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Transportation Priorities for Lower Manhattan

Executive and Users Group Survey
on Transportation and Infrastructure

April 2003

Introduction

The Alliance for Downtown New York conducted two surveys over the past few months to give the largest Downtown employers an opportunity to express their views on the major transportation and infrastructure proposals now being considered as part of the revitalization of Lower Manhattan. One survey -- the Executive Survey -- assessed the perspective of senior executives at leading Downtown companies on current as well as long-term strategic transportation and infrastructure issues. The senior executives were asked to provide a company-wide viewpoint. The Downtown Alliance's Transportation Users Group ("TUG") conducted a separate survey of corporate services managers -- those responsible for transportation issues on an operational day-to-day basis -- to determine what their companies require to meet the current transportation needs of their employees. The companies participating in each survey are identified in this report. It is particularly noteworthy that 25 of the 30 most important Downtown companies responded to the Executive Survey.

Executive Summary

- The highest priority among proposed mass transit projects in both surveys was given to transportation hubs at the WTC site and the Fulton Street complex at the intersection of Broadway/Fulton/Nassau, which the Downtown Alliance views as one major transit complex because of the connecting underground pedestrian walkway.
- The second highest priority project in both surveys was providing direct access to Long Island and JFK from Downtown, whether by building a new tunnel offering a one seat-ride to JFK, or by the implementation of the proposed "Super Shuttle."
- TUG members favored the expansion of regular Lower Manhattan ferry services to three main locations: LaGuardia Airport/Shea Stadium, the Upper East/West Sides, and Westchester/Connecticut. The TUG members also urged the establishment of a single regional agency to oversee ferry development, as well as increased public financial support of ferry transportation. Ferry service was not addressed in the Executive Survey.
- In both surveys, options favored for linking the World Trade Center site with the World Financial Center and Battery Park City focused on either decking over or suppressing West Street between Liberty and Vesey Streets.
- A bus parking facility received strong support from TUG members, but less support from executives.
- The South Ferry Station project received the least support of any transportation project from TUG members and executives.

- TUG members supported SOV restrictions, while executives strongly opposed them. TUG members also supported the implementation of other initiatives to reduce traffic congestion.
- While three out of ten executives were neutral with regard to congestion pricing for Downtown, on balance paying a higher price in return for a quicker trip was favored by a margin of three to two. TUG members did not address this issue directly.
- Proposed tolls on the East River bridges earned slightly stronger opposition than support among executives. TUG members did not specifically address this issue.
- Support from executives for making Fulton Street “pedestrian only” (except for free shuttle bus service) from the East River to the WTC site was very strong. TUG members did not address this issue.
- Two-thirds of executives opposed removing that portion of the FDR south of the Brooklyn Bridge and replacing it with a street-level road. TUG members did not address this issue.
- TUG members supported the development of a management plan for livery (black car) services, as well as additional funding for pedestrian enhancements, including the Alliance for Downtown New York’s streetscape design program. This issue was not addressed in the Executive Survey.
- Less than half of the top executives of Lower Manhattan’s leading companies have their permanent residence in New York City; about 10% live in Lower Manhattan.
- During the survey, some executives expressed concern about the length of time required to complete major projects and were hopeful that Downtown would not become a permanent construction site.

Research Objectives

The objectives of the two surveys were to:

- Identify the transportation priorities of Downtown's major employers and develop pragmatic recommendations for improving transportation access to Downtown, with the objective of ensuring the continued viability of the area as a center of corporate activity.
- Evaluate how Downtown's major businesses viewed the relative importance of proposed transportation and infrastructure projects currently under consideration.

Methodology

The two surveys were conducted using different methodologies. The Executive Survey asked senior executives of thirty of the largest or most significant Downtown companies for their opinion with regard to transportation and development issues. Companies were advised that while transportation improvements were of vital importance to the future of Lower Manhattan, there were probably not enough financial resources to cover all of the projects being discussed. Specifically, while projects could be funded in whole or in part out of the \$20 billion federal appropriation for Lower Manhattan, only \$4.5 billion of that pool has been definitively earmarked for transportation. The executives were then encouraged to deliberate the issues internally and form a company consensus before responding. A total of 25 responses were received via fax or through a personal or telephone interview. The companies in the sample employ more than 85,000 workers in Lower Manhattan.

