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**Tom McGeeveran**

A new dynamic is taking hold in lower Manhattan. Good-government groups that have long called for the diversification of the downtown economy, as well as the development of affordable housing and a more diverse retail environment for the people who live there, find that their voices are being heard—and heeded.

And they have an impressive ally. Mike Wallace, the Pulitzer Prize–winning co-author of *Gotham: A History of New York City to 1898*, and arguably the city's foremost public intellectual on the subject of New York history, is making the case for redevelopment on a human, rather than a monumental, scale. Mr. Wallace's new book links downtown redevelopment to a call for a reinvigorated, activist government—that is, the kind of government that was born in New York in the 1920's and 30's.

*A New Deal for New York* will hit the shelves Oct. 1, a utopian gesture in a city that has been mired in grim realities for a year. Mr. Wallace often is asked whether the attacks of last Sept. 11 marked the end of an era in New York. Most recently, the question came up during an interview with *The Observer* in his Brooklyn home, where, fortified by a cup of espresso, the gray-locked New York native, in a patrician, academic tone, once again gave his answer.

"This was not the first mega-catastrophe in the city; in fact, arguably there had been worse," Mr. Wallace said, summoning up examples like the British invasion of Manhattan in 1776, which was followed by a mysterious fire that destroyed a quarter of the city. "I try to remind people that this was a 400-year-old city and eight million strong, and a social organism of that magnitude simply does not get knocked off course by one event, no matter how horrible and cataclysmic."

At the same time, however, Mr. Wallace lays out an ambitious program for the redevelopment of Ground Zero and of the national economy after Sept. 11, seizing a series of opportunities—political, social, cultural, moral—that, he argues, have presented themselves in the wake of the attacks.

"So devastating a blow shatters encrusted pieties about what is and is not possible," he writes at the end of *A New Deal for New York*. "The opposite side of disaster is opportunity. September 11th has provided us an opening, as a city, to make our own course corrections on the river of history—if we have the desire and can summon the will. It won't be the end of an era unless we decide to make it one."

But an entire political edifice has been erected to manage the process of redeveloping the 16-acre site. Well-worn pieties about providing opportunities for public input aside, the Lower Manhattan Development Corporation was designed to keep the city's normal political processes from influencing the course of redevelopment. Conceived by Rudolph

Giuliani in the waning days of his administration as a way of reducing the influence of Mark Green, who was considered a certain winner in last year's Mayoral election, the LMDC is controlled by a board of appointed heads. At the time of its inception, roughly half the LMDC board was appointed by Mr. Giuliani, the other half by Governor George Pataki. (Since Michael Bloomberg's stunning win over Mr. Green last fall, concessions have been made to allow him to make four appointments, though Mr. Pataki has matched them with one of his own.)

With a looming gubernatorial election this year, the LMDC was in a delicate political position. Its leaders had to field questions from grieving spouses, anxious that the entire site be preserved as a permanent memorial. In the meantime, powerful real-estate interests were calling on the LMDC to stanch the flow of companies out of lower Manhattan and provide incentives for businesses to locate near the former Trade Center. For a while, the LMDC basked in the reflected glow of its patrons, Mr. Giuliani and Mr. Pataki, who won praise for their leadership on and after Sept. 11. But before long, it seemed impossible for planners to provide more than a meager portion of the 16-acre site for a memorial, and impossible to reduce revenue streams flowing from the rents paid by World Trade Center leaseholder Larry Silverstein and by Westfield America, the company that held the lease on the W.T.C.'s retail complex, crowding out options for other amenities popular with the public.

"In the end," wrote Mr. Wallace, "the key to political mobilization lies not in official leadership—no matter how well intentioned—but in Gotham's disparate constituencies rallying to the cause of overall civic transformation."

### **Decision Reversed**

If that seems romantic, consider the fact that New York and New Jersey have essentially reversed themselves already on whether there is a need to recoup the 11.5 million square feet of office space lost on Sept. 11. That reconsideration of priorities was inspired by the public's negative reaction to six redevelopment proposals unveiled earlier this summer. A local good-government group, the Civic Alliance to Rebuild Downtown New York, held a hearing in which the plans were harshly criticized, and the public reiterated its wish for greater consultation and input.

Shortly after that meeting, a story leaked about the possibility of swapping the land underneath New York's airports with the Port Authority in exchange for giving the city control of Ground Zero. The plan has attracted criticism—not surprisingly, from Albany and New Jersey, who stand to lose the most under such an arrangement—but also from people like Mr. Wallace.

"This notion of a swap sucks, because the city will lose a fortune," Mr. Wallace said. "Besides, you've got the power! LMDC has the power! Pataki has the power! Expropriate the Port Authority! There are lots of ways of doing this!"

That emboldened perspective is now more common among board members at the LMDC (when they're speaking privately, at least), and rampant among the good-government types. Swap or no, where once the Port Authority seemed an irresistible political force at Ground Zero, now the agency is widely seen as an obstacle to, rather than the vehicle for, the redevelopment of downtown Manhattan. New plans being submitted to the LMDC for the site will not reflect the Port Authority's program requirements. And behind closed doors, discussion of the swap continues.

Meanwhile, Mr. Wallace's treatise calling for a return to New Deal-style government leadership suddenly seems apt.

Shortly after last Sept. 11, Mr. Wallace shifted gears and set aside the highly anticipated second volume of his two-volume history of New York, which will take the story of the city from 1898 through the 20th century.

