2001

Office of the Mayor
Rudolph W. Giuliani

Deputy Mayors

ROBERT M. HARDING

WORLD TRADE CENTER

0138
Folder
02/02/005
Box

ALPHA SYSTEMS

www.alpha-sys.com

Economic Impact Study Meeting

F

WTC

Location & Time

City Hall (Host is Deputy Mayor Robert Harding)
New York, NY (Between: Broadway & Centre Street)
1st Floor
Wednesday, October 3rd 2001
5:30 PM

Attendees

Robert Harding	*Deputy Mayor,* City Hall
Adam Barsky	*Director,* Mayor's Office of Management & Budget
Supratim Bhaumik	*Senior Vice President,* New York Economic Development Corporation
David Rubenstein	*Deputy Director,* Mayor's Office of Management & Budget
Steven Spinola	*President,* New York Real Estate Board
Arnon Mishkin	*Vice President,* Boston Consulting Group, Inc.
Anand Raghuraman	*Manager,* A.T. Kearney, Inc.
Kathryn Wylde	*President & Chief Executive Officer,* New York City Partnership and New York City Investment Fund
Janice Cook Roberts	*Executive Vice President,* New York City Investment Fund
Ernest Tollerson	*Senior Vice President,* New York City Partnership

new york city partnership

THE ECONOMIC IMPACT OF THE SEPTEMBER 11TH ATTACK ON NEW YORK CITY

THE ECONOMIC FRAMEWORK FOR NYC RENEWAL

Discussion Document

Study Objectives

- Adapt a baseline of NYC economic forecasts prior to WTC tragedy
- Assess economic impacts of WTC tragedy on all key industries and sectors of city economy
    - Define future outlook over the next 12-60 months
- Develop recommendations to accelerate recovery
    - Define principles for future investment and policy priorities

Establish a credible source of information and expertise for public and private investors in New York City

Three Deliverables

- ***Where we were***: A baseline picture of the New York City economy prior to September 11, 2001

- ***Where we are***: An analysis of the current situation with a focus on assessing affected sectors and cross-sector implications.

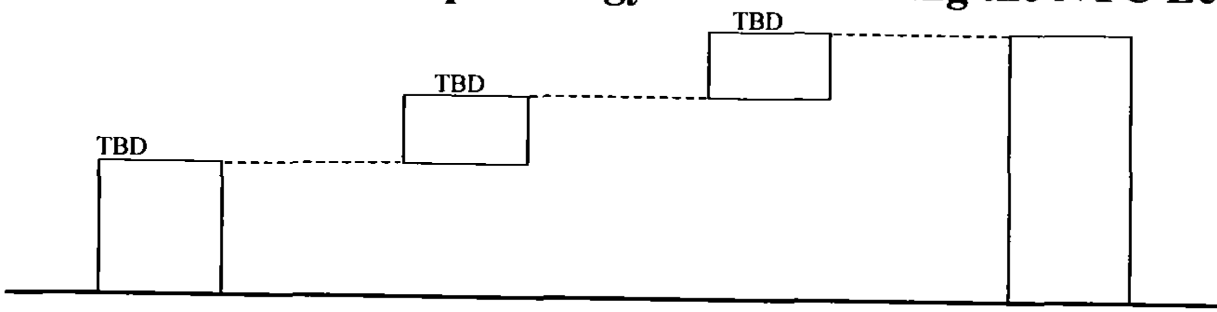
- ***Where we can go***: An analysis of the longer term (12-60 month) outlook for the City's economy including recommendations for both private and public sectors
  - Opportunities (including SWOT assessment by industry)
  - Investment priorities
  - Tax incentives and other public policy requirements

Refine output fortnightly

PRELIMINARY

Setting the Baseline

Framework to Develop Strategy for Revitalizing the NYC Economy



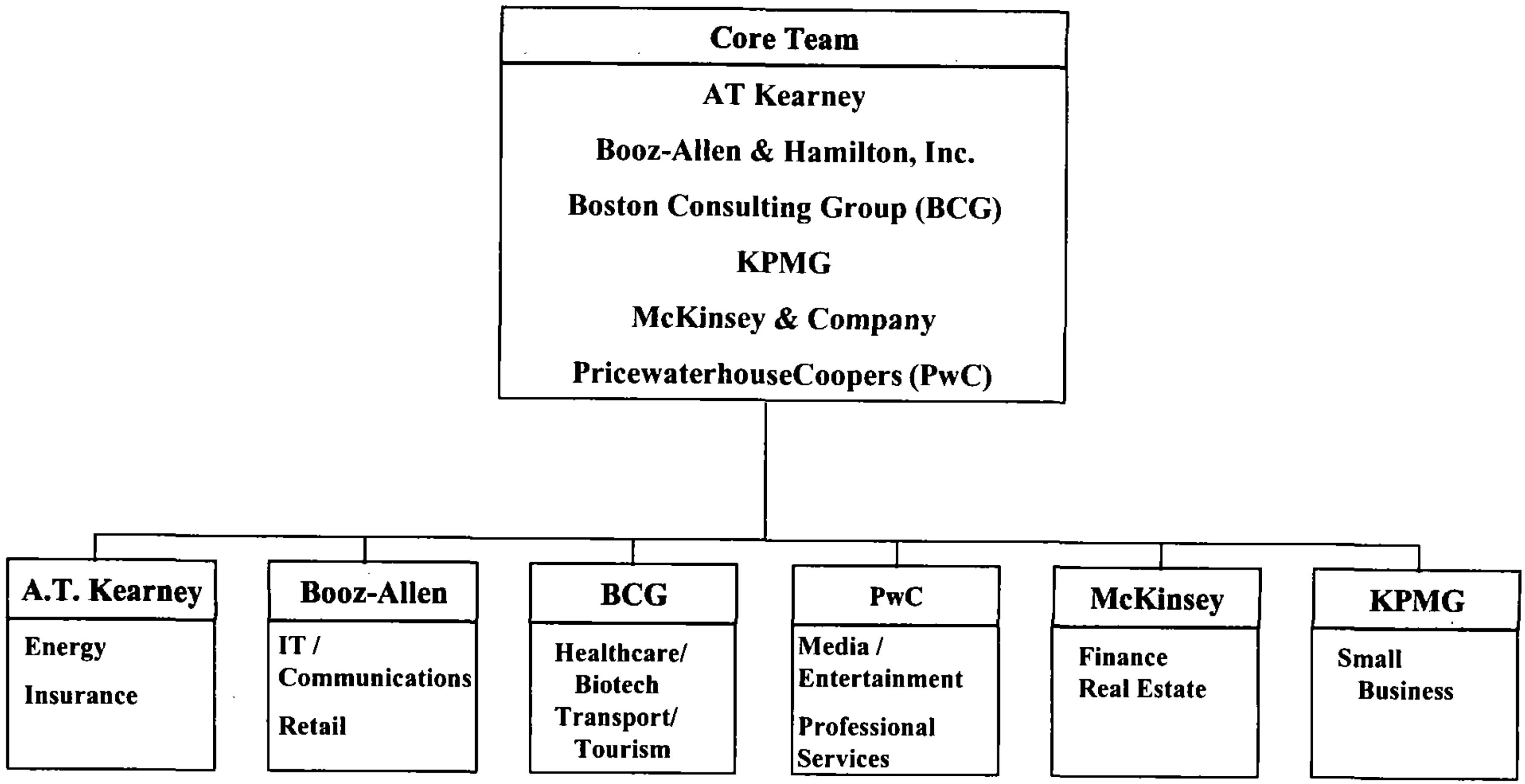
	Direct costs	Indirect costs	Secondary effects	Total
Description	Actual losses incurred: • Human • Property	Negative impact on output, spending, and productivity • Decrease in tourism, entertainment, and retail spending • Short-term productivity impact from work stoppage and talent/data loss	Impact of event on long-term GDP growth rates • Business confidence shaken resulting in business migration from city: • Softening real estate value	
Approach	Use insurance claim estimates as proxy	Quantify revenue losses by industry using previous disaster comparables as input baseline	Estimate percentage decline in GDP due to WTC disaster long-term effect	

Revitalize and stimulate the NYC economy by focusing on industries that bear the greatest indirect costs

Key Elements of Sector Analysis

- Baseline assessment – snapshot before September 11
- Key economic impacts of September 11, including
  - Lost jobs and wages
  - Lost revenue
  - Direct costs to affected businesses
  - Indirect costs
  - Tax impact
  - Other appropriate metrics, by industry/sector
- Primary drivers of impact (e.g., consumer/ institutional confidence; security; access/ convenience of communication; travel/ geographic requirements)
- Quantification of drivers
  - Methodology
  - Refined quantification
- Action plan to affect drivers
  - Scope
  - Resources required
- Key policy questions that arise
  - Priorities and focus

Project Structure



World Trade Center Emergency Costs

	Vendor	Estimated	Actual	Vendor Total
	Poll Workers & Coordinators	$ 4,471,500.00	$ -	$ 4,471,500.00
	Poll Sites	$ 155,000.00	$ -	$ 155,000.00
Y	Bradford & Bigelow	$ 12,000.00	$ -	$ 12,000.00
Y	Pace Press	$ 19,500.00	$ -	$ 19,500.00
Y	Sequoia Voting Systems	$ 375,000.00	$ 145,194.52	$ 520,194.52
Y	Vanguard Direct	$ 8,800.00	$ 31,586.50	$ 40,386.50
Y	International Election Systems	$ -	$ 110,808.00	$ 110,808.00
	Trucking	$ 850,000.00	$ -	$ 850,000.00
	(as per John O'Grady)			
Y	Adirondack Rentals	$ -	$ 192,697.00	$ 192,697.00
Y	First Class Car & Limousine	$ -	$ 56,822.90	$ 56,822.90
	Voting Machines (16)		$40,000	$ 40,000.00
	Postage	$ 8,800.00	$ -	$ 8,800.00
	TOTAL	$ 5,900,600.00	$ 577,108.92	$ 6,477,708.92

P.S. Increases due to WTC	Amount	
Overtime	$ 193,522.01	
Temporary Employees	$ 141,398.76	
TOTAL PS INCREASES	**$334,920.77**	$ 334,920.77

TOTAL PS and VENDOR	**$ 6,812,629.69**

Lenny
Ziccardi:
Pls review - I'd like
2 believe it's to
because they had to abort
9/11 primary.

Bob's copy.
Gave to Len [illegible]

Adopted Budget Forecast:

US GDP fell from 5% in 2000 to 1.7% in 2001

Corporate Profits fell from 12.5% growth in 2000 to a 6.1% decline in 2001

Securities Industry Profits fell from $21 billion in 2000 to $5.5 billion in 2001

Local Employment gains fell from nearly 100,000 in 2000 to 32,000 in 2001 and 7,400 in 2002

Wages fell 1.7% in FY2001, due primarily to declines in bonuses

Capital Gains Realizations fell 28% in 2001.

As a result of this forecast non-property taxes were forecast to fall $816 million below the FY2002 level (adjusted for tax law changes FY2002 was projected to fall $509 million below the FY2001 level, or 3.4%).

	FY2001	**FY2002**
Non-property Taxes Before STAR & TFA	$14,937	$14,121

The preliminary outlook which calls for steeper drops in GDP, corporate profits, jobs and capital gains could reduce revenue by another $1 billion.

Adam Goodman: (814) 230-5462

	Revenue Impact (FY) ($'s millions) 2002
Personal Income Tax Losses Due to Declines in Jobs, Bonuses & Capital Gains	($580)
Business Income Tax Losses Due to Securities Industry Profit Declines	($247)
Sales and Hotel Tax Losses Due to Tourism, Travel and Trade Declines	($358)
Real Property Tax/PILOT/ Commercial Rent Tax Losses Due to Physical Damage	($85)
Real Estate Transfer Tax Losses	($264)
Audit Losses	($51)
Total	($1,585)

- 3x tax exempt
- PIT Red Lower Manhattan
- tax credit | EE
- Crime Victim for small business
- uninsured compensation.
- COBRA @ 100%

infrastructure

Gov's off

Monday @ 11^{00}

health care - HIT?

Comm Ent Zones o/s & 1/3 L.M.

AmEx. Ken Chenault - LM 209-5208

Morgan Stanley - Phil Purcell

Merrill - Stan O'Neal (?)

AmEx.

761-4724

Rudy/GEP → meet w/ ind CEO's.

City of New York

Rudolph W. Giuliani
Mayor

Estimated Costs of September 11, 2001 World Trade Center Terrorist Attack

Draft as of 9/24/01
Compiled by New York City Office of Management and Budget

Contents

Summary
New York City
Preliminary Estimate of Costs

($ in millions)

City Budget Costs		
Personal Services	$	3,619
Other Than Personal Services		9,700
Budget/Business Stabilization Assistance		4,626
	$	**17,945**
Private Sector		
Office Space Replacement	$	8,256
Equipment		2,400
Lost Private Sector Employee Earnings		1,800
Private Buildings: Haz Mat Removal and Structural Remediation		1,080
	$	**13,536**
MTA and Transit Authority	**$**	**4,100**
Port Authority	**$**	**2,449**
Utility Infrastructure	**$**	**900**
Total Estimated Cost	**$**	**38,930**

Summary
New York City
Preliminary Estimate of Costs by Component

($ in millions)

City Budget Costs	
Personal Services	
Uniform and Civilian Employee Costs	
New York City Police Department	$ 3,138
New York City Fire Department	103
Department of Sanitation	183
Department of Correction	38
Department of Transportation	50
Health and Social Services	33
Citywide Support Services	25
Other	49
Subtotal Personal Services	**$ 3,619**
Other Than Personal Services	
Emergency Construction Contracts	$ 7,000
Demolition, Debris Removal, Stabilization and Remediation of WTC Site	
Uniform and Civilian Agencies' Costs	
New York City Police Department	868
New York City Fire Department	272
Department of Sanitation	276
Department of Correction	4
Department of Transportation	68
Health and Social Services	327
Citywide Support Services	314
Other	88
	$ 2,217
Roads and Other Infrastructure Costs	$ 250
Water mains, sewers, and road reconstruction in two zones:	
1) West St. to Broadway(West/East), Chambers St. to Rector St.(North/South)	
2) Broadway to William St.(West/East), Fulton St. to Wall St.(North/South)	
Board of Education	$ 136
Aid to directly affected schools, recovery of lost instructional time	
CUNY (Replacement of lost facilities)	$ 47
Burial Costs	$ 50
Subtotal Other Than Personal Services	**$ 9,700**
Other	
Budget Stabilization Assistance to Cover Revenue Losses	$ 3,614
First year costs: $583 million. $3.6 billion over 10 years.	
Economic Stabilization and Recovery Program	$ 1,012
Rental assistance, revolving bridge loans, tax-exempt bonding authority, Federal guarantee of reconstruction bonds	
Subtotal Other	**$ 4,626**
Subtotal City Budget Costs	***$ 17,945***

Other Than City Budget Costs

<u>World Trade Center</u>		
World Trade Center Office and Hotel Space Replacement 15.7 million square ft x $525 per square foot.	$	8,256
Equipment/Renovation 400,000 employees x $6,000 per employee		2,400
Lost Private Sector Employee Earnings 40,000 employees x $45,000 per employee		1,800
Private Buildings: Cleaning, Haz Mat Removal and Structure Remediation 150 million square feet x $5 per square foot. 15 million square feet x $22 per square foot.		1,080
	$	13,536
<u>MTA and Transit Authority</u>		
Costs resulting from service disruption, capital budget impact, enhanced security measures and revenue losses	$	4,100
<u>Port Authority</u>		
Additional Airport and Port Security		1,150
PATH Infrastructure		1,000
Revenue Loss from PATH, Airports, Tolls, etc.		159
Other Expenses		140
	$	2,449
<u>Utility Infrastructure</u>		
Substation, Utility Lines, and Buildings	$	900
<u>Subtotal Other Than City Budget Costs</u>	*$*	*20,985*
<u>Total Estimated Costs</u>	*$*	*38,930*

Selected Agencies' Back-up Material

Uniformed Agencies' Estimated Costs

Uniformed Agencies' Summary Expenses

($ in millions)

Personal Services

Agency		Uniform	Civilian	Totals
New York City Police		$ 3,065	$ 73	$ 3,138
Fire Department New York		102	1	103
Department of Sanitation		153	30	183
Department of Correction		36	2	38
Subtotals		**$ 3,356**	**$ 106**	**$ 3,462**

Other Than Personal Services

Agency	Equipment	Vehicles	Communications	Misc/Other	Totals
New York City Police	240	200	205	223	$ 868
Fire Department New York	180	61	7	24	272
Department of Sanitation	126	59	5	86	276
Subtotals	**$ 546**	**$ 320**	**$ 217**	**$ 333**	**$ 1,416**

Uniform Agencies' Totals

New York City Police	$ 4,006
Fire Department New York	375
Department of Sanitation	459
Department of Correction	38
Totals	**$ 4,878**

New York City Police Department

Estimated Costs

($ in millions)

Category	Item	Estimate	Subtotal
Equipment			
	Harbor Unit Equipment (Patrol launches, Scuba gear, repairs)	$ 50	
	Aviation Unit Equipment (including helicopters)	50	
	Photo imaging display, Flack Jackets, etc.	25	
	Biological / Chemical Warfare (NBC suits, garments, helmets)	40	
	Other (Citywide precinct security, bollards, CCTV)	75	$ 240
Vehicles			
	Replacement of Radio Motor Patrol Vehicles	$ 40	
	Replacement of large vehicles (Cranes,HazMat,Tractors)	35	
	Prisoner Transport vehicles, THV's, Suburbans, etc.	25	
	Repairs / parts replacement / other	100	$ 200
Communications			
	E911 Equipment Replacements	$ 25	
	Headquarters Communication System and Security	25	
	Mobile Digital Terminals Replacement	35	
	AVL / GPS System (includes base station and hardware)	20	
	Other (PBX, Portable Radios, T-1 Lines, Handheld Devices)	100	$ 205
Miscellaneous / Other			
	Fuel	$ 25	
	Air Filtration System Replacement	18	
	Anti-terrorist Supplies and Materials (40,000 @ $1,000)	40	
	Uniform Replacements (40,000 @ $1,000 each)	40	
	Other (citywide precinct security, bullet resistant glass)	100	$ 223
	Total:		**$ 868**

Fire Department

Estimated Costs

($ in millions)

Category	Item	Estimate	Subtotal
Emergency Protective Measures			
	5 Communication Offices	$ 45	
	Automatic Vehicle Locator System	25	
	Emergency Response Systems	33	
	Computer Aided Dispatch (CAD)	35	
	Wide Area Network	21	
	CAD Back-up	15	
	Medical Emergency Response Vehicle	1	
	HazMat	1	
	Command/Communications Trailers	4	**$ 180**
Vehicles			
	Fire Apparatus/Ambulances	58	
	Support Services - Large Vehicles	2	
	Support Services - Small Vehicles	1	**$61**
Communications			
	Radio Antennae	1	
	Telecommunications	6	**$7**
Miscellaneous / Other			
	Facility Rehabilitation	2	
	Death Benefits	16	
	Miscellaneous Supplies	6	**$24**
	Total:		**$ 272**

Department of Sanitation

Estimated Costs

($ in millions)

Category	Item	Estimate	Subtotal
Emergency Protective Measures			
	Automatic Vehicle Locator System (3,500 vehicles)	$ 35	
	Back-up Voice Communication System	3	
	X-Ray and Metal Detectors at 80 Facilities	2	
	Consultant Contracts for Emergency Work	2	
			$ 42
Equipment			
	Barges (84 at $1 million each)	84	
			$ 84
Vehicles			
	Dump Trucks (94 at $120,000 each)	11	
	Front End loaders (90 at $120,000 each)	11	
	Payhaulers	8	
	Fuel Trucks, Backhoes, Flatbeds, Car Carriers, etc	3	
	Salt Spreaders (25 at $160,000 each)	4	
	Superloaders	3	
	Cranes - Large and Small	12	
	Light Duty Vehicles	3	
	Flushers (8 at $200,000 each)	2	
	Bulldozers (3 at $500,000 each)	2	
			$59
Communications			
	Wireless Capabilities for LAN System	5	
			$5
Miscellaneous / Other			
	Barge Contract	18	
	Garner Contract (Debris Sorting and Sifting)	39	
	Landfill Cover Contract	14	
	Equipment and Supplies (shovels, masks, rain gear, etc)	15	
			$86
	Total:		$ 276

Department of Transportation Estimated Costs

Department of Transportation

Estimated Costs

($ in millions)

Division	Item	Personal Services	Other Than Personal Services	Totals	
Highway					
	Personal Services				
	Debris Removal	$ 34	$ -	$ 34	
	Mechanics	$ 4	$ -	$ 4	
		$ 38		**$ 38**	
	OTPS				
	Automotive Maintenance and Repair - Associated with Debris Removal		$ 13	$ 13	
	Transportation Costs Associated with Debris Removal (fuel, tolls, etc.)		$ 8	$ 8	
	Capital Contract Schedule Recovery		$ 8	$ 8	
	Replacement Vehicles		$ 0	$ 0	
			$ 30	**$ 30**	**$ 68**
Bridges					
	Personal Services				
	Ironworkers and Other	$ 2	$ -	$ 2	
		$ 2		**$ 2**	
	OTPS				
	Capital Contract Schedule Recovery		$ 16	$ 16	
	Replacement Computer Equipment		$ 1	$ 1	
	Replacement Vehicles		$ 0	$ 0	
	Miscellaneous Replacement Equipment		$ 0	$ 0	
			$ 17	**$ 17**	**$ 20**
Passenger Transit and Traffic					
	Personal Services				
	Ferry and Surface Transit	$ 7	$ -	$ 7	
	Traffic	$ 3	$ -	$ 3	
		$ 10		**$ 10**	
	OTPS				
	Subsidized Franchise Bus Revenue Impact		$ 14	$ 14	
	Additional Subsidized Franchise Bus Deployment for Disaster Relief		$ 2	$ 2	
	Additional Ferry Service Fuel & Maintenance (Brooklyn and National Guard)		$ 2	$ 2	
	Additional Ferry Service Support and Infrastructure		$ 1	$ 1	
	Temporary Traffic Control System		$ 1	$ 1	
	Miscellaneous Traffic Control Equipment (signs, sign parts, cones, etc.)		$ 1	$ 1	
			$ 21	**$ 21**	**$ 31**
			TOTAL		**$ 118**

Health and Social Services Estimated Costs

HEALTH AND SOCIAL SERVICES
SUMMARY OF EXPENSES

($ in millions)

Mental Health Services and Counseling	$25
Employment Services	54
Social Services Support	53
DNA Testing & Medical Examiner's Services	50
Family Disaster Center	18
Hospital Services	160
Total	**$360**

Department of Mental Health

($ in millions)

The aftermath of the World Trade Center terrorist attack has caused significant psychological trauma to individuals throughout New York City. Anecdotal evidence from the voluntary not for profit providers has revealed that while the attack will undoubtedly have significant impact on those directly affected, it has also disrupted treatment regimens for many in the City who were already undergoing mental health treatment.

