

PETER GOLDMARK KEYNOTE SPEECH

REGIONAL PLAN ASSOCIATION'S 14TH ANNUAL REGIONAL ASSEMBLY

April 16th, 2004

Do you know where I was a year ago today? April 16th, in the morning?

I was sitting at an outdoor café, by the river. The trees were green, the flowers out, spring announced itself in every corner, the coffee smelled terrific.

It was a medium-sized city, maybe a third the size of this one. A beautiful city -- with a wonderful transportation system. The city was Paris.

Today I live once again in the city of my birth, a larger, bustling, energetic city, in the middle of a huge and rich region that sprawls and dazzles and breathes with vitality and competition and initiative -- and unfinished business.

There are not too many street-corner cafes here. There are some beautiful stretches of riverfront -- when you can get to them. The transportation is at once astonishing -- and in need of constant investment.

We in the world's cities are tied together more than ever. Cities communicate with each other through travel and media and commerce and mobile labor and fashion and the arts. Their functions and problems, their livability and their madness play off each other as the drama of our urban centers becomes more global. The city lies at the center of the great adventure of western civilization. The city is the fount of its capital, the testbed of its technology, the cradle of its culture, the source of its commerce, and the nerve-center of the opportunity it offers young dreamers, businesspeople, artists, builders, performers, and researchers.

If you live in a modern urban center, you live at the cutting edge of civilization. For better and for worse.

The city is the measure also of our civilization's

great triumphs and failures, of its gleaming heights and its crushing disappointments . . . the home of much of its violence, most of its addictions, too many of its cruelties -- and the most vivid showcase of its inequities.

And . . . there is something else now, isn't there?

There is something else that ties us in this city . . . to Paris . . . and to Madrid . . . and to every other city on this planet.

We shall come back to that.

In Paris, how are the decisions made about what metro line to extend? What arrondissement will be ear-marked for a new round of commercial development? Whether to expand the convention center?

Ah . . . In Paris those decisions are made centrally -- by professionals, in tall-ceilinged rooms with long drapes and balconies that give on spacious public squares . . . in the ministries of the city or national government. The decisions are made in an atmosphere at once traditional in tone and rational in cast -- at least apparently so.

Now take a look at us here this morning. It's hard to apply either the word traditional or the word rational to what we're doing, isn't it? We have in one room business, government, NGO's, art groups, civic groups, politicians, the advocates and representatives of projects, causes, arguments, competing ideas, and brawling points of view. This is city and regional planning not so much by courtly analytics as by . . . well, more by bragadoccio and an elbow in your ribs.

And strangely enough the evidence is that this works.

Good planning is about sound priorities -- because you cannot do everything.

What is difficult is to make a collective priority judgment well, with discipline and foresight. So you have to talk a lot, and you have to challenge each other's ideas. And you have to listen and to synthesize, and draw the best elements from diverse points of view.

So let's ask ourselves: have we made such collective priority judgments well before and carried them out effectively?

Yes. We have. And that is the only reason this is still the premiere city and region in this country.

I can think of four major such priority judgments made over the past three decades - within the memory of most of the people in this room.

Three of them succeeded. For the fourth it is still too early to tell.

The first was the commitment, as part of the rescue in 1975 of the City from what was effectively insolvency, to resize and reorient the structure of public services in New York City and State. Everybody remembers the escape from default . . .but everyone does not remember that we restructured and reshaped huge elements of the system of public services.

The second was the subsequent decision to rebuild the region's transportation system.

The third was the program undertaken in the 1990's to turn around the crime situation in our streets and communities.

The fourth is the decision taken by the City of New York to fundamentally reform our public school system. While it is too early to know whether this effort will succeed, it is surely the right commitment to make.

That is an important record to keep in mind. It is

useful to recall exactly what we did together. With all the squabbling and backbiting and high-decibel caterwauling of which we are capable, sometimes it is important just to remember the simple fact that we did do these things. Not to live in the past . . . but to remind ourselves, when we are at or most captious, of what we are capable.

Now, as then, priorities and plans must respond to fundamental realities. And it helps to remember - realities, before you deal with them, often look overpowering.

And that's the tough part of my job this morning, setting the stage for your discussions. And that's why I'm going to discuss the overarching realities, and try to help frame the discussion in a broad and regional context. I'm not going to play Mayor of the West Side . . . I don't know enough to do that, and you will have forums and panels today in which that will be done to a fare-thee-well.

So here are some of the realities:

Reality number 1: the fiscal situation. The City today is pressed budgetarily, but its finances are in basically sound order. No mean achievement that. The same cannot be said for either the state of NY or NJ. The State of New York has been wallowing in a significant gap which it has not so far filled. And the State has not kept up the level of funding that the MTA needs to keep its operations well-maintained and funded. This should be a red flag: it means that in a sense, the State is eroding the base of sound operation that the MTA system has built up over the past two decades. A subtler sign can be found in the relations between the two states and their public authorities. New York and New Jersey together, for example, have for some time been drawing funds to relieve their operating budgets from the Port Authority, sometimes in substantial amounts. This is one of the most unsound and short-sighted practices one can imagine.

