned around" by the presence of "immense, almost immovable economic and financial institutions"⁹ in the area and by its accessibility via mass transit. Mathews, particularly, came to believe the stock exchanges would never leave Lower Manhattan. The Mutual Benefit Life site, however, was far too small for the sort of building that would make the necessary impact on the area. Later, the site would be expanded by addition of other buildings already owned by or available to Chase.

The exact process by which Chase made its decision to remain Downtown is unclear. Studies by McKinsey and Company and others supplemented S.O.M.'s. However, all those who claim some knowledge about the decision agree with Zeckendorf that it was David Rockefeller's decision. At that time Rockefeller was a Chase Vice Chairman, and he may well have faced some opposition from executives formally superior to him, or from other board members.¹⁰

S.O.M.'s design for the Chase building incorporated the sort of architectural thinking they had developed at Lever House and the Pepsi-Cola Building in midtown Manhattan.¹¹ A rectangular slab, its columns emphasized by contrasting windows, would rise six hundred feet above a huge plaza, itself raised above the surrounding streets. The building would cost over \$120 million, and would be the highest-assessed privately owned building in New York City. One feature of the plan, however, reflected a caution over spending money Downtown redevelopers would later seem to lose. Rather than demolishing its old headquarters, which obtrudes badly into one corner of the Chase Manhattan Plaza, Chase sold the building to the Chemical Bank.

Fitting the building's then-innovative design into New York's zoning code was not easy. The zoning of the late 1950's, still essentially the code that New York had adopted in 1916, did not encourage construction of plazas. The height to which buildings could be built was figured in multiples of the widths of abutting streets. Above these multiples--2½ in the Wall Street area--"set backs" were required.¹² To deal with this situation, and with the need to close the block of Cedar Street that ran through the site, Chase agreed with the City to widen Pine and Liberty Streets in return for the closing of Cedar.¹³ In 1962, the new building was dedicated.

From the start, Chase planned to use only about half the building's space. The upper floors, which would tower above the surrounding structures and therefore command higher rents, would be rented.¹⁴ At what were then very high rents, the building was rented rapidly; much of its space went to law firms and others doing business with Chase. When Chase announced its decision to build this huge new building, some owners of rental properties Downtown had complained that the new building's competition would increase their vacancies.¹⁵ But the new building's experience confirmed that of 20 Broad Street; part of Downtown's problem lay not in lack of potential tenants, but in lack of desirable, modern space.

The design of office buildings nationwide had undergone a revolution during the depression and World War II years when virtually none were built. Office operations had become larger and more complex; in order to manage them efficiently, large areas on single floors were needed.¹⁶ Prior to World War II, large single floors had been impractical because offices still relied mainly on sunlight for illumination. Areas more than twenty-five feet from windows, in fact, brought only very low rents. Windows, moreover, were necessary to provide circulation of air prior to the use of air conditioning, which came into common use only after World War II.¹⁷ By post-World War II standards, then, many Lower Manhattan buildings were terribly inadequate.

Prior to Chase's decision to build its new headquarters Downtown, no organized effort to plan rebuilding of the area as a whole had been underway. Robert Moses, who ran the City's urban renewal program through his Slum Clearance Committee, had planned Battery Park Houses at the foot of Broad Street, but this project would rebuild only six tiny blocks, and Moses had no plans to expand it. In fact, Moses' belief that urban renewal should be used only in residential areas made use of that tool to expand Downtown's commercial core unlikely in the near future. Moses had worked with David Rockefeller in Morningside Heights, in the Lincoln Center area, and even to located the United Nations on Manhattan's east side. According to Mathews, Moses was very helpful in guiding the Chase Manhattan building through the City's bureaucracy,¹⁸ and according to some reports Moses himself suggested to David Rockefeller that he organized a group to revive the area. But neither Moses nor other public officials had overall plans for Lower Manhattan. Prior to Chase's decision it seemed likely that some office development might occur in the immediate financial district as banks, brokers and insurance companies expanded their operations, and some development might occur farther north in the Civic Center area as government employment expanded. But it seemed just as likely that the industrial and wholesaling areas around the core would continue to decline, to the detriment of the whole Downtown area.

Chase's decision to stay Downtown led rapidly to a decision to stimulate reconstruction of the whole area. This latter decision was solely David Rockefeller's. Rockefeller's commitment to the area may have been brought about in part by his competition. In September, 1958, the First National City Bank, Chase's major competitor, announced it would build a new headquarters in midtown. Undoubtedly its decision had been known to many for some time. First National City hedged its commitment by saying that this new midtown building would be the headquarters for its trust department, corporate lending and some other activities, while its Downtown building would maintain its headquarters for money-market activities. Thus, it would have "dual headquarters,"¹⁹ and its top executives would have offices in both locations. Despite this hedge, however, First National City Bank was clearly betting that Downtown would continue to decline. Perhaps the thought of challenging Rockefeller was a factor in the First National City decision.

Chase and Rockefeller, in building their new headquarters Downtown, had increased their earlier investment of about \$37 million in the area to over \$120 million.²⁰ The financial risk involved in their new building was undoubtedly not great. Chase could easily fill the building with its own offices and those of legal and other firms tied to the bank. Even had Chase been forced to move its headquarters operations to midtown, their space in the building could be used for money-market and other operations, or rented to securities firms. As a result, Rockefeller's motivation in beginning his

attempts to rebuild the area cannot be understood simply as an attempt to protect an investment.²¹

In the summer of 1956, Rockefeller organized a Committee on Lower Manhattan Redevelopment of the New York State Chamber of Commerce. Its executive committee included the following men: Rockefeller of Chase Manhattan; Cleo Craig, Board Chairman of AT&T; Henry Alexander, Chairman of Morgan and Company; Ralph Reed, Chairman of American Express; Keith Funston, Chairman of the New York Stock Exchange; James McLain, Chairman of Guardian Life; John Butt, Chairman of Seamen's Bank for Savings; and Howard Sheperd, Chairman of First National City Bank.²²

In October, Warren Lindquist met with Hugh Pomeroy, Director of the Westchester County Planning Board, and his assistant S.J. Schulman.²³ Pomeroy was a very well-respected urban planner. David Rockefeller, a resident of Pocantico Hills in Westchester, knew Pomeroy through his membership on the Westchester Planning Board, and Schulman through his work in the Morningside Heights area of Manhattan, but according to Schulman, Rockefeller turned to Pomeroy only after learning that the consultants Robert Moses had recommended had rather poor reputations among planners. Lindquist expressed to Pomeroy and Schulman David Rockefeller's interest in doing something about Lower Manhattan, in what Schulman called very ambiguous terms. He asked that Pomeroy and Schulman rapidly carry out a study of the area and what could be done to preserve and rebuild it. They agreed to do so, but would not commit themselves to long-term consulting.

In two and a half months, Pomeroy and Schulman gathered data and ideas on downtown Manhattan. They apparently received considerable help from James Felt, then Chairman of the New York City Planning Commission, and his staff. Their study, made public January 28, 1957, compiled information on employment, assessed valuations, land use, zoning, post-World War II construction, office vacancies, traffic and transit, and public improvements in the area. They found, first, that,

...in the early and middle Thirties the Financial and insurance districts (which include the major office building locations of lower Manhattan) fared relatively well in comparison with the Grand Central and Plaza districts--although, of course, the impact of the depression was severe in all sections. Beginning with the end of the Thirties, however, the latter two districts appeared to exhibit greater powers of recovery. The data for the war and post-war years are not so sharply indicative by reason of the considerably lesser range of vacancies /than during the 1930's/, but the lower Manhattan districts continue to show generally higher vacancies than the comparable uptown areas.²⁴

Thus, Lower Manhattan needed action to improve the competitiveness of its office space with that in midtown Manhattan.

Second, the commercial core of Lower Manhattan was surrounded by old, decaying, mainly industrial areas. Land uses reflected this fact; the financial, shipping office, and insurance districts were surrounded by marine suppliers, coffee roasters, the Fulton Fish Market, the leather industry, radio and television shops, and the United Fruit piers. The pattern of assessed valuations was even more striking; they ranged from \$700 per square foot in the block occupied by the Chase Manhattan building to \$10 at the periphery, in some cases only two blocks away.²⁵

Lower Manhattan's zoning reflected land uses already existing in the area. The small commercial core was restricted to business use, but the riverfronts, to a depth of three blocks along most of the shore, were zoned for "unrestricted" use. Pomeroy and Schulman noted that,

The regulations for the latter district are extremely simple, and are amply described by the district's name: any use, from abbatoir to smelting plant, could locate without restriction in such a district.²⁶

Map 2, from the Pomeroy and Schulman study, shows predominant land uses in Lower Manhattan in 1957.

Pomeroy and Schulman recommended three courses of action:

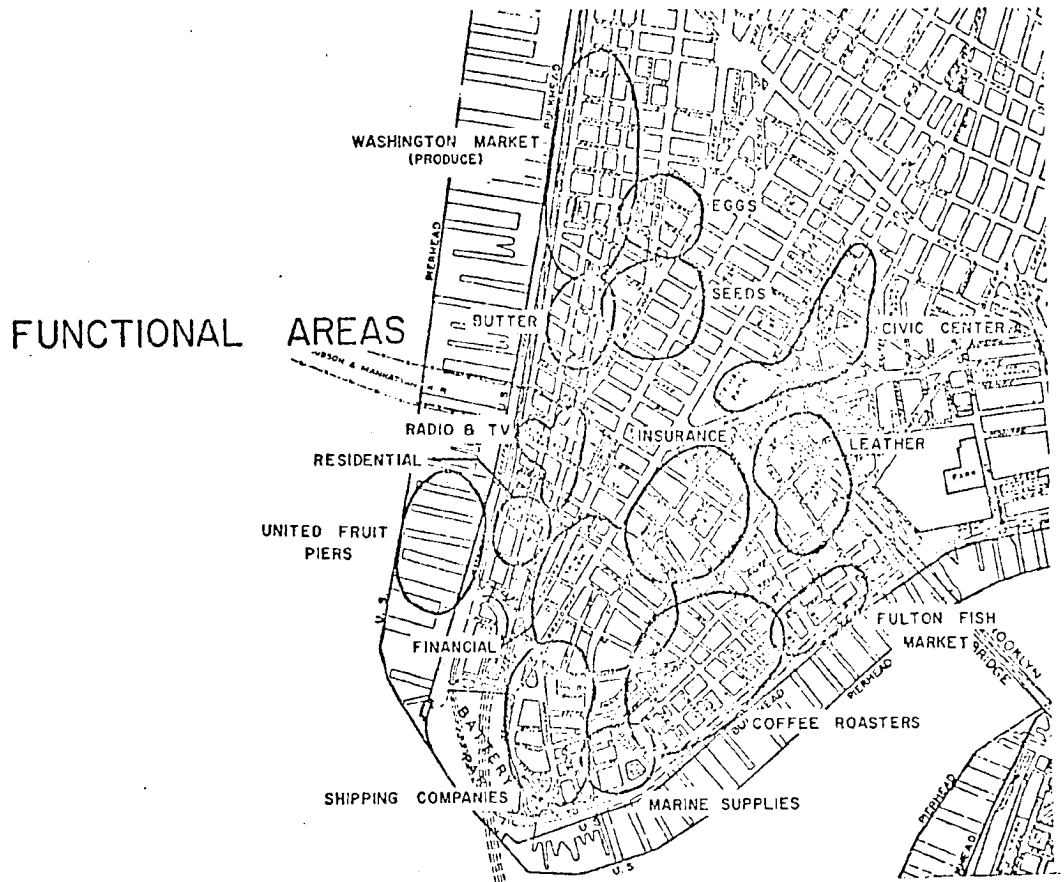
1. Correcting causes of economic vulnerability or unnecessary costs affecting the hard core of the area that may derive from physical conditions, and assuring protective measures for the hard core;
2. Improving the transit, traffic, and transportation facilities serving the area.
3. Redeveloping for appropriate uses and in accordance with satisfactory designs of land layout the broad peripheral belt of miscellaneous uses, obsolescent buildings, and inadequate street arrangements that surrounds the hard core.²⁷

Pomeroy and Schulman were particularly concerned with the one project underway in the area, Robert Moses' Slum Clearance Project for Battery Park Houses. (Battery Park Houses ultimately failed. The area, bounded by Whitehall, South and Water Streets and Coenties Slip, became New York Plaza. For its history, see Chapter IV.) To Pomeroy and Schulman, the expensive housing Moses planned for the area was inappropriate. The area should be reserved for expansion of the office core. They made this feeling known in their report, but David Rockefeller did not share it. He, apparently,

MAP 2

FUNCTIONAL AREAS OF LOWER MANHATTAN, 1956

Source: Pomeroy and Schulman, Program Study for the New York State Chamber of Commerce Committee on Lower Manhattan Redevelopment, January 28, 1957



preferred to defer to Moses, and saw any sort of redevelopment in the area as desirable because it would protect his investment in Chase Manhattan and help the area as a whole.²⁸

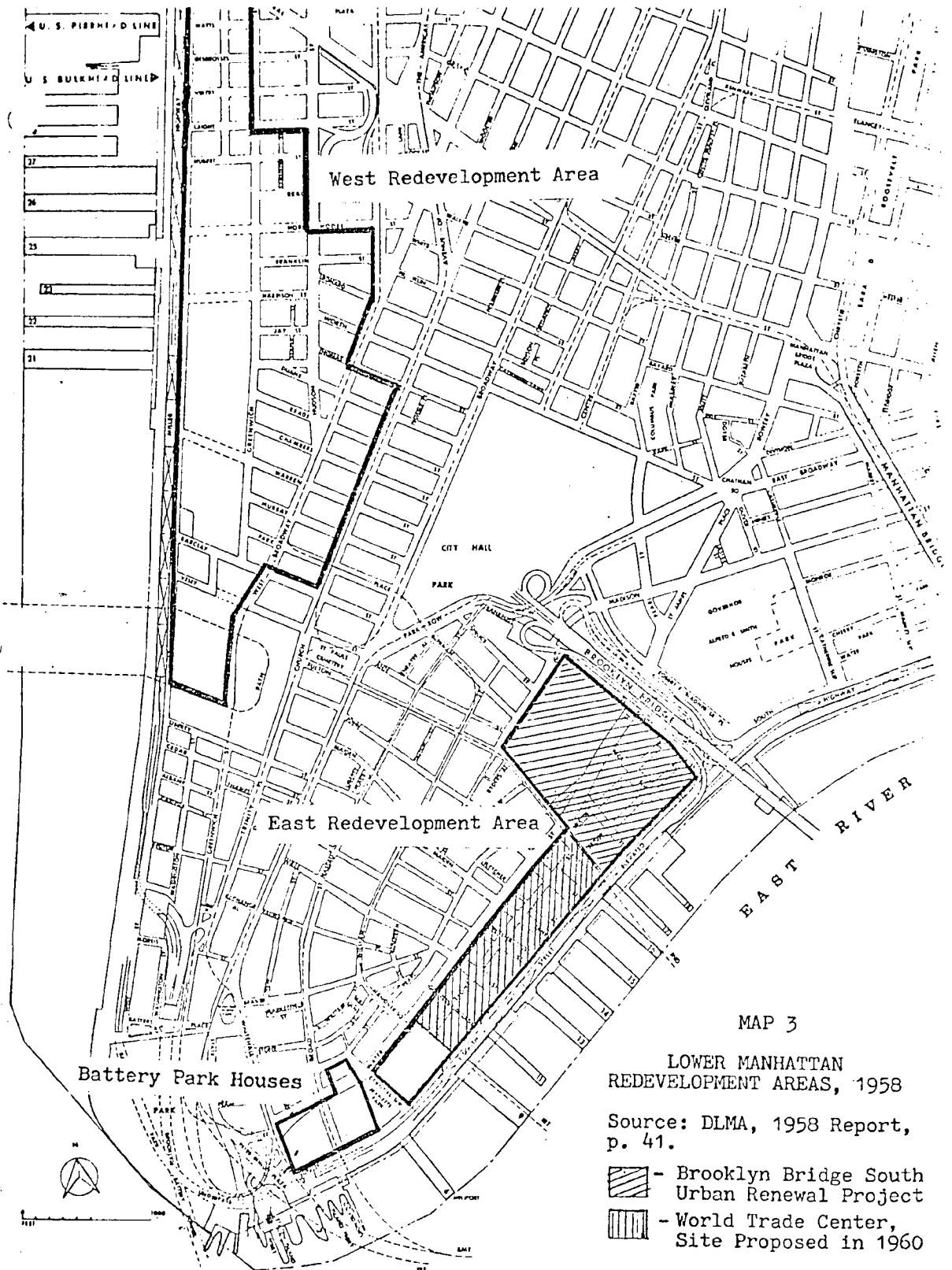
March 11, 1957, the Committee on Lower Manhattan Redevelopment issued a press release, announcing that a three-year budget of \$300,000 had been established for work in connection with the redevelopment of Lower Manhattan. By now, fifty-five "business and professional leaders" had been recruited to the Committee.²⁹ The Committee members had committed their businesses to pay for the Committee's planning work. But what proportion the Committee paid through these assessments and what proportion Rockefeller and/or Chase had to absorb is unclear. Shortly thereafter, however, the plan to operate within the Chamber of Commerce structure failed. Lindquist would recall that the Chamber of Commerce proved an unsuitable vehicle because it went beyond Lower Manhattan. Presumably, midtown groups saw no reason to work for redevelopment of their competing area. Moreover, the Chamber had a clumsy and slow decision-making process.³⁰

In 1957, therefore, David Rockefeller set up an independent Committee on Lower Manhattan. Shortly thereafter, this committee was merged with an already existing group, the Downtown Manhattan Association,³¹ to form the Downtown-Lower Manhattan Association, the business group most involved in

Lower Manhattan's redevelopment ever since. In 1958, the new Downtown-Lower Manhattan Association commissioned an S.O.M. team, again headed by Edward Mathews, to produce a plan for the area. This study was issued with tremendous fanfare³² in October, 1958.

The new plan's analysis of Lower Manhattan closely followed that of the Pomeroy-Schulman plan.³³ In its "recommendations," the plan incorporated programs under way, and new proposals in three areas. Redevelopment was recommended for the east side, the strip from Coenties Slip north to the Brooklyn Bridge, and for an even larger area in downtown's northwestern triangle. Map 3 shows the boundaries of the recommended redevelopment. The "East Redevelopment Area" was far more important to the Downtown-Lower Manhattan Association. (Hereafter, the organization's name will be abbreviated DLMA, as is commonly done.) The east area was far closer to Lower Manhattan's office core, and therefore more important to its future. Numerous east- and west-side street closings were recommended, together with the widening of Fulton Street and construction of the Lower Manhattan Expressway across the island at Canal Street.

Rockefeller's motivation in working for Downtown's reconstruction was not simply to protect investments or find profits. Rather, as Lindquist's statement, quoted at the beginning of this chapter, makes clear, Rockefeller was attempting to protect his organization's business position. Such giant corporations do not depend for profits



on particular short-range opportunities, but on positions in the city, national, and international economies that guarantee them shares of profitable business activity in those economies. To the extent that Chase or the Rockefeller family fortune is tied to New York, David Rockefeller would naturally wish to work to protect and enhance the competitive position of New York City.

It seems reasonable to argue that, in the late 1950's at least, the fortunes of Chase were tied fairly closely to those of New York City. Chase, of course, operated only within New York State, and state banking laws, since changed, limited its activities upstate. If business went elsewhere, Chase would have a more difficult time capturing that business. Moreover, a very considerable proportion of Chase's deposits came through its extensive branch network within the five boroughs.³⁴

But not even a desire to protect Chase's business position can fully explain Rockefeller's actions. A rational strategy designed solely for that purpose likely would have dictated Chase's moving to midtown. Moreover, much more important problems than where to locate its offices would have been involved in such a strategy. Chase, in concert with other banks in the city, could have attempted to loosen the legal bounds that limited much of their activity to the city's relatively stagnant economy. In fact, Chase, First National City Bank, and the city's other major commercial banks have followed exactly such a strategy.

Rockefeller's activities Downtown, therefore, cannot be understood as narrowly self-interested. Rather, they followed a particular notion of business leadership, part of the ideology of American capitalism. In that ideology, economic activities are best reserved to private business, and the private sector is expected to meet most of the needs of most of the population. Government is to step in only where the private sector cannot accomplish an essential task, because of lack of effective demand or lack of a framework in which investment can be organized. In this ideology, new tasks are best accomplished by action to make their accomplishment profitable.

The physical development of American cities has been accomplished by means that follow these ideological prescriptions quite closely.³⁵ Urban development, once a center is established, requires transportation facilities, utilities, transfer of land from rural to urban use, and actual construction of housing and other buildings. In the 19th century, governments of American cities themselves typically carried out only construction of the most expensive utilities, sewer and water lines, and of street systems. Provision of mass transportation facilities, real estate operations, and other construction was led to private business. In the 20th century, construction of mass transportation facilities has been added to local government responsibilities, because the cost of such facilities' construction and operation makes profitable mass transportation operations impossible.

Business leadership plays an important role in this ideology. Leaders of the private sector must be depended on, first, to support the public actions that are necessary to establish a workable framework for private economic activity. Thus, the origins of zoning can be traced to the desire of businessmen to stabilize property values.³⁶ Analogous demands for government intervention can be found, of course, in areas outside urban development.

Business leaders also must be willing to take the risks necessary to show that new sorts of investment will prove profitable. Local business leaders have a responsibility to encourage commerce in their cities. Since one important way to encourage commerce is to show its profitability, they also have a responsibility to profit. But profits are to be obtained, not by luck or sharp dealing, but by vision and leadership. In the ideology, the best outcome of such leadership is making investments that seem likely to fail at the time they are made, but succeed because of the perseverance and vision of the investors.

In Rockefeller Center, the Rockefeller family made precisely this sort of investment. The Center's approved history, by David Loth, shows clearly their pride in its success.³⁷ John D. Rockefeller, Jr., became involved in what became Rockefeller Center, not primarily as an investment, but as a means of building a new home for the Metropolitan Opera. Unlike most real estate investments, the project was not shaped by an effort to find a particularly desirable site. Its boundaries, in fact, were determined by the

boundaries of land long held by Columbia University. Originally, the point of building office buildings along with the new Metropolitan Opera House was to make the House self-supporting. When, in the first year of the depression, the Opera's ability to proceed with the project evaporated, John D. Rockefeller, Jr. decided to proceed without the Opera. Standard investment wisdom at the time would have dictated abandoning the project, or at least delaying it until business conditions improved. Not only did Rockefeller ignore this dictate, but he built a set of office buildings which were, for the time, incredibly expensive. Unheard-of amenities--a sunken plaza and extra-high ceilings, even roof gardens that were later abandoned--were included. In the long run, of course, Rockefeller Center proved a very lucrative investment.³⁸ Even the extras that seemed foolish when they were built paid handsome returns. The extra-high ceilings made it possible to install central air conditioning in the buildings, without which they could not have retained their attractiveness after World War II. Rockefeller Center, thus, was a prime example of successful business leadership: A bold investment, backed up by perseverance in the face of criticism and losses, served public purposes at the same time as ultimately returning a handsome profit.

Unlike his brother Nelson,³⁹ David Rockefeller played no direct role in the development of Rockefeller Center. Early in his career, however, David Rockefeller assumed business leadership roles in urban redevelopment in New York, first as chairman of Morningside Heights, Inc., which worked to

preserve the institutional area around Columbia University. Then, in the mid-1950's, with his brother Laurance, he became an important force in creating Lincoln Center, a project that began the renovation of the West Side of Manhattan.

For David Rockefeller, then, working to redevelop Lower Manhattan was simply applying a business leadership role that his family had developed and he had already learned. Unquestionably, David Rockefeller took a major risk in locating the Chase Manhattan Bank's new headquarters Downtown, in an apparently dying area. As argued above, the monetary risk was likely not very great. But the risk to Rockefeller's reputation was immense. If Lower Manhattan continued to decline around Chase Manhattan, his position of leadership in New York's business community would be threatened. This is not to argue, of course, that Rockefeller was unconcerned with protecting Chase's investment or creating opportunities for new investments.

Most of the other businessmen involved in the new DLMA took the business leadership role far less seriously than David Rockefeller did, even though they were willing to sit on Rockefeller's committees for the redevelopment of the area. One other businessman, at least, became quite interested in the area and its problems.⁴⁰ But, for most members, working for the area's future was a relatively unimportant public service activity. It would not absorb much of their attention and, if necessary, would be sacrificed to the immediate

interests of their organizations. Many actions revealing this attitude will be noted below, but one direct piece of evidence may be mentioned now. In an interview, Warren Lindquist described in considerable detail how Rockefeller had insisted that the members of his committee send men they personally trusted to work in the DLMA's Planning Committee, which worked out proposals in detail. Rather than sending vice presidents in charge of public relations and civic activities, the executives sent their most trusted employees. But they had done so only because of Rockefeller's insistence⁴¹ and personal prestige.

Until about 1963, The DLMA's day-to-day activities were managed by Warren Lindquist, who had the title of Executive Vice President but was paid, as before and since, by David Rockefeller.⁴² William Zucker, Lindquist's assistant at the time, said the organization was "very centralized."⁴³ Several respondents thought the World Trade Center idea, among others, had been developed by Lindquist himself.

Until about the same time, Rockefeller appears to have had hopes of gaining active involvement in Lower Manhattan affairs from top executives of other corporations. These hopes, however, were not realized. Only two other businessmen developed long-term commitments to the DLMA and Lower Manhattan comparable to David Rockefeller's. These were John Butt and Edmund Wagner of the Seamen's Bank for Savings. The

two, successively, served as Presidents of the DLMA; Wagner, during his tenure as President, apparently spent more time on Lower Manhattan matters than Rockefeller did. Wagner explained that his participation was due to the Seamen's Bank's strong Downtown roots,⁴⁴ but it seems likely that more than just a feeling for the area accounts for the bank's officers' participation.⁴⁵ Wagner, clearly, was subordinate to Rockefeller; according to other respondents, he made most of the DLMA's decisions, but checked the most important ones with David Rockefeller.⁴⁶

After 1963, David Rockefeller gave less attention to the DLMA, perhaps because he thought he had gotten the area's redevelopment going and needed to spend less of his own time working for it. Lindquist, too, spent less time on Lower Manhattan matters, although one of those involved in preparing the City's Lower Manhattan Plan in 1965 said Lindquist met with the planning group perhaps fifteen times during the year.⁴⁷ (See Chapter III on the Lower Manhattan Plan.) In 1964, a new Executive Vice President of the DLMA was appointed; he appears to have been neither very effective nor particularly respected.⁴⁸ He and a secretary were the DLMA's only permanent staff. Their four-room office in the aging 120 Broadway belied the impression of a sleek and well-financed organization one might obtain from the DLMA's connection to David Rockefeller. After 1963, the DLMA Planning Committee also became less impressive. In the late 1960's, it was chaired by Desmond Crawford, real estate director of Trinity Parish. Crawford

apparently liked working with Rockefeller's group, but relations between Trinity Parish and Rockefeller were not close, and Crawford seems to have had no particular responsibility as Planning Committee Chairman.⁴⁹ After his retirement, Crawford was replaced by J.J. Collins, a vice president of New York Telephone Company. Collins himself said his committee, the only DLMA committee that met regularly, does very little work. Occasionally, it undertakes particular, limited activities, but these are mainly the work of enthusiastic individuals. The developer Sylvan Lawrence, for example, collected money to provide Lower Manhattan with high-intensity street lights.⁵⁰ For the most part, the DLMA Planning Committee heard proposals on Lower Manhattan from a very wide variety of sources.

Lower Manhattan would occasionally get intensive attention on specific issues, from larger businesses as well. Western Electric, for example, took the lead in adopting staggered work hours to relieve subway congestion. (See Appendix II.) But such actions resulted, not from careful coordination with David Rockefeller's broader efforts, but from the businesses' own thinking about what specific actions they should take.⁵¹

Through the late 1960's and into the 1970's, then, the DLMA became more and more clearly a public relations front, allowing David Rockefeller and his associate Edmund Wagner to speak as representatives of the whole Lower Manhattan business community, rather than just for themselves.

The World Trade Center

Up to 1958, the DLMA, in two years' work under three names, had created two plans and a great deal of fanfare. It had not, however, accomplished anything more concrete. After the October, 1958, report, however, the DLMA moved quickly to act on two essential tasks: doing something about its "East Redevelopment Area" and rationalizing Lower Manhattan's street system. The first effort led to construction of the World Trade Center by the Port of New York Authority. The history of this project offers an opportunity to analyze the sources of big business executives' power. The second DLMA effort was to rebuild the area's transportation framework; this work will be dealt with later in this chapter.

As was noted above, the DLMA's 1958 report outlined an "East Redevelopment Area," running from Whitehall Street to the Brooklyn Bridge, and from South to Water and Gold Streets. The area was an obvious site for urban renewal. It was clearly not in its "highest and best use," as the real estate phraseology of the day referred to the highest-economic-value producing activity that could be attracted to a site. Moreover, private assemblage of parcels large enough for modern office

buildings would be difficult here. The area was broken into tiny parcels defined in the 18th and 19th centuries. Some blocks were only 125 feet by 250 feet, a fifth the area of typical midtown Manhattan blocks. In some blocks, 10- to 20-foot wide plots existed where, two hundred years earlier, piers had stretched into the East River. These conditions seemed, and possibly were, important hindrances to redevelopment of the area.

Robert Moses acted very rapidly at the northern end of the proposed "East Redevelopment Area" In January, 1959, he announced Brooklyn Bridge South, a middle-income housing project that would run from the Brooklyn Bridge to Fulton Street, and from the East River to Gold Street. At the area's southern end, Moses already had Battery Park Houses underway. Thus, only the strip from Coenties Slip to Fulton Street remained unplanned.⁵²

In the DLMA's thinking, a very large project was needed for the remainder of the "East Redevelopment Area." It was bordered by the South Street Viaduct, raised some thirty feet in the air.⁵³ The viaduct's shadow could be overcome only by building a platform, and then buildings atop it, a process which would require a single huge project. Moreover, only a single huge project would overcome the surrounding decay. Finally, a public project was needed simply because private investors were not interested in the area.⁵⁴

A huge project of this kind--the need for public condemnation of the land and the lack of private interest in

the area aside--could only be financed by a government agency.⁵⁵ At first the DLMA thought an international finance center might be located downtown, drawing the World Bank, the International Monetary Fund, and similar institutions from Washington.⁵⁶ That Rockefeller and the others thought they might be able to create such a center is striking evidence of the power they saw themselves as holding. (Of course, the Roekefellers had played key roles in attracting the United Nations to New York.) It became clear, however that leases, staff residences, and other ties these organizations had to Washington would make it impossible to dislodge them. Moreover, if they were convinced to leave Washington, other metropolitan areas would demand, and probably obtain, some of the institutions.⁵⁷

The DLMA then turned to the idea of a World Trade Center for the area. The idea was not particularly novel. In 1946, New York State had created a commission, headed by David Rockefeller's uncle Winthrop Aldrich, to consider what might be done to improve the competitive position of the port of New York.⁵⁸ The commission had considered the idea of a World Trade Center, essentially a large permanent trade fair modelled after those in Europe. They had concluded that such a center might be useful, but improvement of cargo-handling facilities would be a far more efficient way of improving the port's competitive position than a World Trade Center.⁵⁹

Moreover, a few cities in the United States had offices called World Trade Centers, and New Orleans had a building

with the name, which provided temporary offices to visiting businessmen, translators' offices, and other facilities.⁶⁰ The New Orleans center had been credited with improving that city's position in the Latin American trade. According to Roger Gilman, the Port Authority's Director of Planning, the Port of New York Authority had been considering the idea of a World Trade Center since the late 1940's, but had been unable to move forward without businessmen taking the leading role.⁶¹

During 1959, the DLMA arrived at a decision to pursue the World Trade Center idea. In January, 1960, the DLMA issued another report, again prepared by S.O.M., calling on the Port of New York Authority to study the idea of a World Trade Center. Mathews again headed the S.O.M. study team. His recollection is that Lindquist thought of the Center in very romantic terms, but had few ideas on what it should include.⁶²

Mathews and his team prepared a plan for what they thought a World Trade Center should be. Asked, sixteen years later, what the purpose of the World Trade Center was, Mathews said, "You've got me; I've never understood it."⁶³

In the DLMA's report, the World Trade Center would cover the area from Fulton Street south to Old Slip, from Water to South. Thus, of the DLMA's original "East Redevelopment Area" only the four small blocks bounded by Coenties Slip East, Old Slip, Water and South would be left unrenewed by the Trade Center, Brooklyn Bridge South

and Battery Park Houses.⁶⁴ Within the 13¹/₂-acre World Trade Center site, two rather large buildings, the Sugar Exchange at 120 Wall Street and the United States Assay Office at Old Slip and South Street, were left standing by the S.O.M. plan, although they were integrated into the World Trade Center through street closings. Clearly, the DLMA wanted to make as few potential enemies as possible.

At the site's southern end, the DLMA plan called for a "commerce building" of fifty to seventy stories. In S.O.M.'s drawings the building looked remarkably like the Chase tower, then under construction. It would house,

United States and foreign companies operating in the international field.

Banking houses and brokerage firms dealing in international banking and securities markets. Approximately 10 floors at the top of the building would provide an essential and convenient 500 to 700 room hotel to accommodate shippers, international traders and businessmen of the world.

Such a location would command a sweeping view of the Port District and its magnificent, busy harbor.

Facilities for meetings between foreign and American citizens who are engaged in international trade and its allied services would be provided in a world trade club which would occupy two or three upper floors.

Banquet and flexible meeting and dining facilities would be provided as adjuncts of the club and hotel 65

North of the commerce building the DLMA report placed a "central securities exchange." The DLMA hoped that the New York Stock Exchange, already in need of more space, would want the site. Its location at the foot of Wall Street would prove symbolically attractive, as a site four hundred feet further east would prove seven years later. (See Chapters III and IV.) The publication said:

This suggestion has been broached informally to officials of the New York Stock Exchange and they, without making any commitment, indicated a willingness to consider any proposal....⁶⁶

Stretching north from Depeyster Street to Fulton, the DLMA-S.O.M. plan placed a "World Trade Mart," over 1000 feet long and 400 feet wide, with two huge interior courts. It would amount to a permanent trade fair, and included:

Office and display space for trade activities...
This includes areas for importers and exporters,
freight forwarders, customs and marine insurance
brokers, transportation offices for rail,
steamship and air cargo companies....
Receiving and storage space for exhibits.
Space for commodity exchanges.
Collateral services such as an introduction and
information center, a clearing house to bring
together foreign and domestic buyers and sellers,
multi-lingual stenographic pool, international
trade library, and office facilities for transients.
Restaurants and retail shops.⁶⁷

Mathews was very proud of his design. The comparatively low World Trade Mart would not interfere with views from office buildings in the island's interior. Because the narrow sides of the "Commerce Building's" slab would face east and west, it too would avoid obstructing views and would provide a near-twin to 1 Chase Manhattan Plaza four blocks away.

The World Trade Center report was made public January 27, 1960. The DLMA managed again to arrange extraordinary press coverage; the Times carried five articles, all favorable in tone, on the 27th, followed with another on the 29th, and an article in the Sunday magazine January 31, 1960.

The origins of the World Trade Center as a means of rejuvenating Downtown real estate were hardly visible in the press reports. Rather, the DLMA argued that the World Trade Center was needed to maintain American and New York leadership in world trade. The fact that New Orleans, Boston and Chicago already had such centers--albeit much smaller--raised the prospect that New York was about to lose out in the competition for trade because it did not have one.

The World Trade Center idea had been worked out with the Port of New York Authority. Building it served crucial needs of the Authority, including the need for an investment for the Authority's surplus capital. These needs can be understood only by looking at certain aspects of the Authority's history.

The Port of New York Authority--now called the Port Authority of New York and New Jersey--is a public-benefit corporation created by New York and New Jersey in 1921, after passage of the federal legislation necessary for such an inter-state compact. Creation of the Port Authority resulted from a conflict over railroad rates between New York and New Jersey business interests. At the suggestion of the Interstate Commerce Commission, the Port Authority was formed to work out a comprehensive plan for railroads in the whole port area.⁶⁸ The Port Authority's early support was drawn mainly from big business, particularly in New York. Eugenius Outerbridge, then President of the New York State

Chamber of Commerce, served as the first Port Authority chairman. Creation of the Port Authority, in fact, was a classic act of early Reform politics. The Chambers of Commerce throughout the port area, except Jersey City's, supported creation of the Authority; Democratic political machines opposed it.

In the 1930's, what had been a not-very-successful agency changed its basis of operations. In 1931, the Port Authority obtained the assets of the Holland Tunnel Commission, which had not yet finished its tunnel. Once completed, the Holland Tunnel provided the Port Authority with rapidly expanding revenues. In turn, these were used to build the George Washington Bridge and the Lincoln Tunnel, and to subsidize operations of the Bayonne, Goethals, and Outerbridge Crossing bridges from New Jersey to Staten Island, which had never proved self-supporting.⁶⁹ After World War II, the Port Authority took over and successfully ran Kennedy (then Idlewild), LaGuardia, Newark and Teterboro Airports.

Through its three decades of expansion and ever-increasing success in the 1930's, 1940's, and 1950's, the Port Authority came to define itself in quite specific terms. Above all, the Port Authority saw itself as an extremely well-run business. Commissioners, particularly those from New York, were appointed primarily from the business community. In 1961, for example, the New York Commissioners included S. Sloan Colt, a former Chairman of Bankers Trust;

Howard S. Cullman, a tobacco merchant and Director of Bankers Trust; N. Baxter Jackson, a former Chairman of Chemical Bank; Joseph A. Martino, President of National Lead and a Director of Chase Manhattan; and Bayard F. Pope, Chairman of the Executive Committee of Marine Midland Trust. The New Jersey Commissioners in the same year included James C. Kellogg, a prominent Wall Street broker; Donlad V. Lowe, a very prominent New Jersey industrialist; W. Paul Stillman, Chairman of Mutual Benefit Life Insurance Company and the National State Bank of Newark; and Charles W. Engelhard, Chairman of Engelhard Industries, the worldwide precious metals firm.⁷⁰ Governors of both New York and New Jersey were careful not to place Commissioners in positions where they would be subject to "political" pressure. The Port Authority assembled an extraordinarily competent staff of engineers, traffic experts, planners, and economists. Through this emphasis on a businesslike approach, the long-term enmity between New York and New Jersey interests was overcome in the Port Authority. The Authority's operations were dominated by its Executive Director, Austin Tobin. Tobin's executive work was so effective that his proposals were rarely even modified by the Commissioners.

The Port Authority's projects are financed by bonds, repaid from earnings. Therefore, the Authority carefully selected only those projects that would be profitable. In turn, the great care it exercised led the bond market to easier and easier acceptance of its bond issues.⁷² The Port Authority came to judge its success by the faith bond

dealers showed in its bonds, as reflected in the interest rates they bore.

The relationship of the Port Authority to bond dealers and other members of the financial community, of course, was more than an arm's length business relationship. Members of the financial community and Port Authority executives moved in the same circles, pursued complementary goals, and in at least some cases developed quite close personal friendships. Both because of their close relationships and because of the Port Authority's need for bond market approval, the financial community and business leaders like David Rockefeller, became the Port Authority's public, the audience to which it addressed its actions.

In the 1950's, however, a challenge to the Port Authority began that would occupy it until the 1970's. The end of World War II and its gasoline rationing led to a continuing increase in auto traffic and a decline in mass transportation facilities use. Among the first mass transit facilities to suffer from the decline was the Hudson and Manhattan Railroad, which ran from Newark, Jersey City, and other points in northeastern New Jersey to midtown and Lower Manhattan. Between 1940 and 1960, the Hudson and Manhattan's annual ridership fell from 114 to 54 million, a decline many blamed on competition from the Port Authority's rubber-tire facilities.⁷³ By the early 1950's, the Hudson and Manhattan was in poor financial health, and New Jersey politicians began to call on the Port Authority to purchase and/or subsidize it.

Throughout the 1950's, pressure on the Port Authority to contribute to solution of the region's mass transportation problems grew. This pressure surrounded, particularly, the work of the New York-New Jersey Metropolitan Rapid Transit Commission, formed in 1954.⁷⁴ In 1953 and 1954, as the MRTC was being formed, the Port Authority took the stance that it had no role to play in mass transit, because such a role would remove its independence, sap its financial strength, and thus make it impossible for it to do its primary job. As political pressure grew, the Port Authority changed its tactic to one of attempting to control any study that was to be done by subsidizing it. Jameson Doig, in a detailed study of the period, concluded,

...the Port of New York Authority usually had the resources needed to achieve its ends /primarily avoiding any role in mass transit/, and the Transit Commission, local governmental officials, and state legislatures were no match for the Authority. Because of the limited perspectives of the Authority, its high degree of influence was used effectively to restrict public consideration of some ways of improving the Region's transportation network.⁷⁵

In 1959, a plan was proposed whereby the Port Authority would use its resources to purchase railway cars for other agencies, which would lease them at cost from the Port Authority. At this point, officials of the Authority mounted a campaign among investment bankers, asking them to announce that even this limited involvement of the Port Authority in mass transit would reduce the attractiveness of Port Authority bonds. The tactic was similar to those the Port Authority would use in the late 1960's and early 1970's to avoid subsidizing mass transit facilities.

After the MRTC conflict, pressure on the Port Authority became, if anything, more intense. Among the most important aspects of the pressure was the attack Congressman Emmanuel Celler of Brooklyn mounted against the Authority, originally accusing it of serving business interests and neglecting all others, then attacking it for refusing to make public certain records.⁷⁶

By this time, the difficulties of the Hudson and Manhattan Railroad had become overwhelming. In 1954, the railroad had gone into bankruptcy. In 1959, the bankruptcy judge had given the trustee two years to either close the railroad's operations or find a solution to its financial problems. An end to Hudson and Manhattan operations, of course, would have created severe difficulties for thousands of north Jersey commuters. Likely, it would also worsen the business situation of Newark, which needed a good connection to Manhattan and lacked any other good connection to downtown Manhattan.

According to Roger Gilman, the Port Authority's Director of Planning, the Authority searched, throughout the latter half of the 1950's, for a way to aid in keeping the Hudson and Manhattan operating.⁷⁷ Gilman, of course, can be assumed to have painted the Port Authority in the most favorable possible light. Others saw its actions through the late 1950's as aimed at avoiding having to subsidize mass transit facilities.⁷⁸ To permanently avoid having to subsidize mass transit facilities, however, the Port Authority needed a huge, apparently worthwhile, investment to absorb its surplus

and capture public attention. The World Trade Center offered the Port Authority a solution to its problems, or at least a partial solution. Here was a gigantic, costly facility, at least arguably needed by the port area. Its construction would absorb the Port Authority surplus, and deflect public concern with the Port Authority from the mass transit issue. It would also allow the Port Authority to work closely with its financial community constituents in rebuilding a section of Lower Manhattan. This is not to argue that the Port Authority's planners and Commissioners did not think the World Trade Center was important to the future of the port, but whatever other purposes it served, the World Trade Center did improve the Port Authority's political position.

Twelve days after the DLMA's World Trade Center report was issued, the Commissioners of the Port Authority authorized its staff and consultants to carry out a study of the need for a World Trade Center and how the need could best be met. Governors Meyner of New Jersey and Rockefeller of New York, and New York City Mayor Robert F. Wagner--the 1960 DLMA report had been addressed to the three officials--agreed that such a study was needed. The results of the Port Authority's study were published January 27, 1961.⁷⁹

The study pointed to the importance of the port to the economy of the metropolitan area, and the fact that the "competitive position of the Port as the Nation's leading port has been slowly declining...."⁸⁰ The argument for a World Trade Center, **turned on its ability to help reverse this trend:**

Although historically the world trade community is the very basis of the economy of the Port District, to a great extent it suffers today from its dispersal over widely separated areas of Manhattan. A World Trade Center in the Port of New York, therefore, should have as its objective the providing of a focal point for as great as possible representation of the world trade community and of its many and varied functions--consolidated in an effective and efficient working relationship.⁸¹

The trade center would provide the following advantages according to the report:

1. Simplify and expedite the processing of administrative and procedural matters involved in arranging for the movement of export and import cargo through the Port, resulting in savings in time and money as well as improved service.
2. Centralize and improve the trade information services now located in scattered areas of the Port.
3. Provide a marketplace for United States products available through the Port which would attract foreign buyers from around the world.
4. Provide an international marketplace for import products for United States buyers.
5. Establish a central location for agencies of the United States and foreign governments concerned with the Port's commerce, thereby making it possible for them to serve the world trade community more effectively.
6. Simplify communication among members of the world trade community in the Port, permitting them to identify more easily their common problems, to devise means of solving there problems and to implement programs to achieve solutions.
7. Stimulate the entry of United States manufacturers into export activities by providing information on foreign markets, giving them exposure to buyers from these foreign markets, and offering assistance in identifying and using efficient procedures for their export trade operations through the Port.⁸²

Most important, the report argued, a World Trade Center would increase the amount of cargo moving through the port. This increase would result from the fact that the World Trade Center would,

1. Further enhance the Port's ability to provide shippers with the most efficient possible service.
2. Attract more buyers and sellers to world trade, thus expanding the Port's trade.
3. Bind more tightly to the Port the management offices controlling export and import operations of United States and foreign firms, thus keeping them especially aware of the Port of New York and of the many advantages it offers.
4. Enhance the competitive position of the New Jersey-New York Port by bringing together into more efficient working relationships the participating segments of the Port's world trade community and by serving as a constructive symbol of the Port's leadership in handling international trade.⁸³

Further, the Port Authority's study said that, "During the study, various areas in New Jersey, Long Island and Westchester County, as well as in the City of New York were considered as possible locations for the Center,"⁸⁴ but arrived at the conclusion that the site proposed by the DLMA a year earlier was the best possible site for the World Trade Center. The Port Authority's World Trade Center site differed from the DLMA's by including the site of 120 Wall Street, the Sugar Exchange, and the block bounded by Pearl, Wall, Water and Hanover Square, on which an entrance building would be located. This entrance building would serve mainly banking and securities firms and thus tie the Center to the core of the financial district.

Plans for the Center had been changed in two other ways. First, the "trade mart" building had been changed to a "world commerce exchange," a flexible building which could include the sorts of facilities the DLMA report had allocated to the "trade mart," but could also be converted to offices.

In design terms, S.O.M.'s huge low building had been replaced by a slab in which much more floor space would be close to windows. Second, the idea of locating a new United States Customs House in the Center was included in the Port Authority report. Discussions had already opened with the Treasury Department, which proved to be quite interested in a new location. The Center's function had a specific relationship to the Customs House. Customs brokers and freight forwarders, types of business very frequently combined in single firms, were the only types of businesses dealt with specifically by the report as potential World Trade Center tenants. The report argued that,

Perhaps the most important service that the World Trade Center would offer to international trade and traders is to simplify and expedite the administrative processing of cargo through the Port of New York.⁸⁵

Unquestionably, a new Customs House was needed. The old facility at Bowling Green was badly overcrowded and outmoded. Worse, the Customs Stores, to which goods were taken for testing and other physical handling connected to the customs operation, were located a mile north, on Varick Street, making the operations of both the Customs House and the private firms it dealt with extremely inefficient.⁸⁶ In addition to these facilities, the Port Authority's World Trade Center would include a "world trade information" service and a "world trade institute." The project, the Port Authority report said, would cost about \$355 million.

The idea of a World Trade Center as conceived after World War II had been completely transformed. The 1946 report had called for a trade fair building. The DLMA, in 1960, had combined this with an office building. Now, the Port Authority wanted to build a center made up almost entirely of office space, or space convertible to offices. Likely, those shifts took place because a trade fair building was unlikely to be self-supporting. This shift then offers interesting evidence of the Port Authority's priorities. Office space could be readily provided by private real estate developers, as a trade mart could not. The World Trade Center, therefore, was advocated not primarily to improve trade, but to provide the Port Authority with a good investment. At the same time, it provided the DLMA with a means of rebuilding a part of Lower Manhattan.

Independently of World Trade Center developments, the Port Authority had been slowly shifting its position on mass transit. In September, 1960, Port Authority Executive Director Austin Tobin announced a shift. The Port Authority would be willing to take over the Hudson and Manhattan Railroad and subsidize its operations, but only if it received a guarantee that it would never again be required to participate financially in money-losing mass transit operations. This promise would be included in the prospectuses of bonds the Port Authority sold, making it not only a legislative promise but a contract between the Port Authority and its bondholders.⁸⁷

With publication of the Port Authority's World Trade Center report began a year of political jockeying between New York and New Jersey political interests. The World Trade Center, like any other Port Authority project, would have to be approved by the Governors and legislatures of New York and New Jersey. New Jersey politicians had no interest in the Port Authority's building a World Trade Center on the east side of Lower Manhattan, and saw this proposal as typifying the Port Authority policy of favoring New York. Conversely, most New York politicians, particularly the Democratic legislative leadership, had no interest in the Authority's taking over the Hudson and Manhattan Railroad, a proposal they saw as typifying the Port Authority policy of favoring New Jersey.⁸⁸

Through 1961, Governor Nelson Rockefeller worked to create a wedding of the two projects.⁸⁹ Nelson Rockefeller's commitment to the project presumably reflected a desire to help his brother, but Nelson Rockefeller also had other interests. Increasingly, he played a leading role in attempts to solve mass transportation financial problems through the New York region. His aide William Ronan took a leading role in this work. Ronan, who would later become Chairman of the Metropolitan Transportation Authority and then Chairman of the Port Authority, also acted as Rockefeller's principal spokesman and negotiator on World Trade Center matters. Thus, Nelson Rockefeller, unlike most of the New Yorkers involved in the World Trade Center, also had an interest in

Port Authority acquisition of the Hudson and Manhattan Railroad. Moreover, Rockefeller had developed a close relationship with the New York construction trades unions. He received their support in New York State AFL-CIO councils, and in turn worked to supply the construction trades with a steady flow of construction work. The World Trade Center, like the Albany Mall, State University of New York campuses, and other huge construction projects Nelson Rockefeller was involved in, would provide thousands of construction jobs.

In April, 1961, Nelson Rockefeller proposed legislation authorizing the Port Authority to both build the World Trade Center and purchase and operate the Hudson and Manhattan Railroad. This legislation was passed in New York during the summer of 1961, but by the end of August it had become clear that the New Jersey legislature would not approve the projects. New Jersey Governor Meyner favored the projects, but was unable to obtain support from his legislature.

Meyner's difficulties stemmed mainly from electoral politics involving the Port Authority's activities in New Jersey.⁹⁰ For some time, the Port Authority had been attempting to obtain approval for construction of a fourth metropolitan jet airport in Morris County, New Jersey's

Great Swamp. Meyner favored the airport. Opposition, however, was quite strong, mainly among residents of upper middle class suburbs in Morris County. Their representatives in the legislature would not approve any Port Authority activities so long as the airport was planned. In the 1961 New Jersey electoral campaign, both gubernatorial candidates opposed the airport. Once Richard Hughes, the Democratic candidate, was elected, the issue was decided against the airport, and it became possible to once again consider authorizing Port Authority projects.

In late November, 1961, discussions began between Hughes and Nelson Rockefeller. Still, the difficulty lay in the fact that New Jersey wanted the Hudson and Manhattan Railroad taken over and New York wanted the World Trade Center built, but neither had an interest in the other's project, and neither believed that its own project would be carried out once the other's was authorized. Hughes, apparently, made it clear that he could not deliver New Jersey legislative support while the World Trade Center stood on the east side. In early December, 1961, the Port Authority proposed a solution. The World Trade Center would be built on the west side, on a site outlined by the Hudson and Manhattan facilities there.⁹¹ Other inducements were offered to New Jersey interests, the most important of which was a new terminal and office building in Jersey City.⁹² The terminal-office building would induce Hudson County legislators

to approve the World Trade Center. The Port Authority, further, would extend the Hudson and Manhattan lines and make connections with other commuter railroads.

In the first quarter of 1962, a final conflict over timing revealed the depth of mistrust between New Jersey politicians and the Port Authority and New York legislature. Originally, the legislation authorizing the World Trade Center and Hudson and Manhattan projects was to be introduced as two separate pieces of legislation in the New York legislature, but New Jersey legislators insisted that it be one piece of legislation, and New York officials insisted that New Jersey act first, presumably so they could avoid repetition of the embarrassment they had suffered in 1961. On this basis, the two states approved the combined projects in March, 1962.

The negotiations that led to approval of the World Trade Center were carried on among New York and New Jersey politicians and the Port Authority. William Ronan served as Nelson Rockefeller's main representative, and New Jersey Highway Commissioner Dwight Palmer carried out negotiations for Meyner. The Governors, in turn, attempted to satisfy the demands of groups in their own legislatures: Meyner and Hughes had to deal with demands of the opponents of the Morris County airport, and of the Hudson County Democrats; Rockefeller had to obtain something for those who did not want the Port Authority to take over the Hudson and Manhattan.

Parallel discussions took place between business groups in the two states. In these discussions, New York was represented by the DLMA. The DLMA took the Newark Development Council to be its New Jersey equivalent. The Council represented corporations holding 60% of New Jersey's corporate wealth.⁹³ The Newark group was particularly interested in the problems of the Hudson and Manhattan, because they saw it as absolutely essential to the future of Newark. Both business groups apparently agreed without difficulty that the Port Authority should both build the World Trade Center and take over the Hudson and Manhattan. Politicians and the Port Authority itself, however, made the solution, the combination of the two projects into one west side World Trade Center above the Hudson and Manhattan terminal.⁹⁴

Throughout the 1960-1962 period, the City of New York played a very minor role in discussions of the World Trade Center. According to Richard K. Bernstein, then Executive Director of the New York City Planning Commission, the City's position was determined singlehandedly by James Felt, Chairman of the City Planning Commission. Felt was principal of a real estate firm that had done and in the future would do work for Chase Manhattan, the Rockefellers, and the DLMA. He was very widely respected in real estate and other business circles. He seems to have been appointed Chairman of the City Planning Commission primarily to carry out creation of a new zoning ordinance for the city. Robert Moses, as a member of the City Planning Commission, had

long opposed revision of the City's zoning, so a man of Felt's stature was needed to balance Moses. But despite the fact that relations between Moses and Felt became more and more strained through the late 1950's, they shared many beliefs. Both, for example, saw encouraging private investment, not solving community or social problems, as the primary purpose of urban planning and, particularly, urban renewal.

According to Bernstein, one day, probably in 1961, Mayor Robert Wagner called Felt to his office. Wagner was involved in a telephone conversation concerning the World Trade Center with one of the City's Albany representatives, and Wagner asked Felt whether the City delegation should stand for or against the project. Felt said the City should favor the project, and it did. At the time, Bernstein explained, the City Planning Commission's senior staff strongly opposed the project, because they thought it would depress the city's private office space market and thought the City could ill afford to lose potential real estate taxes to the tax-exempt Port Authority.⁹⁵

Whether Bernstein's recollection was accurate or not, the New York City administration favored the project, asking only that it be treated fairly by the Port Authority in making payments in lieu of the real estate taxes it legally would not have to pay. Wagner raised this issue in February, 1962, and managed to get what was then seen as a

reasonable agreement from the Port Authority. In 1966, after the inauguration of John V. Lindsay, the City reconsidered the project, and demanded a greater payment in lieu of taxes, better treatment of relocated businesses, some contributions to the street and subway systems, and Port Authority construction of an ocean-liner pier in midtown Manhattan and a container-port in Brooklyn.⁹⁶ In 1966, the City threatened to refuse to close streets through the World Trade Center site. Under this threat, the City-Port Authority agreement was renegotiated. Even after a new agreement, however, the Port Authority would pay about \$30 million per year less to the City for the World Trade Center than comparable privately-owned buildings would have produced.⁹⁷

In 1962, the Port Authority commissioned a consortium of architects made up of Harrison and Abramovitz,⁹⁸ Gordon Bunshaft of Skidmore, Owings and Merrill,⁹⁹ and Edward Durrell Stone¹⁰⁰ to design the World Trade Center. For a time, they worked with the concepts S.O.M. had prepared for the east side. At this time, real estate groups wanted the three buildings to be completed in two-year stages so they would not have a sudden, negative impact on privately-owned real estate.¹⁰¹

In 1962, however, the Port Authority replaced the original architectural team with Minoru Yamasaki and Emory Roth and Sons. Yamasaki was a young architect noted for his use of decorative techniques,¹⁰² and Emory Roth

and Sons were a New York firm known for efficient but unimaginative office buildings. The Port Authority made its new plans public in 1963. Instead of building three forty to sixty story buildings, the World Trade Center would include the two tallest buildings in the world, 110 stories high, and lower buildings surrounding an immense plaza.¹⁰³ Yamasaki and Emory Roth and Sons had developed these plans, apparently, in response to the Port Authority's desire for a monument to its success, perhaps in response to Austin Tobin's desire for a monument to his career.

