

Rebuilding Lower Manhattan

The Players



Sources:

- ✓ Reconstruction Watch: Publication 1. "Profiles of the Members of the Lower Manhattan Development Corporation: Who Are These People and Where Did They Come From." Good Jobs NY ~ Feb, 2002.
www.reconstructionwatch.net
- ✓ The LMDC : www.renewnyc.com
- ✓ Assorted news articles (list available)

What You Need to Know:

The LMDC Players

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Identifying the major players and understanding where they come from and how they got to their current positions is crucial to understanding any political process. Political decisions are NEVER made in a void. They are made by individuals negotiating various social and political pressures with their own personal interests and ideas.

The more you know about the *players* in the rebuilding process, the better you'll be able to understand their past decisions – and predict future ones! You'll also know better who you need to influence to make sure your own vision for New York City is heard.

*Use this guide to find out how the major players downtown are connected to interests on Wall St. (in the left column) and both Federal and State Government (in the right column)

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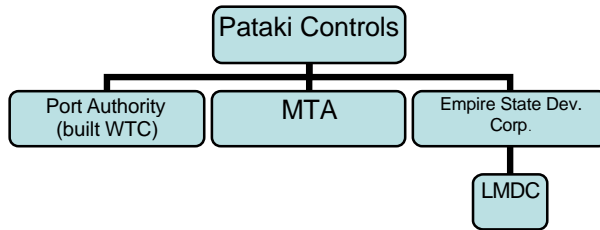


*President George W. Bush
(with Congress)*

President Bush and Congress hold the purse strings to any rebuilding project. Bush has promised to give a total of about \$21.7 billion to New York for rebuilding. That sum represents half of the entire New York City budget for 2001!



Federal funds will go to state, not city:



Governor Pataki

Pataki has stated that he would like for the World Trade Center site to remain “hallowed ground,” but this was seen in the press primarily as a bid for re-election.





Mayor Bloomberg

The Mayor and city government have had relatively little power and input in the debate, aside from the four members of the LMDC Bloomberg was allowed to select.

The Mayor has said he does not want to see the site become a graveyard, and would like to see the area rebuilt and revitalized.



Wall St.

Director, First Commercial Bank of Long Island

Notes:

- 1) During his 1995 confirmation as ESDC Director, *Newsday* reported that Gargano's resume left out the fact that he was a director of two Manhattan – based companies that do business with New York (Winners All Intl. and Lehigh Group) prompting Sen. Richard Dollinger to say “[i]f I had an employee who made these types of representations on his resume, I would fire him immediately.”
- 2) Has come under widespread criticism that he used his office to solicit campaign contributions and help companies that have contributed to Pataki.

The Empire State Development Corporation

A state agency whose mission is to provide assistance to business and spur economic investment in New York State

Charles Gargano, Chairman and CEO



The White House and Albany

- 1) Assisted Pataki with his '94 campaign.
- 2) Raised \$ for Alfonse D'Amato's 1980 campaign for the US Senate.
- 3) D' Amato had Gargano appointed Deputy Administrator of the Federal Urban Mass Transit Administration after he won (1980-1983).
- 4) New York State director of the Ronald Reagan 1984 re-election campaign.
- 5) Ambassador to Trinidad and Tobago.
- 6) 1994 – Pataki names Gargano head of the ESDC.
- 7) Subpoenaed in 1999 in an alleged theft of monies at the ESDC International Division. The case was closed and Gargano avoided charges.

Wall St.

- 1) 38 yrs. As co-chair and senior partner at Goldman Sachs.
- 2) Former chairman of the Federal Reserve Bank of NY.
- 3) Former chairman of AEA Investors, a private equity fund.



John C. Whitehead
LMDC Chairman

Appointed by: Pataki

Age: 79 years old

Education:

BA Haverford College, 1943

MBA Harvard University, 1947

Also served in the US Navy

Business Ventures

- ❖ Bought a piece of the NJ Devils with his friend John Mc Mullen.

Notes:

Whitehead has endorsed a mixed-use vision for downtown that includes offices, residences, a memorial, and cultural uses.

The White House and Albany

- 1) Donated \$30,700 to Governor Pataki for his campaign.
- 2) Deputy Secretary of State during the Reagan administration.