So the following question arises in terms of priorities – an uncomfortable question to raise at an assembly drawn together to discuss news investments and shiny new projects: how do we rank as a priority the need to assure both capital and operating funding for the present transportation system? How much do we value the proper maintenance of the rebuilt system, purchased at such cost over two decades – compared to new projects? Compared to the cost of the Second Avenue subway? Should the State and City be pouring scarce capital into a new stadium when they are short-changing the transit system that gets 3 million people to and from work every day?

Now reality #2. The horrible word – terrorism.

Can't we, some of you are saying . . . can't we have a meeting without talking about terrorism?

We all curse the huge and gnawing uncertainties with which this subject tortures us. I have a grandchild who cannot look at a picture – any picture – of a building in flames. Each of you has such a relative, such a friend, someone who has been scarred. We rail, rightly and fiercely, against the dark apprehension all this elicits in all of us.

But let us not -- not -- avert our eyes.

You've all been reading the papers the past few weeks – the hearings of the 9/11 commission, the parade of witnesses talking about what was done and what was not done.

It hurts, doesn't it?

What we're reading about is the story of people who had many of the signs and a lot of the information in front of them. But who didn't have the toughness of mind, wouldn't see far enough outside their bureaucratic boxes, couldn't break free of patterns of thought developed in the past, to understand what they were dealing with.

It is a bitter cup from which to drink.

Does that sound as if it has a personal ring to it?

I have drunk from that bitter cup.

I went to the White House in the 1980's and asked for help in protecting Port Authority facilities against terrorist attack.

They turned me down.

I established an anti-terrorism unit at the Port Authority. After I left it was closed down.

Why do I talk about this today?

Because we live at a time when those who can read the trends with discipline, and who can organize themselves to prepare for those trends – as dark as some of them may seem at the moment – will be separated from those who ignore the signs; who are intimidated or paralyzed by the unusual nature of the challenge; or who are just too comfortable to frame thoughtful priorities for the future and prefer to live in denial.

Now some of you will say: but we can't spend every moment, distort every public endeavor, obscure every initiative in order simply to prepare against a nebulous threat?

I will say to you: of course not. But I will also say: come back and say that after we have done some of the things we can do and should do. Let us have that conversation after we have installed 100% container screening in the port. After we have learned to protect the bridges and tunnels that are vital to our region. After we have equipped our subways with detection technology. After we have given our school children and their parents elementary instruction in what to do in case of a terrorist attack with weapons of mass destruction. Shall we be guided only by the dark possibilities?

Paralyzed by the threat of danger?

Of course not. Never.

Should we still be willing as well to back bold projects, soundly conceived?

Yes.

And speaking of bold projects, you know who we ought to be saluting today? There were people in this region four decades ago who began to plan and talk about a bold project, a huge capital investment. We can learn from that. The project was controversial. It was technically complicated and hotly contested. It was criticized, lampooned, skewered and nearly eviscerated.

But the decision was made to go ahead with the third water tunnel, and today we know that those who made that decision were right.

(Is there by chance any one in this room, with us today, who was involved in the decision?)

Reality #3: We have succeeded in starting some healthy processes of growth and renewal in the inner ring of counties around Manhattan on both the New York and the New Jersey sides. An awful lot of the projects that I see on the table today serve primarily Manhattan, or bravely present themselves as what we might call “Manhattan plus” projects. The fascinating and irrepressible reality is that Manhattan attracts investment, it seems to grow and prosper through the most amazing booms and busts, fads and changes. The temptation to spend lots of public money in Manhattan has always been with us and it always will. But the scale of commercial development now being discussed for downtown plus for the West Side plus for the area around the Second Avenue subway if it goes ahead I find, frankly staggering and disproportionate. 60 million more square feet of office space in Manhattan? When nearly that much is already

unoccupied today? Is that our prime ambition for the coming decades?

I have yet to see a table that tells me, out of all the billions that are under discussion for the period ahead, how much will be going into Manhattan between 96th street and the Battery vs. how much will be going into the inner ring of communities that surrounds the CBD. I would want to know and to weigh those figures, because Manhattan, at least between 96th street and the Battery, will remain a natural magnet for investment. But the health and vitality of the region as a whole will depend more on what happens outside the CBD. Jobs are spreading more evenly throughout the region. Reverse commutes are growing, the shoulders of the rush hours are expanding, not contracting. If the net result of all the plans under consideration is to allocate a disproportionate amount of scarce subsidy capital to new facilities and services in Manhattan, and we fail to expand investment in the inner ring of communities around Manhattan, then I think that is a signal to pause and to think very hard about what we are doing.

And reality #4: our civilization has entered the period of the environmental crunch. It is here – it is happening now. The climate is changing, water supplies and quality are under threat, agricultural capacity around the world is being challenged, coral reefs are dying, the fisheries are collapsing, and the toxic by-products of our system of economic production find their way into our lives in more and more ways.