Now, the World Trade Center began to suffer its first real difficulties. The first were in renting its office space, which had now expanded to 9,000,000 square feet.¹⁰⁴ In January, 1964, Nelson Rockefeller announced an agreement whereby most of the New York City offices of the State of New York would move to the Center, occupying most of one of the two towers. According to Port Authority employees, discussions that led to rental of the space were initiated by the State. According to William Ronan, they were begun by the Port Authority, which came to the State government offering space and arguing that the State would be well served by consolidation of its New York City offices. Whether such consolidation was necessary or even useful is questionable. A decade later it would appear that the agreement had been made without careful consideration of what space, and what sort of space, the State government would need.¹⁰⁵ Moreover, the State government, under

Democratic State Attorney General Louis Lefkowitz, would be engaged in a suit over the amount of rental the State government would pay.¹⁰⁶ Both these circumstances indicate provision of adequate office space for the State had been a secondary consideration in Nelson Rockefeller's 1964 decision.¹⁰⁷

From 1962 until 1966, the World Trade Center underwent a series of legal and political tests. In 1962, the Port Authority was sued by the Courtesy Sandwich Shop, located on the World Trade Center site. In the Federal District Court, the shop argued that the World Trade Center did not constitute a public use within the authority of the Port Authority to condemn land, and therefore the Authority's condemnation of the site was unconstitutional. The Port Authority argued that the World Trade Center did constitute a legitimate public use, and lost. In the Federal Circuit Court of Appeals, the Port Authority changed its ground of defense to the idea that condemnation of the property for the World Trade Center was condemnation for a public benefit, and thus constitutional under the police power, rather than as a public use. On this ground, the World Trade Center was upheld in December, 1962.¹⁰⁸

In 1964, renewed opposition to the World Trade Center was organized by Harry Helmsley and Lawrence Wein. Helmsley and Wein were two of the city's most important real estate developers and investors. They were widely supposed to have subsidized the Courtesy Sandwich Shop's battle with the Port Authority. Among many other properties, they owned

120 Broadway, a huge old office building which stood to lose many tenants if the World Trade Center were opened when office space was readily available, and also operated the Empire State Building. The latter stood to lose as much as \$1 million annually in observation tower revenues if eclipsed by the World Trade Center.¹⁰⁹ Helmsley and Wein organized a group for a "reasonable World Trade Center," which they defined as anything under eighty stories high, indicating their principal concern was Empire State Building tourist revenues. Ultimately, however, their opposition too was ineffective.

By 1975, the World Trade Center was almost complete; only its hotel and the commodity exchange building that would flank its plaza on the south remained to be completed. Already, Port Authority spokesmen had admitted a total cost exceeding \$900 million, and before completion the Center would surely cost at least \$1 billion. That sum, about \$100/square foot, was over twice the cost of Chicago's Sears Tower, a taller building built in the late 1960's.¹¹⁰ Whether any substantial amount of space would be vacant in the World Trade Center as it neared completion was unclear,¹¹¹ but well over 10 million square feet were vacant in other places downtown. Even a former Commissioner and present admirer of the Port Authority argued only that the World Trade Center might prove beneficial in the long run, despite the fact that it had proven a disaster in the first few years after opening.¹¹²

In working for the World Trade Center, the DLMA and the Port Authority coordinated their actions extraordinarily well. Apparently, close contacts existed between Warren Lindquist and members of the Port Authority staff,¹¹³ and perhaps such contacts existed between Rockefeller and Port Authority Commissioners. The DLMA-Port Authority coordination, however, cannot be considered to have resulted from subordination of the Port Authority to the DLMA or David Rockefeller. Rather, their interests coincided and they shared common viewpoints. The Port Authority's unusual fiscal-political position could be improved, it happened, by construction of the World Trade Center the DLMA had proposed as a means of rebuilding part of Lower Manhattan.

By all evidence, the Port Authority Commissioners view their job as a public service. Undoubtedly, many higher-level staff members of the Port Authority, men whose abilities would enable them to make more money elsewhere, take the same view of their work. Yet, in the World Trade Center they undertook to use the Port Authority's considerable assets to construct a series of buildings that accomplished no purpose other than **freeing the Authority from pressure to subsidize mass transit.** These actions might be explained, of course, as a sort of bureaucratic goal displacement. Yet goal displacements must be justified. For the Port Authority, justifying its actions presented no problem because of the way the Port Authority has defined its purpose and measured its success.

Purposefully insulated from electoral politics, it measures its success by expansion and the interest rate at which its bonds are sold. This criterion and the recruitment of its Commissioners tie it to the financial community. The DLMA and the Port Authority, thus, shared viewpoints on what the Port Authority should do with its resources and how it should define success. That the Port Authority Commissioners and staff and David Rockefeller and the DLMA were able to act together, thus, was not surprising. They knew one another and shared the same views on what the Port Authority was and how it should operate. That David Rockefeller and the Port Authority obtained what they did from Nelson Rockefeller is, perhaps, somewhat surprising. Nelson Rockefeller was moving toward a position of strong support for using funds from many sources to subsidize mass transportation. As Robert Caro has described, in 1968 Nelson Rockefeller would incorporate Robert Moses' Triborough Bridge and Tunnel Authority in the Metropolitan Transportation Authority.¹¹⁴ Yet he agreed to actions that freed the Port Authority from further subsidizing mass transit. This action may have reflected his brother's influence; it may have reflected a greater value David Rockefeller and others placed on the independence from "political" control of the Port Authority; or it may have reflected a combination of these and other factors.

David Rockefeller, the DLMA, and other New York City business groups are reputed to have exerted tremendous pressure on public officials to obtain approval of the World

Trade Center.¹¹⁵ Exactly how much pressure was necessary is unclear. No major political figure ever opposed the project; but whether that lack of opposition resulted from DLMA and David Rockefeller pressure, from fear of reprisals, or from belief that the project would be a good thing is unclear.

One would have expected the major opposition to the World Trade Center to have come from real estate developers and owners of rental office buildings. Helmsley and Wein, of course, did oppose the project,¹¹⁶ but other developers and owners did not join them. Whether intimidation by David Rockefeller or fear of reprisals was involved has not been ascertained. It is certainly conceivable that many possible opponents were intimidated simply by Rockefeller's involvement. Real estate developers potentially dependent on Chase Manhattan for financing, for example, may have feared opposing the World Trade Center.¹¹⁷

An important element in the success of the Port Authority and DLMA in obtaining approval for the World Trade Center, however, seems to have been their reputations. The Port Authority enjoyed a reputation for knowing what it was doing, and for doing good things for the metropolitan area in a businesslike way. David Rockefeller and the DLMA, likewise, enjoyed very good reputations, as reflected in the press and elsewhere. Their reputations undoubtedly were important sources of their ability to carry out the World Trade Center project.

From the beginning it was clear that construction of the World Trade Center would hurt New York City financially, although Port Authority officials argued that the Center would attract enough new trade to the port to overcome the real estate tax loss. Yet the City administration of Robert F. Wagner did not oppose the project. It seems unlikely that the City support for the project resulted solely from City Planning Commission James Felt's preference. The exact considerations that led Robert F. Wagner to avoid a battle over the World Trade Center have not been established. But winning such a battle probably seemed impossible, and Wagner could only worsen his relations with the Port Authority and David and Nelson Rockefeller by fighting the World Trade Center. He had little to gain in such a fight. No major group of his constituents opposed the World Trade Center. Fighting the World Trade Center, moreover, Wagner might have risked appearing as a petty, obstructionist, and partisan politician, sabotaging the honest expert efforts of the Port Authority.

The Transportation Framework

Central business districts grow because they are central in a street system, a streetcar or subway network. They decline when they are no longer central.¹¹⁸ Knowing these facts, businessmen working for Lower Manhattan's redevelopment have been concerned with the area's transportation network. The history of their concern through 1968 reveals much about their power and how they define their interests.

In its 1958 report, the DLMA proposed a rationalized Lower Manhattan street system. Major thoroughfares would be widened, and many purely local streets would be closed. Crucial to the plan was a widening of Fulton Street. Fulton was the only thoroughfare of any width running across the island south of Canal Street.¹¹⁹ Widening it would take traffic off other streets and thus improve auto access to the whole downtown area.

West of Broadway, Fulton was bounded on the north by the cemetery of St. Paul's Chapel, part of Trinity Episcopalian Parish. Some of the traffic engineers involved considered widening the street on this side by removing the sidewalk, but the DLMA never considered proposing this idea. Trinity's parishioners included many members of the financial community; and Trinity was a major real estate owner in its own right. Its churchyard, therefore, could not be violated, even by having its bordering sidewalk removed or narrowed.¹²⁰ On Fulton's south side west of Broadway stood the American Telephone and Telegraph Building. Eugene McNeeley, Chairman of AT&T, was a member of the DLMA's executive committee.¹²¹ In 1958, as the DLMA's first public report was completed, the DLMA and the City's highway engineers proposed that it would not be too difficult to remove the southern sidewalk and replace it with an arcade running under the AT&T building, and thus widen Fulton Street.¹²² McNeeley did not agree. He had extensive studies made of the need to widen Fulton,

collecting traffic counts, movies of traffic, and other materials purporting to show the widening was unnecessary. It soon became clear that McNeeley would fight the widening vigorously. Eventually, the DLMA allowed its proposal to die.¹²³

East of Broadway, Fulton was lined by small stores in old four and five story buildings; in some cases the upper floors of these buildings were not in use.¹¹⁴ Early in 1959, Borough President Hulan Jack brought the DLMA's proposal for widening Fulton between Broadway and Water Street before the Board of Estimate. Now, a new Fulton Street Association, claiming 500 members among retailers in the area, was mobilized. Although the Fulton Street Association appeared in the press as an organization of retailers, building managers and owners played a major part in the organization. On March 12th, Jack withdrew the plans for widening the street, and the DLMA told the Times it was "stunned" by this "major setback" to its plans for the area.¹²⁶

In April, 1959, however, the City Planning Commission made public a revised highway and street plan for Downtown, including the widening of Fulton east of Broadway. The DLMA's close allies on the Commission, including Robert Moses and James Felt, had used their influence to revive the idea. In May, hearings were held before the Board of Estimate on the proposal after the City Planning Commission had approved it. Herbert Burstein, attorney for the Fulton Street Association, was quoted as saying;

I am sure that if we were to propose that Pine Street be widened and that a highway be constructed through the heart of the Chase Manhattan Bank and proceed through the first four floors of the Seamen's Bank for Savings, members of the DLMA would be gravely concerned.¹²⁷

Despite the retailer's opposition, the widening of Fulton Street was mapped by the Board of Estimate June 4, 1959. However, the widening would never be physically carried out. When the World Trade Center was planned for the west side site that would close two blocks of Fulton, the widening east of Broadway became useless, and the attention of City and private traffic experts shifted to widening the combination of Liberty Street and Maiden Lane.¹²⁸

Ultimately, then, the DLMA would lose half of its first battle, over the widening of Fulton Street, and win the other half. Its difficulties with McNeeley show one of the limitations of its power: lack of unity within the economic elite. There is no reason to suppose AT&T would have been harmed at all by the widening. Rather, it seems McNeeley was motivated simply by disagreement with David Rockefeller and the rest of the DLMA. Rockefeller had no means of enforcing compliance with his desires. Despite his disagreement with the Fulton widening, in fact, McNeeley remained an executive committee member of the DLMA until his retirement from AT&T. Not only were Rockefeller and the DLMA unable to enforce compliance, but within the DLMA no one expected that members would feel obliged to cooperate with particular group efforts that they might disagree with.

The conflict with the Fulton Street merchants revealed two elements of big business power. When frustrated in one area, the Board of Estimate, the DLMA could turn to another scene of battle, the City Planning Commission, where it apparently had more influence. It could revive the originally defeated proposal in a slightly altered form, and mobilize enough influence to win the needed approval. Ultimately, despite the strong case that the Fulton Street merchants were able to present, the DLMA was able to sway the Board of Estimate to approve the widening.¹²⁹ The DLMA, thus, had the ability to carry out a struggle over a considerable period of time, summoning different resources and choosing different battlefields, to ultimately win. The DLMA apparently was able to get its way when opposed by 500 small businessmen, but not when opposed by one giant corporation, despite the fact that the corporation's interests were not threatened, while the retailers' interests certainly were threatened.

The DLMA's concern with street widenings reflected the conventional planning thinking in the late 1950's. Further increases in movement about cities would inevitably be increases in auto and truck traffic. Mass transportation, it was widely assumed, was bound to decline further, and street improvements could handle the necessary increases in traffic. In this framework, an area's future would inevitably depend on its accessibility by automobile.

This approach led the DLMA to work for street widenings,¹³⁰ and to pay special attention to parking problems. In the 1958 report, the DLMA proposed the creation of 12,000 new public parking garage spaces Downtown,¹³¹ one space for every forty workers in the area. At that time, according to their information, about 2% to 3% of the area's working population drove to work, so creation of the spaces would accommodate either removal of their cars from curb-side parking or a doubling of auto travel to work, or some combination of the two. Shortly thereafter, Chase Manhattan proposed building a huge garage for its visitors and employees a block east of Chase Manhattan Plaza.¹³² Already, Robert Moses had proposed a large public garage for the Battery Park Houses area, and his Triborough Bridge and Tunnel Authority had begun expansion of the Battery Tunnel parking garage.¹³³

As the 1960's proceeded, however, the DLMA's thinking on Downtown's transportation network shifted. Following thinking within the City Planning Commission, the DLMA more and more advocated strict enforcement of parking regulations as a means of improving the flow of traffic. Parking garages were increasingly thought of, not as supplementing already existing spaces, but as replacing spaces in the core with peripheral ones.¹³⁴

The way the DLMA handled the problems of automobile circulation and parking reflects the way they arrived at

definitions of the interests of major corporations. The DLMA, simply, accepted conventional planning wisdom as adequately prescribing how Downtown should be revived. This fact is even more evident in the history of the Second Avenue Subway.

During the late 1950's and the 1960's, thinking about transportation underwent a major shift, away from reliance on highways and automobiles and toward mass transportation. As more highways were built, planners and others began to notice, more automobile traffic was generated, by auto trips being taken for purposes that would not have generated trips before, or at least would have generated shorter trips. Highway construction also allowed commuting over longer distances and more and more abandonment of mass transportation facilities. This self-defeating aspect of highway construction had become more and more evident by the early 1960's.¹³⁵

There is no particular evidence that the DLMA--Rockefeller or Lindquist or the organization's other leaders--ever gave serious thought to the specific issues in city planning involved in the automobile versus mass transit debate. Rather, in the first five to eight years of their work to rebuild Lower Manhattan, they assumed that no new subway would be built. Perhaps they also assumed that there was no particular need for another subway. After 1963, however, their position changed dramatically, and

the DLMA became one of the most important supporters of a new Second Avenue Subway. In changing their position, however, the DLMA merely followed thinking that was developed elsewhere.

A Second Avenue Subway was first proposed before World War I, when most of New York's subway system was under construction. In fact, when the IND lines were built in the 1920's and 1930's, a tunnel was built in Brooklyn, with the purpose of connecting it under the harbor to a Second Avenue line, which would run down Water Street in Lower Manhattan.¹³⁶ In the 1950's construction of a Second Avenue Subway had been widely discussed, and promised in the campaign for approval of a \$500 million bond issue, which instead was directed toward improvement of the existing subway system. After that failure to build a new subway, it seems to have been widely believed that neither the Second Avenue, nor probably any other new line in Manhattan, would ever be built.¹³⁷

In May, 1963, however, Mayor Robert F. Wagner called for Transit Authority action to construct a new subway tunnel linking Queens to Manhattan in the northern park of east midtown, near 63rd or 64th Street. The city's transportation crisis was worst in this corridor. Despite the fact that total subway riding in the city had been declining since 1947, on the two lines that served central and northern Queens, the IND and the Flushing lines,

riding had been increasing with rapid development of new housing. The IRT Flushing line was the city's most crowded subway, and the IND 6th Avenue subway from Queens was the second most crowded. The area they served would continue to grow for some time.¹³⁸

Wagner's proposal was based on extensive research and planning carried out by the City Planning Commission. In a 1965 study, the Commission carried the proposal one step further. A publication entitled Metropolitan Mobility¹³⁹ proposed that a 63rd Street tunnel be connected to a new subway line running down Madison Avenue to Madison Square at 23rd Street. There, the new line would be connected to the BMT Broadway line. The BMT line had unused track capacity south to City Hall, and thus the growing areas of Queens would be connected to Lower as well as midtown Manhattan. The City Planning Commission argued that this route would provide by far the least expensive way of creating such a connection.

Prior to 1963, the DLMA hardly concerned itself with a new subway. In its November, 1963, report, however, the DLMA noted,

...subway transportation to lower Manhattan will remain overloaded, particularly on the east side Lexington Avenue IRT line. The anticipated 10% improvement in express service will only bring up the level to that which existed at the end of World War II. In May, 1963, the Mayor called for immediate action leading to construction of a new subway tunnel linking Manhattan and Queens. It is to be constructed in the East 64th Street area, with Queens and Manhattan tie-ins to be determined later. Initial construction need not await final

determination of these tie-ins, and the City has taken steps to provide in the capital budget the funds for engineering studies for this project.

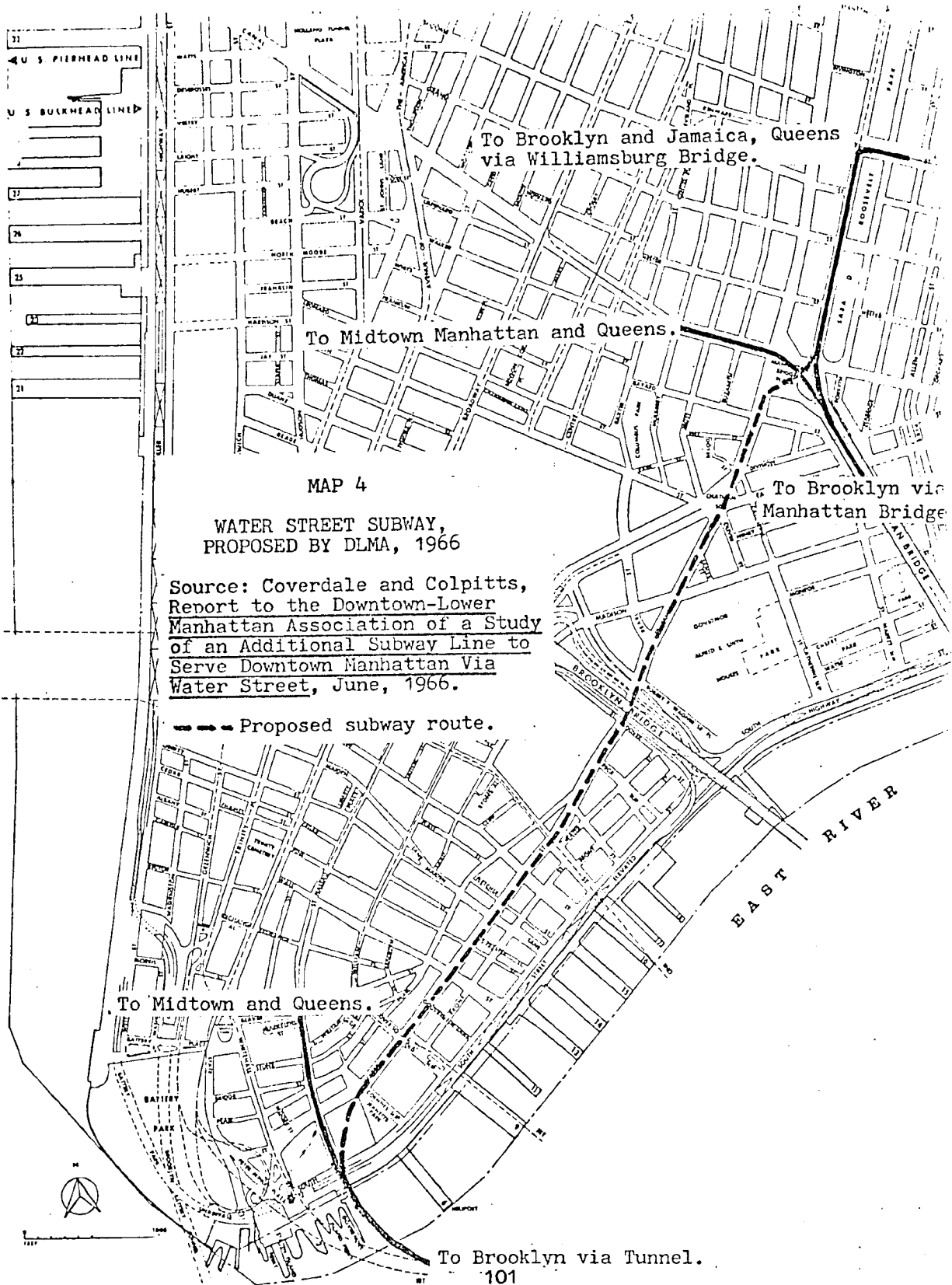
These developments make the present time propitious for studying the possibility of a new east side subway trunk line, which could be linked to the new Queens-Manhattan Tunnel. It would have the added advantage of giving service to those large east side areas of Manhattan that do not have sufficient rapid transit now.¹⁴⁰

At this point, the DLMA had no specific proposal for a new subway Downtown. In fact, even this reference to a new subway was in their report only because of the persevering arguments of one of the DLMA's consultants. In preparing its 1963 plan, the DLMA again used S.O.M. as its planning consultant, but added Braislin, Porter and Wheelock, Inc., as real estate consultants. Gordon Braislin¹⁴¹ persistently pushed the idea of a new subway down Water Street. The street was being widened. (See Chapter IV.) Utilities would have to be moved and the street physically rebuilt in any case. Virtually all the properties on the east side of Water Street between Coenties Slip and Fulton Street, and on the east side of Pearl Street between Fulton Street and the Brooklyn Bridge, had already been acquired by the City for the street widening. Therefore, a new subway could be built much more cheaply now than later. Despite his enthusiasm, however, Braislin was unable to bring the DLMA to take a definite stand in favor of a Water Street subway, much less devote its full resources to obtaining the subway.

Within two years, however, circumstances changed. Lower Manhattan entered a construction boom; the City government signaled its commitment to the area by beginning work on a Lower Manhattan Plan; and the likelihood of new subway construction in Manhattan increased dramatically.

In the summer of 1965, the DLMA contracted with Coverdale and Colpitts, a consulting engineering firm with considerable subway experience, to carry out a study of the need and possibilities for a "Water Street Subway."¹⁴² In their report, which was published June 15, 1966, Coverdale and Colpitts pointed out that the major new construction in Lower Manhattan was occurring east of William Street, an area without subways. Because of expected increases in employment in the area and increases in crowding on the Lexington Avenue line, Coverdale and Colpitts argued, a Water Street subway should be built.

As Coverdale and Colpitts were carrying out their study, proposals for a Second Avenue Subway competed with those for a new Madison Avenue line. Coverdale and Colpitts apparently were caught in the difficulty of not knowing whether a new subway would be built farther north, and if one was built, where it would be built. As a result, they attempted to design a subway route that did not depend on other new construction. The line they proposed is shown on Map 4. This line would have provided direct connections to northern Brooklyn and Jamaica, Queens, over the



Williamsburg Bridge; to other parts of Brooklyn through the BMT tunnel and over the Manhattan Bridge; two connections to midtown Manhattan via the 6th Avenue and Broadway lines. Coverdale and Colpitts argued, however, that if a Second Avenue Subway was built, the Water Street subway should be connected to it, providing service to Queens from Lower Manhattan.

The report argued that development along Water Street would create enough traffic to allow the new line to pay its own operating costs. Further, they argued that the new subway would cause enough new real estate development to pay for seventy percent of its capital cost:

The result of real estate development in the portion of the study area which would be directly served by the proposed line would be an increase in tax revenue to the City of New York estimated to be in the order of \$19,000,000 per year. Of this amount, possibly as much as \$4,000,000 would arise from developments which in our opinion are contingent upon improvement in subway transportation. The latter figure is the approximate cost of annual level debt service on a borrowing of \$80,000,000 at four percent repaid over 40 years. This figure is roughly 70 percent of the estimated capital cost of the project, at 1966 cost levels.¹⁴³

The Coverdale and Colpitts study had a number of faults. First, the BMT tunnel to Brooklyn had no excess rush-hour track capacity, and the Williamsburg Bridge had very little; therefore, the proposed routings were simply impossible.¹⁴⁴ Second, the study failed to relate patterns of riding into Lower Manhattan to the areas outside Manhattan to be served

by the new line. These faults are significant. In proposing a new subway along Water Street, as in proposing a World Trade Center that included a great deal of economically insupportable trade mart space, the DLMA appeared to operate fairly amateurnishly.¹⁴⁵ Moreover, the Water Street subway study makes it clear that the DLMA was not trying to follow a systematic overall plan for the redevelopment of Lower Manhattan. Had they been doing so, they presumably would have had an interest in where riders to Lower Manhattan were coming from. The DLMA, for example, might have had an interest in providing good service to midtown and to middle class areas of Queens, but have had no particular interest in providing improved service to poorer neighborhoods. The DLMA's plans for the future of Lower Manhattan were not detailed enough to cause such issues to arise. Rather, the DLMA was simply trying to obtain public facilities for its area, without regard to whether these public facilities were the best possible expenditure for the area or the most efficient uses of public funds.

While Coverdale and Colpitts were developing a case for the Water Street Subway, the City Planning Commission's Lower Manhattan Plan group carried out their own extraordinary study of the area. The Lower Manhattan Plan will be dealt with as a whole in Chapter III. It proposed a wide range of public improvement for Lower Manhattan, but its authors arrived at the conclusion that a new Downtown subway was

needed far less than improved service elsewhere. Their conclusion was framed as follows:

Improvements to the subway system in New York City can only be made as part of an overall strategy for meeting the needs of all users....it is obvious that the limited financing available now permits only selected improvements in the immediate future.

Although this study could not go into broad transportation planning, it is clear from the findings that there are urgent needs outside Lower Manhattan. It is equally clear that Lower Manhattan enjoys relatively good service now and that it would benefit from improvements which would cut congestion into Midtown from Queens and from the North. Therefore, no new line construction in Lower Manhattan can be recommended at this time....¹⁴⁶

Despite these conclusions, changes in the system of transit finance and administration created a commitment to a Water Street subway, tied to a Second Avenue line, by the end of 1968. By 1968, a new vehicle for financing and administering New York's transit facilities, the Metropolitan Transportation Authority, had been created, mainly through the efforts of Nelson Rockefeller. In 1967, the state's voters approved a \$500 million bond issue for mass transportation, and state legislation creating the M.T.A. was passed. March 1, 1968, the M.T.A. gained jurisdiction over the New York City Transit Authority facilities and other mass transport facilities.¹⁴⁷ The giant new agency was headed by William J. Ronan, previously one of Nelson Rockefeller's closest associates.

November 7, 1967, Nelson Rockefeller requested that the M.T.A. develop a program for expansion and improvement

of mass transportation facilities in the metropolitan area. The M.T.A. report, entitled Metropolitan Transportation, A Program for Action, was issued February, 1968.¹⁴⁸ It recommended that expansion and improvement be undertaken in two phases. It was claimed that available money, almost all of it from the bond issue, would be adequate to finance the first phase. The recommended improvements in the first phase included completion of the 63rd Street tunnel, the addition of subway lines in Queens, the construction of the Second Avenue Subway from 34th Street to the Bronx, and other improvements. Extension of the Second Avenue Subway south of 34th Street to Lower Manhattan, however, was relegated to the second stage. The M.T.A.'s program was incredibly ambitious, but its second phase amounted, in 1968, to a collection of wishful thoughts.¹⁴⁹ Although the Second Avenue Subway south of 34th Street held first place in phase two, it seemed unlikely, in 1968, that it would be built in the foreseeable future. Thus, the M.T.A., created by Nelson Rockefeller and run by one of his closest associates, had developed a set of plans that deferred the Downtown subway David Rockefeller wanted. According to Ronan, the DLMA received no more attention in the subway planning process than did many other business groups. What he called the "big x," the Queens tunnel and line and the Second Avenue line north from 34th Street to the Bronx, was the priority subway improvement. "The future of the City depends on them,"--the two new lines--he argued.¹⁵⁰

In the summer of 1968, the New York City Board of Estimate considered the M.T.A. plan. The pattern of trading among the Borough Presidents resulted in the City committing itself to financing certain expansions of the M.T.A. program. Among these was a commitment to finance construction of the Second Avenue Subway south from 34th Street to Whitehall Street, running along Water Street in Lower Manhattan. This construction was to be carried out at the same time as the Second Avenue Subway north of 34th Street was built. The most important support for this addition to the M.T.A. program came from Manhattan Borough President Percy Sutton and from Mayor Lindsay and his aides.

By this time, as Chapter III will demonstrate, the Lindsay administration had committed a great many resources to Lower Manhattan redevelopment, as well as to capital expenditures elsewhere; its support for the Second Avenue Subway was hardly surprising. However, the critical support Borough President Sutton gave the subway was somewhat surprising, and therefore bears careful analysis.

Prior to 1968, Sutton had occasionally opposed Lower Manhattan interests, particularly in the fights over the Lower Manhattan Expressway. (See Chapter V.) During 1968, he and the other members of the Board of Estimate were under some pressure to approve the Second Avenue Subway southern extension. The DLMA organized street rallies in favor of the Subway and lobbied vigorously as well.

Sutton was convinced that the construction going on and planned for Water Street would create tremendous additional problems of crowding on the already over-crowded Lexington Avenue line.¹⁵¹ More important, however, he wanted to use construction of the Second Avenue Subway to improve service to the bulge of the Lower East Side between Delancey and 14th Streets. This large area, east from Fourth Avenue to Avenue D, was without subway service. Here lived Blacks and Puerto Ricans who were some of Sutton's poorest constituents. The representatives of the area, many organized through anti-poverty programs, were among the most ideologically radical and vocal of all leaders of New York's low-income communities. Their thinking, in transportation as in school and housing matters, was important to Sutton,¹⁵² and they wanted subway service for the Lower East Side bulge.

From the start of Board of Estimate discussions of the Second Avenue Subway, Lower East Side spokesmen and Sutton wanted a subway extension that would swing eastward to serve the bulge; a line running down Second Avenue would provide no great improvement in service to the area. The M.T.A. and the DLMA, on the other hand, strongly opposed this eastward curve. For them, the whole purpose of extending the Second Avenue line into Lower Manhattan was to bring Bronx and Queens residents rapidly to the area. Too many stops and too many curves would increase running time and therefore defeat this purpose. Besides, the M.T.A. argued, the Lower East Side could be adequately served by buses.

During 1969, this conflict simmered, as the M.T.A. held firmly to its plan and the Lower East Side activists and Sutton accused the M.T.A. of bowing to the DLMA's desire for a subway that would serve only the middle class. In January, 1970, a sort of resolution was presented by the M.T.A. and accepted by the Board of Estimate. Rather than by an eastward turn of the Second Avenue Subway, the Lower East Side would be served by a first phase "cup-handle" loop, running from the 14th Street line's First Avenue station, along 14th Street to Avenue C, down Avenue C, and to a connection at the Essex-Delancey station.¹⁵³

The DLMA, thus, got a public commitment to build its Water Street Subway. It got it not because it was able to subordinate either the State-sponsored Metropolitan Transportation Authority or the City Board of Estimate to its will, but because an extraordinary optimism about the City's future financial capacity infected the Board of Estimate during the late 1960's; because members of the Board of Estimate, along with almost everyone else, believed riding on the Lexington Avenue line Downtown would continue to increase; and because the Lower East Side wanted subway service. The Board of Estimate refused to make choices among demands of the various boroughs for subway expansion. Nor could it choose between the M.T.A. plan, supported by the DLMA, for a Second Avenue Subway that would bring the middle class to Manhattan, and a local line that would serve low-income neighborhoods. It left the latter choice to be

settled in the conflict between the M.T.A. and Sutton. The Board of Estimate tried to incorporate all these demands in its plans for subway expansion. The resulting plan was unrealistic. Beginning to carry it out, Ronan and other M.T.A. officials seem to have assumed that some parts would never be built and that others would be financed only when greater federal mass transportation subsidies became available. In effect, the Board of Estimate had left the setting of priorities to the M.T.A. The M.T.A.'s priorities were clear in its actions. It delayed beginning work on the "cup-handle" Lower East Side route. But the M.T.A. not only immediately carried out design work for the Second Avenue Subway extension south of 34th Street, but actually started construction on the Chatham Square station north of the Brooklyn Bridge. Very likely, the M.T.A. executives assumed that starting construction all along the line would force the City, State or federal government to come up with enough money to complete construction.

The development of a public commitment to extend the Second Avenue Subway south of 34th Street reveals several possible sources of the power of big business in the planning process. First, some of the goals public officials pursued in the subway planning process were drawn, not from carefully worked out ideas of how the subway system should work, but from specific needs, real or only felt, of specific constituencies. The different Borough Presidents, in this way, obtained their own lists of highly specific

demands for expansion of the M.T.A. program. Partially by chance, it became a relatively easy matter to attach one set of demands, for subway service for the Lower East Side bulge, to the demand for a Lower Manhattan extension of the Second Avenue Subway. The radicals demanding a Lower East Side subway and the businessmen demanding a subway for Lower Manhattan, as a result, became temporary allies. Had discussion of returning to the M.T.A.'s original program developed, their alliance might have been realized.

Second, the public officials involved in planning the subway expansions, except those directly involved in the M.T.A.'s work, apparently had no means of judging what proposals were realistic, which ones unrealistic. Undoubtedly quite willingly, they boarded a bandwagon of optimism about the City's economic and fiscal future. The belief that lay just below the surface, that the City could somehow get the money to do everything for everybody, made it easy to commit City funds to expansion of the Second Avenue line into Lower Manhattan. As the President very frequently defines fiscal reality at the federal level, the Mayor and Nelson Rockefeller defined a very pleasant fiscal reality at the City and State levels. In these circumstances, public officials seriously questioning programs like the Second Avenue Subway extension, which seemed justified, would have appeared ill-tempered or constitutionally pessimistic.

These, of course, are sources of irrationality in urban and other politics. They are potentially beneficial, not only to business groups, but to any well-organized, permanent interest group that can take advantage of such circumstances as they arise. But business groups are very frequently fairly well organized and permanent. Perhaps more important, they frequently are centralized enough to be able to act swiftly and decisively. To the extent that business groups are the only such groups in particular policy areas in which urban government becomes involved, these sources of irrationality in urban government may increase their power.

The Power of Big Business

Several conclusions on the power of big business can be drawn from the aspects of the history of Lower Manhattan's redevelopment examined so far. The DLMA, from the start, was almost entirely David Rockefeller's personal instrument. Despite the presence of other executives of major corporations on the DLMA board, there is little evidence that they contributed to or controlled much that the DLMA did. One member of the DLMA argued that other big business executives simply assumed David Rockefeller would care for the area's future.¹⁵⁴ David Rockefeller not only served as spokesman for the DLMA, but essentially decided on its actions himself. If the Fulton Street example was typical, Rockefeller did not even take much care to work

out plans with DLMA board members before proceeding with them. Rockefeller's control of the organization resulted not from control over executives of other big Downtown corporations. (It seems likely that Seamen's Bank is an exception.) Rather, other Downtown executives were not particularly interested in the area. Sometimes, they were unwilling to sacrifice their interests, or even their whims, to David Rockefeller's desires. But they were usually willing to allow him to speak for their community on Lower Manhattan redevelopment matters. Thus, David Rockefeller's power did not rest on close coordination of his actions with those of other big business executives. That Rockefeller could wield such extraordinary power over urban planning decision making without coordinating his actions very well with those of other leaders of big businesses, implies that the other sources of his power were extraordinarily fruitful.

David Rockefeller's power did rest, in part, on the special nature of certain governmental institutions. Most obvious was the Port Authority. The Port Authority defined institutional success in ways that made it dependent on approval by the financial community. Its self- and public definition as an apolitical agency dedicated to businesslike efficiency cut it off from many possible sources of influence within government. The Port Authority Commissioners were drawn from the financial community and shared its viewpoints. Had these ties failed, the Port Authority's

dependence on bond financing might have maintained financial community influence in its actions. That ties between the Port Authority and the financial community were so close is not surprising. Legally, the Authority is a creature of the States of New York and New Jersey. In fact, it is and always has been an instrument of the financial community, subject to some political pressures.

Like the Port Authority under Austin Tobin, the Slum Clearance Committee under Robert Moses was insulated from politics, or at least from control by elected officials. Moses needed support from big business, and enjoyed close personal relations with David Rockefeller and similar men. Sharing with them a view of city planning that saw its function as increasing real estate values, Moses was willing to shape his program to aid David Rockefeller's Lower Manhattan redevelopment. Like the Port Authority's dependence on bond financing, the dependence of the urban renewal program on investors willing to purchase renewal sites was established in legislation. As a result, the program might have proven useful to David Rockefeller's efforts even if he had not enjoyed good relations with its administrators.

Other sources of the power big business wielded in Lower Manhattan's redevelopment must be sought, apparently, in the reputation business leaders like David Rockefeller enjoy and in their relationships with public officials. Analysis of these sources of their power may be deferred to Chapter III.

Using the power he drew from these sources, David Rockefeller was guided by a mixture of motives consonant with the role of business leadership. In planning Lower Manhattan's rejuvenation through urban renewal, street widenings, and public investments, David Rockefeller was guided, not by particularly original or clever ideas in planning, but by his use of the informed and apparently expert opinion he could employ. Wanting to redevelop the east side of Lower Manhattan, he turned to Skidmore, Owings and Merrill to tell him and the DLMA what a World Trade Center would look like. So long as no one thought about new subway construction, neither did Rockefeller. But once the prospect of new subways entered the thinking of well-informed groups, Rockefeller and the DLMA started working to get one Downtown. Earlier, Rockefeller had let the supposed experts tell him Fulton Street should be widened, and had staked a great deal of his reputation and his new organization's reputation on getting it widened.

David Rockefeller was also interested in protecting Chase's investment in Lower Manhattan. Whether that investment was really endangered or not, David Rockefeller felt a need to concentrate on rebuilding the blocks around Chase Manhattan Plaza. Not surprisingly, he attempted to preserve the public image of his work as not concerned mainly with protecting Chase investments or providing new ones, but he did propose a huge parking garage a block from Chase Manhattan Plaza and an insurance company building

just to the north. According to one report, which proved impossible to confirm or disprove, Rockefeller became very concerned, when the World Trade Center site was moved to the west side, that the New York Stock Exchange might move to the west side World Trade Center.

The fact that Rockefeller had these narrower concerns should not be interpreted as meaning his efforts to rebuild the whole of Lower Manhattan were simply a screen for attempts to advance his own and Chase's economic interests. Rather, the role of business leadership merges public service with private interests. To carry out that role properly in redeveloping Lower Manhattan, David Rockefeller almost had a responsibility to profit from the area's rebuilding. This, of course, was a responsibility to profit not through sharp dealings, but by obtaining a "reasonable share of benefits of the area's growth.

The image of Downtown's future which was behind the actions of the DLMA seems to have changed over time. During the first few years of their work, Rockefeller and his colleagues were concerned almost solely with the financial and insurance areas and the blocks immediately surrounding them. They saw office development in this immediate area as crucial. High income housing beside Battery Park and middle-income housing farther north would supplement this commercial development.

The DLMA's concern with traffic improvements is revealing. In Lower Manhattan, over 95% of whose workers arrive by public transportation, traffic improvements

would improve the area for only the tiny minority, made up of executives, who utilize cabs and automobiles frequently. The DLMA was so concerned with this minority, certainly, because its members were among those who utilized cabs and automobiles frequently, but also because they thought the convenience of these executives would affect their decisions on whether to stay or expand in Lower Manhattan or to leave. The DLMA continued to stress the need for traffic improvements though the twenty years studied. But after 1963 the DLMA added an interest in a new Downtown subway. They seem to have started thinking about subways with few specific ideas of who the subway would serve; they simply wanted a subway with as many connections as possible. As the subway planning process developed, however, the DLMA adopted a position similar to that of the MTA, which wanted the Second Avenue Subway to serve primarily middle class residential areas of the Bronx and Queens.

As their thinking on what to do Downtown developed, David Rockefeller and his colleagues thought of the area as another east midtown. It would combine prestigious offices with retailing, someday even entertainment, and high-income residences. This vision of Lower Manhattan would be fully articulated, however, only by the City administration of John V. Lindsay. Therefore, its development may be described in Chapter III.

NOTES: CHAPTER II

1. Lindquist interview.*
2. Urban planning efforts have very commonly been supported by leaders of big businesses. Utilities executives, for example, played important roles in the early history of the Regional Plan Association. See Forbes B. Hayes, Community Leadership, The Regional Plan Association of New York (New York: Columbia University Press, 1965)
3. The Chase decision to build a new headquarters Downtown was announced at a news conference March 28, 1965. Architectural renderings and fairly detailed plans were discussed. Therefore, it seems likely that the decision was made toward the end of 1955.
4. See Chapter IV for further details on 20 Broad Street.
5. William Zeckendorf, Zeckendorf (New York: Holt, Rinehart and Winston, 1970) p. 264.
6. Ibid.
7. Ibid., pp. 265-6. Zeckendorf's account almost certainly includes apocryphal elements, although a Chase Vice President, not then at the bank, confirmed its outlines. Zeckendorf proceeds to describe a game of "musical chairs" in which several banks moved over a number of years.
8. Mathews interview.
9. Ibid.
10. Mathews suggested an important competition existed between Rockefeller and George Champion, then the Chase Board Chairman. Rockefeller's real position, of course, was stronger than his formal one, because of his family's stockholding position.
11. For descriptions of buildings and their architectural importance, see Norval White and Elliot Wilensky, AIA Guide to New York City (New York: Macmillan, 1967).
12. That is, a building's facade had to be set back one foot from the lot-line for each four feet it rose above that multiple's distance above the sidewalk. "Set-backs" were originally required as a means of protecting surrounding building's access to sunlight.

*Interviewees and their positions are listed in Appendix III.

13. Like many banks and other big businesses building for their own use, Chase did not build to the legally allowable size.
14. Mathews interview.
15. Lindquist, Mathews interviews.
16. Shultz and Simmons, op. cit.
17. Ibid.
18. Mathews interview.
19. For a discussion of this concept see Raymond Vernon, Metropolis, 1968 (Cambridge: Harvard University Press, 1960), pp. 122ff.
20. Zeckendorf, op. cit., p. 266.
21. It is, of course, possible that the decision was made to protect Rockefeller family, rather than Chase, investments. There is, however, no evidence that these investments were especially extensive at the time. If anything, family interests would have been better served by reinforcement of midtown as the city's main office center. Rockefeller Center's central position in midtown could have been reinforced and built upon.
22. New York Chamber of Commerce, Committee on Lower Manhattan Redevelopment, Press release, March 11, 1957. The Committee as a whole seems never to have functioned.
23. This account is drawn mainly from Schulman's recollections. Lindquist mentioned the work of Pomeroy and Schulman in a complimentary but very vague way. Apparently, the difficulties of working within the Chamber of Commerce structure caused Rockefeller some embarrassment.
24. Hugh R. Pomeroy and S.J. Schulman, Program Study for the New York State Chamber of Commerce Committee on Lower Manhattan Redevelopment, January 28, 1957, p. III-13.
25. Ibid., p. III-6.
26. Ibid., p. III-10.
27. Ibid., pp. Iv-1, Iv-2.
28. Schulman interview and ibid.
29. New York State Chamber of Commerce, op. cit.

30. Lindquist, Schulman interviews.
31. The Downtown Manhattan Association was headed by John Butt. Earlier, it had pursued the widening of Water and other streets, and concerned itself with band concerts and ticker-tape parades, but had been relatively ineffective in working for overall redevelopment of the area. Butt was Chairman of the Seamen's Bank for Savings, and, on merger of his D.M.A. with Rockefeller's group, became President of the DLMA.
32. The October 15, 1958 Times devoted three articles to the plan. One was a detailed description, a second reprinted the plan's entire text, and a third portrayed David Rockefeller.
33. Seventeen years later, Schulman mentioned unhappiness at the small (\$10,000) fee he and Pomeroy had received, and S.O.M.'s handsome fee. See Downtown-Lower Manhattan Association, Inc., Lower Manhattan, Recommended Land Use, Redevelopment Areas, Traffic Improvements, 1st Report, October, 1958.
34. According to a respondent, this is still true. Peracca interview.
35. On 19th century development patters see, among many others, Sam Bass Warner, Streetcar Suburbs (Cambridge: Harvard University Press and MIT Press, 1962).
36. See Seymour Toll, Zoned American (New York: Grossman, 1969).
37. David Loth, The City within a City: The Romance of Rockefeller Center (New York: William Morrow & Co., 1965)
38. The vision of John D. Rockefeller, Jr., was possible of course because he, unlike most real estate developers, could absorb large losses for many years until the project became profitable.
39. See Loth, op. cit., and biographies of Nelson Rockefeller on his role as rental agent for Rockefeller Center.
40. Henry C. Alexander of J.P. Morgan & Company, was the executive, besides Rockefeller, most interested. Lindquist, Schulman interviews.
41. Lindquist interview.
42. Ibid.
43. Zucker interview.

44. Wagner interview.
45. Ibid.
46. Tobier suggested that the Seamen's Bank may be a conduit through which Rockefeller family investments are funnelled, and that this may account for their relationship to David Rockefeller. Tobier interview.
47. Wallace interview.
48. The new Executive Vice President, John Goodman, was described in not very complimentary terms by several respondents.
49. Mason interview.
50. Collins, Lawrence interviews.
51. On Western Electric's role, Gilman, O'Malley interviews. On staggered work hours, see Appendix II.
52. Brooklyn Bridge South was clearly solely the result of DLMA persuasion. Usually, Moses' projects advanced, in the Slum Clearance Committee's reports, from a stage of contemplation to one of action. Brooklyn Bridge South was not mentioned before January, 1959. The block wide strip between Water and Pearl Streets was also occupied by outworn buildings. It seems to have been assumed, however, that this strip would be redeveloped privately. An interesting study, beyond the scope of this work, would trace real estate speculation in this strip.
53. The history of Lower Manhattan's elevated highways, particularly the South Street Viaduct section of the F.D.R. Drive, provides an ironic example of how short-range considerations dominate much urban planning decision making. The highway, built in the early 1950's, was raised so that trucks could proceed beneath it to the East River piers. Already, usage of these piers had begun to decline, and within a few years they were out of service altogether, except for one set of berths north of the Brooklyn Bridge.
54. During the 1960's, as will be recounted in Chapter IV, private investors did become interested in the area.
55. Lindquist's argument.
56. Lindquist, Zucker interviews.
57. Ibid.
58. See World Trade Corporation, Report to the City of New York, October, 1947.

59. Their conclusion, as is usual in planning reports, was not stated this bluntly.
60. Edward Durrell Stone, Recent and Future Architecture, (New York: Horizon Press, 1967) includes material on the New Orleans center, which he designed.
61. Gilman interview.
62. Mathews interview. Lindquist's own description of the origins of the World Trade Center, which downplayed his role, confirmed the idea that he and Rockefeller thought of it in rather romantic terms, as connected to the origin of New York City in its port. Lindquist interview.
63. Mathews interview.
64. Interestingly, these blocks included the properties of the Seamen's Church Institute, an Episcopal institution providing temporary residences for seamen. Although it has proven impossible to verify this speculation, it seems likely that the four blocks were left out of the proposal to allow the Institute to make a handsome profit by selling these buildings after the adjacent area had been redeveloped. On the further history of the area, see Chapter IV.
65. Downtown-Lower Manhattan Association, Inc., World Trade Center Report, January, 1960, p. 11.
66. Ibid.
67. Ibid.
68. Marvin Maurer, The Role of the Commissioners of the Port of New York Authority in Policy Formation, unpublished Ph.D. dissertation, Columbia University, 1966. Much of the following account of early Port Authority history is based on this work.
69. In planning these bridges, according to Maurer, the Port Authority made what proved inaccurate traffic projections. This near-disastrous error resulted in the Port Authority's strong emphasis on careful planning and fiscal conservatism.
70. Who's Who in America, 1960-1961. The Commissioners, of course, held many directorships outside their principal business firms.
71. Maurer, op. cit., p. 87. That this is still the case was attested to by Hoyt Ammidon, a former Commissioner. Ammidon interview.

72. Relations between the Port Authority and the small group of experts who make up the bond market have been so close that to abstract them into a market is somewhat misleading.
73. Jameson Doig, The Politics of Metropolitan Transportation, unpublished Ph.D. dissertation, Princeton University, 1961, p. 2.
74. Ibid.
75. Ibid.
76. Celler went so far as to charge Austin Tobin, Executive Director of the Port Authority, with contempt of Congress. See newspaper reports.
77. Gilman interview.
78. Maurer, op. cit., for example.
79. Port of New York Authority, A World Trade Center in the Port of New York, March, 1961.
80. Ibid., p. 3.
81. Ibid., p. 4.
82. Ibid., pp. 5-6.
83. Ibid.
84. Ibid., p. 25.
85. Ibid., p. 11.
86. Once the Port Authority came up with the idea of moving the Customs House, Rockefeller and others lobbied vigorously with the Secretary of the Treasury, a friend, to have it moved. Lindquist interview.
87. Legislatures in the State of New York cannot constitutionally bind future legislatures. Therefore, the Port Authority could be guaranteed that it would never have to subsidize mass transit operations again only by vote of the electorate, or by a contract with private parties. The prospectus including the promise made it a contract between the Port Authority and its bondholders, and therefore something the legislature could not reverse.
88. Busse, Gilman interview.
89. Ronan interview.

90. Busse interview.
91. Gilman interview.
92. Gilman argued that the Jersey City office building was needed for the new Port Authority Trans-Hudson rail operations.
93. Busse, Lindquist interviews.
94. Busse recalled being at a holiday party at the end of 1961. Nelson Rockefeller telephoned his brother David, who was also at the party, and informed him a World Trade Center would be built, but on the west rather than the east side.
95. Bernstein interview.
96. See New York City, City Planning Commission, The World Trade Center, An Evaluation , March, 1966.
97. Ibid.
98. Harrison and Abramovitz are an architectural firm long associated with the Rockefellers. Harrison was one of the designers of Rockefeller Center.
99. Bunshaft was S.O.M.'s main designer. He would also be involved elsewhere downtown, in designing the New York Stock Exchange's planned new buildings.
100. Stone, in the early 1960's, was at the height of his reputation. He would later design the new Municipal Office Building, which has not been built.
101. Curtiss interview.
102. See Ada Louise Huxtable, "Pools, Domes, Yamasaki--Debate," New York Times Magazine, November 25, 1962, pp. 36ff.
103. Apparently, the design was decided upon with the Port Authority, without consultation with outsiders before it was made public.
104. The total square feet in the World Trade Center are 10,000,000. About 1,000,000 square feet, however, are stores, passageways, and other non-office space.
105. For example, during the 1974 Nelson Rockefeller Vice Presidential confirmation hearings, the New York Post published stories that New York State agencies were paying double rents in many cases, on offices in the World Trade Center and on offices vacated to move into the World Trade Center. See issues of December 13-14, 1974.

106. At issue was interpretation of the State-Port Authority contract, which apparently was so poorly drawn as to leave responsibilities for finishing interior spaces and payment of operating expenses unclear. Newspaper reports, Broverman interview.
107. Similar circumstances, of course, surrounded the incredibly expensive Albany Mall state office complex built during the same period.
108. Fishbein interview, legal briefs supplied by Fishbein.
109. This figure was mentioned as minimum Empire State Building tourist revenues by David Wallace and Anthony Peters in interviews. They proposed that an observation tower be built at the tip of Lower Manhattan, in 1966, and in preparing that proposal studied the economics of observation towers and decks.
110. Peters interview. Peters coordinated construction of the Sears building.
111. In 1974, a Port Authority spokesperson claimed that only space being readied for occupancy was vacant. Broverman interview.
112. Ammidon interview.
113. One such friendship obviously existed between Lindquist and Roger Gilman. When the researcher contacted Gilman for an interview, he found that Lindquist had already mentioned this study to Gilman. Mathews mentioned Lindquist's close contacts at the Port Authority.
114. Caro, *op. cit.*, pp. 1067-1081.
115. For example, the DLMA went so far as to pressure WNET-TV, the local educational television station, to run "Another Day Downtown," a program so blatantly one-sided that the Federal Communications Commission rebuked the station for airing it. See Desmond Smith, "World Trade Center, Manhattan's Tower of Babel," The Nation, Feb. 28, 1966, pp. 235-238.
116. Helmsley and Wein's group indicated its willingness to accept any World Trade Center less than 80 stories high. They may have opposed the Port Authority's architecture, but not the project itself, and have made this position known to David Rockefeller.
117. One respondent outside the real estate field, former shipper Jakob Isbrandtsen, said the Rockefeller had punished him for his opposition to the World Trade Center.

118. Lower Manhattan grew up where it did as New York's commercial center because it was the point of original settlement, but its dominance was maintained by the transportation framework's pattern of growth. First elevated lines, then subways were focused on the area. Lower Manhattan was far better served by both than any other area in New York City, and still has the city's most densely packed subway network. A transportation event, pulling the railroad terminals north to midtown, was a major cause, if not the major cause, of the beginning of Lower Manhattan's decline. For a history of transportation in the area see Lower Manhattan Public Transportation Study, Lower Manhattan: Past, Present, Future: Volume I, Historic Development, January, 1974.
119. Liberty Street and Maiden Lane together formed another artery, but were very narrow. Earlier, Chambers Street had run across the island, but its eastern end was closed for construction of Alfred E. Smith Houses just after World War II.
120. Carroll interview.
121. The following account is based on Lindquist, Mathews, and Carroll interviews. Each confirmed the others' version of the events.
122. A very similar arcade had been built around New York Telephone's building on West Street for the same purpose. The AT&T building's first floor contained only elevator lobbies and banks of telephone booths. AT&T would have been compensated by the City for any damages suffered in the building's arcading.
123. Interestingly, the conflict between the DLMA and McNeeley was not covered at all by the Times. It seems likely the news was not covered to avoid embarrassing David Rockefeller.
124. Carroll interview.
125. Lindquist, Carroll interviews.
126. David Rockefeller, quoted by Times, March 14, 1959, 27:6.
127. Herbert Burstein, quoted by Times, May 7, 1959, 35:8.
128. To laymen, it might seem to make little sense to widen Fulton east of Broadway if it could not also be widened west of Broadway. Traffic and highway officials, however, often proceeded in this step by step way, taken advantage of opportunities as they presented themselves. The widening of Fulton today would make no sense, because it is cut off at Church Street by

the World Trade Center. It has been replaced as the river-to-river artery by Liberty Street and Maiden Lane. Liberty Street was widened in a piecemeal manner: between Nassau and William when the Chase Manhattan Plaza was constructed; between Nassau and Broadway when the Marine Midland Bank was constructed; between Broadway and Church with construction of 1 Liberty Plaza; and between Church and West with construction of the World Trade Center. The City's traffic experts hope it will eventually be widened between William and the East River. Carroll interview.

129. It is possible that, in approving the widening east of Broadway, the Board of Estimate was simply allowing David Rockefeller to save face, with the understanding that the widening would never be physically carried out.
130. Pressure for street widenings was also built into New York's governmental system in two ways. Almost any large-scale construction required at least some changes in streets, and the Departments of Highways and Traffic and their predecessors made a practice of bargaining for wider streets when requests for other changes were received. Second, prior to 1961, New York's zoning code tied the bulk of buildings to the width of streets they faced.
131. DLMA, 1958, op. cit., p. 36.
132. Carroll interview and New York City, Borough of Manhattan, Office of Borough President Hulan E. Jack, Public Improvements during the Administration of Hulan E. Jack, 1954-1957, 1958, p. 55.
133. Lebowhl interview and New York City, Slum Clearance Committee, Battery Park Slum Clearance Plan, Jan., 1959.
134. In discussions that led to the 1961 revisions of the zoning code, the Planning Commission adopted the policy that more parking should be provided in most areas of the city, but parking should be discouraged in Manhattan. All increased parking facilities would do, it was thought, was encourage people now riding mass transit to bring their cars to work.
135. For an excellent, concise summary of these developments, see Alan Altshuler, op. cit., pp. 17ff.
136. Caplan interview.
137. Caplan, Lindquist, Braislin interviews.
138. See New York City, City Planning Commission, Better Rapid Transit for New York City, May, 1963.
139. New York City, City Planning Commission, Metropolitan Mobility, November, 1965.