The number of people affected is expected to be in the thousands. Treatment will vary with individuals and will have to be tailored to meet their clinical needs. Conservative estimates of the numbers impacted follow. Actual expenses may be significantly higher.

Number of WTC Employees	30,000		
Conservative estimate of the number impacted @ twice the # of employees	60,000		
Estimated counseling sessions per the following schedule @ $100/session			
50 % need at least 1 counseling session	30,000	50%	$3
25 % need at least 3 counseling sessions	15,000	25%	5
15 % need at least 6 counseling sessions	9,000	15%	5
10 % need at least 12 counseling sessions	6,000	10%	7
Additional Group therapy sessions may be necessary for school children and families. While some individuals, particularly those directly affected are likely to suffer trauma for a long time, those costs will become clearer in the coming months. Presented above is a very preliminary and conservative estimate of the short-term costs.			5
Total			**$25**

Employment Services

($ in millions)

The World Trade Center was the economic hub of downtown New York City. While it provided the base for a significant number of white collar companies, it also supported a vast number of ancillary businesses, ranging from messenger services, cleaning companies and food vendors to temporary staffing agencies and retail establishments. Economic and social displacement as a result of the terrorist attack will extend throughout the City.

The City will expend significant effort to help businesses in maintaining their operations and, as part of that effort, must provide incentives and assistance, including appropriately trained workers. It is likely that some businesses will relocate or close -- their workers will need to be linked to new employers and retrained to meet the new labor market needs. What follows below is a conservative estimate of the number who may be impacted. Expenditures may well exceed these preliminary estimates.

About 20% of the 30,000 people employed at the World Trade Center worked in low-wage jobs, which provided little or no job security and few benefits or transferable skills. Unemployment insurance will not cover support needs for these individuals and their families. An additional 12,000 people facing similar displacement are estimated to have worked in the immediate surrounding area. Subsidized employment, training and support services will be needed to re-integrate these individuals into the labor market as expeditiously as possible.

Trade Center Employees	30,000
low wage/hourly employees	20%
employees impacted	6,000
employees in ancillary businesses	12,000
total employees	18,000
cost per person for subsidies, training and support services	$3,000
Total	**$54**

Social Services

($ in millions)

Community based family crisis service providers have reported an upsurge in families seeking immediate crisis counseling as a result of the terrorist attack. Family members, particularly children, witnessed the attack personally or through TV and are reporting various psychological trauma symptoms. The estimates presented below are preliminary as longer-term needs may well evidence themselves in the coming months. An initial estimated 2,500 families will require an average of three months of counseling.

Families needing counseling		2,500
Cost per slot for 3 months of counseling services		$1,625
Total Cost for Counseling	**$**	**4**

While an array of immediate benefits including FEMA grants, crime victims assistance, survivor's benefits and insurance is available to most, if not all, of the terrorist's victims and their families, the New York City social services infrastructure anticipates sharply increased service demands. Families who lost the primary breadwinners will need day care services; families who must now depend on a single wage earner may need food stamps, housing assistance or other supports; relatives or foster parents caring for children of victims will become eligible for child welfare services; economic dislocation caused by the attack will result in additional burdens on the human services programs, including housing, homeless services, income support and local community based programs, such as after-school care and food banks. Most programs have limited grant funding so New York City's ability to provide these services will require additional support. The estimates below are preliminary and will be revised as the needs become clearer.

Day care slots		2,500
Cost per slot		$7,500
Total new day care cost	**$**	**19**
After-school slots needed		10,000
Cost per slot@$75 month	**$**	**9**
10% of dislocated workers require housing assistance		1,800
Mortgage and rental assistance @$1,000/month for one year	**$**	**22**
Total	**$**	**53**

Office of the Chief Medical Examiner (OCME)

($ in millions)

It is now estimated that over 6,000 individuals are missing and presumed dead as a result of the terrorist attack on the World Trade Center. With few exceptions, identification of victims will only be possible through DNA analysis. In addition, the OCME has also incurred significant staffing and supply costs in the aftermath of the attack.

Assumptions:

Because the remains of the deceased in the World Trade Center tragedy are not intact and are scattered throughout a wide area, it is estimated that 5 DNA samples will have to be collected and tested before each missing individual can be identified.

Estimated number of missing individuals	6,000
Number of DNA tests per person for positive identification	5
Total number of DNA tests to be performed	30,000
Cost per DNA test	$1,500
Total cost for DNA testing	**$45**

In addition, the OCME has been required to maintain critical staff such as pathologists, medicolegal investigators, and criminalists on constant duty throughout the disaster and has incurred additional costs for refrigerated vans, autopsy supplies, and body bags.

Estimated cost of additional staffing and supplies	**$5**
Total	**$50**

Family Disaster Center

($ in millions)

The City established the Family Disaster Center as a one-stop center to coordinate services provided to victims and their families. Agencies located at the center include; FEMA, the Red Cross, the Medical Examiner, the Social Security Administration, FBI, OEM, Crime Victims Board, Small Business Administration, and City agencies, including the Human Resources Administration. In addition to providing direct assistance the center is staffed by counselors and religious organizations to provide grief counseling and mental health services. The center is fully functioning office with state-of-the-art networked computers, separate counseling rooms, a child care center and waiting areas. Multiple agencies can access a central repository of information that minimizes survivors' paperwork while increasing the efficiency and coordination of relief organizations' efforts.

Computers	$	5
Networking		3
Communications		3
Office Equipment		4
Furniture & Miscellaneous		4
Total		**$18**

Hospital Industry

($ in millions)

Immediately following the World Trade Center disaster, hospitals throughout New York City geared up to receive thousands of injured patients. Preparations that led to increased costs for hospitals throughout New York City included:

- the authorization of additional overtime for doctors, nurses, and support staff;
- the hiring of contract nurses and other temporary workers;
- the establishment of command centers at each hospital; and
- additional purchases of critical supplies such as surgical equipment, pharmaceuticals, and food.

In addition, hospitals had to undertake several emergency measures to prepare for the expected influx of injured patients, all of which contributed to significant revenue losses. While such losses are difficult to quantify at this time, they will undoubtedly lead to even larger operating deficits at hospitals that were already under financial duress prior to the terrorist attack.
These revenue losses include:

- the temporary closure of all ambulatory care sites such as hospital outpatient facilities, clinics, and diagnostic and treatment centers;
- the suspension of all elective surgeries requiring inpatient stays;
- the early discharge of clients receiving inpatient care in order to free up beds for the individuals who were injured at the World Trade Center; and
- the use of medical staff to perform non-reimbursable services such as grief counseling and administration.

Although the hospitals near Ground Zero received the bulk of the injured, individuals impacted by the tragedy were treated at a number of hospitals several miles away from the site, and hospitals in the outer boroughs remained on high alert in the event that hospitals in the immediate vicinity would be unable to cope with the anticipated workload.

Assumptions:

Health and Hospitals Corporation payroll	$6 million per day
Additional staffing costs at time and a half	$3 million per day
Additional supply costs	$1 million per day
Total additional costs at HHC	$4 million per day
HHC percentage of total hospital market in New York City	25%
Additional staffing and supply costs at voluntary hospitals	$12 million per day
Total hospital industry costs	$16 million per day
Number of days that hospitals remained on high alert	10 days
TOTAL	**$160**

Citywide Support Services Estimated Costs

Department of Information Technology and Telecommunications

($ in millions)

DOITT provides centralized data center, telecommunication, and wireless communication services for various city agencies. DOITT operates and maintains one of the largest data centers in the nation. The data center provides various information and network technology services for various city agencies including public safety agencies. The data center also provides backup mainframe services for the Police Department. DOITT has provided resources to city agencies to regain connectivity to the data center, citywide networks, and will continue to provide GIS map support, consultant services, and wireless communication support during the coordination and response effort.

Personal Services Expenses	$	3
Information Systems Replacements and Repairs		5
Consultant Services		5
Other Miscellaneous		16
Emergency Protective Measures (GIS & Wireless Communications)		136
Total	**$**	**165**

Department of Citywide Administrative Services

($ in millions)

The Department of Citywide Administrative Services (DCAS) has provided extensive supply support and distribution services in relation to the World Trade Center terrorist attack. These services will continue throughout the rescue, recovery, and clean up efforts. These services include the procurement and distribution of a wide variety of goods, including respirators, protective clothing, water, generators, and fuel. DCAS will also be responsible for Citywide vehicle replacement.

DCAS also provides facilities management services for various city-owned buildings. DCAS is required to bring a large number of City occupied buildings in the downtown area back to an occupiable condition, requiring ventilation system repair, hazardous material testing, and structural analysis. In addition, DCAS' Division of Real Estate Services has been coordinating office relocation efforts for displaced city agencies.

Personal Services Expenses	$	20
Other than Personal Services Expenses		44
Emergency Protective Measures (Inventory Management & Control)		15
Replacement Vehicles		25
Total	**$**	**104**

Office of Emergency Management Command Center

($ in millions)

The Office of Emergency Management Command Center was located in 7 World Trade Center and was destroyed. The City was required to relocate OEM's Command Center to a temporary location. The center includes a fully operational computer and telecommunications system allowing all City, State and Federal agencies to coordinate the continuing response to the attack. A long-term replacement site will also be necessary.

Construction Costs (56,000 sq ft @ $683/sq ft, $5M for temp site)	$	43
Telecommunications		5
Initial Outfitting		5
Consultant Costs		1
Total	**$**	**54**

Board of Elections

($ in millions)

The New York City September 11th primary election was aborted shortly after the terrorist attack on the World Trade Center. The Board of Elections expended significant resources to host this election event. This year's primary election is an unprecedented election due to the large number of contested races for Mayor, Public Advocate, Comptroller, Borough President, and various City Council seats. The Board of Elections must be supported to ensure that the City's democratic process and government stability remain intact.

The primary election is rescheduled for September 25th which will require the Board of Elections to mobilize its operations to prepare voting machines, poll sites, and deploy staff citywide. The delay of the primary has compressed the time period between the primary election and the general election. This delay will result in additional costs to the Board of Elections to expedite its operations. In addition, the computer system located in the Board's downtown office has been damaged and requires replacement.

Personal Services Expenses	$	2
Other than Personal Services Expenses		11
Computer System Replacement		3
Total	**$**	**16**

Emergency and Disaster Preparedness Projects and Programs

($ in millions)

Project		**Estimated Costs**
Emergency Radio Network - Channel 16	$	60
OEM Command Center Replacement		54
Citywide - GIS Mapping		40
DoITT 800Mhz Radio Network		20
DCAS Inventory Control and Management		15
Citywide Emergency Management Training		2
Citywide Security and Surveillance		1
Total	**$**	**192**

Education Aid Estimated Costs

Education Stabilization Program

The Board of Education requests $136 million to cover estimated expenditures and revenue losses as well as programs to recover lost instructional time.

- Aid to Directly Affected Schools ($4.8 million): To replace items damaged and accommodate 5,800 relocated students

- Systemwide Classroom Instruction ($108.2 million): 3 hour afterschool program to compensate for period of diminished instructional time citywide.

- Building Restoration ($3.3 million): Restoration of school facilities damaged or used as sites for rescue and recovery.

- Support Services ($13.4 million): To cover increased transportation for relocated students, repair of damaged computer systems in affected schools, meals provided to emergency workers and mailings and publications.

- Revenue Losses ($6.1 million): To replace food revenue/aid lost due to low attendance.

Port Authority Estimated Costs

Port Authority

($ in millions)

Replacement Costs		
Temporary Replacement Offices/Systems/Staffing	$	150
PATH WTC Station Replacement		850
Replacement & Expanded Ferry Service		100
Power Generating Sub-station		40
	$	**1,140**
Port Authority Revenue Losses		
Revenue Loss from Airport Operations	$	35
Loss to Shippers		10
Road Toll Losses from Closing/Reduced Traffic		35
P.A. Bus Terminal Revenue Loss		9
PATH Revenue Loss		70
	$	**159**
Additional Aviation Security Systems	**$**	**960**
Additional Port Commerce Security including Staten Island Railroad Upgrade	**$**	**145**
Public Safety (Patrol Boats, Helicopters, etc.)	**$**	**45**
Total Estimated Port Authority Costs	**$**	**2,449**

Economic Stabilization Estimated Costs

Overview of Economic Stabilization and Recovery Program

The Economic Development Corporation requests $1 billion in funds to support business retention and relocation efforts and legislative authority to reduce the cost of replacing the lost and damaged office space.

- SBA Direct Loans for Physical and Economic Damage: Guidelines to be relaxed to expand eligibility and provide enhanced benefits. Applications now being accepted and processed

- Revolving Bridge Loans: To fund companies awaiting SBA loan approval and funds disbursement. To be offered through banks backed by loan guarantee fund. Government will establish guarantee fund to be matched by banks on a 5:1 basis. $50 million in government support would leverage as much as $250 million in private financing on a revolving basis.

- Direct Business Assistance: Up to $1 billion in assistance to offset increased costs for companies forced to relocate, together with limited funding for companies moving into Downtown Manhattan.

- Tax Exempt Bonding Authority: $15 billion triple tax-exempt bonding authority for the repair/reconstruction of up to 25 million square feet of office space. This will significantly reduce interest costs and thereby reduce construction and occupancy expenses.

- Federal Guarantee of Reconstruction Bonds: Federal guarantee of reconstruction bonds for buildings to be constructed in Downtown Manhattan. This will further enhance the availability of private credit for mortgage financing and reduce interest costs.

Budget Stabilization Assistance

The City of New York requests funding of $3.6 billion in transitional aid over ten years to replace lost tax revenue. Until the WTC can be rebuilt the City will suffer annual losses in property taxes or Payments in Lieu of Tax. In addition, tax revenue will be immediately reduced due to the dislocation of an estimated 44,000 workers and their businesses as well as from the decline in tourism.

The City requests $583 million in City fiscal year 2002 and City fiscal year 2003. The amount will phase down each year through 2011.

Budget Stabilization Assistance

fiscal_assistance
9/21/01

A. Transitional aid based on loss of property tax (or equivalent) for approximately 25 million sq ft destroyed or rendered uninhabitable.
B. Transitional aid based on the dislocation of an estimated 44,000 workers. (WTC jobs lost or relocated and the multiplier effects of that loss)
C. Transitional aid based on the losses to Tourism (40% reduction in hotel tax and sales tax on "other visitor spending")
The funding would be required this fiscal year and would phase down over 10 years as new replacement space is developed.

$'s millions

	A	B	C	Total	Phase-out
2002	$ 185	$ 110	$ 288	$ 583	100%
2003	$ 185	$ 110	$ 288	$ 583	100%
2004	$ 148	$ 88	$ 230	$ 466	80%
2005	$ 148	$ 88	$ 230	$ 466	80%
2006	$ 111	$ 66	$ 173	$ 350	60%
2007	$ 111	$ 66	$ 173	$ 350	60%
2008	$ 93	$ 55	$ 144	$ 292	50%
2009	$ 74	$ 44	$ 115	$ 233	40%
2010	$ 56	$ 33	$ 86	$ 175	30%
2011	$ 37	$ 22	$ 58	$ 117	20%
Total	1147.0	682.0	1785.6	3614.6	

Economic Stabilization and Recovery Program

This program will cover the increased annual occupancy costs and one-time relocation expenses.

A.Three year as of right relocation assistance program for businesses which relocate within the City.
B. Revolving Loan Program

$'s millions

	A.	B.	Total
2001	$ 550	$ 50	$ 600
2002	$ 275		$ 275
2003	$ 137		$ 137
Total	$ 962		$ 1,012

New York City Economic Stabilization Program Details

City of New York Economic Stabilization and Recovery Program

TABLE OF CONTENTS

EXECUTIVE SUMMARY

The City is requesting $1.05 billion in federal funds to support immediate business stabilization and recovery efforts. We are also requesting legislative authority to issue federally guaranteed, triple tax-exempt bonds to finance the reconstruction and repair of lost commercial space and other property in the City.

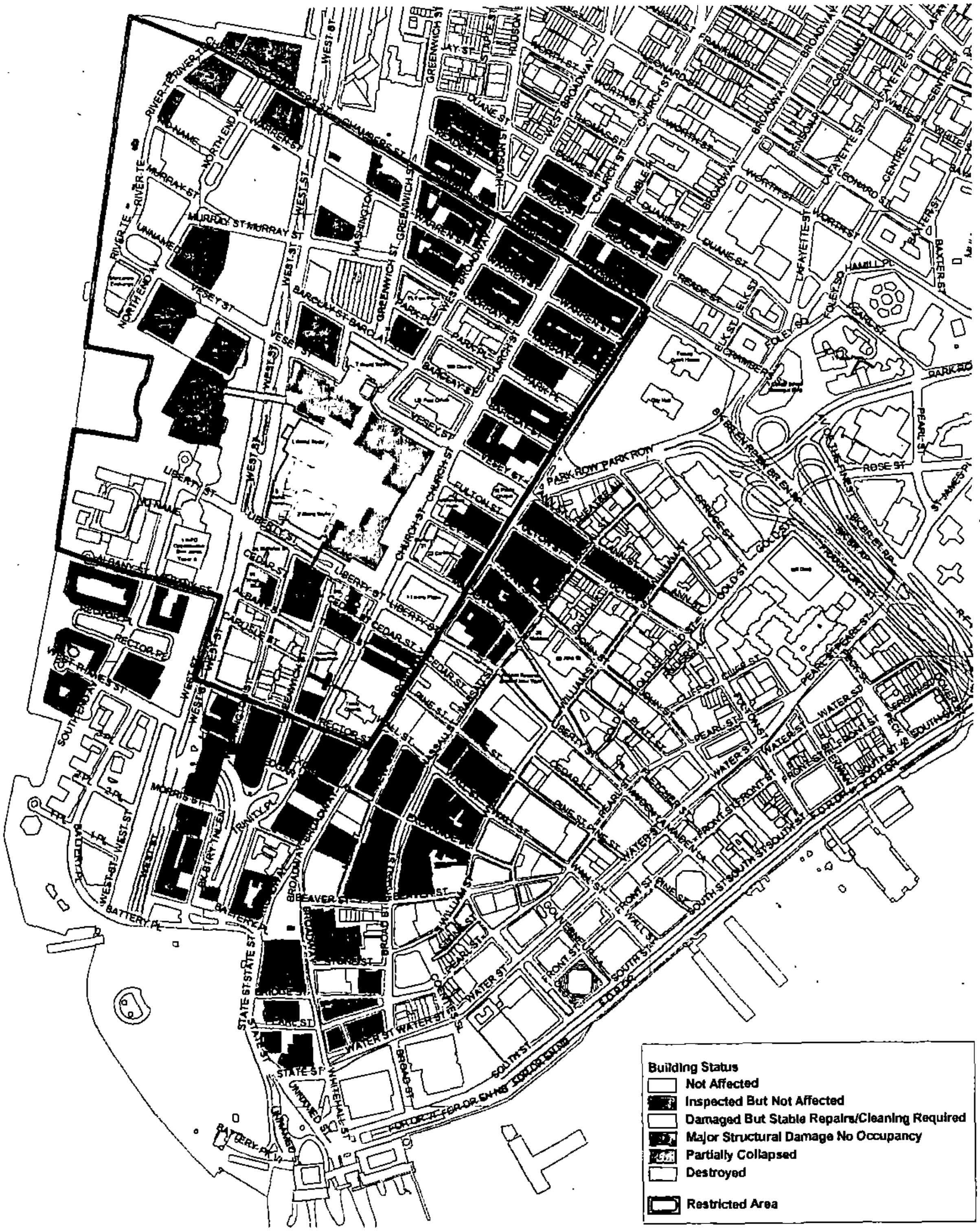
The economic dimensions of the attack are staggering and the repercussions yet to be understood. Approximately 17.5 million square feet of commercial space has been destroyed, another 7.5 million square feet is severely damaged and has been rendered uninhabitable, and 5.0 million square feet was spared structural damage but requires repair. The attack directly impacted approximately 4,500 companies and not-for-profit institutions, of which approximately 3,800 employ less than 100 workers. In all, we estimate that 80,000 to 100,000 jobs have been dislocated or lost as a result of the attack. The economic loss, both inside and outside of the immediately affected area, has yet to be fully assessed.