Note: Whitehead has so much clout with Republicans in the White House that they have given the LMDC \$ directly, without going through the normal state channels.

Wall St.

- 1) General Partner and co-head of the equity division at Goldman Sachs, 1966-1989
- 2) Founder and Co-Chair of Granite Capital International Group, an investment management company.
- 3) Co-Chair of C.E. Unterberg Towbin, another investment management company.



Lewis M. Eisenberg
LMDC Board Member

Appointed by: Pataki

Education:

BA Dartmouth College, 1964
MBA Cornell University, 1966

Notes:

In 1998, Eisenberg dropped a plan to allow Port Authority commissioners influence hiring in the Port Authority Police Department and wrote an apology to ex-Governor of NJ, Christine Todd Whitman, after facing criticism that the agency was using patronage.

The White House and Albany

(along with City Hall)

- 1) Headed George W. Bush's fundraising committee in New Jersey.
- 2) Serves as head of the Republican National Finance Committee.
- 3) Chairman of the Port Authority from 1995-2001
*Negotiated lease of WTC with Silverstein Properties in 2001.
- 4) Appointed by ex-Governor of New Jersey Christine Todd Whitman to chair the NJ commission on privatization and competitive contracting, 1994.
- 5) Founder of the Republican Leadership Council, a political action committee.
- 6) Gave \$25,000 to Pataki's campaign.

Wall St.

- 1) Became Chairman of the New York Stock Exchange in 1995.
- 2) Leveraged the largest economic development subsidy in New York State's history (over \$1.1 billion in city and state funds) by threatening to move the Exchange to Jersey City in 1998.



Richard Grasso
LMDC Board Member

Appointed by Giuliani
Age: 55

Education:
Served in the US Army from 1966-68

The White House and Albany

(along with City Hall)

- 1) Contributed \$5,000 to Pataki's campaign.

Wall St.

1. Attorney in private practice.
2. Dinkin's chief deputy when he was Manhattan borough president in the mid 80's.
3. Deputy mayor for Economic Development under Dinkins.
4. She was a managing director for Fannie Mae, an attorney with Kalkines, Arkey, Zall & Bernstein.

Sally Hernandez-Pinero
LMDC Board Member

Appointed by:

Education:
BA Wesleyan University
JD NYU School of Law

Notes:

Related Co. LP was later preliminarily selected by the Housing Finance Agency where Pinero served as Senior Vice President for Corporate Affairs at The Related Companies, LP a real estate development organization.

The White House and Albany

1. Served as chairwoman for the New York Housing Authority.

The White House and Albany

(along with City Hall)

1) Served as Housing, Preservation and Development Commissioner, and the Department of Finance

2) Commissioner for former Mayor Koch.

3) Corporation Counsel to Mayor Guiliani.

Paul A. Crotty
LMDC Board Member

Appointed by: Guiliani

Education:
BA University of Notre Dame, 1962
Cornell Law School, 1967

Also served in the US Navy 1962-64

Wall St.

- 1) 38 yrs. As co-chair and senior
- 2) partner at Goldman Sachs.
- 3) Former chairman of the Federal Reserve Bank of NY. Former chairman of AEA Investors, a private equity fund.

Business Ventures

- 1) Executive at Verizon Communications since 1997.

Wall St.



Robert M. Harding
LMDC Board Member

Appointed by: Guiliani

Education:
BA State University of New York at Plattsburgh
Brooklyn Law School

Notes:

- 1) The IDA has come under criticism from community groups for its lack of transparency, and for allowing public \$ to be spent without safeguards when companies fail to make good on their promises.
- 2) Harding previously advocated increasing the amount of "Class A" office space in NY to attract and retain large firms.

The White House and Albany

(along with City Hall)

- 1) Served as the director of State Legislative Affairs for the City of New York, representing the Mayoral city agencies with the State Legislature, '94-'97.
- 2) Director of the Office Management Budget NYC, '98-'00.
- 3) Deputy Mayor for Economic Development and Finance, '00-'01.

*With this position, Harding had an automatic seat on the board of the NYC Industrial Development Agency (IDA) – an entity that awards and oversees the delivery of financial incentive packages to private companies.

Wall St.