140. DLMA, Lower Manhattan, Major Improvements, Land Use, Transportation, Traffic, 1963.
141. The account of Braislin's role is based on Lindquist, Mathews, Braislin interviews.
142. Coverdale and Colpitts, Report to the Downtown-Lower Manhattan Association of a Study of an Additional Subway Line to Serve Downtown Manhattan via Water Street, New York, June, 1966.
143. Ibid., p. 5.
144. Bernstein interview.
145. Normally, consultant reports like those prepared for the DLMA are thoroughly edited prior to release. It seems likely that all the DLMA's work, through the mid-1960's at least, was edited by Lindquist. The DLMA, moreover, was fairly amateurish in its selection of consultants. S.O.M. was selected because they had done work for Chase Manhattan and were highly regarded as an architectural firm, but they had no special competence as urban planners and didn't claim any, according to Mathews. Coverdale and Colpitts had an excellent reputation as subway engineers, but were not primarily transportation planners.
146. Wallace, McHarg, Roberts and Todd; Whittlesey, Conklin, and Rossant; Alan M. Voorhees and Associates, Inc., for the New York City Planning Commission, The Lower Manhattan Plan, June 1, 1966, pp. 2-25, 26.
147. On the M.T.A.'s absorption of transit agencies, see Metropolitan Transportation Authority, The Ten-Year Program at the Halfway Mark, 1973.
148. Metropolitan Commuter Transportation Authority, Metropolitan Transportation, A Program for Action, February, 1968. Shortly thereafter, the agency's name was changed to Metropolitan Transportation Authority.
149. Ronan interview.
150. Ibid.
151. Baraff interview.
152. Ibid.
153. Whether the M.T.A. ever intended to build this route is questionable. Certainly, the agency never wanted to build it, and thought it was unnecessary. When interviewed, Ronan thought the area would probably be served by improved bus service.

154. Mason interview.

155. Rogers interview.

CHAPTER III

PUBLIC OFFICIALS

Public officials have played far more varied roles in the redevelopment of Lower Manhattan than have corporate leaders. Their actions have varied according to their political positions, changes in public opinion, and their personal opinions. Some of these variations can be explained as having resulted from the pursuit of political advantage. More frequently, however, elected public officials have apparently pursued policies that both served sincerely held visions of the public interest and advanced their own political interests. Frequently, politicians involved in Downtown redevelopment appear to have been motivated simply by personal opinions, following their own dictates even in the face of political danger. Examining the roles of public officials requires answering three questions. What powers have public officials had? How have they defined their own interests and the public interest? How did these definitions and plans and their implementation fit with the emerging plans of the DLMA?

These questions can be answered through the histories of several developments and plans for Downtown. The histories of the Manhattan Civic Center and the Washington Street Urban Renewal Project demonstrate the fact that issues of governmental administration can play crucial roles in determining public officials' actions. Nelson Rockefeller's proposal for Battery Park City began large scale efforts to

build a residential community Downtown. Through the late 1950's and the early 1960's, planners developed a vision of urban life that glorified the liberal, professional upper middle class. The 1966 Lower Manhattan Plan and the Lindsay administration's plans for the area fully incorporated this vision in concrete proposals for Lower Manhattan. In turn, plans for the Manhattan Landing project and for improving the area's design resulted from this idea of what Lower Manhattan should be. These proposals and others served the interests of the DLMA and David Rockefeller by justifying massive public investments and careful ordering of private investment to create the sort of Lower Manhattan they, as much as Lindsay and his associates, wanted.

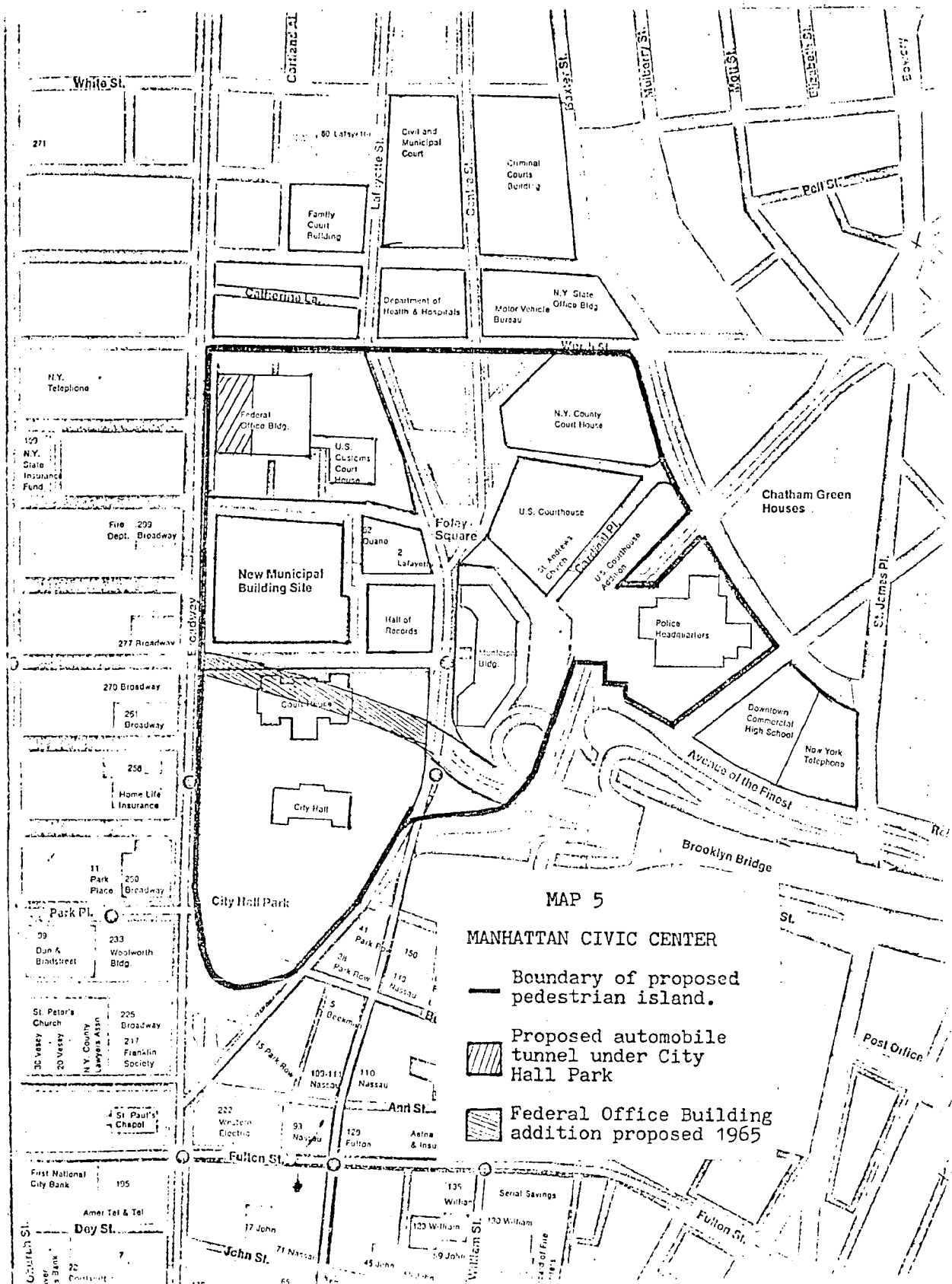
The Civic Center and Washington Street

The histories of the Civic Center area and the Washington Street Urban Renewal Project support the conclusion that problems of governmental operation are important considerations in public officials' definitions of their own and the public interest. Both projects originated in public officials' desires to solve problems having nothing to do with Lower Manhattan as a whole. The DLMA supported the two projects, but was hardly involved in them. Partially, this lack of involvement reflected their location outside the DLMA's main area of interest. But the histories of the two projects make it clear that planning history sometimes reflects not only interests outside government, but specific developments with government and within planning.

Efforts to rebuild the Manhattan Civic Center began at the end of World War II. In 1948, the City Planning Commission, then chaired by Robert Wagner, Jr., published a plan for the area.¹ The plan concentrated on the area between the Municipal Building and the recently completed Al Smith public housing project. These blocks were still an unreconstructed slum, and the Commission thought they should be rebuilt with City offices. The 1948 plan dealt less thoroughly with another problem, the area's chaotic traffic pattern. Since World War II, trolleys crossing the Brooklyn Bridge had been replaced by buses, the Third Avenue Elevated line running down Pearl Street had been demolished, and automobile traffic across the Brooklyn Bridge had been increasing rapidly. Difficulties in channeling traffic to and from the Brooklyn Bridge plagued Civic Center planners. The Bridge's approach ends at Park Row, less than two hundred feet from City Hall's western wall and only one hundred feet south of the Municipal Building. Traffic proceeding between the Brooklyn Bridge and the West Side Highway must turn right at the foot of the bridge, proceed a short block to Chambers Street, then turn left onto Chambers. Traffic approaching the Bridge from the north must cross a maze of streets in Foley Square. These traffic conditions, not surprisingly, make the area unattractive to pedestrians. The 1948 plan proposed a cloverleaf at the foot of the Bridge to solve these problems, but neither this nor any of its other proposals was carried out.

During the 1950's, the Civic Center's problems did not **dis-**
appear. Robert Moses' Slum Clearance Committee started
two urban renewal projects, **Park Row and Park Row**
Extension,² in the area northeast of the Municipal Building,
and the city government moved toward acquisition of the
remaining slum area there. Little else, however, was done.

By the early 1960's, federal, state and city employment
was expanding rapidly. In 1962, the federal government
announced plans to construct a tremendous office building at
Foley Square.³ This building had been planned with little
consultation with city officials.⁴ Particularly troublesome
was the fact that the proposed site extended only to the rear
lot lines of buildings along Broadway. (See Map 5.) The
new building would leave a row of older buildings on one
hundred feet deep lots that would probably never be redeveloped.
Moreover, the federal plan called for the United States Customs
Court, a low structure protruding from the main federal
building, to be located at the building's southern end. There,
it would effectively cut the open space of Foley Square in
half, rather than enhancing it as Civic Center planners had
recommended. Despite city pressure and criticism from archi-
tectural associations, however, the federal government refused
to reconsider its plans.⁵ Apparently, the General Services
Administration wanted to save money by not purchasing the
Broadway lots, which were more costly than those included in
the site. In 1964, the General Services Administration
acquired the site and began work. In April, however, several



of the buildings on Broadway began to suffer damage from vibrations caused by pile-driving. Under threat of legal action, the federal government bought the buildings, relocated their tenants, and demolished them.

These embarrassing events removed the original reason for the federal government's refusal to follow city suggestions. City officials and architectural committees⁶ again requested that the building be moved toward Broadway, **Again they were** unsuccessful. In 1965, after construction had resumed on the federal office building, the General Services Administration announced its discovery that even more space than originally planned would be needed for federal offices. An addition to the office building, on its Broadway side, would eventually be built. Until it was built, the Broadway side of the forty-one story tower would be faced with concrete block. In 1975, the office building addition was near completion.

Consideration of the federal building led the City Planning Commission to appoint a committee of architects to replan the Civic Center area.⁷ The committee, composed of Max Abramovitz of Harrison and Abramovitz; Simon Breines of Pomerance and Breines; and Robert Cutler of Skidmore, Owings and Merrill, produced their "ABC Plan"⁸ in October, 1962. It called for demolition of the so-called Tweed Courthouse,⁹ creation of a mall stretching from City Hall to a new Municipal Office Building at Reade Street, and construction of a small executive office building for the mayor's staff at Chambers and Broadway. Through traffic would be diverted from **the streets in this huge pedestrian preserve to Worth**

Street, Broadway, and Park Row. All of the funds for the buildings included in the plan were already in the city's Capital Budget, and the "ABC Committee" estimated that their proposal would require additional expenditures of only \$13.7 million.¹⁰

City officials received the "ABC Plan" enthusiastically. By 1965, the city had begun to acquire properties in the Civic Center area that were needed to carry out the plan. At the same time, more detailed planning was carried out by a consultant team headed by Edward Durrell Stone.¹¹ During the Lindsay administration's first six months, plans were changed in several ways: A vehicular tunnel **was** added to carry traffic under the northern end of City Hall Park between the Brooklyn Bridge and Broadway. The Municipal Office Building, originally planned to cost \$107 million, was trimmed in size and to a cost of \$80 million. Planning for the Municipal Office Building was completed and working drawings were made. Finally, a long conflict over whether the new Police Building should be located north of Foley Square or behind the old Municipal Building was resolved in favor of the latter site.¹²

Throughout his eight years as Mayor, Lindsay's commitment to the Civic Center was extraordinary. In 1968, for example, he fought vigorously with the Board of Estimate to obtain immediately all the funds necessary to build the Police Building. The Board of Estimate's Democratic leadership did not oppose construction of the building, but doubted whether

that construction could proceed rapidly enough so that all needed funds would have to be budgeted in a single year.¹³ During his second term, Lindsay's administration acquired and demolished buildings in the blocks north of City Hall, proceeded with court projects north of Foley Square, and completed the Police Building and traffic improvements near it and the Brooklyn Bridge. Year after year, however, financing key elements in the Civic Center plan was delayed. Construction of the Municipal Office Building was delayed by the difficulty of gaining votes on the Board of Estimate for such a large expenditure designed to make City officials more comfortable.¹⁴ Engineering difficulties caused by the need to avoid the Broadway subway lines and increasing cost estimates made the auto tunnel under City Hall Park seem less and less likely to be built.¹⁵ Channelling traffic more efficiently through the Civic Center area was difficult for a variety of reasons. For example, improving traffic circulation in Foley Square was very difficult because judges who worked there refused to give up their parking prerogatives.¹⁶

Problems in the planning and development of the Civic Center reveal the operation of one set of interests of public officials. In urban planning as elsewhere, government and organizations within government have their own interests. The federal G.S.A.'s actions at Foley Square, apparently, were motivated by a high priority the Administration gave to purchasing space at low cost¹⁷ and by bureaucratic defensiveness. Once the G.S.A. had made a decision without consulting City agencies, it could not change the position it had taken.

very gracefully. City officials' actions were motivated primarily by the city government's need for better office space. The Lindsay administration, certainly, took this need more seriously than did other officials. For example, Lindsay administration officials expressed the feeling that recruiting competent personnel was made more difficult by the sleazy condition of city offices.¹⁸ But their motivation--to serve the internal needs of city government--was little different from that of the Wagner administration and other city officials involved in the Civic Center. Unquestionably, of course, many of these officials hoped to gain public recognition by identifying themselves with successful reconstruction of the Civic Center area.

Like the Civic Center, the Washington Street Urban Renewal Project was begun during the Wagner administration, for reasons having little to do with attempts to rebuild the lower Manhattan business district.¹⁹ During the late 1940's and early 1950's, the federal Department of Agriculture carried out research and planning work on the problems of food marketing modernization in a number of cities.²⁰ In New York, food wholesaling was chaotic. A large proportion of the city's fish wholesaling took place at the Fulton Fish Market. This location made some sense when boats brought freshly caught fish directly to lower Manhattan. By the end of World War II, however, over 80% of the fish sold at the Fulton Market came by truck.²¹ Meat marketing was as disorganized; an ancient, inconvenient and unsanitary meat market at Gansevoort Street

in Greenwich Village served Manhattan. Similarly, much of the city's vegetable supply came through Washington Market on Washington Street in lower Manhattan.²² This location had originally been determined by its accessibility to docks and railroad lines; now, it made almost no sense.

In the late 1950s, the city Department of Public Works carried out and commissioned a number of studies of the feasibility of replacing these outmoded markets with a gigantic facility at Hunts Point in the Bronx.²³ There, a site formerly used by Consolidated Edison had become available. It had convenient access to railroads and expressways and provided enough space so a large and efficient market could be built.

As these studies were carried out, negotiations were undertaken with operators in the various markets. Of the three Manhattan markets' operators, those in Washington Market proved by far most cooperative.²⁴ Washington Market operated in ancient buildings; the U.S. Department of Agriculture had calculated that its operations were so inefficient that they added one third to marketing costs and therefore significantly increased retail costs in the city; and the Washington Market operators were willing to move to Hunts Point.²⁵ A great many of the Washington Market wholesalers, however, owned their own buildings. Unless they could find buyers for these buildings, they could not afford to move to Hunts Point. It appeared that no private market for ancient buildings in a commercial slum existed.

Therefore, to insure the success of its Hunts Point project, the city introduced the Washington Street Urban Renewal Project as a means of purchasing the wholesalers' properties.²⁶

From the start, City Planning Commission Chairman James Felt and others in the Wagner administration thought Washington Street should be reused for industry rather than for residences.²⁷ The area had no community facilities, and if housing were built there a whole set of schools and some recreation facilities would have to be provided as well.

The printing industry particularly concerned city officials. Many printers had been forced to leave the Brooklyn Bridge Southwest Urban Renewal project, and printing is one of the city's most important industries. Between 1960 and 1963, Felt and others attempted to develop a means of rebuilding Washington Street as a printing center. Felt worked closely with Irwin Wolfson, the British developer who had built the Pan American building in midtown. Wolfson became involved, apparently, only because his friend Felt asked him to develop the site as a sort of public service.²⁸ Wolfson invested considerable time and effort and some money in attempting to find a system of construction that would produce a building renting for \$1.50 per square foot per year, the maximum figure it was thought printers would be willing to pay for space. Ultimately, he failed, and in 1963 Wolfson publicly withdrew from the project.²⁹ In 1966, a Lindsay administration official would revive the proposal for a printing industry center on the site, and would fail as Felt and Wolfson had failed.³⁰

From 1963 through the first year of the Lindsay administration, thus, the issue of Washington Street's reuse lay unresolved. Then, Lindsay reversed the Wagner policy on the site, and plans were changed to provision of middle-income housing, office buildings, and a new campus for the Borough of Manhattan Community College. Because the Wagner administration had had such difficulty in arranging redevelopment of the Washington Street site, the Lindsay decision to abandon attempts to attract industry to the site did not result in a major controversy. But the Lindsay decision foreshadowed other changes in planning policy. As the 1960's proceeded, the Wagner administration had become more and more concerned with preserving and expanding blue-collar employment. Such employment was needed not only by the City's older working class groups, but by the growing number of unskilled and semiskilled Black and Spanish-speaking workers. In Washington Street, the Wagner administration attempted to act on this concern, although a printing center would have served mainly a well-established and relatively prosperous labor group. The Lindsay administration, in moving to develop housing, offices, and a college campus in Washington Street, acted on a very different vision of Lower Manhattan and its role in the city's economy. To Lindsay, making Lower Manhattan attractive to the upper middle class would attract office development. In turn, growth of office employment would provide jobs for the growing labor force.

Each of the Washington Street project's components suffered a long series of delays. For example, both the housing projects and the Community College were delayed significantly by wrangling over how historically significant buildings could be incorporated in them and by ultimately successful attempts to get the federal government to pay part of the cost of this historic preservation.³¹ By 1975, as a result of these delays, only the first housing section of the project had been built.³²

Thus, in Washington Street as in the Civic Center, a project was started for quite specific reasons having nothing to do with specific interest of Downtown corporations. The DLMA applauded and supported the Civic Center and Washington Street projects, but played no major role in planning them. Whether the projects were well-advised or not, their purposes stood well within commonly--one might even say universally--accepted definitions of what government should do. Their twisted histories reflect, not the operation of intensely involved interests, but specific difficulties of accomplishing redevelopment of the areas; in Washington Street, the difficulty of accomplishing redevelopment of a quite unattractive area; in the Civic Center, shortages of funds and extremely complicated traffic problems. Now, however, a vision of Lower Manhattan as an upper and upper middle class showcase would develop. Both the Lindsay administration and the DLMA would adopt policies based on this vision, and they would use planning policies and tools to build this insulated community.

The Waterfront

Between the late 1950's and 1965, the idea that large areas could and should be comprehensively planned gained support.³³ The "ABC Plan" for the Civic Center was one evidence of this change, particularly in contrast to the short-term, quite specific plans developed for Park Row and Park Row Extension behind the Civic Center. But in 1965 this thinking led to the much more ambitious Lower Manhattan Plan,³⁴ a comprehensive physical plan for the whole area south of Canal Street. To its design and physical planning ideas, the Lindsay administration added a detailed vision of Lower Manhattan's future as a residential area and future economic role in New York City.

At the heart of the Lower Manhattan Plan was its treatment of the waterfront. After World War II, use of lower Manhattan's waterfront for shipping declined rapidly. To an extent, this decline reflected technological changes: By the late 1950's, containerization of cargo had begun. A single container pier could handle 500,000 tons of cargo annually, compared to the 150,000 tons a modern conventional pier could handle.³⁵ Containerization, however, required adequate back-up space for holding, arranging, and breaking down containers; at least several acres were required for each pier. Such space was not available in Manhattan.

In the late 1950's and early 1960's, controversies developed over what should be done with the Manhattan waterfront. The principal antagonist in the early controversies was Vincent O'Connor, Commissioner of the New York City

Department of Marine and Aviation. Because almost all the city-owned piers were located in Manhattan, the fate of Manhattan shipping was critical to the future of O'Connor's department.³⁶ A peculiar labor situation also encouraged the Department of Marine and Aviation to retain Manhattan piers in cargo use.³⁷ O'Connor's own loyalties were more to his industry and union constituencies and the Manhattan regular Democratic Party organization than to Mayor Robert Wagner.³⁸

Responding to these pressures, the Department of Marine and Aviation issued an extremely ambitious East River Development Plan³⁹ in 1959 and an immense study proposing redevelopment of the entire Hudson River shore in 1963.⁴⁰ The latter proposal called for expenditures of \$670 million on piers, rebuilt highway access ramps, and other facilities from the Battery north to 72nd Street. Downtown, it proposed a hotel, a new fireboat station, offices and apartments, all to be built over and around new cargo-handling facilities.

The Marine and Aviation proposal drew fairly rapid response from the City Planning Commission. In September, 1964, the Commission published its proposal, The Port of New York: Proposals for Development.⁴¹ The plan noted:

In the opinion of this Commission, Manhattan's burgeoning role as the world's great center of business, finance, decision-making, medicine and the arts is of primary importance to the economic and social welfare of the City and should be encouraged by public action. ⁴²

The proposal argued that the availability of Manhattan waterfront for reuse presented opportunities to enhance the island's ability to fulfill its other functions: by provision of

Mitchell-Lama housing on the waterfront; by creating recreational and visual "windows on the waterfront;" even, perhaps, by water-borne commutation. The City's port efforts should be directed to developing modern facilities with adequate back-up space in Staten Island and Brooklyn, and to improving passenger operations on the West Side of Manhattan, not to hopeless efforts to revive cargo-handling in Manhattan. The City Planning Commission's thinking was to prevail.

Stripped of its rotting piers, the Lower Manhattan waterfront was an extraordinary resource. New land could be created between the pierhead and bulkhead lines and could be used for almost any development. (The pierhead line is the line to which piers may be built; the bulkhead line is the line to which bulkheads may be built, effectively, the extent of existing land.⁴³) Such land would cost less than \$10 per square foot to create,⁴⁴ while land a few hundred feet away cost over \$100 per square foot. Moreover, the land created would be owned by the City, which could dispose of it as it wished and control its development as carefully as it wished.

In its second report, issued in 1965, the Downtown-Lower Manhattan Association called for development of the Hudson River waterfront area for housing alone:

An addition to the residential population near the downtown community will stimulate more shopping outlets, restaurants, places of entertainment and service facilities. This is highly desirable, and it would provide advantages for those who work in

the area, too. On the other hand, the proposed inclusion of commercial piers in this project seems inappropriate, and our studies indicate additional space here for commercial offices is unnecessary.⁴⁵

From the Department of Marine and Aviation proposal, thus, the DLMA took items useful to it, supported them and opposed items less useful for its purposes. The ability to select among public officials' proposals, of course, both reflected and enhanced the DLMA's power.

In 1965, City Planning Commission Chairman William Ballard conceived the idea of a comprehensive plan for Lower Manhattan. Ballard is an architect. He had been involved in various public programs since the origin of public housing in the 1930's.⁴⁶ He admired the urban design work that Edmund Bacon, Philadelphia's redevelopment administrator,⁴⁷ had done in planning Penn Center and other Philadelphia projects.⁴⁸

Ballard was respected in the Wagner administration, but he had little or no political constituency, nor was he close to Wagner himself.⁴⁹ To obtain money with which to carry out a Lower Manhattan planning effort, therefore, he argued in terms of the following specific problems. The building of the World Trade Center would require several street closings and traffic pattern changes. Without an overall plan for the area, the Port Authority's requests for City actions could not be dealt with. Moreover, the Port Authority had agreed to use earth excavated from the World Trade Center site to create thirteen acres of landfill

in the Hudson, which would belong to the City, and the City government needed to decide what to do with this new land. The Civic Center plan also called for complex traffic changes. Elsewhere, particularly along Water Street, private development for which the City was unprepared was proceeding rapidly. Brooklyn Bridge Southwest and Washington Street Urban Renewal Projects lay dormant, and something had to be done to get their redevelopment moving. With these arguments, Ballard obtained a special allocation for Lower Manhattan planning from the Board of Estimate in 1965.⁵⁰

City Planning Commission staff members convinced Ballard to take the unusual step of recruiting planners from outside New York City to carry out the Lower Manhattan planning.⁵¹ The Philadelphia planning and architectural firm of Wallace, McHarg, Roberts and Todd was assigned to do the design and planning work, and Alan Voorhees, a Washington traffic engineer, was retained to carry out traffic studies and planning. Considerable opposition to the absence of New Yorkers on the planning team, however, developed among New York architects and planners. A New York firm, Whittlesey and Conklin, was recruited to join the planning team.⁵² The three planning firms opened a separate office to carry out the Lower Manhattan planning. Apparently, the planning work proceeded without much disagreement among the three, but after the study was completed Wallace and McHarg would accuse Conklin and his new partner Rossant of grabbing credit for the plan and downplaying the Wallace and McHarg contribution.⁵³

The Lower Manhattan Plan was made public June 22, 1966, and immediately received widespread acclaim. Already, many of its elements had been made public by Ballard, apparently in an effort to retain his Chairmanship of the City Planning Commission in the new Lindsay administration.⁵⁴ Three key architectural and planning ideas informed the plan. First, its authors believed concentration and mixture of activities in small spaces leads to a variety of benefits. Some quite specific benefits were thought to flow from concentration: Like the DLMA's thinkers, the lower Manhattan planners concluded that better shops and restaurants downtown could be supported only by addition of residents to their potential clients; the mixture of residents and office workers was what made east midtown work so well. Public facilities, from streets to sewers and subways, would be better utilized and thus provide more benefits for the expenditures made to build and maintain them, if the area became a 24-hour community. The Downtown area's original strength was ease of face-to-face communication among decision makers, the lower Manhattan planners thought, and increasing concentration would reinforce this strength. Other benefits of concentration were less tangible, but no less important: concentration made for interesting experiences, delightful variety, and a sense of excitement. More concentration would make downtown a key part of the Lindsay administration's "Fun City."

Second, the Downtown planners thought pedestrians should be given more space and convenience, and their means of getting around should, as far as possible, be separated

from automobile traffic. Pedestrian travel, of course, was the physical movement that embodied concentration and face-to-face communication.

Third, Downtown's new planners thought the waterfront should be opened to use in three ways. Housing and offices should be built there. The waterfront should be available visually from as many places as possible, and the waterfront should be physically accessible.

The Lower Manhattan Plan made a series of interconnected proposals, beginning with the South Street Viaduct and West Side Highway. Completed only fifteen and twenty-five years earlier, the two highways cut Downtown off, physically and visually, from its waterfront. In an earlier era, when the docks had been in active use, South and West Streets were needed for truck traffic, and the highways had to be elevated to allow movement of goods beneath them to and from the docks.⁵⁵ Now, the elevated highways made little sense. Again, midtown served as a model for Downtown. At the United Nations, Carl Schurz Park and elsewhere, one could walk above the highway to a promenade along the river. Streets and apartments with river views--even of Queens' ugly Long Island City section--were among the most desirable residential locations on the East Side.

The Lower Manhattan planners studied ways the highways might be made less obtrusive. They concluded that it would be possible to depress the highways below grade level along routes just riverward from their present routes. Depressing

the highways could be paid for by selling land created between the bulkhead and pierhead lines to private developers.

Depressing the two highways and locating parking for residents and visitors at the periphery of Lower Manhattan would remove autos and trucks--except those on local errands--from Downtown streets. Depressing the highways could be done without disrupting local businesses because the new highways would be built just riverward of the existing roads. Once the highways were depressed, Lower Manhattan could be integrated visually and for travel on foot. Pedestrian and visual routes would be built across the island at Chambers, Fulton and Wall Streets, up Broad and Nassau Streets to the City Hall area and Foley Square, and around Downtown's shore. Future development would be controlled to insure that these became interesting and varied paths. At the western end of Fulton Street, for example, the Lower Manhattan planners argued that the World Trade Center's towers should not be connected by low buildings, because this would block the Hudson from view. Moreover, the World Trade Center's plaza should be made part of a pedestrian route by build a pedestrian bridge across Church Street at Fulton.⁵⁶ Control of development on publicly-owned land along the shore and in renewal areas would make it possible to widen the visual-pedestrian corridors to plazas as they reached the waterfront, and to require artificial coves at these points.

The pedestrian circulation system was to be complemented by an "intra-bus" system--small buses with cheap fares designed to accommodate the four- through ten-block trips people typically made within Lower Manhattan.⁵⁷ Pedestrian circulation would be carefully integrated with the mass-transit system, primarily by better design of subway stations and creation of direct pedestrian connections between stations and buildings, creating what the Regional Plan Association called "access trees."⁵⁸

On the new land along the rivers, housing would be developed along with offices. The Lower Manhattan planners argued that a "critical mass" of residents had to be achieved to make Lower Manhattan a workable residential community. About 100,000 residents, organized in six neighborhoods, would make up a "critical mass." Economics required overall densities in the neighborhoods of 400 to 600 people per acre, densities comparable to the highest in the East Side.⁵⁹

The issue of who should live Downtown was not seen as very important, but "East Midtown" provided a model of what Lower Manhattan's population might look like:

In the course of the analysis of anticipated downtown residential growth, a survey was made of the existing mixture of employment and housing in the East Midtown area....

The residents are not organized in typical family units. There are 96,476 adults and 6,086 children (14 years or less), well below the City average. Of the adults in the area, a relatively small proportion are married--39,840 out of 96,476 or 41 percent....

The pattern of this development emerges as small apartments with a heavy concentration of bachelors,

unmarried women, plus married people with few or no children. These are largely people who want direct day-and-night involvement with the Core of the city, or who want walk-to-work housing. In addition, the well-to-do enjoy the benefits and convenience of Midtown living; at the same time, through country homes and beach houses they have the best of a variety of residential environments.⁶⁰

Alan Voorhees' work on the area's traffic problems was at least as impressive as the designers' thinking. His analysis of traffic movements in this relatively small area was based on computer simulation techniques he had developed, and was carefully fitted into the plan's proposals. Because the highways were never to be depressed, however, Voorhees' work had less influence on developments Downtown than the exciting design ideas the other planners developed.⁶¹

The Lower Manhattan plan changed thinking about what should and could be done Downtown, and marked changes that had been going on for some time. Earlier discussions always surrounded discrete improvement in particular areas or discrete solutions to particular problems. Now, a plan had been developed that treated Lower Manhattan as a physical, social, even in some ways a financial whole, and a plan that made relatively little sense except as a whole.

The Lower Manhattan Plan stated ideas about what the city and city-dwellers are in design terms. The city, for the Lower Manhattan planners, was intensive interaction

among members of an educated, well-off, chic upper and upper middle class. Their work consisted mainly of decision making and communication with other members of the same group. Their time was so valuable in economic terms that great savings could be achieved by their working in areas that were densely developed to allow very ready face-to-face communication. At play, this elite enjoyed theaters, galleries, specialty shops and a wide variety of restaurants. Again they wanted these things readily at hand, and their time for relaxation was so precious that going to great lengths to provide them readily at hand was justified.

The extraordinary designs the Lower Manhattan planners prepared obscured the need to ask questions about whether such a city or city dweller did or could exist. Nor was the fact made explicit that development of such areas in the city, if they served anyone at all, would serve a tiny elite that wanted and could afford this stylish life. Concern with design that would please an elite and possibly contribute to their enjoyment of the city were substituted for explicit statements that Lower Manhattan should be an upper and upper middle class preserve and that government should expend great resources to serve the aesthetic needs of these groups. During the mid-1960's, of course, explicit statements of the latter sort would have been unacceptable to many, possibly including the Lower Manhattan planners themselves.

The Lower Manhattan Plan was remarkable for the independence with which its planners worked. This independence was obvious, first, in their treatment of the area's need for a new subway. The

planners recognized that the area's need was less pressing than needs elsewhere. (See Chapter II..)

Second, the Lower Manhattan planners dealt carefully with the question of how many people worked Downtown. This important question may conveniently be dealt with in some detail here, not just as it relates to the Lower Manhattan Plan but as a whole. Table 3 lists estimates of the number of jobs Downtown, and projections of job growth. The DLMA has published four such estimates; one was prepared by Braislin, Porter and Wheelock; and one was prepared by the Lower Manhattan planners.

For technical reasons, estimating the number of workers Downtown is extremely difficult.⁶² The DLMA has consistently made estimates that were quite optimistic and projections that were even more optimistic. In 1961, they commissioned a census of workers by Braislin, Porter and Wheelock, which the Lower Manhattan planners thought provided the best available information on how many people worked Downtown. However, the results of this census were never published, and the DLMA ignored them in their 1961 and 1963 projections.

In projections made during the latter half of the 1960's of how many people would work Downtown during the 1970's and 1980's, the DLMA's consultants used a simple device; they assumed that new office space and office space planned for future construction would be occupied at the same density as existing space.⁶³ This method of estimating future office employment is known to be almost worthless, yet the DLMA has continued to use it because it produces optimistic estimates

TABLE 3
ESTIMATES AND PROJECTIONS OF
LOWER MANHATTAN EMPLOYMENT

Source	Date	Estimate	Projection
DLMA ¹	1958	400,000	- - - -
DLMA ²	1961	400,000 - 425,000	475,000 by 1983
Braislin, Porter, Wheelock ³	1961	370,000	- - - -
<u>Lower Manhattan Plan</u> ⁴	1965	400,000 in 1960 375,000 in 1965	
DLMA ⁵	1969	460,000	580,000 by 1972
DLMA ⁶	1974	480,000	640,000 by 1980 780,000 by 2000
Moloney ⁷	1974	480,000 - 500,000 in 1972	
Scanlon ⁸	1975	500,000 in 1969 425,000 - 450,000 in 1974	

SOURCES:

1. DLMA, 1958 Report, op. cit. The area for which estimate was made included almost all of Community Planning Board #1.
2. DLMA, A Study of Travel Patterns, February, 1961. Estimate was for area south of Chambers Street.
3. Braislin, Porter, Wheelock, unpublished census for DLMA, cited in Lower Manhattan Plan, po. cit.
4. Lower Manhattan Plan estimates were extrapolated from Braislin, Porter, Wheelock figures, on the basis of changes in turnstile counts.
5. DLMA, 1969 Report, op. cit. Boundaries south of Canal.
6. DLMA, 1974 annex to 1973 report, op. cit.
7. Moloney interview.
8. Scanlon interview. Scanlon based her 1974 figures on decreases in subway usage since 1969.

of future jobs Downtown. Why the DLMA should distort and ignore evidence on how many people do and will work in Lower Manhattan is hardly mystifying. Many of their calls for public action have been based on the notion that increased development Downtown will increase the number of jobs in the area. They therefore selected those estimates and projections that would support their previously arrived at commitments, and they used these estimates as facts to justify these commitments.

Yet, despite pressures that must have existed, the Lower Manhattan planners made an apparently honest effort to arrive at a good estimate of how many people worked Downtown. Starting from Braislin, Porter and Wheelock's 1961 figure and extrapolating by using subway turnstile count figures, they concluded that employment in 1960, in the area south of Canal Street, must have been about 400,000. By 1965, despite considerable new development, employment had fallen to 375,000. Virtually all of the decline had occurred in goods-handling and industry, blue-collar jobs. Office jobs, they thought, had not measurably increased.⁶⁴

After 1965, the number of jobs Downtown apparently did increase, as employment in the securities industry, banking, and government peaked about 1969, after which declines began. Between 1969 and 1974, use of subways Downtown declined by about 20%.⁶⁵ The economist most expert on the question estimates that employment Downtown peaked at about 500,000 jobs south of Worth Street in 1969, and by 1974 had declined to between 425,000 and 450,000.⁶⁶ Thereafter,

government layoffs in 1974 and 1975 must have reduced the area's employment to fewer than 400,000 by the end of 1975. Shorter-term increases were brought about by the near-completion of the World Trade Center and completion of the huge office building at 55 Water Street, but these did little to alter the overall decline after 1969.⁶⁷

Simply put, the number of jobs Downtown is related only very indirectly to the amount of office space available. Total growth of employment up to 1969 reflected the growth in particular industries, the results of broader economic conditions, and not real estate development. Declines after 1969 reflected the operation of similar factors.

In pointing out the weakness of the relationship between real estate development and the job market, the Lower Manhattan planners displayed an independence that the City Planning Commission would soon lose. In their 1969 A Plan for New York City, the City Planning Commission merely used the DLMA's estimates and projections.⁶⁸

Battery Park City⁶⁹

The Lower Manhattan Plan became a framework to which politicians and others attached all sorts of proposals, designed to meet various needs of their own and the public. First to make a specific proposal related to the Plan was Nelson Rockefeller.

In 1966, as the City team was completing the Lower Manhattan Plan, Nelson Rockefeller developed far more specific

plans for the Hudson River shore. Rockefeller made these plans public at a news conference May 12, 1966.⁷⁰ In Rockefeller's proposal, "Battery Park City" would include 13,982 apartments, a hotel of 2,200 rooms, two office buildings, and light industrial facilities as well as ancillary shopping and public facilities.⁷¹ 88 acres of landfill would stretch along the Hudson from Battery Place to Chambers Street. The housing would include 7,440 units financed through the State's Mitchell-Lama middle-income housing program, in which approximately 20% of the residents would be low-income families.⁷² The remaining 6,500 apartments would be upper-income; they would be scattered in an apartment hotel, town houses, and two towers sited at the project's northern end and essentially twins to the two office towers at the southern end. Architecturally, the proposal was adjudged atrocious by most critics. Reputedly, the architectural ideas were Nelson Rockefeller's own.⁷³

The content of Rockefeller's proposal and the circumstances surrounding it make his motivation clear. First, 1966 was a gubernatorial election year, and Rockefeller unquestionably wanted a proposal that would gain attention as addressing city problems, particularly the problem of low- and middle-income housing. Battery Park City was large and well-placed enough to receive the requisite attention.⁷⁴ Whether for reasons of electoral politics or not, Rockefeller also used the proposal to assert his primacy over the City government and particularly over the liberal Republican upstart John V.

Lindsay. In Battery Park City, Rockefeller proposed financing through the State Mitchell-Lama program. By agreement with the Port Authority the land-fill opposite the World Trade Center, the core of Battery Park City, was City property, yet Rockefeller made a proposal for its use. Finally, according to Richard Buford, Lindsay was given no notice whatever that the project would be announced.⁷⁵ Rockefeller's proposal for light industry, to be located on a level below that on which housing structures were to be built, also displays his concern with electoral politics. Here, he made a symbolic gesture to those concerned about the loss of jobs reductions in port traffic were causing. Certainly, Nelson Rockefeller knew his brother's organization had opposed industry in the area, and he knew this aspect of his proposal was likely to be impractical because adequate space for cargo-handling could not be provided economically.

Rockefeller was also concerned with problems of State housing programs. One of the programs with which he was most identified was the State Mitchell-Lama program, to which he added innovations, including state grants to provide low-income rentals in such projects.⁷⁷ In 1962, Rockefeller had appointed a task force to study potential locations for Mitchell-Lama housing on land already publicly owned, and the task force had recommended that the construction above the Lower Manhattan piers be studied.⁷⁸ This proved impossible, but the idea was revived four years later when the piers were no longer in regular use. Details

of Nelson Rockefeller's Battery Park City proposal reflected his concern with carrying out the Mitchell-Lama program. Each of the twelve Mitchell-Lama apartment buildings was a thirty-one story slab, similar to those the Mitchell-Lama program had built elsewhere. Town houses interspersed with the middle-income housing were added, apparently, to improve the project's architecture. The offices and hotel Rockefeller included in his proposal would subsidize development of the site; developers could be charged \$100 or more per square foot for the office building sites, which would bring down the rents necessary to pay for the Mitchell-Lama housing. This aspect of the proposal must have disturbed David Rockefeller, who thought **these offices** would compete with Lower Manhattan's commercial core.⁷⁹ Moreover, Nelson Rockefeller would prove to be less concerned than either David Rockefeller or John V. Lindsay with isolating upper-income from low-income housing.

After the City's Lower Manhattan Plan was issued, a series of conflicts between Lindsay and Nelson Rockefeller developed over Battery Park City. First, the City administration opposed light industry on the site; this potential conflict was apparently solved with little difficulty. The light industry proposal disappeared from public view.

Gradually, the Lindsay-Nelson Rockefeller fight came to focus on two issues: design and the mix of income groups who would inhabit the site. From the beginning, the Lindsay

administration hated the architectural plan Rockefeller had proposed. Despite the fact that Rockefeller's proposal would have to be dealt with, the City's position was strong. It owned not only the Port Authority landfill but most of the underwater land as well. Lindsay was determined to use the City's power to improve the project's design. Battery Park City's design became one scene of the intense competition between Nelson Rockefeller and Lindsay that was to mark Lindsay's eight years in office.

After almost two years' haggling, Rockefeller and Lindsay arrived at an agreement. The project would be built, not by the private concern Rockefeller had proposed in 1966,⁸⁰ but by a State-created Battery Park City Authority, which would lease the area from the City. Now, 16 acres of "air rights,"⁸¹ over the West Side Highway would be added to the 88 acres of landfill, and the project would include 21,000 dwellings and 5 million square feet of office space. After completion, the project would pay at least \$33 million annually to the City.

Lindsay and Nelson Rockefeller also reached procedural agreement on how to design the site. A team of Harrison and Abramovitz, representing Rockefeller; Conklin and Rossant, representing the City administration; and Phillip Johnson as a third party agreed upon by both would design Battery Park City. The Lindsay administration saw this arrangement as a victory. Johnson, they thought, would naturally side with their more imaginative firm of Conklin and Rossant rather than with Harrison and Abramovitz.⁸²

The new plans were made public April 16, 1969. They were extraordinary. At the site's southern end, three office

towers of forty, fifty, and sixty stories would be built. They would be hexagonal in plan, and connected at several levels by bridges. Stretching north, apartment towers and connecting lower residential buildings built beside and above a gallery would be interspersed with shopping and public and recreational facilities. The plans even included a monorail-type system of internal transport.

As serious as the conflict over design was one over income mixes. In Rockefeller's 1966 proposal, the project would have included 43% middle-income apartments, renting at about \$40 per room per month; 10% low-income apartments at \$15 to \$20 per room per month; and 47% "luxury" apartments at \$60 per room per month. In 1966, the Lindsay administration proposed that Battery Park City have only "luxury" housing. Their rationale was that the land could be sold for \$100/square foot for luxury housing, more for offices, and this immense profit could be used to subsidize low-income housing elsewhere in the city. If low or middle-income housing were built here, Lindsay's City Planning Commission Chairman Donald Elliott argued, city subsidies per unit would be three times those necessary elsewhere.⁸³ The Lindsay administration maintained its position until April, 1969. Then, with design questions settled, Lindsay and Nelson Rockefeller agreed on a plan in which 10,000 "luxury" units--they would now rent for \$125/room/month would be combined with 5000 middle-income units, of which 1000 would be reserved for low-income families. The office

space would be built first, and revenues from lease payments for office building and luxury housing sites would subsidize the low-income and middle-income housing. All of these plans assumed an expanding market for office space. Now, however, a new factor entered. At the City Planning Commission hearings on the project in July of 1969, liberals were well represented and attacked the project's income mix. The Women's City Club said of the project plans: "It is the kind of tokenism which is an affront to the needy...."⁸⁴ The Urban League, the Community Service Society, the Metropolitan Council on Housing and the Architects' Renewal Committee in Harlem spoke in similar veins. Business groups, the DLMA, New York Chamber of Commerce, West Side Association of Commerce and Industry, and the Commerce and Industry Association supported the project as it stood, but prestigious architectural and civic groups, the American Institute of Architects chapter, the Regional Plan Association, the City Club, and the Municipal Arts Society, endorsed the project but made a point of not endorsing its income mix.

More important to the battle's outcome was Lindsay's peculiar political position. In June, 1969, Lindsay lost the Republican mayoral primary to John Marchi, a Staten Island conservative Republican. In the same day's Democratic primary, conservative Democrat Mario Procaccino, the City Comptroller, defeated a disarray of liberal Democrats including Herman Badillo, former Mayor Wagner, Norman Mailer, and others. In Procaccino's victory, Lindsay saw a chance

of saving his political career. As an independent, he might win enough liberal votes to defeat the two major-party conservatives. Lindsay's hope finally proved to be justified.

But in the summer of 1969, Lindsay desperately needed support from liberal Democrats.⁸⁵ Percy Sutton and Herman Badillo, Borough Presidents of Manhattan and the Bronx, already were in key positions, but their positions were even more critical because they were the City's most important Black and Puerto Rican elected officials.

In the summer of 1969, Sutton and Badillo and other liberals formulated a series of demands. Two of the most important were that Lindsay finally and permanently kill the Lower Manhattan Expressway (See Chapter V.) and that he increase the amount of low- and middle-income housing in Battery Park City. Neil Gold and Paul Davidoff, prominent planners working as unofficial consultants to Sutton, developed an alternative scheme for financing the project.⁸⁶ In August, 1969, Lindsay agreed to these demands. Now, Battery Park City would include 1/3rd low-income, 1/3rd middle-income, and 1/3rd high-income housing. The low-income housing, as before, would be subsidized from the leases of office building land.⁸⁷ Now, the project would have 14,100 apartments, 5 million square feet of office space and 5 million square feet of parking, recreational, and commercial facilities. It was estimated that groundbreaking would be at the end of 1971 or the beginning of 1972. Executing this complex plan would depend on skillful and lucky coordination and on a strong market for office space.

Starting in 1970, however, a number of additional problems arose. It became obvious that the designs agreed upon in 1969 would be very difficult to carry out, for organizational rather than engineering reasons.⁸⁸ More important, in 1970 the market for office space was starting to shrink, primarily because of difficulties in the securities industry. In February, 1971, Battery Park City announced a decision to proceed on housing development without having leased the office building sites. Harry Helmsley was appointed sponsor of the office buildings, but was not expected to proceed until economic conditions improved.⁸⁹

In 1971, the Battery Park City Authority went about finding sponsors for its housing. A team of Fisher Brothers and Lefrak and Sons was selected to sponsor the first housing developments. Fisher was mainly an office building developer, and Lefrak is best known for Lefrak City in Queens, a huge, rather ugly private housing development. But negotiations with Lefrak and Fisher did not proceed well,⁹⁰ because they were reluctant to invest in what more and more seemed a shaky proposition. Continuing inflation made housing construction more and more expensive and the prospect that Battery Park City's full program could be completed less and less likely. In June, 1972, the Battery Park City Authority requested that it be allowed to change the project's income mix to 30% luxury housing, now to rent at \$150 per room per month, 56% middle-income housing, and 14% low-income housing. They argued not only that the original formula had been made unworkable

by weakness in the office-space market, but that the Manhattan Landing project on the East River, just proposed by the City government and David Rockefeller, had a competitive advantage over Battery Park City in the luxury housing market, because tax abatements would reduce its luxury rentals to \$115/room/month, and because high-income tenants would be more interested in living in it because no low- or middle-income families would live there.⁹¹

Robert Abrams, who had replaced Herman Badillo as Bronx Borough President, and Percy Sutton objected strenuously to the plans, as did many others. They not only opposed reductions in the amount of low-income housing, but decried the fact that housing built under the Mitchell-Lama program would now cost about \$80/room/month. Sutton argued:

What is outrageous in the present situation is that the developers of both Battery Park City and Manhattan Landing are seeking public monies in the form of tax abatements and other subsidies to build housing that is specifically designed to exclude 90% of the taxpayers who are being asked to support these projects.⁹²

Despite Sutton's and Abrams' opposition, the changes were approved by the Board of Estimate in July, 1972. The political changes that made this possible will be explored in the discussion of Manhattan Landing, below.

Despite approval of its new plans, however, the Battery Park City Authority ran into further difficulties in financing the middle-income housing. Early in 1973, the Authority managed to obtain authority to issue its own bonds to finance housing.⁹³ Despite this added control, however, negotiations

with the housing sponsors dragged. Lefrak and Fisher wanted to proceed with the middle-income housing, in which they would have to invest 5%, rather than the luxury housing, in which they would have to invest 20%. The Battery Park City Authority resisted this request at first, but finally agreed. In 1974, the sponsors and the Authority worked toward a contract on the first **phase of development**. **At this stage, Lefrak and Fisher refused to take even the risks associated with the Mitchell-Lama housing.** Battery Park City thereupon created a subsidiary corporation to develop the first housing, and retained Lefrak and Fisher as construction supervisors.⁹⁴

After the apparent solution of design questions in 1969, a new set of design problems appeared in 1971. The City was dissatisfied with the controls it had placed on the Battery Park City Authority, and the Authority argued that many of these controls had been impracticable. In a two-year set of negotiations, the City and Authority developed a special zoning district to regulate Battery Park City's development.⁹⁵ Design of the project, however, **developed differently from that envisioned in 1969.** First, the **central** circulation spine was moved to the project's eastern edge, and became little more than a commercial street. The concept of multi-use buildings and residential buildings closely integrated with other uses was slowly replaced with one of **single purpose buildings, less imaginatively designed, and not closely related to one another.** Seemingly, the project's design had been impractical from the beginning, because

financing buildings with multiple uses was very difficult if not impossible.⁹⁶ By 1974, the Battery Park City that was to be built looked not very different from that proposed by Nelson Rockefeller in 1966.⁹⁷

The history of Battery Park City's planning, then, reveals the complex operations of various groups' interests. In his 1966 proposal, Nelson Rockefeller was motivated by electoral political interests and a desire to carry out effectively programs with which he was associated. The financial interests of the Rockefeller family appear to play very little, if any, role in determining his actions. Nor were his actions integrated with the plans of David Rockefeller and the DLMA. In proposing a Battery Park City, Nelson Rockefeller was cooperating with David's work to rebuild Lower Manhattan. But the details of his proposal conflicted with David's plans for the area.

After 1969, the Battery Park City Authority became an independent entity, although Nelson Rockefeller continued to support it as long as he remained Governor.⁹⁸ The Authority's Chairman, Charles Urstadt, was motivated mainly by his organization's internal interests; the BPCA was concerned with maintaining its financial position and its flexibility for action. In 1972, events surrounding the West Side Highway planning showed this. (For more on that planning see Chapter V.) At that time, the State-City West Side Highway Project team began to explore the possibilities of rebuilding the highway either "inboard,"

along the bulkhead line, or "outboard," along the pierhead line. The Battery Park City Authority, essentially, panicked. It was worried, not that the final decision on where to place the West Side Highway would affect its project, but that planning the highway-Battery Park City coordination might limit its own design freedom and delay its progress. In turn, it argued, delays could make financing Battery Park City much more difficult.⁹⁹

From 1966 onward, the DLMA played almost no public role in planning Battery Park City. Always the DLMA endorsed and pointed with pride toward its influence in proposing aspects of the project,¹⁰⁰ but the DLMA stayed out of the public conflicts over design and the mix of income groups that would inhabit the project. The DLMA maintained the public position that it was more concerned with resolving these conflicts so that the project could proceed, and less concerned with the exact nature of their solution. It is certain that the DLMA was concerned with the income mix issue, and wanted Battery Park City to have as many luxury and as few low-income apartments as possible. But David Rockefeller and the DLMA chose to stay out of the income mix fight, or at least out of the public battle.¹⁰¹

The public stance against low-income housing in Battery Park City was taken, then, not by the DLMA or the Battery Park City Authority, but by the Lindsay administration. The motivation of the Lindsay administration will be explored below.

Lindsay's Plans for New York

In working for a high-income Battery Park City, the Lindsay administration was not subordinate to David Rockefeller as one might expect from the elite dominance hypothesis; Lindsay was quite willing to oppose David Rockefeller elsewhere, as in the fight over the Lower Manhattan Expressway, (to be explored in Chapter V). Nor were the arguments the Lindsay administration made, that low-income housing in the area would be much more costly than anywhere else, believable.¹⁰² The Lindsay administration simply wanted to make Lower Manhattan an exclusive, upper-income community. But their motivation was not a simple elitism or snobbishness. Rather, it was embedded in a view of what New York should be and how it could become what it should be. That vision may best be seen in the Lindsay administration's 1969 A Plan for New York City, and by comparing Lindsay policies to those of Robert F. Wagner, Jr., his predecessor.

Particularly after 1961, the Wagner administration focused more and more of its planning and redevelopment energies on two problems: the city's loss of industrial jobs and the problems of rebuilding neighborhoods and providing low-income housing.¹⁰³ These concerns were originally developed in the City's planning bureaucracy,¹⁰⁴ but Wagner adopted them as his own. His administration, therefore, worked for industrial urban renewal projects in the Flatlands area of Brooklyn, in the Washington Street

Urban Renewal Project, and explored the possibilities of such urban renewal elsewhere.¹⁰⁵ In the West Side Urban Renewal Project, on which Wagner had staked a great deal of his personal prestige, he successively increased the amount of low-income housing so that finally, in 1962, the area's radicals got a commitment to all the low-income housing they had demanded.¹⁰⁶ Wagner moved in this direction even where he was under no pressure, as he did in ending the use of urban renewal to provide isolated high-income housing proposed in the Battery Park Houses project.¹⁰⁷

These concerns led the Wagner administration to pay relatively little attention to Lower Manhattan. During Wagner's administration the DLMA could expect that its planning ideas would be heard sympathetically, but it could not expect large City expenditures to be made Downtown.

Arrival of the Lindsay administration in January, 1966, signaled a dramatic shift in thinking about the city's future. Particularly during his first few years in office, Lindsay committed massive City resources to poor and minority groups and communities. During his administration, the city became more and more openly split between the poor and their liberal elite allies, on one side, and white, non-Spanish speaking, middle and working class groups on the other. More than any other politician in the city, Lindsay symbolized and worked for the former alliance. But although Lindsay believed more public resources should be used for the poor, he believed as well that the elite should be insulated from the poor. However his humanitarian instincts

led him to a concern with problems of poverty, Lindsay thought that the fate of the city depended on its elite. As the City's financial burden increased, Lindsay seemed to shift the focus of public spending more and more toward projects designed to serve the elite.

This analysis of the city's future was evident in the City Planning Commission's A Plan for New York City, which may be quoted at some length:

The essence of this Plan is that, for all the problems, the strengths of New York City are tremendous; that in the reinforcement of these strengths lies the City's future--and the best way of tackling what is wrong with it.

It is obvious that there is a great deal wrong. The air is polluted, the streets are dirty and choked with traffic. The subways are jammed. The waters of the rivers and bays are fouled. There is a severe shortage of housing. The municipal plant is long past its prime.

Greatest of all is the problem of the slums....

But there is a great deal that is very right with New York City.

As never before, it is the national center of the United States. It is headquarters for a large share of its major corporations; it is the capital of its financial markets; it is the center of its communications, its advertising, its publishing; it is the center of its arts, its theater and its fashion. There is more of everything here that makes a city jump and hum with life--more different kinds of people, more specialized services, more stores, more galleries, more restaurants, more possibilities of the unexpected.

Here is the engine. And it is getting stronger. At the same time critics have been most energetic in prophesying imminent doom, the center has been going through its most vigorous period of growth. Firms have been expanding at such a phenomenal clip that in a few square miles midtown and downtown Manhattan, twice as much new office space has been built in the last 20 years as in the next nine largest American cities combined.

...concentration is the genius of the City, its reason for being, the source of its vitality and its excitement. We believe the Center should be strengthened, not weakened, and we are not afraid of the bogey of high density. We hope to see several hundred thousand more office workers in the business districts in the next 10 years, and we think the increase desirable and helpful.¹⁰⁸

To the Lindsay administration, thus, the national center functions of New York City were to fuel the city's private and public economies in the future. The Plan's economic strategy focused on white collar and upper middle class jobs that expanded national center functions would create. Even in discussing the role of industry in the city, it noted,

Industrial development programs can create many new job opportunities. While the white-collar sector is where the main growth lies, industry accounts for one-fifth of the City's jobs and is still one of the great dynamos of this city...