The Downtown Transportation Users Group Survey involved members being briefed on the development of short-term, intermediate- and long-term plans for addressing the transportation needs of Lower Manhattan. Members received seven briefings, including presentations by representatives of city and state agencies and private organizations directly involved in developing the transportation proposals. These organizations included the New York City and New York State Departments of Transportation, the New York City Economic Development Corporation, the Metropolitan Transportation Authority, the Port Authority of New York and New Jersey, the Lower Manhattan Development Corporation and Brookfield Properties. The briefings were followed by open forum discussions at which members were invited to ask questions and express their specific concerns. TUG members were then surveyed about their transportation-related priorities and their positions with respect to the various proposals for transportation improvements. The TUG reconvened to review the results of this survey and determine priorities with respect to transportation improvements in Lower Manhattan.

The following companies participated in the surveys:

Executive Survey and TUG Survey

American International Group, Inc. (AIG)	New York Mercantile Exchange
Goldman Sachs & Co.	Prudential Securities, Inc.
J.P. Morgan Chase & Co.	Cleary, Gottlieb, Steen & Hamilton
American Express	S&P/The McGraw-Hill Companies
Merrill Lynch & Co., Inc.	Deutsche Bank AG New York
The Bank of New York Company, Inc.	

Executive Survey only

American Stock Exchange	Guardian Life Insurance Company of America
Century 21 Department Store	Lebenthal & Company
Citigroup	Milbank, Tweed, Hadley & McCloy LLP
Deloitte & Touche	Stroock & Stroock & Lavan LLP
Dow Jones & Company	Sullivan & Cromwell LLP
Federal Reserve Bank of New York	TD Waterhouse
Fried, Frank, Harris, Shriver & Jacobson	
The Depository Trust & Clearing Corporation	

TUG Survey only

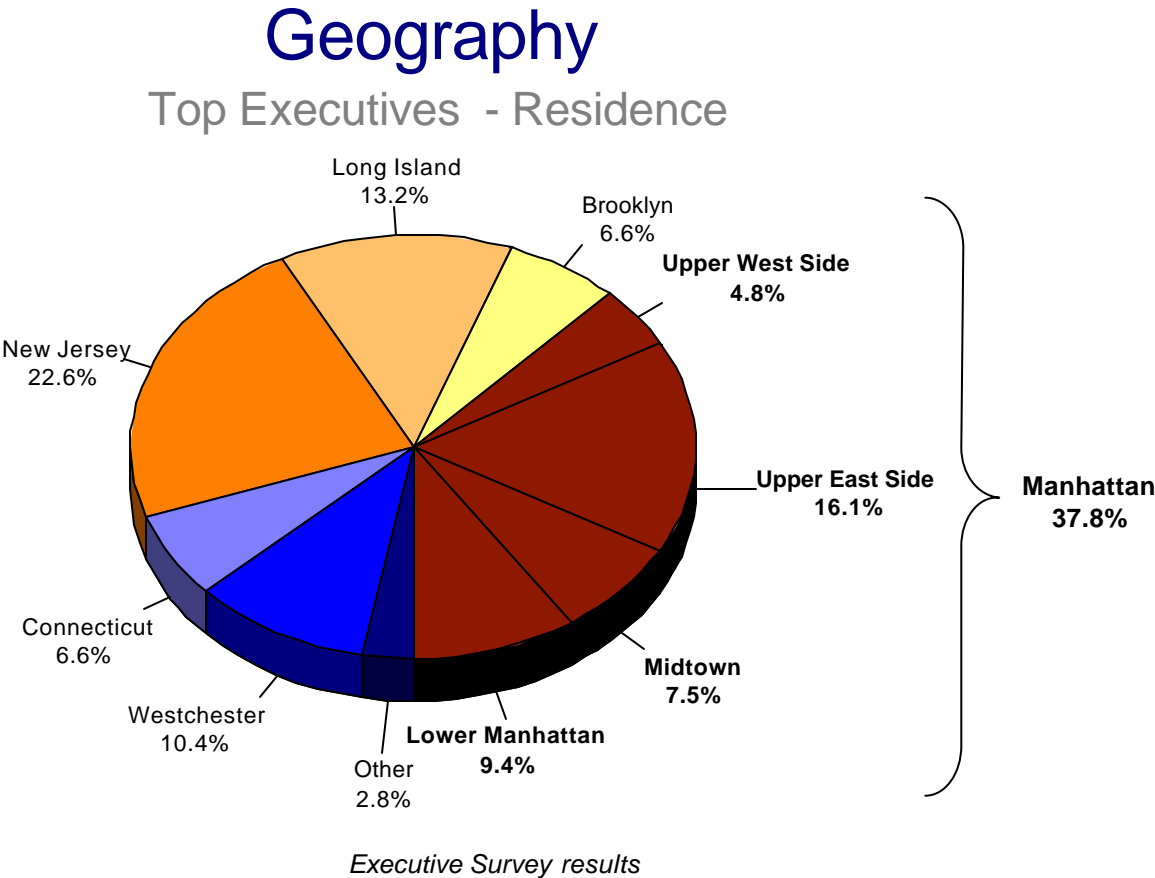
Alliance for Downtown New York, Inc	Battery Park City Authority
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General Findings