The response plan described herein addresses the urgent needs of Lower Manhattan and New York City. To meet the immediate survival needs of small businesses and not-for-profits, we will bridge SBA disaster financing by providing an initial $250 million in low-interest bank loans backed by a $50 million guarantee fund. (The guarantee fund is to be funded in equal parts by the State and the City.) We will also provide direct assistance to all businesses displaced by the attack to enable them to stay in Lower Manhattan and New York City. Occupancy and relocation cost increases will be partially offset by this direct assistance.

In the months to come, it is hoped that these immediate efforts will help to stabilize Lower Manhattan and its business community. However, additional measures will be needed to support the development of up to 25 million square feet of replacement commercial space. Legislation should be enacted to authorize a designated local entity to issue federally guaranteed triple tax-exempt bonds to help finance the reconstruction effort. This entity will issue bonds for commercial development in the City, reducing construction costs, and thus, occupancy expenses of business tenants. The primary focus of the effort will be rebuilding Lower Manhattan.

Finally, because the full repercussions of the attack are impossible to know at this time, we will need to seek additional federal assistance in the future.

Building Structural Damage as of 9/22/01 7:00 PM



Disclaimer: The City of New York does not certify the correctness of any information provided on this map and is not liable for any actions taken or not taken by any persons.

0.1 0 0.1 0.2 Miles

N

City of New York
Emergency Mapping Center
Rudolph W. Giuliani, Mayor

Immediate Initiatives
Recovery Loan Program

Objective:
To enable financial institutions to make bridge loans to affected businesses awaiting SBA Disaster loan financing. The Program will rely on loan guarantees to provide backstop credit support for bank loans to businesses and not-for-profits that may not be eligible for SBA take-out. We request also that not-for-profits be granted eligibility for SBA Economic Injury loans. Initial funding for the Program will be provided by the City and State of New York, with Federal reimbursement of these amounts.

Program Description:
The Recovery Loan Program will establish a loan guarantee fund to enable participating institutions to provide bridge loans to businesses affected by the WTC attack. It is expected that banks will be able to approve bridge loans within 3 days of application. Term loans and lines of credit, ranging up to $100,000, may be used for working capital, real estate, machinery and equipment, inventory and supplies. Most of these borrowers will eventually qualify for SBA Physical Disaster and Economic Injury loans. The immediate establishment of this Program will, however, allow banks to make bridge loans while loan applications are being reviewed by the SBA. The interest rate charged on these loans during the bridge period will match that offered by the SBA.

Eligibility:
New York City-based commercial, industrial, retail enterprises and nonprofit corporations affected by the WTC disaster, and applying for Physical Disaster and Economic Injury loans from the SBA.

Cost:
The Program will be established initially with a guarantee fund of $50 million, funded equally by the City and the State of New York. Federal reimbursement for this amount will be provided subsequently. With a 20% loan guarantee fund anticipated, a 5:1 leverage ratio will permit the banks to lend an initial amount of up to $250 million to affected businesses. The money will be recycled as the SBA "takes out" loans initiated under this Program, thereby increasing the total amount of credit available to affected companies.

Immediate Initiatives
SBA Loans

Objective:
To support affected businesses by providing expanded eligibility and enhanced benefits for entities receiving SBA loans.

Outstanding Regulatory/Legislative Concerns:

- Expand borrower eligibility criteria for both Physical Disaster and Economic Injury loans to include all sectors affected by the attack, including, but not limited to, firms involved in investment services and not-for-profit entities. We estimate that there are 26 not-for-profits employing approximately 1,600 workers in the impacted area.

- Adjust small business definition for employment and revenue criteria to reflect business profiles in impacted area.

- Increase cap for loan amounts from $1.5 million to $10 million.

- Relax collateral requirements for service businesses and not-for-profit entities.

- Extend window for Physical Disaster and Economic Injury loan applications to one year.

- Increased underwriting flexibility, where possible, with regard to credit and other eligibility requirements.

- Provide for expedited review and disbursement of loan proceeds.

Immediate Initiatives
Direct Business Assistance

Objective:
To ensure that affected businesses are not burdened by dramatically increased operating costs as a result of the attack, and to encourage the revitalization of Lower Manhattan.

Description:
This is a three-year program that will partially compensate businesses for increased operating costs due to higher rents, relocation expenses and leasehold improvements. In the first year, businesses will be reimbursed for the difference between new occupancy costs and pre-attack occupancy costs. The amount of assistance in the first year will be up to $25 per square foot of leased space. The assistance will phase out over the next two years, at $10 per square foot and $5 per square foot in the second and third years. The maximum amount provided to any single business under the program will be $40 per square foot.

The program will provide assistance to eligible businesses that sign new leases, up to a total 25 million square feet. The initial reservation of Direct Business Assistance funds will be for businesses and not-for-profit entities forced to relocate as a result of the attack. Should the full 25 million square feet not be committed, remaining funding will be offered to companies moving into Lower Manhattan.

Eligibility:
To qualify, businesses must have been located within the approximately 25 million square feet of commercial office space that was destroyed or rendered uninhabitable by the attack. Uncommitted funding will then be made available to businesses relocating to Lower Manhattan from outside the area, until the full 25 million is allocated.

Cost:
We estimate the cost to provide this assistance to businesses signing new leases for 25 million square feet of space at $1 billion.

Rebuilding and Reconstruction Initiatives
Triple Tax Exempt Reconstruction Bonds

Objective:
To provide a financing mechanism that will accelerate the construction of commercial space to replace the approximately 25 million square feet lost in the terrorist attack. Legislation should be enacted by Congress to provide authorization to issue up to $15 billion in triple tax-exempt bonds. The bonds would be used to finance the redevelopment, construction, and renovation of the approximately 25 million square feet of commercial space that was lost in the attack.

Program Description:
Federal assistance and legislation are required to support the construction of new commercial space in New York City. This will be accomplished by authorizing a designated local authority to issue triple-tax exempt bonds (interest payments will also be exempt from State and City income tax). The local authority, acting as a conduit issuer, will offer this low-cost construction financing to allow for efficient access to capital needed for the reconstruction effort. By reducing the cost of construction financing, building owners will be able to produce space with rents more nearly approximating pre-attack levels.

Eligibility:
The local authority would have the ability to issue debt for up to $15 billion for the development of up to 25 million square feet of real estate. Eligible projects would meet the following criteria: minimum size of 100,000 square feet, pre-leasing of at least 40%, rents to be consistent with current market conditions, and favorable economic benefits to the City and State. Priority will be given to projects located in or around the area impacted by the terrorist attack. To the extent that the 25 million square feet can not be located in Lower Manhattan, and there remains bonding authority, the local authority may designate other project sites elsewhere in New York City.

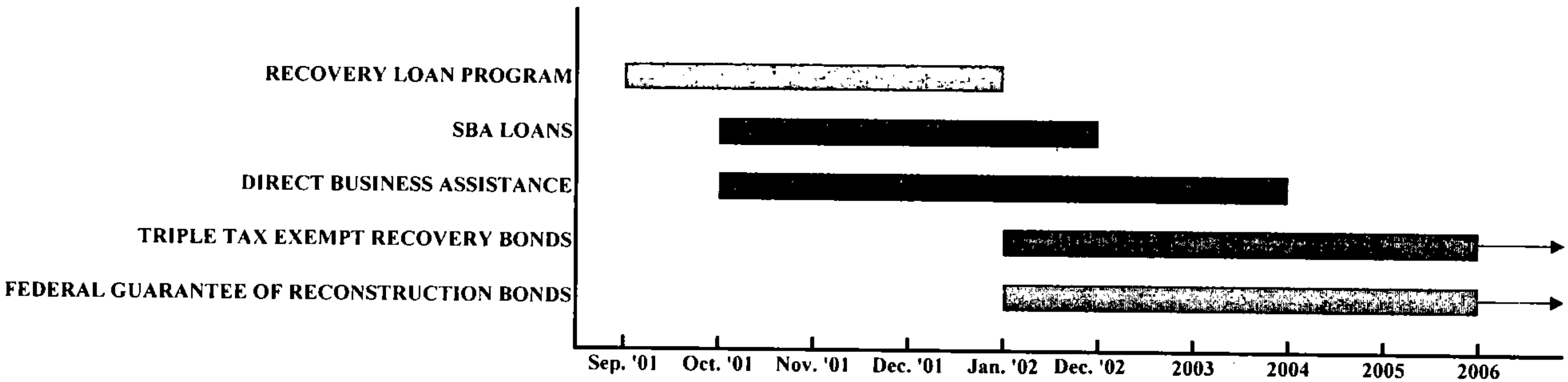
Rebuilding and Reconstruction Initiatives
Federal Guarantee of Reconstruction Bonds

Objective:
To further reduce interest costs on the tax-exempt debt issuance, ensuring the creation of replacement office space that offers reasonable occupancy costs.

Program Description:
A federal guarantee for the anticipated issuance of up to $15 billion of triple tax-exempt bonds will further lower the cost of financing the redevelopment of the approximately 25 million square feet of destroyed and damaged office space. Federal legislation is required to provide the guarantee. The combination of a federal guarantee with tax-exempt debt could result in interest rates as low as 4%.

Eligibility:
The federal guarantee on the tax-exempt debt will only be available for office space redeveloped in Lower Manhattan.

Timeline of Economic Stabilization Programs for Businesses Affected by the WTC Attack



State and City of New York Economic Stabilization and Recovery Program

TABLE OF CONTENTS **page**

[illegible]

EXECUTIVE SUMMARY

The City and State are requesting $___ billion in federal funds to support immediate business stabilization and recovery efforts. We are also requesting legislative authority to issue federally guaranteed, triple tax-exempt bonds to finance the reconstruction and repair of lost commercial space and other property in the City.

The economic dimensions of the attack are staggering and the repercussions yet to be understood. Approximately 15.7 million square feet of commercial space has been destroyed, another 7.5 million square feet is severely damaged and has been rendered uninhabitable, and 5.0 million square feet was spared structural damage but requires repair. The attack directly impacted approximately 4,500 companies and not-for-profit institutions, of which approximately 3,800 employ less than 100 workers. In all, we estimate that 80,000 to 100,000 jobs have been dislocated or lost as a result of the attack. The economic loss, both inside and outside of the immediately affected area, has yet to be fully assessed.

The response plan described herein addresses the urgent needs of Lower Manhattan, New York City, and adjacent New York State counties. To meet the immediate survival needs of small businesses and not-for-profits, we will bridge SBA disaster financing by providing an initial $_________ million in low-interest bank loans in New York City, backed by a $_________ million guarantee fund. This guarantee fund will subsequently be expanded to $_________ *million* to serve businesses in adjacent New York counties. Small businesses suffering physical losses or located in the most severely affected areas will receive $_________ million in direct assistance to cover uninsured losses. We will also provide direct assistance to all businesses displaced by the attack to enable them to stay in Lower Manhattan and New York City. Occupancy and relocation cost increases will be partially offset by this $_________ billion in direct assistance. Funding will also be made available to ensure the continued viability of the City's tourism industry.

In the months to come, it is hoped that these immediate efforts will help to stabilize Lower Manhattan and its business community. However, additional measures will be needed to support the development of up to 25 million square feet of replacement commercial space. Legislation should be enacted to authorize a designated local entity to issue federally guaranteed triple tax-exempt bonds to help finance the reconstruction effort. This entity will issue bonds for commercial development in the City, reducing construction costs, and thus, occupancy expenses of business tenants. The primary focus of the effort will be rebuilding Lower Manhattan.

Finally, because the full repercussions of the attack are impossible to know at this time, we will need to seek additional federal assistance in the future.

Immediate Initiatives
Recovery Loan Program

Objective:
To enable financial institutions to make bridge loans to affected businesses awaiting SBA Disaster loan financing. The Program will rely on loan guarantees to provide backstop credit support for bank loans to businesses and not-for-profits that may not be eligible for SBA take-out. We request also that not-for-profits be granted eligibility for SBA Economic Injury loans. Initial funding for the Program will be provided by the City and State of New York, *with Federal reimbursement of these amounts.*

Program Description:
The Recovery Loan Program will establish a loan guarantee fund to enable participating institutions to provide bridge loans to businesses affected by the WTC attack. It is expected that banks will be able to approve bridge loans within 2 days of application. Term loans and lines of credit, ranging up to $100,000, may be used for working capital, real estate, machinery and equipment, inventory and supplies. Most of these borrowers will eventually qualify for SBA Physical Disaster and Economic Injury loans. The immediate establishment of this Program will, however, allow banks to make bridge loans while loan applications are being reviewed by the SBA. The interest rate charged on these loans during the bridge period will match that offered by the SBA.

Eligibility:
New York City- and State-based commercial, industrial, retail enterprises and nonprofit corporations affected by the WTC disaster, and applying for Physical Disaster and Economic Injury loans from the SBA.

Cost:
The Program has been established for New York City businesses, with an initial guarantee fund of $50 million (to be increased to $____), funded equally by the City and the State of New York and to be reimbursed subsequently by the Federal government. With a 20% loan guarantee fund anticipated, banks will be able to lend an initial amount of up to $250 million to affected businesses. The money will be recycled as the SBA "takes out" loans initiated under this Program, thereby increasing the total amount of credit available to affected companies. A similar guarantee structure will be created for businesses located in New York State, outside of the City, with a guarantee fund of $__________ to be funded initially by the State, with subsequent Federal reimbursement.

Immediate Initiatives
SBA Loans

Objective:
To support affected businesses by providing expanded eligibility and enhanced benefits for entities receiving SBA loans.

Outstanding Regulatory/Legislative Concerns:

- Expand borrower eligibility criteria for both Physical Disaster and Economic Injury loans to include all sectors affected by the attack, including, but not limited to, firms involved in investment services and not-for-profit entities. We estimate that there are 26 not-for-profits employing approximately 1,600 workers in the impacted area.
- Adjust small business definition for employment and revenue criteria to reflect business profiles in impacted area.
- Increase cap for loan amounts from $1.5 million to $10 million.
- Relax collateral requirements for service businesses and not-for-profit entities.
- Extend window for Physical Disaster and Economic Injury loan applications to one year.
- Increased underwriting flexibility, where possible, with regard to credit and other eligibility requirements.
- Provide for expedited review and disbursement of loan proceeds.

Immediate Initiatives
Uninsured Physical Damage Assistance for Businesses

Objective:
To support small businesses which have sustained uninsured physical damages.

Description:
The program will provide direct assistance for firms which have uninsured physical damages. Assistance will cover the first $10,000 of uninsured losses and 10% of the amount thereafter, up to a maximum amount of $100,000 per firm.

Eligibility:
Eligibility will be limited to small businesses that have suffered physical damage or are located in the "frozen zone", near the World Trade Center.

Cost:
We estimate that up to 1,000 businesses will be eligible for this benefit and that the maximum cost of this program is $50 million.

Immediate Initiatives
Relocation Assistance for Displaced Businesses

Objective:
To ensure that displaced office tenants are not burdened by dramatically increased operating costs as a result of the attack and that they do not permanently relocate out of New York City, and to encourage the revitalization of Lower Manhattan.

Description:
This program will partially compensate displaced businesses, which we estimate employ up to 100,000 people, for increased operating costs due to higher rents, relocation expenses, and leasehold improvements to replacement office space. The program will provide benefits over three years, which represents the minimum period for construction of replacement office space. The amount of assistance in the first year will be up to $5,000 per employee. The assistance will continue at a reduced level over the next two years, at $2,500 per employee per year. The maximum amount provided to any single business under the program will be the lesser of $10,000 per employee or the aggregate increase in occupancy and relocation costs. Should the full 100,000 jobs not be relocated within New York City, remaining funding will be offered to companies moving into lower Manhattan.

Eligibility:
To qualify, businesses must have been located within the approximately 25 million square feet of commercial office space that was destroyed or rendered uninhabitable by the attack, and must relocate within the five boroughs of New York City. Additionally, companies will be required to commit to remain in New York City for a minimum of seven (7) years. Uncommitted funding will be made available to businesses relocating to lower Manhattan from outside the area, until the full amount of funding is allocated.

Cost:
We estimate the maximum cost to provide this assistance at $1 billion.

Immediate Initiatives
Tourism Industry Assistance

Objective:
To restore the New York City tourism industry.

Description:
This program will fund market research and special promotional activities to ensure the recovery and ongoing health of the City's tourism industry.

Cost:
We estimate the cost to provide this assistance at $20 million.

Rebuilding and Reconstruction Initiatives
Triple Tax Exempt Reconstruction Bonds

Objective:
To provide a financing mechanism that will accelerate the construction of commercial space to replace the approximately 25 million square feet lost in the terrorist attack. Legislation should be enacted by Congress to provide authorization to issue up to $15 billion in triple tax-exempt bonds on behalf of private developers. The bonds would be used to finance the redevelopment, construction, and renovation of the approximately 25 million square feet of commercial space that was lost in the attack.

Program Description:
Federal assistance and legislation are required to support the construction of new commercial space in New York City. This will be accomplished by authorizing a designated local authority to issue triple-tax exempt bonds (interest payments will also be exempt from State and City income tax). The local authority, acting as a conduit issuer, will offer this low-cost construction financing to allow for efficient access to capital needed for the reconstruction effort. By reducing the cost of construction financing, building owners will be able to produce space with rents more nearly approximating pre-attack levels.

Eligibility:
The local authority would have the ability to issue debt for up to $15 billion for the development of up to 25 million square feet of real estate. Eligible projects would meet the following criteria: minimum size of 100,000 square feet, pre-leasing of at least 40%, rents to be consistent with current market conditions, and favorable economic benefits to the City and State. Priority will be given to projects located in or around the area impacted by the terrorist attack.

Rebuilding and Reconstruction Initiatives
Federal Guarantee of Reconstruction Bonds

Objective:
To further reduce interest costs on the tax-exempt debt issuance, ensuring the creation of replacement office space that offers reasonable occupancy costs.

Program Description:
A federal guarantee for the anticipated issuance of up to $15 billion of triple tax-exempt bonds will further lower the cost of financing the redevelopment of the approximately 25 million square feet of destroyed and damaged office space. Federal legislation is required to provide the guarantee. The combination of a federal guarantee with tax-exempt debt could result in interest rates as low as 4%.

Eligibility:
The federal guarantee on the tax-exempt debt will only be available for office space redeveloped in Lower Manhattan.

F

WTC

Attachment View -- *Powered by* Outside In HTML Export

Back to Message

Sheet1

	A	B	C
1	**NYC Space Taken by Affected Companies since 9/11/01**		
2			
3			
4	**Company**	**Address**	**Square footage**
5	**Governmental**		
6	NYSE	14 Wall Street	100,000
7	NY State Court of Claims	26 Broadway	68,000
8	NYC Housing Authority	90 5th Avenue	100,000
9	NYS Dept. of Taxation and Finance	1740 Broadway	90,000
10	NYC OMB	59 Maiden	271,000
11	Department of Defense	767 5th	47,600
12	Federal GSA	601 W. 26th Street	75,000
13		2 Penn Plaza	118,000
14	SEC	233 Broadway	111,200
15	Port Authority	225 Park Avenue South	126,815
16		233 Park Avenue South	85,519
17	**Total Governmental**		**1,193,134**
18			
19	**Private Corporations**		
20	AON	685 3rd Avenue	210,000
21	Bank of New York	5 Penn Plaza	52,000
22		111 8th Avenue	79,000
23		620 6th Avenue	75,000
24		1290 6th Avenue	90,000
25		330 West 34th Street	128,000
26		*15 Broad Street*	*650,000*
27	Barclays	450 W 33rd Street	400,000
28	Empire Health Choice	Atlantic Center	190,000
29		(Temporary until 9 South is built)	250,000
30	Marsh & McClennan	1166 6th Avenue	320,000

31	Thatcher, Profitt	11 W42nd Street	101,000
32	Kemper	101 Park Avenue	78,000
33	Oppenheimer Funds	498 7th Avenue	100,000
34		1 Penn Plaza	112,000
35	Fred Alger Management	111 5th Avenue	40,000
36	Brown & Wood	875 3rd Avenue	53,000
37	Hartford Insurance	2 Park Avenue	131,000
38	Chase	245 Park Avenue	207,000
39	Fiduciary Trust	600 5th Avenue	85,000
40	Deutsche Bank	280 Park Avenue	80,000
41	Zurich	105 E 17th Street	125,000
42		601 W 26th Street	95,000
43		1 Hudson Square	75,000
44	Deloitte & Touche	825 3rd Avenue	60,000
45	Instinet-renewing lease	875 3rd Avenue	107,000
46	Lehman	399 Park	400,000
47		180 Water Street	500,000
48	Harris Beach	1325 6th Avenue	44,000
49	Mass Mutual	498 7th Avenue	80,000
50	Fuji Bank	622 3rd Avenue	110,000
51	CIBC	622 3rd Avenue	150,000
52		417 5th Avenue	130,000
53	Goldman Sachs	77 Water Street	64,000
54	**Total Private**		**5,181,000**
55	**Grand Total**		**6,374,134**

(R) WTC

PM, all the information is below.