Roland W. Betts
LMDC Board Member

Appointed by: Pataki

Education:

BA Yale University, 1968

(Betts was part of George W. Bush's inner-circle at Yale)

Columbia University Law School, 1978

Business Ventures

- 1) Co-founder of Silverscreen Management, a film financing company.
- 2) Chairman and founder of Chelsea Piers, LP.
- 3) Shared ownership of Texas Rangers with George W. Bush, 1989-98.

The White House and Albany

- 1) Committed to raise \$100,000 or more for Bush 2000 campaign.
- 2) The New York Times noted that the Bush/ Betts ownership of the Rangers was profitable because they "charmed and bullied" the city of Arlington, Texas.

Notes:

The Chelsea Piers project was criticized for cost overruns and lack of public participation. Assemblyman Gottfried denounced the project as having been "negotiated entirely in secret" and others said it had too little open space.

Wall St.

- 1) President and Director of Chemical Bank, 1983-'89
- 2) Chairman and CEO of Greenpoint Financial, 1993-present.

Thomas S. Johnson
LMDC Board Member

Appointed by: Pataki

BA Trinity College
Harvard Business School, 1964

Notes:

Johnson was one of Forbes' best paid CEO's in the year 2000, with a salary of \$3,566,000, including various bonuses.

Wall St.

Ed Malloy
LMDC Board Member

Appointed by: Pataki

Notes:

His involvement in the New York City Council's Legislative Advisory Commission on the Homeless and other projects aimed at New York's disadvantaged communities highlight his potential to act as an advocate for working and poor communities beyond his immediate membership.

The White House and Albany

(along with City Hall)

- 1) Acted as Special Assistant to the Comptroller in the US Department of Defense, 1966-69.
- 2) Member of the Council on Foreign Relations.

The White House and Albany

(along with City Hall)

President of both the Building and Construction Trades Council of Greater New York and the New York State Building and Construction Trades Council, as well as the New York State VP of the AFL-CIO.

Wall St.

- 1) President and CEO of
Merrill Lynch and Co, Inc.
1996-Present



Stanley O'Neal
LMDC Board Member

Appointed by: Bloomberg

Education:

BS Kettering University
MBA Harvard University

Business Ventures:

Prior to 1996, O'Neal was with General Motors Corp. of
New York and Madrid.

Billie Tsien is an artist and architect who, since 1986, has worked in partnership with her husband Tod Williams. Her works include The Spiegel Pool House, Feinberg Hall at Princeton University, and the Williams Natatorium at Cranbrook, at the Neurosciences Institute in LaJolla, California.



Billie Tsien
LMDC Board Member

Appointed by: Bloomberg

Education:
BA Yale University, 1971
M. Arch. UCLA, 1977

She is a member of the Municipal Art Society in New York, and the recipient, with Tod Williams, of the Brunner Award from the American Academy of Arts and Letters, the Medal of Honor from the NYC AIA, and the Chrysler Award for Design Innovation.

Wall St.



Carl Weisbrod
LMDC Board Member

Appointed by: Bloomberg

The White House and Albany

(along with City Hall)

- 1) Directed the state and city effort to redevelop Times Square.
- 2) Former Director of the Mayor's Office of Midtown Enforcement.
- 3) Former Executive Director of the City Planning Commission.
- 4) President of the NY State 42nd Street Development Project, Inc 1987-'90.
- 5) President of the New York City Economic Development Corporation, 1990-'94.

Notes:

Served as an advisor to NYC on the development of a new home for the NY Stock Exchange (NYSE)
Currently President of the NYSE Bid Manager's Association.



Madelyn G. Wils
LMDC Board Member

Appointed by: Pataki

Business Ventures:

- 1) Ran a production company, Bread and Butter Television, until 1997.
- 2) Trustee of the Alliance for Downtown NY, Inc.

Wils is the sole downtown resident on the LMDC board. After marrying into the Wils family fortune and moving to Tribeca in 1986, Wils became active in local politics and was eventually elected Chair of Community Board 1, which represents about 50,000 residents in Tribeca, Battery Park City, SoHo, and Little Italy. Since September 11th, she has advocated for tax breaks for property owners, grants for small businesses, and better cleanup.

Wall St.