There is a social as well as an economic imperative. The City needs more and better blue-collar jobs and it needs them now. In time, training and education will right the imbalance between low-skill people and a high-skill job market. But that time is well into the future. To close the gap, vigorous industrial development is a necessity.¹⁰⁹

Together with public service jobs and jobs in low-income communities, industrial jobs would be created to provide employment for the city's low-skilled workers. Yet this would be essentially a stop-gap measure. The city's future lay in white collar employment serving a national center, not in blue collar industries. Like most published planning documents, the Plan presented its positions in a fairly non-controversial way. A draft makes the point about industrial jobs more clearly and in a more controversial way:

In the long run New York does not want to retain the low skill, low wage segment of its industry mix.... The displacement of manufacturing activities in the Central Business District is the complement to the expansion of office construction, which results in more intensive land use, higher investments, and more jobs than the manufacturing activities they replaced. 110

The Plan's emphasis on improving the earnings of New York workers as well as providing jobs for all could hardly be controversial. The assignment of industry to a secondary role in the city's future, and to no role at all in Manhattan, would have been far more controversial had public discussion of it ever occurred. More important, however, was another priority the national center argument implied. Again, the draft Comprehensive Plan makes this extremely important point quite clearly:

New York's ability to attract new growth industries and maintain its unique strength as a center for corporate and financial headquarters depends on making the City an attractive place to live and work. Businessmen have often expressed concern with unsafe streets, spreading physical deterioration, crowded subways, polluted air, and official red tape. While men work, their wives and children spend their time in community activities and in school. The young professional is concerned about finding adequate space, schooling, and personal security for himself, his wife and children. The problems of poverty and low income pose a serious threat to the security and amenity of middle class life in the central city. The extent to which New York continues to prove attractive to the man who decides where to locate his firm depends a great deal on the quality of life here. 111

For the Lindsay administration, then, the future of the whole city lay with "businessmen," "the young professional," "the man who decides where to locate his firm." Unless they could be protected from the dangers and discomforts of

city life, the city would fail. Manhattan south of 96th Street, and other upper and upper-middle income areas like Brooklyn Heights and Park Slope, would have to be made more interesting and much less troublesome places to live if the city economy was to grow. The "middle class" of professionals and corporate decision-makers would then want to live in New York, and more and more corporate headquarters would locate in the central business district's new office buildings. In turn, these new buildings would provide rapidly rising tax receipts with which to pay for expanding public services. Eventually, higher levels of public services, particularly education, would create a work-force well-suited to the skill needs of the national center. In the meantime, public and community service jobs and jobs in selected industries would maintain a low level of under- and unemployment among the poor.

The immediate policy results of the Plan's strategy for solving New York City's problems were evident in its treatment of different parts of the city. As many critics pointed out when it was published in 1969, for areas in Manhattan south of 96th Street, the Plan proposed a wide variety of expensive public improvements. For the rest of the city, virtually the only public improvements mentioned were those already in the capital budget. In Lower Manhattan, the national center strategy would be most clearly evident in the Manhattan Landing project. There, the Lindsay administration planners articulated a far more detailed and exciting description of the Lower Manhattan the DLMA had long been working toward.

Manhattan Landing

John Lindsay and David Rockefeller announced Manhattan Landing on April 12, 1972. It was a project on the East River that would complement Battery Park City on the Hudson. The project's plans had been developed mainly by Richard Weinstein, now Director of the Office of Lower Manhattan Development. Weinstein had consulted with the DLMA and other businessmen and undoubtedly shaped some aspects of the proposal to their desires, but the project was a City creation. The Lindsay-Rockefeller news conference was attended by a large group of businessmen supposedly committed to the project. Percy Sutton, Manhattan's Borough President, had not even been consulted regarding the project.¹¹² Presumably, the Lindsay administration knew he would disagree with its purposes.

Weinstein, two and a half years later, described his goals for the project primarily in design terms.¹¹³ It was an opportunity to carry out what should have been done in Battery Park City but would not be done because the Battery Park City Authority was not committed to good design; to an extent, then, Manhattan Landing was another skirmish in the John Lindsay-Nelson Rockefeller war. Donald Elliott saw the project as complementing Battery Park City, bringing enough residents Downtown to support services like department stores.¹¹⁴

Manhattan Landing was an incredibly ambitious and complex project.¹¹⁵ It would cover 113 acres, 33 on

existing land in the South Street Seaport Museum area (See Chapter V.) and 80 on platforms to be built between the bulkhead and pierhead lines on the East River, stretching from the Staten Island Ferry terminal to the Manhattan Bridge. Platforms were proposed for several reasons. They could be depreciated by their owners to provide income tax "shelters," a procedure that could not be followed with land-fill. The platforms would have little effect on tidal flows of water and presumably would obtain the necessary Army Corps of Engineers approvals easily. A third motivation was that building on platforms would make it possible to avoid for several years the major preliminary expenses Battery Park City was absorbing before any income-producing property could be built.¹¹⁶

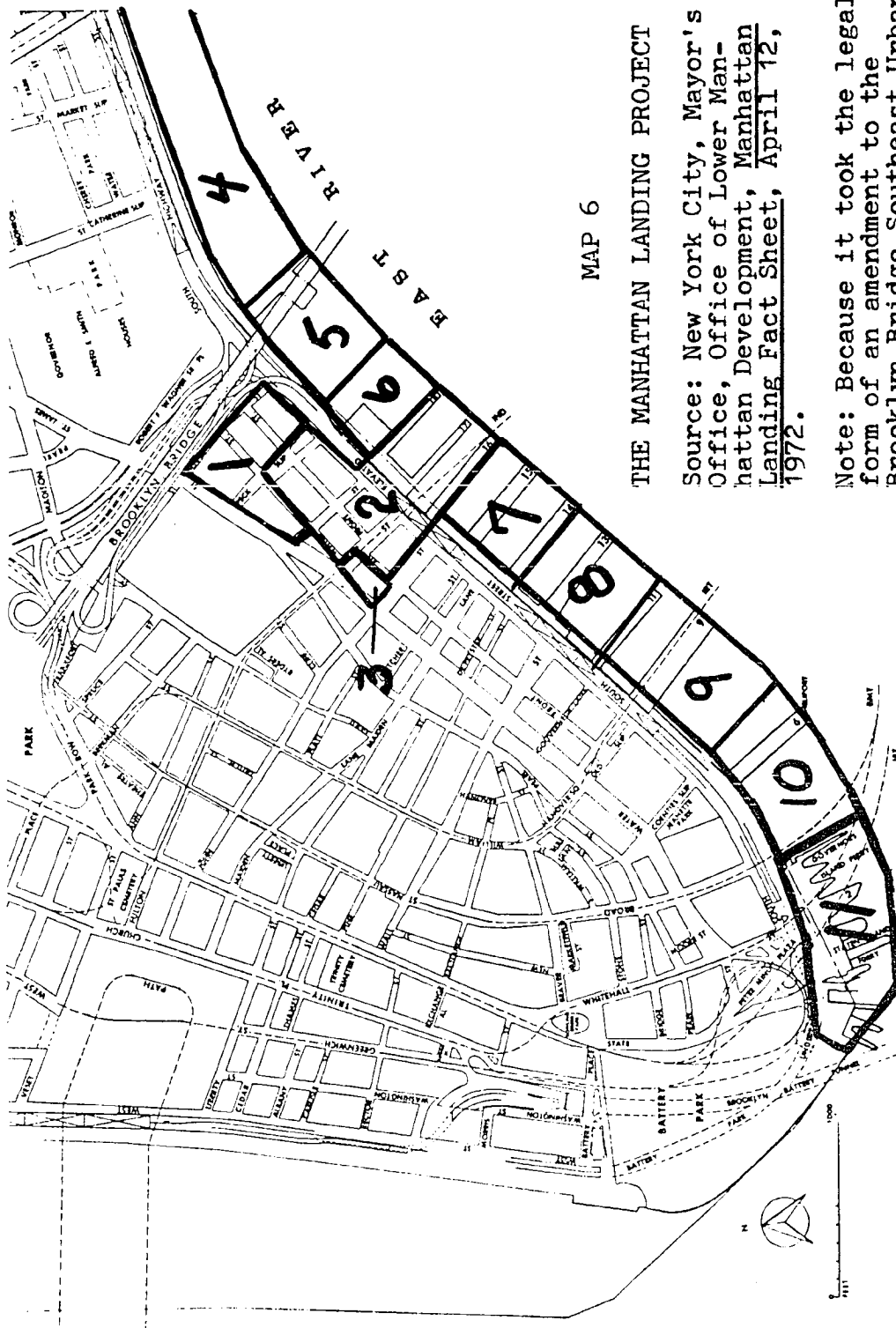
Manhattan Landing would cost \$1.2 billion. Map 6 and the following list summarize the proposed developments:

Site 1: Tishman Realty and Construction already owned most of these sites, and proposed combined commercial and residential development on them.

Site 2: This site constituted the South Street Seaport Museum and the New York State Maritime Museum. See Chapter V.

Site 3: Here a massive building to be built by or for the New York Telephone Company was proposed in connection with the Seaport Museum. See Chapter V.

Site 4: The Educational Construction Fund¹¹⁷ was to build an 8-acre park with a promenade on this site. The E.C.F. commitment to develop this park had been obtained by the City's demanding that E.C.F. provide playground facilities for the Downtown Commercial High School, being built adjacent to the new Police Building.



MAP 6

THE MANHATTAN LANDING PROJECT

Source: New York City, Mayor's Office, Office of Lower Manhattan Development, Manhattan Landing Fact Sheet, April 12, 1972.

Note: Because it took the legal form of an amendment to the Brooklyn Bridge Southeast Urban Renewal Plan, the latter is Manhattan Landing's legal name.

Site 5: Here, a Brooklyn Bridge Marina was to be built for 500 boats, utilizing existing piers. Rentar Development Corporation and Resorts International were named sponsors of the \$2.7 million project.

Site 6: A 400 room "boatel", sports facilities, and an oceanographic display center were to be built by Rentar and Resorts International, at a cost of \$27.3 million. Tennis and ice skating were to be the major sports offered.

Site 7: 2500 apartments were to be built on the roof of a 1000-car municipal garage, at a cost of \$180 million, by Tishman and Arlen Realty and Development. Completion by 1976 was projected. Both were to be conventionally financed, "although joint development and tax abatement for construction on vacant land is expected to result in less than conventional room rentals." 118

Site 8: The New York Stock Exchange still held a lease on this site. See Chapter V.

Sites 9: On this site, Uris Buildings Corporation was to develop 4 million square feet of office space (at \$200 million), and 3500 apartments (at \$193 million). 1750 apartments were to be completed by 1976, 1750 apartments and the offices by 1980. Financing for the housing was to be as follows: "A proposed participating mortgage with private lenders supplying 75 per cent of the financing, the City 20 per cent and limited-profit housing companies 5 per cent." 119

Site 10: DeMatteis Development Corporation was to build 3500 apartments for \$193 million, with the same financing and timing as was proposed for the Uris Housing. Together with Uris, DeMatteis was to extend Jeannette Park to the new riverside. (On the Uris role in the Park, see Chapter V.)

Site 11: The ferry terminal area: Trump Organization, a Brooklyn housing developer and owner, had committed itself to a \$500,000 study of the feasibility of rebuilding the ferry terminal, in combination with offices, apartments, hotel space. The study was to start immediately and, if successful, would lead to a \$200 million redevelopment.

The Manhattan Landing project was as complex in financing as it was in design. Commercial banks, savings banks, insurance companies, and even pension funds were to join the New York City Housing Development Corporation in providing financing for housing sections of the project. The commitments these financial institutions had made to the project, it would soon turn out, were weak. David Rockefeller and the DLMA offered moral support to Weinstein's planning work, and David Rockefeller joined Lindsay in announcing it. The DLMA may also have suggested participation in the project to some of those who were to take part, but neither the DLMA nor David Rockefeller personally had done much more to support the project. Chase Manhattan had made no firmer commitment to it than had the other commercial banks.

At the time Manhattan Landing was announced, Mayor Lindsay and David Rockefeller were concerned that it would suffer the same problem Battery Park City had, lengthy wrangling over the mix of income groups. This concern did not lead them to present a mixed-income proposal, but rather to emphasize other aspects of the project. It was presented, first, as a masterpiece of urban design. Weinstein stressed its relationship to the South Street Seaport Museum: The Seaport would make the area more interesting and attractive to potential residents, and the residents would contribute to public use of and involvement in the Museum.¹²⁰ The riverside promenade stretching from the ferry terminal to the Manhattan Bridge, too, was stressed. Lindsay emphasized that the project would be built without tax money. His April 12, 1972, news release noted that,

The Mayor said the development will not involve either Expense or Capital Budget money...

and quoted him:

At a time of enormous pressure on all city funding in both budgets, it is particularly gratifying that virtually the entire burden of financing this unprecedented development will be borne by the private sector.

Moreover, we expect that when Manhattan Landing is completed it will produce \$27 million a year in real estate tax revenues alone for the city--this from property that now produces only \$500,000 a year.¹²¹

The next day, Ada Louise Huxtable wrote enthusiastically of the project's design in the Times, and then of the political choices to be made:

With all this in its favor, the proposal is extremely vulnerable politically. It is frankly aimed at the reestablishment of the economic health of the downtown community. The argument is that the strengthening of this financial base is essential to the provision of the services that the city needs. The housing and commercial facilities, largely privately financed, will be for an upper middle income group in an upper middle income enclave.¹²²

Given the support Huxtable had previously given the Lindsay administration's planning and urban design efforts, it seems reasonable to suppose her arguments had been coordinated with the Lindsay administration's. The following day, the Times editorially supported the project, but with the following questions:

But the priorities of this city have a tragic polarity--it is hard to make a moral reconciliation of the urgency of poverty and the adequacy of the tax base. Significantly, support for the plan is being solicited on the promise of the use of its revenues to better the human condition in other parts of the city, and specifically to build more housing elsewhere. Is that pitch also an easy political panacea? And will the business community and the administration commit themselves equally to the city's poor? ¹²³

Lindsay and David Rockefeller claimed that only expensive housing--the luxury housing now costing up to \$150/room/month and slightly less expensive housing partially financed with New York City Housing Development Corporation¹²⁴ funds--could be built in Manhattan Landing, and that any disagreement over income mixes would cause the entire project to be abandoned. From the start, the former argument was transparently false, at least in regard to the Tishman-Arlen site. Here, housing was to be built over a city-owned parking garage that could easily pay for itself, at least as of 1972. Above it, a site with no land costs whatever could have been provided for any sort of housing. Public or moderate-income housing, therefore, could have been built on this site more easily than anywhere else in the city. A year later, in fact, the City would commit itself to providing the housing site without charge, but for "middle-income" housing at \$125 or more/room/month. Unquestionably, therefore, in designing Manhattan Landing as an exclusively high-income community the Lindsay administration was not limited by the lack of feasibility of lower cost housing, but exercised its preference for an exclusive community.

During the mid-1960's, when Battery Park City was proposed and Brooklyn Bridge Southwest was underway, David Rockefeller had raised no public objections to a large number of middle-income units there, although he seems to have hoped the lower-priced units would be placed as

far away from the commercial core as possible.¹²⁵ It seems certain, however, that David Rockefeller agreed with Lindsay that an exclusively upper-income community was the ideal.¹²⁶ Such a community would attract the corporate decision-makers that would fulfill his dream of turning Lower Manhattan into an ever more thriving office area, a replica of the area around Rockefeller Center in midtown. To the extent that the east side of Lower Manhattan was more important to David Rockefeller's interests than the west side because it was closer to Chase Manhattan, David Rockefeller would have been more concerned with having an exclusive community in Manhattan Landing than in Battery Park City.

Those supporting Manhattan Landing feared intense opposition on the issue of income mixes, but little materialized. The social welfare groups that had concerned themselves with Battery Park City three years before stayed out of this fight. The effectiveness of radical housing groups had been badly hurt, according to several observers, by cuts in anti-poverty funds.¹²⁷ Perhaps the political climate had changed toward a new conservatism. Despite the lack of opposition to this exclusive community, a public conflict did develop between Robert Abrams, the ambitious young Bronx Borough President, and Donald Elliott. Abrams' article in the Times may be quoted at considerable length:

It [Manhattan Landing] is oriented exclusively to Manhattan at the expense of the other four boroughs.

It uses extremely scarce city resources to construct a "gold coast" for the financial elite.

It ties the city's economy to an almost exclusively white-collar future when our critical need, now and

for many years to come, is for low-skilled and medium skilled service and manufacturing jobs to alleviate growing unemployment and underemployment, especially among teen-agers.

It ignores regional decentralization of jobs and housing...and intensified the concentration of both in an area where the basic service structure...is already at the breaking point.

...it would be particularly wasteful to use for this single project a major portion of the new funds for middle-income housing....These funds will purchase many more units of housing if they are spread throughout the boroughs, where land can be purchased for half the cost of creating it at the Manhattan Landing site.

We must also ask whether our economy can absorb another six million square feet of office space....

...
City Hall has also argued that a substantial increase in real-estate tax revenues will be generated by the Manhattan Landing project, even with maximum abatement. City Hall has not told the public, however, about the vast amount of public money that will have to be spent to build new sewers, streets and schools for this project....There will be little, if any, money to 'trickle down' for the benefit of other areas of the city. 128

Donald Elliott's reply is also worth quoting at length:

Consider the possibility of building an imaginative new community on a spectacular site that is now empty and barren. No buildings would have to be knocked down nor anyone evicted. The community would pay for itself, not costing the city a penny to build. Thousands of apartments would become available without diverting from other neighborhoods any of the agonizingly scarce Federal subsidies for low-income and middle-income housing.

Yet the community would not be a private oasis. It would support and stabilize the adjacent commercial district, where 480,000 people work. Places to relax would be an integral part of the design: a fascinating maritime museum, a delightful promenade, two green parks, riverside restaurants, plazas and shops--all paid for by private developers but open to the public.

....
Manhattan Landing will yield new taxes, new apartments, new open spaces and new vitality. It will also accomplish the following:

By providing an important resource for the Wall Street area, it will buttress a segment of the economy employing thousands of New Yorkers...

It will continue the process of transforming downtown Manhattan into a round-the-clock community...

It will reduce the pressure on downtown public transportation facilities by enabling many tenants to live within walking distance of their jobs in the financial district.
....

Manhattan's strengths are the city's strengths. Improving Manhattan, whether with this East River community or with Shakespeare in the Park, improves the entire city....129

In the fight over Manhattan Landing, these arguments make clear, the issues surrounding all of Lower Manhattan's redevelopment were exceptionally clearly drawn. Abrams' thinking had developed along lines begun during Robert F. Wagner's last term as Mayor, lines of thought that in turn could be traced to the New Deal. Public planning and redevelopment policies, for Abrams, should directly attack the problems of poverty, too few low-skill jobs and bad housing. Abrams' supported the claims of the outer boroughs, whose residents included the poor and middle class, against the Manhattan elite, and his arguments implied the hope that the former groups could once again be united in a political coalition. Abrams questioned, by implication, whether the City expenditures on Manhattan Landing would benefit the majority of city residents or only serve to guarantee and enhance the private investments in the project.

Elliott, of course, denied this last possibility, and argued that the project would provide financial benefits to the city as a whole. More important, however, his argument turned on the claims of an elite. If they could be provided with a properly insulated and stimulating environment, their presence would enhance the city and their power would be turned to solving its problems.

At the project's City Planning Commission and Board of Estimate hearings, the opposition Lindsay and Rockefeller feared hardly materialized. From the beginning, it was clear that both bodies would approve the project. The City Planning Commission was now made up entirely of Lindsay appointees, and in the Board of Estimate, Lindsay, Comptroller Beame, and City Council President Sanford Garelik would vote for the project. Severe embarrassment was, however, feared. May 11, 1972, the City Planning Commission hearings attracted only fourteen speakers, and only five, representing themselves as individuals rather than organizations, spoke in opposition to the project. None of the organizations that had opposed the predominance of luxury housing in Battery Park City three years earlier appeared. The City Planning Commission, to no one's surprise, approved the plan unanimously.

The Board of Estimate approved Manhattan Landing on July 20, 1972. Only Sutton, Abrams, and Brooklyn Borough President Leone opposed the project. Sutton and Abrams opposed it because of its lack of integration of different income groups. Sebastian Leone opposed it only because he thought more development should go to his own borough, and it seems likely that he would have voted for the project had his vote been needed. Sanford Garelik, President of the City Council, had called the project "...one of the most exciting developments I've seen." Garelik thought

the project was necessary "...for our junior and middle-level executives."¹³⁰ The Lindsay administration was very anxious to get on with Manhattan Landing. Even before the Board of Estimate held hearings on the project as a whole, the City Planning Commission approved plans and sponsorship for the Uris and DeMatteis housing projects.

Almost immediately after receiving these approvals, the plans for Manhattan Landing began to fall apart. The business commitments necessary to carry out the project had been, at best, tentative. One of the proposed developments had virtually no prospect of success. The New York Stock Exchange, in 1970, had diverted its construction funds to make good the debts of its members who had failed, and therefore was unlikely to build a new building in the foreseeable future. (See Chapter IV.) Consultations with the commercial and savings banks, insurance companies and pension funds that were to finance the project had been virtually nonexistent. After the project was approved, Weinstein began to work with a committee of three, one representing each type of financial institution that was hopefully to be involved in the project.¹³¹ (Already, the idea of pension fund participation had been dropped.) According to the commercial bank representative, Weinstein was entirely ignorant of financing problems. One problem immediately arose: the three sorts of financial institutions worked under different laws regulating maximum mortgage-to-value ratios and lending periods. It seems likely that

this problem was not technically insurmountable, but provided an excuse for the financial institutions to withdraw from their tentative commitments. As time passed, the unwillingness of the financial institutions to finance the project without government guarantees became clear.

The original plan for Manhattan Landing called for the DeMatteis and Uris sites to be built first. As inflation in building costs and the problems of financing continued, Uris and DeMatteis showed less and less enthusiasm. Early in 1973, Tishman and Arlen proposed that their project be financed not conventionally but through the Housing Development Corporation.¹³² Even with H.D.C.'s equivalent of Mitchell-Lama financing, their apartments would rent for \$125 or more/room/month, according to mid-1974 estimates. By 1974, the City had decided to proceed with the Tishman-Arlen project first. To save per-unit construction costs by building lower and simpler buildings, the project's size had been cut first to 2300 units, then to 1400. The project was to be given the maximum allowable tax abatement and pay nothing for its site, the roof of the 1000-car parking garage. It would be hard to imagine a project with fewer special difficulties. Its site was free. Any foundation difficulties would add to the cost of the garage, not the housing. Yet Tishman and Arlen grew skittish. Edward Levy, H.D.C.'s President, would not commit it to financing the project until firm estimates of rents had been established. The cost estimates Levy wanted could be prepared only from completed plans, which would cost

\$500,000 to \$1,000,000 to prepare. Tishman and Arlen refused to take the risk of paying for these plans. Now, they took a rather negative attitude toward the entire project. In an interview, a Tishman vice president said they had been "suckered" into the project by Weinstein.¹³³

Claude Shostal, facing this impasse immediately after taking office as Director of the Office of Lower Manhattan Development, worked out an imaginative proposal. The City and major banks--a consortium of ten set up by the DLMA--would guarantee the "seed money," committing themselves to reimbursing Tishman and Arlen for their planning costs if the project proved unworkable. The City would commit 75% of the guarantee, the banks no more than \$25,000 each. The purpose of the latter was not to save the City a significant sum, but simply to make the proposal more palatable to the Board of Estimate. At least one banker, however, displayed some venality; he said the banks, for this commitment, should obtain a share of the project's eventual ownership.¹³⁴

Finally, the arrangement Shostal proposed was agreed to, but it was never executed. Architectural work on the parking garage had been carried forward by Tishman and Arlen, who were to build it for sale to the City. They found that the garage alone would cost about \$40 million, as opposed to the \$26.3 million the Board of Estimate had approved in 1973. At this cost, the garage could not support itself, and at this impasse in 1975, progress on the Tishman-Arlen site ceased.¹³⁵

As late as the end of 1974, it appeared that one aspect of the Manhattan Landing project would go forward--the park the Educational Construction Fund had committed itself to building on the East River just north of the Brooklyn Bridge. The E.C.F., as was noted above, had agreed to build the park in return for permission not to build a playground for the Downtown Commercial High School. However, deficits of the E.C.F. must, by law, be paid by the New York City Board of Education, so the ultimate cost of the park would be absorbed by the City government. The City could ill afford such an expenditure as its fiscal crisis deepened in 1975. In July, 1975, therefore, the E.C.F. asked to be released from its commitment to build the park.¹³⁶

By 1975, thus, it had become clear that the 1972 Manhattan Landing plan was primarily a public relations document, designed to elicit public and political support for the project and governmental commitments to its completion. The plan therefore underestimated the difficulties and costs to the public of building the project, and portrayed private commitments as far more meaningful than they were. The banks, developers, builders and other private groups who stood behind John Lindsay in 1972 were happy to participate in a project that offered a grab-bag of public mortgage money, tax abatements, free development sites, and other arrangements in which the public would absorb the risk. Their entrepreneurial spirits were brave in the face of these guarantees, but became cowardly at the possibility of losses of even a few tens of thousands of dollars.

Zoning

In Manhattan Landing, the Lindsay administration was motivated by a well worked-out vision of the city and its future, but also by a fascination with design. There and elsewhere the Lindsay administration attempted to turn zoning into a subtle and refined tool for controlling urban design. Practically, these efforts had limited results. They created some fascinating buildings. But the new zoning failed to realize the broader goal of creating pedestrian ways and well-integrated office districts because the supply of office space overtook the demand for it.

The new uses to which Lindsay put zoning, however, had great symbolic importance. This zoning was to create a fascinating city, one that would display to the passerby, in succession, the majesty of a view up Broad or Wall Street to the seat of American capitalism; the exquisite detail of a modern galleria; the whimsy of a fake candy store beneath a modern office building; the quiet pleasure of an apertif at a sidewalk cafe. This zoning would create a city fit to surround the elite of which Lindsay and his colleagues were members.

Again, the approach to zoning taken by the Lindsay administration can be understood best in contrast to that of the Wagner administration. By the mid-1950's, when Robert Wagner took office, the zoning ordinance New York City had adopted in 1916 and never replaced had become an incredibly complex mixture of original elements and amendments. Planners,

public administrators, real estate developers and other businessmen generally agreed it was difficult to use, outmoded, and in places simply silly. Those concerned with office building districts were particularly distressed by the fact that the code produced, during the post-World War II building boom, ugly zigguret-shaped buildings less and less compatible with developing architectural styles.

Only a few aspects of the history of replacement of the zoning ordinance in 1960 are of interest here. The first is the way the Wagner administration proceeded politically. In 1956, Wagner appointed James Felt to head his City Planning Commission; from the beginning it was clear that Felt was to lead revision of the zoning code.¹³⁷ Felt was an ideal man for this job. He was a real estate man--the firm he founded still exists--exceptionally well-respected among real estate brokers, developers, big businessmen and even more liberal planning and architectural groups.¹³⁸ Only such a man could carry out the extremely complicated and difficult negotiations necessary to create a new zoning ordinance. Over a four-year period studies and consultations were carried out that resulted in a final version of the new zoning code that received extraordinarily broad support.¹³⁹ What is of more interest here, however, is the fact that Wagner and his political associates played a very minor role in these events. Apparently quite purposefully, Wagner stayed out of the zoning controversies. Likely this stance was partly a matter of political judgment; an elected official had much

to lose and little to gain by participating in such controversies. Equally important, however, was Wagner's feeling that zoning was something that planners, architects, civic and community groups, and the various real estate interests should work out by themselves. Elected officials should not interfere in this process beyond offering general support to efforts to reach a solution.

In business districts, this stance gave major corporations and other major investors what amounted to control over the zoning ordinance. Although the DLMA did not play a major public role in revision of the zoning ordinance,¹⁴⁰ one aspect of the new zoning of Downtown was, quite openly, designed to preserve and protect investments within the commercial core. Areas surrounding the commercial core were zoned to Floor Area Ratios (F.A.R.'s)¹⁴¹ of 10. Such zoning would prevent new construction of buildings in the core's periphery from blocking views of the water from buildings in the core. As will be noted below, when developers wanted to change this zoning in 1964 and 1965, the Wagner administration simply referred the decision on this zoning to David Rockefeller and his associates, who could speak for the owners of buildings in the core.¹⁴²

The Lindsay administration was primarily interested in innovative zoning policies designed to improve the city's architecture. In the eyes of a political observer, Lindsay himself was "enthralled" with architects.¹⁴³ At the end of his second term, Lindsay would write,

I am enormously proud that people have come from all over the country, in fact from all over the world, to see our urban design accomplishments in New York. They come to study our incentive zoning legislation, our special design districts, and the new ways we have found to save landmark buildings and rebuild theaters and shopping streets. ¹⁴⁴

Urban design assumed an important role in the Lindsay administration. A year after its inauguration, the Urban Design Group was set up within the City Planning Commission, to be followed late in 1967 by the design-oriented Office of Midtown Planning and Development and the Office of Lower Manhattan Development. Lindsay remained very interested in design issues, and was especially sensitive to praise and criticism from architectural critics. The heads of these offices mentioned above had access to Lindsay, and to Lindsay's confidant Donald Elliot, unusual for people of their rank. ¹⁴⁵

Beginning in the Times Square theater district in midtown, the City Planning Commission developed the idea of special zoning districts. In 1967, Sam Minskoff and Sons planned to build a large office building on the site of the Astor Hotel, on the west side of Times Square between 43rd and 44th Streets. ¹⁴⁶ Minskoff needed a special permit from the City Planning Commission, ¹⁴⁷ and in order to obtain it said he would build an extraordinarily ugly building--plans for which he presented--if the permit were not given. In discussions that ensued, the City Planning Commission wanted to obtain not only good design, but another theater for the

area as well. The Lindsay administration saw this as an important issue. Jonathan Barnett, one of Lindsay's urban designers, described the situation in his book Urban Design as Public Policy:

If the Minskoff building proved successful, all of these theaters were vulnerable to redevelopment, as all the theaters were an economic land use only because they were old and had been paid for long ago. No legitimate theater had been built in the Broadway area since the early 1930's: as far as real estate development went, these theaters were practically undeveloped land.¹⁴⁸

The planners, thus, saw placing a theater in the Minskoff building as showing the way to avoid an otherwise inevitable death of the legitimate theater in Broadway. That death, if allowed to happen, would have had disastrous consequences. Barnett continued,

...the theaters in the Broadway area had become part of a series of interconnected land uses. Restaurants, hotels, film theaters and shops all benefitted from each other's presence. Pull out the theaters and you damage them all. There was also a system of more subtle interconnections between the theaters and advertising, publishing and the rest of the communications industry, to say nothing of the fact that the presence of the theaters was one of the attractions that brought corporate headquarters to New York City, creating the demand for the office buildings that were threatening their existence. Broadway without its theaters would lose much of its sparkle; New York without its theaters would be greatly diminished.¹⁴⁹

Barnett's reasoning on the importance of theaters, thus, was the same reasoning that led to Manhattan Landing. The elite was critical to the city's future, and the amenities that would attract them should be provided.

The City's planners entered into negotiations with Minskoff, and finally the City Planning Commission allowed

him to increase the building's floor space by about 20% in return for constructing a theater. A special zoning district was created as the legal tool with which to carry out the agreement.¹⁵⁰

Already, the Office of Lower Manhattan Development (OLMD) had used the techniques of negotiating with developers Downtown. (See Chapter IV.) Now, Richard Weinstein, the second Director of the OLMD, began to apply urban design controls in several areas of Lower Manhattan. The Greenwich Street Special Zoning District was developed first.¹⁵¹

Weinstein's Greenwich Street District was bounded on the north by the World Trade Center, on the east by Broadway, on the south by Battery Place and on the west by West Street. By 1969, developers had begun assembling properties in the district. Already, United States Steel had begun 1 Liberty Plaza just to the northeast. It had negotiated an arrangement with the City whereby its plaza could be located, not on the site itself, but across Liberty Street. Creation of the Greenwich Street District was occasioned by Fisher Brothers' plan to build at Greenwich and Liberty, just south of the World Trade Center, for Banker's Trust.

Weinstein saw the problems of this area as being mainly those of pedestrian circulation. Drawing heavily on the Lower Manhattan Plan's arguments, he wanted to separate pedestrian traffic from vehicular and provide a series of pedestrian ways above grade and improved access to subways. In December, 1970, the OLMD proposed the special district.

Unlike the earlier special zoning districts, Greenwich Street would not require negotiation between developers and the City. Rather, the district regulations established mandatory and optional improvements, in return for which the developers could increase Floor Area Ratios from 10 to 15 in the western portion of the district, and from 15 to 18 nearer Broadway. The exact amounts of increases in F.A.R.'s were calculated according to extremely complex formulas.

Each developer in Greenwich Street would provide for pedestrian circulation improvements. In the Fisher building, so far the only one completed in the area, this meant a plaza raised about twenty feet above ground level and, eventually, a bridge that would connect the plaza to the World Trade Center. Each developer would contribute to subway access either by building concourses in his building or contributing to a subways improvement fund. The developers were required, moreover, to reserve 2.5% of their floor space for shopping facilities. The zoning ordinance amendment mapped all these improvements in great detail, attempting to insure that networks of pedestrian ways and improved subway entrances would eventually be built at no public cost.

In the Fisher building, the OLMD achieved what it saw as a significant first success for the Greenwich Street district, and for the idea of pedestrian ways throughout Lower Manhattan. Over the next few years, however, the essential weakness of the special zoning district concept became clear in Greenwich

Street. Special zoning districts would work only if the market for the types of buildings being built was strong; otherwise, developers would simply go outside the special districts to avoid the costs and difficulties of working within them. Second, the zoning had to enforce more stringent limits on development than those enforced by the market; otherwise, developers would have no interest in obtaining the bonuses that would induce them to cooperate with the restrictions that were part of the special district idea.¹⁵²

Prior to 1969 or 1970, these conditions certainly existed in Lower Manhattan. After 1970, however, new office buildings were not being planned Downtown, because of an increasing oversupply of office space in the area and a downturn in economic conditions there and citywide. The regulations, in these new circumstances, lost their force. (On events in 1975, see Chapter VI.)

After 1970, Weinstein applied the special zoning district idea to Battery Park City and Manhattan Landing,¹⁵³ particularly to carry out ideas of pedestrian circulation and on visual and pedestrian access from the island's interior to the water drawn from the Lower Manhattan Plan. The zoning district regulations defined visual planes, circulation to the waterfront, esplanades along the rivers, some building bulks and even, in Battery Park City's commercial section, a hexagonal shape for the three office buildings. Why such detailed regulation was necessary on

land that was owned by the City, where design could be regulated by lease provisions, is unclear. Weinstein argues that the zoning district was necessary in Battery Park City because the Battery Park City Authority refused to agree to detailed design review by the Office of Lower Manhattan Development.¹⁵⁴

One suspects that at least part of the impetus behind the special zoning districts for Battery Park City and Manhattan Landing was the planners' fascination with their new tool and the wonderful aesthetic results they thought it could create. The Lindsay administration was extraordinarily concerned with encouraging architectural developments that were meaningful mainly if not solely to a tiny elite. By acting on this concern, the administration expressed commitments to a Lower Manhattan built for the elite.

Defining the Public Interest

The ways public officials have defined their own interests and those of the public, and the power they have exercised to realize those interests, may now be examined.

As was noted above, government officials have very frequently been mainly concerned with solving problems of governmental administration and carrying out responsibilities normally seen as belonging to government. Initiation of the Civic Center and Washington Street projects was motivated by such concerns.

Interests in smooth administration are not always separable from the political interests of elected public officials and their appointed allies. In order to be reelected, public officials must, among other things, appear to be efficient administrators. Successes or failures in programs with which they are personally identified are, naturally, more important than successes or failures for which others will get the praise or blame. Governor Rockefeller, thus, identified himself with the Mitchell-Lama middle-income housing program and developed his Battery Park City proposal at least partially to carry that program forward. Lindsay identified himself with the cause of improved architecture, and worked very hard to realize architectural improvement.

Elected officials' decisions on what policies to pursue were shaped, of course, by constituent pressures. In pursuing Battery Park City, certainly, Nelson Rockefeller not only attempted to carry out a program he believed in but also attempted to enhance his public image. Nelson Rockefeller had another motivation, however. As many observers have argued, to a considerable extent Rockefeller's political success was based on his friendly relations with construction trade unions. In the World Trade Center and Battery Park City as in the Albany Mall and State University of New York campuses, Nelson Rockefeller not only created possibly needed structures and monuments to his administration, but jobs for union members as well.¹⁵⁵ Likewise, one of the

reasons Robert Wagner adopted a more activist city planning stance after 1960 was his loss of support from the city's Democratic machines: he consequently needed to appeal to reform Democrats with dramatic, liberal policies. Lindsay's concern with design unquestionably reflected his personal values, but it also served his political interests in appealing to an upper middle class constituency that at least saw itself as concerned with aesthetics and savoring the pleasures of city living.

But public officials' own beliefs and values, sometimes even their whims, seem to have been as important as constituent pressures in shaping their policies. Nelson Rockefeller fought with John Lindsay over whose substantive ideas on the design for Battery Park City would prevail, not because of constituent pressure, but apparently because the two were jealous of each other. Like Rockefeller, both John Lindsay and Robert Wagner took actions that pleased their constituents. But both also took politically unnecessary or even politically dangerous actions. Wagner increased his administration's commitment to low-income housing beyond that which was politically necessary by stopping consideration of Battery Park Houses and by increasing the number of low-income units in the West Side Urban Renewal Project. Lindsay, of course, was politically foolhardy in continuing to oppose low and middle-income housing for Battery Park City for as long as he did.

Like elected public administrators, the other politicians not only functioned as brokers adjusting interests of various groups to one another, but pursued their own visions of the public interest with considerable independence. Both Herman Badillo and Robert Abrams took quite radical stances on issues related to Lower Manhattan. These may have appealed to their large liberal constituencies and to their Puerto Rican and Black constituents. However, they may also have risked alienating large parts of their Bronx constituency and the city and/or statewide constituencies they would have to attract in running for higher offices. The prospect of alienating present or future constituents seems to have bothered them little if at all. Certainly, the prospect of alienating major business interests was of little concern. Of course, Badillo and Abrams may have felt that they had little chance of obtaining business support or support from more conservative voters in any case.

Manhattan Borough President Sutton is faced with an extraordinarily diverse constituency including major businessmen, very poor minority communities, and constituents as liberal or radical as any in the United States. He has managed to retain the support of all these groups and of the remnants of the Manhattan Democratic machine, by working out positions that alienate few but are not obviously avoidance tactics. Yet, in Lower Manhattan Sutton appeared to be guided, quite frequently, by his own beliefs. In 1975, for example, Sutton changed his position on the Second

Avenue Subway from support for construction to the position that the subway was not needed. At the time, there was considerable public discussion of the subway and whether it could or should be built during New York City's fiscal crisis. But there was no apparent pressure on Sutton to change his position. Rather, he seems to have responded to reports that crowding on the Lexington Avenue subway had declined, and therefore the Second Avenue Subway was needed less than had been thought.

Despite their considerable independence from pressure groups, public officials have taken many stances that have very clearly served the interests of business groups in the redevelopment of Lower Manhattan. Why they have taken actions that served the interests of real estate developers will be discussed in Chapter IV. Here, their relations with major corporate leaders will be discussed.

Public officials involved in the redevelopment of Lower Manhattan appear to have served the interests of big businesses under several sorts of circumstances. First, public officials have regarded major corporations as having the right to participate in making certain policies or even to determine those policies themselves. Most of the Wagner administration's planning officials and Wagner himself, apparently, thought either that Downtown business groups should have most to say about the area's zoning or that attempting to take control of zoning in the area would have served no particular purpose. Nelson Rockefeller

in New York State and both Governors Meyner and Hughes in New Jersey, apparently, thought the Port Authority should be allowed considerable freedom of action and saw its special relationship with big business as right, unchangeable, or both. Again, Wagner may have agreed with this notion, or may have thought he could only lose by attempting to control the Port Authority.

Second, public officials involved Downtown have worked in the interests of big corporations when those interests corresponded to their own interests and conceptions of the public interest. As will be described in Chapter IV, the Wagner administration worked hard to locate the New York Stock Exchange in New York Plaza. But Wagner and his appointees were motivated by the city's need to end the Exchange's threats to leave the city; by the desire for the new taxes a rebuilt Exchange would bring; and by the need to redevelop an urban renewal site. In proposing Battery Park City, Nelson Rockefeller acted in the interests of his brother and other leaders of major corporations, but he did so, apparently, because those interests corresponded to his own political interests and conception of the public interest. In some of the details of his plan, Nelson Rockefeller opposed his brother. In working for the southward extension of the Second Avenue Subway, Sutton acted in the interests of business leaders, but he did so primarily because those interests corresponded to his own desire to improve mass transit, particularly in the Lower East Side.

But public officials have, at least as frequently, failed to act in the interests of major businesses when those interests did not correspond to their own and their conceptions of the public interest. Occasionally, public officials have taken actions directly opposing the interests or ideas of David Rockefeller and other corporate leaders. The Lower Manhattan Plan's authors, certainly with the acquiescence and possibly with guidance of their superiors in the Wagner administration and/or the Lindsay administration, argued forcefully that another subway Downtown was not particularly needed, as did the authors of the Metropolitan Transportation Authority's 1968 plan. However, public officials have opposed business interests more frequently by avoiding public commitments or involvement than by directly and openly opposing the interests and ideas of business leaders. Apparently believing redevelopment of Lower Manhattan was far less important than programs to increase the supplies of blue-collar jobs and low-income housing, the Wagner administration avoided commitments to the area. It is unclear whether its decision to fund the Lower Manhattan Plan was a response to pressure or an action taken because Ballard's arguments on the need for such a plan were persuasive.

Public officials involved in Lower Manhattan's redevelopment, thus, generally acted independently of business interests, even when they acted in ways that furthered those interests. This was true even of the John V. Lindsay

administration. As will be described in Chapter V, Lindsay's position on the Lower Manhattan Expressway wavered between support of a modified Expressway and attempts to let the troublesome project die. In doing so, Lindsay acted at best half-heartedly in the interests of business groups desiring Lower Manhattan redevelopment. Much more frequently, however, the actions of the Lindsay administration supported efforts to redevelop Lower Manhattan in the way David Rockefeller and his colleagues wanted it redeveloped. The very close cooperation that developed between the Lindsay administration and the DLMA requires careful analysis.

First, Lindsay's own background and thinking appear to have led him to viewpoints very much like those of David Rockefeller. Lindsay was a liberal Republican. Apparently, he independently believed in the need for the sort of development David Rockefeller wanted, and believed business leadership had important roles to play in rebuilding the city. The charge that his opponents sometimes made, that Lindsay was an elitist, seems to have been justified. He and his high level appointees clearly believed that insulated upper middle class communities were essential to the city's future, and they placed great importance in achievements, like better architecture, attractive to the upper middle class but irrelevant to most of the rest of the citizenry.

But Lindsay's ambition went far beyond the visions of a liberal business leader like David Rockefeller. Lindsay wanted to rebuild New York City, and thought he could solve a great many of its problems if not all of them. At the beginning of his administration in 1966 and 1967, Lindsay's ambition led him to urban planning and other policies that would devote unprecedented amounts of government resources to solving the problems of low-income communities. At that time, Lindsay concentrated almost all the City's urban renewal and housing resources on the "hard core" poor areas that would later become the Model Cities neighborhoods. He adopted policies aimed at helping the poor that would lead to extremely rapid growth of the City's budget.

Through the late 1960's, the Lindsay administration counted on continued national economic growth and continued New York prosperity to make it possible to pay for rebuilding the city, and on inflation to make the ultimate real cost less than it at first appeared. The hope was that inflation would cause City income to rise faster than costs and reduce the value of borrowings by the time they had to be repaid.

Yet, in the late 1960's, the necessity of stimulating economic development was obvious. Earlier attempts to stimulate growth of industrial jobs in New York City, under Mayor Wagner, had worked out poorly. In Washington Street, it had proven impossible to build a printing center, and

in Brooklyn's Flatlands Industrial Park, an urban renewal project created by the Wagner administration, redevelopment had proceeded very slowly. Perhaps as a result, the Lindsay administration turned its attention to the then growing sectors of the city's economy, and placed its hopes for economic development on the prospects for continued increases in office employment. To carry out this policy of economic development via stimulation of office development, the Lindsay administration turned for advice and support to those already interested in central business district redevelopment. In Lower Manhattan, this meant working closely with David Rockefeller and the DLMA. Lindsay's relationship with David Rockefeller and the DLMA was made even more comfortable because they shared common views on many matters, including what Lower Manhattan should become.

The policy of economic development through growth in office employment fit neatly with an image of the city Lindsay and his colleagues undoubtedly already held. To them and many of their constituents the city was excitement. Living there, on the West Side or in Greenwich Village or Park Slope, was a statement that one was open to experience and competent to appreciate it and, when necessary, to overcome the difficulties of central city life. For many members of this group, to live in the city was a statement of liberal persuasion, particularly on racial matters.

Through the 1960's, a self-confident liberal elite came to portray itself in terms like these. In city

public affairs, these ideological notions were strikingly effective. The professional and business elite was defined as living city life the way it should be lived. Therefore, it became easy to think of this elite as carrier of the city's culture. The very act of living in the city was defined as liberal or almost liberal; therefore, elitist or even strikingly illiberal actions could be justified if they made it possible for this crucial elite to live in the city. Combined with an elitist view of how economic development could be stimulated, these notions about the city made up the apparently persuasive arguments the Lindsay administration used to justify Manhattan Landing.

David Rockefeller and other big businessmen conceived of the city in far narrower, more old-fashioned terms. For them, the city was its business elite, its major economic organizations, and its pieces of prime real estate. This view of the city, expressed in the DLMA planning documents, was quite workable, as a basis for redevelopment of Lower Manhattan, in the late 1950's and early 1960's. Then, business groups like the DLMA, administrators like Moses and Tobin with power bases not dependent on electoral politics, the elite press, and, least important, top elected officials, were the only actors in redevelopment ventures. The first three categories of actors, at least, generally shared the big business view of what the city was and should be.

The early 1960's, however, saw a rise to greater prominence and greater political power of liberal upper middle class groups. At the same time the machine political

structures began to break apart and Robert Moses lost much of his power. Now, appealing to the liberal elite became essential in city electoral politics as in redevelopment planning. The vision of the city held by big businessmen could not generate such support. Through the early 1960's, as a result, the public's interest in planning was captured, not by efforts like the DLMA's, but by Wagner's innovative West Side Urban Renewal Project and the exciting opposition neighborhood groups were mounting against more traditional urban renewal. But after 1965 the liberal elite ideology of John V. Lindsay proved an extraordinary means of drawing upper middle class groups into cooperation with big business redevelopment efforts. (This is not to argue, of course, that the ideas were consciously developed for such purposes.)

As they had been able to support the Department of Marine and Aviation proposal to rebuild the Hudson shore while opposing light industry there, now the DLMA could support John Lindsay's efforts to rebuild central business district areas, its members, speaking through other business groups, could warn against extravagance in social services.

NOTES: CHAPTER III

1. New York City, City Planning Commission, A Plan for the Manhattan Civic Center, 1948.
2. See New York City, Slum Clearance Committee, Park Row Slum Clearance Plan and Park Row Extension Slum Clearance Plan, 1956 and 1959. Both projects, now completed, contain middle-income housing.
3. Note that the Customs Court House, planned and built as part of the Foley Square federal building, is distinct from the administrative Customs House, planned for and built in the World Trade Center.
4. Bernstein, Carroll interviews.
5. During 1964, a large number of prestigious architects publicly opposed the federal stance. At a February news conference, for example, such architects as Marcel Breuer, Walter Gropius, Philip Johnson, I.M. Pei, and Paul Rudolph--all among the world's most illustrious--publicly opposed the federal position. See New York Times, February 5, 1964, 37:1.
6. The major architectural committee involved was the Civic Center Committee of the New York Chapter of the American Institute of Architects. This committee was chaired by Nathan R. Ginsburg.
7. Abramovitz, Bernstein interviews. This was a volunteer committee.
8. Max Abramovitz, Simon Breines, Robert W. Cutler, The New York Civic Center, September, 1962.
9. The so-called "Tweed" Courthouse, directly north of City Hall, was built by "Boss" Tweed, and its construction involved infamous corruption. The Courthouse has been used for many years as space for the Mayor's Office.
10. New York City, City Planning Commission, Civic Center Committee Report, 1962. This review of the "ABC Plan" confirms this figure.
11. Stone was then at the height of his popularity. For some examples of his work, see Stone, op. cit.
12. As Map 5 shows, the Police Building is connected to the Municipal Building and Civic Center area by a wide pedestrian way passing over Park Row.

13. The struggle seems to have been mainly an attempt, on the part of Democrats, to deflate Lindsay's claim to be an exceptionally able administrator.
14. Baraff interview. Also New York City, Mayor's Office, Office of Lower Manhattan Development, Manhattan Civic Center, April 1, 1974. The latter document, prepared by Richard Weinstein, notes that Stone's building was very inefficient in terms of usable office space per dollar of construction costs.
15. Carroll interview.
16. New York City, Mayor's Office, Office of Lower Manhattan Development, op. cit.; West, Baiter interview.
17. Note that the recently constructed federal building in Chicago is similarly located.
18. Carroll interview.
19. The DLMA was concerned with the Washington Market area only as it might provide an area to which industries from the downtown core could be relocated. See their 1958 and 1963 reports.
20. Mathews interview. Also, for a summary of arguments, see New York City, Department of Public Works, Preliminary Studies for New York City Terminal Market at Hunts Point, the Bronx, Madigan-Hyland and S.O.M., consultants, November, 1959.
21. DLMA, 1958, op. cit., p. 30.
22. On the history of the market, see Lower Manhattan Public Transportation Study, op. cit.
23. New York City, Department of Public Works, op. cit.
24. This may have been the case because operators in the other two markets had major immovable investments in refrigeration equipment.
25. Mathews interview. Mathews handled S.O.M.'s part in the Washington Market study.
26. Mathews, Bernstein. Of course, documents justifying the project make this purpose--possibly illegal in state law and likely one that would disqualify the project for federal aid--less clear.

27. Bernstein, J. Clarence Davies II interviews. Felt was chairman of the City Planning Commission until 1961; for some years thereafter he was a member of the Commission and of the Housing and Redevelopment Board.
28. Bernstein, Davies. This seems true, not only because of independent confirmation, but because other attempts to develop printing centers, including one by Tishman Realty and Construction described by Speyer, have failed.
29. Wolfson's withdrawal was occasioned by accusations, made by the non-profit housing developer I.D. Robbins, that Wolfson was making windfall profits on the project. According to Bernstein and Davies, however, Robbins' charge was false.
30. This proposal was put forward in February, 1967 by Donald F. Shaughnessy, President of the City Public Development Corporation. Apparently, Shaughnessy acted on his own. Buford interview.
31. Gilbert interview.
32. On its further history, see Chapter VI .
33. Robert Moses, for example, placed little faith in very complex plans, or in plans that would require commitments that might not be available. Starting with the West Side Urban Renewal Project, on the other hand, the Wagner administration developed more and more complex plans. See J. Clarence Davies III, Neighborhood Groups and Urban Renewal, (New York: Columbia University Press, 1966) for descriptions of both sorts of planning.
34. Wallace, McHarg et alia, op. cit.
35. For a discussion of container technology, see West Side Association of Commerce, Inc., The Westsider, Fall, 1969 special issue on containerization.
36. By legislation, the Port Authority can acquire municipally owned property only with the municipality's consent. Newark, Elizabeth and several other New Jersey cities had given such consent. The City of New York, however, has never sold piers to the Authority. The Authority's Brooklyn piers were acquired from private owners. In the 1960's, as a result, the port's most modern piers were those in Newark and Elizabeth, the least modern the City-owned piers in Manhattan.

37. Not surprisingly, the Department of Marine and Aviation had close relationships with the International Longshoremen's Association and its member locals, particularly the Manhattan locals that organized city-owned piers. I.L.A. locals are limited to a few piers each, and, by the union's rules, seniority cannot be transferred from one local to another. For the Manhattan locals to retain their power, and for their members to retain jobs, the Manhattan piers would have to be revived.
38. Edelstein interview. On the De Sapio fights see Edward N. Costikyan, Behind Closed Doors (New York: Harcourt, Brace and World, 1968).
39. New York City, Department of Marine and Aviation, East River Pier Development Plan, 1959.
40. New York City, Department of Marine and Aviation, Ebasco Services, Inc., consultants, The Port of New York: Manhattan North River Development Plan, 2 volumes, 1963.
41. New York City, City Planning Commission, The Port of New York, Proposals for Development, September, 1964.
42. Ibid., p. 10.
43. The pierhead and bulkhead lines, shown on maps used in this study, are established by the Army Corps of Engineers.
44. The \$10 figure was used in the mid-1960's. In the early 1970's, the Battery Park City Authority contracted for \$12 to \$15 per square foot of new land created, figures including the cost of demolishing existing piers. The cost of landfill is affected by the width of the strip being filled as well as by the depth of fill, as a great deal of the cost is account for by new bulkheads.
45. DLMA, 1963 op. cit., p. 13.
46. Bernstein interview.
47. Wallace interview. See Edmund N. Bacon, Design of Cities, (New York: Viking Press, 1974)
48. Bernstein, Wallace interviews. At the City Planning Commission, Robert Mitchell, who had been a faculty member in the University of Pennsylvania's urban planning department, where much of the innovative design work had been done, was a staff member. Mitchell's thinking was important in convincing Ballard to hire Wallace, McHarg.
49. Bernstein interview.
50. Bernstein, Wallace interviews.

51. Wallace interview.
52. During the course of the study, Whittlesey left the firm, which then became Conklin and Rossant, which it has remained.
53. Wallace says, for example, that Rossant arranged a news conference on the plan for a time when he knew neither Wallace nor any of his partners could be in New York. Conklin, in contrast, argued that no particular frictions developed between the firms. Conklin interview.
54. Bernstein interview.
55. On the highways' history, see West Side Highway Project, Environmental Impact Statement, April 25, 1974.
56. In fact, pedestrian traffic at this point, at rush hours, is now incredible.
57. Wallace, McHarg et alia, op. cit., pp. 2-19 through 2-22.
58. Regional Plan Association, Urban Design Manhattan (New York: Viking Press, 1969) uses this concept.
59. Wallace, McHarg et alia, op. cit., p. 1-74.
60. Ibid.
61. Of course, Voorhees' work would have had far more influence had major highway construction actually been carried out.
62. See Rosemary Scanlon, "Measuring Employment Levels in Small Areas," unpublished paper, 1972. Scanlon is New York's expert on the problems of such measurement. The difficulties of this measurement stem from the fact that the federal government measures employment only at county level. The state unemployment services measure employment at zip code level, but measure only covered employment. Moreover, many companies report all workers as working at their headquarters, rather than at places where they actually work. These difficulties make measurement of employment at smaller-than-county levels a matter of guesswork. Scanlon interview.
63. This method was developed, by the engineering and planning consultants Vollmer Associates, in work for the New York Telephone Company. Caught in the late

1960's with extremely inadequate capacity and manpower, New York Telephone was interested in estimates of employment, and therefore telephone demand, that would insure against similar difficulties thereafter. For this purposes, the Vollmer technique, which tends to overestimate growth in employment, is useful. Moloney interview. The density at which offices are occupied varies immensely. Apparently, there is a tendency among many types of firms to allow their quarters to become quite crowded, then to move into much larger quarters, allowing extra space for expansion. Thus, new space tends to house many fewer workers than the same amount of older space. Moreover, firms may occupy new space solely for prestige reasons. All these factors make the relationship between construction of new space and creation of new jobs very weak at best.

