Chapter 5 **New York: Capital of the World**

20507553 Ryu, Ki Chul

Globalization has enhanced New Yorks role as the "capital of capitalism". but it must also be recognised that it has made the city more vulnerable to forces operating in the world economy.

since the city's financial crisis in the mid-1970s when banks, the federal government and many citizens lost faith in the ability of the city to respond to economic change. And will deal with development and planning of New York as a world city. The 1970s seems a long time ago.

Two significant periods of economic growth, in the early 1980s and from the early 1990s to 2000, reestablished both the national and international role of the 'capital of the world'. But, this status also brought vulnerability.

In 1992 and then with devastating impact on September 11 , 2001 , New York's world city status made it a target for terrorist attack. In the final part of the chapter we look at the early stages of rebuilding downtown Manhattan and at new ideas about how the city can sustain its leading role.

World city New York certainly has a long history. New York was the busiest North American port between 1820 and the 1960s. The city was the dominant financial centre throughout the twentieth century.

**The governance of planning and development**

1. The mayor, the city and business

Consolidation of the smaller boroughs of Manhattan, Bronx, Queens, Brooklyn and Staten Island into New York in 1898. In the US context, exceptionally created an authority that spanned the built-up area and which remains.

Consolidation gave a base on which large infrastructure projects could be planned for the benefit of all taxpayers. The tax base of Manhattan could be shared across the city. There was of course, a corresponding loss of local autonomy. The poorest citizens of New york had to share that borough's wealth with suburban interests.

The city's charter gives substantial power to the mayor. Revisions in 1989 increased the mayor's power by removing decision-making from the Board of Estimate.

The mayor controls a budget of $36.8bn (2001). Thirty percent of the city's revenue comes from state and federal grants but the city has substantial incomes, in particular from property tax (38 per cent of revenue).

The mayor appoints all heads of agencies. Also appoints seven of the 13 members of the City Planning Commission that produces plans and advises on development projects.

2. **Business, civic lobbies and public benefit corporations**

Mayors have to build electoral support and (public sector) union support. They also have to respond to the demands of civic and business lobbies. Powerful bodies, such as the Alliance for Downtown with a board of over thirty corporate members, have exerted substantial and long-term impacts on the evolution of planning and development. Business lobbies promote development in various parts of the city.

3. **The port, the state and the region**

If we move out from the city boundaries and look at planning and development institutions at the city region scale.

The most significant development agency is the Port Authority of New York and New Jersey (PANYNJ).

The Port Authority has 9,200 staff with 12 commissioners, $1.9bn in revenues and financial independence through the ability to issue bonds. The Port Authority is independent expert authority and rational planning to undertake contribute directly to the competitiveness of the city economy and large-scale public works in early twentieth century. The Authority was set up in the 1920s to dig tunnels and build bridges to serve the port and business community. The Authority maintained an independent philosophy and style at least up to the 1970s.

With weakening leadership the state governors began to take more direct control of the Authority to the extent of diverting some of its budget surpluses.

Mayor Giuliani proposed taking the airports under city control.

The RPA recommends a reduced role the management of airports and the seaport but letting go of mass transportation.

One particular mayoral complaint was the subsidy to New Jersey commuters travelling into Manhattan on the PATH lines, thereby depriving New Yorkers of needed investment.

The future of the seaport on which New York's world role was built is a matter of controversy with the state governors unable to agree on the dredging that would be necessary to allow in bigger ships.

Nevertheless the Port Authority retains control over substantial infrastructures and property. In downtown Manhattan the PANYNJ owns the World Trade Center (WTC) site.

4. **Building and rebuilding the capital of the world**

Phase 1 - In the mid 1970s the city was in deep economic crisis. Arguments about the reasons for the city's unsupportable debts suggest overspending on social security, housing and education. But Abu-Lughod for example, points to the weakness of such arguments. The 'redistributive' part of NYC's budget was larger than in other cities but in these cities such expenditure might appear in the accounts of other layers of local government.

New York City may not have been so far out of step, but the crisis undermined the city's commitment to redistribution.

In the later 1980s, and in a growing city economy, the budget generally expands, but with social expenditure growing at a slower rate.

The revival of Manhattan in the 1980s is well-illustrated by the development of Battery Park City (BPC). The extensive development site for offices and housing was created by landfill along the Hudson River, using spoil from the WTC site.

The model of economic development through special agency was repeated in the redevelopment and revitalization of Times Square.

Depending to the strategic location of global entertainment industries, culture business gives world cities a competitive edge.

The late 1980s recession was longer and deeper in NYC than elsewhere. Between mid-1989 and 1991 the city lost 190,000 jobs.

This is consistent with the failure of Dinkins, Dinkins failed to solve the perception that the city suffered crime and drug problems. In the early 1990s the city was perceived to be fragile.

Phase 2 - Between 1993 and 2001 Mayor Giuliani, like his predecessors, used a combination of tax incentives, zoning and intervention through public benefit corporations to support the development market. And focused on Manhattan. Thereby reconstructing Times Square began as the economy recovered. The successful project became 'The heart of the capital of the world'. So, We concentrate here on the public-private relationships behind the project and its importance to the new mayor's vision of the city. In order to solve the negativity crime, city is devided each area. Sex shop is concentrated in the downtown, that was exist near residential school and church. sex shop was reduced to six from 140 pieces. also the number of drug and vagrants also decreased.