This report will review the major projects considered and discuss the level of support the proposal received from each survey. While many of the proposals were evaluated in both groups, some proposals were only examined in one survey because of the specific audience participating.

Executive Residence

Of the top five executives from each of the 25 responding companies, almost four out of ten live in Manhattan, close to one in four resides in New Jersey, and one out of six live in Westchester or Connecticut. Fewer than half, overall, maintain a permanent residence in New York City.



Major Capital Improvements

Downtown Transportation Hubs

Both groups expressed overwhelming support for the development of two major Lower Manhattan transportation hubs. The Fulton Street subway and the World Trade Center site PATH and subway stations would be connected by an underground walkway, creating a one-stop Downtown location for all major commuter trains and subways. In the Executive Survey, on a five-point scale with one point being “not at all” important and five points being “extremely” important, the WTC hub was rated 4.6 and the Fulton Street hub 3.9.

JFK and Long Island Connections

Both surveys found strong support for the establishment of rail service connecting Lower Manhattan to JFK Airport and Long Island via the Air Train and Jamaica Station. The Executive Survey found more support for the Super Shuttle proposal from Brookfield Properties than for building a new tunnel (3.9 versus 3.0) – primarily, we believe, based upon executives’ comments, because of the desire to assure certainty in completion within expected cost constraints. It was clear from both findings that major Downtown employers think connecting Lower Manhattan to JFK Airport and Long Island is a very high priority, no matter how it is achieved.

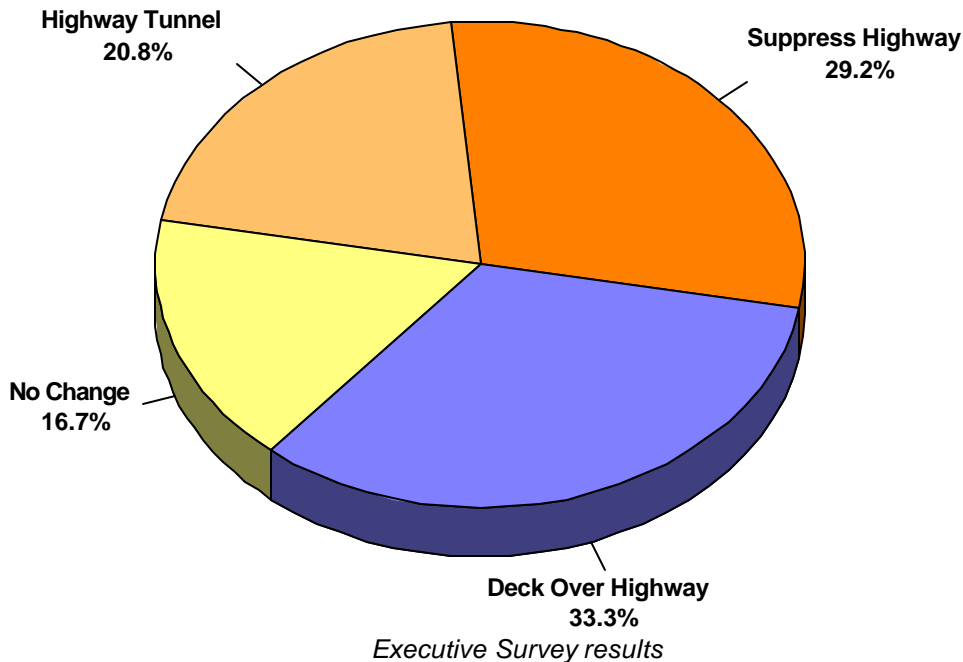
PATH Extension to Newark Liberty Airport