64. Wallace, McHarg et alia., op. cit., p. 15.
65. Scanlon interview. Scanlon questions the accuracy of Transit Authority turnstile counts on which conclusions like these are based. However, there is no reason to suppose that the sources of inaccuracies would change over time.
66. Scanlon interview.
67. Ibid.
68. New York City, City Planning Commission, A Plan for New York City, Vol 4, Manhattan, p. 23.
69. Battery Park City, the housing project to be built on landfill in the Hudson River, must be distinguished from Battery Park Houses, the project Robert Moses' Slum Clearance Committee proposed for the area bounded by Water Street, South Street, Whitehall Street, and Coenties Slip. The official name of the latter was Battery Park Urban Renewal Project. Its history is dealt with in Chapter V.
70. See New York State, Governor's Office, "Battery Park City," New Living Space for New York, message from Governor Nelson A. Rockefeller dated February 1, 1966, released May, 1966.
71. Ibid., p. 7.
72. Ibid., p. 13.
73. Richard Buford said Rockefeller told him that he, Rockefeller, had sketched the plans. Apparently, most of the project's plans, architectural as well as financial, were prepared by the State Division of Housing,

then headed by James Gaynor. Wallace K. Harrison, the Rockefeller Center architect who would later become involved in the project, took "no pride in authorship" of the designs, according to his statement to the Times. Harrison did, however, write an introduction to the document. Buford, Hyman interviews.

74. Hyman, Press Relations agent for the Battery Park City Authority, stressed political motivations in accounting for Rockefeller's developing the proposal. Hyman interview.
75. Buford interview.
76. See discussion of New York City Department of Marine and Aviation plans for the shore, above.
77. Entering office in 1959, Rockefeller had found the Mitchell-Lama program suffering difficulties, because voter approvals for the bond issues necessary to finance the middle-income housing had proven very difficult, or impossible, to obtain. John Mitchell, later Attorney General and Richard Nixon's 1972 Presidential campaign manager, created the idea of "moral obligation" bonds, which "morally," but not "legally" bound the State to repay losses investors might suffer out of tax revenues. These "moral obligation" bonds did not require voter approval. In the 1970's, their use by New York State agencies including the Urban Development Corporation, the Battery Park City Authority and others was to become a precipitant of the state's fiscal crisis.
78. Hyman interview.
79. David Rockefeller was quoted in the Times as saying offices in Battery Park City would be "hurtfully competitive with the Wall Street area." Times, January 17, 1967, 42:2.
80. At the May, 1966 news conference, Rockefeller proposed that a private corporation could best carry out development of the area. According to Hyman, this idea was dropped because it was thought that the project would be so profitable that if any private corporation were involved in development of its land the appearance, if not the reality, of scandal would be unavoidable.
81. The phrase "air rights" is used with two slightly different meanings, depending on its context. Here, and in similar contexts, it means development physically over something else. In other contexts, it means the rights to develop a given number of square feet of floor space that zoning attaches to a piece of property. In certain circumstances, the latter sort of "air rights" or development rights can be transferred from one piece of property to another.

82. Buford, Conklin interviews. Whether Harrison and Abramovitz are pedestrian, of course, is a matter of taste.
83. Elliott's statement was, to say the least, suspect. Even had the cost of landfill tripled to \$25/square foot since the project's original plan in 1966, this would still not have equalled three times costs the City absorbed in housing projects elsewhere, if one added relocation, management, and demolition to land acquisition costs.
84. Quoted in Times, July 17, 1969, 50:4. See also City Planning Commission report of hearing.
85. Baraff, Davidoff, Buford interviews.
86. New York City, Borough of Manhattan, Office of Borough President Percy E. Sutton, A Development Plan for Battery Park City, April 15, 1969.
87. The new plan would require that office space sites be leased well before housing was built, so that handsome returns from the office site leases could subsidize housing development.
88. Hyman, Abramovitz interviews.
89. According to Hyman, in the summer of 1974 the Battery Park City Authority thought Helmsley would proceed during 1976. At present there is no prospect of the office buildings' being built.
90. Hyman, Abramovitz, Shostal interviews.
91. Whether this idea is correct or not is unclear. Edward Levy, President of the New York City Housing Development Corporation and a respected housing administrator, points out that the East Side of Manhattan, which Lower Manhattan redevelopers have so often attempted to emulate, has always had considerable mixture of income groups. Levy interview.
92. New York City, Borough of Manhattan, Office of Borough President Percy E. Sutton, Press Release June 30, 1972.
93. Between January, 1969 and April, 1973, Charles Urstadt was both Commissioner of the State Division of Housing and Community Renewal and Chairman of the Battery Park City Authority. After losing the former position, he presumably wanted to maintain his independence of outside sources of mortgages and therefore, with Nelson Rockefeller's blessing, was given part of the State Division's bonding authority by the legislature.

94. Hyman interview.
95. Hyman, Shostal interviews. Hyman claimed that these negotiations, unlike the earlier ones, substantially delayed the project.
96. Hyman made this argument. The legal difficulties of financing a building that was one-half fully tax paying office, commercial, or residential space. one-half Mitchell-Lama housing were undoubtedly great, but might have been surmounted by skillful use of existing law or passage of new laws. More important, seemingly, were timing difficulties: Only very rarely would market conditions be right for building different sorts of spaces at the same time, and the risks that construction delays in one section might cause problems for others would be great.
97. For descriptions of these difficulties, and the designs' movement away from the 1969 imaginative proposals, see Times articles September 21, 1974, 1:2; and November 26, 1974, 41:1.
98. For example, Rockefeller fully supported the Authority's efforts to obtain its own mortgage-issuing and bond-floating authority. See text, above.
99. See Battery Park City Authority, The West Side Highway and Battery Park City, no date, (Apparently, 1971.)
100. The DLMA and its members also gave the Battery Park City Authority more substantial aid. When the Authority was established, but before it obtained "first-instance" appropriations from the State government, it operated on a \$600,000, unsecured loan from Chase Manhattan and Morgan Guarantee. Hyman interview. ("First-instance" appropriations are appropriations designed to start government activities that will later become self-supporting.)
101. It seems very unlikely that the DLMA's public stance of disinterest in the project's income mix was entirely real. Rather, the DLMA would have preferred a Battery Park City without office space and with only "luxury" housing. The best evidence for this comes, not from statements of those who dislike David Rockefeller and the DLMA, but from studies James Felt and Company did of the area's housing market for the DLMA. Each study, discussed in Chapter VIII, stressed the difficulty of renting "luxury" housing in communities not exclusively made up of "luxury" housing. Such studies are not made public without editing by those who pay for them--although there is no reason to suppose Felt's position would have differed from that of the DLMA. Therefore, Felt's assertion may be taken as reflecting the DLMA's desire.

102. The argument that low-income housing in Battery Park City would necessarily require subsidies much greater than those to any other low-income housing in the city, as discussed in note 83, above, was untrue.
103. For a discussion of these problems, see New York City, Community Renewal Program, New York City's Renewal Strategy, 1965.
104. Bernstein interview. See also New York City, City Planning Commission, Memorandum to Mayor Wagner on Industrial Development Program, June, 1963.
105. For example, the Commission commissioned Chester Rapkin, South Houston Industrial Development Area, February, 1963.
106. See J. Clarence Davies III, op. cit., for a description of the project's history.
107. J. Clarence Davies II interview.
108. New York City, City Planning Commission, A Plan for New York, op. cit., p. 5.
109. Ibid., p. 65.
110. New York City, City Planning Commission, Comprehensive Plan, draft, no date. (Apparently 1968.) pp. C-2, C-3.
111. Ibid., p. C-5.
112. Baraff interview.
113. Weinstein interview.
114. Elliott interview.
115. The following description is based primarily on New York City, Mayor's Office, Office of Lower Manhattan Development, Manhattan Landing Fact Sheet, April 12, 1972.
116. Baiter interview.
117. The Educational Construction Fund finances construction of school buildings by building profitable buildings beside or above them. In Lower Manhattan, thus, it has financed construction of the Downtown Commercial High School by building it in conjunction with a huge New York Telephone Company building.
118. For quotation, see Fact Sheet, cited in note 115.

119. Ibid.
120. According to Peter Stanford, President of the Museum, the Museum had been consulted very little in preparation of the Manhattan Landing plan.
121. New York City, Office of the Mayor, Office of Lower Manhattan Development, Manhattan Landing Fact Sheet, op. cit.
122. Times, April 13, 1972, 48:6.
123. Times, April 14, 1972, 38:2.
124. The New York City Housing Development Corporation, created in 1970, operated on principles similar to those of the State or City Mitchell-Lama programs. It issued tax-free "moral obligation" bonds, and used the receipts of those bonds to finance housing. Its President, Edward Levy, had considerable freedom of action because insulating the agency from political pressure was thought necessary to make its bonds attractive.
125. Some respondents believed that the Battery Park City Authority, had it been forced to proceed with 1/3rd low-income housing, would have placed all this housing at the far northern end of its site.
126. Goodman said that the DLMA opposed low-income housing in Lower Manhattan, and thought "not too much" middle-income housing should be built in Battery Park City. A consultant study done for the DLMA and probably edited by them argued that middle-income housing would have a depressing effect on the demand for luxury housing. See James Felt and Company, Housing Potential, 1967-1982, November, 1967.
127. Davidoff, DeBrul, Spatt interviews.
128. Times, July 2, 1972, Section. 8, 1:1. Abrams article, it seems very likely, was prepared mainly by DeBrul.
129. Times, July 9, 1972, Section 8, 1:1.
130. Quotations, Times, April 14, 1972, 47:5.
131. The following account is based mainly on an interview with William Panitz, First National City Bank, who served as the commercial bank representative on this committee.
132. Levy, Shostal, Speyer interviews
133. Speyer interview.

134. Panitz interview.
135. Shostal interview.
136. Shostal interview.
137. Bernstein interview. See also Committee for Modern Zoning, A City Speaks (Englewood Cliffs: N.J.: Prentice-Hall, 1960)
138. Apparently, having a man so well respected work for the new zoning ordinance was also necessary because of Robert Moses' opposition.
139. To trace the evolution of the zoning revisions, see Harrison, Ballard and Allen, A Plan for Rezoning New York City, 1950; and New York City, City Planning Commission, Rezoning New York City, December, 1959.
140. The DLMA supported the rezoning, and Bernstein describes theirs as an important role. However, their support was not public enough to appear in Committee for Modern Zoning, op. cit.
141. A Floor Area Ratio, or F.A.R., is the amount of floor space that can be built on lots in an area, expressed as the ratio of floor space to lot area. In an F.A.R. 10 district, therefore, 100,000 square feet of floor area can be built on a lot of 10,000 square feet.
142. Peters interview.
143. Baraff interview.
144. Jonathan Barnett, Urban Design as Public Policy (New York: McGraw-Hill, 1974), quotation from Forward by John V. Lindsay.
145. Buford, Weinstein interviews.
146. Barnett, op. cit., pp. 16-23.
147. Minskoff's design called for piercing the "sky exposure plane" the zoning established. This was the new zoning code's equivalent of the set-back provisions.
148. Barnett, op. cit., p. 18.
149. Ibid., p. 19.
150. Ibid., pp. 22,24.

151. See New York City, Mayor's Office, Office of Lower Manhattan Development, Special Greenwich Street Development District, October, 1971.
152. These arguments were made in another connection by John Costonis and Robert DeVoy, Tdr - The Puerto Rico Plan: Environmental Protection through Development Rights Transfer (Washington: Urban Land Institute, 1975).
153. New York City, Mayor's Office, Office of Lower Manhattan Development, Special Manhattan Landing Development District Zoning, August, 1973; Special Battery Park City District, October, 1973.
154. Weinstein interview.
155. Peters argued that a great many construction projects in the State were motivated by Nelson Rockefeller's relationship with the construction trade unions. See also Walinsky et alia, "Official Lawlessness in New York State: Construction Employment, Government Inaction, and the \$275 million annual cost," unpublished manuscript, 1969 or 1970. Also Walinsky interview.

CHAPTER IV

DEVELOPERS

Urban planning decisions affect office building developers more directly than other groups. For gigantic corporations, rent levels and new building costs are very small proportions of the cost of doing business, but for developers they are absolutely critical. The nature of developers' businesses varies along several lines.¹ Nonetheless, they face common problems: the extremely unstable and unpredictable market for office space;² difficulties in obtaining adequate sites for construction of office buildings; and a zoning code that may force them to develop a building that is less profitable than the one they could build without complying with the code. Developers enter their business despite these risks because it can be extremely profitable.³

Historically, speculative developers of office buildings have frequently opposed regulation by the legal tools of urban planning. In the history of the redevelopment of Lower Manhattan, that opposition appeared several times. But during the course of the area's redevelopment, developers learned not only to sidestep, but actually to use planning tools. During the late 1960's and the early 1970's, they began to use planning ideas and policies to overcome constraints contained in the zoning code. In several cases, moreover, planning tools provided aid in assembling building sites.

In 1957, Lower Manhattan contained about 57 million square feet of office space, 8 million of which had been built since World War II. By 1968 this figure had increased to 68 million, and in the 1969-1973 period 24 million square feet of office space were completed.⁴ Prior to 1964, most new buildings were built by or for one particular large user. These buildings, moreover, had a larger average size than those built speculatively; consequently an even greater proportion of the office space was built for particular large users. Three categories of users were important: government, banks, and insurance companies. Prior to 1964, development was overwhelmingly concentrated in the governmental area along Broadway and Church Street near City Hall, and in the financial and insurance areas.

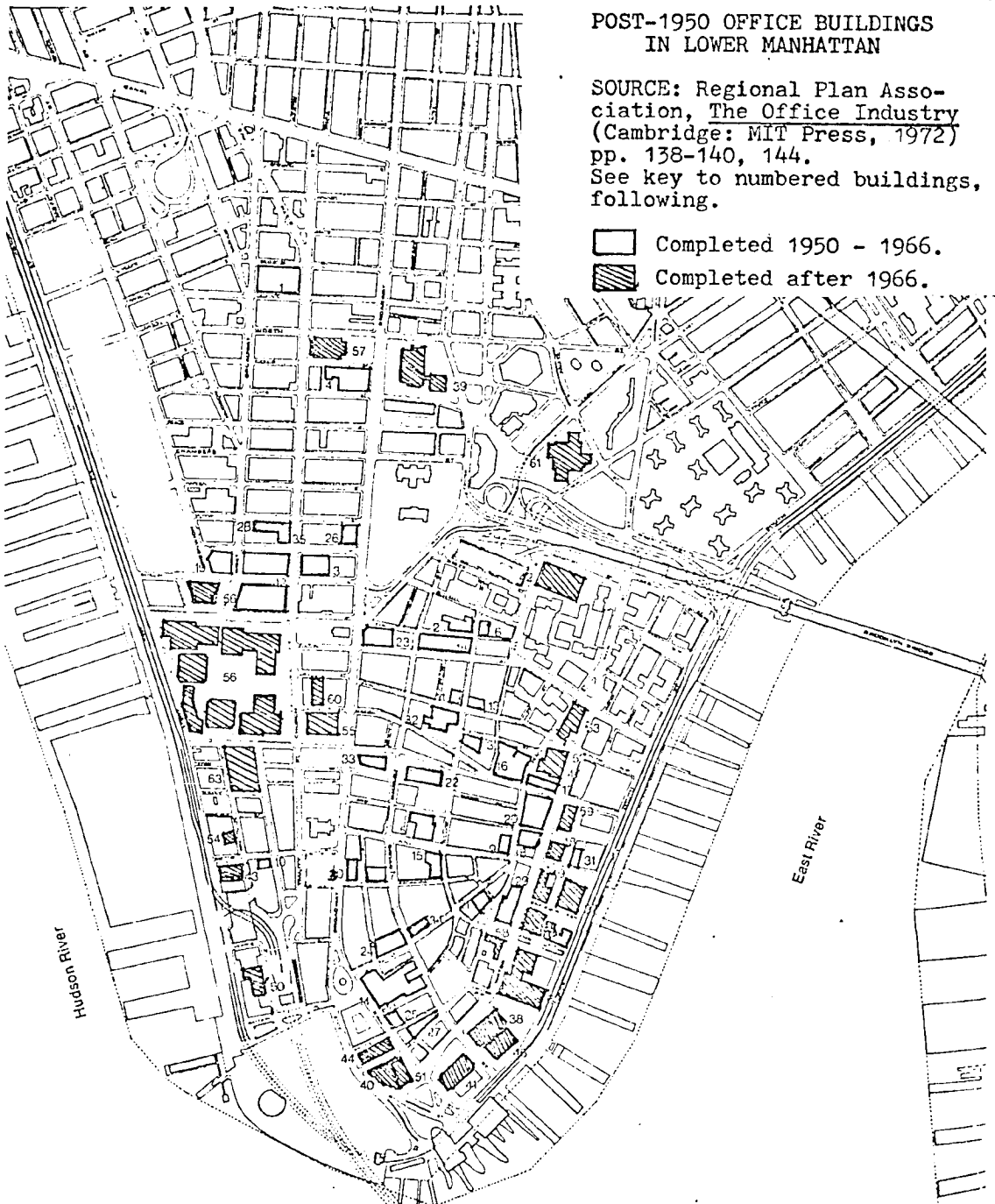
After 1964, an era of incredibly rapid growth took place. 9 million square feet were accounted for by the World Trade Center alone, but even leaving its space out of an accounting, the construction boom was extraordinary. During the 1964-1973 decade of development, the previous boundaries of Lower Manhattan's office core were expanded two to three short blocks westward, eastward and southward, as Map 7 shows. This expansion was the work of speculative office building developers, who planned buildings without knowing who would be their tenants. Developers in that decade began to use planning tools in ways not previously used. Those new uses may best be examined by detailed recounting of several examples.

MAP 7

POST-1950 OFFICE BUILDINGS IN LOWER MANHATTAN

SOURCE: Regional Plan Association, The Office Industry (Cambridge: MIT Press, 1972) pp. 138-140, 144.
See key to numbered buildings, following.

-  Completed 1950 - 1966.
-  Completed after 1966.



0 1000 ft. 2000 ft. 3000 ft. 4000 ft. 1 mile
0 500 m 1 km 1:12,000 scale

Status as of July, 1971

KEY TO MAP 7

key	<u>ADDRESS</u>	<u>BUILDING NAME</u>	<u>RENTABLE SQ. FT. (x1,000)</u>	<u>YEAR</u>
1	250 Church Street	Department of Welfare	206	1950
2	161 William Street	-	140	1951
3	99 Church Street	Dun and Bradstreet	289	
4	199 Church Street	State Insurance Fund	210	1955
5	30 Wall Street	Seamen's Bank	100	
6	156 William Street	-	193	
7	20 Broad Street	-	414	1957
8	79 Pine Street	New York Coffee and Sugar Exchange	120	
9	72 Wall Street	-	105	
10	19 Rector Street	-	56	
11	123 William Street	-	410	
12	100 Church Street	-	925	1958
13	110 William Street	-	475	
14	2 Broadway	-	1300	1959
15	45 Wall Street	Atlantic	375	
16	83 Maiden Lane	-	120	
17	125 Maiden Lane	U.S. Life	260	
13a	110 William Street	-	200	
18	155 William Street	-	40	
19	30 West Broadway	-	300	
20	80 Pine Street	-	900	1960
21	66 Beaver Street	-	250	1961
22	1 Chase Manhattan Plaza	Chase Manhattan Bank	1820	

23	222 Broadway	Western Electric	525	1961
24	60 Broad Street	-	850	1962
25	1 Whitehall Street	-	300	
26	250 Broadway	-	515	1963
27	100 Broad Street	New York Clearing House	21	
28	120 Church Street	Internal Revenue	376	
29	130 Pearl Street	Franklin National Bank	110	1964
30	1 Wall Street	Irving Trust Company	366	1965
31	110 Wall Street	-	250	
32	59 Maiden Lane	Home Insurance	1,000	
33	140 Broadway	Marine Midland Trust	1,000	1966
34	55 Broad Street	-	320	1967
35	110 Church Street	Merck, Sharp & Dohme	136	
36	90 William Street	-	148	
37	111 Wall Street	First National City Bank	879	1968
38	4 New York Plaza	Manufacturers Hanover Trust	850	
39	26 Federal Plaza	Federal Building	1,200	
40	15 State Street	Seamen's Church Institute	400	
41	1 New York Plaza	Chase Manhattan	2,200	1969
42	100 Gold Street	Tishman Downtown Center	630	
43	90 Washington Street	The Bank of New York	381	
44	24 Whitehall Street	Battery Park Plaza	750	1970
45	77 Water Street	Walston & Company	510	
46	2 New York Plaza	-	1,100	

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47	160 Water Street	-	430	1970
48	100 Wall Street	-	410	
49	95 Wall Street	-	430	
50	17 Battery Place North	-	350	
51	1 State Street Plaza	-	747	1971
52	130 John Street	-	425	
53	127 John Street	-	510	
54	40 Rector Street	-	75	
55	1 Liberty Plaza	U.S. Steel	1500	
56	Church Street	World Trade Center (part)	4600	
57	221 Church Street	New York Telephone Switching Ctr.	800	1972
58	10 Hanover Square	-	457	
59	88 Pine Street	Orient Overseas	525	
60	22 Cortlandt Street	-	600	
61	Park Row	Police Administration Building	750	
56	Church Street	World Trade Center (part)	3000	estimated completion 1972
62	55 Water Street	Chemical Bank	3300	
56B	Church Street	World Trade Center (part)	1400	estimated completion 1973

Patterns of office building development are so diverse that a typical case can hardly be identified. But these cases demonstrate a range of ways developers have used planning.

20 Broad Street⁵

20 Broad Street was the first post-World War II building in the core of Lower Manhattan's financial district, and its success went far to reverse real estate predictions about the future of Lower Manhattan. The building was developed, in the manner typical of its time, without attempts to use or alter planning regulations.

20 Broad was the creation of Anthony J. Peters, a real estate broker with Cushman and Wakefield, now the company's president.⁶ In the early 1950's as was noted earlier, the common real estate opinion was that Downtown was dying as an office center. Peters, however, was not convinced. He thought the area's major problem was not lack of potential tenants, but lack of modern, air-conditioned office space. In 1951, Peters confirmed his conviction by personally surveying about fifty of the largest tenants in Lower Manhattan, asking whether they would be interested in modern space in the area. A large number said they would.⁷

Next, Peters says, he analyzed a variety of sites in Lower Manhattan, and concluded that 20 and 24 Broad Street provided the most likely site for a successful new development. This conclusion was fairly obvious: the buildings were located immediately south of the New York Stock Exchange,

and together took up the remainder of the block on which the Exchange is located. Both were owned by the Exchange, which had bought them in the 1920's for possible expansion of its facilities. The original 20 Broad Street had been built in 1897. It was fully occupied, but the Stock Exchange had included cancellation clauses in all of its leases so the building could be readily emptied if the need arose. The original 24 Broad Street, built in 1903, was vacant above the first two floors. During the depression, the Stock Exchange had emptied the remaining floors, and entered into an agreement with the City of New York whereby the building was taxed as though it had only two floors. The two buildings, thus, provided a site that could be readily assembled and emptied of tenants, and was one of the best locations in the financial district.

After months of badgering, Peters obtained a decision from the Stock Exchange: they would be willing to lease the land under the two buildings to a developer, but only if they would be able to expand their trading floor into the new building if the need arose. The Stock Exchange, however, had no interest in developing the building itself.

Peters next approached General Realty and Utilities, then one of the largest and most prestigious real estate holding companies in the United States, and one in which his brother held substantial stock.⁸ General Realty and Utilities was headed by Edmund Wagner, who would later become

President of the Downtown-Lower Manhattan Association.

Wagner, however, had no interest in Peters' proposal for 20 Broad Street. In fact, his company had only recently disposed of its downtown properties, because it thought the area's decline was irreversible. Peters then attempted to obtain the aid of other developers, but was unable to interest any in carrying out the project.⁹ He turned to potential tenants and, on the basis of the possibility that a building would be built, was able to obtain commitments to lease space. He took these commitments back to Wagner, and finally convinced General Realty and Utilities to carry out the project.¹⁰

Lengthy and difficult negotiations with the Stock Exchange followed. Money was a minor issue in these negotiations. Rather, the Stock Exchange was concerned, to the point of paranoia, that the architectural plans be such that its trading floor could be expanded into the new building, and that lease cancellation provisions be airtight, so that it could move into the new floor space rapidly.¹¹ After long discussion, agreement was reached among Peters, General Realty and Utilities, and the Stock Exchange. As was noted above, the building was completely rented before its steel framework reached street level.

In the development of 20 Broad Street, only two minor variances of the zoning code were required from the City government: a zoning variance to allow erection of a bridge to connect the building with the Hanover bank, which became

a major tenant; and a zoning variance to eliminate the required inside loading platform. Both were obtained with no difficulty. The building's shape conformed to the zigguret form called for in the zoning law.

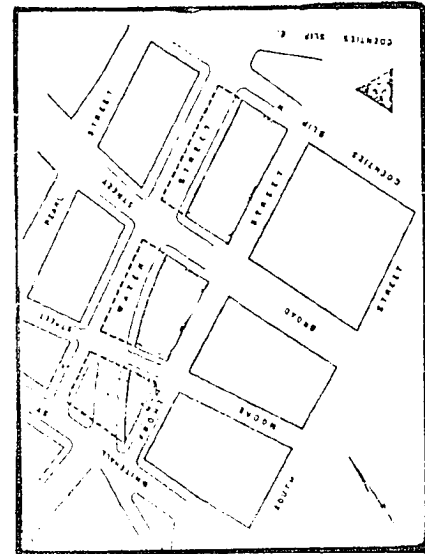
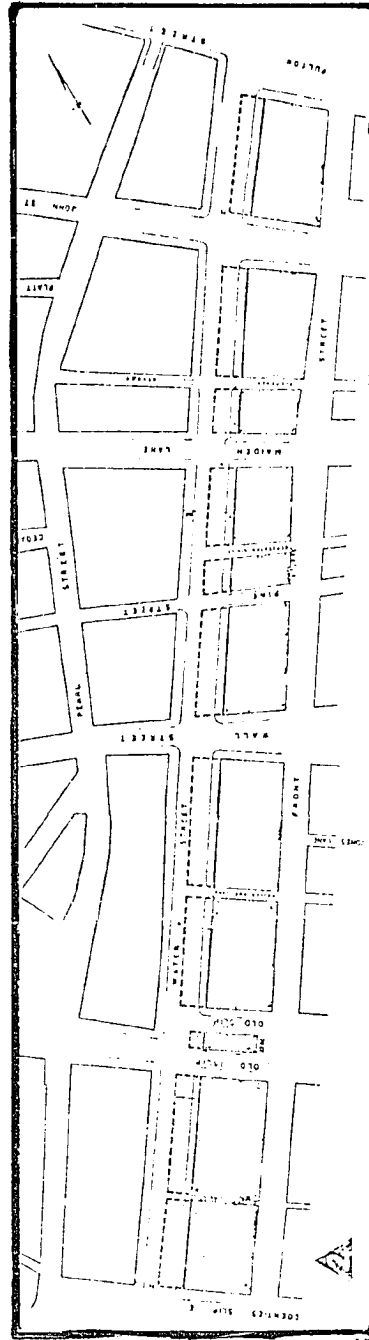
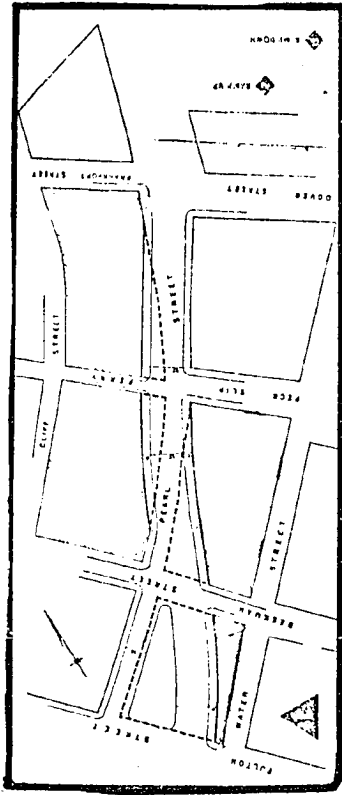
Widening Water Street

In developing 20 Broad Street, Anthony Peters worked within constraints set by the zoning code, and the existing pattern of land ownership. He had little occasion to deal with City government. At the same time, however, public actions that would create a real estate boom two blocks east were being taken. These actions, however, did not require the City government to deal directly with developers.

The widening of Water and Pearl Streets, shown on Map 8, was conceived by City highway engineers after construction of the South Street Viaduct during the early 1950's.¹² The new highway had no access to the east side of the Downtown area. The east side's streets were already too narrow to handle the expected traffic. South Street, the only wide street leading south from the Brooklyn Bridge to the financial district, was clogged with truck traffic. In 1953, John Carroll, then the Manhattan Borough Engineer, conceived of the idea of widening Pearl and Water Streets in the pattern shown.¹³ After engineering work the plan was approved by the Board of Estimate October 26, 1956. Immediately after that, the streets from Coenties Slip to the Brooklyn Bridge would be widened. The three blocks between Coenties Slip and Whitehall Street would be widened later, when the Battery Park

Pearl Street, Dover to Fulton
Streets, widened 1956, and Water
Street, Beekman to Fulton Streets,
widened 1956. →

Water Street, Fulton Street to
Coenties Slip, widened 1956 →



MAP 8

THE WIDENING OF PEARL AND WATER STREETS

- Boundary of streets prior to widening
- Water Street, Coenties Slip to Whitehall Street, widened 1966.

Houses Urban Renewal Project was carried out. This would make it possible to obtain 2/3rds federal funding for the widening in the Pattery Park Houses area.¹⁴

Although the widening of Pearl and Water Streets had been planned for traffic reasons, it was widely expected that it would lead to a real estate boom along Water Street.¹⁵ The widening would have this effect for two reasons: first, widening the street would allow an increase in the floor area of buildings that could be built on plots on both sides of Water Street, because the height to which buildings could rise was linked by the zoning code to the widths of abutting streets. For this reason, the street widening would increase the value of properties between Water and Pearl Streets, and stimulate development there. Second, in acquiring the approximately 40-foot-wide strip it needed for the widening, the City would also have to acquire the remnants of properties it would make worthless.¹⁶ In this way, the City would come to own an irregular strip along Water and Pearl Streets. By selling block-long strips to developers, the City would make assemblage of office building sites much easier than it otherwise would have been. The City adopted a policy of not selling the parcels it acquired in this way at auction, but rather waiting until developers needed them and then selling them in block-long pieces. The City, in effect, assembled plots for developers. Apparently, there was no controversy over this policy.

When the widening of Water Street was approved, the Downtown Manhattan Association, soon to be merged with David

Rockefeller's group to form the DLMA, issued a leaflet hailing the widening of Water and Pearl Streets, but also proposing that Pearl be widened between Beekman and Wall Streets, where it ran a block closer to the financial district core than Water.¹⁷ Such an action, undoubtedly indefensible from a traffic point of view and apparently never considered by the City government, would have made a boom in office development possible in areas where market conditions might support it. These areas were on the border of Lower Manhattan's office core. The Downtown Manhattan Association thus recognized what the DLMA would recognize four years later in its planning a public project in its "East Redevelopment Area." Their recognition was that the market for office space in Lower Manhattan was not great enough to force office space development east of Water Street.

Eventually, a Water Street real estate boom did occur. By the late 1960's when it started, however, the zoning code had been changed so that street widths had nothing to do with the amount of floor space that could be built on adjacent plots. Developers of buildings on the riverward side of Water Street, however, did take advantage of the City ownership of land in assembling their office building sites.

New York Plaza

In contrast to the straightforward development of 20 Broad Street, development of the area now known as New York Plaza involved frequent, sometimes bizarre, use of public powers.

New York Plaza is the area bounded by South and Water Streets, Whitehall Street and Coenties Slip. (See Map 9.) Before World War II, the area included many ship outfitters and other firms dependent on the waterfront. After World War II, however, this use declined rapidly, because of reduced use of the East River piers.

New York Plaza was divided into six tiny blocks. In the mid-1950's, Robert Moses conceived of the Battery Park Houses Urban Renewal Project on the site.¹⁸ Moses believed it inappropriate to use urban renewal powers for projects that did not include significant housing components. Here, he wanted to provide 1300 luxury dwellings which would rent at the then unusually high rent of \$54/room/month.¹⁹ The housing would be fully tax-paying, and would include mainly small apartments. Moses' project included not only what later became New York Plaza, but most of the adjacent block on which Fraunces Tavern is located; there, Moses wanted to place a parking garage, leaving the Tavern and adjacent buildings in private ownership.

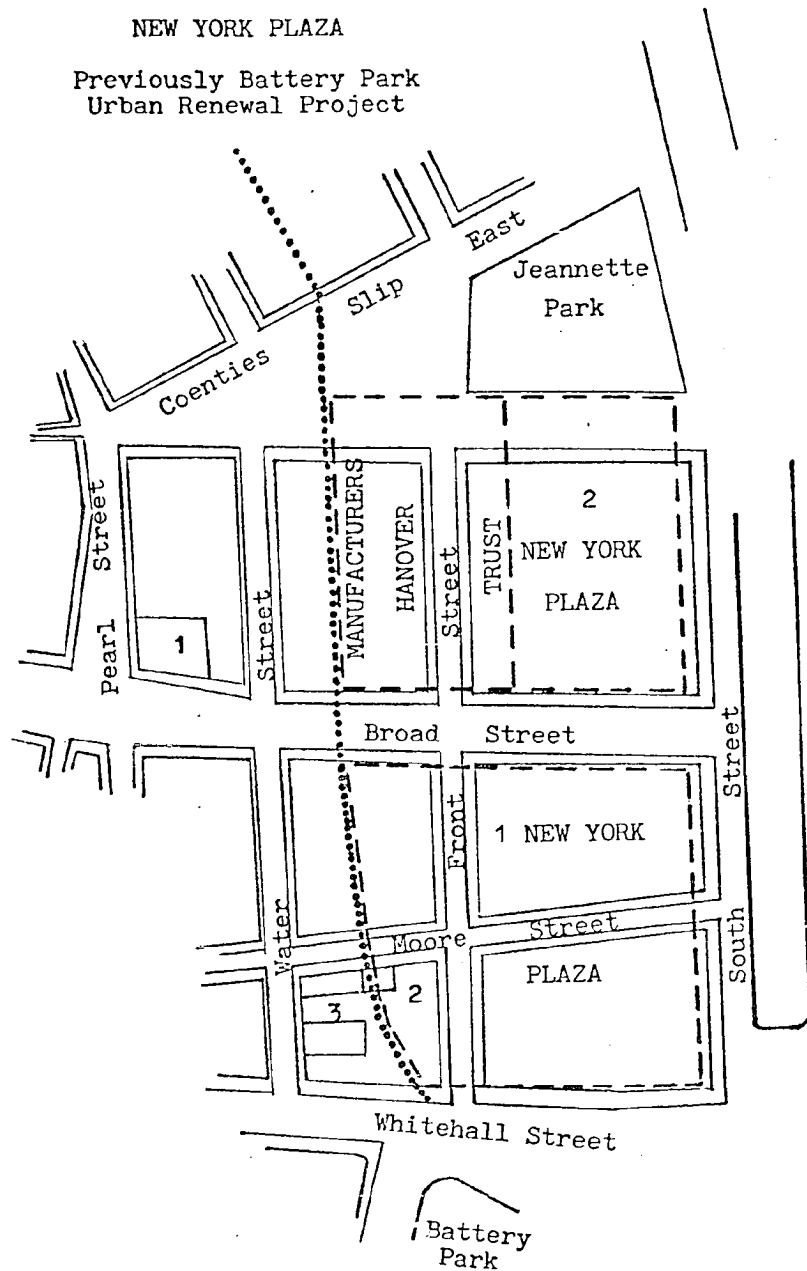
A competition over who would sponsor Battery Park Houses developed, involving William Zeckendorf and Colonel Henry Crown, a British investor, and his partner Herbert S. Greenwald. Eventually, the Crown-Greenwald partnership was designated as sponsor of the project.²⁰

As was noted above, as part of their initial study of Downtown development, the DLMA--against their consultants' advice--adopted a policy supporting the project. Soon,

MAP 9

NEW YORK PLAZA

Previously Battery Park
Urban Renewal Project



LEGEND

- New York Plaza Building Sites
- Line of Water Street Widening
- 1 - Fraunces Tavern
- 2 - Mrs. Peterson's house
- 3 - Other properties not acquired by Atlas-McGrath

however, support for the project began to deteriorate. Jokes began to circulate that the project would be used mainly to house mistresses of Wall Street brokers;²¹ Moses' own position within the City administration also began to deteriorate; and, finally, during and after the 1961 mayoral election, Robert Wagner moved toward the position he would adopt, that urban renewal should not be used to produce isolated luxury housing.²² In 1959, Herbert Greenwald was killed in an airplane crash, an event which many observers saw as ending the possibility of building the project.²³

Now, the City began to look to the New York Stock Exchange as user for the site. To Lower Manhattan real estate developers, the New York Stock Exchange's plans have been a source of constant concern. On one hand, since the mid-1950's observers have frequently thought the Stock Exchange would have to expand. In the 1950's, the arrangements described above were made for the Exchange to expand into 20 Broad Street. However, from the late 1950's until after 1970, it was widely believed that the Exchange would eventually move to a completely new building. Several factors contributed to this belief: 11 Wall Street, where the Exchange has most of its offices, was 35 years old by the mid-1950's, and is an inadequate, almost sleazy building.²⁴ 18 Broad Street, where the older part of the Exchange floor is located, was built in 1900. In the mid-1950's, the trading floor consisted of 22,000 square feet in two rooms. The posts for specialists were too small to allow them to be assisted

by more than one clerk, and telephone booths used by trading members were only 18 inches wide, making writing difficult. Over the years, various improvements to the Exchange's facilities had been made, but none overcame the basic problem of lack of space.²⁵

The attempt to develop a new site for the New York Stock Exchange was a major pastime for those concerned with Lower Manhattan real estate. Creation of a new site, it was widely thought, would shift the center of gravity of the financial district. Whoever accomplished the task would be in a position to profit immensely by development of offices above or around the new Exchange building.

City officials have been concerned with development of a new Stock Exchange building because such a building would tie the Exchange to New York, and its periodic threats to leave the City--made in the 1940's, in the 1950's, and again in 1966 in response to City attempts to increase or impose stock transfer taxes--would end. Lower Manhattan interests, from real estate developers to institutions like the Chase Manhattan bank, have shared this interest in tying the Exchange to the area. Developers, moreover, have seen development of a new Stock Exchange as a challenge. Development of a new New York Stock Exchange building would give a developer's reputation and image a tremendous boost.

At least four factors, however, have complicated the problem of developing a new site for the Exchange. First, the Exchange management has very frequently been unable to

make up its mind about how to solve its space problems. Second, the Exchange needs a large trading floor, necessitating a site larger than is readily available in Lower Manhattan. Third, as noted above, the Exchange has occasionally threatened to leave New York City. In the 1960's, this played an important role in ruining one attempt to build a new Exchange. Fourth, the New York Stock Exchange has apparently been reluctant to tax its members to pay for a new Exchange building. Through the 1960's up to 1970, the Stock Exchange collected money, to amass a building fund that in 1970 amounted to \$40,000,000. That money, however, was used in 1970 to make good debts of bankrupt member firms.²⁶

By the late 1950's, in any case, the Exchange itself had decided that it needed entirely new facilities.²⁷ By 1962, a program for a new building had been developed, calling for a trading floor of at least 60,000 square feet on a plot of at least 100,000 square feet. To accommodate the trading floor, the plot had to be close to square in configuration.

During the 1960's, many proposals were made for new Exchange sites and buildings. The DLMA, as was noted above, proposed that the Stock Exchange move to its east side World Trade Center. Later the Port Authority proposed that the Stock Exchange move to the west side Center. William Zeckendorf proposed that the Exchange move to the present 1 Liberty Plaza site.²⁸ In 1966, Robert Moses proposed

that the Exchange move to the World Trade Center landfill site that later became part of Battery Park City. Anthony Peters and David Wallace, who had worked together during preparation of the Lower Manhattan Plan, proposed that the Exchange move to a site across Broadway from the Customs House.²⁹ The Lindsay administration proposed that the Exchange move to the current Manhattan Landing project site. Others proposed sites above the Battery Tunnel approaches,³⁰ on the Customs House site,³¹ and on a bridge across Broadway. During the early 1960's, the Exchange considered a number of these sites.

After long discussions during 1962-1965 with various City agencies, the Exchange decided to build its new building at the foot of Broad Street, in the Battery Park Houses area. By the end of 1963, the Stock Exchange and City had reached agreement on a site of 200,000 square feet. The Exchange would build its new building on the entire site. The trading floor would be surmounted by an office building, but the structure would remain within the existing zoning, which provided for a maximum Floor Area Ratio of 10. The problem of whether or not to close Broad Street had not been solved, although discussions of bridging the street were proceeding.³² A letter of intent had been signed by the City and the Stock Exchange, and the area's urban renewal designation had been changed to allow commercial facilities and offices on the site, where Moses had originally planned housing.

Now, Sol Atlas and John McGrath, developer and attorney partners, surfaced in the area, with a plan to redevelop it privately.³³ In the early 1960's, McGrath and Atlas began assembling property in the blocks bounded by Whitehall, Broad, South and Water Streets. Normally, assembling large plots of land for development requires secrecy. Otherwise, owners will discover how important their piece of land is to the potential development and "hold out" for astronomical prices. However, Atlas and McGrath used no particular secrecy. They were the only buyers in the area, and so had little difficulty in purchasing properties. They made attractive offers, and the more land they assembled, the more clearly they became the only potential buyers.³⁴ Moreover, the urban renewal planned for the area helped them. Property owners worried that if they did not sell to Atlas and McGrath they might well make less in an urban renewal condemnation proceeding.

Following almost complete assemblage of the Whitehall to Broad site, Atlas and McGrath began buying properties between Broad and Coenties Slip, here in competition with two other firms. By now, planning for location of the Stock Exchange in the area was far advanced, and urban renewal seemed imminent. As a result, tenants in the site's largest office building were moving out as their leases expired. Finally, the larger of Atlas-McGrath's two competitors was faced with the prospect of paying what McGrath called a "handsome" price for this building, and

then having the building condemned for urban renewal. The competition shied away from this possible loss, and Atlas-McGrath bought out their interest in the area.³⁵

Atlas-McGrath's acquisitions in the area had taken place as planning for urban renewal on the site proceeded. Their assemblage had been aided by the City's urban renewal plans: because of the plans, they had little competition from other developers, and most owners were anxious to sell their properties at Atlas-McGrath's prices, which were higher than they could hope to obtain after condemnation. The flight of tenants expecting urban renewal, moreover, put financial pressure to sell upon owners in the area. To most owners the Atlas-McGrath interest in an area about to be condemned for urban renewal seemed peculiar, stupid, or both.

It was neither. Now that the threat of urban renewal had aided them in assembling property in the area, Atlas-McGrath changed their tactics. From quiet assemblage, they moved to threats of legal action, and they switched from using the threat of urban renewal to opposing urban renewal. Presumably, they had planned this change in tactics since the beginning of their involvement in the area.

At the end of 1963, the City Planning Commission held hearings on the revisions of the urban renewal plan made necessary by replacement of the Battery Park Houses with the Stock Exchange proposal.³⁶ The DLMA, the Commerce and Industry Association, and the Citizens Housing and Planning Council supported the project. Atlas-McGrath and another property

owner opposed it. McGrath argued that the area should be privately redeveloped by Atlas-McGrath and the Stock Exchange. Private redevelopment, he argued, would be faster and more efficient and produce more property taxes than redevelopment through urban renewal. The Commission, however, unanimously approved the Stock Exchange project.³⁷

Early in 1964, however, Atlas-McGrath approached the Housing and Redevelopment Board (H.R.B.), the City agency responsible for urban renewal. McGrath argued that he could legally remove the City's urban renewal designation, and stop the urban renewal project. He and Atlas were planning private redevelopment of the area, and a provision of the State urban renewal law required that urban renewal be carried out only where private redevelopment was impossible.³⁸ McGrath, as City Corporation Counsel in the late 1940's and early 1950's, had helped to draft this law.

Finally, the H.R.B. was convinced that McGrath had the legal ability, and perhaps the contacts in New York's judiciary, to make his argument stick. Alternatively, they may reasonably have thought that whether McGrath ultimately lost a suit he brought was unimportant. His legal actions could cause interminable delays in the project, risking loss to the City of the new taxes either private or urban renewal redevelopment would pay, and risking loss of the Stock Exchange's determination to build a new facility. McGrath, simply, intimidated the City government. But he

added a few carrots to his stick: his project would pay higher taxes than the urban renewal project would have paid. He would help pay for relocation of historic buildings from the site. And he would reimburse the City for the planning expenses the federal government would have paid had the urban renewal project gone forward.³⁹ McGrath's generosity, of course, reflected the great profits he expected to make in the project.

Now, the City relayed the story of what had happened to the Stock Exchange, and advised them to deal with Atlas and McGrath.⁴⁰ Through most of 1964, the Stock Exchange negotiated with Atlas-McGrath, reaching agreement early in 1965.⁴¹ The Exchange would purchase the blocks between Broad Street and Coenties Slip for just over \$7,000,000, little more than Atlas-McGrath had paid for the property. Atlas-McGrath would retain ownership of the blocks between Whitehall and Broad, and build an office building there. Because it would be adjacent to the Exchange, the Atlas-McGrath office building would command premium rents. To satisfy the Exchange, Atlas-McGrath agreed to set their office building back from Water Street, preserving a view from the Stock Exchange to Upper New York Bay.

During 1964, Atlas and McGrath had requested a change in the area's zoning, from the F.A.R. 10 to the F.A.R. 15 classification. Here, again, they had deftly used the legal tools of planning and its arguments. When they purchased the

property, it had been zoned for F.A.R. 10 development. Property costs had been lower than they would have been had the zoning permitted F.A.R. 15 development. Now, the new zoning would allow them to realize greater profits, in fact make it possible for the site to accommodate both the Stock Exchange and their own building. In arguing for the changed zoning, McGrath referred to a precedent, the earlier rezoning of the area at the foot of State Street to F.A.R. 15 classification. His request, moreover, was consistent with the City's long-standing desire to incorporate the Water Street area in Lower Manhattan's commercial core. Earlier, the DLMA had requested rezoning of the entire area.⁴² Not surprisingly, Atlas and McGrath got approval for the requested zoning change.

Atlas-McGrath had by now reached an agreement with the Stock Exchange and obtained the zoning they desired. They did not, however, own the whole New York Plaza site. The City thought, at least, that it owned the area's streets. In addition, Atlas and McGrath had been unable to buy three parcels on the block bounded by Whitehall, Water, Moore and Front Streets. These parcels are marked on Map 9. One of the three plots was owned by Mrs. Maggie Peterson, a Wall Street secretary who had purchased the house at 16 Moore Street years before.⁴³ Mrs. Peterson simply refused to sell her house, despite handsome offers and the fact that Atlas and McGrath were tearing down the houses around her. Mrs. Peterson was not a "hold out." Rather, she simply did not want to move.

Again, Atlas and McGrath found a clever solution. In March, 1965, McGrath proposed to the City Planning Commission that Water Street now be widened. As was noted above, this widening had first been proposed in 1953, and Water and Pearl Streets from Coenties Slip to the Brooklyn Bridge had been widened beginning in 1956. The widening south of Coenties Slip had been delayed until execution of the urban renewal project there. It seems likely that, had the City's urban renewal arrangement with the Stock Exchange been carried out, the street would have been widened, although the pattern might have been changed from that proposed in 1953. On the other hand, it seems likely that, had Atlas and McGrath not needed the street widening, they would have attempted to stop it. They might well have succeeded, because the widening seems to have had very few traffic benefits.

In any case, now, in 1965, McGrath proposed that the widening be legally and physically carried out. Two of the three properties Atlas-McGrath did not own in the New York Plaza area would lie entirely within the new street bed, and Mrs. Peterson's home lay about half in the new street bed, half outside. All of her house, as a result, would have to be acquired for the street widening.

McGrath made the street-widening proposal in a March 8, 1965, letter to Milton Mollen, Chairman of the Housing and Redevelopment Board.⁴⁴ He noted that the H.R.B. had agreed to a rescission of the urban renewal designation to

allow private redevelopment of the area to go forward. The street widening was essential, as was closing of the interior streets. With these elements of City cooperation, the Stock Exchange could be developed rapidly, the City would obtain \$4,000,000 annually in new taxes, and the New York Stock Exchange's members could be assured of the exact amount the new building would cost.

In the matter of closing interior streets, McGrath again added a legal stick to his fiscal carrots. McGrath claimed he and Atlas owned the streets:

In order to round out both the Stock Exchange parcel to the east of Broad Street and the office building parcel to the west of Broad Street, it is necessary that we acquire marketable title to the beds of the interior streets, namely, Moore Street, Front Street, and Coenties Slip West.

As to the interior streets, it is the position of the undersigned that they are the owners of the fee title to the center line of Front Street, Moore Street and Coenties Slip West, upon which their properties abut. 45

McGrath's assertion that he and Atlas owned the street beds was barely plausible. Some street beds in New York City are privately owned, and titles in areas where development stretches back to the 1700's, as it does in the New York Plaza area, may be extremely confused. But Atlas-McGrath's argument seems to have been mainly another threat to bring litigation against the City. This interpretation seems correct because, had their position been well-supported, Atlas-McGrath undoubtedly would have presented findings of a title search.

Their threat was effective. The Wagner administration acceded to McGrath's demands. Apparently, City officials felt that here, as in withdrawing the urban renewal designation, they had little choice. If they did not widen Water Street and allow Atlas-McGrath to use the interior streets, the new Stock Exchange might not be built; the increased taxes might not be collected; Jeannette Park--which the Stock Exchange had agreed to rehabilitate--might not be rebuilt; the City might lose the money Atlas-McGrath had offered to pay as reimbursement for planning expenses, for the parcels it would purchase from the City, and for moving historic buildings. Therefore, the City agreed to Atlas-McGrath's demands.

In the spring of 1966, however, other events overwhelmed the plans for the new New York Stock Exchange. Shortly after inauguration of the newly elected City officials January 1, 1966, Mario Procaccino, the new Comptroller, proposed that the City tax common-stock transfers in the New York and American Stock Exchanges. Shortly thereafter, the Lindsay administration proposed a smaller tax on transfers. This would double an existing State tax, but would not increase the total tax load, because the federal stock-transfer tax had recently been removed.

Within a week, Keith Funston, President of the New York Exchange, threatened that the Stock Exchange would move to another city if the tax were imposed. Funston launched

a publicity barrage, including letter campaigns, demonstrations, on the Exchange floor, and highly-publicized visits to other cities looking for alternative Stock Exchange sites.⁴⁶ By March 5, 1966, a week after Lindsay made his proposal, a number of cities had invited the Exchange to move to their areas. On March 11, 1966, the Exchange Board of Governors named a 9-man committee to study the possibilities of moving. On March 18, 1966, the Exchange cancelled its plans to build on the Atlas-McGrath site, forfeiting a \$100,000 deposit it had made on the site. According to McGrath, neither he nor Atlas had further contacts with the Exchange.⁴⁷

Within three months, the Lindsay administration and the Stock Exchange began negotiations, which eventually led to a City commitment to phase out the stock transfer tax over a number of years. Discussions of where to put the Stock Exchange began again. Negotiating with Richard Buford and then Richard Weinstein, agreement was reached that the Exchange would build a building on landfill at the foot of Wall Street.⁴⁸ Now, the Stock Exchange needed a 90,000 square foot trading floor and a site of 150,000 square feet. An agreement with the City was reached in 1968, a 99-year lease signed, and a City commitment to depress the South Street Viaduct where it passed the site agreed upon. Contracts were let for demolition of the area's piers. Then, stock brokers began to go bankrupt, and the Exchange's building fund was diverted to pay individual investors whose

brokers had gone bankrupt. Since 1970, the New York Stock Exchange has had no plans for, or money to pay for, a new building.⁴⁹

Whether the Stock Exchange deserted the New York Plaza site merely to strengthen its negotiating hand in the stock transfer tax conflict is unclear. The Exchange may have had second thoughts about the location and used the conflict as an occasion to break its agreement with Atlas-McGrath.⁵⁰ In any case, Atlas-McGrath had no difficulty using the site. Shortly, they began construction of an office building they named 1 New York Plaza on the southern site. As was noted above, in negotiations with the Stock Exchange, Atlas-McGrath had agreed to build a large plaza on Water Street; now, to take full advantage of the site's zoning envelope, the original building was moved toward Water, and an addition designed for its riverward side.⁵¹ In 1967, as construction began, Chase Manhattan--which had provided the construction financing--leased 1,062,000 square feet, over half the building. The long-term lease, for a total of \$200 million, was the largest office lease ever signed in the United States. Chase subsequently moved most of its back-office operations to the building.

Now, Atlas and McGrath sold the northern half of what had been the Stock Exchange site, 54,000 square feet, to Manufacturers Hanover Trust, for \$6 million, almost the cost of the entire Exchange site. By an extraordinarily

complex arrangement, Manufacturers would provide financing for the remainder of this site, which Atlas and McGrath built as 2 New York Plaza.⁵² Manufacturers wanted a building suitable only for their own immediate needs, and sold the site's remaining development rights back to Atlas-McGrath, who built a 1,400,000 square foot building on the 54,000 square foot plot at 2 New York Plaza.

2 New York Plaza was completed in August, 1971, at a cost apparently over \$70 million,⁵³ or \$50 per square foot. The building had special features to make it suitable for expensive computer installations.

As 2 New York Plaza was completed, the market for office space in Lower Manhattan was declining rapidly, a result of the stock market's difficulties. During construction, several potential tenants had either failed financially or reneged on apparent agreements, according to McGrath.⁵⁴ Atlas-McGrath faced a dilemma: should they wait until a large part of the building could be rented to a large tenant who would attract others, or should they rent smaller spaces to less prestigious tenants. A number of prospective tenants or purchasers were dealt with, but the building was not disposed of until 1975.

The difficulties Atlas-McGrath experienced in 2 New York Plaza resulted from bad luck, but also from Atlas' negotiating tactics. Atlas had a reputation as untrustworthy, and apparently was disliked by many. This reputation, earned mainly during the renting of 1 New York Plaza, when tenants were plentiful, made renting 2 New York Plaza difficult.⁵⁵

2 New York Plaza remained vacant for four years, until 1975. Disposing of the building was complicated by Atlas' death and the need to settle his estate. By 1972, the building had become a severe embarrassment to those attempting to maintain the momentum of Lower Manhattan's reconstruction. (See Chapter VI.)

While 2 New York Plaza was under construction, Atlas and McGrath played a further role, in the northern Water Street area. (See Chapter V.)

55 Water Street

55 Water Street, built by the Uris Building Corporation, is the world's largest privately-owned office building, with over 3,300,000 square feet of office space. Uris first became involved in the site in the early 1960's.⁵⁶ The administration of the Seamen's Church Institute, which owned several buildings on the site, was faced with a problem: their old facilities, providing fairly primitive short-term dormitory space for seamen, were no longer attractive to their clients. Yet to build a new building they needed to sell the property they owned along South Street. A sale to Uris was arranged by Gordon Braislin. According to Braislin, Uris bought the site, as it bought others, because the company needed a steady flow of construction work, and Percy Uris thought this site might someday be appropriate for an office building.

Through the first half of the 1960's, Uris continued to assemble parcels on the site, operating through an independent assembler and dummy corporations. By late 1967, Uris had completed assemblage of the plot, including the strip along Water Street that the City of New York had owned.

The Uris Company came to the City's Office of Lower Manhattan Development and its Director, Richard Buford. According to Buford, Uris expressed a willingness to follow the City's lead in designing the building. At this time, the Lindsay administration was committed to the idea of integrating inland areas in Lower Manhattan with the waterfront. Where the Uris building was to be built, Buford wanted a connecting plaza, across the depressed South Street Viaduct, at thirty feet above grade level. ⁵⁷

Buford and Uris fairly quickly agreed on a design for the site. A massive 56-story tower would cover the site's southern half. In the northwestern corner, a smaller building would be built, graced with a sloping riverward facade and connected to the tower. In the northeastern corner a plaza elevated 33 feet above grade would be built.

A series of legal manoeuvres, apparently designed by Buford and Uris Building Corporation, followed. The building designed by Uris and Buford's office would require street closings, a zoning change to F.A.R. 15, and a special permit to allow the elevated plaza to be considered a plaza

for zoning purposes, which would increase the legal F.A.R. to 18. In return, the City would obtain several public benefits beyond the design itself.⁵⁸ The City Planning Commission hearings on the required special permit were held October 13, 1968. Buford and Elliot had put tremendous pressure on the City Planning Commission staff to move the necessary paperwork forward quickly.⁵⁹ No one testified either for or against the special permit, and it was approved. The Board of Estimate hearings January 23, 1969 went similarly unnoticed.