What is the relevance of this to our region?

This region has the assets to develop an enormous comparative advantage in the period of the environmental crunch: mass transit, reasonable opportunities to protect against sea-level rise, excellent water supply, and a head start in cleaning up the air and reducing carbon emissions. How does that affect a regional plan? It means we should build on that

advantage – we should invest in cleaner energy sources, invest in modern and protectable water supply and distribution systems, and because of our heavily centralized physical facilities, we should become the country and world leader in energy efficiency in buildings. This will give us a competitive advantage, and it will be a magnet to keep our city dwellers and attract new talent. This direction is not clearly embraced by the proposals before us today.

These four realities are fundamental – and the fundamental things apply.

Now let's take a second and remind ourselves where we are and how we got here.

We usually made the right tough choices in the past. That is why we have been such a mainspring of change, and that is the only reason we are still the world's premiere metropolitan area.

How did we do it? What was there about the choices we made that proved durable, and resilient, and useful? Notice I did not say "right" or "wrong", "good" or "bad". I said: durable, resilient, and useful.

Remember Casablanca? Remember that song . . . the one where Rick never quite says, "Play it again, Sam." It's that song that says: "the fundamental things apply."

That's what we did. We remembered the fundamental things.

We remembered that the key to renewal is sound investment choices governed by sensible priorities – warmly debated and talked through.

We remembered that the key to facing adversity is shrewd adaptation.

We remembered that the key to providing wisely

for the future is getting the broad directions right, and leaving the micro-decisions to those who come afterwards.

That's what we do around here – we New Yorkers – isn't it? When people say we're tough, that's what they're really talking about. That we face the tough realities. We don't run. We adapt. We innovate. We anticipate, we adjust, we change course.

We have time -- and we have the opportunity to adjust. We are talking here today about tens of billions of dollars of investment – decisions that will shape the next 20-30 years.

What considerations emerge that we might keep in mind as we seek to express common-sense priorities?

Here are some I see.

1. Let's not allow the region's base infrastructure fall into arrears in terms of maintenance and investment. In a strenuous and successful exercise of will, investment, and coalition building we climbed out of that hole once. We must not slip back into it again. And let's be honest: we have backslid a little in the past few years.

2. The region is smoothing out. Like its own miniature universe after the big bang, the metropolitan area is continuing to expand, and it is also filling in its gaps. Jobs and residences are expanding throughout the region, and we are not as dependent on the CBD as we once were. That is a sound and acceptable trend and we should ride with it, reinforce the good parts of it, encourage suppleness and flexibility in the region, not try to go back to an older, more rigid Manhattan-centric, office skyscraper-driven vision of growth. Perhaps we should even let the development of the Far West Side be residential-led.

3. Ask a simple question of every project: does it

help us prepare to live with the threat of terrorism? Or does it make us more vulnerable? Does it give us alternatives and flexibility and resilience in the face of threats that will be with us for decades? Will it help us recover more quickly and strongly if we are once again the victim of a terrible attack? Generally, investments which increase flexibility, redundancy, and dispersion in the system of infrastructure should be preferred over those which increase concentration, choke points, and critical overloads. And although the opportunities will be limited, we must be prepared to invest in prevention and containment. We're not going to digress into the really gruesome stuff here, but I will give one or two examples: we need to invest in the protection of our water supply system; and if we build a new rail tunnel under the Hudson, it has to be much more protectable than our present tunnels and bridges. Let's not shrug our shoulders. Let's not ignore this and just go forward mechanically with the prepared options already sitting on our shelves. Let's not pretend – we didn't build this region or renew this city over and over again by pretending.

4. Get a head start in preparing for the environmental crunch that is now coming towards us. Shore up the water system, create a strong, regional cap-and-trade system to reduce greenhouse gas emissions. Give developers and landlords strong economic incentives to improve energy efficiencies and invest in the application of renewable energy wherever we can. New York prospers most when it is ahead of the game . . .and the field is wide open here. The present capital proposals do not start the conversion of our regional economy to one that will be sustainable over the long term and that can establish a powerful comparative advantage vs. others regions. We're talking about capital priorities for the region for the next two to three decades . . . it's time to think about protecting and adapting our economy to the new environmental realities and how to do that early and smart.

5. Let's not be afraid to use the basic tools of planning and budgeting – like long division. How much is the total new cost of a proposal, and over how many new or existing users will that cost be divided? Are we piling large new capital costs on top of a shrinking or flat user base? Is that justified, or is it unreasonable, in each case? Who will bear that cost?

We are a remarkable city and region. But our greatness does not lie in the fact that we have glossy plans and proposals. Other places have those. It does not lie in the fact that we have big aspirations or dreams. Every city, frankly, has those.

It lies in the fact that we have adapted as circumstances changed, and have usually been able to tease out of the welter of choices and dreams in front of us a shrewd, pragmatic strategy. And that often we see a way to get ahead of the game.

And that's what we're here today to do.

Those are the fundamental things.

And the fundamental things apply . . . as time goes on.