We are also trying to get the word out to all displaced companies to attend.
I don't know if you can inform the people who are providing help to the displaced/affected businesses, but if you can forward the message to your
contacts we would appreciate it or if you have any suggestions please let us
know.
Thanks,
Raquel

Silicon Alley Community Meeting:
Relief, Recovery, and Rebuilding

On Wednesday Night, October 3rd, at 6:30 PM,
* NYSIA is hosting a Silicon Alley Community Meeting
to address the concerns of local technology businesses.

Who Should Attend?
All concerned professionals and businesses in New York City's technology community should attend. This meeting will offer "one stop shopping" for displaced and affected companies. In addition, this meeting will also be
informative for all companies in the sector who are now facing economic pressures in the aftermath of the recent terrorist attack on New York City.

Who Will Be Speaking?
Invitations have been extended to representatives of the Mayor's Office, NY
State, the NYC Partnership,
the Federal Small Business Administration, and other government and private
agencies concerned with relief, recovery, and rebuilding.

Assistance Pavilion
Leading NYC companies such as IBM, JPMorgan Chase, Microsoft, Verizon & others will be offering special relief & recovery assistance via booths.

Host: The New York Software Industry Association (NYSIA)

Special Thanks to Co-Sponsors:

AlleyCat News, AlleyEvents.com, atnewyork, ChangingOurWorld.com, CISDD (CUNY Institute for Software Development and Design), Courtney Pulitzer's
Cyberscene, Digital Media Wire, FireRed, iLounge Network, The New York InfoTech Forum, The New York New Media Association (NYNMA) ,
PinkSlip.org,
Silicon Alley Cares, Silicon Alley Station, Webgrrls New York City (more to
be announced)

Date: Wednesday, October 3rd
Time: Doors open 6 PM | Program starts promptly 6:30 PM
Location: The Altman Building
135 W. 18th Street (between 6th and 7th)
FREE to ALL!
RSVP REQUIRED: http://www.nysia.org/eba_meeting.cfm
<http://www.nysia.org/eba_meeting.cfm>
Go to www.nysia.org <http://www.nysia.org> for more information and to register or if you do not currently have Internet access,
call (212) 475-4503.

PM, all the information is below.

We are also trying to get the word out to all displaced companies to attend.
I don't know if you can inform the people who are providing help to the displaced/affected businesses, but if you can forward the message to your
contacts we would appreciate it or if you have any suggestions please let us
know.
Thanks,
Raquel

Silicon Alley Community Meeting:
Relief, Recovery, and Rebuilding

On Wednesday Night, October 3rd, at 6:30 PM,
NYSIA is hosting a Silicon Alley Community Meeting
to address the concerns of local technology businesses.

Who Should Attend?
All concerned professionals and businesses in New York City's technology community should attend. This meeting will offer "one stop shopping" for displaced and affected companies. In addition, this meeting will also be
informative for all companies in the sector who are now facing economic pressures in the aftermath of the recent terrorist attack on New York City.

Who Will Be Speaking?
Invitations have been extended to representatives of the Mayor's Office, NY
State, the NYC Partnership,
the Federal Small Business Administration, and other government and private
agencies concerned with relief, recovery, and rebuilding.

Assistance Pavilion
Leading NYC companies such as IBM, JPMorgan Chase, Microsoft, Verizon & others will be offering special relief & recovery assistance via booths.

Host: The New York Software Industry Association (NYSIA)

Special Thanks to Co-Sponsors:

AlleyCat News, AlleyEvents.com, atnewyork, ChangingOurWorld.com, CISDD (CUNY Institute for Software Development and Design), Courtney Pulitzer's
Cyberscene, Digital Media Wire, FireRed, iLounge Network, The New York InfoTech Forum, The New York New Media Association (NYNMA) , PinkSlip.org,
Silicon Alley Cares, Silicon Alley Station, Webgrrls New York City (more to
be announced)

Date: Wednesday, October 3rd
Time: Doors open 6 PM | Program starts promptly 6:30 PM
Location: The Altman Building
135 W. 18th Street (between 6th and 7th)
FREE to ALL!
RSVP REQUIRED: http://www.nysia.org/eba_meeting.cfm
<http://www.nysia.org/eba_meeting.cfm>
Go to www.nysia.org <http://www.nysia.org> for more information and to register or if you do not currently have Internet access,
call (212) 475-4503.

help."
Yonkers Mayor John Spencer said, "While extending our sympathies to the victims and their families, as a City, Yonkers has been fully supportive of
the rescue efforts by sending our firefighters and police to assist. We are
now honored to work hand-in-hand with Governor Pataki to make facilities available for displaced businesses at the Yonkers WTC Small Business Relocation Center."

Chairman of Empire State Development Charles A. Gargano said, "We are grateful to all the companies that have donated time and resources to help
fellow businesses during this time of economic recovery. It is heartwarming
to witness so many people and organizations coming together in the spirit of
cooperation to help those impacted rebound from the losses they have suffered."
Ridge Hill is a 273,000-square-foot building owned by the Yonkers IDA and
set on an 84-acre campus which belongs to the New York State Office of General Services. It offers abundant parking and laboratory, manufacturing
and warehouse space. Tenants interested in permanent relocation to Ridge Hill can make arrangements with the Ridge Hill Development Corporation.
OGS Commissioner Kenneth J. Ringler, Jr. said, "This office space will help
small businesses remain viable as they recover from the World Trade Center
attack. OGS is proud to have worked closely with other State agencies and
the private sector to provide this space."
The Small Business Recovery Center is easily accessible and only 15 minutes
from midtown Manhattan. It is located just off New York State Thruway Exit
6A, with easy access from the Saw Mill River Parkway and the Sprain Brook
Parkway, as well as public transportation, Amtrak and Metro North rail lines.
The New York State 1-800-I LOVE NY helpline for businesses affected by the
attack has received more than 7,200 calls from small businesses looking for
assistance, including 288 calls specifically for relocation assistance, since its activation on Sept. 13.

###

-----Original Message-----
From: Raquel Neves [SMTP:raquel@nysia.org]
Sent: Thursday, September 27, 2001 11:50 AM
To: 'srutter@empire.state.ny.us'
Subject: NYSIA hosts Silicon Alley Community Meeting

Hi Sharon, Bruce asked me to contact you to let you know about the Silicon
Alley Community Meeting NYSIA is putting together. First, we would like to
know if Empire State would like to send a speaker to report on any special
programs being implemented to assist the displaced/affected companies of the
WTC tragedy. The Meeting will take place on Wednesday, October 3rd at 6:30

Dan Kurtz

F

From: Florence Adu
Sent: Thursday, September 27, 2001 12:56 PM
To: Dan Kurtz; Liza Kent
Subject: FYI

read below.

I am doing a survey of Digital Space readiness for our next marketing meetng next Friday. What are our options in terms of the Digital Budget to assist with pre-built space not yet ready in areas closer the the Manhattan CBD? LIC? Harlem?

STATE OF NEW YORK
EXECUTIVE CHAMBER
GEORGE E. PATAKI, GOVERNOR

Press Office
518-474-8418
212-681-4640
http://www.state.ny.us <http://www.state.ny.us>
FOR RELEASE:
IMMEDIATE, Thursday
September 27, 2001

WTC RESPONSE UPDATE: GOVERNOR ANNOUNCES RECOVERY CENTER TO ASSIST SMALL BUSINESSES DIRECTLY IMPACTED BY ATTACK

Governor George E. Pataki today announced the creation of a Small Business Recovery Center in Yonkers to provide temporary, free office space to small businesses displaced or otherwise directly impacted by the World Trade Center attack.

"New York State is committed to helping the many small businesses that were impacted by the World Trade Center attack," Governor Pataki said. "By providing these companies with a place to work, along with the basic tools to conduct business, the Small Business Recovery Center will enable them to get back on their feet and resume operations in New York State."

Empire State Development (ESD), the Governor's Office for Small Cities, the New State Office of General Services (OGS) and the Yonkers Industrial Development Agency are partnering with private-sector companies such as IBM, Cablevision and IKEA to equip the 130,000-square-foot Center, which is located in the Yonkers Ridge Hill office building.

The Center currently has 50 available workstations, each equipped with phones and IBM computers, with more available as demand warrants. No rent will be charged to the small businesses that utilize the space from now until March 31, 2002. Businesses interested in learning more about the Small Business Recovery Center or scheduling an appointment should call 1-518-292-5200, Monday through Friday, 9 a.m.-5 p.m.

Senator Nick Spano said, "Many thousands of New York City's workforce were displaced in the terrorist attack on the World Trade Center. I commend Governor Pataki for his constant attention and intervention with this crisis. All levels of government should follow his lead in pitching in to

HOTEL ASSOCIATION OF NEW YORK CITY, INC.

437 MADISON AVENUE, NEW YORK, NY 10022-7398
(212) 754-6700 FAX (212) 754-0243

F WTC

Memorandum

TO: Hotel Association of New York City, Inc.
General Membership

FROM: Joseph E. Spinnato

DATE: September 25, 2001

RE: Establishment of Special Relief Fund

At its meeting on September 20, 2001, the Board of Directors approved the recommendation of the Executive Committee to create a $5,000,000.00 special relief fund for those employees affected by the horrific events of September 11, 2001.

This special fund will be administered pursuant to conditions and guidelines to be established by the Trustees of the Health Benefits Fund.

The $5,000,000.00 will be held in a special relief fund created under the auspices of the Health Benefits Fund and will not require any additional contributions or payments by any contributing employer. This special fund will be established from the contributions regularly received from contributing employers.

Once the goal of $5,000,000.00 has been attained, all contributions regularly made by the employers will continue to be used to meet the cost of providing the current benefits.

If you have any questions, do not hesitate to contact David R. Rothfeld, Stephen Steinbrecher or me.

Best regards.

JES:mc

578 0234

AMERICANTOURS INTERNATIONAL INC.

Corporate Headquarters • ATI Building • L.A. International Airport
6053 West Century Boulevard • Los Angeles • California 90045
Phone: 310-641-9953 • Fax: 310-641-1320

September 21, 2001

ask Bob Harding to meet w/ her

referred 9/29

RMH - she has met w/ Mayor previously and has been helpful in CA

VIA U.S. MAIL AND FACSIMILE #212/788-7476

Rudolf Giuliani,
The Honorable Mayor
of the City of New York
City Hall
New York, NY 10007

10/9th 2pm City Hall

Dear Mayor Giuliani:

Please accept our sincere condolences for the tragic events and loss of life at the World Trade Center. Your courageous leadership throughout this tragedy has been an inspiration to us all.

Having just returned from a sales visit to Europe, I also wish to extend the sympathy and support of many tour operators worldwide. I am pleased to advise you that they have all unhesitantly pledged to work with us in helping restore tourism to New York.

On Tuesday, September 25th, I will meet with our Secretary of Commerce, Don Evans to propose plans for "jumpstarting" tourism to America. Following that meeting, I will come to New York on Wednesday, September 26th. I would like to meet with you or your designee and volunteer assisting the State of New York and New York City to help develop and execute a plan for economic recovery through tourism. **"Tourism will overcome terrorism!"**

I look forward to hearing from you and to working with you to restore economic stability and opportunity for the citizens of New York and of our great Nation!

Best personal regards,

Noel Irwin Hentschel

Noel Irwin Hentschel
Chairman and Chief Executive Officer

Carmen: Can her - when she's in NY, I will meet w/her

Delta

NYC & COMPANY
Convention & Visitors Bureau
Major Events & Promotions

CONTACT:
For Delta Air Lines:
404-715-2554

For NYC & Company:
Colleen Roche/Kim Serafin
212-575-4545
Linden Alschuler & Kaplan, PR

DELTA AIR LINES & MAJOR CONVENTIONS ACT TO SPUR NEW YORK CITY TOURISM

Carrier Named the Official Airline of NYC & Company; Provides 10,000 Free Tickets to Spur Tourism

Major Organizations Relocate Conventions to New York City in Gesture of Support

NEW YORK, Oct. 2, 2001 – New York City Mayor Rudolph W. Giuliani today joined Delta Air Lines (NYSE: DAL) Chairman and CEO Leo F. Mullin, American Society of Travel Agents (ASTA) President Richard Copland and tourism chief Cristyne L. Nicholas to announce immediate initiatives to reinvigorate the New York City tourism and meeting industries.

Surrounded by tourism and convention industry leaders, Chairman Mullin unveiled dramatic new Delta initiatives – including providing 10,000 free inbound tickets to New York City – to stimulate New York City's tourism industry. Mr. Copland announced that the American Society of Travel Agents (ASTA) is joining four other significant meetings in relocating from previously scheduled cities to New York while numerous other organizations vowed to move forward with conventions representing a total of $185.7 million in immediate economic impact to the city. And Ms. Nicholas announced that Delta Air Lines and NYC & Company, New York City's official tourism marketing organization, just signed a three-year partnership agreement to grow New York City's visitor market.

"I want to thank Chairman Mullin and Delta Air Lines for these New York City marketing initiatives which are welcome, timely and significant. Delta's commitment will allow many thousands of visitors to discover and rediscover the greatest city on earth at a time when every visit counts more than ever. Delta plays an important role in bringing people to New York and their partnership with NYC & Company will certainly add to the growing momentum of our tourism industry," said Mayor Giuliani. "I also want to acknowledge and thank the major organizations present today for putting New York City first and relocating and holding their meetings and conventions here. We've never appreciated their business more and it's never been so important to welcome them to New York," he said.

Effective immediately, Delta and NYC & Company will work together to promote travel to New York City, one of the world's premier travel destinations and one that is serviced by the carrier's extensive domestic and international service. Delta serves New York through all six of its commercial airports, including the three major airports, JFK, LaGuardia and Newark, with 202 daily departures to 71 cities in 13 countries on Delta, Delta Express, Delta Shuttle, Delta Connection carriers and Delta's worldwide partners.

To promote travel to New York and celebrate the new partnership, Delta announced three key initiatives:

- **"Delta Loves NYC,"** a nationwide giveaway designed to bring 10,000 visitors to New York City during the next six months. The giveaway will be announced across the country beginning in October through a variety of promotional channels, including radio, Delta's Web site (delta.com), and SkyMiles partnership initiatives. In addition to complimentary airline tickets to New York City, select travel packages also will include accommodations provided by Crowne Plaza and Inter-Continental hotels in New York City and access to some of the best New York City tourist destinations, such as the Solomon R. Guggenheim Museum. Delta will give away 1,000 of the 10,000 complimentary tickets in Boston and Washington, D.C., for travel to New York City on the Delta Shuttle.
- **A reduced mileage award**, which allows SkyMiles members traveling through Nov. 15, 2001 to redeem 15,000 miles for a Coach/Economy Class SkySaver Award or 30,000 miles for a First Class SkySaver Award for travel within or between the continental United States, Alaska and Canada. Normally, SkyMiles members redeem 25,000 miles for a Coach Class SkySaver Award and 40,000 miles for a First Class SkySaver Award for travel to these destinations. Delta also is waiving the award redemption service charges normally applied to award tickets issued within seven days of travel for members traveling to or from New York's JFK, LaGuardia or Newark airports in an effort to encourage travel as soon as possible. This special fee waiver is valid for award tickets issued through Oct. 14, 2001. SkySaver Awards are subject to capacity controls pending seat availability, and all standard Delta SkyMiles program rules and conditions apply.
- **Donations for relief efforts**. To assist with relief efforts, Delta has donated 2 million miles each to the American Red Cross, Care, United Way and United Way International, for a total of 8 million miles. To date, SkyMiles members also have donated an additional 16 million miles, which translates into almost 1,000 tickets to help with relief efforts.

For more information on any of the above-mentioned Delta initiatives, visit delta.com/nyc.

"We are thrilled to partner with NYC & Company to promote tourism and business in New York City," said Leo Mullin, Chairman and CEO of Delta Air Lines. "New York has long been a key market for Delta and we are honored to play a role in promoting it worldwide. One of our immediate goals is to revitalize travel to New York City to help stimulate fall and holiday tourism."

NYC & Company President & CEO Cristyne Nicholas said, "Delta's partnership with NYC & Company is a strong vote of confidence in our tourism industry and sends a clear message that New York is open for business. Tourism is an important driving force of the city's economy and last year was responsible for $25 billion in economic activity and supported 282,000 jobs throughout all five boroughs. I'm convinced that, working together with our generous corporate partners and NYC & Company's member businesses, we will emerge from this challenging time stronger than ever."

Conventions and Meetings Switch to New York

Representatives were also on hand from five major organizations that have moved their previously scheduled meetings or conventions to New York City in a show of support:

- The **American Society of Travel Agents' (ASTA)** World Travel Congress, originally scheduled in Seville, Spain, will now bring its 2,500 attendees to New York's Jacob K. Javits Convention Center from Sunday, November 4 through Wednesday, November 7, 2001.
- The **American Society of Association Executives (ASAE)**, representing the nation's top trade associations and hundreds of millions of dollars of potential convention business, will hold its 150-person Board of Directors meeting, originally scheduled for Buenes Aires, Argentina, at New York's Waldorf=Astoria from November 16 to 18, 2001.
- The **American Federation of State, County and Municipal Employees (AFSCME)**, AFL-CIO is bringing the 1,500 attendees of its biennial Women's Conference, originally scheduled for Boston, to New York's Sheraton New York Hotel and Towers from November 16 to 18. The meeting will be dedicated to union member Father Mychal Judge and seven others who remain missing.
- The **Magazine Publishers of America (MPA)** will bring the 600 attendees of the annual American Magazine Conference, originally scheduled for Phoenix, to New York on October 21 to 24.
- **Meeting Planners International (MPI)** will bring the MPI Foundation Meeting, originally scheduled for Colorado, to New York City's New York Hilton and Towers on October 27.

Additional representatives attended from three major organizations affirming their choice of New York City for their high-profile events:

- **Microsoft** will hold the official kickoff for the new Windows operating system XP in Times Square and Rockefeller Center on October 25, 2001; events will include a free concert by a major popular music act and a high-profile media event featuring Chairman Bill Gates.

- The **Audio Engineering Society** is bringing its 15,000 to 20,000 attendees to New York from November 30 to December 3, 2001.
- The **International Engineering Conference and Exposition** is bringing 2,500 attendees to New York City from November 11 to 16, 2001.

About NYC & Company

NYC & Company (formerly known as the New York Convention & Visitors Bureau) is New York City's official tourism marketing organization. It was formed in January 1999 as the result of a merger of the New York Convention & Visitors Bureau (founded in 1935) with New Yorkers for New York, a business group supporting major events such as the Olympics. The mission of NYC & Company is to enhance New York City's economy by marketing the city on a worldwide basis as the premier destination for business and leisure travel.

A private, non-profit organization, NYC & Company has a membership of more than 1,300 businesses, including museums, hotels, restaurants, retail stores, theaters, tour organizations, and attractions. It has a current budget of $12 million and is the leading force in attracting visitors and revenue to New York City. Last year the 37.4 million visitors who visited New York City accounted for $25 billion in economic activity and supported 282,000 jobs throughout all five boroughs.

About Delta Air Lines

Delta's goal is to become the No. 1 airline in the eyes of its customers, flying passengers and cargo from anywhere to everywhere. People choose to fly Delta more often than any other airline in the world on 4,813 flights each day to 370 cities in 64 countries on Delta, Delta Express, Delta Shuttle, Delta Connection carriers and Delta's Worldwide Partners. Delta is a founding member of SkyTeam, a global airline alliance that gives customers extensive worldwide destinations, flights and services. In addition to safely and securely making reservations and purchasing tickets at delta.com, Delta customers can select seats, upgrade, get up-to-date flight information, make accommodations reservations, and more. U.S.-based travel agencies also can access Delta Web fares for their customers via delta.com's Online Agency Service Center. For more information, go to delta.com.

# # #

7

3R

Line of Duty Benefits: Police Department

	Police Officer	Detective 3rd	Sergeant
<u>Lifetime:</u>			
1/2 final compensation (includes OT, night shift differential, etc.)	*30,000*	*33,000*	*36,000*
Combination of Social Security and State Death Benefit	*30,000*	*33,000*	*36,000*
Lifetime annual total	$ *60,000*	$ *66,000*	$ *72,000*
<u>One time:</u>			
1 year salary or maximum base salary, whichever is greater	*60,000*	*66,000*	*72,000*
Contractual Death Benefit	25,000	25,000	25,000
Refund of Pension Contributions	*20,000*	*20,700*	*21,400*
Refund of ITHP Contributions	*20,000*	*20,700*	*21,400*
Federal Government	150,000	150,000	150,000
Rusty Staub Foundation	10,000	10,000	10,000
Police Relief Fund	20,000	20,000	20,000
One time total (a)	$ *305,000*	$ *312,400*	$ *319,800*

(a) In addition, the beneficiary is entitled to unused annual leave balances, union administered annuity fund, and a death benefit and/or life insurance payment from the Welfare Fund (see appendix).