However, the Uris Building required one more permission, which could not be obtained through the special permit vehicle. As designed, it violated the zoning code's regulations regarding set-backs from the street above a certain height. A waiver of this regulation required approval by the City's Board of Standards and Appeals.⁶⁰ The Board has the function of adjusting the zoning and building codes to special circumstances creating hardships for developers or owners of property. Reputedly, it is dominated by architects and attorneys involved in large scale development, and is more favorable toward developers' demands than the City Planning Commission. In fact, a large proportion of appeals to the Board are decided in favor of the appellants.

Approaching the Board of Standards and Appeals, Uris obviously stood on solid ground. The design for which it wanted permission fulfilled City policies, and had been

strongly supported by the City Planning Commission. **Nonetheless the Uris Company used an interesting tactic, one they may have** worked out in consultation with Buford. Uris presented two sets of schematic architectural plans to the Board. The first was for the building agreed upon with the OLMD and the City Planning Commission. The second, **presented** as the design that would be built if the appeal was not granted, portrayed a 34-story building, almost 400 feet long, with narrow plazas on Water and South Streets. The latter building was a monstrosity. Undoubtedly this design was a bluff, as Uris, Buford, and the Board of Standards and Appeals knew. Very possibly, the whole point was, to provide evidence, not to convince the Board of Standards and Appeals that it should act as Uris wished, but to convince sceptical outsiders that the Board had acted properly. Despite these circumstances, Uris' actions are revealing: **the developer could try to force the City into submission to its plans by threatening a much worse alternative.**

After its 1972 completion, 55 Water Street rented slowly, but did not suffer the severe problems of 2 New York Plaza. The Uris Corporation, however, underwent severe losses elsewhere, and a series of acquisitions by conglomerates. By 1974 it was close to bankruptcy. By then, however, Prudential Life Insurance and Chemical Bank, who had financed 55 Water Street, owned the building.

The negotiations over 55 Water Street proved a turning point in relations between developers and the New York City government. Prior to the negotiations concerning 55 Water and a few midtown buildings begun at about the same time, the City government attempted to direct and encourage development only at arm's length. After 55 Water Street, the Lindsay administration began to work very closely with developers.

The Lindsay administration took the position, first, that the City should aid developers in assembling sites. At various times, Lindsay administration officials proposed that the power of eminent domain should be applied to "hold outs" to enable developers to complete site assembly.⁶¹ This idea met with little enthusiasm outside the administration. The Wagner administration, threatened with loss of a huge development and public embarrassment, had used an already planned street widening to enable Atlas-McGrath to complete their site, but the Lindsay administration wanted to use City powers to obtain property for developers as a matter of consistent policy. According to an official of Tishman Realty and Construction the Lindsay administration invited them into the Brooklyn Bridge Southeast urban renewal area as a means of keeping out developers that it trusted less. It also promised that City-owned properties along Pearl and Water in the Brooklyn Bridge area would be sold to Tishman. In 55 Water itself, Uris found it expedient not even to threaten the City to obtain street beds, as had Atlas-McGrath. Uris knew the City was willing to grant them the street beds.

The Lindsay administration was more successful in its attempts to encourage innovative design than in its attempts to enable developers to assemble large office building sites. In most cases, the City Planning Commission issued special permits that allowed spaces not previously designated as plazas to be counted as plazas. In turn, this allowed developers to build to F.A.R. 18 limits. At 77 Water Street, the William Kaufman Organization built a fairly small building the open-air ground level of which, counted as a plaza for zoning purposes, included a landscaped garden, an artificial stream, and an old-fashioned candy store. A set-back roof surface of the building became home for a replica of a World War I biplane, but Kaufman received no recompense for this feature. Five blocks north, at 127 John Street, Kaufman built another whimsical ground floor area. At 100 William Street a three-story interior arcade was substituted for a plaza.⁶² It included two levels of shops, one designed to connect the building to the Water Street subway. The OLMD had participated in the actual design of this building.

From the point of view of developers, the Lindsay administration's interest in design was a windfall. Following the practice they had developed in the theater district, the Lindsay officials did not work out and did not know the specific detailed economics of the trade-offs they made with developers. Rather, the Lindsay urban designers assumed that hard negotiations would arrive at fair bargains.⁶³

Whether the negotiations led to fair trade-offs in all cases is, at least, questionable. By building whatever amenities the City government would agree to, developers could increase their floor areas by 20%. In some cases, regular plazas could have accomplished the same purpose as substitute plazas, but some of the Lower Manhattan office building sites were so small that office buildings with regular plazas could not have been built on them, and as a result developers would have had to forgo the 20% increases in floor area without their agreements with the City.⁶⁴ The extra floor space their arrangements with the City allowed them to build increased buildings' floor areas by 20%, but it increased builders' profits by far more than 20%.⁶⁵ Therefore, developers were anxious to negotiate.

As events later would show, however, these forces operated only during boom times. Only then could rentals be obtained that would justify the extra expenses of amenities like those installed in many Lower Manhattan buildings.

The Power of Developers

Many observers of urban politics attribute great power to real estate businessmen, whether office or apartment building developers.⁶⁵ These arguments are quite plausible. First, urban real estate businessmen of all sorts have every reason to try to influence or even control governmental decisions. In creating and administering the zoning code, city government affects possibilities for development and does much to determine its profitability. At times City government may also, willingly or not, aid developers in

obtaining sites. How developers could exert power over local government is also clear. Through campaign contributions they can win the favor or specific favors of elected public officials. Other means of legally influencing or illegally corrupting government are available. Developers can offer lucrative jobs to appointed public officials.⁶⁷ They can channel insurance, legal and/or public relations fees to firms connected to politicians. They can leave satchels of money in public lockers and mail the keys to favored public officials.

It would seem undeniable that some such corruption of urban government takes place. If only because the stakes involved in Lower Manhattan's redevelopment were so large, it seems likely that some such events took place there. Yet, most relations between developers and government can be explained without reference to corruption. Developers have several other extremely fruitful sources of power:

First, elected officials and their urban planners need developers, because they need development. Office building and other development can be portrayed as adding to a city's tax base and supply of jobs. Officials running for election may not always need to be able to point to developments in which they had a hand, but they can hardly risk being portrayed as impeding real estate development.⁶⁸ Planners and elected officials who have important stakes in the success of planning programs have a more direct need

for development. Without it, their plans cannot be carried out. The planner interested in urban design, thus, needs not only development, but poorly designed development he can try to reshape.

Yet, the fact that real estate development is private construction on pieces of private property creates, itself, a power imbalance between planners and other public officials and developers. If there are to be battles between the two sides, developers can shape the issues, the order and timing of their appearance. Public officials and their planners usually can only respond. Extremely clever timing, of course, was essential to Atlas-McGrath's New York Plaza successes. Often, developers can also select the battleground. For example, to obtain changes in a site's zoning, New York office building developers can appeal to the City Planning Commission, the Board of Standards and Appeals, or first one and then the other. In short, developers usually have the initiative. In some cases, government officials attempt to recruit developers for favored projects and plans. In these cases developers are likely to ask for subsidies and/or guarantees. The actions of Tishman and Arlen in Manhattan Landing, of course, provide examples.

Behind the advantages developers enjoy in their efforts to control actions of urban government lie weaknesses in the legal foundations planning rests upon. Several factors contribute to these weaknesses. First, particular applications of zoning and other public powers may constitute unconstitutional takings of private property. Such arguments are

occasionally taken to court. More commonly, developers have at least plausible grounds for arguing that particular applications of planning tools discriminate against them. For example, once one site on the East River side of Lower Manhattan was rezoned from F.A.R. 10 to F.A.R. 15, owners of other sites could hardly be denied the same rezoning. Street closings provide another example: streets in New York City are classified as either arterials, major or local streets. Local streets are supposed to serve only the function of providing access to properties abutting them. By convention and long practice, a property owner who owns all or almost all the properties on both sides of a local street can expect that the street will be closed and sold to him if he requests it. This is not a right under legislative enactment nor one clearly established by judicial precedent but as a practical matter it is a virtual right. The City, as a result, would have had great legal difficulty had it decided to deny Atlas-McGrath the New York Plaza streets or Uris those under 55 Water Street.

Because of legal weaknesses, the legal tools under which urban planning is supposed to control private development establish a seldom-realized theoretical maximum of control, not the real extent and content of control. Several practicalities of the legal process may also weaken planning controls and thus increase developers' ability to reduce or shape or even use public powers. First, at least some City attorneys may be only routinely competent and not vitally interested in their salaried positions. They are frequently

overworked and may have only very poor lines of communication with the planning agencies who are their clients in planning cases. Whether they have these characteristics or not, their poor reputations may lead planning agencies to avoid relying on them even if that means influencing development less than they would like. Developers, with virtually unlimited resources, can employ the best firms and attorneys specializing in real estate law and developers can readily use threats of nasty or extended legal actions to get their way. Such threats from public attorneys would be laughable and/or unseemly.

Since modern urban planning began in the 1890's in the United States, these factors have very frequently enabled developers to sidestep, remove, or weaken the controls placed on them. In Lower Manhattan, developers used the thirst for development of planners and elected officials to go one step further and turn planning tools and arguments to their own use in obtaining sites and sidestepping zoning regulations.

In these ways, office building developers in Lower Manhattan had extraordinary ability to influence or even control those aspects of planning policy that directly affected their success in investments that often involved tens of millions of dollars. This power, however, was usually over very narrow policy areas. Few developers even attempted to influence the overall framework in which they operated. This broader policy area was once, apparently, thought the province of public officials and major corporation leaders.

In Lower Manhattan's redevelopment, public officials worked with David Rockefeller and other major corporate leaders because these big businessmen held special positions in relation to certain aspects of government; because, given the very limited rationality of City governmental policy making, the permanent and centralized DLMA was able to define questions and realities public policy makers had to deal with; because the interests of public officials and their ideas happened to correspond to those of big businessmen; and, in the case of John Lindsay a public official worked very closely with David Rockefeller because he thought such cooperation would solve the City's economic and fiscal problems. Thus, the goals of public officials very frequently correspond to those of David Rockefeller and the DLMA. Not surprisingly, much of the work of these public officials proved useful to big business efforts to rebuild Lower Manhattan.

The relationship between developers and government is another aspect of the same reality. Attempting to shape private development, public officials face grave legal and practical weaknesses. In most office building developments Downtown, this weakness left public planners with only one means of shaping development, offering developers increases in the floor space they could built in return for their cooperation. Developers, as a result, were regularly able to turn city planning regulation against itself, to use the City government's desire for one sort of outcome to weaken its control over development. Atlas-McGrath manipulated

planning tools and goals most creatively, but other developers carried out similar manipulations.

A number of developers got windfall profits as a result of these circumstances, but one can argue that they had few particularly negative results on the public at large. Who, after all, cares if 20% more floor space is piled on a particular site?

In another context, however, the weakness of public officials in their relationship with developers is much more significant. In Manhattan Landing and Battery Park City, public officials wanted not to shape developments private investors had already decided upon, but to attract private investors to participate in the projects. Private investors could be attracted only by the prospect of guaranteed profits. Given difficult economic circumstances, even that attraction finally failed. But the weakness of planning meant that, if public officials wanted to obtain private cooperation in developments that were seen as important, the public would have to pay for that cooperation. The public would have to pay so much, it seemed, that, had it been legally and politically feasible, direct public investment would have been preferable. Had planning controls been adequate to really direct and control development, presumably, such payments to obtain private cooperation would have been unnecessary.

NOTES: CHAPTER IV

1. For example, firms whose real estate business is combined with construction, have an interest in maintaining a steady flow of construction work as a means of maintaining their core staffs. Developers who are not also involved in construction do not face this problem. Second, the income tax positions of developers are critically important, and likely vary along several lines.
2. The market for office space is unstable, first, because most office operations can fairly readily be compressed into too little space or expanded into a great deal of space. Moreover, offices serve prestige as well as practical purposes. When a firm is doing well, it may desire a new office simply to symbolize its success. What attractions in a new building will appeal to a particular prospective tenant seems fairly unpredictable. For a great many types of businesses, office rental charges are a small, even insignifcnat, proportion of costs. As a result, the decision on where to move may be made on bases more whimsical than rational. The office space market is unstable, third, because at any one time most office space and most tenants are tied together by leases. Small changes measured as parts of total demand and supply may in reality be large when measured as parts of immediate demand and supply.
3. Because the internal revenue code is such an important part of real estate operations, the profitability of single office buildings, even if it could be calculated, would not necessarily mean much. However, the business appears to be extremely profitable if all goes well. The costs of interest, principal, tax and maintenance payments on some buildings built during the late 1960's in Lower Manhattan, were \$7.00 to \$8.00 per square foot, per year. Some lucky developers rented buildings at \$12.00 to \$15.00 per square foot per year. Assuming their own investments were \$10.00 per square foot, likely an unusually high figure, such investors would earn profits on their own investments of 40% to 80% per year. These, of course, would be before tax profits.
4. See Table 2, in Introduction.
5. This section is based primarily on interviews with Anthony J. Peters and Edmund Wagner, and on Anthony J. Peters and Leone J. Peters, submission for the "Award for the Most Interesting Transaction of 1954," to the Real Estate Board of New York, 1954; J.C. Perhan, "Going Up," Barron's, August 16, 1954.
6. Cushman and Wakefield is now a national real estate consulting and management firm, a subsidiary of R.C.A.

7. Peters interview.
8. Ibid. Peters evinced considerable respect for Wagner's uprightness, but described him as overly conservative.
9. Ibid.
10. Peters, Wagner interviews.
11. The problem of providing space for expansion of the New York Stock Exchange floor was solved by bridging the 2nd, 3rd, and 4th floors with tremendous girders, at the 5th floor level. The walls and floors below this level could be removed to create a 36 ft.-high room covering almost the entire lot area.
12. Carroll, Mathews interview.
13. Ibid.
14. The widening north of Coenties Slip was paid for by special assessment of those whose properties were made more valuable by the widening. Such assessments are no longer used in New York City to pay for public improvements.
15. Carroll, Braislín interviews.
16. According to Carroll, court tests connected to the Brooklyn Civic Center, during the late 1940's, decided that such "excess condemnation" was required.
17. Downtown Manhattan Association, untitled leaflet, 1956.
18. In July, 1957, the Slum Clearance Committee, in its Slum Clearance Progress, listed the project as in "preliminary planning." The urban renewal plan for the project was published January 19, 1959. See New York City, Slum Clearance Committee, Battery Park Slum Clearance Plan Report, January, 1959.
19. Prior to 1954, federal urban renewal legislation required that most projects, either before or after redevelopment, be predominantly residential.
20. John P. McGrath, who later would become developer of New York Plaza in the area, served as Zeckendorf's attorney during this period.
21. Zucker, J. Clarence Davies, Jr., interviews.
22. J. Clarence Davies, Jr., interview.
23. Ibid.

24. For example, to go to its upper floors, one must transfer from one bank of elevators to another, down a twisting hall. Moreover, the building's lobby is so small that at times during the day moving through it is quite difficult.
25. Rogers interview.
26. Ibid.
27. Ibid.
28. See Zeckendorf, op. cit.; also Zeckendorf interview.
29. Wallace et alia, New Life for the Battery, 1967. Wallace, Peters interviews.
30. Moses' Triborough Bridge and Tunnel Authority controlled this area.
31. The Customs House site, however, was too small for the Exchange's needs.
32. New York City. City Planning Commission. Files on project.
33. Prior to 1951, McGrath had been the City's Corporation Counsel--New York's City Attorney. In that position, he had worked to develop the legal bases for condemnation of property in the urban renewal program. McGrath had also managed Robert Wagner's 1957 Mayoral campaign, but by the mid-1960's his ties to the Wagner administration appear to have been relatively weak, as a result of Wagner's splitting from the city's Democratic machines. Sol Atlas, for whom McGrath had long provided legal counsel, had made a fortune in suburban shopping center development.
34. McGrath, Bernstein interviews.
35. McGrath interview.
36. New York City, City Planning Commission. Report of hearings.
37. Other discussion surrounded the parking garage Moses had proposed for the Fraunces Tavern block, and the closing of Broad Street.
38. New York City. City Planning Commission, Files on project. McGrath, Bernstein, Davies interviews..
39. Had the project gone forward, the federal government would have paid 2/3rds its net costs.

40. McGrath, Bernstein, Rogers interviews.
41. McGrath, Rogers interviews.
42. Peters, Wagner interviews.
43. For a portrait of Mrs. Peterson, see New York News, September 16, 1965, p. 48.
44. New York City, City Planning Commission, file on project.
45. Ibid.
46. See the very complete Times reports on the conflict.
47. McGrath interview.
48. Buford, Weinstein, Rogers interviews.
49. Rogers interview.
50. Zeckendorf offers this explanation. See Zeckendorf, op. cit.
51. According to Peters, who handled the leasing of this building, this change was also made at the request of Chase Manhattan, because they wanted some floors larger than those in the building as originally designed.
52. No mortgage secured this financing, the exact nature of which is unclear.
53. Newspaper reports, Wagner interview.
54. McGrath interview.
55. Peters, Wagner interviews.
56. Braislin interview. New York City, City Planning Commission, file on the project.
57. Buford. See also Barnett, op. cit.
58. The Commission agreed to the special permit in return for the following: 1) Uris agreed to provide escalators, open to the public and operating during stated hours, leading to the elevated plaza; 2) Uris agreed to rebuild Jeanette Park and maintain it; 3) Uris agreed to include entrances to the Second Avenue Subway and potential Long Island Railroad stations in the building; 4) Uris agreed to provide commercial space, including some at the subway and plaza levels. 5) Uris agreed to provide parking for 600 cars in the building.

59. New York City, City Planning Commission, file on project.
60. New York City, Board of Standards and Appeals, file on project.
61. See New York City, City Planning Commission, A Plan for New York, op. cit., Vol. 1, Critical Issues, p. 34.
62. 100 William Street was developed by Sylvan Lawrence.
63. This procedure is described by Barnett, op. cit., Chapter 2.
64. This was particularly true of 100 William Street.
65. This is the case, first, because up to a certain point, extra floors do not proportionately increase construction costs. Second, land is a very important cost in most office building developments, and increases in the F.A.R. increase the intensity with which land may be used.
66. See, for example, the reports of Jack Newfield in The Village Voice.
67. In fact, Richard Buford worked for Uris after his tenure as Director of the Office of Lower Manhattan Development. Jacquelin Robertson, who occupied a similar position as Director of the Office of Midtown Development, became a Vice President of Arlen Realty and Development.
68. There are, of course, circumstances in which this is not true. Politicians representing residential neighborhoods or constituencies conscious of ecological issues may make opposition to development a very useful stance.

CHAPTER V

MOVEMENTS TO CHANGE THE DIRECTION OF PLANNING

The history of Lower Manhattan's redevelopment presents a striking contrast: those who have tried to redirect the area's rebuilding toward egalitarian goals have failed completely, while those who have been concerned with preservation of communities and historic sites have succeeded spectacularly. Egalitarians working to change the direction of planning Downtown were concerned, particularly, with Battery Park City and Manhattan Landing. In the 1969 conflict over Battery Park City they won what appeared to be important victories: the new development would be designed to benefit low- and moderate-income families as well as the well-off the Lindsay administration wanted to attract Downtown. In 1972, however, these gains were lost, and in the discussions of Manhattan Landing the egalitarians were unable to muster significant protest. This history has been dealt with above.

In contrast, those concerned with preservation have succeeded in several important efforts: they have stopped one highway and dramatically affected the planning of another. They have obtained legal protection for a variety of historic buildings and created a large and innovative museum out of old buildings no one else wants. Among the preservationists are many opinions: followers of Jane Jacobs frequently see themselves as opposed to big business, even as radicals. On the other hand, many of those concerned with the preservation

and reuse of historic buildings are themselves important businessmen. Yet, the demands of these groups shade into one another, and have reinforced one another. Therefore their movements may be considered together. Their history Downtown will be dealt with here.

The Lower Manhattan Expressway

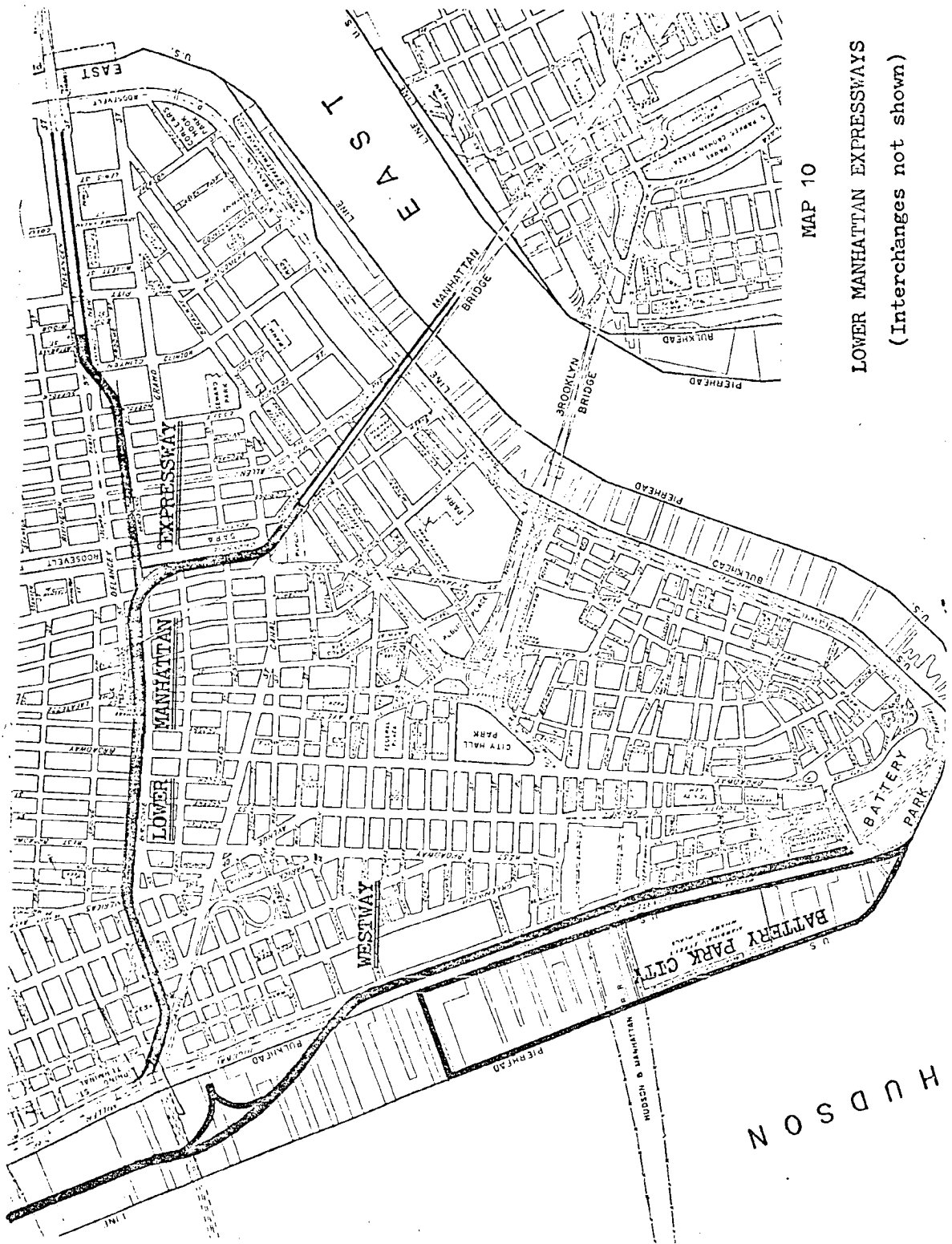
Plans for the Lower Manhattan Expressway date to 1927.¹ The Expressway was designed to link the Holland Tunnel to the Manhattan and Williamsburg Bridges. Such a link would tie industrial areas in Hudson County, New Jersey, to those along the East River in Brooklyn and those flanking Canal Street in Manhattan. Its supporters saw the Lower Manhattan Expressway as essential to New York's economic future, particularly to its future as a manufacturing center. Their case was supported by the awful and obvious clog of traffic, particularly truck traffic, on Canal Street.

In 1956, the Lower Manhattan Expressway was included in the Interstate highway system by state and federal officials. In 1960, the road was officially mapped, by the New York City Board of Estimate, as a city highway. Between 1962 and 1969, however, it became the source of battles as bitter as those over any planning issue anywhere. In 1969, its opponents apparently buried the proposal forever. Geographically and as a planning issue, the Lower Manhattan Expressway was only tangential to Lower Manhattan's redevelopment history. Therefore, its long history will be dealt with quite briefly.²

By far the most important individual supporter of the Lower Manhattan Expressway was Robert Moses, who used all his weight as City Construction Coordinator, Coordinator of the Arterial Highways program, member of the City Planning Commission, and Chairman of the Triborough Bridge and Tunnel Authority to push the project. In 1955, Moses' Triborough and the Port Authority carried out a joint study attempting to show a desperate need for the highway.³ After passage of the Interstate Highway Act in 1956, the City and Triborough began detailed planning. In 1958, their consultants recommended a route across Broome Street, just north of Canal, along **which** an elevated highway would be built. This was the route mapped in 1960. (See map 10.)

In 1962, the Wagner administration stood ready to begin construction of the Lower Manhattan Expressway.⁴ On April 4, 1962, the Board of Estimate approved the necessary property acquisition. Quickly, however, tremendous opposition developed.

From the beginning, several quite different groups made up the opposition to the Lower Manhattan Expressway. First, several machine Democratic politicians opposed it. They were represented most vocally by Assemblyman Louis DeSalvio, representative of the Little Italy area through which the highway would have run. From June, 1962, on, DeSalvio opposed the highway, and worked to mobilize opposition among his constituents. DeSalvio's actions reflected the increasingly insecure environment in which many New York City elected



MAP 10

LOWER MANHATTAN EXPRESSWAYS
(Interchanges not shown)

public officials operated. In the 1961 mayoral primary, Robert Wagner ran as a reform candidate, against the Democratic party machine led by Carmine DeSapio. This split in the Democratic party meant local elected officials could no longer rely on the party organization to guarantee their renomination, but had to create issues that would appeal to their own constituencies.⁵

The other half of the Expressway's opposition reflected the thinking of Jane Jacobs. In the late 1950's, Jacobs fought with Robert Moses over his plan to run a road through Greenwich Village's Washington Square Park. In 1960 and 1961, she organized the group that defeated the City's urban renewal plans for her Village neighborhood.⁶ Her The Death and Life of Great American Cities⁷ was already becoming influential. Jacobs and her followers opposed highways through residential neighborhoods and almost all types of urban renewal as matters of principle. For Jacobs, neighborhoods had lives of their own. Left alone, older decaying neighborhoods could "unslum" themselves through their residents' own efforts. A mixture of activities, residential, commercial and industrial, was the source of a city's and neighborhoods' vitality, and both highways and urban renewal tended to sort out activities into specialized, lifeless areas. Highways, cutting through communities, splitting them in half or from one another, destroying their housing and small businesses, were among the most potent destroyers of cities and communities.

Jacobs herself was not the most obvious leader of those opposing the Lower Manhattan Expressway, but many others adopted her thinking. Starting in 1962, opposition to the Expressway gained reform Democratic political support, beginning with the West Village reform Democrats. Soon opposition to the highway expanded to include virtually all reformers and Liberal Party groups as well.⁸ Carol Greitzer and Edward Koch--later Councilwoman and Congressman--were particularly important in this reform Democratic opposition.

Adding to opposition to the highway was a third element, the growing public distaste for Robert Moses.⁹

That there was opposition to the Expressway can hardly have surprised Robert Wagner.¹⁰ But he was undoubtedly surprised at the opposition's strength, and at the alliance between reformers and regulars on the issue. In July, 1962, Wagner backed off delicately from a stance favoring immediate Lower Manhattan Expressway construction by asking Herman Badillo, recently placed in charge of the City's relocation efforts, to carry out a study of how relocation problems in the Expressway area could be eased.¹¹ August 23, 1962, the Board of Estimate, led by Wagner, voted to delay approval of the project until further studies of how to lessen its negative impact could be carried out. In December, 1962, the Board of Estimate held hearings on the project. At these hearings, the popularity of the opposition cause became evident. Among others, 600 DeSalvio constituents opposed to the project were reported to have attended.¹² At

the end of 1962, the Board of Estimate refused to reaffirm its support for the project.¹³

Through 1963 and 1964, the Lower Manhattan Expressway **plans lay dormant. Mayor** Wagner and other politicians, apparently, were afraid to take the political risks raising the issue again would have required. Now, however, supporters of the highway organized themselves more effectively than they had been organized in 1962. During 1964, they worked to revive the Expressway.¹⁴ Support included four major groups. First, all the city's major business groups supported the project. The Commerce and Industry Association, the Chamber of Commerce, the Real Estate Board, the Economic Development Committee and the Downtown-Lower Manhattan Association were joined by smaller business groups like the Queens Chamber of Commerce in **support of the expressway.**

As important was the support of economic interests directly affected by the Expressway plans: trucking associations, the Automobile Club, and, most important, construction interests. Harry Van Arsdale, Chairman of the City's Central Labor and Trades Council and Peter Brennan of the Building and Construction Trades Council were particularly vocal in their support. In late 1964 their support was particularly important because Wagner, then considering running for reelection in 1965, would need union support.

Third, the most important city-wide civic and architectural groups supported the project. By the end of 1964, the

American Institute of Architects Chapter, the Municipal Arts Society, the Citizens Housing and Planning Council, and the Regional Plan Association were listed among its supporters.

Finally, virtually all the appointed public officials concerned with transportation problems argued that the Lower Manhattan Expressway was essential to the economic well-being of the city.

Under pressure from these groups, Wagner revived the project late in 1964.¹⁵ He first attempted to obtain support from, or at least to neutralize, Louis DeSalvio, by arranging construction of middle-income housing for DeSalvio's Little Italy constituents.¹⁶ Despite his failure in this effort, on May 25, 1965, Wagner ordered work on the expressway to begin immediately.

Again, opposition mobilized very rapidly. The earlier opposition groups were joined by new political forces. Congressman John V. Lindsay, now a mayoral candidate, joined others in accusing the Wagner administration and Robert Moses of falsifying information to support the highway.¹⁷ Once Wagner announced his decision against running for reelection, Lindsay was joined by William Fitz Ryan, the liberal Democratic Congressman running for the Democratic mayoral nomination, in opposition to the highway. Massive protests were again threatened.

Now, however, a new middle position emerged; it was developed mainly by the Regional Plan Association. The RPA argued that construction of the highway should be delayed at

least until alternatives to the elevated highway could be studied, and proposed that a tunnel might replace the proposed elevated route. The RPA's proposal may have rescued the expressway from clearcut defeat in 1965. It raised the possibility that an expressway could be built that would disrupt the surrounding area much less. It also separated support for a highway from support for Robert Moses.¹⁸

The new proposal gathered supporters. Opponents of the elevated highway utilized a wide variety of arguments. Ada Louise Huxtable and various arts groups argued that the expressway would destroy the city's unique heritage of cast-iron buildings.¹⁹ Lindsay demanded postponement of a decision on the highway until the new mayor took office in 1966. Small businessmen in the path of the Lower Manhattan Expressway joined those from the World Trade Center site in complaining at Congressional hearings about possible dislocation. Questions about hidden costs to the City, and about whether the expressway would require another Holland Tunnel tube to be built were raised. Many opponents of the expressway may have supported the RPA position only as a means of delaying the start of construction.

Finally, on October 28, 1965, Wagner revised his plans, announcing he would propose a depressed highway to State and federal officials. The timing of his action a few days before the mayoral elections makes his motivation clear; he was trying to reduce the political damage the issue had done to the Democratic mayoral candidate, Abraham Beame.²⁰

Extraordinarily complex technical and financing issues were involved in the proposal to depress the Lower Manhattan Expressway. A depressed road would have to avoid five subway tunnels. If it was to go beneath them, it would have to run at least sixty feet below street level, creating problems of long ramps.²¹ Moreover, if a depressed road was built by the "cut and cover" method, it might require even more disruption than the elevated highway would have caused. In addition, a tunneling construction method would be incredibly expensive. Further, it was unclear whether the federal government would pay 90% of the cost of a design it did not consider the most economical one possible.²²

Entering office, John V. Lindsay held the public position that an underground Lower Manhattan Expressway should be studied and built if possible. If it proved impossible to build, the City should improve the roads around the tip of Manhattan, in what came to be called the "Lindsay loop," rather than building an elevated Lower Manhattan Expressway.

Lindsay found himself in the same politically difficult position that Wagner had occupied: supporters of the project, including officials he had appointed, would not let it die. But at every hint of the start of construction, opposition was mobilized. Through 1966, the City administration considered various proposals, a tunnel, the "Lindsay loop," an expressway elevated so high that no buildings would have to be disturbed, but arrived at no satisfactory conclusion. Finally, in January, 1967, Lindsay and Governor Nelson

Rockefeller agreed to sponsor a thorough study of the tunnel alternative, a study that would be carried out by Madigan-Hyland, the consultants who had worked on the elevated road for Robert Moses. In March 1967 the new study and its proposals were made public.²³ It called for a depressed highway along Kenmare Street from Sixth Avenue to Lafayette Street, a tunnel to connect this highway to the Manhattan Bridge, and a boulevard along Delancey Street to connect it to the Williamsburg Bridge. When it was issued, this proposal seemed to hold great promise. Opponents of the expressway had suffered a defeat when the Board of Estimate refused to approve Borough President Sutton's request to have the Lower Manhattan Expressway removed from the City's map. (This "demapping" procedure would have ended the road's legal existence.) The new plan would appeal to at least some of the opposition, it was hoped, because 85% of the apartments and 60% of the businesses that would have had to be destroyed to build an elevated highway would not be required to build this one.²⁴ Supporters of the expressway, at this point, were willing to accept almost any solution that could be approved and built.²⁵ While the federal government had finally refused to pay the astronomical cost of a fully tunnelled highway, they agreed to absorb 90% of the cost of this more modest solution. Finally, the problem of Robert Moses had been reduced by his removal as coordinator of the City's arterial highway program.

The political process, however, ground on slowly. Under new procedures, federal-state hearings on the highway were required; these were not scheduled until April, 1968. Again, opponents of the Expressway showed their power and determination.²⁶ Even after the hearings, new issues arose. Now, opponents raised the possibility that the new highway would so pollute the surrounding area with carbon dioxide as to make it uninhabitable.²⁷ In early 1969, Percy Sutton changed his stance to support for a loop around the end of Manhattan, what he called a "horn route." Artists who were moving into lofts in the area south of Houston Street joined the opposition. As in 1965, nonincumbent candidates for City office opposed the project. John Marchi, who would defeat Lindsay in the Republican primary; Mario Procaccino, who would become the Democratic mayoral candidate; and Fiorvante Perotta, who would become Lindsay's running mate as a candidate for City Comptroller, all announced their opposition.²⁸

Only the political difficulties John Lindsay experienced in 1969, however, would finally end consideration of the expressway. As recounted in Chapter III, Lindsay's loss in the June Republican primary placed him at the mercy of reform Democrats, represented mainly by Borough Presidents Sutton and Badillo. They demanded that the Expressway be killed, and on August 21, 1969, the Board of Estimate voted to demap it and Lindsay cancelled the Corporation Counsel's authority to seek condemnation of properties necessary for the road **construction**.

The success of the Lower Manhattan Expressway opponents raises two questions. Why were they so successful? How did their success change urban planning in New York City?

Prior to the Lower Manhattan Expressway fight and similar fights over urban renewal during the same period,²⁹ residential community groups had relatively little power in New York's urban planning decision making. The expressway opponents' success forced recognition that groups who could speak credibly for their neighborhoods would have to be listened to.

One important cause of this change was a change in the structure of city politics. The breakup of the Democratic machines was marked by Robert Wagner's reform candidacy for mayor in 1961, and by John Lindsay's success in 1965. Where in a healthy political machine lower level elected officials could rely on the party structure for renomination and rewards for faithful service, now they needed to develop local constituencies loyal to them personally. Coincident with the machines' disintegration were declines in the reputation and power of Robert Moses and public faith in urban renewal. Moreover, demands for community control, arising from the civil rights and new Black power movements, from the anti-poverty program, and from increasingly widespread dissatisfaction with urban government, gave credibility to demands for neighborhood participation in urban planning. All these shifts forced elected public officials considering redevelopment and other planning measures to pay careful attention to community attitudes as well as those of business and civic groups.

But this change in the political structure of planning would not have led to success for the Lower Manhattan Expressway opponents had not their position been formulated in an appealing ideological form. Drawing on themes pervasive in American culture, Jane Jacobs provided this ideological formulation: to the assumption that redevelopment of cities had to be undertaken through huge projects involving mainly big business and powerful, centralized bureaucracies, she counterposed the vision of neighborhoods renewing themselves, by the earnest efforts of their modestly prosperous residents and small businessmen.³⁰ To the city of huge superblocks, skyscrapers, and parks that planners since Le Corbusier³¹ had very frequently envisioned, she contrasted a city built on a human scale of small blocks and houses, and narrow streets. Starting with a hellish vision of a city so organized that only bureaucracies could matter, she proposed an alternative vision in which even shut-ins or the elderly, sitting at their windows watching their streets and yards, could play an important role.³² Jacobs' vision, thus, was of a city organized about its lower middle class, a city filled with homeowners, conscientious resident landlords and small businessmen. That such an ideology can contend with technocratic, bureaucratic, and big business ideologies for the loyalties of parts of the urban intelligentsia is remarkable testimony to the strength of lower middle class ideals in American society.

To this image of a utopian city, Jacobs and her followers added expressions of fear and resentment of big business and

its allies in government.³³ One such argument was particularly revealing: during the Lower Manhattan Expressway controversy and since, opponents of the road argued that all the supporters of the highway were essentially instruments of David Rockefeller. In this conspiratorial vision of the road's history, the Lower Manhattan Expressway would have provided a wall behind which Lower Manhattan could have been redeveloped as an office and upper class residential area, without threat of "invasion" by lower-income groups.³⁴

That some of those involved in the reconstruction of Lower Manhattan had such thoughts is not inconceivable. But this could not have been a very important motivation behind work for the expressway. The particular design of the expressway would determine the effectiveness of the road as a "Chinese wall," a phrase its opponents frequently used. Yet, after 1965, David Rockefeller and the expressway's other Downtown supporters expressed no preference as to its design. Second, there has never been any real possibility that the entire area south of Canal Street would be redeveloped in the foreseeable future. The DLMA, originally, took the area as its own, not because it was particularly concerned with areas north of Chambers Street, but because no other convenient boundary existed and it was thought that Lower Manhattan's northwestern corner might provide a relocation resource for industries removed from the periphery of the commercial core.³⁵ In fact, as has been noted elsewhere, the DLMA almost never concerned itself with developments north of City Hall. Similarly the DLMA showed no interest in Alfred E. Smith Houses

and Chinatown, two large low-income communities which lie south of Canal Street.

This is not to deny that David Rockefeller's role in the Lower Manhattan Expressway support may have been more important than it appeared. He may well have thought that his taking a very important public part in the Expressway support would be counterproductive, and therefore he may have attempted to conceal, or at least not publicize, some of his efforts in behalf of the road. But even if David Rockefeller's role was somewhat more important than it appeared, there is no reason to believe other supporters of the Expressway were controlled by him. Nor, for that matter, is there any reason to believe he supported the road from cynically defined self-interest rather than from a belief that the city needed it. Yet this conspiratorial version of the Expressway's history remains a popular one.

Both these expressions of resentment and suspicion and the utopian city Jacobs described, thus, found ready audiences in the Lower Manhattan Expressway fight. The power of the ideas, rather than arrangements of specific material interests, must be seen as the primary cause of the defeat of the Lower Manhattan Expressway, although the ideas Jacobs expressed might not have gained currency had not her followers been phenomenally persistent and had not elected public officials found her ideas useful.

For incumbent administrators, Mayors Wagner and Lindsay, the Expressway was a nightmare. Both seem to have thought some

sort of expressway was needed, but the political difficulties of getting its construction underway were overwhelming. They reacted by dodging the issue when they could, by trying to create quick decisions that would minimize the political damage, by attempting to satisfy everyone, by delaying apparently in the hope that one or the other side would forget the issue. Never in the Lower Manhattan Expressway planning did public officials achieve a workable way of dealing with community groups. In the planning of reconstruction of the West Side Highway public officials did much better. Only part of that road lies in Lower Manhattan, but some aspects of its history will be dealt with here because that history shows clearly how planning was changed by the rise of community groups to positions of power.

The West Side Highway³⁶

If New York City's inability to do something to get trucks more rapidly across Manhattan was tragic, the history of the West Side Highway since 1970 has been almost farcical. Through the 1960's, various efforts were undertaken to patch, straighten, and otherwise improve the inadequate and deteriorating West Side Highway. By 1970, however, the highway was crumbling, a process made obvious December 15, 1973, when a section of the road fell onto West Street below, ironically under the weight of a truck carrying asphalt with which to repair the road. Most of the highway south of 59th Street was immediately closed.

In 1971, the route was designated part of the Interstate Highway System by the New York State legislature, qualifying its reconstruction for 90% federal funding. This designation made federal planning funds available immediately. Remembering the Lower Manhattan Expressway fight, New York public officials set up a complex planning mechanism. This mechanism, the West Side Highway Project, was created by understanding between John V. Lindsay and Nelson Rockefeller in 1972. It was headed by Lowell K. Bridwell, a former federal Highway Administrator.³⁷ A West Side Highway Steering Committee, made up of chairpersons of the Community Planning Boards in areas the highway would touch and various City officials, would be the locus of negotiations regarding highway plans.³⁸ (In New York City, the Community Planning Boards are appointed by and advise the Borough Presidents. Under Percy Sutton, Manhattan's Community Planning Boards have been quite influential in determining planning policies for their areas.) At the end of a lengthy planning process, the Steering Committee would, hopefully, "reach a consensus," a unanimous or nearly unanimous decision, on what plan was best. If it did not, the Mayor and Governor, together, would decide what plan to pursue.

From the beginning, the alignment of forces in the West Side Highway conflict was similar to that in the Lower Manhattan Expressway conflict. Community Planning Board # 2 of Greenwich Village opposed the highway in principle.³⁹ It was opposed by Lower Manhattan Community Planning Board # 1,

dominated by businessmen associated with the DLMA.⁴⁰ Between stood Community Planning Board #4 of Chelsea, split between residents who wanted parks for the area and shipping interests, and #7 of the West Midtown area, concerned with reducing the impact of central business district traffic on their residential areas.⁴¹

As planning proceeded, an alternative gained force. Congresswoman Bella Abzug pushed through Congress a provision whereby highway funds could be used, instead, for mass transit facilities.⁴² Abzug, her Greenwich Village constituents, and some others advocated "trading in" the highway for mass-transit funds. Bridwell, City Planning Commission Chairman John Zuccotti⁴³ and other City officials, however, argued that the federal funds obtained through a "trade-in" would be far less than the highway's cost, and that something would have to be done about the highway in any case.

Supporters of the project, also, were like the groups that had supported the Lower Manhattan Expressway: major business groups; the Regional Plan Association; most City officials with reason to speak on the problem; the building trades.⁴⁴ As it had in the Lower Manhattan Expressway fight, the Regional Plan Association attempted to create a compromise, this time by offering to mediate among the various antagonists.

After the old West Side Highway collapsed in 1973, Lower Manhattan groups became more and more concerned with its replacement. Some argued that lack of decent automobile access from midtown was Lower Manhattan's most important single problem.⁴⁵ Like other business groups, the DLMA pushed the City government to lessen the difficulties caused by the highway's collapse by improving West Street.

In their longer term planning, however, public officials were caught in another difficult position. Supporters of a highway reconstruction would not cease arguing that it was essential to the city's economy. Greenwich Village forces and their allies would not cease arguing for no reconstruction at all and for the mass transit "trade in." The West Side Highway Project staff attempted to deal with this problem by isolating Community Planning Board #2.⁴⁶ Detailed negotiations with the other Boards over their particular concerns made considerable progress.

Five alternatives were developed for consideration by the Steering Committee, Mayor and Governor. The alternatives were: 1) repair and reopening of the existing West Side Highway; 2) its rehabilitation with minor improvements; 3) demolition of the highway and its replacement with a boulevard-like arterial down West Street; 4) construction of a new highway near the present one--the "inboard" route; 5) construction of an "outboard" highway near the pierhead line, and creation of new land between the bulkhead and pierhead lines. The last would be the most elaborate plan:

The Outboard Alternative consists of three major transportation facilities--a six-lane interstate highway, a new transit way and a reconstructed West Street-Twelfth Avenue...
/The "transit way" was to be a set of lanes usable either for a new subway or for special buses.⁷...
The Outboard alternative assumes a significant transformation of the Hudson River waterfront. The existing West Side Highway would be torn down. Likewise, all the existing waterfront facilities south of 37th Street...would also be demolished.... there would be 243 acres of new landfill.... This newly created land would accommodate the proposed highway and transitway in a depressed, covered and ventilated section, and would provide for a continuous belt of public open space.... In addition, the new landfill between the highway and the bulkhead line could be made available for other uses including housing, as a direct consequence of the transportation project. 47

To no one's surprise, the West Side Highway Project Steering Committee never reached "consensus." Some years before, Lowell Bridwell had developed the notion of joining highway with land use and development planning.⁴⁸ Here, the West Side Highway Project had followed this strategy and attempted to obtain consensus among community groups by offering them **many of their demands** so that they could not refuse to take the final package. Although the Project failed to obtain consensus, it did prepare the ground for acceptance of a plan imposed by the Mayor and Governor.⁴⁹

Now, late in 1974, the Beame administration presented its proposal, for a road it called "Westway"⁵⁰ The proposal was the work of John Zuccotti. In its substance, Westway was even more closely attuned to the politics of West Side Highway planning than the West Side Highway Project alternatives had been. It was an extraordinarily clever

compromise. Westway was a modified "outboard" proposal. It "would recapture the waterfront," in an esplanade from Battery Park City to 35th Street.⁵¹ Addressing anti-highway forces, the document noted that the total number of lanes in the highway and on West Street would be reduced from twelve to ten. The City promised that there would be no highway construction in the area north of 72nd Street, where the highway ran beside Riverside Park.⁵² At 30th Street, railroad yards abutting the highway would be used to improve transportation of goods and provide connections between rail and truck transport. In the 30th Street railroad yards, the City proposed a "containerport facility," undoubtedly designed to satisfy shipping interests. Elsewhere, new parks and housing would be provided. the special bus or subway tunnel the West Side Highway Project had called a "transit way" was transformed into a more modest bus lane.

Much of what Zuccotti proposed for Westway had more symbolic than practical importance. In Greenwich Village, 2200 low-rise apartments, similar to the kind Jane Jacobs' followers were building in West Village Houses, would be built.⁵³ The authors of the Westway proposal pointed out that this was fewer apartments than Community Planning Board #2 had proposed, and the narrow strip of new land from Leroy to Gansevoort Streets would insure that the new housing would "relate to the street patterns and block sizes of the existing community."⁵⁴

Westway, too, failed to receive approval from the West Side Highway Project Steering Committee, but in 1975 the Beame administration and the new Governor, Hugh Carey, agreed on the plan. Whether its progress would be affected by New York City's fiscal crisis was unclear.

The planning process surrounding the West Side Highway revealed how far changes in planning begun with the Lower Manhattan Expressway struggles had gone. By the early 1970's, community groups were not just one set of participants in planning, but usually one of the most important sets. Public officials would tailor their proposals, normally, to community needs as supposedly representative groups articulated them.

Community groups arose out of protests against redevelopment and other projects and as officially constituted Community Planning Boards or other appointed advisory boards. When united, aroused and well led, community groups were highly effective in blocking plans originating in City government and/or proposed and supported by business leaders. But in the cases dealt with here, they were not effective in developing their own plans. At best, they could force modifications of plans proposed by outsiders.

The failure of community groups to seize the initiative could be dealt with in a lengthy study, but a few possibilities can be suggested. First, community groups appear primarily interested in preserving existing neighborhoods and can be aroused only by threats of change. (As the history of

Tribeca, dealt with below, makes clear, this is not universally true.) Second, the problems dealt with in urban planning very frequently transcend the boundaries of local communities, and neither the intellectual solutions to those problems nor the resources necessary to solve them practically can be gathered at the community level.

Some implications of the growth of community participation in planning can be seen in the history of the Lower Manhattan area called Tribeca.

Tribeca

In the few years immediately after the Lower Manhattan Expressway battles, a movement arose to reuse old buildings; by 1970, this movement had become important in the north-western corner of Lower Manhattan, an area now called Tribeca.

In the area between Houston and Canal Streets, just north of Lower Manhattan, stand hundreds of loft industrial buildings, including the cast-iron buildings that Ada Louise Huxtable was so concerned about during the Lower Manhattan Expressway conflicts. In the mid-1960's, industrial use of these buildings was declining rapidly, as industries left the city and, perhaps more important, simply because many of the older loft buildings were not adequately equipped for modern industrial operations.⁵⁵ At the same time, New York continued to suffer its long-standing housing shortage. Artists, pressed hard for the large spaces that their work frequently requires, were perhaps somewhat more venturesome than others. They began to occupy loft

industrial spaces in violation of the building code, frequently making fairly large investments in renovations. Resistance to making such conversions of loft space legal came from those concerned with the potential loss of industrial jobs if the conversions spread enough to cause increases in loft rentals, and from those concerned with fire and other hazards such conversions might create. Under increasing political pressure, the Lindsay administration worked out a legal solution. Under a special zoning amendment, loft residents in the Soho area--an acronym for "South of Houston"--became legal for artists certified by the City. The Soho zoning change led to very rapid conversion of many buildings in the area, for legal occupancy by artists and illegal occupancy by others. In the process, a number of minor fortunes were made,⁵⁶ and the prices of buildings were bid far above their value as industrial locations. Living in Soho lofts quickly became an expensive and fashionable proposition. The rehabilitation of Soho and the rise of its real estate values, of course, could not have taken place without prior defeat of the Lower Manhattan Expressway. Had the expressway been built many of the lofts now being converted would have been destroyed, and others would have been occupied by businesses from the expressway path.

In the 1970's, the movement to convert industrial buildings to residential use moved south of Canal Street, to the Tribeca area. Tribeca is the area bounded by Vesey Street on the south, the Hudson River on the west, Canal

Street on the north, and Broadway on the east.⁵⁷ The name Tribeca abbreviates "Triangle Below Canal."

Tribeca is an industrial slum. Its southern half developed, beginning in 1792, as New York's primary market for agricultural goods.⁵⁸ The northern half of Tribeca, west of Church Street, was developed originally as a housing area. Then, in the decades prior to 1900, as New York's railroads created a system whereby car-floats transferred goods from New Jersey railroads to the west side of Manhattan, the area became one of varied industrial and port activities.⁵⁹ The area's predominant building type resulted:

These buildings were usually five story structures of brick, covering the complete lot area of approximately 100 feet by 25 feet...or 100 feet by 50 feet....Most of these buildings shared a "party wall" and were constructed prior to the New York City Fire Code.⁶⁰

Such buildings, intended and still used for industrial purposes, continue to cover Tribeca's northwestern area. Between Broadway and Church, most have been replaced with office buildings of various vintages.

Tribeca's vitality as an industrial and market area continued until after World War II. In 1946, industrial workers in the area--mainly stevedores, printers, drivers, and workers in food-processing--numbered 100,000.

The printing industry, up to 1947, was located primarily in the Tribeca area. Within a twenty year period (1947-1967), half of this industry had moved uptown to find larger quarters for their expanding operations.

Between 1956 and 1966, about two-thirds, or 60,000 employees in Tribeca were either relocated or dismissed due to the change in their employment locations or firm closures....

About 1950, the food and beverage industry was at its peak in the Tribeca area. As of 1973, only a handful of the "old" food processors were still in the area. Most of the older Tribeca firms were either merged into larger corporations and moved elsewhere, or have closed due to their inability to compete with larger corporations.⁶¹

Movement of the Washington Market produce firms to Hunts Point, of course, accelerated Tribeca's decline as a wholesaling and industrial area.

By 1972 or 1973, the potential of Soho as an area for loft conversion had been largely exhausted as the prices of loft buildings had been driven up to the point where few conversions could be profitable. Slowly, artists began moving into the Tribeca area, even before it had received its name. In January, 1974, about seventy buildings were occupied as illegal residences, and during 1974 conversions proceeded even more rapidly.⁶² Now, the area obtained the rudiments of organization in a group called the Washington Market Community Association.⁶³ Quickly, the organization became concerned with the issue of illegal residences, and changing the area's zoning. For some time, the OLMD and City Planning Commission did not act on the issue of zoning, but late in 1975 they agreed on a zoning change that would reserve lower floors in loft buildings for industry, while allowing conversion of upper floors.⁶⁴ Seemingly, however, the main potential for legal rental conversions lay in the area's old office buildings, most of which were fireproof.

During 1974, the Tribeca group began to obtain some political representation, largely through contacts with Manhattan Borough President Sutton. By early 1975,

Sutton had appointed several residents of the area, along with residents of the recently opened Southbridge Towers middle income housing project,⁶⁵ to Community Planning Board #1. In Manhattan as in the other boroughs, the Community Planning Boards had, legally, only advisory functions. But in Manhattan they appeared to have some independent power because Sutton was quite reluctant to reverse their recommendations. In appointing the new residents to Community Planning Board #1, Sutton was following the logic of community-based urban planning: so long as Lower Manhattan was purely a business area, he reasoned, its Community Planning Board members should be representatives of business. Now that residents had moved to the area, they should obtain a voice.⁶⁶

Shortly, the new resident members of the Community Planning Board used their position against the West Side Highway proposals. Apparently by prior agreement, all the new Board members attended a meeting during one particularly nasty winter evening and found themselves in a temporary majority. They voted to reverse the Community Planning Board's stance in favor of rebuilding the West Side Highway. Although the action probably had no practical importance, it symbolized the emergence of new interests and the realignment of forces in urban planning that had begun at about 1960 and reached a peak in the Lower Manhattan Expressway struggles.

Community spokesmen now had power. But the goals of community preservationists, despite liberal and even radical rhetoric, were rather conservative. They argued that the residential community was sacred, and had a right to decide its fate, even if its interests opposed those of the city as a whole. Community spokesmen seldom articulated a corollary that was implicit in their argument: Small businessmen, in areas like Tribeca, particularly small real estate investors, had a right to profit from smaller scale redevelopment than that major businessmen desired.

The shift to planning in which community spokesmen had an important voice caused difficulties for the traditional actors in planning. Public officials were embarrassed time after time, and developments the corporate leaders had fervently supported were delayed and, in the case of the Lower Manhattan Expressway, were defeated. But the growth in the power of community groups in planning does not seem to have permanently reduced the power of traditional planning actors. The powers of the community forces were used sporadically, while the traditional actors in planning had stable interests, institutional bases that allowed them to speak continually on planning issues, and professionalized staffs.

By the time of the West Side Highway conflicts, public officials charged with planning had learned to negotiate with community groups, and how to isolate and seemingly defeat recalcitrant groups like Community Planning Board #2.

Community groups could be useful to both public officials and business leaders committed to redevelopment. Their enthusiasm could, if properly controlled, provide political support for redevelopment. The desire of such groups to maintain or increase their neighborhoods' status could be mobilized to make selected areas of the city the sort of upper middle class preserves major corporate leaders apparently desire.⁶⁷ The new power structure in urban planning, thus, was one to which the traditional actors could with some difficulty adjust

Historic Preservation

The idea that historically significant buildings should be preserved is, of course, different from ideas that hold any neighborhood inviolable. The idea of historic preservation, moreover, has been supported by groups somewhat different from those who fought against the Lower Manhattan Expressway. Whereas the opposition to the Lower Manhattan Expressway was organized around professionals who considered themselves somewhat radical, support for historic preservation has included many such people but has also included members of old monied families. Yet, the ideas have supported one another, and their successes have been intertwined.

Preservation of historic buildings and sites has long been important Downtown. Most notably, immediately before

World War II, Robert Moses' plans to build a Brooklyn-Battery Bridge were defeated by a coalition of reformers and blue-bloods. Moses' bridge would have terminated in gigantic concrete anchors and approach ramps in Battery Park. Castle Clinton, where eight million immigrants had landed and Lafayette had returned to America in 1824, would have been destroyed.⁶⁸

Since 1938 a group had worked to refurbish and maintain Fraunces Tavern, where Washington had given his farewell speech. Federal Hall was a national memorial, and Trinity Parish's St. Paul's Chapel predated the Revolution.⁶⁹ City Hall itself was a symbol of civic pride and, according to most observers, one of New York's finest buildings. Yet, no very organized approach to preservation of historic sites and areas beyond these few monuments predated the 1960's.