Mr. Wallace is a public intellectual. As a professor of history at the John Jay College of Criminal Justice at the City University of New York, he's no tweedy Harvardite; but as director of the Gotham Center for New York City History and co-author of *Gotham*, he's the kind of person newspapers call when they want an articulate, professorial voice to speak on current affairs in a historical context. Mr. Wallace also gained public exposure when he served as one of the primary talking heads in Ric Burns' celebrated film, *New York: A Documentary Film*, which debuted on PBS in November 1999.

Mr. Wallace is also a left-wing radical. For 25 years, he has helped publish and edit the *Radical History Review*, and as a student of Richard Hofstadter, he collaborated with the celebrated historian on *American Violence: A Documentary History*. He is also the author of *Mickey Mouse History and Other Essays on American Memory and Terrorism*.

Mr. Wallace's opinions on, say, the push for war with Iraq may be out of step with the general public's hawkish agenda. "I cannot think of one match that would be more fitting to throw into that oil drum as a starter for global economic catastrophe," he said. "And [the Bush administration is] hell-bent on doing that. And the irony is that he thinks that will save him from getting screwed on domestic policy in the recession!" But Mr. Wallace's plan for Ground Zero—in which the space is largely preserved as parkland, with a museum and memorial filled with interactive exhibits mirroring the kind of coverage of Sept. 11 that has kept readers of local newspapers rapt with attention, as well as a revitalized transit hub—is closer to what the public has been asking for on the site than anything available in the LMDC's six plans. Which may prove that at Ground Zero, government intervention is in, and private profiteering is out.

"We have been under the spell—since the mid-70's fiscal crisis, I would argue—of this pre-Reaganite and Reaganite notion that government not only can't do anything right, but is in fact a positive hindrance, and that it should get out of the way and let the free market work its magic," he told *The Observer*. "After Sept. 11, I wanted to seize the opportunity

provided by the sense that this old formula had suddenly seemed to get very tired. There was such an outpouring of feelings and ideas coming out of an entirely different social calculus and moral calculus, that what was 'in' now was compassion and helpfulness, and the sense of being collective members of a civic entity; a sense that public servants—a hackneyed term given new social meaning on Sept. 11—were people to be honored, not bludgeoned, at contract time, for instance."

### **No Imagination**

So far, the promised \$21 billion in federal assistance has done little to fuel the imagination of a city desperate for signs of renewal a year after the attacks.

"Of \$2.7 billion in federal funds set aside for economic redevelopment," Mr. Wallace writes, "the Lower Manhattan Development Corporation, which controls these particular purse strings, is seeking to give away roughly half in cash grants to companies ... that agree to stay for seven years. It's completely appropriate that rehabilitation monies flow to large businesses that suffered death and devastation, yet have stayed, or are considering a return; more dubious to reward the likes of Lehman, which transferred most employees out .... Given American Express' honest admission that 'Our decision to return downtown, which has been our home for more than 150 years, was not predicated on financial incentives,' mightn't there have been a wiser use for the \$25 million giveaway they received?"

For instance, Mr. Wallace advocates a real commitment to the transit hub planned for lower Manhattan, an idea he favors as old-fashioned infrastructure development by government. He also discusses a deal with a local cultural organization with an international focus, with residencies and rehearsal, performance and gallery space, that could reflect the spirit of the original World Trade Center without creating the gloomy prospect of having to fill 11 million square feet of office space in a downward-spiraling office market.

"[There's] a chastened consensus that the area should lighten up on dreams of centripetal glory—especially given the new corporate concern for enhanced security via dispersion and redundancy—and accept that the Financial Center is in fact Manhattan-wide, with important outriggers in New Jersey, downtown Brooklyn, Queens' Long Island City, Westchester and Connecticut," he writes.

Adopting this perspective allows much more of the site to be developed for residential, commercial and cultural uses. All these proposals involve direct government expenditure on building and maintaining the mammoth site. Mr. Wallace doesn't buy the argument that resources for redevelopment are limited; in fact, he writes, the only way for New York to rebuild and recover financially is to engage the national public in a slate of government interventions in the economy—much as Franklin Roosevelt and Fiorello LaGuardia did when the city was hurting once before.

"At the worst moment of the 1930's, they just sit down and simply build!" he said. "Schools and police stations and fire stations and public hospitals and day-care centers and community clinics and mental-health clinics and cultural institutions and on and on and on. It can be done, team, and we've done it! The basic fact of the matter is there *are* public goods, and those are legitimate public purposes, and we can legitimately spend public monies which come from taxation on those goods."

These ideas are not popular in the nation's red-hued states. But Mr. Wallace doesn't have a tin ear for the currents of contemporary politics.

"Do I really think we're going to see a new New Deal?" he asked. "Not just on a local level but nationally, with a new energy policy, transportation policy—all the things I'm laying out? If I were a betting man .... But it depends."

He seemed to think for a moment.

"I don't think that you can gainsay people's response to the disreality of that event: that helping was in .... It's hard to navigate your way through this literary landscape without blowing yourself up in some horrible cliché," he said. "But it is true that you had a sense of people from very different classes and walks of life—bond salesmen and firemen and undocumented immigrants—all perishing in a common democratic tomb. What a degree of interdependencies we normally experience, but don't think about too much.

"It's unbelievable—and it's glorified and sentimentalized and romanticized and ad nauseamized," he said. "But it puts a wrench in the works."