Line of Duty Benefits: Fire Department

	Firefighter	Lieutenant	Captain	Battalion Chief	Deputy Chief
<u>Lifetime:</u>					
1/2 final compensation (includes OT, night shift differential, etc.)	*30,000*	*36,000*	*42,000*	*53,500*	*60,000*
Combination of Social Security and State Death Benefit	*30,000*	*36,000*	*42,000*	*53,500*	*60,000*
Lifetime annual total	$ *60,000*	$ *72,000*	$ *84,000*	$ *107,000*	$ *120,000*
<u>One time:</u>					
1 year salary or maximum base salary, whichever is greater	*60,000*	*72,000*	*84,000*	*107,000*	*120,000*
Contractual Death Benefit	25,000	25,000	25,000	25,000	25,000
Refund of Pension Contributions	*20,000*	*21,400*	*22,000*	*23,900*	*24,650*
Refund of ITHP Contributions	*20,000*	*21,400*	*22,000*	*23,900*	*24,650*
Federal Government	150,000	150,000	150,000	150,000	150,000
Rusty Staub Foundation	10,000	10,000	10,000	10,000	10,000
FDNY Life Insurance	8,500	8,500	8,500	8,500	8,500
FDNY Funeral Benefit (a)	*11,500*	*11,500*	*11,500*	*11,500*	*11,500*
One time total (b)	$ *305,000*	$ *319,800*	$ *333,000*	$ *359,800*	$ *374,300*

(a) Up to a maximum of $20,000

(b) In addition, the beneficiary is entitled to unused annual leave balances, union administered annuity fund, and a death benefit and/or life insurance payment from the Welfare Fund (see appendix).

Line of Duty Benefits: EMS / EMT / Paramedics

<u>Lifetime:</u>

1/2 final compensation (includes OT, night shift differential, etc.)		*22,500*
Combination of Social Security and State Death Benefit (a)		*22,500*
Lifetime annual total	$	*45,000*

<u>One time:</u>

1 year salary or maximum base salary, whichever is greater (a)		*45,000*
Contractual Death Benefit		25,000
Refund of Pension Contributions		*11,000*
Federal Government (b)		*150,000*
One time total (c)	$	*231,000*

(a) Under consideration

(b) Under research by the Law Department

(c) In addition, the beneficiary is entitled to unused annual leave balances, union administered annuity fund, and a death benefit and/or life insurance payment from the Welfare Fund (see appendix).

Non-Line of Duty Benefits: Civilian Employees - Certain Benefits Under Consideration

<u>Lifetime:</u>

Minimum 10-year pension (a) (b)	*7,500*
Social Security (d)	*20,352*
Lifetime annual total	*27,852*

<u>One time:</u>

Contractual Death Benefit (c)	25,000

(a) Assuming an annual salary of $45,000.

(b) Under consideration.

(c) In addition, the beneficiary is entitled to unused annual leave balances, union administered annuity fund, and a death benefit and/or life insurance payment from the Welfare Fund (see appendix).

(d) Estimates based on surviving spouse and two children under the age of 16.

Line of Duty Benefits: State Court Officers

Lifetime:

1/2 final compensation (includes OT, night shift differential, etc.)		22,500
Social Security (a)		*20,352*
Lifetime annual total	$	42,852

One time:

Workers Compensation		50,000
Federal Government		150,000
One time total (b)	$	200,000

a. Estimates based on surviving spouse and two children under the age of 16.

b. In addition, the beneficiary is entitled to unused annual leave balances and a death benefit and/or life insurance payment from the Welfare Fund (see appendix).

Line of Duty Benefits: Port Authority Police Officers

		Police Officer
Lifetime:		
1/2 final compensation (includes OT, night shift differential, etc)		*39,000*
Combination of Social Security and State Death Benefit		*39,000*
Lifetime annual total	$	*78,000*
One time:		
Federal Government		150,000
Contractual Life Insurance		201,000
Funeral Benefit		*11,150*
One time total a.	$	*362,150*

a. In addition, the beneficiary is entitled to unused annual leave balances and a death benefit and/or life insurance payment from the Welfare Fund (see appendix).

Welfare Fund Death Benefit Appendix

Uniformed Firefighters Association	$10,000 death benefit $10,000 from the I.A.F.F.
Uniformed Fire Officers Association	$30,000 death benefit $10,000 from the I.A.F.F.
Patrolmen Benevolent Association	$120,000 term life insurance
Detectives Endowment Association	$10,000 death benefit $40,000 to $100,000 life insurance
Sergeants Benevolent Association	$7,500 death benefit $200,000 line-of-duty life insurance
District Council 37	$20,000 death benefit
Court Officers Welfare Fund	$85,000 death benefit including AD & D

Additional life insurance policies are available through the Welfare Funds on a voluntary basis.

9/16/2001 4:12 PM

LINE OF DUTY BENEFITS: FIRE DEPARTMENT

Lifetime:

▪ ½ final compensation (includes O.T., night shift differential, etc.)		30,000
▪ State pays remaining ½ compensation		30,000
Lifetime annual total	$	60,000

One shot:

▪ 1 year salary or maximum base salary, whichever is greater	$	60,000
▪ City pays lump sum		25,000
▪ Refund of City's pension contributions		23,800
▪ Refund employee's pension contributions		38,080
▪ Federal government		150,000
▪ Private		5,000
One shot total	$	301,880

LINE OF DUTY BENEFITS: POLICE DEPARTMENT

Lifetime:

▪ ½ final compensation (includes O.T., night shift differential, etc.)		30,000
▪ State pays remaining ½ compensation		30,000
Lifetime annual total	$	60,000

One shot:

▪ 1 year salary or maximum base salary, whichever is greater	$	60,000
▪ City pays lump sum		25,000
▪ Refund of City's pension contributions		16,800
▪ Refund employee's pension contributions		26,880
▪ Federal government		150,000
▪ Private (Police Relief Fund)		15,000
One shot total	$	293,680

LINE OF DUTY BENEFITS: CIVILIAN EMPLOYEES (EMS/EMT)

Lifetime:

▪ ½ final compensation (includes O.T., night shift differential, etc.)	$	22,500
▪ **State pays remaining ½ compensation**		22,500
Lifetime annual total	$	45,000

One shot:

▪ **1 year salary or maximum base salary, whichever is greater**		46,500
▪ City pays lump sum		25,000
▪ Refund employee's pension contributions		11,160
▪ Federal government		150,000*
One shot total	$	232,660

NON-LINE OF DUTY PUBLIC EMPLOYEES

One shot:

- City lump sum payment of $25,000

Lifetime:

- Minimum 10-year pension

For police and fire, calculations are based on an annual compensation of $56,000; for EMS/EMT, calculations are based on an annual compensation of $46,500.

Unshaded areas describe current benefits. Shaded areas denote proposed benefits that require legislation as described on page 3.

* The Law Department is researching civilian eligibility for these benefits.

***LEGISLATION*:**

FEDERAL

- $150,000 for EMS/EMT LOD deaths (may not be necessary)

STATE

- Civilians receive same benefits as uniform employees
- Domestic partner coverage
- ¾ compensation for disabled civilians

CITY

- Health coverage to civilians
- 1 year salary or maximum base salary, whichever is greater

The City of New York

OFFICE OF THE ACTUARY

220 CHURCH STREET • NEW YORK, N.Y. 10013-6301
(212) 442-5775 • FAX: (212) 442-5777

ROBERT C. NORTH, JR.
CHIEF ACTUARY

September 25, 2001

Mr. Bud C. Larson
Associate Director
New York City Office of
Management and Budget
75 Park Place, 6th Floor
New York, NY 10007

Re: Purchasing Power of Surviving Spouses and Families of New York City Police and Fire Department Uniformed Public Safety Employees Killed in the Line of Duty

Dear Mr. Larson:

By telephone, you have posed the question: how does the purchasing power of the surviving family of a New York City Police or Fire Department Uniformed Public Safety Employee killed in the line of duty compare with the purchasing power of that family before the death of the employee.

<u>Summary Conclusion</u>

As we discussed, because of the unique financial resources and needs of each family, there is no answer to this question based on averages that would be appropriate for the individual families.

However, under current law, the spouse and/or children of a Police or Fire Department Uniformed Public Safety Employee killed in the line of duty is eligible to receive a pension benefit equal to 100% of the salary earned by the deceased employee in the 12 months preceding death.

Thus, one answer to your question is that if this option is chosen by the spouse, then the City and State of New York would continue to provide the spouse and/or children with the same or somewhat greater income after the death of the employee than the City had provided to the employee before death.

Overview - Sources of Income

In general, the Actuary believes that the best way to evaluate the purchasing power of a New York City Uniformed Public Safety Employee killed in the line of duty is to compare all of the sources of income before and after the death of the employee.

Sources of income for the family of a New York City Police and Fire Department Uniformed Public Safety Employee include wages from the primary employment and/or any secondary employment of the employee, and/or the wages, if any, of the spouse, the pension income from prior employers of either spouse (if older), investment and/or other passive income, inheritances, etc.

Overview - New York City Police and Fire Uniformed Public Safety Employees

As of June 30, 2000 there were somewhat more than 40,000 Uniformed Public Safety Employees in the New York City Police Department and somewhat more than 11,000 such employees in the New York City Fire Department.

These Police and Fire Uniformed Public Safety Employees participate in the New York City Police Department, Subchapter Two Pension Fund ("POLICE") and the New York City Fire Department, Subchapter Two Pension ("FIRE"), respectively.

Attached in Appendix A is some statistical information on these groups of employees.

Also enclosed in Appendix A are some statistics on the Firefighters who have been reported dead or missing.

<u>Comparison of Family Income for a Hypothetical Firefighter Before and After a Line-of-Duty Death</u>

In response to the question raised, following is an illustration of the hypothetical family wage-related income for a Firefighter before and after death in the line of duty.

The Firefighter is assumed to be a 35-year old male with seven years of service at date of death, a salary of $60,000 per year as a Firefighter and no other part-time employment with a wife working outside the home earning $30,000 and two children ages 5 and 8.

<u>Annual Wage-Related Income before Line-of-Duty Death</u>

• Employee Wages	$ 60,000
• Wife Wages	30,000
Total Family Earnings	$ 90,000

Annual Wage-Related Income after Line-of-Duty Death

• Fire Pension Fund Benefit	$ 30,000
• General Municipal Law ("GML") Section 208(f) Benefit*	30,000
Total Pension	$ 60,000
• Wife Wages	$ 30,000
Total Family Earnings	$ 90,000

*Total inclusive of any Social Security benefits payable.

This illustration demonstrates that relative to the wages earned prior to the death of the employee, the benefits provided to the family survivors by the City and State of New York would be at least as much.

In addition to wages, most families earn income on their savings and investments. Upon death in the line of duty, the spouse of the deceased receives various lump sum death benefits that, after death-related expenses and taxes, may be invested to earn additional investment income.

For the hypothetical 35-year Firefighter herein, killed in the line of duty, the following, approximate lump sum death benefits would be payable:

• Fire Pension Fund	$ 40,000*
• Mayor's Office Benefit	60,000
• Fire Life Insurance Fund	8,500
• U.S. Government Benefit	151,635
• Contract Benefit	25,000
Total	$285,135

*Estimated amount of refund of member contributions and Increased-Take-Home-Pay ("ITHP") Reserves.

At 4.0% per year, the after-tax proceeds from these additional death benefits (net of $10,000 as assumed burial costs) could generate, before taxes, at least $6,000 per year in additional investment income.

Possible Losses of Family Income

One possible loss of family income could occur if the New York City Police and Fire employee had been earning income from part-time (or full-time) non-City employment.

Another possible loss of family income would occur if a spouse working outside the home would no longer be able to do so.

A possible loss of future family income would occur if the employee, in the future, would had been interested in and successful at applying for and being promoted to higher ranks and salaries.

Additional Information

As noted earlier, Appendix A provides a summary table of statistical information for POLICE and FIRE as of June 30, 2000.

Appendix B presents an example and discussion of the individuality of the economic differences that can exist amongst the families of deceased Uniformed Public Safety Police and Fire employees.

The example in Appendix B is shown to emphasize that, although there may be averages, evaluation of the resources and needs of families are as unique as those families themselves and any evaluation thereof should be done on an individual basis.

Appendix C provides a more detailed discussion of the benefits available under GML Section 208(f).

Appendix D discusses a simplified, hypothetical calculation of economic loss using some of the methodologies applied in Wrongful Death court cases.

Conclusion

With respect to Uniformed Public Safety Employees of the Police and Fire Departments of the City of New York, the combination of pension benefits payable from POLICE and FIRE, plus the benefits payable in accordance with GML Section 208(f), plus the additional investment income attributable to increased assets from death benefits paid, will usually result in family income equal to or greater than that brought home from New York City employment sources while the employee was alive.

I hope this letter provides at least some useful information in response to your request. If you have any questions, please let me know.

Yours truly,

Robert C. North, Jr.
Chief Actuary

RCN:dp

cc: Mr. B.S. Kheel
A.M. Schlesinger, Esq.

4186L:PCB/dp

APPENDIX A

APPENDIX A

Statistical Information

By way of background, the following table presents some statistical information on the membership of the New York City Police Department, Subchapter Two Pension Fund ("POLICE") and the New York City Fire Department, Subchapter Two Pension Fund ("FIRE") as of June 30, 2000:

STATISTICAL INFORMATION ON POLICE AND FIRE MEMBERSHIP AS OF JUNE 30, 2000

	Number	Average Salaries	Average Age	Average Service
POLICE				
Officers	25,826	$53,614	33.6	8.1
Superior Officers*	14,625	73,918	39.2	15.1
All	40,451	$60,955	35.6	10.6
FIRE				
Firefighters	8,964	$58,307	38.8	11.3
Officers	2,528	86,558	46.4	21.5
All	11,492	$64,522	40.5	13.6

* Includes Detectives for actuarial valuation purposes.

APPENDIX B

APPENDIX B

Illustration of Individuality of the Economic Situations of Families of Uniformed Public Safety Employees

The economic resources and needs of families of Uniformed Public Safety Employees cannot be properly addressed by looking at the averages of a group but only by looking at the circumstances of the individuals who comprise that group.

For example, consider, purely as a hypothetical, the family income of two identical 32-year old male Firefighters where:

- Firefighter A: Holds second job, is married, wife works outside the home, has two children ages 6 and 8.

- Firefighter B: Is single, holds no second job.

APPENDIX B (Continued)

The hypothetical incomes of these two Firefighter families differ as follows:

	Firefighter A	Firefighter B
Fire Department Wages	$ 60,000	$ 60,000
Second Employment Wages	30,000	0
Wife Wages	40,000	NA
Investment Income	5,000	1,000
Total	$135,000	$ 61,000

On the other hand, the hypothetical expenditures of these two Firefighter families could differ greatly as shown in the following table:

	Annual Expenditures*	
Expenditure Item	Firefighter A	Firefighter B
Food	$ 12,000	$ 8,000
Housing	8,000	4,000
Apparel	20,000	12,000
Transportation	12,000	8,000
Health Care	10,000	4,000
Entertainment & Other	10,000	4,000
Taxes	45,000	25,000
Savings	10,000	(2,000)
Total	$135,000	$ 61,000

*All figures are hypothetical and for illustrative purposes only.

APPENDIX B (Continued)

With respect to specific information on expenditures of the Police and Fire families of New York City we have not been able to find any information specific to these groups.

With respect to the New York Metropolitan area residents, however, the Bureau of Labor Statistics ("BLS") reported the following averages from its 1998-1999 Consumer Expenditures Survey.

Type of Expenditure*	Dollar Amount	Percentage of Total
Food	$ 6,265	14.2%
Housing	16,182	36.8
Apparel & Services	2,327	5.3
Transportation	6,972	15.8
Health Care	1,863	4.2
Entertainment	2,007	4.6
Personal Care	485	1.1
Reading & Education	1,191	2.7
Tobacco & Alcohol	709	1.6
Miscellaneous	924	2.1
Cash Contributions	1,021	2.3
Personal Insurance and Pensions	4,052	9.3
Total	$43,998	100.0%

* Excludes taxes and savings.

APPENDIX B (Continued)

Although interesting, this information only represents the average expenditures of New York area residents. It is not necessarily a good basis for estimating the consumption expenditures of any individual resident, let alone the family of New York City Uniformed Public Safety Employees.

Again, every family is unique in how it conducts itself and its finances. The expenditures of an individual family will differ from the averages and the expenditures of other families for many reasons such as:

- Employee is married or single
- Employee works second job or not
- Spouse works or not
- Has children or not
- Owns home or rents
- Lives close to work or commutes long distances
- Is healthy or not
- Has student loan debt or not
- Drinks, smokes, gambles or not
- Is a spendthrift or a miser

APPENDIX C

APPENDIX C

Discussion of Benefits Available Under General Municipal Law Section 208(f)

For Uniformed Public Safety Employees of the New York City Police and Fire Departments who die in the line of duty, employer-provided income continues to the spouse and children at a rate generally equal to or greater then that provided to the employee before death.

This is so because of General Municipal Law ("GML") Section 208(f) provides that the spouse and/or children of Uniformed Police and Fire employees killed in the line of duty are to receive a total annual benefit equal to 100% of the salary earned in the 12 months preceding death.

The 100% itself comes from the Accidental Death Benefit ("ADB") paid from POLICE or FIRE, Social Security (if applicable), Workers Compensation (not applicable for New York City Police and Fire employees) with the balance being provided by GML Section 208(f).

APPENDIX C (Continued)

For certain Police and Fire employees the definition of salary used under the provisions of GML Section 208(f) is a salary greater than the Uniformed Police or Fire employee earned at the time of death.

For example, if a Police Officer with one year of service is killed in the line of duty, then the spouse and/or children receive annually 100% of the salary of a first grade Police Officer or Firefighter (i.e., the salary received after five years of service).

Under the most recent contract between the City of New York and the Patrolmen's Benevolent Association ("PBA"), a Police Officer with one year of service receives a base salary of $33,314.

A Police Officer with five years of service receives a base salary of $49,023.

APPENDIX C (Continued)

Thus, in this situation, the spouse and/or children of the Police Officer with one year of service at the date of death would receive more in GML 208(f) benefits than the Police Officer employee was receiving in wages when alive.

In addition, after the first year following the death of a Uniformed Police or Fire employee, the New York State Legislature and Governor have routinely granted Cost-of-Living Adjustments ("COLA") to the benefits payable by GML Section 208(f). These COLA increases have generally equalled 3.0% per year for the last few years.

APPENDIX D

APPENDIX D

Economic Loss Analysis Using Some of the Methodologies Utilized in Wrongful Death Court Cases

Included herein is an estimate of the economic loss attributable to a hypothetical line-of-duty death based roughly on the methodologies used by courts in "Wrongful Death" lawsuits.

The calculations necessary involve estimating the Actuarial Present Value ("APV") of estimated future income lost plus, in some analyses, the APV of estimated increased expenses due to the death of the employee.

A comparison of this result is then be made against the estimated APV of future pension income and lump sum death benefits provided by either the employer(s) and/or others.

APPENDIX D (Continued)

This approach works well for comparing resources and obligations for most individual cases.

However, for example, if a Firefighter holds a second job, the APV of the primary employer financial support after death might appear inadequate relative to the entire economic loss. If not properly evaluated, this could result in an inappropriate bias against the economic efforts of the primary employer.

To illustrate these methodologies to evaluate the APV of economic loss, consider the death of a hypothetical Firefighter, age 35, with seven years of service, a salary of $60,000, no part-time employment and married.

Note: No consideration of taxes is made in the analyses shown herein.

APPENDIX D (Continued)

Assuming the hypothetical deceased Firefighter would have received future salary increases consistent with the salary scale used in the June 30, 2000 actuarial valuation of FIRE, would have retired at age 55 on a Service Retirement and received a pension subject to Cost-of-Living-Adjustments ("COLA") in accordance with Chapter 125 of the Laws of 2000 and a Consumer Price Inflation ("CPI") assumption of 2.5% per year, plus Variable Supplements Fund ("VSF") benefits of $12,000 per year until death at age 81 and that the APV were determined by discounting the expected payments at an Actuarial Interest Rate ("AIR") assumption of 5.0% per year, then the resulting economic loss would equal approximately $1.6 million.

As the same time, using comparable assumptions and assuming the spouse would live to age 83, the APV of GML Section 208(f) benefits and other death benefits payable to the spouse and/or children from City and State of New York sources would exceed $1.9 million.

4186L:PCB/dp

LIVE BROADWAY®

The League of American Theatres and Producers, Inc.
226 West 47th Street
New York, NY 10036
Telephone: (212) 764-1122
Fax (212) 719-4389
www.broadway.org

FAX
TRANSMITTAL SHEET

F WTC

To: Christyne Nicholas

Firm: NYC + CO

Fax number: 582-8765

From: Karen Hausen

Date: 9-25

We are transmitting a total of 3 pages including cover sheet.

If you have trouble receiving this fax, please call (212) 764-1122.

