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# Conflicting Visions of How to Rebuild Lower Manhattan

By ERIC LIPTON
and CHARLES V. BAGLI

It could turn into one of the largest construction projects in New York City history. But even before the last of the fires at the World Trade Center complex is extinguished, city, state and federal officials are jockeying over who should control the rebirth of Lower Manhattan.

At a meeting on Monday with 30 of the city's largest developers and brokers, Deputy Mayor Robert M. Harding said that "until the mayor says there is a plan, there is no plan," according to one of the developers who was there and confirmed by another.

City Council Speaker Peter F. Vallone has fired his own volley. He is convinced that the city must avoid another state commission, like the Battery Park City Authority or the Port Authority of New York and New Jersey, that dictates what is built, who builds it and where it is built. He wants these critical decisions to be made primarily by a new mayoral commission — with no state appointees.

"We are the ones that have to rebuild, restructure and re-energize," Mr. Vallone said as he prepared to introduce a City Council bill creating the commission. "You start from the bottom up, and we are at the bottom of this situation, in a very figurative and literal way."

The city's powerful real estate developers, meanwhile, are promoting their own plans for downtown. They are demanding tax breaks to subsidize the construction of new office towers and incentives to lure tenants back to a section of the city devastated by the Sept. 11 attack.

And that is not all. Mr. Vallone, a Democrat, is only one of six men vying to take over City Hall. Each candidate, to one degree or another, has already offered his own vision.

So far, as efforts continue to find possible survivors and the city starts to remove an estimated hundreds of thousands of tons of debris, the city, state and federal governments continue to work together with an air of collegiality, at least in public.

But with as much as $20 billion in federal aid headed toward New York City, as well as billions more from insurance payments and state and city investments, the time has come to figure out just who or what will supervise and coordinate the redevelopment. Behind the scenes, the scuffling has begun. The winner will determine, in large part, what Lower Manhattan looks like for decades to come.

Perhaps the starkest split so far is between two men who in the last week and a half have seemed inseparable: Mayor Rudolph W. Giuliani and Mr. Vallone.

Since the attack, Mr. Vallone has repeatedly stood behind the mayor as he gave daily news updates on the search for survivors and those killed. But earlier this week, the Giuliani administration told the speaker

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to remove the mayor's name from the legislation he intends to introduce today.

The bill the speaker's staff has drafted calls for a seven-member commission, appointed presumably by Mr. Giuliani, that would "exercise all powers necessary and appropriate to reconstruct and redevelop the Lower Manhattan/Financial District."

But Deputy Mayor Joseph J. Lhota said yesterday that Mr. Vallone's plan was unacceptable. The state must be involved in any new entity, he said.

"If any authority is created, it needs to be done in conjunction with the State of the New York," Mr. Lhota said. "It is that simple."

Such an alliance is necessary, he said, given the inherently complicated nature of the task ahead. The Port Authority of New York and New Jersey owned the World Trade Center. The federal aid for the city will, at least in part, be funneled through the state. The state has much broader powers to take property by eminent domain and is not bound by the city's zoning and environmental laws.

***City, state and federal officials and developers, all with separate plans.***

A commission would have to decide whether the city should just build a memorial and new office towers or something more comprehensive, like apartment buildings, shopping areas, or perhaps direct rail links between Wall Street and the Long Island Rail Road.

Mr. Lhota agreed with Mr. Vallone's aversion to a state commission in part, saying that the city must be assured that it will get an equal share of the power, unlike its role in the Port Authority.

"We are looking for a partnership effort here," he said, implying that it should be half city appointees and half state. "A true partnership."

Mr. Vallone said he was open to modifying his bill.

Charles A. Gargano, chairman of the Empire State Development Corporation, said that a commission with powers split equally between the city and state would probably end up deadlocked.

"What gets done with a 50-50 commission?" he asked. "When it comes to rebuilding, it's primarily the Port Authority and the state, working with the City of New York," Mr. Gargano said. "The city has to be part of it."

Prominent city developers would like to start to move on several major projects before a comprehensive review of the options is complete.

Within days of the trade center attack, the Speyer, Resnick, Durst and Rudin real estate families met privately with city planning chairman, Joseph B. Rose, to discuss building office towers on sites they own or control to create new homes for businesses that were in Lower Manhattan. The Resnicks, who were designated this year to develop an apartment house on a city-owned site near the trade center, are now talking to officials about building a large office tower.

Stephen M. Ross and Douglas Durst, two developers active in Manhattan, also argued for the need to create a "super agency," spearheaded by the state but including city officials, that would not get bogged down in public reviews or be constrained by city zoning or environmental rules.

Questions over how to divide up such projects are nothing new. Even now, the city and the state have set up separate assistance centers for businesses whose offices were destroyed.

And with the federal government slated to pick up a share of the tab of this rebuilding effort, there will be one more powerful party with whom to resolve differences.

The federal money comes with strings, thanks to last-minute objections raised by several Republican senators, including Don Nickles of Oklahoma, who said he feared that the aid could become a "slush fund." Arguing that past disaster-relief efforts across the country have been marred by fraud, Senator Nickles succeeded in requiring New York to get full Congressional approval before drawing down its $20 billion. Thus New York's redevelopment could be subject to committee hearings and floor debates.

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