



October 4, 2001

Steven Spindola
President

Mr. Robert Harding
Deputy Mayor for Economic Development
City Hall
1st Floor
New York, NY 10007

Dear Bob,

Carl Weisbrod and I wanted to give you our thoughts before the City and the State finalized their package of requested aid for Lower Manhattan.

Downtown's recovery is New York's highest economic development priority and requires a dedicated stream of assistance that cannot be diverted to other purposes. We must do everything we can to help tenants in Lower Manhattan and attract new tenants to the district.

I urge you, therefore, to design the benefit package to provide a clear advantage to locate in Lower Manhattan. Tenants who were displaced by the terrorists' attack should be assisted regardless of their new location in the five boroughs.

Here are my suggestions:

First, create a reconstruction authority with private sector representation to handle the funds and rebuilding efforts for Lower Manhattan. The authority should have the power to expedite all approvals (SEQR/CEQRA, etc.).

Second, eliminate the Commercial Rent Tax south of Canal Street.

Third, waive the sales tax or portion thereof south of Canal Street on purchases of office supplies and retail goods. Create an Empire/Empowerment zone for the area.

Fourth, supply the low cost energy that was available to the World Trade Center to all tenants south of Canal Street for the next five years.

Fifth, authorize the use of tax exempt financing for all construction activity south of Canal Street including new construction, renovations and tenant work.

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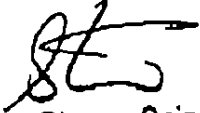
Sixth, seek special federal legislation to provide insurance against acts of terror.

Seventh, provide a two/three year extension of the 421-a/421-g benefits for Downtown residential properties.

Eighth, provide a deeper ICIP benefit for new construction below Canal Street.

We also support the grant per job program you were working on. We have other recommendations to present to you soon, but we wanted to express our hope that New York's political and business establishments concentrate on rebuilding Lower Manhattan, and to offer some initial suggestions on how best to do so.

Sincerely yours,



Steven Spinola

cc: Carl Weisbrod