Message

Broadway Statistics

The League of American Theatres and Producers — Broadway Statistics for the week ending 09/23/01 (Week 17)

For show information, call the Broadway Line at (212) 302-4111 or (888)-BROADWAY

Show	Type	Theatre	Gross	Gross Previous wk	Change	Attendance	Attendance Previous wk	Change	Previews	Perfs	Seats	% of Capacity	Avg Paid Admission	Top Ticket
42ND STREET	Musical	FORD CENTER	$558,398	$369,284	$189,114	9837	5891	3,946	0	8	1839	66.86%	$56.77	$91.05
A THOUSAND CLOWNS	Play	LONGACRE	$243,647	$61,416	$182,231	5125	1680	3,445	0	8	1095	58.50%	$47.54	$77.50
AIDA	Musical	PALACE	$424,393	$211,536	$212,857	7323	3510	3,813	0	8	1695	54.00%	$57.95	$90.00
BEAUTY AND THE BEAST	Musical	LUNT-FONTANNE	$248,928	$147,766	$101,162	5211	3070	2,141	0	8	1509	43.17%	$47.77	$85.00
BLAST!	Musical	BROADWAY	$251,738	$52,433	$199,304	6315	1757	4,558	0	8	1678	47.04%	$39.86	$81.25
CABARET	Musical	STUDIO 54	$315,898	$216,882	$99,016	5717	2392	3,325	0	8	920	77.68%	$55.26	$90.00
CHICAGO	Musical	SHUBERT	$287,299	$171,836	$115,464	5411	3868	1,543	0	8	1460	46.33%	$53.10	$90.00
CONTACT	Musical	VIVIAN BEAUMONT	$281,416	$177,744	$103,672	5632	5021	611	0	8	1067	65.98%	$49.97	$85.00
DANCE OF DEATH	Play	BROADHURST	$338,842			7519			8	0	1204	78.06%	$45.06	$71.25
HEDDA GABLER	Play	AMBASSADOR	$108,671			3153			6	0	1085	48.43%	$34.47	$71.25
IF YOU EVER LEAVE ME.. I'M GOING WITH YOU	Play	CORT	$119,641	$42,395	$77,246	2841	1094	1,747	0	8	1081	32.85%	$42.11	$66.25
KISS ME, KATE	Musical	MARTIN BECK	$344,200	$84,766	$259,434	6296	1597	4,699	0	8	1422	55.34%	$54.67	$85.00
LES MISERABLES	Musical	IMPERIAL	$167,197	$94,515	$72,681	3331	2242	1,089	0	8	1417	29.38%	$50.19	$85.00
PROOF	Play	WALTER KERR	$231,313	$99,203	$132,110	4680	2074	2,606	0	8	924	63.31%	$49.43	$70.00
RENT	Musical	NEDERLANDER	$212,841	$103,165	$109,676	4657	2442	2,215	0	8	1181	49.29%	$45.70	$80.00
STONES IN HIS POCKETS	Play	JOHN GOLDEN	$222,410	$34,692	$187,718	5170	1088	4,082	0	8	804	80.38%	$43.02	$71.25
THE FULL MONTY	Musical	EUGENE O'NEILL	$371,393	$109,492	$261,901	5977	1821	4,156	0	8	1088	68.67%	$62.14	$86.00
THE LION KING	Musical	NEW AMSTERDAM	$992,166	$379,885	$612,281	13907	5737	8,170	0	8	1793	96.95%	$71.34	$90.00

Show	Type	Theatre	Gross	Gross Previous wk	Change	Attendance	Attendance Previous wk	Change	Previews	Perfs	Seats	% of Capacity	Avg Paid Admission	Top Ticket
THE MUSIC MAN	Musical	NEIL SIMON	$212,144	$67,206	$144,938	4882	2159	2,723	0	8	1330	45.88%	$43.45	$90.00
THE PHANTOM OF THE OPERA	Musical	MAJESTIC	$273,656	$185,490	$88,167	4548	3455	1,093	0	8	1607	35.38%	$60.17	$85.00
THE PRODUCERS	Musical	ST. JAMES	$982,952	$546,858	$436,094	13181	7057	6,124	0	8	1706	96.58%	$74.57	$100.00
THE ROCKY HORROR SHOW	Musical	CIRCLE	$182,092	$63,262	$118,830	5574	1766	3,808	0	8	688	101.27%	$32.67	$85.00
THE TALE OF THE ALLERGIST'S WIFE	Play	ETHEL BARRYMORE	$253,391	$69,541	$183,849	5441	1701	3,740	0	8	1046	65.02%	$46.57	$70.00
URINETOWN	Musical	HENRY MILLER	$188,742	$85,040	$103,702	3724	1852	1,872	4	4	635	73.31%	$50.68	$75.00

This week:	$7,813,368	145,452	18	172
This week last season:	Gross = $10,190,710	Attendance = 181,402		
Season to date:	Gross = $202,625,793	Attendance = 3,565,988		
Last season to date:	Gross = $209,050,666	Attendance = 3,787,602		

IF YOU EVER LEAVE ME...I'M GOING WITH YOU, THE ROCKY HORROR SHOW, BLAST!, STONES IN HIS POCKETS, and A THOUSAND CLOWNS all closed on 9/23/01.

F WTC

22. Department of Housing and Urban Development

Highlights of 2002 Funding

- Assists over 130,000 low-income families with the down payment on their first home.
- Increases the number of community technology centers in high poverty neighborhoods.
- Renews all expiring rental subsidy contracts, which protects current families.
- Provides 34,000 additional low-income families with housing vouchers.
- Expands the number of jurisdictions receiving assistance to house people with AIDS.
- Continues Community Block Grant formula funding at the 2001 level.
- Continues to reform the Section 8 program by implementing measures that improve the utilization of vouchers.
- Rehabilitates or constructs 100,000 homes through the Renewing the Dream tax credit.
- Provides tax credit to financial institutions that match private Individual Development Accounts to save for a first home, start a business, or pay for education.

Initiatives

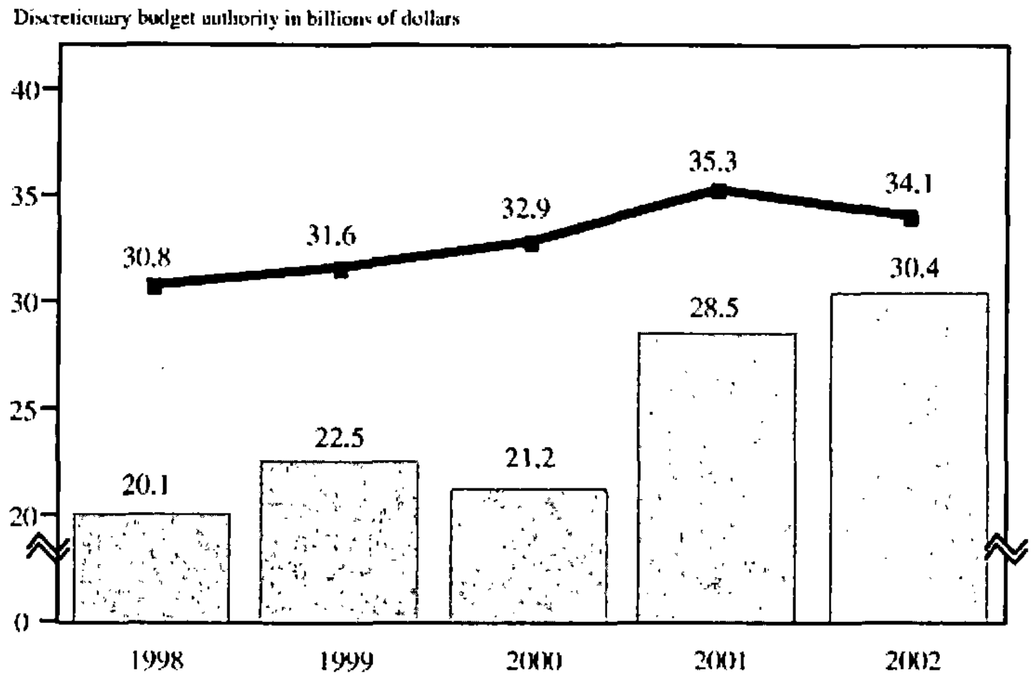
The Down Payment Assistance Initiative will provide $200 million within the HOME Investment Partnerships Program to match down payment assistance provided by third parties, up to $1,500 per family. Funds will be administered by State housing finance agencies and each year help over 130,000 first-time low-income homebuyers.

The Community Technology Centers Initiative will enhance the Department of Housing and Urban Development's (HUD's) Neighborhood Networks program by providing $80 million in competitive grants to help communities create or expand technology centers in high poverty

ted resources, including civic organizations and religiously
their facilities accessible to the disabled.

Chart 22-1. Dept. of Housing and Urban Development

2.5% Average Program Level Annual Growth, 1998-2002



Note: The line represents program level, which adjusts for an advance appropriation of $4.2 billion in 2000, other technical changes, and offsetting receipts. 1998 and 1999 have been adjusted for reclassification of Federal Housing Administration receipts.

Redirected Resources

HUD will increase housing opportunities for low-income households by funding 34,000 incremental Section 8 housing vouchers and renewing all expiring rental subsidy contracts. HUD will also expand funding for the Housing Opportunities for People with AIDS program. This expansion will support an increase in the number of eligible jurisdictions based on projections of AIDS cases by the Centers for Disease Control without reducing funding for other jurisdictions. Additional funding will be provided within the Lead Hazard Reduction program, with increased private sector leveraging, to reduce exposure of low-income children to lead-based paint.

The Public Housing Capital program will decline by $700 million relative to 2001 funding. Full funding will be provided for the accrual of new capital needs and local Public Housing Authorities will be encouraged to use more than $6 billion in unspent funds to reduce the backlog of needs. In addition, regulatory tools will be used to address distressed public housing units that represent a disproportionate share of the backlog of capital needs. The Public Housing Operating program is increased by $150 million, in part to cover utility rate increases and other cost increases to operate public housing. The Public Housing Drug Elimination program is terminated because the program was found to have limited impact, the same activities are eligible under the Public Housing Operating and Capital programs, and regulatory tools such as eviction are more effective at reducing drug activity in public housing. Program funds will be redirected to other drug prevention efforts.

The Rural Housing and Economic Development program, which began in 1999, is terminated because it duplicates several programs, including CDBG and those of the Department of Agriculture.

A new Federal Housing Administration hybrid adjustable-rate mortgage will work with proposed tax incentives for savings and proposed tax credits for rehabilitation and construction of homes to expand homeownership, increase housing affordability, and strengthen established neighborhoods. The premiums for some specialized FHA programs (e.g., condominium, rehabilitation, and multifamily loans) are to be increased so that all single-family FHA borrowers pay the same premiums and so that these programs operate without the need for subsidy.

Potential Reforms

Oversight of Local Housing Providers: Housing assistance is delivered through thousands of local intermediaries □public housing agencies and private property owners. Weak oversight of these local agents has reduced the quality of housing services and increased costs, reducing the numbers of households that can be aided. HUD will improve its management rating instruments, making them more outcome-oriented rather than process-oriented and making other revisions as recommended by the National Academy of Public Administration and HUD's Inspector General. Using the improved instruments, HUD will act against intermediaries who violate the terms of their contract with HUD as demonstrated by failing scores on these instruments. Non-performing intermediaries will automatically be subject to appropriate remedial action, including termination and reassignment of contractual obligations.

Overpayments in HUD's Rental Assistance Programs: HUD overpays hundreds of millions of dollars in low-income rent subsidies because tenants' incomes are underreported and rents are improperly calculated or not fully collected. Latest estimates show substantial overpayment of subsidies in HUD's rental assistance programs, including public housing and Section 8 rental assistance programs. HUD will undertake reforms to correct these errors, including steps to ensure that local agencies and landlords can correctly calculate rent owed based on program rules, full implementation of HUD's existing authority to match tenant-reported incomes with IRS records, and steps to ensure that local housing agencies report tenant characteristics for all assisted households.

FHA Fraud Reduction and Improved Program Controls: Inadequate information systems have weakened FHA's ability to monitor lenders that use its guarantees and contributed to HUD's failure to obtain a clean opinion from its auditors in 1999. A fraudulent scheme known as "property-flipping" recently highlighted internal weaknesses in FHA's single-family systems and controls. To combat the scheme last year, FHA implemented emergency foreclosure moratoria to protect borrowers in areas where property flipping was prevalent. FHA will strengthen the integrity of internal systems and controls to eliminate the need for foreclosure moratoria or other emergency responses. Actions will include improving the loan origination process and providing better monitoring of lenders and appraisers.

<< Back | Next >>
Table of Contents

This page is located on the U.S. Department of Housing and Urban Development's Homes and Communities Web site at http://www.hud.gov/about/secretary/martinezbio.cfm.

homes and communities
www.hud.gov

The Honorable Mel Martinez United States Secretary of Housing and Urban Development

en español

Mel Martinez is the nation's 12th Secretary of Housing and Urban Development. He was unanimously confirmed by the United States Senate, and took his oath of office on January 24, 2001.

In nominating Martinez, President George W. Bush said: "Since leaving his Cuban homeland as a boy, Mel Martinez has been the embodiment of the American dream and has had great success in helping the people of his community obtain affordable housing and urban services." Martinez's work in the public and private sectors, his active involvement in community activities, and his understanding of the work of faith-based social service agencies make him particularly well-suited to serve as leader of the U.S. Department of Housing and Urban Development.

Secretary Martinez oversees the federal agency that creates opportunities for homeownership; helps create, rehabilitate and maintain the nation's affordable housing; provides housing assistance for low-income persons; helps the homeless; and enforces the nation's fair housing laws. HUD works with local communities to help them meet their development needs, and Secretary Martinez has taken a leadership role in the national dialogue on growth management issues.

Before he came to the Department, Secretary Martinez was the elected Chairman of Orange County, Florida, in Orlando, and served on the Governor's Growth Management Study Commission. He previously served as President of the Orlando Utilities Commission, on the board of directors of a community bank, and as Chairman of the Orlando Housing Authority. Born October 23, 1946, in Sagua La Grande, Cuba, in 1962 Martinez and 14,000 other children fled to America as part of a Catholic humanitarian effort called Operation Pedro Pan. Alone and speaking virtually no English, Catholic charitable groups provided Martinez a temporary home at two youth facilities. He subsequently lived with two foster families, with whom he remains close. He was reunited with his family in Orlando in 1966.

Martinez graduated from Florida State University College of Law in 1973. During his 25 years of law practice in Orlando, he was actively involved in community activities. He served as Vice President of the Board of Catholic Charities of the Orlando Diocese, and has a deep appreciation for the work of faith-based social service agencies going back to his arrival in America almost 40 years ago.

Secretary Martinez and his wife Kitty have three children.

U.S. Department of Housing and Urban Development
451 7th Street, S.W., Washington, DC 20410
Telephone: (202) 708-1112 TTY: (202) 708-1455

Lehman Brothers NYC Headcount by Major Location

August 01	
World Financial Center 1 & 3	5,600
World Trade Center	650
Total	**6,250**

12-18 Months in the Future	
399 Park	1,400
180 Water	2,400
World Financial Center	2,950 and growing at about 500 per year
Total	**6,750 plus 500 per year**

Open (F)
WTC

4 WTC

THE WHITE HOUSE
WASHINGTON

The Office of The Senior Advisor to the President

TO: Mr. Bob Harding FROM: Mr. C. Henick

RECEIVING PH: ______ SENDER PH: 202-456-2542

RECEIVING FX: 212-518-0234 SENDER FX: 202-456-2577

NUMBER OF PAGES (inc. cover sheet): 8

NOTES: ______

THE WHITE HOUSE

WASHINGTON

September 21, 2001

Dear Mr. Speaker:

In accordance with provisions of Public Law 107-38, the Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States, FY 2001, today I have authorized transfers from the Emergency Response Fund totaling $5.1 billion for emergency recovery and response and national security activities listed in the enclosed letter from the Deputy Director of the Office of Management and Budget.

Our country mourns for the loss of life and for those whose lives have been so deeply affected by this despicable act of terror. None of us could have envisioned the barbaric acts of these terrorists. These funds will allow Federal agencies to continue providing immediate assistance to victims of the deliberate and deadly attacks against our country.

The details of this action are set forth in the enclosed letter from the Deputy Director of Management and Budget. I concur with his comments and observations.

Sincerely,

The Honorable J. Dennis Hastert
Speaker of the
House of Representatives
Washington, D.C. 20515

Enclosure

Estimate No. 15
107th Congress, 1st Session

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DEPUTY DIRECTOR

SEP 21 2001

The President

The White House

Submitted for your consideration are requests to make available by transfer previously appropriated funds provided in P.L. 107-38, the Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States, FY 2001. As required by that Act, on September 18th you designated the $40 billion provided as an emergency funding requirement.

Your approval of these requests would transfer $5.1 billion from the Emergency Response Fund to the Departments of Commerce, Defense, Energy, Health and Human Services, the Interior, Justice, Labor, State, Transportation, and the Treasury; the Federal Emergency Management Agency (FEMA); General Services Administration; International Assistance Programs; Small Business Administration; Commodity Futures Trading Commission; District of Columbia; Export-Import Bank of the United States; National Transportation Safety Board; the Executive Office of the President; and the Legislative and Judicial Branches. The funding would provide assistance to the victims of the attacks and would address other consequences of the attacks, including funding for: debris removal, search and rescue efforts, and victim assistance efforts of FEMA; emergency grants to disaster-affected metropolitan area health providers; investigative expenses of the FBI; increased airport security and sky marshals; initial repair of the Pentagon; evacuation of high threat embassies abroad; additional funding for the Small Business Administration disaster loan program; and initial crisis and recovery operations of the Department of Defense and other national security operations.

These requests represent the initial transfers from the Emergency Response Fund to respond swiftly to urgent requirements and to alleviate human endangerment and suffering. We will continue to work with the agencies to determine additional needs. No further congressional action is required for these initial transfers.

I have carefully reviewed these proposals and am satisfied that they are necessary at this time. Therefore, I join the heads of the affected Departments and agencies in recommending your approval of the transfers described in the enclosure.

Cordially,

Sean O'Keefe
Deputy Director

Enclosure

EMERGENCY APPROPRIATIONS: AMOUNTS PREVIOUSLY APPROPRIATED NOW BEING TRANSFERRED BY THE PRESIDENT FROM THE EMERGENCY RESPONSE FUND

Department of Commerce
International Trade Administration (ITA)
Operations and Administration $100,000

These funds will enable ITA to relocate six Foreign and Commercial Service officers who were located in 6 World Trade Center, which was damaged beyond repair, and purchase new equipment and furniture.

Department of Defense -- Military $2,548,000,000

These funds will provide the Department of Defense with the funds necessary to begin the following activities: upgrading intelligence and security, enhancing force protection, improving command and control, increasing full readiness, supporting initial crisis response, repairing the Pentagon, and providing for other needs.

Department of Energy
National Nuclear Security Administration
Weapons Activities $5,000,000

These funds will support the heightened security needs at the Department of Energy's national laboratories.

Department of Health and Human Services
Departmental Management
Public Health and Social Services Emergency Fund $126,150,000

These funds will provide assistance for the health-related needs of the disaster-affected areas of the New York metropolitan area, Virginia, Maryland, and the District of Columbia. Activities that would be supported include: emergency grants for health care providers; community health centers; mental health and substance abuse services; assessments and services related to environmental hazards, enhancements to the physical security of pathogenic agents and toxins in Centers for Disease Control and Prevention and Food and Drug Administration facilities; and social services including services for the disabled, home-delivered meals and transportation for senior citizens in affected areas.

Department of the Interior
National Park Service (NPS)
Operation of the National Park System $1,713,000
United States Park Police $1,400,000

These amounts will provide funding for NPS and U.S. Park Police emergency response costs in New York City and Washington D.C., as well as increased security patrols in both cities.

Department of Justice

Legal Activities and U.S. Marshals (USMS)

Salaries and Expenses, U.S. Marshals Service $3,900,000

Federal Bureau of Investigation (FBI)

Salaries and Expenses $36,900,000

These funds will support the FBI's extraordinary expenses incurred in investigating the attacks and will provide assistance to the USMS for increased airport and courthouse security and other activities.

Department of Labor (DOL)

Employment and Training Administration

Training and Employment Services $25,000,000

State Unemployment Insurance and Employment Service Operations $3,500,000

Occupational Safety and Health Administration (OSHA)

Salaries and Expenses $500,000

These amounts will provide funding for: DOL's Dislocated Workers program to provide temporary jobs to assist in clean-up and restoration efforts in New York; assistance to cover immediate infonnation technology and other costs of disaster recovery for unemployment insurance claims taking that need to be relocated; and OSHA's monitoring of health and safety at the disaster sites.

Department of State

Administration of Foreign Affairs

Diplomatic and Consular Programs $390,000

Capital Investment Fund $7,500,000

Emergencies in the Diplomatic and Consular Service $41,000,000

Approximately half of these funds will be used to provide rewards for information to help apprehend terrorists. The State Department will also use these funds to improve emergency communications at domestic facilities and embassies abroad and to have funding available to evacuate personnel at high-threat embassies, should it be required.

Department of Transportation

Coast Guard

Operating Expenses $18,000,000

Federal Aviation Administration

Operations $123,000,000

These funds will support increased airport security measures and expenses for additional Federal law enforcement officials to perform Sky Marshal functions and increased Coast Guard New York Harbor patrols and the related recall of Coast Guard reservists.

Department of the Treasury

Departmental Offices

Salaries and Expenses $6,100,000

Financial Crimes Enforcement Network $60,000

Financial Management Service

Salaries and Expenses $110,000

Bureau of Alcohol, Tobacco, and Firearms

Salaries and Expenses $1,530,000

United States Customs Service

Salaries and Expenses $21,000,000

Operation, Maintenance, and Procurement

Air and Marine Interdiction Programs $14,700,000

Internal Revenue Service

Processing, Assistance, and Management $1,920,000

Tax Law Enforcement $2,170,000

Information Systems $450,000

These funds will support the immediate response and recovery needs of the approximately 1,000 Treasury employees who were located in or near the World Trade Center complex, most of whose offices were destroyed. These funds will also be used to establish a Foreign Terrorist Assets Tracking Center, as well as fund Customs Service air support for counterterrorism activities.