Intensive management of Times Square, and encouraged the wonderful display of all of the building of new and existing there. also emphasizing the image of a safe distance by arrangement the many police, so million people are visiting look for Times Square in a single day.

Because of this foreign visitors were estimated to bring $20bn a year to the New York-New Jersey economy

Also The mayor encouraged businesses to stay in the city. As a result to the income tax increase.

⓵The new media economy

The 'new economy' was producing the required job growth like a media businesses and internet businesses.

During the 1980s creative industries grew faster in Los Angeles than in New York. However, the rapid growth of new media jobs helped restore the city's image. so internet jobs grew from 106,000 in 1997 to 250,000 in 2000.

While the west coast continued to dominate technological development in new media, New York grew as a hub for content. New media growth was associated with the old media, availability of finance and availability of cheap space.

⓶Manhattan pushes outwards

An important consequence of this rapid and infectious growth was to get the city thinking about diverting growing economic sectors beyond Manhattan. The City's 'Digital NYC: Wired to the World' programme envisaged new media districts across the city, using New York's national and international advantage in this industry to develop new areas.

The programme offered firms lower marketing costs and low property taxes. Companies on the West Coast, form the Silicon Valley.

⓷The new quality of life and Hudson River Park

From the perspective of the Department of City Planning the city's high residential and employment densities, and historic investment in public transport, makes the city's prototype. The city can improve its environment without constraining its economic development. It means dealing with particular problems of pollution and asthma levels but also providing a high quality and attractive environment. According to Mayor Bloomberg, “Companies are here because this is where the labor force of choice wants to live.” New York City's quality of life, in spite of the recent horrendous catastrophe, is still the city's most powerful asset for economic development.

Hudson River Park in front of the Hudson River, has been re-developed as a "world class park" in order to improve the quality of life and environmental protection in 1999. This park provided a playground for the 'higher taste' of the city's elite, and on the other provided work for the labouring class.

Phase 3 - The terrorist attack on America in September 2001 destroyed about 13 million square feet of downtown office space and damaged a further 17 million square feet. A much larger area of Manhattan felt the impact. Retail and tourist-related businesses were hit. The World Trade Center contained the country's fifth largest shopping mall. Also shopping in neighbouring SoHo was affected. And Tourism spending was down by $1bn in 2001. Hotel workers were laid off and hotel occupancy rates fell as foreign visitors became scarce. The arts sector suffered from the immediate loss of visitor revenues. In the following sections we look at three particular aspects of the impact of 9/11. First is the financial and fiscal impact on the city's resources, and consequently on the city's ability to respond to demands from its business and other constituencies. Second, we look at the impact of the relocation of business from lower Manhattan. and private agencies. This new challenge to New York's world city status is being managed through a familiar development process.

⓵Financial and fiscal impacts

The attack had immediate consequences on the city's economy. The City Comptroller estimated a cost of $ 100bn over two years, including making good $34bn of property damage and a $60bn economic cost to account for lost jobs and rents. Tax is reduced year after the attack on the World Trade Center, The mayor cut budget, froze spending by this.

⓶Offices move out of downtown

Offices displaced from downtown found temporary accommodation across the city region. New Jersey has more office space than Atlanta or metro Boston and being located on a different electricity grid offered some security for business computer systems. One of the advantages of downtown Manhattan is an approach and connection of rail and ferry commuters of New Jersey in such a situation. was its rail and ferry connections and accessibility for New Jersey commuters. But its wider connections were poor. A substantial part of the task of reconstruction is to rebuild and possibly improve transportation links.

⓷Rebuilding lower Manhattan

Many of the wider considerations that were debated in the aftermath of 9/11 have fallen away as the city concentrates on building new commercial space through familiar use of an arm's-length development agency.

According to Mayor Bloomberg, quality of life is the city's major asset. There is a tension between such ideas about the future of lower Manhattan and the property development focus of the LMDC, the Port Authority as landowner and the Twin Towers leaseholder.

Conclusions

The shift from social expenditure to economic development detected in the 1970s continues, though under different constraints. The focus on downtown and the fiscal problems facing the city did not, however, stop its entering the competition for the Olympic Games of 2012. The major building projects for the Games include an Olympic Stadium on goods yards south of the Jacob Javits Convention Center on the west side close to the Lincoln Tunnel. In the 1990s Mayor Giuliani had looked at the Hudson Yards site as a location for a new stadium for the New York Yankees. An Olympic village would be built on the Queens Waterfront. The costs are substantial. For example, the stadium is estimated at $1bn. Development costs of $2bn is needed to connect the subway on the grounds of the stadium. The DCP's proposals for Hudson Yards in 2001 were drawn up before 9/11 and before estimates for the city's need for office space were drastically revised. Progress development over the long term accompanied by transport improvements starting in 2005, to make the areas more attractive for investment. New York also participated Following Paris, and London to host the Olympic competition to become the capital of the world.

That is the opportunity to push ahead with some large infrastructure projects including the Hudson Yards in Manhattan, new subway lines and redevelopment of the waterfront. Decisions on transportation involve state and city and the MTA and Port Authority. The deadline for the Olympics helps set priorities.

In New York style rebuilding the world city continues to be through projects. Debate about the future of lower Manhattan gave regional issues a higher priority than at any time in the past twenty years. But the focus is Manhattan.