Both surveys found support for extending the PATH from Lower Manhattan to Newark Liberty Airport as the first direct airport rail connection from Downtown, though the TUG survey found support on a stronger level. This new connection would create a 30-minute ride to Newark Liberty Airport at a relatively moderate cost within approximately five years.

Lower West Side Highway

Among the four approaches that have been discussed for reconstructing the West Side Highway, both surveys found that suppressing or lowering the roadway received high support. However, the Executive Survey found that decking over the highway was viewed slightly more favorably than suppressing it (33.3% versus 29.2%). Building a tunnel from the Battery to Chambers Street also received some support (20.8%). Both options would create pedestrian access ways over the roadway to connect the World Financial Center and Battery Park City to the rest of Downtown, particularly the World Trade Center site.

West Side Highway Options



Reducing Traffic Congestion

While both surveys addressed measures to reduce traffic congestion on Downtown streets, the findings revealed some differences in opinion. According to TUG members, the peak period single-occupant-vehicle (SOV) ban at river crossings and the designation of Church Street as a “bus way” has achieved some success. While members remain concerned about measures that might result in the perception that Downtown is less accessible than other parts of the City, the TUG strongly supports the implementation of further innovative measures to reduce traffic congestion on Downtown streets and improve commuter access.

The Executive Survey found considerable ambivalence in regard to surface traffic-related proposals among executives. One exception was in regard to the SOV ban, which was opposed by the majority of surveyed companies. Generally, companies favored placing congestion pricing on the FDR and West Street by a margin of three to two. Slightly more companies opposed putting tolls on East-River bridges than favored doing so.

Tour and Commuter Bus Storage

A proposed bus depot intended to accommodate the expected increase of tour buses after completion of the memorial was supported more strongly by TUG members than by executives, who rated the bus depot a low priority (2.8). TUG members believed that the bus depot would relieve congestion by reducing the number of both tourism and commuter buses on Downtown streets.

South Ferry Station

Companies rated the proposal for rebuilding the South Ferry Station to allow for passenger entry/exit from all ten cars of the train a low priority (2.8). Both groups addressed this proposal.

Ferry Services

Expanded Ferry Service: TUG members favor a new Upper West Side ferry service and expanded Upper East Side service, thereby providing an alternative to crowded subways and decreasing the number of taxis adding to the congestion on Downtown Streets. The ferry routes could also serve as the foundation for additional expansion to locations in Westchester, Connecticut and northern Queens. Westchester and Connecticut ferry service would provide a one-seat alternative to the existing two-seat trip via commuter rail to Grand Central Terminal, which requires a transfer to the overcrowded Lexington Avenue Line subway for Downtown access. Resumption of ferry service to LaGuardia Airport would be a relatively quick and low-cost means of improving airport access to and from Downtown, while developing a Park-n-Sail service from Shea Stadium in conjunction with LaGuardia airport ferry service could potentially attract commuters from northern Queens and Nassau County.

Ferry service was not addressed in the Executive Survey.

Increased Federal Support of Ferry Transportation: Under the 1998 Transportation Equity Act for the 21st Century (TEA-21) which provided federal funding for surface transportation programs, only a limited amount of funds were made available to support ferry infrastructure expansion. Reauthorization of this legislation is now before Congress. Given the critical role that ferries have come to play in providing access to Lower Manhattan, the Transportation Users Group supports changes in the legislation that would increase federal funding for ferry transportation, making the level of federal support for water-based transit more consistent with that provided to other transit modes.