Executive Office of the President

Office of Administration, Salaries and Expenses $500,000

These funds will be used to install protective window film for the Executive Office of the President.

Federal Emergency Management Agency

Disaster Relief $2,000,000,000

These funds will support overall emergency assistance in New York and other affected jurisdictions. This includes costs associated with debris removal and emergency protective measures, as well as individual and family assistance, search and rescue, and other disaster assistance efforts.

General Services Administration

Real Property Activities

Federal Buildings Fund $8,600,000

These funds will support increased security coverage of Federal buildings; purchase of security equipment; structural studies of seven Federal locations affected by the New York City disaster; overtime and travel costs for law enforcement personnel; and other security costs.

International Assistance Programs

U.S. Agency for International Development (USAID)

Operating Expenses $2,400,000

Peace Corps $2,600,000

These funds are primarily to cover the costs of the evacuation of Peace Corps volunteers in nine Peace Corps posts; improved overseas emergency communications; and the potential evacuation for high-risk USAID and Peace Corps posts.

Small Business Administration

Disaster Loans Program $100,000,000

These funds will support $400 million in low interest disaster loans for renters, homeowners, and businesses in designated disaster areas.

Commodity Futures Trading Commission (CFTC)

Commodity Futures Trading Commission $200,000

The CFTC's New York office, which was located in the World Trade Center, will use these funds to purchase computers and office equipment for its temporary space.

District of Columbia

District of Columbia General and Special Payments

Federal Support for Economic Development and Management Reform in the District $5,988,000

These funds will be used for short-term response activities, including personnel and overtime costs of the Metropolitan Police Department, Fire Department, and the Public Works Department of the District of Columbia.

Export-Import Bank of the United States

Export-Import Bank Loans Program Account, Administrative Expenses $75,000

These funds will be used to relocate the office of the Export-Import Bank previously located at the World Trade Center.

National Transportation Safety Board

Salaries and Expenses $150,000

The National Transportation Safety Board will use these funds for the recovery of flight recorders for the four planes and for assistance to the plane crashes victims' families.

Legislative Branch

Joint Items

Salaries, Capitol Police $2,500,000

Architect of the Capitol

Capitol Buildings, Salaries and Expenses $750,000

These funds will support increased security measures, including overtime compensation for the U.S. Capitol Police and the installation of protective window film for the U.S. Capitol.

Judicial Branch

Supreme Court of the United States

Care of Buildings and Grounds $1,250,000

These funds will be used to install protective window film for the U.S. Supreme Court.

F WR

180 WATER STREET

THE CITY OF NEW YORK
(DEPARTMENT OF CITYWIDE ADMINISTRATIVE SERVICES)
180 Water Street
New York, New York

This lease abstract contains, in summary form, the major elements of the lease dated June 25, 1997 between 180 Water Street Associates, L.P. and The City of New York. The abstract is not meant to replace the lease document, and Cushman & Wakefield, Inc. makes no representation as to the accuracy of said abstract.

LEASE DATE: June 25, 1997

LANDLORD:
180 Water Street Associates, L.P.
c/o Melohn Properties
1995 Broadway
New York, New York 10023

TENANT: The City of New York (Department of Citywide Administrative Services)

BUILDING:
180 Water Street
New York, NY

PREMISES:
430, 000 r.s.f. approximately
Floors 2-12, 14, 16-25 mezzanine and portions of ground floor, basement. Tenant may utilize parts of roof for telecommunication needs as described in Article 41.

Note: 15th Floor is a mechanical floor.

TERM:
(Art. 1, Pg.3)
6/1/98 - 7/6/2018
Commencement Date shall be substantial completion date of first office floor delivered to Tenant (6/1/98).
Expiration Date shall be the earlier of 1) 21st Anniversary of Commencement Date or 2) 20th Anniversary of Substantial Completion of entire Premises (7/6/2018).

RENT:

$	8, 470,371.00	Per Annum	(6/1/98 to 7/6/01)
$	750,864.25	Per Annum	
$	19.70	Per Annum	
$	10,030,702.00	Per Annum	(7/7/01 to 7/6/08)
$	835,891.83	Per Month	
$	23.33	Per Sq. Ft.	

$	11,033,772.00	Per Annum	(7/7/08 to 7/6/13)
$	919,481.00	Per Month	
$	25.00	Per Sq. Ft.	
$	11,591,034.00	Per Annum	(7/7/13 to 7/6/18)
$	9,65,919.50	Per Month	
$	26.96	Per Sq. Ft.	

LATE FEES:
(Art. 2.4, Pg.6)

45 days after rent is due, a late charge equal to the lesser of (i) the base or prime rate of Chase Manhattan Bank in New York City plus one (1) percentage point or (ii) the highest rate permitted by law on the overdue amount applies.

RENT CREDIT:
(Art. 2.6, Pg 7)

Free rent in the amount of $705,864.25 applies for the 36th month after Substantial Completion Date.

TERMINATION OPTION:
(Art.3, Pg.8)

Tenant may terminate the lease on (a "Termination Date") anniversary date during the period between the 15th-19th (or 22nd-25th anniversary dates if Tenant exercised the Renewal option) of the Substantial Completion Date upon notice to Landlord and any Mortgagee and Ground Lessor at least (a) 18 month prior to the Termination Date of a Total Termination Option or Partial Termination Option of at least 215,000 Sq. Ft. or (b) one (1) year prior to a Termination Date of a Partial Termination Option of less than 215,000 Sq. Ft. or (c) during renewal period, Tenant shall give two (2) years notice for total or Partial Termination Option.

Tenant may exercise its right of Partial Termination up to 215,000 r.s.f. in any lease year and must consist of full floors only. Tenant may only deliver a Termination Notice for the basement, ground floor and mezzanine as a single unit and (the "Retail Space"). Tenant must first surrender all of the office space on floors 18-25 prior to terminating space below the 18th floor. After first Partial Termination notice is given, all subsequent Termination notices shall be for space which is contiguous to previously surrendered space. Only one (1) Termination Option may be exercised in any one (1) Lease Year.

To exercise the Termination Option, Tenant shall pay Landlord the unamortized portion of the Landlord's contribution toward Tenant's alterations and improvements, architectural fees, brokerage commission, and free rent. Exhibit I contains year-by-year payment schedules.

If Partial Termination Option does not include Retail Space, then Landlord may substitute Retail Space as a substitute surrender space. Landlord will not designate portions of Retail Space which would unduly disrupt Tenant's operations in Tenant's reasonable judgment. Landlord will relocate Retail Space, at its sole cost and expense, to designated surrender space which will be contiguous to Demised Premises.

EXPENSE ESCALATION:
(Art. 4, Pg. 16)

The Operating Expense Base shall be the first 12-month period. after Substantial Completion date. Landlord may bill on estimated basis. Tenant Share is 100%. Operating Expenses and Operating Expense Base shall be adjusted to 100% occupancy.

TAX ESCALATION:
(Art. 4.9, Pg. 30)

Tenant shall reimburse the Landlord its percentage share (100%) of any increase in real estate tax assessment and sewer rents over the real estate taxes for the base fiscal year 1997/1998.

AUDIT:
(Art. 4.11, Pg. 35)

Within 18 months of receipt of any Operating Expense Statement or Tax Statement, Tenant has the right to examine, copy and audit Landlord's books and records. Within 180 days after the records are made available to Tenant, Tenant may send notice to Landlord that it disputes the billing. If Tenant fails to deliver a Tenant's statement, Operating Expense Statement or Tax Statement shall be conclusive and binding. Tenant may seek remedies at Law to settle the dispute within 60 days of delivery of its notice to Landlord.

LANDLORD'S WORK:
(Art. 6, Pg. 38)

Landlord shall perform Initial Alterations and deliver space to Tenant in Phases as follows:

Phase I - Lobby, Mezzanine, 2, 4, 5, 14, including LAN Room on 14.
Phase II - 7, 8, 9, 10, 11
Phase III - 6, 18, 19, 20, 21, 22
Phase IV - 3, 12, 16, 17, 23, 24, 25

Substantial Completion Date shall be date on which all phases are completed and accepted.
Total cost of Work shall be limited to $23,195,095. Tenant Work limited to $23,195,095 less soft costs (of which Architects and Engineer costs shall not exceed $111,800).
If Landlord projects total cost in excess of $23,195,095, it will request review by "highest echelon of staff" including Deputy Commissioner of Human Resources Administration or, in his/her absence, Commissioner of the Department of Citywide Services to discuss reduction of the scope of work to lower the total cost.

Landlord will pay $12,049,870 toward cost of Work.
Landlord will advance up to $11,145,225 for balance of Work, to be repaid by Tenant. Interest rate equal to the lesser of 1) annual interest rate payable by Landlord under its construction or permanent financing in effect, as compounded under applicable financing documents, or 2) 9.5% per annum compounded daily. Repayment period shall be from the first Business Day of the <u>third</u> calendar month after the Substantial Completion Date until the fifth anniversary of the Substantial Completion Date.
Landlord shall provide schedule of Work, showing time frames through completion, move-in and final occupancy (Construction Period - Exhibit 2).
If Substantial Completion Date has not occurred within 90 days after end of Construction Period, then Tenant may give Landlord notice of its intent to complete work and deduct cost from Base Rent. If Substantial Completion Date has not occurred within 150 days after end of Construction Period (and Tenant has not exercised right to complete work), then Tenant may terminate Lease.

SERVICES:
(Art. 9, Pg. 77)

The Building Hours shall be 6:30 am - 8 pm Monday-Friday and 7am - 1 pm Saturday. (If Tenant surrenders space so that Tenant's share is less than 50%, then Building Hours shall be 8 am - 6 pm Monday-Friday and 8 am - 1 pm Saturday).

Landlord to furnish: access 24 hours each day 7 days a week; elevator service; freight elevator services during business hours on business days; HVAC; hot and cold water for lavatory and drinking purposes at Tenant's sole cost; cleaning and miscellaneous services and trash removal at Tenant's sole cost; common area cleaning, snow removal and landscaping. Tenant shall pay Landlord's overtime HVAC rates for overtime service. Tenant will contract directly for electricity, steam, gas, water and sewer and any other utilities during such periods that Tenant has not reduced its r.s.f. Other than access and electricity, Landlord is not required to provide any service maintenance, repairs or other improvements to the Basement and Tenant agrees to maintain and repair the Basement at its sole cost.

Tenant is responsible for paying all utilities "consumed at the Building" on a direct basis during the Term of the Lease (unless Tenant exercises a partial surrender option).

Tenant shall pay as Additional Rent, cost of staffing Lobby Security Desk and any other lobby security or freight elevator personnel. If Tenant Share is in excess of 75%, then Tenant may staff above positions with Tenant's own employees, as long as employees are qualified to monitor Class E system and elevator security, and no labor problems are caused.

USE:
(Art. 10.1(a), Pg. 89)

Executive and general offices and related ancillary purposes of the headquarters' staff of the Human Resources Administration or other use as the Commissioner of the Department of Citywide Administration may determine.

ALTERATIONS:
(Art. 11, Pg. 97)

Landlord's consent required (except for decorative alterations under $50,000 such as painting, decorating and/or wall covering), not to be unreasonably withheld for non-material alterations. Tenant shall pay to Landlord Landlord's reasonable out-of-pocket costs and expenses for reviewing plans and specifications and inspecting alterations. Tenant entitled to one floor cut per floor for internal staircase.

REPAIRS:
(Art. 13, Pg. 105)

Landlord to make all structural repairs and replacements to the land and building. Tenant to maintain, make improvements, repairs and replacements to the premises.

ADA:
(Art. 18, Pg. 119)

Landlord will cause common areas to comply with ADA, but will not be responsible for providing elevator or escalator access or toilet service to Mezzanine or Basement. Tenant is responsible for ADA compliance in the premises and in common areas as a result of Tenant's particular use.

HOLDOVER:
(Art. 20, Pg. 125)

Tenant shall become a month-to-month Tenant at a monthly rental equal to all Additional Rent plus 1) 150% of Base Rent for first 60 days of holdover period and 2) 175% of Base Rent thereafter.

NOTICES:
(Art. 21, Pg. 126)

Certified mail, return receipt requested, or overnight courier.

To Landlord:
180 Water Street Associates, L.P.
c/o Melohn Properties
1995 Broadway
New York, NY 10023

Copy to:
Paul, Weiss, Rifkind, Wharton & Garrison
1285 Avenue of the Americas
New York, NY 10019
Attn: Steven Simkin, Esq.

To Tenant:

ASSISTANT COMMISSIONER FOR LEASING,
ACQUISITIONS AND SPACE DESIGN
Department of Citywide Administrative Services
Division of Real Estate Services
1 Centre Street, 20th Floor North, Room 2000
New York, NY 10007

Copy to:

(Until Substantial Completion Date)

Deputy Administrator for Administration
Human Resources Administration
250 Church Street
New York, NY 10013

After Substantial Completion Date to Premises

BROKERAGE: **(Art. 29, Pg. 142)**

Cushman & Wakefield, Inc. and Galbreath Company, L.P.

ASSIGNMENT/ SUBLET: **(Art. 32, Pg. 144)**

Landlord's consent required, not to be unreasonably withheld or delayed. Landlord has right to sublet or to become assignee. Landlord right to 50% profit capture, after deducting subleasing expenses. Tenant shall reimburse Landlord for Landlord's reasonable costs and expenses in reviewing or acting upon any proposed assignment or subletting.
Tenant right to permit any agency or department of the City of New York to occupy a portion of Premises.

DEFAULT: **(Art. 38, Pg. 162)**

Cure period for monetary default is 10 days after Landlord notice and for non-monetary default is 30 days after Landlord notice. Landlord may terminate the lease upon default.

RENEWAL OPTION: **(Art. 39, Pg. 169)**

Tenant may renew for five (5) years upon notice between thirty (30) months and twenty-seven (27) months prior to expiration. Tenant must obtain at its sole cost and expense all city and other approvals required (including any approvals required under the New York City Charter and Administrative Code)("Code Approval of the Renewal Option") at least eighteen (18) months before the expiration of Initial Term. The premises shall cover a minimum of one-half (215,000 r.s.f.) of the area. Rent at 95% Fair Market Rental. During the Renewal Period the Real Estate Tax Base year and Operating Expense Base year shall remain the same as prior to expiration.

ANTENNA:
(Art. 41, Pg. 178)

Tenant may use portions of the roof of the building to install, maintain and operate satellite dish antennas and related equipment, mountings and support structures. Provided Tenant's share is greater than or equal to 50%, Landlord agrees it will make available to Tenant up to 50% of the usable area of the roof for Tenant's antennas. If Tenant's share is less than 50%, Landlord will only be required to make available Tenant's Share of the usable area of the roof. Tenant shall be responsible for all costs and expenses for repairs and maintenance of the roof of any other part of the Building directly impacted by Tenant's use. Landlord may at Tenant's expense upon 30 days notice, relocate the antennas to other locations on the roof of the building, provided reception and/or transmission are not adversely affected.

INSURANCE:
(Art. 42, Pg. 184)

Tenant to maintain: All Risk insurance for Tenant's improvements for full replacement costs; comprehensive public liability insurance on an occurrence basis for bodily injury, death, property damage, in an amount not less than $5,000,000 per occurrence and $15,000,000 aggregate for any policy year naming Landlord and Tenant as insureds and Ground Lessors and all Mortgagees as additional insureds; during the performance of alterations, Tenant shall cause its general contractor and subcontractors to maintain worker's compensation and employee's liability insurance. Tenant to deliver to Landlord certificates of coverage. So long as Tenant is the City of New York, Tenant may act as a self-insurer with respect to all risks on or about the Premises.

ARTICLE 32

ASSIGNMENT AND SUBLETTING

32.1 Tenant shall not assign, sell or mortgage, pledge or in any manner transfer this Lease or any interest therein or sublet the Demised Premises or parts thereof except in accordance with the provisions of this Article 32.

32.2 (a) If Tenant desires to assign this Lease or to sublet all or part of the Demised Premises and shall have obtained a proposed assignee or subtenant upon terms satisfactory to Tenant, Tenant shall submit to Landlord in writing a request for Landlord's consent, together with the name of the proposed assignee or subtenant; the terms and conditions of the proposed assignment or subletting; the nature and character of the business which the proposed assignee or subtenant proposes to conduct in the Demised Premises; current financial statements and banking and other references of such proposed assignee or subtenant; in the case of a partial subletting, a plan of the Demised Premises which sets forth in detail the area Tenant proposes to sublet and the floor space therein; and such other information concerning such proposed assignment or subletting as Landlord may reasonably request.

(b) If Tenant desires to assign this Lease or sublet all or a portion of the Demised Premises, Landlord shall have the option, which may be exercised within twenty-five (25) days following Landlord's receipt of Tenant's request for Landlord's consent and the documentation supporting such request, to acquire the interest being assigned by Tenant or to sublet the Demised Premises (or a portion thereof) from Tenant on the same terms and conditions of such proposed assignment or subletting, as the case may be. If Landlord shall exercise either such option, Tenant shall vacate and surrender in the manner prescribed in Article 12 (but Tenant shall not be required to restore) hereof on or before the effective date of such assignment or subletting: (i) the Demised Premises, in the case of a proposed assignment or subletting of all or substantially all of the Demised Premises or (ii) the portion of the Demised Premises affected by the proposed subletting in the case of a proposed subletting affecting less than all of the Demised Premises. From and after the exercise by Landlord of either of the options referred to in this Section, Landlord shall be free to lease the recaptured space and/or other space to Tenant's prospective assignee or subtenant or to any other party.

32.3 If Tenant is a corporation, any sale, assignment, transfer, pledge or other disposition of the capital stock of such corporation (except when such stock is publicly traded over the counter or on a national securities exchange) resulting in a change in the effective voting control of Tenant as it exists on the date hereof, or if Tenant is a partnership or limited liability company, any sale, assignment, transfer, pledge or other disposition of a controlling interest in such partnership or limited liability company, shall for all purposes of this Lease constitute an assignment of this Lease and shall be governed, as such, by the provisions of this Article 32.

32.4 If Landlord shall not exercise its option under Section 32.2, and Tenant shall not be in default under this Lease beyond any notice and cure period, and the proposed assignment or subletting shall not be a prohibited assignment or subletting under this Article 32, then Landlord's consent to any such proposed assignment or subletting shall not be unreasonably withheld or delayed but in no event longer than

25 days (Time Being of the Essence) provided: (a) the proposed assignee or subtenant shall have a financial standing consistent with the obligations under such sublease or assignment (b) the Demised Premises will continue to be used in a manner consistent with the uses provided for herein. It being further understood that Landlord shall be deemed to have acted reasonably in withholding its consent if (i) the character of the business to be conducted at the Demised Premises by the proposed subtenant or assignee: (A) materially increases the burden on existing services to be supplied by Landlord pursuant to this Lease or (B) violates any restrictions herein or in a Ground Lease or Mortgage relating to the use or occupancy of the Demised Premises; (ii) the proposed assignee or subtenant is a tenant or occupant of the Building or a subsidiary, division or affiliate of any such tenant or occupant (other than Tenant) of the Building unless if at the time of Tenant's notice there is no space available for leasing or will not be available within the succeeding three (3) months; (iii) if the proposed assignee or subtenant is a party with whom Landlord is then negotiating or within the preceding three (3) months has been negotiating to lease space in the Building; or (iv) violates any negative covenants contained in a lease of any other tenant of the Building which has previously been disclosed to Tenant.

32.5 If Landlord shall grant its consent to a proposed assignment of this Lease or subletting of the Demised Premises of any part thereof, such consent and the effectiveness of any such assignment or subletting shall nevertheless be conditioned upon Tenant's complying with the following conditions:

(a) In the case of an assignment, the assignee shall duly assume from and after the date of such assignment, directly for the benefit of Landlord, all of the obligations of Tenant hereunder and shall cause a written assumption agreement (in form satisfactory to Landlord) to be delivered to Landlord (the assumption shall not constitute a release of Tenant's or any prior assignee's obligations under this Lease);

(b) The sublease shall expressly provide that it is subject and subordinate to this Lease and to the matters to which this Lease is or shall be subordinate, and that, in the event of termination, re-entry or dispossession by Landlord under this Lease, Landlord may, at its option, take over any of the right, title and interest of Tenant, as sublandlord, under such sublease, and the proposed subtenant shall, at Landlord's option, attorn to Landlord pursuant to the then executory provisions of such sublease, except that Landlord shall not (i) be liable for any previous act or omission of Tenant under such sublease, (ii) be subject to any counterclaim, offset for defense, not expressly provided in such sublease, which theretofore accrued to such subtenant against Tenant, or (iii) be bound by any previous modification of such sublease or by any previous prepayment of more than one (1) month's rent (it being acknowledged and agreed, however, that the provisions of this subdivision shall be self-operative, and that no further instrument shall be required to give effect to this provision);

(c) The proposed subtenant shall use and occupy the Demised Premises only for the uses set forth in this Lease, and for no other use;

(d) The subtenant or assignee, shall have no right whatsoever to sublet the Demised Premises or any portion thereof or to assign its interest in the sublease or the Lease, as the case may be (for the purpose of this subsection the term assign or assignment shall also include those circumstances described in Section 32.3 hereof);

(e) A duplicate original of the executed assignment and assumption agreement or sublease, as the case may be, shall be delivered to Landlord prior to the effective date of any such assignment or subletting and the form of any proposed sublease agreement and assumption agreement shall be reasonably acceptable to Landlord;

(f) The Demised Premises, or the part thereof proposed to be sublet, shall not, without prior notice to Landlord have been listed or otherwise publicly advertised for assignment or subletting by Tenant or Tenant's agents at a rental rate less than the greater of (i) the current market rental rate then being asked by Landlord for comparable space to that proposed to be sublet and for a comparable term and (ii) at a rental rate less than the rate of fixed rent and additional rent then payable hereunder for such space;

(g) Tenant shall not then be in default hereunder beyond any notice and cure period;

(h) In case of a subletting, no whole floor of the Building which is included in or includes, the Demised Premises shall be occupied at any time, in separately partitioned areas, by more than four subtenants or other tenants and Tenant. The area to be sublet shall have direct access to public corridor and all toilet facilities on the floor; and

(i) No subletting shall end later than one day before the Expiration Date of this Lease or shall be for a term of less than two years, unless it ends not more than one month before the Expiration Date.

