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Top of to-do list: Rebuild



JAMES KENYON/DAILY NEWS

FAMILY AFFAIR Mayor-elect Michael Bloomberg watches the polls last night with daughter Emma (L) and his mother, Charlotte, last night.

By JOE MAHONEY and GREG GITTRICH
DAILY NEWS STAFF WRITERS

Crises either lionize mayors or devour them. And there's been no crisis more threatening to the city's vitality and future than the aftermath of the attacks that brought down the World Trade Center.

In just two months, the staggering job of stabilizing New York's economy and rebuilding lower Manhattan will fall to the mayor-elect, Michael Bloomberg.

The city's new CEO must guide the city through the complex and emotionally charged decision on what should be done at the Trade Center site once the last piece of rubble is removed.

Bloomberg also will have to quickly find ways to keep jobs in lower Manhattan and attract businesses to the area.

Saying "we can't surrender the space to the terrorists," he has called for a new commercial area to be built.

Bloomberg wants to encourage industries such as biotechnology, information technology and fashion to come to lower Manhattan.

He opposes the idea of a dedicated agency — such as the state-city redevelopment corporation announced Monday — to oversee the recovery and cleanup efforts at the Trade Center site.

Bloomberg, however, favors an agency for debt issuance.

As part of his blueprint to rebuild New York, he stressed the importance of forging public-private partnerships and making the restoration of subway and PATH stations a priority.

"If people can't get downtown, they can't work there," a Bloomberg position paper states.

But the newly formed Lower Manhattan Redevelopment Corp. will no doubt play a significant role — probably greater than the incoming mayor's — in the fate of downtown, largely because it will control much of the federal aid dedicated to revitalizing Manhattan south of Houston St.

Mayoral power limited

Gov. Pataki and Mayor Giuliani have structured the agency in a way that could easily limit the new mayor's immediate influence. The agency will consist of six appointees named by the governor and three mayoral choices. Pataki's nominees will have three-year terms, while Giuliani's will serve for one year.

Whether Pataki taps Giuliani as head of the new agency could become clearer this week. The governor's allies suggested the decision could hinge on the mayor's preferences.

"There is probably no better spokesman for New York City than Rudy Giuliani," said the Assembly's Republican leader, John Faso.

But GOP consultant Jay Severin said he doubts Giuliani has a real interest in joining the redevelopment agency, predicting the outgoing mayor will set his sights far more broadly.

With Maki Becker

Mayor's job was tough — these days, it's tougher

By BRIAN KATES
DAILY NEWS STAFF WRITER

Even in the best of times, the mayor of the City of New York is called on to perform tasks worthy of Hercules.

But these are not the best of times.

Mayor-elect Michael Bloomberg faces challenges more daunting than any in modern times.

He will have to deal with the largest budget deficit in New York history, rebuild a city racked psychologically and physically by terror, and still confront the problems that loomed before Sept. 11.

He will have to be — and be seen as being — in firm control, capable of strengthening the city's self-confidence and moving it forward.

And with at least 80,000 jobs expected to be lost this year alone — and most polls show job creation as New Yorkers' No. 1 concern — Bloomberg's priority will have to be keeping businesses from fleeing the city while attracting new companies to the five boroughs.

That, said Diana Fortuna, head of the Citizens Budget Commission, means "creating a competitive environment by keeping crime down, improving the tax structure and expanding the infrastructure."

As if all this weren't tough enough in these difficult times, Bloomberg will have to accomplish these feats in the shadow of Rudy Giuliani, a leader whose actions in the city's worst-ever crisis have overshadowed the legend of Fiorello LaGuardia and earned him the title of America's mayor.

Money problems

The new administration must hit the ground running as new officials take the disaster-effort baton from many of those who have been there from the beginning. Last week's street scuffle between firefighters and cops showed how frayed nerves have become. The transition will be no easy task.

The biggest hurdles involve money, and Bloomberg will have only a month after taking office to decide how to balance next year's battered budget.

The city already was suffering from the stagnating national economy, and its own economic engine — financial services and Wall Street — was not running on all cylinders even before Sept. 11. Debt payments hover at 19% of the city budget.

The attack pushed the projected budget gap from $2.5 billion to $4 billion or even, some economists believe, as much as $6 billion.

The new administration will inherit a city on the brink of a crisis reminiscent of the financial disaster of the 1970s, and times will get even darker in July, after this fiscal year's budget uses up most of the $2.9 billion surplus left over from gains of the '90s.

"The immediate challenge will be to find the most savings possible through increased productivity," Fortuna said. That means continuing the recently imposed hiring freeze, which could turn into layoffs, most observers agreed.

With most of the city's newest workers in vital areas — cops, teachers and the Administration for Children's Services — cuts, if they come, will likely be in sanitation, libraries and parks.

Services like garbage pickups and street cleaning — visible signs of government at work — could suffer. Plans for subway line extensions, new classrooms and parks may have to be scaled back. Bloomberg will have to decide whether libraries must be closed, after-school programs cut and summer jobs curtailed.

And as resources dwindle, demands will increase.

Cops, firefighters and teachers are clamoring for raises. The uniformed services could have no better bargaining tool than their heroism in the aftermath of the Trade Center — possibly forcing the new mayor to hike their pay at the expense of teachers.

Education, the No. 1 issue at the beginning of the mayoral race, has fallen on voters' priority lists since Sept. 11.

But, as Fortuna put it, "In an odd way, the current crisis provides an opportunity to make productivity gains and to win concessions from Albany — like restoring the commuter tax — that were possible before before Sept. 11, but not feasible politically."

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