Creation of a Single Regional Agency to Oversee Ferry Development: Oversight and public funding of private ferry services and infrastructure in New York Harbor is presently split among several city and state agencies. TUG members believe that oversight of private ferry services should be placed under the aegis of a single dedicated regional agency with the responsibility of coordinating routes and services. TUG participants strongly believe that ferry service to Lower Manhattan would benefit from increased competition through the entry of new ferry operators into the market. A dedicated regional agency would be better able to reduce regulatory and bureaucratic barriers that hinder the entry of new service providers, and to obtain federal and local funding for new vessels and infrastructure improvements.

Management of Street Space

Development of a Management Plan for Livery (Black Car) Services: Black car service is a benefit that many Downtown corporations provide to their employees who must often work late hours. Convenient access to such service is therefore important to the retention by these firms of a skilled and motivated workforce. At the same time, the lack of adequate layover space where these cars can stage until called often forces them to either circle through Downtown streets or illegally park on the street, sometimes

in inappropriate locales such as residential neighborhoods. This has contributed to increased congestion and the obstruction of already limited curb space. TUG members strongly support the development of a comprehensive plan to facilitate and manage access in Lower Manhattan by black car services, including identifying dedicated staging areas.

This issue was not addressed in the Executive Survey.

Funding for Pedestrian Enhancements: NYCDOT has embarked on a five-year, \$153 million federally funded program to fully rebuild Lower Manhattan streets that sustained damage as a result of 9/11 and its aftermath. TUG members would like to see the streetscape design improvements developed by the Alliance for Downtown New York included as part of this program (e.g., new lighting, street furniture, etc.). This is contingent on obtaining approximately \$14 million in additional funding, as the federal monies obtained to date can only be used for in-kind replacement of damaged facilities. The TUG supports NYCDOT's efforts to obtain this additional funding.

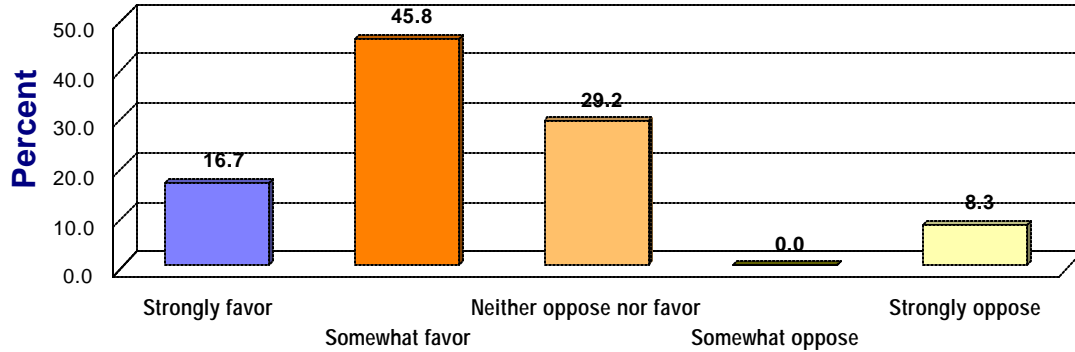
This issue was not addressed in the Executive Survey.

Fulton Street as Pedestrian Walkway: Making Fulton Street from the East River to (and, possibly, through) the World Trade Center site "pedestrian only" (except for free shuttle bus service) was almost universally favored by the major participants in the Executive Survey. This issue was not addressed by the TUG.