32.6 Any assignment or subletting made in contravention of the provisions of this Article 32 shall constitute a material breach of this Lease. Any such assignment or subletting shall not be binding upon Landlord and, at Landlord's option, may be treated as a nullity and of no force or effect whatsoever against Landlord.

32.7 In connection with any permitted subletting or assignment under this Article 32, Tenant shall pay Landlord, as additional rent, fifty (50%) percent of the Sublease/Assignment Premium (as defined herein) actually received from each such sublease or assignment. Tenant shall pay the Sublease/Assignment Premium to Landlord within twenty (20) days of receipt of same by Tenant from time to time. "Sublease/ Assignment Premium" shall mean the difference between

(a) all rent, additional rent, and/or other monies, property, and other consideration of every kind whatsoever received by Tenant from the subtenant or assignee for, or by reason of, the assignment or the subletting (including all amounts received by Tenant for, or attributable to, any property of Tenant), which rent and additional rent, in the case of a sublease; and

(b) the sum of

(i) Base Rent and Additional Rent for Operating Expenses and Real Estate Taxes allocable to the floor space covered by such sublease (as reasonably determined by Landlord) and payable by Tenant pursuant to this Lease;

(ii) Reasonable out-of-pocket legal fees and expenses (including the fees and expenses of Landlord's counsel) and commissions actually paid by Tenant to a licensed real estate broker to procure the assignment or sublease, provided that any such commission payable to an Affiliate of Tenant shall not exceed that which would have been payable to a third-party in an arm's-length transaction; and

(iii) Reasonable work letter construction costs and/or moving costs, to the extent actually paid or given by Tenant, provided in all instances such costs do not exceed those prevailing for comparable transactions.

32.8 Every permitted assignment of this Lease or subletting hereunder shall be expressly subject to the condition and restriction that the assignee or subtenant shall not further assign, encumber or otherwise transfer or further sublet in whole or in part, any part of the Demised Premises used or occupied by others, without first complying with the provisions of this Article 32. Every subletting hereunder shall be subject to the express condition, and by accepting a sublease hereunder each subtenant shall be conclusively deemed to have agreed, that if this Lease should be terminated prior to the expiration date herein set forth or if Landlord shall succeed to Tenant's estate in the Demised Premises, then at Landlord's election the subtenant shall attorn to and recognize Landlord as the subtenant's landlord under the sublease, any provision of law to the contrary notwithstanding; and the subtenant shall promptly execute and deliver to Landlord any instrument Landlord may reasonably request to evidence such attornment, and each subtenant shall conclusively be deemed to have appointed Landlord its attorney-in-fact to execute and deliver any such certificate for and on behalf of such subtenant.

32.9 Tenant shall reimburse Landlord within fifteen (15) days after demand, as Additional Rent, for the amount of Landlord's reasonable costs and expenses that Landlord may incur in reviewing or acting upon any proposed assignment or subletting by Tenant except for any pursuant to Section 32.13 hereof.

32.10 Notwithstanding any assignment of this Lease or subletting of all or a portion of the Demised Premises, or the consent of Landlord thereto, the Tenant herein named, and each immediate or remote successor in interest of the Tenant herein named, shall remain liable, jointly and severally (with respect to Tenant, as primary obligor), with its subtenant and all subsequent subtenants for the performance of Tenant's obligations hereunder and, without limiting the generality of the foregoing, shall remain fully and directly responsible and liable to Landlord for all acts and omissions on the part of the subtenant in violation or breach of any of Tenant's obligations under this Lease.

32.11 Tenant agrees that in connection with any assignment or subletting hereunder, Tenant shall be solely responsible for any Alterations done in connection therewith and such Alterations shall only be permitted upon compliance with the terms, covenants and provisions of this Lease relating to Alterations.

32.12 In the event Tenant contends that Landlord unreasonably withheld its consent to an assignment of this Lease or a subletting of all or part of the Demised Premises when Landlord was obligated hereunder not to unreasonably withhold its consent, such question shall be submitted to arbitration in accordance with

Section 36.1 hereof for resolution and, if such arbitration results in a decision that Landlord unreasonably withheld its consent when it was obligated hereunder not to do so, then notwithstanding anything to the contrary contained herein or otherwise Landlord shall have the option, exercisable in its sole discretion within five (5) Business Days after such arbitration decision, to: (a) consent to the proposed assignment or subletting or (b) exercise the option contained in subsection 32.2. If Landlord shall fail to timely exercise one of the options in clauses (a) or (b) of this Section 32.12, Tenant shall have the right to seek to recover the actual damages it has sustained by reason of Landlord's failure to exercise one of said options. Nothing in this Section shall in any way effect Tenant's duty, which is hereby confirmed, to mitigate its damages by using reasonable efforts to locate alternative assignees or subtenants, as the case may be.

32.13 Anything contained in the foregoing to the contrary notwithstanding, Tenant shall have the right to permit any agency or department of the City of New York to occupy a portion of the Demised Premises, such occupancy to be subject to all of the terms and conditions of this Lease including without limitation the provisions contained in subsections 10.1(a) and 10.2(a).

EASTERN
REGION
HELICOPTER
COUNCIL INC.

RECEIVED
OCT 10 2001
Robert M. Harding
Deputy Mayor for
Economic Development and Finance

October 5, 2001

The Honorable Robert M. Harding
Deputy Mayor - Economic Development & Finance
City of New York
City Hall
New York, New York 10007

REF: FAA Airspace Restrictions
N.Y.C. Heliports

Dear Deputy Mayor Harding,

On behalf of the Eastern Region Helicopter Council, I would like to applaud your efforts, along with those of the Mayor, Governor and other City Administration staff, for the leadership and inspiration you have provided during this dark period. I would also like to express our sincere sympathies to the families that lost loved ones, and acknowledge the heroic efforts and sacrifices of the New York Police, Fire and EMS services.

Normally under such circumstances I would not intrude on your valuable time, however we need your assistance, and that of the Mayor as you deem appropriate. I have taken the liberty of attaching correspondence I submitted to Mr. Steven Brown, FAA Deputy Administrator for Air Traffic Services. The letter provides an overview of the dire situation being faced by the New York helicopter industry, New York City heliports, and the New York business community which they serve.

Our ability, and that of the business community to return to normal, as requested by the President, Governor and Mayor, has been prohibited. This is due to airspace restrictions put in place by the FAA at the direction of the National Security Agencies, immediately following the tragic events of September 11th. These restrictions eliminate our access to the New York City heliports. Initially the heliports served the needs of the rescue and relief aircraft as well as law enforcement. During this initial period we understood the need for limiting access to the heliports and restrictions on certain flight activity. However as time has passed, and the rescue effort has transitioned to a recovery effort, the relief and security aircraft related to this event, have left the area, and now the ramps at the New York City heliports remain open, but empty.

Accordingly we petitioned the FAA to permit us access to the heliports, and provided a plan to do so, in the attached document. The FAA has concurred with our proposal and is just as anxious to reestablish our operations. However the National Security Agencies have not focused on this situation so as to provide us relief.

30 Valley Lane, Chappaqua, N.Y. 10514
914-845-353-6050 ERHCNY@AOL.COM

Thus we are asking for the City Administration to assist us in requesting that the National Security Agencies review the current situation, and endorse our plan, which requests very limited access to only two of the three heliports.

In these times of severe restrictions on ground transportation access, the necessity and value of helicopter access to Manhattan by the business community and their clients, is more important than ever. If helicopter access to Manhattan continues to be unavailable, it would be counter productive to the Mayor's desire for recovery, and business as usual. As previously indicated by the New York E.D.C., the heliports, and related helicopter activities contribute an estimated 160 million dollars to the City economy each year. We desire nothing more than to continue to contribute to the City's economic base, as we have for over 50 years.

After your review of the attached, should you have any questions, require any additional information, or our presence at any meeting, please let me know.

We stand ready to do our part in helping our city recover, however we must have access to the heliports to do so.

I sincerely hope you can assist us with this matter, and thank you for your consideration.

Respectfully,

Matthew S. Zuccaro
Special Advisor - Board of Directors

ENC:

CC: Hon. R. Giuliani
Hon. G. Pataki

CONTACT INFORMATION:

Matthew S. Zuccaro
Eastern Region Helicopter Council, Inc.
30 Valley Lane
Chappaqua, New York 10514

Phone:	**914-238-1800**
Cellphone:	**914-645-2039**
Fax:	**914-238-1802**
E-Mail:	**ERHCNY@AOL.COM**

EASTERN
REGION
HELICOPTER
COUNCIL INC.

September 26, 2001

Mr. Steven J. Brown
Associate Administrator - FAA
Air Traffic Services
800 Independence Avenue, S.W.
Washington, D. C. 20591

REF: AIRSPACE RESTRICTIONS
NEW YORK CITY HELIPORTS

Dear Mr. Brown,

I am respectfully submitting this correspondence on behalf of the Eastern Region Helicopter Council, which is the trade association representing the helicopter and heliport operators within the New York Metropolitan area, and adjacent Northeast Corridor.

On the morning of September 11, 2001, a number of our members were flying in the skies over New York City, performing their normal missions, which include Corporate transport, Commercial Charter, Electronic News Gathering, cargo and financial document transport, tour operations, Emergency Medical Transport and Law Enforcement, to name a few. Some of these flight crews watched in horror, as they witnessed U.S. commercial airliners impact the World Trade Center, and the devastation that followed.

In the hours and days following the terrorist attacks, our members made their aircraft available, to assist in the rescue efforts in any way possible. A number of them transported victims, rescue workers, and medical personnel, as well as much needed supplies. At the same time, dozens of other helicopters, operated by our members, were on standby at staging areas, ready to respond if needed.

Also among our membership are the FBO companies that operate the three (3) New York City heliports in Manhattan, two of which are located on the East River at East 34th Street and Wall Street respectively, and one located on the Hudson River at West 30th Street. From the time of the attacks on the World Trade Center, until today, the FBO's have kept their heliports open and staffed, for the use of aircraft involved in the relief effort and security operations, as well as providing helicopter access to Manhattan for elected officials and staff of various government agencies.

30 VALLEY LANE, CHAPPAQUA, NEW YORK 10514
845-353-6050 - *ERHCNY@AOL.COM*

I believe this information provides a clear understanding that those involved in the helicopter industry, in the New York Metro area, have a personal and intimate understanding of the tragic events that took place on September 11, 2001, and the magnitude of the loss of life. This is especially true since we are also residents of New York City and the surrounding areas, with many of us being effected on a personal level as well. Accordingly the events of that day, those who lost their lives, and their loved ones, will always be in our thoughts.

It is with this in mind that I present the following. We are requesting your help, to accomplish the goal established by Mayor Giuliani, Governor Pataki, and President Bush. Namely, return New York City to it's normal, vibrant status, as the financial, business and tourist capitol of the world.

For over 30 years New York City has been widely recognized as the urban area with the highest level of helicopter activity in the world. The New York City heliport network has averaged over 100,00 operations per year. In a recent Master Plan study conducted by the N.Y.C. Economic Development Corporation, it was noted that the helicopter industry segment operating in the New York City area, had a safety record almost eight (8) times better than the national industry average. This due in part to the fact that almost all the helicopters flown in the area are staffed by full time professional pilots. Many of these helicopters are also operated with a 2 pilot crew, with an average experience level of over 20 years in the New York City area. Additionally the N.Y.C. Economic Development Corporation indicates that it found, that the helicopter industry, and it's related activities, contribute approximately 160 million dollars annually to the City's economy.

From the time of the attacks, and the period immediately following, ERHC and it's members fully understood the need to restrict our access into certain segments of the airspace, and supported this action. These restrictions were necessary to minimize any potential further threats, while providing clear and unobstructed airspace access for relief and security aircraft. Accordingly our members, their employees, and the customers they serve, have endured the severe economic impacts resulting from these airspace restrictions.

However the reality of the effects of these continued airspace restrictions has set in, and we have now reached an extremely critical point in our situation, that threatens our ability to remain in business, and move forward towards a return to normalcy. Just today I was advised by one of our members that he had to furlough 100 employees, due to his inability to access the N. Y. C. heliports.

Unfortunately for ERHC and it's members, we now find ourselves situated in the most restricted airspace in the country, that through a unique set of circumstances, effects only our helicopter operators in a manner not being experienced by any other segment of aviation in the United States. I present the following for your consideration.

ERHC members are subject to the effects of the Enhanced Class B Airspace restrictions, as well as the 25 NM restricted airspace zones placed around New York and Washington. We understand that these restrictions also effect other segments of General Aviation as well. However even in anticipation of these restrictions being modified or lifted, we will still not have access to the very core of our operating system, namely the three New York City Heliports located in Manhattan.

This is due to the 3 NM restricted airspace zone around the World Trade Center site. The current notification for this zone prohibits all aircraft except relief aircraft. Unfortunately this zone also includes the 3 New York City Heliports. Ironically the East 34 Street heliport is 2.8 NM from the World Trade Center site, and the West 30th Street heliport is 2.9 NM miles from the World Trade Center site, with portions of the north ramp just on the edge of the limits of the 3 NM arc.

I would like to note what I believe are very important issues relating to this 3 NM restricted area. I fully understand the necessity of establishing a 3 NM restricted area around the location of aircraft accidents, natural disasters, and situations similar to the WTC attacks. Such restricted areas are necessary and expected, to provide unobstructed access to the area for relief aircraft. Such restricted areas also prevent overflights by the curious, or traffic that would normally transit the area. However these restrictions lose their purpose as time passes, and the relief activity is eliminated. In the case of the WTC site, the relief aircraft have, for all practical purposes, left the area, and support aircraft activity has virtually been eliminated. The only activity associated with the event, is now occurring on the ground at the WTC site. In as much as the need for the 3 NM restricted area no longer exists, I question the necessity of maintaining it. I am also not sure that the agencies that are maintaining this zone, realize that it's only remaining effect, has been to eliminate access to the three (3) New York City heliports, and the grounding of an industry segment. Although we would like to see this restriction lifted, or in the alternative reduced to 2.5 NM, we have offered a solution to this problem, which assumes it will remain in place, for some as yet undetermined time.

As noted previously these heliports normally have an average usage of over 100,000 operations a year. In the days immediately following the WTC attacks they remained open and experienced high levels of operations serving the needs of the relief and security aircraft. However, as I noted, as the rescue, relief and security activities have wound down, the ramps at the heliports have remained virtually empty, with no activity to speak of for almost a week, since no commercial or general aviation helicopters can access them. Also important to note is that FBO's have maintained staff, and continue to incur operating expenses, so the facilities remain open and available, even though they have had no incoming revenue. This is due in large part to the fact that government and relief aircraft are normally exempt from heliport charges, and they are the only aircraft who have been allowed to use the heliports since September 11, 2001.

This continued lack of access to the N.Y.C. heliports is having the previously noted direct economic impact on the helicopter and heliport operators, as well as their customers. The lack of timely access to the Manhattan heliports has dramatically inhibited the business community's effort to recover from the tragic events, and hindered their return to normal operations.

These effects are the result of our inability to transport the senior staff, middle management, and technical specialists, of area corporations, who now, more than ever, have to travel to multiple locations in the shortest time possible. Additionally the business community needs to assure it's customer base that it is safe, and manageable, to travel to Manhattan to conduct business. Many times this level of confidence, and actual ability to reach Manhattan, in a secure and timely manner, can only be provided by the use of FAR Part 91 helicopters, as well as FAR Part 135 commercial helicopters, that are chartered for this purpose.

We believe that our access to two of the New York City heliports can be restored while maintaining the appropriate levels of security and safety, and not modifying the existing 3NM restriction surrounding the WTC site. We have not requested access to the Wall Street heliport due to it's extremely close proximity to the WTC site.

I have presented our approach to accomplishing this goal on the following page:

APPROACH / DEPARTURE - EAST 34TH STREET HELIPORT.

1. **At no time will any helicopter utilizing these procedures enter the 3 NM restricted airspace area, as defined in the now current Notam numbered "FDC 1/9841 ZNY NY", or any subsequent applicable Notam, except for that period necessary to conduct the final approach to, or initial takeoff from, the heliport.**

   NOTE: This procedure would only cause an incursion into the 3NM restricted airspace of approximately 900 feet

2. **All approaches and departures will be conducted VFR, over the East River, and transition to and from a point in space, located over the east stanchion of the 59th Street / Queensboro bridge, which is approximately 1 NM north of the heliport.**

3. **All helicopters utilizing these procedures will maintain contact with LaGuardia tower, and the heliport, on the appropriate frequencies. Appropriate transponder codes will be assigned by ATC.**

APPROACH / DEPARTURE - WEST 30TH STREET HELIPORT.

1. **At no time will any helicopter utilizing these procedures enter the 3 NM restricted airspace area as defined in the now current Notam numbered "FDC 1/9841 ZNY NY", or any subsequent applicable Notam, except for that period necessary to conduct the final approach to, or initial takeoff from, the heliport.**

   NOTE: This procedure would only cause an incursion into the 3NM restricted airspace of approximately 600 feet

2. **All approaches and departures will be conducted VFR over the Hudson River, and transition to and from a point in space, located over the middle of the Hudson River, adjacent to the Intrepid Sea / Air Museum, which is approximately 1 NM north of the heliport.**

3. **All helicopters utilizing these procedures will maintain contact with LaGuardia tower, and the heliport, on the appropriate frequencies. Appropriate transponder codes will be assigned by ATC.**

   NOTE: A MAP DEPICTING THESE PROCEDURES HAS BEEN ATTACHED

With regard to the existing Enhanced Class B airspace restrictions, and the 25 NM restricted area surrounding New York City, I present the following.

Ironically the helicopter industry and ATC in the New York Metro area have been utilizing a system on a daily basis for almost 25 years, that already provides the appropriate elements of control and monitoring, that I believe the Security agencies are now trying to achieve.

Transitions to and from the above noted approach / departure points in space, and the outlying areas, can be made via already existing, dedicated, discrete helicopter routes. These routes and procedures have been in existence for almost 25 years, and are clearly defined on the current NOAA New York Helicopter Route Chart. The routes and procedures denoted on this chart are utilized by ATC and operators on a daily basis, are well known to both, and provide the necessary transitions and access to points noted in the above proposals. Appropriate transponder codes are utilized, and monitoring of flight progress can be maintained. We propose that this tested and proven system, and it's associated routes, be authorized for use by helicopters conducting either FAR Part 91 or 135 VFR operations, within the Enhanced Class B airspace, and the 25 NM restricted area currently in place as identified in the applicable Notams.

In summation I would also like to point out that the various helicopter operators and personnel in the New York Metro area are familiar with operations under trying conditions of national security, and events requiring airspace restrictions. This is due to the fact that New York is host to numerous special events, such as the celebration of our country's Bicentennial, Operation Sail, the Rededication of the Statue of Liberty, Presidential visits, as well as visits by other world leaders. We have also had to operate in less pleasant times involving natural disasters, and other national security events. We have always risen to the occasion, and conducted our operations as we always do, safely, professionally, with due consideration for the surrounding community, while not presenting any security concerns for the agencies involved.

As previously noted we are all to aware of the impact of the tragic attacks, their resultant effects, and the necessity of heightened attention to security issues. I sincerely believe we have a proven track record of performance under similar circumstances, and have addressed the issues as noted above.

Accordingly, I respectfully request that our proposals be presented to the appropriate agencies for review and approval.

The Eastern Region Helicopter Council, it's members, and I, stand ready to assist you in any way possible, be it to answer any questions, provide additional information, make ourselves available for any meetings, or provide testimony.

In closing I would like to thank you for your consideration and assistance. I look forward to speaking with you soon regarding this matter.

Respectfully,

Matthew S. Zuccaro
Special Advisor - Board of Directors

ENC: Map

CONTACT INFORMATION:

Matthew S. Zuccaro
Special Advisor - Board of Directors
Eastern Region Helicopter Council
30 Valley Lane
Chappaqua, New York 10514

Office:	**914-238-1800**
Cellphone:	**914-645-2039**
Fax:	**914-238-1802**
E-Mail:	**ERHCNY@AOL.COM**

EASTERN REGION HELICOPTER COUNCIL
PROPOSED HELIPORT ROUTES