Starting in 1963, Harmon Goldstone, a member of the New York City Planning Commission, began work aimed at reconstructing the whole block on which Fraunces Tavern is located. Goldstone was aided by the New York City Landmarks Preservation Commission, of which he later became chairman.⁷⁰

Robert Moses had proposed that the block on which Fraunces Tavern is located be included in Battery Park Houses. The Tavern itself and adjacent buildings owned by the Sons of the Revolution were to be left out of the project, but a shopping and parking building was to take up

the rest of the block. In 1964, while the City negotiated with the Stock Exchange about the area, Goldstone and others argued that the entire Fraunces Tavern block should be rebuilt as an historic site. In Goldstone's plan, the Sons of the Revolution would completely renovate Fraunces Tavern and the other buildings they owned. Several buildings would be moved to the Fraunces Tavern block from what later became New York Plaza. On the block's Coenties Slip frontage, a replica of the Staathaus or City Hall the Dutch had built in New Amsterdam would be constructed. Goldstone and the proposal's other supporters succeeded in obtaining considerable support, from the DLMA, the Parks Association, and the Municipal Arts Society. At one point, the Museum of the City of New York planned to move to the block, to occupy the Staathaus and adjacent space. During the negotiations with the City on redevelopment of New York Plaza, Atlas and McGrath agreed to pay for moving four old buildings to the Fraunces Tavern block (as was described in Chapter IV).

In 1965, the New York City Landmarks Preservation Commission obtained significant new powers. It obtained the power to investigate and designate historically and aesthetically significant buildings as official landmarks. Its designations were subject to review by the Board of Estimate. Once a building was designated a landmark, its exterior could not be altered by its owner without approval of the Landmarks Preservation Commission. If an owner wished to demolish his landmark building or alter its exterior, he

was required to notify the Commission. After such notification, the Commission and/or private groups working with it had a period of eighteen months in which to arrange alternatives to demolition or alteration of the building.⁷¹ The Landmarks Preservation law, from the beginning, was recognized as resting on quite fragile legal grounds. Designation of a landmark could well constitute an unconstitutional taking of the value of a building or its site. As a result of this circumstance, the Landmarks Preservation Commission proceeded cautiously in designating buildings whose owners might want to test the legality of its designation.⁷² In Lower Manhattan, the Commission failed to designate the Woolworth Building, under the threat of legal action, despite the fact that the Woolworth Company had no plans to demolish or alter the building.⁷³ It also found itself in conflict with Trinity Parish, which failed to see why the City government needed to designate buildings it had maintained for centuries.⁷⁴ By 1974, nonetheless, forty-four landmarks had been designated south of Canal Street, ranging from the Bowling Green Fence and the IRT subway's last original subway entrance kiosk to the Customs House and the Federal Reserve Bank of New York.⁷⁵

Two further efforts at historic preservation had been carried out in connection with the Washington Street Urban Renewal Project. Six houses from the late 1700's and early 1800's were rebuilt, mainly with federal urban renewal funds, on Harrison Street, in the Independence Plaza North part

of the project. At the beginning of 1975, how these houses would be used was unresolved.⁷⁶ Less successful were efforts to move five cast iron buildings from one part of the site to another. These five buildings, built in 1849 by James Bogardus, included the earliest surviving cast iron facades in the world. Under considerable pressure from preservationist groups, the City's urban renewal authorities planned, and the federal government agreed to fund disassemblage of the buildings and their eventual reconstruction as part of the Borough of Manhattan Community College campus in Washington Street's northwestern corner. The building's iron parts were stored, in a fenced lot on the Washington Street site. In June, 1974, almost all the building parts were stolen, presumably for sale as scrap.⁷⁷

The South Street Seaport Museum

The major historic preservationist work Downtown, however, has created the South Street Seaport Museum. Creation of the South Street Seaport depended on an extraordinary convergence of circumstances, and amazing self-confidence on the part of its founders. In 1965, one of the first sites considered by the Landmarks Preservation Commission, but not immediately acted upon, was Schermerhorn Row, a series of houses on the south side of Fulton Street between Front and South Streets.⁷⁸ During the next year, Whitney North Seymour, Jr., a State Senator, sponsored a bill in the State Legislature to create a New

York State Maritime Museum at Schermerhorn Row, and Seymour's bill was passed.⁷⁹ According to Seymour, the DLMA opposed the bill in a memorandum to Nelson Rockefeller, and when Seymour met with John Goodman and David Rockefeller, they showed him plans for a huge building on the site, which they hoped would serve as a home for insurance industry expansion downtown. Seymour thinks that after this meeting, the DLMA's opposition to the Museum decreased substantially. David Rockefeller, however, did not publicly alter his position.⁸⁰

Seymour's bill provided only for appointment of a board, but included no funds for the New York State Maritime Museum. Even appointment of the board, however, took several years.

At the same time, with almost no knowledge of Seymour's activities, another group was developing the idea of a South Street Seaport Museum.⁸¹ Central to this group was Peter Stanford, now President of the Museum. He had worked in publishing and advertising, and had been involved in reform politics on the Lower East Side. In November, 1966, Stanford and a group of his friends--all sailing enthusiasts--established a group called Friends of South Street. The city, they would argue, had begun with the commerce of South Street.⁸² With a museum on South Street they would memorialize those beginnings. But no mere series of displays would do. Rather, South Street--its piers and buildings and the ships they would bring back to it--

would be used, and their users would rediscover the skills that had built New York.

The area where the Friends of South Street wanted to create their museum had been part of Robert Moses' Brooklyn Bridge South Urban Renewal Project in the late 1950's. As that project had gotten underway, however, two changes in its original boundaries occurred. First, Pace College and Beekman Downtown Hospital expansion plans had been incorporated into the project, and its western boundary had been moved from Gold Street to Nassau Street to incorporate the two institutions.⁸³ Second, it had proven very difficult to move the Fulton Fish Market from the eastern part of Brooklyn Bridge South. Unlike the vegetable and fruit vendors in Washington Market, many Fulton Fish Market firms resisted moving to Hunts' Point, and property owners in the area also opposed its demolition for urban renewal.⁸⁴ Therefore, in order to move forward with at least part of the project, Brooklyn Bridge South was split into Brooklyn Bridge Southwest and Brooklyn Bridge Southeast Urban Renewal Projects. The boundary between the two ran along Water and Pearl Streets. Brooklyn Bridge Southwest proceeded; Brooklyn Bridge Southeast did not. Progress in the residential section of Brooklyn Bridge Southwest, later to be called Southbridge Towers, was slowed considerably by conflicts over design, but by 1972 the project was complete.⁸⁵

In January 1967, Peter Stanford and other members of the Friends of South Street met with Richard Buford of the OLMD.⁸⁶ Buford, according to Stanford, liked the museum idea despite the group's lack of resources. Already, the South Street group had created an idea for financing their project:

The plan was to turn our 'air rights' into cash. ...This means that companies building offices or apartment structures next to our area can build bigger buildings, with more income-producing space, by the transfer to them of our air-rights. Naturally, we charge for this transfer. We can do this because our priceless old structures will remain, and the air rights we possess will never be used by us. They can be purchased by our neighbors, however. The sale of this air right asset means a 'dowry' to the Seaport Museum of many millions. ⁸⁷

Buford liked the idea of a museum of seafaring and the air rights transfer idea, which he saw as one means of carrying out the Lower Manhattan Plan's idea of retaining lower buildings near the water. In 1968, the Lindsay administration's support for the Seaport would become critical.

During the first half of 1967, the South Street group also managed to collect a board of trustees. They saw this effort as essential, as Stanford makes clear:

We realized that we had to build our membership rapidly, since we had no money...and we had failed dismally to interest men of substance or leadership in our dream of bringing old ships to a waterfront neighborhood that would have to be saved from the rapidly approaching bulldozer. ⁸⁸

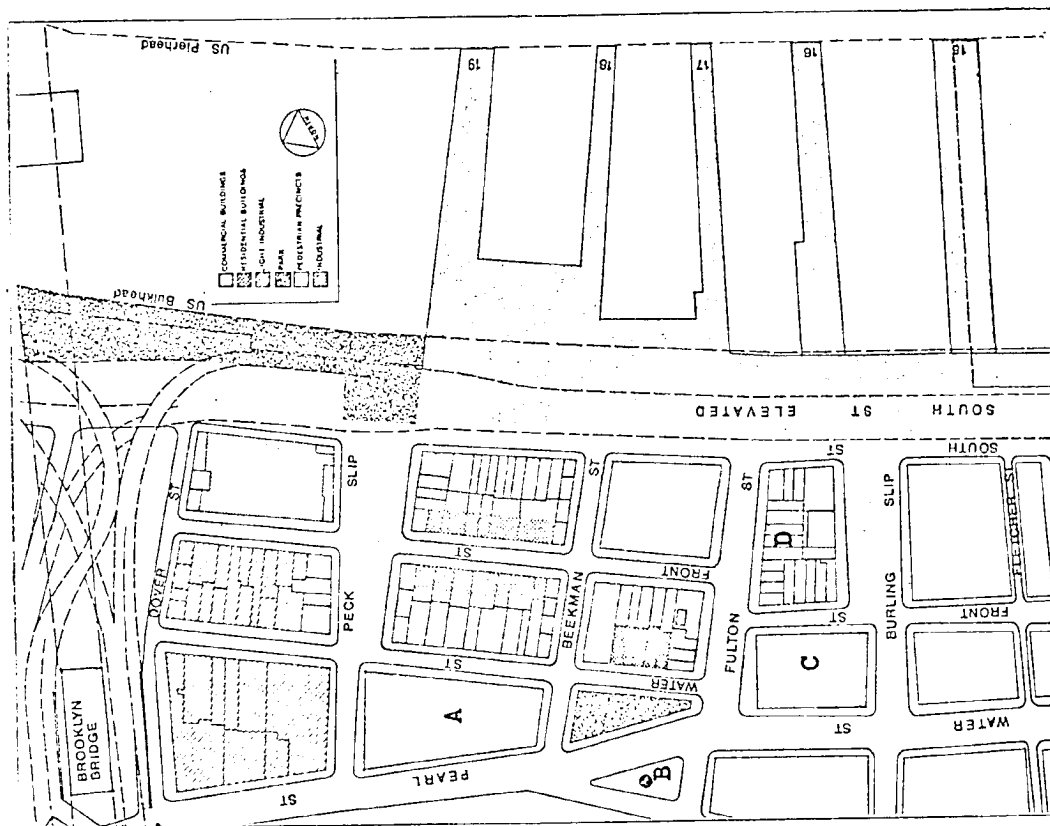
What was now the South Street Seaport Museum found its chairman and most important trustee in Jakob Isbrandtsen. Isbrandtsen, chairman and major stockholder of American

Export-Isbrandtsen steamship lines, would expend much of his fortune on the Museum during the next four year.

By 1968, the Seaport Museum area had become a prime target for office development.⁸⁹ Map 11 shows the area. The Tishman Company had assembled the site labelled Block A, presumably for combination with the empty part of Brooklyn Bridge Southwest they owned across Pearl Street.⁹⁰ Consolidated Edison was interested in building a facility between Peck and Dover, and other developers were actively assembling sites.⁹¹

Isbrandtsen came to the Museum's rescue, buying "blocking" lots in several of the area's blocks. Blocking lots are located in the center of blocks, making it impossible to build block-sized office buildings. Eventually, Isbrandtsen assembled most of blocks 96 and 97 for the Museum. Doing so, he spent approximately \$15 million, \$3,000,000 of his own funds and \$12,000,000 loaned by a consortium of banks. In making the loan, the consortium had not acted philanthropically; the loan was guaranteed personally by Isbrandtsen and by a mortgage on the Seaport Museum property.⁹²

The most important battle between the Museum and developers came in Schermerhorn Row. In the summer of 1968, the Seaport Museum wanted to preserve the Schermerhorn Row block until the New York State Maritime Museum was organized and funded. The Seaport and Isbrandtsen, however, found themselves in competition with Atlas and McGrath. At the



MAP 11 - SOUTH STREET SEAPORT MUSEUM AREA

- ↑ Projection of area as planned in 1974
- ← Land use in area, as planned in 1974
- A - Tishman-owned site
- B - Site of planned Second Avenue Subway station entrance
- C - Site of proposed New York Telephone building, formerly owned by Atlas-McGrath
- D - Schermerhorn Row (New York State Maritime Museum)

time, the Museum was negotiating to buy street frontages at \$50 to \$60 per square foot, and corner lots at \$80 to \$90 per square foot. Sylvan Lawrence, either operating on his own or under an agreement with Atlas-McGrath, presented an offer to the property owners in the area: All would be paid \$100 per square foot for their property, but only if the offer was accepted within 72 hours and if they told no one of the offer during the 72 hour period.⁹³ All but the owner of one small property accepted the offer, and Atlas and McGrath bought the property, as well as the next block inland.

The Lindsay administration responded rapidly to the threat to Schermerhorn Row. The designation of Brooklyn Bridge Southeast for urban renewal had never been lifted. Now it was expanded to include Schermerhorn Row. In addition, the Lindsay administration began the process of designating the Row a landmark. In the month before the Board of Estimate consideration of the Landmarks designation, the Seaport waged a war for publicity and support from the powerful.⁹⁴ November 11, 1968, the Seaport accused Atlas-McGrath of trying to "bust" their project. By December 15, 1968, an "Ad Hoc Committee to Save South Street" had been formed, and had taken three-quarter page advertisement in the Times. In it, the Seaport displayed an incredible diversity of support, ranging from Pete Seeger to David Rockefeller, John Kenneth Galbraith to Bennett Cerf, and including many other nationally known figures. Interestingly,

the Downtown-Lower Manhattan Association was the only organizational supporter listed.⁹⁵

At the same time, the Board of Estimate was the object of extensive lobbying. Many thought that McGrath's political contacts would guarantee his success.⁹⁶ But at the Board of Estimate hearings, McGrath stood alone, according to Stanford thinking he had the Board "wired," arguing that the buildings that would be built on the site would bring the City \$5,000,000 a year in taxes. McGrath lost, as the Board of Estimate approved the landmark designation unanimously.

After the triumph over Atlas-McGrath, the Museum entered a period of attempting to carry out its ambitious plans. A physical and financing program was developed, using a grant from Laurance Rockefeller.⁹⁷ Negotiations were carried out with the State over the control and substance of the New York State Maritime Museum. During 1969 and 1970, the Seaport negotiated with Atlas and McGrath around the basic idea that the Schermerhorn Row block would be sold to the Museum, and air rights from it and other parts of the area would be transferred to the block bounded by Water, Front, Burling Slip and Fulton. Atlas and McGrath would then build an immense building on the latter block. Discussions went far enough for Atlas-McGrath to contribute some work by their architect to the Seaport, and for discussions of how an arcade along Fulton would integrate the immense new building with the Seaport to take place. By about the end of 1970, however, the demand for office

space had begun to slacken, making Atlas-McGrath less anxious to buy air rights, or begin any construction on the site. At the same time, their own difficulties at 2 New York Plaza began, bringing into question their ability to build anything.

At about the same time, Jakob Isbrandtsen experienced business difficulties that made his guarantee of the \$12,000,000 bank consortium loan close to worthless. The fact that these loans were also secured by Seaport properties was also meaningless, as there were no buyers for properties in the area. Therefore, the banks needed a way to recoup their \$12,000,000.⁹⁸ In 1973, an arrangement was completed, mainly through the efforts of Robert Graham of First National City Bank and Edgar Lampert, Counsel of the City Housing and Development Administration. They discovered that here, as elsewhere, New York Telephone needed space for expansion of their switching capacity. The Telephone Company thought that by 1980 it would need additional space to handle new offices along Water Street.⁹⁹ Finally, the City of New York purchased the block, at about \$200/square foot, a figure that reflected all the development rights now piled on the block. In paying this price, of course, the City both subsidized the South Street Seaport Museum and rescued the banks from a bad debt. The Telephone Company agreed to lease the block at \$580,000 per year until it needed the property for its own use. From this arrangement, the banks obtained \$2,500,000 of the money they had loaned Isbrandtsen, and gave up their mortgages on the Seaport properties. This made it possible for the City to acquire the Seaport area, which by 1974 was rented to the

Museum at \$1 per year. In addition to \$2,500,000, the banks received two-thirds ownership of 1,300,000 square feet of air rights, which could be transferred up and down Water Street if and when the market for office development recovered.¹⁰⁰

The alliance that supported the Seaport in its fight with Atlas-McGrath has since been reflected in contrary tendencies in efforts to develop the Museum. On one hand, much of the Museum's success has resulted from the extraordinary public image Stanford and others working with him have created. This image has been one of tremendous citizen involvement. The Seaport has, in fact, attracted large crowds, more members than any other New York museum, and a great many volunteer workers. A very wide variety of participants have been attracted to the Museum. A plaque on the partially restored ship Wavertree records careful restoration work as well as a contribution by Kenneth Patton, President of the Real Estate Board of New York,¹⁰¹ while much manpower for day-to-day operations is supplied by Wildcat Services, an organization of former heroin addicts.

Stanford and his associates developed an expansionist strategy. By 1974, the City had promised the Museum almost all the area between John Street and the Brooklyn Bridge. Dozens of activities--stores, attempts to purchase and rebuild ships, an attempt to obtain one of the two Fulton Fish Market buildings, were started largely on the faith that financial support would somehow be found.

This image of a Museum creating itself by sheer will-power competed with a more "businesslike" image, competed particularly for attention and approval from trustees and major financial supporters. To supporters of the latter ideas, creation of the Seaport Museum required, in addition to public enthusiasm, feasible architectural and financial plans. Prior to 1974, the two visions existed side-by-side. Very frequently, Stanford's more sentimental faction retained its power because Isbrandtsen supported Stanford. But after his own financial crisis, Isbrandtsen's role in the Museum became less important, and supporters of the businesslike image gained the upper hand. Richard Buford, first Director of the OLMD, then vice president at Uris, now a real estate investment consultant, was appointed "Executive Trustee," in a move that signalled the trustee-funders' decision to put the Museum in what they saw as financial order. Despite these muted conflicts, growth of the Museum, its programs, its stock of ships, shops in its buildings, continues.

The number of historic preservation activities Downtown expanded exponentially during the 1970's. Preservationists pushed for landmark designation of a wide variety of buildings not thought of earlier as particularly distinguished.¹⁰²

Most preservation efforts were initiated by professionals or groups that might best be characterized as upper middle class. Frequently preservationists, like those in the Seaport,

sought financial support from businessmen. One preservation effort involved the city's financial elite in unique ways. This was the effort to preserve the United States Customs House in Bowling Green. Once the Treasury Department began to move Customs operations to the new Customs House in the World Trade Center, the federal government committed itself to transferring the building to the City for a nominal sum. At the suggestion of John Lindsay, a Customs House Institute was formed, made up of members of the corporate elite including Herbert Brownell, Gustave Levy, David Rockefeller, Robert W. Sarnoff, and Cyrus Vance.¹⁰³ This organization arranged for a study of the building's potential reuses. Reconstruction of the building, it was thought, might be financed as the Seaport was to be financed, through sale of the air rights to developers of surrounding real estate. Discussion surrounded possible reuse of the Customs House for a hotel, offices, or a museum of some sort. The architectural work of I.M. Pei and construction cost estimating work turned up the fact that renovating the huge old building would be incredibly expensive.¹⁰⁴ Through 1974, no means of financing its reconstruction had been discovered, and the building lay closed, except for part used as a Post Office.

Like the movement to stop highways and preserve neighborhoods, that for historic preservation has developed an extraordinarily broad constituency. That constituency, too, seems based more on an ideology than on a set of identifiable material interests. The historic preservation ideology, like

Jacobs', is a species of romanticism. Where Jacobs' ideas put forth a petit bourgeois utopia and organize resentment against those who appear to control the city, the historic preservationist ideology would enshrine the past, particularly New York's commercial tradition. The committed adherents of historic preservation look backward to an era of craftsmanlike toil and cooperative but not egalitarian relationships between social strata.¹⁰⁵ Naturally, this ideology's versions differ. In both the Seaport and the Customs House, businessmen and their followers identify their work as carrying out an important public trust in a ponderously responsible way. Many other professionals involved in historic preservation follow thinking more like Stanford's more egalitarian, quite fun-loving ideas about what his Museum should be.

Historic preservation has caused some difficulties for real estate developers and, if a new boom occurred, could cause many more. Its ideology, moreover, conflicts with that of developers and many other businessmen. Preservation of monuments to the past may appeal to members of an old, almost aristocratic, business class, and to some professional and intellectual groups. But for developers, whether historic preservation comes into conflict with their material interests or not, it is backward-looking and silly. This conflict of ideas, of course, is partially a conflict between an old, well-established upper class and groups rising to wealth and power now.

David Rockefeller's family, of course, has long combined support for development with support for historic preservation; they have combined entrepreneurial with aristocratic roles. The Rockefellers both rebuilt Williamsburg and built Rockefeller Center. They must, therefore, have seen no contradiction between the two sorts of activity. Both preservation of an historic tradition and entrepreneurship to expand the economy were essential.

Nor, from the point of view of corporate leaders, are historic preservation and entrepreneurship normally in practical conflict with one another. In Lower Manhattan, historic preservation, properly controlled, would complement and stimulate new development. Unlike real estate speculators for whom the precise location of development is critical, major corporate leaders concerned with Lower Manhattan's redevelopment could benefit from a wide variety of patterns of redevelopment. If developers like Atlas-McGrath suffered from preservation efforts, they could be seen as suffering because of their own unwillingness to work cooperatively for comprehensive and sensitive redevelopment. Preservation accomplished what amounted to redevelopment by replacing outworn buildings with refurbished ones. It would draw the public Downtown, and it would attract upper middle income residents to the area. Properly controlled, it would not reduce the total amount of new development, but merely move it from some sites to others. Although historic preservation was a very popular cause in

which a great many people were involved, corporate leaders could influence or even control it because preservation efforts were so in need of their contributions.

Historic preservation, thus, fit neatly into the broad vision of a future Lower Manhattan David Rockefeller shared with John V. Lindsay. Like the exclusive Manhattan Landing community, like innovative zoning, preserved and reused buildings would make Lower Manhattan an exciting place for the upper and upper middle class to live. The practicalities and ideology of historic preservation, thus, fit neatly into the established pattern of planning for Lower Manhattan's redevelopment.

In Lower Manhattan, egalitarianism, except at one brief moment, failed. Its failure originated, of course, outside Lower Manhattan, in shifts in political attitudes, perhaps in the nature of American values. Preservationist movements succeeded. Their ambiguous, romantic ideologies could attract widespread and extraordinarily committed support. For the historic preservation movement adoption of its cause by big business leaders was critical. At least some of these leaders likely saw preservation from the start as a new method to the redevelopment goals they had always held, a new method more powerful because it was subtler than the old.

The near-absolute right of neighborhood groups to determine their areas' futures was harder for redevelopers to accept. It was much more difficult to work with and

around, but ultimately it could be accommodated. In this way, urban planning absorbed new goals and new participants, but its basic structure, its goals, and the ability of business leaders to control it remained unchanged.

NOTES: CHAPTER V

1. In 1927, a proposal for an expressway across Lower Manhattan was made in connection with the Plan for New York and Its Environs, of the Regional Plan Association.
2. Richard S. Bolan and Ronald L. Nuttall, Urban Planning and Politics (Lexington, Mass: D.C.Heath, 1975), includes a good summary of the Expressway's history.
3. See Robert A. Caro, The Power Broker, Robert Moses and the Fall of New York (New York: Knopf, 1974), pp. 924-5.
4. It seems likely that Wagner waited until 1962 to proceed with the project to avoid a mayoral election year.
5. Edelstein argued that without the issue, DeSalvio's political career might have been cut short.
6. For an account of these events see J. Clarence Davies III, op. cit.
7. Jane Jacobs, The Death and Life of Great American Cities (New York: Random House, 1961)
8. The ability of DeSalvio to work with the reformers who had defeated DeSapio is remarkable.
9. For details of the decline of respect for Moses, see Caro, op. cit.
10. He would hardly have delayed the project past the 1961 elections had he expected no opposition.
11. Badillo, later to become Bronx Borough President and Congressman and to participate in events surrounding Battery Park City, was appointed by Wagner to head the City's relocation efforts in the West Side Urban Renewal Project.
12. See Times reports.
13. The Board of Estimate, however, did not legally withdraw the mapping of the highway or the City's authority to acquire property for the highway. Its action, thus, was mainly symbolic.
14. Carroll, Lindquist interviews.
15. Union pressure on Wagner was apparently particularly intense, as he was considering running for reelection in 1965 and, if he did, he would need union support.

16. At this point, the suspicions between reform and regular opposition to the project became evident, as DeSalvio was accused of betraying the opposition cause.
17. New York City does seem to have, at least, emphasized different project benefits in different discussions. In New York, City officials emphasized that the project would serve primarily intracity traffic. In Washington, they emphasized that it would serve primarily inter-state traffic.
18. Throughout the following period, Moses continued to insist that only his proposal for an elevated highway made sense. See, for example, Triborough Bridge and Tunnel Authority, Lower Manhattan Elevated Expressway, November, 1965.
19. See Ada Louise Huxtable in Times, July 22, 1965, Section 8, 1:1.
20. Beame had already announced his opposition to the road.
21. Moreover, construction of depressed highways creates problems of buoyancy.
22. During this period, the Regional Plan Association argued that the Federal Highway Administration would pay the added cost of a tunnelled or depressed road.
23. Madigan-Hyland, The Lower Manhattan Expressway, March, 1967. Note Madigan-Hyland had carried out several earlier studies that supported the elevated road.
24. It is interesting to note that the number of housing units to be destroyed by the Lower Manhattan Expressway was far fewer than those destroyed by several urban renewal projects, including the West Side Urban Renewal Project.
25. David Rockefeller, for example, was quoted by the Times as saying he wanted an expressway, "above ground, below ground, or on the ground." April 8, 1966, 1:1.
26. Among other events, Jane Jacobs was charged with inciting to riot as a result of her actions at the hearings.
27. Lindsay's Environmental Protection Administrator himself called for study of this question.
28. This seemed a reversal of the highway's fortunes, as in March, 1968, Percy Sutton's attempts to have the highway demapped had been defeated by the Board of Estimate.

29. See J. Clarence Davies III, op. cit.
30. Jane Jacobs, op. cit., pp. 270-290.
31. See Le Corbusier, The Radiant City, (New York: Orion Press, 1967)
32. Jane Jacobs, op. cit., pp. 29-54.
33. These expressions are hardly evident in Jacobs' writings, but were expressed, for example, by DeBrul. DeBrul interview.
34. DeBrul saw this as the point of the Expressway.
35. Lindquist, Mathews interviews. DLMA, 1958, op. cit.
36. South of 72nd Street, the West Side Highway's proper name is the Miller Highway.
37. Bridwell's earlier actions in the Boston Inner Belt controversy are described in Bolan and Nuttall, op. cit.
38. Later, the Chairpersons of Community Planning Boards representing the Upper West Side, West Harlem, and Washington Heights areas were added to the Steering Committee.
39. Among other things, Community Planning Board # 2 demanded, and got, their own "advocate planners," paid by the West Side Highway Project, to make their cases as strong as possible. Bixby interview.
40. Baraff, Bixby interviews.
41. Bixby interview.
42. After 1974, Abzug represented most of the area affected by the West Side Highway.
43. Zuccotti was appointed to the Commission by John Lindsay, near the end of Lindsay's term. Remarkably, he managed to retain his Chairmanship in the new Beame administration and, in 1975, to advance to the position of Deputy Mayor.
44. By 1974, however, the Building Trades were a far less potent political force than they had been in 1964 or even 1969, as they had lost a great deal of power within the AFL-CIO state organization to public employees' unions.
45. Sylvan Lawrence, among others, made this argument. Lawrence, Collins interviews.

46. Bixby interview. See also West Side Highway Project, Summary of Alternatives, no date.
47. Ibid., p. 12.
48. See Bolan and Nuttall, op. cit. The original impetus behind this idea seems to have been the hope that the federal Highway Trust Fund could be utilized to build large amounts of new housing, community facilities, and other things needed by low-income city areas.
49. Bixby made this argument.
50. New York City, City Planning Commission, Land Use and the West Side Highway, Recommendations, 1974.
51. Ibid., p. 8.
52. Ibid., p. 9.
53. Ibid., p. 21.
54. Ibid.
55. Rapkin, op. cit.
56. Goldman interview.
57. See New York City, Mayor's Office, Office of Lower Manhattan Development, Tribeca: Existing Conditions, August, 1974.
58. Ibid., Historical Aspects, pp. 9ff.
59. Lower Manhattan Public Transportation Study, op. cit., pp. 58ff.
60. New York City, Mayor's Office, Office of Lower Manhattan Development, Tribeca, op. cit., p. 14.
61. Ibid., p. 25.
62. Goldman interview.
63. Goldman, Bixby interviews.
64. Goldman, Shostal interviews.
65. Goldman, Bixby, Baraff interviews.
66. Baraff described Sutton's actions in these terms.

67. In fact, events of this sort seem to have taken place in Park Slope and other areas of Brooklyn, "invaded" by upper middle class groups.
68. Caro, op. cit., pp. 639-688.
69. For descriptions of other historic sites in the area, see White and Willensky, op. cit, pp. 8-41.
70. Gilbert interview.
71. In 1974 and 1975, the Commission underwent a test of its powers, in a case involving Grand Central Station.
72. Buford described its actions as overly cautious.
73. Curtiss interview.
74. Buford, Mason interviews.
75. New York City, Landmarks Preservation Commission, New York City Landmarks, 1974.
76. Gilbert interview.
77. Ibid.
78. Ibid.
79. Seymour, Stanford interviews.
80. Seymour interview.
81. For an idealized account of its history, see Peter Stanford, This Museum is People, South Street Seaport Museum, 1973.
82. Shipping developed earlier on the East River than on the Hudson because the Hudson was more often clogged with ice.
83. There is no evidence that the work of Pace College and Beekman Downtown Hospital was well-coordinated with the remainder of the project. Rather, incorporating them in the project was simply a means of making it easier for them to obtain expansion sites.
84. Stanford, Buford interviews.
85. The project also included an office building, at the intersection of Gold and Dover Streets, built and owned by Tishman Realty and Construction.

86. Stanford, Buford interviews.
87. Stanford, op. cit., pp. 3-4.
88. Ibid., p. 3.
89. Stanford, Isbrandtsen, Buford interviews.
90. One plan was to bridge Pearl Street. Stanford interview.
91. Kaufman and Sons and Atlas-McGrath, at least, were active in the area.
92. Isbrandtsen, Graham interviews.
93. Stanford, Buford interviews. Lawrence presented a wonderful discussion of what he had done, describing it as attempting to help the area's property owners cooperate so that all could benefit from development.
94. Gilbert, Stanford, Buford interviews.
95. Times, December 15, 1968, Section 4, 5:2.
96. It seems at least possible that the South Street Seaport Museum purposefully painted McGrath's influence as larger than it was, in order to attract support to themselves.
97. Jonathan Barnett et alia, The South Street Seaport Development Plan, The South Street Seaport Museum, no date.
98. Isbrandtsen, Graham interviews.
99. Collins interview.
100. Graham said these development rights would have been worth \$5,000,000 to \$7,000,000 at the height of the office boom.
101. During the Lindsay administration, Patton was the City's Economic Development Administrator.
102. For example, during 1974 and 1975 campaigns were underway to have the "Tweed" Courthouse, just north of City Hall, and the buildings across Chambers Street, which had housed A.T. Stewart's department store, the first in the United States, declared landmarks. Gilbert interview.
103. Ammidon, Newman interviews. The institute included Herbert Brownell, Gustave Levy, John V. Lindsay, John L. Loeb, David Rockefeller, Robert W. Sarnoff, Ralph S. Saul, Whitney North Seymour, Sr., Cyrus Vance, and James D. Wolfensohn.

104. I.M. Pei, et alia, Customs House Study, 1974.
105. For very useful evidence on these ideals, see issues of South Street Seaport Museum, South Street Reporter, quarterly.

CHAPTER VI

DECLINE

One can hardly date the beginning of Downtown's renewed decline. The increase in the number of jobs Downtown seems to have stopped in 1970, perhaps even in 1969. Only one student of the distribution of jobs in New York even attempted to measure the increases and decreases in small areas of the city.¹ Through the early 1970's the slow decline in jobs was accompanied by failure of one plan after another. Always, the failures seemed the result of extraneous causes, mainly the nation's and the city's economic difficulties. Almost always, the failures were masked as mere delays, or contingencies that would be overcome by small revisions in original plans. But by 1975, recovery of the office space market seemed still years away, and virtually every proposal for public action in the area seemed doomed or at least indefinitely delayed.

The market for office space in Lower Manhattan suffered first. There are no surveys of vacancies in all Downtown office buildings, but by 1974, it was generally agreed that Lower Manhattan had about 10,000,000 square feet of vacant office space.² The difficulties in the office space market originated among brokerage houses. In the late 1960's, brokerages rented new space and expanded their work forces very rapidly. In the recession of 1970, however, business contracted. As commissions declined, a number of firms went bankrupt and others merged, reducing the demand for office space rapidly.

The four-year vacancy of 2 New York Plaza began in 1971. As was noted in Chapter IV, 2 New York Plaza's difficulties did not result from unfortunate timing alone. But the empty building was an embarrassment to those working to renew Lower Manhattan.³ It took until 1974 to reach a solution. The American Express Company, which had considered relocating outside Lower Manhattan, agreed to buy the building for use as its headquarters. David Rockefeller and Edmund Wagner played important roles in arranging the sale. American Express obtained an exceptionally favorable price, \$35 million to purchase a building that had cost \$70 million to construct.⁴ McGrath, acting for himself and as executor of Atlas' estate, presumably had little choice about whether to accept this offer.

The sale of 2 New York Plaza, however, hardly solved the Downtown office space surplus problem. In the summer of 1974, 10,000,000 square feet of vacant space was concentrated in older buildings like 120 Broadway, but it was not limited to them. The problem was aggravated when American Telephone and Telegraph, an original member of the DLMA, began to move its headquarters staff to an office campus in Basking Ridge, New Jersey. A far more severe blow fell in October, 1974, when the Cities Service Corporation announced that it would move its headquarters from Lower Manhattan to Tulsa, Oklahoma. Worse, it would demolish six of the eight old office buildings it owned

on Wall Street near Pine. This decision was based solely on economic grounds. The buildings had been more than half empty for some time. Taxes and maintenance costs, as a result, brought lower profits or greater losses than could be expected from empty lots. Efforts to sell the buildings, presumably to developers who could combine their sites to build a large office building, had failed.

In the weeks before Cities Service announced its decision, Claude Shostal of the Office of Lower Manhattan Development and David Rockefeller and others in the DLMA made a strenuous effort to reverse the decision, but to no avail. The announcement, when it came, worried them greatly. Reading that buildings on Wall Street were being demolished to create vacant lots and to save real estate taxes, would lead overseas businessmen to think Lower Manhattan was finished.⁵

Failing in their efforts to avert demolition, the OLMD and DLMA began work to assure that the sites would not be turned into parking lots. The City could prevent this simply by denying the necessary permits,⁶ but the problem remained of what to do with the sites. Here, too, the DLMA and OLMD tried to influence Cities Service, to turn the lots into miniature parks. But Cities Service expressed no interest in spending its money on the project, and no other funds could be found.⁷

By 1974 and 1975, observers of the downtown office space market expressed various opinions on the area's recovery. All those questioned thought the office space now vacant would eventually be rented, but differences of opinion surrounded how and when this would happen. Some awaited a recovery in the Stock Exchange, although some thought even a recovery of large volumes would not lead to the massive expansion of brokerage employment and office space that had occurred in the late 1960's.⁸ The considered opinion of a New York Times real estate analyst was that slow expansion of banking floor space needs would eventually take up the excess space.⁹ No one, however, foresaw a return to rapid redevelopment of whole areas of Lower Manhattan, or even a filling of existing space in less than three or four years.

Further evidence of the pessimism with which Lower Manhattan saw its future was provided by a minor zoning conflict during 1975. Through the early 1970's, the developer Sylvan Lawrence had worked to assemble an office building site at Broadway and Exchange Place. Lawrence's plans had been thwarted by a "hold out" in the middle of the site.¹⁰ By the mid-1970's, Lawrence had no immediate prospect of completing his building with or without the "hold out." Lawrence requested, and finally obtained, changes in the Greenwich Street Special Zoning District regulations to allow him to build low "taxpayer" buildings on the site. "Taxpayers" are inexpensive buildings designed

to meet the expenses of holding a site until a propitious time for maximum development arrives. Lawrence's decision to build taxpayers indicated that he thought it would be several years, if not a decade, before development of new office buildings in Lower Manhattan would be warranted. Lawrence requested changes in the Greenwich Street regulations because building the expensive amenities they required would defeat the purpose of building taxpayers.

Seemingly insoluble problems were also faced by Downtown's housing projects, Manhattan Landing, Battery Park City, and Independence Plaza North, the project that had been built in the Washington Street Urban Renewal Project area. In the summer of 1974, a year after its completion, Independence Plaza North was about 15% rented, and its difficulties were causing severe problems for the City's Housing Development Corporation, which had provided its mortgage.¹¹ In 1975, the project's sponsors submitted an application to the federal government for Section 236 interest-subsidy funds, which would reduce rents in the project to about \$50 per room per month.

The cause of Independence Plaza's difficulties was not merely the undesirability of Lower Manhattan as a place to live. At least as important was the rapid inflation of the cost of new housing. A considerable proportion of the rise in rent levels reflected increases in the City's borrowing rate. The remainder reflected increases in construction costs.

By 1974, the inflation of housing costs, both maintenance and original construction and financing costs, had almost ended housing construction in New York City. Housing agencies attempted to overcome the difficulties caused by inflation primarily by adding federal Section 236 subsidies to those provided in the projects' financing. Downtown, however, this was seen as inappropriate because Section 236, designed for "moderate" income families, would bring a lower-income population into the area than its redevelopers wanted.

In some parts of the city, these problems were overcome and the "middle-income" housing programs were kept working, by allowing rents to rise and appealing to higher-income markets.¹² But once the decision was made to appeal to a high-income market, projects were in competition, not with privately constructed middle-income housing, but with the city's most luxurious new private apartment buildings. To win in that competition, amenities were added, further increasing costs.¹³ Independence Plaza North, in 1974, carried out an extensive advertising campaign, in newspapers and leaflets, emphasizing the convenience of the project, its nature as a self-contained community, and its amenities.

A private health club is just a short elevator ride away. Here, residents will enjoy year-round swimming in their own pool, an exercise gym, "His and Hers" suanas, showers and lockers. An on-premises Board of Education mini school, Grades K thru 4....¹⁴

Studio apartments in Independence Plaza North were advertised at \$240 to \$284; one-bedrooms at \$334 to \$437; two-bedrooms

at \$433 to \$517; and three-bedrooms at \$608 to \$671.¹⁵

These rents were lower than those in Battery Park City and Manhattan Landing would be. Despite its attempts to appeal to a high-income market, however, Independence Plaza North's apartments failed to rent, forcing the decision to apply for Section 236 subsidies.

Studies of the market for housing Downtown, carried out by James Felt and Company in 1967 and 1971, reveal very clearly the limited prospect for success the projects Downtown have.¹⁶ In 1967, the Felt Company carried out a study of the potential housing market Downtown in the fifteen years from 1967 to 1982. Felt distributed 4000 questionnaires to employees of ten Lower Manhattan firms, and obtained a 40% response rate. Felt concluded that Manhattan as a whole could absorb no more than 8000 new luxury housing units per year. At that time luxury units were available for \$70 to \$80 per room per month. The luxury market in Manhattan would be heavily skewed toward small households and small apartments. Developers were typically building apartment houses that contained 70% efficiency and one-bedroom apartments. Felt argued, without presenting evidence, that,

If a housing mix by rent levels is established, the low and to a lesser degree the middle income construction will act as a brake on demand for luxury units. Occupants of luxury housing prefer to cluster together and the inclusion of lower income families will reduce demand.¹⁷

Middle-income housing Downtown, Felt argued, would attract many more applicants than luxury, and a larger proportion of families. The average size of apartments in middle

income developments, therefore, should be larger than than in luxury developments.

In 1971, the Felt company carried out a much more ambitious study, distributing survey instruments to 60,000 employees of 58 firms, and obtaining 12,600 responses. Felt defined middle-income housing as renting for \$90 to \$105 per room per month and luxury apartments as renting at \$150 per room per month. These were estimates of what apartment rentals would be when Battery Park City and Manhattan Landing were finished. Felt argued that the demand for low-income housing was essentially unlimited. They discovered that very few suburban residents were interested in living in Lower Manhattan. Rather, current Manhattan apartment dwellers, more frequently single persons than married, were interested in the area. In income terms, the Felt company found,

The greatest demand will come from heads of households earning less than \$10,000 per annum. Realistically, members of this group are prospects for middle-income or luxury housing only if they are single and willing to consider sharing apartments with others.¹⁸

Over a period of several years, Felt argued, 12,000 middle-income and only 3000 luxury units could be absorbed Downtown.

On the Hudson, Battery Park City continued to make progress through 1975. Its progress, however, became more and more a public relations contrivance and less and less movement toward ultimate construction. As was noted above, during 1974 the Battery Park City Authority gave up the hope that private sponsors would invest in its housing, and

created its own subsidiary to build housing. With the 1974 elections, however, political difficulties approached. Nelson Rockefeller had already abandoned Battery Park City along with most of his other New York State creations. In October, 1974, a supposed groundbreaking was held at the site, presided over by Malcolm Wilson, Rockefeller's successor. Unfortunately, the groundbreaking was only a symbolic pile-driving; no actual construction of anything but landfill was being started. Even as a last-minute gubernatorial campaign gesture, the groundbreaking was futile.

Wilson's defeat by Hugh Carey in the 1974 gubernatorial election created a tenuous position for Charles Urstadt, Chairman of the Battery Park City Authority. Urstadt, a major Republican fund-raiser, was thoroughly disliked by many Democrats. Moreover, his involvement some years earlier in the purchase of a real estate firm had cost him his chairmanship of the State Division of Housing and brought his ethical standards into question.¹⁹ And in 1974, Urstadt was in the last year of his term as a Battery Park City Authority director. To solve this latter problem, both Urstadt and Mario Procaccino resigned as Battery Park City Authority directors, and Urstadt was appointed to Procaccino's term, which had several more years to run.

Early in 1975, the difficulties of the New York State Urban Development Corporation began to become known to the public. It defaulted on interest payments and actual bankruptcy was averted only by massive State guarantees of its debts. As a result of these events, the value of "moral

obligation" bonds was called into question. As a result, the ability of the Battery Park City Authority to raise funds through the sale of "moral obligation" bonds evaporated. For the time being, the Battery Park City Authority's financial position was secure. It had borrowed \$200,000,000 by issuing relatively low-interest bonds, but had spent only part of that amount on construction of the project's landfill area. The remainder was invested in higher-interest bearing short-term securities. But in the long run, the Battery Park City Authority seemed likely to experience grave financial difficulties.

By the end of 1975, the plans for the construction of Battery Park City's twin, Manhattan Landing, also faced the prospect of failure. As recounted above, even what seemed the most binding commitments, those made by the Educational Construction Fund, were being withdrawn.

Efforts to rebuild the Civic Center were halted. At the height of its enthusiasm, the Lindsay administration had hoped to make the area into a huge center, free of auto traffic, interlaced with malls, small park areas, and monumental structures. As he left office in 1974, Richard Weinstein had proposed that a much more modest approach be taken, and still hoped that some sort of rebuilt Civic Center would be completed.²⁰ In 1974, however, the OLMD's new Director Claude Shostal was not even able to obtain City approval for a trial lunch-hour closing of Chambers Street to automobile traffic.²¹ In the summer

of 1975, Shostal was delighted at the one success he had had in the Civic Center area, that of bringing an outdoor cafe into the area just north of the Municipal Building.

The Second Avenue Subway, likewise, was abandoned. Even before the City's fiscal crisis became evident during the summer of 1975, the Metropolitan Transportation Authority and its New York City Transit Authority suffered their own fiscal crises. It became evident that funds to complete the building programs agreed upon in 1968 and 1969 were nowhere to be found, and that the Second Avenue line would be one of the improvements sacrificed.

In the face of these disasters, in 1974, Shostal and the DLMA worked out the idea of a special Downtown improvement district, to be financed by a small real estate tax surcharge. Creation of the district would require State legislation. But despite Shostal's strenuous efforts, Downtown's financial institutions could not muster enough unity to overcome objections from real estate businessmen, particularly Harry Helmsley.²² Helmsley argued that even a small surcharge would place an intolerable burden on building owners.

The final evidence of the decline of plans and hopes for Lower Manhattan was presented by organizational changes, first in the OLMD, then in the DLMA. In the spring of 1974, H. Claude Shostal had replaced Richard Weinstein as Director of the OLMD. Shostal's appointment revealed the Beame administration's attitude toward Lower Manhattan.

Shostal had worked in the office of Governor Nelson Rockefeller and for the New York State Parks Commission. In the latter position he had become familiar with Lower Manhattan's redevelopment while working on New York State Maritime Museum matters. He was recruited to head the OLMD, not by someone close to Beame, but by Richard Weinstein.

Shostal's position, once in office, bore little resemblance to the one Weinstein had occupied. The Beame administration had little or no interest in architecture and very little interest in Lower Manhattan's redevelopment. Shostal found himself without direct access to Beame or even to James Cavanaugh, then Beame's chief assistant. Rather, he had to work almost solely through John Zuccotti, then Chairman of the City Planning Commission. Shostal found himself without authority even in areas Weinstein had controlled almost single-handedly. For example, the Civic Center committee, made up of heads of City agencies involved in the area, was chaired by John Carroll, Municipal Services Administrator, rather than by Shostal or Zuccotti.

In 1975, the leadership of the DLMA was changed. David Rockefeller stepped down as Chairman, and was replaced by Howard Clark, the Chairman of American Express who had made the decision to purchase 2 New York Plaza. Edmund Wagner was replaced, as President, by Raymond T. O'Keefe, a long-time real estate officer at Chase Manhattan Bank. Rockefeller, thus, kept some control over Lower Manhattan redevelopment, but his active involvement seemed to be ending.

The circle, perhaps, had been closed. Lower Manhattan's potential for redevelopment seemed to be exhausted.

NOTES: CHAPTER VI

1. See Chapter III.
2. At the beginning of 1975, for example, Cross & Brown, real estate consultants, found 10,600,000 square feet vacant downtown. See Times, February 9, 1975, Section 8, 1:1. Vacancy rates in older office buildings, apparently, are frequently underreported.
3. Wagner, Shostal, Moloney interviews.
4. Wagner attempted to downplay the bargain aspect of the arrangement, by noting the extensive expenditures American Express would have to make before moving to the building. Wagner interview.
5. Shostal, Moloney interviews.
6. Shostal interview.
7. Ibid.
8. A number of considerations led respondents to believe that even great expansion of stock volumes would not result in great employment expansion. Most important, by 1975 negotiated commissions on large sales were thought to be increasing domination of the market by mutual funds and other institutions.
9. See Times, February 9, 1975, Section 8, 1:1.
10. Lawrence interview.
11. Shostal interview.
12. This strategy was followed, for example, in the Ruppert Brewery project on the Upper East Side.
13. Levy pointed out this pattern.
14. Independence Plaza North advertisement.
15. Independence Plaza North Bell Ringer, Vol. 1, No. 1, no date.
16. James Felt and Co., Housing Potential, 1967-1982, for DLMA, November, 1967.
17. Ibid.; Levy, for one, disagrees with Felt's point.
18. James Felt and Co., Housing Potential, Lower Manhattan, for DLMA, December 1, 1971, p. 2.

19. Buford interview. See press reports, which confirm Buford's description.
20. New York City, Mayor's Office, Office of Lower Manhattan Development, Manhattan Civic Center, April, 1974.
21. Shostal interview.
22. Ibid.

CHAPTER VII
PLANNING AND POWER

The disasters that befell Lower Manhattan during 1974 and 1975 were hardly visible against the background of New York City's fiscal and economic crisis. These failures downtown seemed, to a large extent, caused by the broader economic forces, over which the area's planners had no control. Such an explanation would follow these lines: Through 1974 and 1975, New York City was caught in a spiral of declining revenues, created by a nationwide recession and reinforced by particular local economic difficulties. Since 1969, the economic decline had cost the city 500,000 jobs, one-seventh its total. Effective demand for office space and housing declined while inflation in construction and other costs continued. As public treasuries emptied, **plans for Lower Manhattan were among the first to be sacrificed.**

Applications of this general argument seem to provide very convincing explanations for particular failures: the office space market began to decline following troubles in the securities industry. In turn, this decline made construction of office space in Battery Park City and Manhattan Landing impossible: **it made it impossible for the South Street Seaport Museum and the Customs House Institute to sell air rights and thus made the special zoning controls meaningless.** Inflation and declining demand for expensive housing created severe difficulties for Independence Plaza North and made public

and private investors more and more wary of investing in Manhattan Landing or Battery Park City housing. The city's general loss of jobs, at the same time, further reduced effective demands for expensive housing. Inflation and reduced tax receipts caused by the recession combined to create a fiscal crisis for the City government, making rebuilding the Civic Center, building the Second Avenue Subway, and similar undertakings impossible. Failure fed on failure, until all plans not yet completed for renewing Lower Manhattan were abandoned.

While the above description may be correct, it is incomplete. One must also ask why Lower Manhattan planners did not develop plans that took into account the possibilities of economic downturn, of spiralling inflation, and the emerging weak market for office space. Why were Lower Manhattan plans not made sufficiently flexible, so that if one aspect of a plan proved impractical, another could be substituted? These are questions concerning the rationality of planning.

The Rationality of Planning

By its very name urban planning implies rational attacks on urban problems. Since rationality means a logical relation between ends and means, the rationality of Lower Manhattan planning can be examined by looking at its purported ends and asking whether, and under what circumstances, the means used could have achieved its ends.

In Lower Manhattan's redevelopment, corporate leaders and public officials very frequently defended actions designed

to encourage redevelopment of the area by arguments along two lines: 1) that the decisions and actions would increase the city's tax base and thus improve its fiscal position, leading to benefits for all its citizens and 2) that the decisions and actions would lead to improvements in the city's job market.¹

The tax base argument was constantly used as a major justification for the drive toward the redevelopment of Lower Manhattan. Manhattan Landing, the public was told, would replace decaying buildings and docks with new structures that would pay many times the amount of taxes now being collected. The Water Street subway would pay for itself in increased tax receipts. City zoning regulations should be loosened here and here and here lest real estate investment flee elsewhere. Thus, the tax base argument is used to portray an identity of public with private, or public with bureaucratic, interests.

Such arguments are extremely common in urban planning decision making. In suburban areas, municipalities frequently compete for "ratables", light industrial parks or shopping centers, the results of such competition may mean municipal affluence to the winner and poverty to the loser. Zoning ordinances are designed to attract industrial and commercial facilities that pay much in taxes but require few municipal services and to exclude low-cost housing, normally thought to require more expenditures that are returned in taxes. Whatever the social effects of such

decision-making, their fiscal justifications seem to be based on the reality of real estate development and their tax benefits.

In application to areas like Lower Manhattan, however, tax base arguments are, for several reasons, much less firmly grounded in reality. First, in New York City competition for office development are between Downtown and midtown, between the city and its suburbs and between the city and other metropolitan areas. The City would be equally served, from a fiscal point of view, by development in midtown or Downtown. In neither area is there any danger of a shortage of office building sites.² Had the City government had a real strategy for maximizing development of tax-paying buildings, it could have expended presumably limited development attracting resources either Downtown or on the periphery of midtown. This is the case for several reasons. Since World War II, no major new employer has appeared Downtown. New office space has simply replaced older quarters and provided for expansion of firms already Downtown. If development of office buildings depends on demand for office space, and encouraging development in Manhattan is a means of winning the competition between New York City and its suburbs and other metropolitan areas, the policy of spreading limited resources between Downtown and midtown may have been counterproductive.

One of the important props of efforts to redevelop both Lower Manhattan and the periphery of midtown has been the argument that the city's future depends on the advantages of

concentration, If concentration had actually been desired, however, it could best have been obtained by directing as much development as possible to midtown, and allowing Lower Manhattan to serve a more and more specialized financial role. Moreover, midtown already possesses very important advantages over Downtown, advantages the City could have built upon, rather than attempting to create the same circumstances in Lower Manhattan.

A second set of circumstances demonstrates as clearly the tenuous grounding in reality of tax base arguments. Simply, no one knows exactly what considerations attract offices to Manhattan or lead to their going elsewhere.³

Almost as frequently as on tax base grounds, public decisions and actions to encourage redevelopment Downtown have been defended with the argument that new jobs will be created. The Lindsay administration specialized in this argument, and added the notion that jobs could be attracted by making the area an attractive place for corporate decision-makers to live.

However, there is no reason to believe that creation of new jobs, except construction jobs, are brought about by construction of new office space. Rather, as one might expect, demand for new space results in supply. That demand, in turn, appears to depend on changes in particular industries and on the general level of prosperity.⁴

The contentions used to support planning decisions and actions downtown, thus, have frequently been based more on imagination than on reality.

A laymen would expect that urban planners would not only know how to ascertain the means to their goals, but would also exercise reasonable caution. Urban plans, in that expectation, would be flexible enough to be adjusted to unforeseen circumstances. Yet many of the plans for Lower Manhattan were extraordinarily complex and had parts that were dependent on success in other parts. These circumstances meant that if difficulties appeared in one area, they **would be** transmitted throughout the plans. In this way, many of the plans developed for Lower Manhattan were not only extraordinarily complex but quite **vulnerable as well**.

Manhattan Landing and Battery Park City offered the best examples of the extraordinary complexity of Lower Manhattan plans. As of the summer of 1969, when all the parties involved finally agreed on how Battery Park City would be developed, the complexity of its development plans was incredible. Financing the low- and middle-income housing would depend on renting the office building sites at lucrative rates. Constructing the project would depend on extraordinary cooperation among all parties and on very fortunate or tightly controlled timing. For these conditions to be fulfilled, all the businesses participating in the project would have to be so interested in the project or its potential profits that they would be willing to invest

tremendous resources just in solving problems of coordination. After 1972, adoption of simpler designs reduced the potential problems of coordination in Battery Park City considerably, essentially by dividing the project into much more manageable segments. Manhattan Landing's planners, from the start, designed a project that could be built in independent segments. Yet, realization of plans for each segment in the two projects remained extraordinarily complex. Physical plans for some sections of the project required very complex relationships among esplanades, views of the water and structures. Financing and even organizational plans were as complex. The Greenwich Street Museum; the Customs House - the plans for each of them were complex and fragile.

To the layman, this would seem an idiot's way of drawing plans for urban areas. The planner himself directly controls very few of the actions his plans rely on, and stands on shaky ground in predicting what will motivate those he depends on. The complexity and fragility of urban plans, of course, do not reflect planners' idiocy. Rather, they appear to arise mainly from planners' efforts to satisfy all the constituencies involved in particular planning processes, while at the same time following their profession's injunction to plan comprehensively. The 1969 plans for Battery Park City, thus was a compromise resulting from the addition and balancing of a financing plan designed to satisfy liberals by producing low-income housing, to an architectural plan demanded by the Lindsay administration, to an original plan

for middle-income housing and some offices. One could argue, of course, that some urban development plans are exceedingly complicated because they are responses to inherently complex problems, such as how to make traffic run smoothly in the Civic Center area. Some of the most complex Lower Manhattan plans were developed, however, for areas where the planners had large empty pieces of land to work with. Thus it was the planners' need to include something for almost everybody that appeared to be the main source of the plans' complexity and fragility.

As a means of rationally directing urban development to realize goals like improvements in the City's fiscal position and improvements in its job markets, then, urban planning failed in Lower Manhattan. The apparent irrationalities of urban planning, however, are clearly functional when examined from other viewpoints.

The extraordinary complexity and fragility of urban plans may be examined first. Success in urban planning ventures depends on piling up commitments from the various potential participants in execution of a plan. The various commitments obtained, however, are not equal. Private, profit-making organizations typically do not commit themselves to participation in the projects they become involved in, in the sense of legally binding commitments, until those projects are well into execution. Thus, Lefrak and Fisher never signed a document binding them to build housing in Battery Park City, Helmsley-Spear never

signed a document binding them to build offices in the project. In fact, no developer except the Educational Construction Fund, itself a public agency, was ever legally bound to do anything in Manhattan Landing. They merely expressed an interest in participating. In planned urban development, moreover, even a signed contract may not effectively bind a private investor to a project. In attempting to enforce such a contract in many circumstances a public planning may endanger further cooperation, not only from the particular investor, but from many others as well. Such an attempt, moreover, might be politically embarrassing. Private participants in urban development, as a result, are tied to redevelopment only by the prospect of profits, a prospect presumably continually reexamined.