Deborah C. Wright
LMDC Board Member

Appointed by: Pataki

Education:

AB, JD, and MBA degrees from Harvard University

Notes:

Wright received negative press when, shortly after being named HPD commissioner in late '93, reports showed she raised \$850 from employees at the NYCHA for Dinkins' re-election campaign. Serving as an intermedian for campaign contributions from employees at city agencies is against the city charter. No charges were brought against her, and she claimed she never delivered contributions to Dinkins.

Other bad press came when someone claimed she used excessive force when she employed three helicopters and a 50,000 lb tank to evict squatters from three city-owned buildings.

The White House and Albany

(along with City Hall)

- 1) Former head of the Upper Manhattan Empowerment Zone (UMEZ).
- 2) Appointed to the New York City Housing Authority by then-Mayor David Dinkins in 1992.
- 3) Appointed to head the Department of Housing, Preservation, and Development by then-Mayor Giuliani in 1994.

Wall St.

As a private Lawyer, Wilson has defended some high profile government and Wall St. personalities accused of corruption despite his history of prosecuting in such cases during his time as assistant US Attorney.

Howard Wilson
LMDC Board Member

Appointed by: Giuliani

Education:
BA, Cornell University, 1961
Harvard Law School, 1965

Business Ventures:

- 1) 1996-Present, private lawyer with Date, Rosenman and Colin.

Notes:

- 1) Wilson's appointment to chair the DOI was widely criticized because of the potential conflict of interest created by his close, personal relationship with the Mayor. The DOI's ostensible job is to do internal monitoring for the mayor's Office and city agencies.
- 2) His appointment to the SCA was also questioned, given that Wilson has no background at all in construction. Under his tenure problems at the SCA have continued, including spiraling costs failure to complete projects accidents attributed to negligence and theft from school properties.

The White House and Albany

(along with City Hall)

- 1) 1983-'88, served as an assistant US Attorney General's Office for the Southern District of New York.
- 2) 1994-'96, appointed by Giuliani to serve as Commissioner of the NYC Department of Investigation
- 3) 1996, appointed to the School Construction Authority (SCA)

Wall St.

- 1) Most recently served as the chairman and CEO of NASDAQ and its parent organization, the NASD (National Association of Securities Dealers). Now Chairman of NASDAQ Europe and Senior Advisor to the NASDAQ Stock Market, Inc.



Frank G. Zarb
LMDC Board Member

Appointed by: Pataki

Education:

BA and MBA in Business, Hofstra University

Business Ventures:

From 1994-'97, served as chairman, CEO, and President of Alexander and Alexander Services, Inc. (an Insurance Brokerage).

Notes:

In December 1997, a jury found that Zarb had committed fraud while chairman and CEO.

In 1998, Zarb opposed a proposal by the Securities and Exchange Commission to forbid political contributions by municipal bond executives, such contributions are seen as unethical because politicians award contracts to self bonds, creating the appearance that the contributions work as kickbacks for contributions.

Zarb was NASD's highest-paid chairman with a salary of \$1.5 million.

The White House and Albany

(along with City Hall)

- 1) 1974-'77, served as President of Ford's "Energy Czar" and acted as a strong advocate of nuclear power.
- 2) Associate Director of the Office of Management and Budget from 1973-'74.
- 3) Assistant Secretary of Labor from 1971-'72.
- 4) Various assignments with the Nixon, Ford, Reagan, Bush, and Clinton administrations.

Wall St.



Louis R. Tomson
LMDC Executive Director

Appointed by: LMDC Board Members

Education:
Columbia University Law School

Business Ventures:
Left a position as Senior VP of Corporate Development at Plug Power, Inc. (an energy company that develops fuel cell technology) to join LMDC.

Notes:

Tomson faced criticism as Senior VP at Plug Power, a company which, according to a January 9, 2002 New York Times article, has received “millions of dollars in loans and grants from the state.” Also involved in a series of lawsuits against Plug Power that claimed top executives overstated profitability.

The White House and Albany

(along with City Hall)

- 1) Served under Pataki as Deputy Secretary and then First Deputy Secretary for NY State’s 60 public authorities.
- 2) He was a partner in the law Firm Plunkett and Jaffe, where Pataki also worked.
- 3) Chairman of the State Thru-way Authority from 1999-'01.