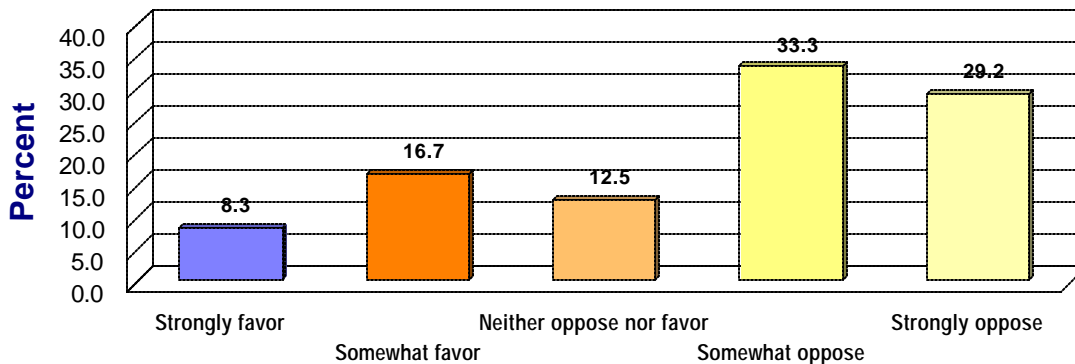
No Change to FDR Drive: The proposal of removing the portion of the FDR drive from Brooklyn Bridge to Battery Park and replacing it with a six to eight-lane at-grade roadway with traffic lights was opposed by almost two-thirds of executives at major Downtown companies. The issue was not addressed by the TUG.

Redevelopment Projects

Make Fulton St. from East River to the WTC Site "pedestrian only"



Remove FDR Drive and Replace it with a 6 to 8 Lane Roadway



Executive Survey results

Conclusion

Major Downtown employers consider transportation infrastructure improvements critical to the future strength of Lower Manhattan. For many leading businesses, the decision to remain in or relocate to Downtown will be heavily based on the convenience and ease with which their employees and clients will be able to reach their facilities. And, in view of the fact that the majority of senior executives at major Downtown companies live outside of the city, the travel convenience of these decision-makers must also be an important consideration.

The executives and corporate services managers of leading Downtown companies – employing 85,000 workers in Lower Manhattan – believe that enhancing and strengthening Downtown requires a two-fold approach. First, immediate needs must be met by unifying the transportation infrastructure to increase Downtown accessibility for current employees and visitors. Second, the future requirements of Downtown’s major employers for access to the entire region’s labor pool and easy airport access must be

met by linking Lower Manhattan to the three major area airports and the greater metropolitan region.

Downtown's intra-city subway access is plentiful, but often confusing and inconvenient. The establishment of a major Downtown transportation complex based on the proposed WTC and Broadway/Fulton/Nassau hubs received overwhelming support from survey participants. It is vital to uniting all of Downtown's subway lines and the PATH commuter train to New Jersey. The transportation hubs also provide for a direct all-weather pedestrian connection from the World Financial Center to the east side of Broadway. Cutting up to 10 minutes off the time it took pre-September 11th to walk this stretch, the hubs will further knit together Downtown's central business district.

Transportation Users Group members also favor expanding Downtown ferry services to provide direct connections between Lower Manhattan and areas not now well served by direct rail. However, TUG members believe that effective expansion of ferry service will require the creation of a regional ferry development oversight agency as well as some public capital support to help reduce the substantial economic barriers to entry in this market.

Downtown businesses are also considering the future growth of Lower Manhattan by endorsing better connections to the greater metropolitan region including the three major airports. Connections to the surrounding region and all three major airports would ensure the area's economic future by allowing for greater client and employee access, as well as being essential to the economic health of the entire region. Whether this is achieved through the proposed Long Island-JFK Super Shuttle, which would use existing tracks, or by building a new tunnel between Manhattan and Brooklyn that would truly expand the region's rail capacity and create a one-seat ride to JFK, should be determined by the availability of funding and engineering feasibility. What is clear is that the major employers want to know with certainty that one of these two alternatives will be implemented expeditiously. Downtown businesses also support extending PATH service to create a direct 30-minute ride from Lower Manhattan to Newark Liberty Airport.

Transportation initiatives for Lower Manhattan must be chosen because they provide assurance of completion in a cost-effective manner within a reasonable period of time. While Downtown businesses value the importance of infrastructure development, they are concerned that the massive construction required will serve as a handicap to business, and often preferred projects that met basic requirements with shorter completion times. But, most importantly, the business community requires certainty – the assurance that promised projects are completed on time.

A year and a half has passed since the September 11th terrorist attacks. Some progress has been made toward the finalization of plans for rebuilding the site; until final transportation decisions are made and implemented, however, the Downtown business community will remain in a state of uncertainty. Lower Manhattan companies have been a driving force in the New York City economy for the last two hundred years. Their needs should be critical in public transportation planning and decision-making.