The commitments of public agencies are quite different. Where urban redevelopment plans call for use of urban renewal, or for construction of landfill as in Battery Park City, the investments made early in execution of a project are public; and the government, once it undertakes these initial investments, must reach agreements to continue their promised phases of development with developers or be left holding empty pieces of property, an expensive and politically embarrassing prospect. Even where urban renewal is not involved, the failure of redevelopment plans, for which they have made so many promises, may be very embarrassing to public officials and dangerous for elected ones.

Circumstances like these frequently make the public

commitments attached to urban redevelopment more binding than those made by private developers. As a result, when other commitments fail or are withdrawn, public agencies may have little choice but to make them good. In Battery Park City, thus, the Battery Park City Authority became its own developer after private developers dropped out. In Manhattan Landing, the City government will provide mortgages if there are to be any.

Urban redevelopment plans, therefore, very frequently present not a realistic estimate of how much they will cost the public treasuries, but a minimum estimate of what they would cost if everything miraculously fell into place.

It is almost inevitable in the execution of complex urban redevelopment plans that some commitments made during the course of planning will be withdrawn. Some, usually those absolutely essential to completing the project in some form, will be replaced by increased public commitments. Others will not be replaced, and the ends they promised to accomplish will be left undone. Again, Battery Park City's low-income housing will not be built; neither it nor Manhattan Landing will have exciting architecture; Greenwich Street developers, it seems likely, will never contribute enough to the subway redevelopment fund to improve the area's subway stations much. In this way, urban redevelopment plans very frequently present not realistic estimates of what will be accomplished, but pictures of what will be accomplished if everything miraculously falls into place.

These specific irrationalities common in urban redevelopment plans serve several functions. First, one can argue that without a good deal of wishful thinking of the sort resulting in such irrationalities, urban planners would find it very difficult to obtain the motivation necessary to do their work.⁵ Second and more important, without these irrationalities it would undoubtedly, in many cases, be much more difficult or impossible to win public acceptance of urban redevelopment plans. Third and most important, because of the operation of these irrationalities, urban planning provides a way for private interest groups to obtain public resources at little if any cost to themselves. Urban redevelopment plans offer partnerships with government to big businesses and other investors. The terms of the offers are such that the private, profit-motivated potential partners can easily decline to participate; the public can decline only with much more difficulty. Although urban redevelopment plans themselves envision careful, public-spirited coordination of public and private efforts and investments, in the process of execution they become means of making private investment surer or easier, or means of justifying expenditure of public resources on investment profit-makers are not interested in.

Thus, the complexity and fragility of urban redevelopment plans function to make them better means of attracting resources to an area's redevelopment, particularly public resources, than apparently more rational plans would be.

The linking of often farfetched urban redevelopment plans to obviously worthwhile public goals, like increasing the City's tax base and job supply, has the same function. An apparently more rational planning attitude would be one that would examine whether a particular planning action would increase the tax base or whether addition of office space would actually provide an increased number of jobs. But this attitude would lead to plans that would be unlikely to attract wide support, and ineffective in justifying many investments, particularly public investments. Urban planning in Lower Manhattan, as it actually occurred, functioned as a sort of development entrepreneurship. Planning was a search for ways to attract resources to the area. Because profit-motivated investment could be attracted only by the prospect of assured profits, planning was a search for ways to attract public, and to a lesser extent philanthropic, resources. The planners were necessarily interested not so much in finding investments that would best serve the public interest, as in finding arguments that would connect potential investments to the public interest.

Public officials with broader concerns than Lower Manhattan, of course, had the option of undertaking little or no activity in the area. The Wagner administration followed this policy through most of its term. But once the decision had been made to plan for the area, planning became a means of attracting resources.

In the light of this discussion, the questions asked about urban planning in Chapter I can now be dealt with.

First, did Lower Manhattan planners shape their proposals to make them attractive to potential supporters? If so, how?

Lower Manhattan planners, both professional planners and other public officials who saw planning as part of their jobs, shaped their proposals for the area in ways that made them attractive to big business leaders. Sometimes this appears to have been a matter of playing quite consciously to business audiences, particularly David Rockefeller. The most important example is provided by the Lindsay administration's policy of making Lower Manhattan an insulated upper-income community. It seems likely that Lindsay and many of his high-level appointees felt that for Lower Manhattan to work properly as part of the city's economic engine, it had to be such an insulated upper-income community. But it seems unlikely that they would have followed the policy as rigidly as they did had they not committed themselves to such a policy in their dealings with David Rockefeller.

But such direct obeisance to Rockefeller and other big business leaders seems fairly unusual in Lower Manhattan planning. More frequently, in working out the details of their proposals, Lower Manhattan planners were guided by technical and professional norms, and by their thoughts as to what was feasible. Thus, when Richard Buford first committed the City government to aiding the South Street Seaport Museum, David Rockefeller does not seem to have known of the Museum's existence.⁶ Likewise, the leaders of big businesses were far less concerned with urban design problems than were Lindsay administration officials. Frequently,

in fact, planners and public officials developed proposals and sought support for those proposals from Rockefeller and the DLMA.

Facts like these reflect a real independence of planners in working out the details of proposals, but an independence that does not reduce the usefulness of urban planning to big business leaders . Any proposal for development that would attract public or private investment to Lower Manhattan and contribute to development of the sort of area, very broadly defined, that David Rockefeller and the DLMA wanted, was useful to them. Business leaders provided the major audience for planning proposals in Lower Manhattan, but they were an audience willing to listen to imaginative proposals, even to learn from urban planners.

The second question asked about planning in Chapter I was the following: Were planning goals downtown clearly defined, and were there means of finding out how to achieve or work toward those goals?

The publicly discussed goals of Lower Manhattan redevelopment were fairly clearly defined. Most planning actions downtown were supported as means of stimulating economic development, and thereby increasing the City's tax base and supply of jobs. Some projects were supported as aids in solving the city's housing problem, although this goal receded as the Lindsay administration attempted to make the area a high-income residential community. Some projects were justified as means of increasing various kinds of efficiency: the Civic Center as increasing the efficiency of government;

the Washington Street Urban Renewal Project as increasing the efficiency of produce marketing in the city. But connections between these goals and the means designed to achieve them were very weak, particularly those connections between economic development goals and the means used to achieve them. Clearly, publicly discussed goals were frequently little more than rationalizations of why particular planning actions should be taken.

The third question on urban planning discussed in Chapter I was the following: Has the planning that has taken place in Lower Manhattan since the mid-1950's reflected a set of planning institutions capable of rationally directing city development? If not, what latent functions did this planning serve?

Clearly, the planning that has taken place in Lower Manhattan has not reflected a set of planning institutions capable of rationally directing city development. Planning institutions have developed so as to be able to accomplish some tasks. For example, it appears that the ability of planning to stimulate good urban design has increased significantly since the mid-1950's. The sophisticated tools used to accomplish these tasks have been created mainly by design and legal professionals, and their development reflects the beginning of professionalization of planning in which planners have gained some independence from their business and public official superiors.

But the planning institutions that operated in Lower Manhattan had no ability to order development so as to solve the city's most important problems, which are fiscal and economic in nature. Moreover, the intellectual equipment of planning used in Lower Manhattan had not even developed to the point where actions likely to solve or contribute to the solution of economic and fiscal problems could be differentiated from those likely to have no effects or even adverse effects. Planning institutions served the latent function of attracting resources to Lower Manhattan, particularly public investments, whether or not those investments were likely to accomplish their stated goals. Planning institutions also served the purpose of directing investment within Lower Manhattan. For example, without construction of the World Trade Center on the west side, it seems likely that few if any other new buildings would have been built west of Broadway. Moreover, the operation of planning institutions made some sorts of investments possible that would have been impossible or much more difficult otherwise. The operation of planning institutions redistributed investment opportunities from smaller to larger entrepreneurs. For example, by making assemblage of very large office building sites possible, and by giving floor space bonuses for design features that could be provided only in fairly large buildings, the operation of planning institutions gave a relative advantage to large as opposed to small-scale developers. Planning also redistributed

investment opportunities from developers generally to financial institutions, by financing offices in the World Trade Center and housing in Independence Plaza North, Battery Park City and Manhattan Landing mainly through public debt instruments rather than through direct private investment.

During the 1960's, the structure of political participation in urban planning was changed by incorporation into it of community groups. Moreover, the goals of urban planning were widened to include preservation of historically significant buildings and areas and of established communities. These changes in planning reflected particularly the increasing power of upper middle class groups in the planning process. These changes, however, did not markedly increase the rationality of urban planning. While whole sets of new tools were developed to accomplish these new goals, how accomplishment of these goals would contribute to solution of broader city problems was never established.

Power

Chapter I of this study summarized elite and pluralist theories on who has power in American cities. We can now examine them in the light of this study of the planning of Lower Manhattan's redevelopment.

First, the pluralists argued that power in local decision-making is widely dispersed, that participation in local decision-making is open to most of those who take the trouble to participate, and that most groups, if they are

able to organize themselves, can protect and advance their most important interests.

The history of Lower Manhattan's redevelopment lends some weight to this description. In fact, a wide variety of groups have participated in events surrounding Lower Manhattan's redevelopment. Some have failed completely. Small businesses on the World Trade Center site, for example, failed to win more than slight improvements in relocation benefits, and apparently would not have been able to mount a legal battle against the Port Authority without aid from office building owners. On the other hand, some remarkably small but well-organized groups have succeeded. However, several qualifications to the pluralist description are suggested by Lower Manhattan's redevelopment history. First, participation by those who apparently had few power resources seemed most frequently a matter of reacting to plans developed by those with greater resources. When they succeeded, they succeeded primarily as veto groups, but rarely in achieving positive goals. At most, the weaker participants seem to have hoped for some recognition of their interests. Possible exceptions appear in the South Street Seaport Museum's history and in that of Tribeca. The South Street Seaport Museum group was able to not only defeat developers but establish a new and unique Museum. Of course, it was aided in critical ways by Isbrandtsen's wealth. The Tribeca group was able, not just to protest against West Side Highway plans, but to force creation of zoning that would make

their conversions of industrial and office buildings to housing legal, but one might argue that they succeeded because Tribeca was an area in whose real estate no one else was interested.

Second, some groups for whom the redevelopment of Lower Manhattan was very important played only minor or occasional roles in its planning: small real estate and retailing businessmen provide the most important examples. The pluralist description seems to imply that those groups whose most important interests are involved in a policy area will have more power in that area than groups whose interests are only tangentially involved. This does not seem to have been true in Lower Manhattan. Large scale corporations, whose interests were at stake only in very limited ways, had much more power than small businessmen whose livelihoods depended on Lower Manhattan events.

The second pluralist thesis is perhaps their most important one: that politicians have important independent power and play the essential role of arranging compromises between groups. This argument seems fairly well supported by Lower Manhattan's redevelopment history. Not only were politicians accountable to such a wide variety of constituents that no one group could control their actions, but they acted as important initiating actors on their own. Moreover, their own personal visions of the public interest appear to have been quite important in determining their policies.

The third pluralist argument is that most participants in local decision-making participate only in rather narrowly

bounded policy areas. A case study of a particular area of decision-making, of course, does not provide very useful tests of this proposition. However, the evidence of Lower Manhattan's redevelopment history does suggest several modifications. Within the fairly broad area of Lower Manhattan redevelopment, significant variations in the breadth of individuals' and groups' participation appear. David Rockefeller was involved in decisions about almost every effort to redevelop a part of Lower Manhattan. Smaller businessmen involved themselves only where their immediate interests were affected. Politicians, whom the pluralists describe as most broadly involved, had narrower involvement than David Rockefeller for two reasons: **their** involvement was less sustained and, possibly with the exception of John Lindsay, they were not involved in decisions that did not involve organizations where they had legally defined authority. Robert Wagner, thus, was **hardly involved** in the actions of the Slum Clearance Committee or the Port Authority. Citizen groups not made up of major businessmen have been involved only in very narrow areas of decision making, with the exception of groups dedicated to planning and architectural matters.

The pluralists argued, finally, that the major failing of the American system of government and politics lies in the fact that special interests obtain more weight than those of the public at large, and that the latter frequently

lack spokesmen. Although interests of the public at large may be difficult to identify, in the history of Lower Manhattan's redevelopment, this argument is thoroughly supported. With a few exceptions, major decisions were determined by the interplay of special interests, although politicians and others very frequently represented what they thought was the general interest.

In these ways, the history of Lower Manhattan redevelopment gives equivocal support to the pluralists' descriptions of American city politics.

As was noted in Chapter I, Floyd Hunter and other elite theorists argued that power in American communities rested in tiny, cohesive elites made up almost exclusively of business leaders and serving the economic interests of business. Politicians served their needs, and formal democratic processes were shams as the most important questions never came up for public discussion.

Some of those who believe American society is dominated by an elite go further, to argue that that elite is organized in family groupings. James Knowles argues that "The Rockefeller Financial Group," through corporate board interlocks, controls Chase Manhattan, Chemical Bank, Metropolitan Life, Equitable Life, New York Life, and many other organizations.⁷ Whether this is true or not is a question beyond the scope of this study, but there is no evidence that these organizations coordinated their

actions downtown with David Rockefeller's. Particularly interesting is First National City Bank, part of the "group" by reason of its being controlled by descendents of John D. Rockefeller's brother William. Downtown, of course, Citibank did little to help David Rockefeller, and in ways competed with him.

David Rockefeller seems to have **obtained more help from his** nuclear family. Here, he obtained extensive and important cooperation from his brother Nelson. Nelson's cooperation was critical in creation of the World Trade Center. But the history of Battery Park City reveals a different aspect of the brothers' relationship. The DLMA proposed development for the Hudson shore in 1963. In 1966, Nelson Rockefeller proposed his version. Although the project served the interests David Rockefeller had taken as his own in general terms, several specifics did not serve David Rockefeller's interests. Most important, Nelson Rockefeller proposed office buildings that David thought would compete with those in Lower Manhattan's core in a destructive way. Moreover, David Rockefeller may well have been quite unhappy with the high proportion of middle-income housing Nelson proposed for the site.

These facts do not seem to reflect any major differences of opinion or conflicts of interest between David and Nelson Rockefeller, but they may reflect something more important. The two simply did not coordinate their actions very well, if they planned them together at all. Nelson Rockefeller,

moreover, was motivated primarily by political and governmental concerns that could not always be readily reconciled with David Rockefeller's business interests.⁸

There is no reason to suppose David Rockefeller got much more cooperation from Nelson Rockefeller than he would have gotten from any other Republican New York State Governor. In fact, Nelson's political acumen, which led him into long-term, mutually rewarding relationships with such diverse groups as the building trades unions, Wall Street brokers, and upstate conservatives, may have given David Rockefeller less call on his political talents than he would have had on those of a less imaginative Republican governor or one less independent from outside campaign financing.

No Rockefeller family grouping seems to have operated in a well-coordinated way in the redevelopment of Lower Manhattan. This does not prove, of course, that such a grouping does not operate in other areas.

The more usual theories of elite dominance, like that of Hunter, do not depend on family groupings. The evidence of Lower Manhattan planning on these ideas may now be summarized:

In Lower Manhattan's redevelopment, a local business elite, many of whose members would also be counted as members of any national business elite, was certainly visible. David Rockefeller and many members of his group fit every description of such elites. However, their actions downtown were very poorly coordinated. In fact, most members of the

elite were not even interested in Lower Manhattan redevelopment, but allowed Rockefeller and others to use their names. The elite's actions, or David Rockefeller's, were limited by technological and ideological trends they could not control.⁹ The elite was not particularly clever in identifying its own interests, and frequently relied on upper middle class intellectuals to carry out that task. At times, the elite failed to achieve its own way in the face of opposition from groups that originally seemed powerless.

The nature of this case study imposes three limitations on the applicability of these conclusions. First, there is no reason to believe that the pattern of decision-making that characterized Lower Manhattan's redevelopment is characteristic of other sorts of decision-making. As many have pointed out, a well-coordinated national business elite may dominate national economic policies and foreign policy decisions through actions at the federal level. Moreover, the national elite may have had more weight in decisions at the federal and national level that created the possibilities for redevelopment of Lower Manhattan than it had in local decisions.¹⁰

Second, even as an exploration of the redevelopment of Lower Manhattan, this case study has been limited to the use of planning in that redevelopment, and has not dealt with use of other tools. This study of Lower Manhattan's redevelopment, therefore, has established only a minimum of business elite power, not its full extent.

Third, the redevelopment of Lower Manhattan, apparently, has been of very little importance to the business elite. Its fate, apparently, has not even been particularly important to the material interests of Chase Manhattan or David Rockefeller. It is reasonable to suppose that the business elite would exert fewer efforts to control events in this area, where their interests are not really at stake, than in an area where their interests are at stake.

The power of business institutions downtown, therefore, was limited by a number of factors: poor coordination and lack of interest; inability to predict technology and ideology; lack of ability to readily identify their own interests.

These limitations, however, make the power business institutions and David Rockefeller patently exercised more, not less, extraordinary. The area's new office buildings cannot be attributed to David Rockefeller's exercise of power; the demand for office space led to their construction and apparently would have whether or not he had been involved in the area, although some of the new space likely would have been built in midtown had he not been active downtown. But the role of business leadership and the resources David Rockefeller brought to it enabled him to mobilize incredible public and philanthropic resources for the rebuilding of Lower Manhattan, to turn to his purposes the talents of some of the most able architects and planners of the past two

decades, to attach New York's hopes for its future to his own visions of a future Lower Manhattan in which very few New Yorkers could afford to live. David Rockefeller was able to do these things, apparently, without plotting with his family or business associates, and without being able to count on cooperation from other leaders of business institutions. The sources of this extraordinary power must be dealt with.

David Rockefeller's ability to stimulate and shape the redevelopment of Lower Manhattan resulted, first, from the existence of institutional structures within government that are subject to fairly ready control by the leaders of financial and other business institutions. The Port Authority was such a structure. Although neither David Rockefeller nor other business leaders could directly control the Port Authority, they could count on its listening readily to their ideas on economic development of the port area, and on its need for sound investments. For the most part, zoning was another such structure business institutions could count on controlling.

As important, Rockefeller was able to take advantage of the structure of urban planning itself. In Lower Manhattan's redevelopment as elsewhere, urban planning tools served business institutions' needs to control speculation and rationalize the process of real estate development and investment. Urban planning provided a number of specific aids to real

estate development, of more use to developers than to big business. Most important, however, it provided important aid in attracting public resources to the area. As a tool for ordering city development in a rational way, urban planning is quite weak; but as a tool for attracting investment, particularly public investment, to Lower Manhattan it proved quite useful.

Yet a third source, however, may account more than these for the power David Rockefeller was able to exercise Downtown. New York, like any city, suffers fiscal and economic problems. The City government has very few and very ineffective tools with which to attack these problems. Some of them result from State government policies that make it impossible for cities to expand geographically or expand their taxing powers; some of them, apparently, result from strong forces that create decentralization of city residents and jobs. In attacking these problems, public officials are faced not only with the problem of ineffective programs, but with a lack of knowledge. They must have, or at least think they must have, economic development that will bring taxes and jobs. Yet they do not know what steps will attract economic development. They are not only weak in controlling their environment; the environment itself is chaotic.

The position City government and public officials find themselves in allows potential investors to gain extraordinary power. These include real estate developers, banks and other financial investors and investors in industries. Public officials

who would regulate the actions of investors are told, very frequently, that their regulation will drive investment away.

Even more, however, the **unstable environment in which public** officials and city governments operate **gives power** to business institutions' leaders. The public needs economic development. Business leaders like David Rockefeller take upon themselves the task of organizing business participation in economic development. This may mean making investments themselves or encouraging others to invest in their city's future. But there is no particular evidence business leaders are able or even willing to take extraordinary risks to aid their cities, or recommend that others take such risks. The substance of the work of business leaders involved in their city's redevelopment, therefore, lies elsewhere. They make and arrange investment that would have **to be** made without their playing a leadership role. They carry out public relations efforts. They attempt to convince others to invest in their city or area. Perhaps most important, they attempt to obtain public support for their efforts, in the forms of public investments and/or public guarantees of private investments. Business leaders play a role between city government and investors. On the one hand, they try to convince investors that their city is worth investing in. On the other hand, they advise the public on what actions government must take to make its city worth investing in.

If the case of Lower Manhattan is representative, the role of business leadership is almost a mirror image of the mayor's role. The elected city administrator is expected to solve a great many, if not all, problems with very few resources. When things go wrong, he is held accountable, and things that go right may not be noticed. Businessmen who are involved in leadership roles, on the other hand, are defined as a selfless and praiseworthy group. Because they need or think they need the businessman's cooperation, public officials are more than willing to share favorable publicity with him. When things go wrong, the former is not held accountable; an irrational market no one could or should control is at fault, or perhaps public irresponsibility has caused investors to flee the city. When things go right, the business leader can take the credit.

In Lower Manhattan, David Rockefeller filled this role of business leadership. There is no reason to suppose another businessman could not have filled it, although it seems likely that a businessman without David Rockefeller's extraordinary wealth and connections would have accomplished less, and Rockefeller's sense of responsibility may have been unusual. Drawing extraordinary resources to the area, Rockefeller stimulated redevelopment of an area that likely would have been redeveloped much more slowly without his activity. But redevelopment of the area accomplished little for the city as a whole. In all probability, David Rockefeller benefitted much more, as a result of these efforts,

by additions to his reputation than by additions to his fortune.

As many commentators have noted power should be considered within its institutional context. It is never completely transferable from one context to another; it is never power to do anything at all, but always power to do something fairly specific. From one point of view, power is the ability to mobilize societal resources and determine, within limits set by cultural and other factors, the goals toward which societal resources will be directed. Urban planning can be considered a means to exercise power, a means of mobilizing resources. From its beginnings, control over many of its activities has rested with leaders of big business. By taking the role of business leadership, David Rockefeller obtained control, or at least great influence, over Lower Manhattan's redevelopment. But he neither created nor changed very much the goals toward which urban planning could be directed. Urban planning could be used to rebuild an area, to obtain public resources for such a rebuilding even when those resources might have been better used elsewhere, to justify using public resources to build an exclusive community, to turn extraordinary talents to these purposes. But clearly, an urban planning that could consistently prescribe rational ways of dealing with the city's problems did not exist.

As Chapter IV showed, urban planning and its public official practitioners were very weak in relation to

real estate developers. Developers have an interest in subverting, using and abusing urban planning, and are able to do so because of its legal and practical weaknesses. Urban planning regulation of development has grown to the limited extent it has because major businesses have an interest in controlling the worst excesses of real estate developers. Thus, in the physical development of cities, the interests of real estate developers and major businesses conflict to an extent.

On the larger stage of national economic development, however, the interests of major businesses are like those of developers at the local level. Lack of regulation or regulations full of loopholes allow capital to move wherever its owners and managers think the best returns can be had. Lack of public knowledge and an unpredictable economy place business leaders in powerful positions. An economic ideology and legal structure that places very few burdens of responsibility on capital allows business to retain public respect as the public experiences the disastrous consequences of its actions.

The efforts to plan redevelopment of Lower Manhattan, ultimately, failed to reach their goals. Not even David Rockefeller could control the forces that determined Lower Manhattan developments. Neither he nor anyone else, apparently, even understood those forces well. But the failure of Lower Manhattan's planned redevelopment was simply a consequence of the broader structure of business power.

NOTES: CHAPTER VII

1. Some projects, of course, have been justified along other lines, but as the drive for redevelopment of the whole of Lower Manhattan became more vigorous after 1965, tax base and job market arguments became more and more important.
2. The approximately 130,000,000 square feet of office space built in Manhattan since the mid-1950's could have been built on well under 200 acres of land. Thus, assembling particular sites may be quite difficult, but there is no real shortage of sites for office buildings.
3. Among the factors mentioned are lack of housing for executives; the difficulty of commuting into New York City; the climate of the city; high tax rates--particularly high personal income tax rates paid by executives; executives' thinking that New York has a less-than-eager work force; the difficulty of maintaining racially discriminatory policies inside the city; and many others. Even well-respected urban economists mainly speculate about this question, as Tobier readily admitted. Tobier interview.
4. Thus, one could explain almost all of the increased demand for office space in Manhattan through the 1960's as resulting from the concurrent expansion of the securities and banking industries.
5. This argument was suggested by Professor Joseph Bensman.
6. According to Stanford and Seymour, Rockefeller was confused as to the difference between Goldstone's project and the South Street Seaport Museum.
7. Knowles, op. cit.
8. One might speculate that Nelson Rockefeller's constant attempts to accumulate power and alliances made it more difficult for David Rockefeller to work with him than it was for Rockefeller to work with John Lindsay, who, whether he was less concerned with building alliances and power or not, was less successful at it than Nelson Rockefeller was.
9. See Appendix for the intervention of some technological factors.
10. The same sorts of business institutions involved in Lower Manhattan provided crucial support to the urban renewal program during the late 1940's.

APPENDIX I

METHODS

This study is a historical reconstruction and analysis of the redevelopment of Lower Manhattan. In carrying out this reconstruction and analysis, the researcher has necessarily faced a number of problems concerning the methods to be used and kinds and sources of information available.

Definition of the Field

As was noted in Chapter I, a substantial literature based on the observation of urban planning processes has been accumulated. At first glance such observation appears to present relatively few problems and many opportunities: normally, the beginning, middle and end of an urban planning process are fairly clearly marked by initiation of an idea, its elaboration and modification through a process of bargaining among the interested parties and by governmental action. Documentary evidence in the forms of printed proposals and private and public records is usually available. An advantage not to be overlooked lies in the fact that urban planners think their profession is worthy of study. Moreover, even when they practice for a private client, many urban planners think their profession includes responsibilities to the public, and therefore are eager to discuss and defend their actions.

These very real advantages in the study of urban planning

processes, however, may obscure accompanying difficulties arising from the fact that planning processes do not occur in vacuums. Three problems must be considered: First, particular urban planning processes cannot be properly understood in temporal isolation. They may be parts of very long-term efforts to shape cities. Equally important is the fact that the adoption of plans does not guarantee their successful execution, or even that the original goals they incorporated will be widely held when the plans are completely executed. Persons involved in the initial planning, who developed, advocated or even remember the original goals, may no longer be on the scene, and the implementers at the final stages of execution may have little awareness of or sympathy with the original goals. This problem can be solved only by carefully examining the full historical context in which particular redevelopment efforts take place. Lower Manhattan's redevelopment, fortunately, has a clearcut beginning, in the mid-1950's. From that time, until the mid-1970's, the most important single actor in Lower Manhattan, David Rockefeller, remained involved in its redevelopment. Only in 1957, when the Downtown redevelopment process was at least temporarily halted by recession, did David Rockefeller reduce his involvement in the area. (See Chapter VI). Thus, there are clear cut historical boundaries for the time period to be covered in this study.

As in the case of temporal isolation, urban planning

processes frequently cannot be understood in spatial isolation. For example, the origins of the World Trade Center cannot be understood without examining efforts to redevelop Lower Manhattan's East Side.(see Chapter II). Fortunately too, the spatial boundaries of Lower Manhattan redevelopment efforts are reasonably clear. Lower Manhattan has always been thought of as the area south of Canal Street, but most redevelopment efforts have focused on the area south of City Hall. The problem of spatial boundaries is solved here, by considering events in the entire Community Planning District #1, defined by New York City government. This area is larger than that involved in most Lower Manhattan planning and redevelopment, but considering all the major planning events within the broader area makes it possible to establish empirically the parts of "Downtown" each particular effort was concerned with.

Third, urban planning processes cannot be understood in isolation from other processes shaping the city. One cannot assume that those attempting to use urban planning to shape the city do not also use other means in the same effort. For example, groups supporting urban renewal as a means of rebuilding the area may also encourage private acquisition and redevelopment of the area, and the latter sort of effort may be completely hidden from public view. Likewise, banks may use their power to grant or deny construction loans to encourage development in one area, discourage it in another. Use of these other tools may be invisible except

to those directly involved for two reasons: First, real estate development involved struggles between different parties in their attempts to realize increases in land and locational values, and keeping one's intentions secret until the proper moment is frequently critical to success. Second, when businessmen involved in urban redevelopment also act as leaders in the public interest, they must avoid the appearance of conflicts of interest. These problems can be dealt with only by recognizing that urban planning may be only one of several tools used to shape the city, and keeping that recognition in mind, in analyzing the effects of urban planning efforts.

Moreover, the results of urban planning efforts are difficult, if not impossible, to separate from the results of unplanned market forces. This problem cannot be solved systematically by expanding the field of study to include the operation of economic forces. The economic forces that produce demand for office space are very poorly understood¹ and originate mainly in changes in the national economy. Again, the problem can be alleviated, if not solved, only by recognizing that economic forces are at work, outside the control of any urban planning effort.

Defining the field to be studied, thus, is an empirical problem. Convenient temporal and spatial boundaries present themselves, but boundaries between urban planning efforts and other forces at work in the area are much less clearcut, and must be left open for empirical investigation.

Observation and Analysis of Power

The observation and analysis of power in American cities and towns has a long methodological history. In Community Power Structure, Hunter used a method later labelled "reputational". Others have used variants of Hunter's method. Hunter described his method:

Within the physical setting of the community, power itself is resident in the men who inhabit it. To locate power in Regional City, it is therefore necessary to identify some of the men who wield power, as well as to describe the physical setting in which they operate. In Regional City the men of power were located by finding persons in prominent positions in four groups that may be assumed to have power connections. These groups were identified with business, government, civic associations, and "society" activities. From the recognized, or nominal, leaders of the groups mentioned, lists of persons presumed to have power in community affairs were obtained. Through a process of selection, utilizing a cross section of "judges" in determining leadership rank, and finally by a further process of self selection, a rather long list of possible power leadership candidates was cut down to manageable size for the specific purpose of this study. Forty persons in the top levels of power in Regional City were selected from more than 175 names. Many more persons were interviewed than the basic forty, but they were interviewed in relation to the forty. 2

In a methodological appendix, Hunter describes the interview schedule he used. The schedule included identifying and biographical information, questions "to ascertain whether the informant's interests were local, state or national in scope",³ a question asking the individual to select five top leaders from the list of forty and to add names to the list, questions on interactions with the leadership, questions on how and with whom decisions were cleared, and questions on recent decisions. The schedule was used

to elicit discussion as well as to obtain concise answers to its questions.

In 1963, Nelson W. Polsby published Community Power and Political Theory,⁴ an extended essay on methods of studying community power. Polsby was a student of Dahl, and the book constituted the pluralist attack on Hunter's methods. Polsby argued that the "reputational" method, at least as utilized by Hunter, made location of an elite inevitable. Polsby argued that Hunter's respondents told him who they thought had the most power, but Hunter did not even ask questions designed to find out whether power was really very concentrated. Moreover, Hunter asked his questions mainly of businessmen, who naturally thought of other businessmen when asked who had power. Hunter and other elite-finders, Polsby argued, ignored much evidence in their own studies contradicting the idea of elite domination.

To Polsby, the "decision" method developed in Dahl's study of New Haven is far preferable to the "reputational" method. In the "decision" method, patterns of influence over particular public decisions are traced.

As the reputational and decision methods are defined by Polsby, the decision method is clearly preferable, in principle. It relies on immediate observation of decision-making, rather than on reports of generalized patterns of influence in decision-making. In fact, Hunter used what a less partisan reader than Polsby would have recognized as a decision method to supplement this more formalized reputational method; Hunter asked how particular decisions

were made and who was consulted in making them.

Therefore, the method of tracing decisions to their makers has been used in this study. A final difficulty of the decision method, however, must be avoided. Using the decision method, Dahl selected particular decisions from different issue areas. This procedure made it difficult to trace connections between decisions.⁶ The decision method must be further modified, therefore, by attempting to trace at least the most important connections among decisions and makers.

Fully carrying out this prescription, of course, would involve the student of decision-making in the task of tracing the structure of at least large parts of American society. The student of power, like all students of complex societies, is thus presented with a dilemma: How can the need to study particular institutional areas in detail be reconciled with the need to understand each area as part of a seamless social fabric? Ultimately, this problem can be solved only by collective effort. Here, a decision has been made to study intensively a particular area of decision-making and only sketch its connections to some other areas.

These difficulties force choices, but are practical rather than conceptual problems. A conceptual problem arises in defining groups' and individuals' interests. Following Max Weber, sociologists have very frequently recognized the need to study in detail actors' motivations.

They have recognized less frequently that for actors themselves, definition of their interests is seldom recognition of the obvious. Rather, such definition is a matter of continuous, normally slow modification of cultural complexes. For this reason, attention must be paid to the ways actors in Lower Manhattan's redevelopment have defined their interests and to the cultural contexts in which such definition and redefinition has taken place.

The observation and analysis of power exercised in planning the redevelopment of Lower Manhattan, then, were carried out through examination of decisions. Connections between decisions and actors were established. Ways groups have defined their interests were carefully examined. So far as possible, connections to power and decisions outside of the area of primary interest were traced.

Sources

Sources of data used to reconstruct the history of Lower Manhattan's redevelopment may now be dealt with, together with problems of evaluating data.

This study began with a review of New York Times articles on Lower Manhattan since the mid-1950's. The Times was used because it is indexed and could provide a chronology of important events in the area's rebuilding. It was assumed that newspaper reports would be inaccurate and incomplete at many points. The Times, however, proved useful in several other ways as well as in establishing a chronology:

First, the Times provided insights into various viewpoints important in Lower Manhattan's redevelopment. The Times is an extremely important barometer of public opinion in New York. Typically, it follows and/or creates opinions held by much of the well-educated, well-off, liberal public in the city. The Times' importance as an organizer of public opinion is particularly great in urban redevelopment matters, because such matters are frequently difficult for laymen to understand and public opinion is relatively little formed regarding such matters.

News of Downtown's redevelopment reported in the Times has been subject to many attempts at management. In the redevelopment's early history, self-conscious news management attempts were hardly necessary. The Times and its reporter on redevelopment matters held David Rockefeller in high esteem.⁸ His urban renewal efforts in Morningside Heights and Lincoln Square had been widely praised. Seemingly without reflection, the Times adopted a viewpoint much like his. The Times supported his efforts vigorously, in both editorials and news stories.

From the middle 1960's through the early 1970's, Times coverage of Lower Manhattan and other redevelopment matters was dominated by Ada Louise Huxtable. Huxtable was the Times architectural critic, and was also very interested in planning matters.⁹ She was personally close to many of the urban design professionals who shaped Lower Manhattan policies during the Lindsay administration. Times coverage

during this period came to reflect less the business point of view than that of planning and architectural professionals. (The two viewpoints are separable, but not often in opposition to one another.)

During the first half of the 1970's, Times coverage of redevelopment and planning matters lost some of the coherence it had earlier had. According to the present Times daily architectural critic, many Times city reporters had become quite skeptical of official announcements and urban redevelopment plans. The Times became less reliable as a reflector of particular viewpoints.¹⁰

At points in this study, other newspapers, including the New York News, New York Post, and Village Voice were consulted, both as sources of specific information about events and as reflections of particular viewpoints on events.

Public records provided the second source of information for this study. A variety of kinds of public records were consulted. First, Calendars of the New York City Planning Commission and the Board of Estimate¹³ were used. Such records provide the substance of public actions taken by the two bodies, as well as occasional insights into why such actions were taken. The published reports of both bodies include summaries of hearings, which proved of some use.

Some files of the City Planning Commission and Board of Standards and Appeals¹⁴ were consulted during the study. Each action of the two bodies is filed, together with such items as minutes of interdepartmental meetings, memoranda,

and correspondence from private individuals and organizations. These files, in turn, are indexed on maps. At several points, access to these files proved extremely useful. For the most part, however, they revealed little more than the records of actions of the Board of Estimate and the City Planning Commission.

A third major source of information consisted of planning documents. These are listed in a separate category in the bibliography. Documents officially recording legal planning action are not included. Rather, these planning documents consist of planning proposals; booklets issued to explain or justify actions; reports of technical studies; progress reports; and the like. These documents were published by a wide range of public and private agencies. Many were difficult to locate, but every relevant document was located.

Planning documents of this type provide very useful information of several types. First, most such documents are, or include, quite specific proposals for action. Many such proposals, naturally, are never realized, or are realized only in modified forms. Studying the proposals in their original forms and their transformations via planning documents, however, provided added data on group interests and perceptions. This use of planning documents is particularly important because, by the time public official actions are taken, the intentions of particular groups are obscured in complex compromises of material and ideal interests.

Second, planning documents provide interesting and useful data on the perceptions and ideologies of those who sponsor them.

Third, production and issuance of such documents is frequently an important means of bureaucratic and political competition. Quite apart from actions finally taken, therefore, study of such documents can lead to insight into particular competitions and interests.

As a whole, the documents covering 20 years of the planning of Lower Manhattan provide a very useful record of the development of planning thought. Therefore, they can be used to gain insights into the internal development of thought in planning and its relationship to the various clients and publics planners address.

A wide variety of secondary sources provided considerable information of use in this study. Most important were a number of books like William Zeckendorf's autobiography and David Loth's history of Rockefeller Center, that dealt with Lower Manhattan and/or with people who have played important roles there.

The fifth and most important single source used in this study was interviews. Approximately 80 interviews were carried out between August 1974 and August 1975. Respondents are listed in a separate section of the bibliography. At the beginning of this study, interviews were seen as a potential source of two sorts of data: data about historical events and expressions of ideas and values of participants in

Lower Manhattan's redevelopment. Using interview data to aid in reconstructing events requires finding respondents who are knowledgeable and will answer questions, hopefully honestly.

At the study's beginning, two possible problems were foreseen: First, the researcher recognized that many of those who had been important participants in Lower Manhattan events might not wish to be interviewed. If interviewed, moreover, they might refuse to answer some questions. Second, the researcher recognized that **even** if many of those who had been involved in planning as professionals of various sorts were willing to discuss events, they might not know the real import even of their own work. Knowledge, it was thought, might be distributed hierarchically, reflecting a distribution of power in decision making. Because of this possibility, the decision was reached to concentrate interviews, to the extent possible, on higher-level decision makers.

The difficulty of obtaining interviews proved severe. The most important participants in Lower Manhattan's redevelopment, David Rockefeller, John V. Lindsay, Nelson Rockefeller and Robert F. Wagner, were unwilling to provide interviews, as were many lesser figures. A number of figures important in Lower Manhattan's redevelopment are not accessible at all: James Felt is deceased; William Ballard resides in Britain; Austin Tobin is retired and unwilling to give interviews. These problems were solved or minimized where

possible, by interviewing assistants to major figures. Interviews were obtained with Warren Lindquist, David Rockefeller's assistant in real estate matters; Donald Elliott, John V. Lindsay's close associate and former New York City Planning Commission Chairman; William J. Ronan, a man very close to Nelson Rockefeller, and Julius C.C. Edelstein, Deputy Mayor in Robert F. Wagner's last administration. These men, were in positions to know the thinking and actions of their superiors. This was particularly true of Lindquist: it seems likely that most of David Rockefeller's actions in Lower Manhattan have been suggested or planned by Lindquist.

A network sampling procedure was used to select persons to be interviewed. An initial list of persons to be interviewed was drawn from public sources. These were the people whose importance in the planning process was obvious. Thirty individuals were included, of whom sixteen were ultimately interviewed. Names of others to be interviewed were drawn from information obtained in these interviews. In many cases, respondents were asked who might know the details of particular events. This procedure proved very useful. Some of the most helpful respondents, like Warren Lindquist and New York City Municipal Services Administration John Carroll, became known to the researcher only through interviews. Ideally, network sampling of this sort would be a self-limiting process: the researcher, that is would approach a point when all the figures discussed in interviews

had been interviewed and a larger and larger proportion of information obtained would be redundant. This point was approached in some, but not all, aspects of this research. The network sampling procedure made it possible to see the same events from the standpoints of several actors. It became possible to understand the amounts and kinds of knowledge different participants had of particular events when they happened. Finally, the procedure provided a means of checking respondents' statements against one another, since many of those in the network participated in events with each other. Because different interviews dealt with different sets of events seen from different viewpoints, a special interview schedule was drawn up for each interview. In many cases interviews dealt with topics not expected to be dealt with prior to the interview. In most cases, interviews were begun with questions designed to elicit attitudes as well as specific information. For example, interviewees were asked what they thought were the prospects for continued redevelopment of Lower Manhattan, and what these prospects depended on. At the beginning of the research, it was thought that all or almost all interviews would be tape-recorded, and the tapes preserved for future use after extensive notes on them had been taken. Very rapidly, however, it became clear that not all interviews could be taped. Because the researcher thought requesting permission to tape-record in the letter requesting the interview, or by telephone, might create defensive reactions, respondents were asked whether

the interview might be recorded only as the interview began. If they hesitated, the offer not to record the interview, or to allow them to turn off the microphone as they wished was made. This tactic in itself seems to have set a number of respondents at ease. In one case, particularly, it seemed to elicit an extremely useful flow of information that might not have occurred had the original request to tape not been made.¹⁷ In a number of other cases, the request to tape was simply denied. In one case, the respondent asked that no notes be taken, and in several cases respondents arranged matters so that notes were effectively excluded by inviting the researcher to lunch with them. In these cases, extensive recollections of the conversations were recorded immediately after their completion.

A number of participants in Lower Manhattan's redevelopment were interviewed two times; in several cases the second interview was held some time after the first, making it possible to ask questions not apparent at the time of the first interview.

Data from all these sources -- interviews, newspapers, public planning documents, and secondary sources -- was evaluated, first, by the criterion of internal consistency. The researcher was surprised to discover the great value of a quite simple means of evaluating data, ascertaining whether or not it fits neatly into the known chronology of events. This method proved particularly useful in evaluating many interview statements although, of course, only quite

specific statements can be evaluated in this way. Seemingly, detailed chronologies show events in all this complication, and those falsifying data or repeating false impressions cannot easily fit invented data into these chronologies.

Second, the general reliability of the course, and reliability on a particular question, was evaluated. Whether a particular respondent, or the author of another source, had reason to lie about particular events was questioned.

Third and most important, the criterion of consistency between sources was applied to evaluate data. No data confirmed by fewer than two sources is reported as fact in this study.

NOTES: APPENDIX I

1. See, for example, Regional Plan Association, The Office Industry, op. cit.
2. Hunter, op. cit., pp. 11-12.
3. Ibid., p. 259.
4. Nelson W. Polsby, Community Power and Political Theory (New Haven: Yale University Press, 1963)
5. On this point, Irving Louis Horowitz wrote, "...one never understands from Dahl's work that New Haven is not an autonomous center of power; and therefore the fact that he describes a pluralistic distribution of power does not necessarily validate his main underlying thesis concerning pluralism in American society." See Irving Louis Horowitz, Foundations of Political Sociology (New York: Harper and Row, 1972) p. 476.
6. Dahl, for example, dealt with decisions regarding political nominations, urban redevelopment, and public education in Who Governs?
7. Max Weber, The Sociology of Religion, trans. by Ephraim Fischhoff, (Boston: Beacon Press, 1963), p. 1.
8. In an interview, Lindquist mentioned particularly his and David Rockefeller's close relationship with Charles Grutzner, who handled most redevelopment matters for the Times during the late 1950's. Grutzner's regard for Rockefeller is evident in his reports.
9. Ada Louise Huxtable, Will They Ever Finish Bruckner Boulevard? (New York: MacMillan, 1970) is a collection of Huxtable's articles that displays her wide-ranging interests. Huxtable is now Sunday architectural critic for the Times and a member of the editorial board.
10. These points, apparent in Times reports, were made by Paul Goldberger, current Times daily architectural critic, in an interview.
11. On the Post's efforts against Moses, see Robert A. Caro, The Powerbroker (New York: Alfred A. Knopf, 1974), particularly Part VII, "The Loss of Power."
12. See particularly New York Post issues for December, 1974.
13. The New York City Board of Estimate is the city's governing body, although it shares legislative powers with the City Council. The Board of Estimate is made up of the Mayor, the President of the City Council, the Controller, and the Presidents of the City's five boroughs. For further details, see Sayre and Kaufman, op. cit.

14. The New York City Board of Standards and Appeals is charged with hearing and acting on appeals for variances in the enforcement of the city's zoning and building codes.
15. No single complete collection of such documents exists. The following libraries were used: New York Public Library; New York City Municipal Reference Library; libraries of Hunter and City Colleges; informal libraries maintained by the Battery Park City Authority and the West Side Highway Project; archives of the New York City Planning Commission. In addition, many planning documents were obtained from individuals' collections and from issuing organizations.
16. This name was suggested by Professor Joseph Bensman.
17. Professor Joseph Bensman suggested that this technique might be used.

APPENDIX II
SOME OTHER TRANSPORTATION PLANS

A number of sets of events regarding transportation planning for Lower Manhattan have not been dealt with in the text. They reveal, however, patterns similar to those observed elsewhere in Lower Manhattan's redevelopment history, and therefore may be dealt with very briefly here:

Through the late 1960's and into the early 1970's, occasional attempts were made to plan Lower Manhattan facilities for use by Short Takeoff and Landing aircraft, the so-called STOLS. Notably, the DLMA made a proposal, in 1971, that a "Stol-Port Manhattan" be located on landfill around Governor's Island.¹ The DLMA's work is revealing on several counts: First, the presumed major use of STOL aircraft was to whisk busy executives between cities' downtowns, so that their valuable time would not be wasted on trips to and from airports. At the beginning of its work the DLMA had concentrated on obtaining a heliport for Lower Manhattan, to carry executives to and from airports. Now, it concentrated on the STOL port, that would accomplish the same purpose for a very small number of executives. These facts reveal the DLMA's belief that the future of their area lay, ultimately, in making it attractive to and convenient for a very small number of high-level of executives.

Second, the DLMA, so to speak, speculated on development of the STOL, technological development which, as it happens,

has not yet taken place. This reveals the DLMA's approach to redeveloping the area. The DLMA was not so much concerned with the exact shape redevelopment took, but was concerned with obtaining as many resources and advantages as possible for the area.

Another sort of transportation facility planned for Lower Manhattan has been the "people-mover". By 1970, the idea of "people-movers" had gained some currency in nationwide transportation planning. The Urban Mass Transit Administration subsidized various experiments in "people-movers", ranging from moving sidewalks to short-line elevated rubber-tire trains. Several sprawling airports installed the moving sidewalk sort of "people-mover" to aid weary travellers. Finally, the architectural-urban design ambitions of New York's planners led to interest in transportation framework. Midtown's need thought to be great; the business district stretched almost two miles from east to west and, if the Lindsay administration's plans for West Midtown worked out, would become even larger, making internal movement even more difficult. Therefore, a "people-mover" was planned to cross the island at 48th Street.

Downtown, however, would not be left aside. By the beginning of 1971, the DLMA had begun to study the idea. The OLMD and CPC cooperated with two DLMA studies.² One claimed that it, "establishes a striking need for a local transit system in Lower Manhattan".

The need the study saw lay in the large numbers of movements from transit stations to offices, to and from lunch, and on business visits. These, the studies argued, required uncomfortably long and time-consuming walks. The studies concluded that a loop around the office districts, running through the East River landfill and Battery Park City, could be built for \$48 million, hopefully by a private or semi-private corporation. Thereafter, the OLMD and various consultants carried out studies of "people-movers" for Lower Manhattan, always concluding that they were needed and, even with a very low fare, could at least come close to paying for themselves. Finally, an Urban Mass Transportation Administration grant was obtained to study the idea thoroughly. By this time, however, the impracticality of a "people-mover" had become so obvious that it could not be ignored, and the grant was used to study changes in sidewalks and other improvements in pedestrian travel through Lower Manhattan.³

The history of Lower Manhattan "people-mover" ideas is remarkable. From the start, it was obvious that the need for such a facility was minor if such a need existed at all. This is the case, simply, because one can walk from any area of Lower Manhattan to any other area in well less than fifteen minutes. All the "people-mover" studies recognized that any fare at all might deter people from using the facilities, since the benefits they offered were minor. Yet studies of "people-movers" continued. It is conceivable

that, had the economy remained in a booming state and had experiments UMTA carried out with "people-movers" not proven disastrous, a system might have been built in Lower Manhattan.

If the history of "people-mover" studies displays the difficulty urban planning has in getting rid of bad ideas that call for any sort of development, the history of staggered work hours shows the difficulty good ideas not requiring physical investment have in getting support.⁴

After 1970, overcrowding on Lower Manhattan's subways decreased, partially as a result of reductions in the area's work force, partially as a result of staggered work hours. The idea of staggered work hours is obvious. Mass transit facilities are overcrowded only for very short periods of time; therefore, crowding can be reduced by staggering the times at which workers must arrive at and leave work.

Staggering of work hours has been proposed very frequently. In the 1950's staggered work hours met with Transit Authority's objections that staggering work hours in downtown Manhattan or Midtown would create waves; Midtown workers would arrive at Downtown stations just as Downtown workers were leaving, and so forth. In 1968, Lawrence B. Cohen carried out a careful study of staggered work hours and found that modification of work schedules by a half hour to an hour would⁴ have little effect on most types of business operations. During the late 1960's, moreover, the DLMA worked apparently fairly vigorously to get companies to adopt staggered work hours.⁵ All these efforts, however, failed, because businesses

and governmental agencies were unwilling to make the minor changes staggered work hours would require.

In 1969, however, the Port Authority decided to give the idea careful study. First, the Authority placed its own 2000 employees, then located at 8th Avenue and 15th Street, on a **staggered work** schedule. Crowding in elevators, productivity in readily measurable jobs like typing and drafting, and attitudes were measured. The Port Authority discovered no negative effects of the staggering and found that employees perceived better travel conditions.⁶

After this experiment, the Port Authority approached the DLMA. Most first were still reluctant, but some forty firms finally agreed to try the idea. Most important were Western Electric and Manufacturers Hanover Trust. Four months after the beginning of this experiment April 1, 1970, an attitudinal study of 25,000 people and traffic counts at subway and PATH stations were carried out. The positive results mirrored those of the Port Authority's earlier study of its own staff.

Thereafter, staggered work hours continued to attract more businesses, although businesses both Downtown and in Midtown have continued to respond only fairly slowly, despite the obvious important benefits of work-hour staggering.

NOTES: APPENDIX II

1. DLMA, Stol-Port Manhattan, Preliminary Study, January, 1971.
2. DLMA, Lower Manhattan People Mover Study, May, 1972.
Preliminary Study, July, 1971. Quotations from latter.
3. Kaiser Engineers, Peoplemover Systems for Mid- and Lower Manhattan, January, 1973; New York City, Mayor's Office, Office of Lower Manhattan Development, Small Transit for Lower Manhattan, no date; Shostal, Baiter interviews.
4. The following account is based mainly on O'Malley, Gilman interviews, and on the following: Brendan W. O'Malley, "Work Schedule Changes, Staggered Work Hours in New York," paper presented at seventh summer meeting of Transportation Research Board, National Research Council, Jacksonville, August 6, 1974.
5. Lawrence B. Cohen, Work Staggering for Traffic Relief, (New York: Praeger, 1968).

APPENDIX III

NAMES AND POSITIONS OF INTERVIEW RESPONDENTS

- Max Abramovitz: Partner, Harrison and Abramovitz, architectural firm.
- Hoyt Ammidon: Chairman, United States Trust Company of New York; Former Vice Chairman, Port Authority of New York and New Jersey.
- Frank Baraff: Press Secretary to Manhattan Borough President Percy Sutton.
- Richard K. Bernstein: Executive Director, New York City Public Development Corporation; former Executive Director, New York City Planning Commission.
- Ronald Bixby: Staff member, West Side Highway Project.
- Gordon Braislin: Former President, Braislin, Porter and Wheelock; Chairman, Dime Savings Bank.
- Judith Broverman: Director of Public Services, World Trade Department, Port Authority of New York and New Jersey.
- Richard Buford: Former Director, Office of Lower Manhattan Development; former Vice President, Uris Company; Executive Trustee, South Street Seaport Museum.
- Paul Busse: Executive Vice President, Economic Development Council of New York City; former Executive Vice President, Newark Development Council.
- Eugene Callaghan: Staff member, Planning Division, New York City Transit Authority.
- David Caplan: Staff member, Triborough Bridge and Tunnel Authority.
- John T. Carroll: Administrator, New York City Municipal Services Administration; former Commissioner, New York City Department of Highways.
- J.J. Collins: Assistant Vice President for Buildings, New York Telephone Company; Chairman, Planning Committee, Downtown-Lower Manhattan Association.
- William J. Conklin: Partner, Conklin and Rossant, urban planners.
- Robert S. Curtiss: former Chairman, Ely-Cruikshank Co., Inc., realtors; former Director of Real Estate, Port of New York Authority.

Paul Davidoff: Director, Suburban Action Institute, prominent liberal urban planner.

J. Clarence Davies, Jr.: President, J. Clarence Davies, Inc., realtors; former member, New York City Housing and Redevelopment Board.

John B. Davies, Jr.: Vice President for Urban Affairs, Chase Manhattan Bank.

Paul DeBrul: Staff assistant to Bronx Borough President Robert Abrams; prominent urban planner.

Joseph Donahue: Staff member, tenant relocation office, Port Authority of New York and New Jersey.

Julius C.C. Edelstein: Former New York City Deputy Mayor, Wagner administration.

Donald Elliott: Former Chairman, New York City Planning Commission.

Martin Fishbein: Attorney, Battle, Fowler, Stokes and Kheel; assistant to Theodore Kheel, prominent critic of Port Authority.

Frank Gilbert: Executive Director, New York City Landmarks Preservation Commission.

Roger Gilman: Director of Planning, Port Authority of New York and New Jersey.

Paul Goldberger: Daily architectural critic, New York Times.

Ira Goldman: Staff member, Office of Lower Manhattan Development.

John Goodman: Executive Vice President, Downtown Lower Manhattan Association.

Robert Graham: Vice President, First National City Bank.

Avrum Hyman: Director of Public Information, Battery Park City Authority.

Jakob Isbrandtsen: Chairman, South Street Seaport Museum.

Dr. George F. Knerr: Vice President for Planning and Administration, Pace University.

Sylvan Lawrence: Real estate developer.

Edward Levy: Executive Director, New York City Housing Development Corporation.

William Lebwohl: Counsel, Triborough Bridge and Tunnel Authority; former Counsel, New York City Slum Clearance Committee.

Warren Lindquist: Associate of David Rockefeller; former Executive Vice President, Downtown-Lower Manhattan Association.

Camp Mason: Deputy for Parish Resources, Trinity Parish.

Edward J. Mathews: Former partner, Skidmore, Owings and Merrill, architects.

John McGrath: Chairman, East New York Savings Bank; former real estate developer; former New York City Corporation Counsel.

Edward J. Moloney: Vollmer Associates, consulting engineers, consultant to Downtown-Lower Manhattan Association.

Jack Newfield: Journalist, the Village Voice.

Anthony Newman: Executive Director, New York Landmarks Conservancy.

Brendan O'Malley: Department of Planning, Port Authority of New York and New Jersey, in charge of staggered work hours program.

William E. Panitz: President, Citicorp Community Development, urban development subsidiary of First National City Bank.

Roland M. Peracca, Jr.: Vice President, the Chase Manhattan Bank.

Anthony J. Peters: President, Cushman and Wakefield, realtors.

Tyrell G. Rogers: Assistant Vice President, New York Stock Exchange.

Dr. William J. Ronan: Chairman, Port Authority of New York and New Jersey; former Chairman, Metropolitan Transportation Authority; former assistant, Governor Nelson Rockefeller.

Rosemary Scanlon: Regional Studies Department, Port Authority of New York and New Jersey.

S.J. Schulman: President, Westchester County Association, Inc., former planner, Westchester Planning Board; former consultant, Committee on Lower Manhattan Redevelopment.

Whitney North Seymour, Jr.: Former New York State Senator.

H. Claude Shostal: Director, Office of Lower Manhattan Development.

Beverly Moss Spatt: Former member, New York City Planning Commission; Chairperson, New York City Landmarks Preservation Commission.

Gerald Speyer: Vice President, Tishman Realty and Construction.

Peter Stanford: President, South Street Seaport Museum.

Dr. Emmanuel Tobier: Economist, Graduate School of Public Administration, New York University.

Edmund F. Wagner: former President, Downtown-Lower Manhattan Association; former Chairman, Seamen's Bank for Savings; former Chairman, General Realty and Utilities.

Adam Walinsky: former Democratic candidate, New York State Attorney General.

David Wallace: Wallace, McHarg, Todd and Roberts, urban planners.

Richard Weinstein: Former Director, Office of Lower Manhattan Development.

John West: Staff member, Office of Lower Manhattan Development.

William Zeckendorf: Real estate developer.

William Zucker: Former staff member, Downtown-Lower Manhattan Association; Professor, Wharton Entrepreneurial Center, University of Pennsylvania.

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