

SEPTEMBER 2005

# CAN THE SKY FALL TOO IN NEW YORK

**Y**es, the unbelievable struck New Orleans, despite of the consensus among its citizens that the levees would never fail. Since Vesuvius buried Pompeii, the Romans salted Carthage and the earthquake-caused fire destroyed half of San Francisco, the impossible but unthinkable has arrived, from time to time, at the doorstep of the world's cities without an invitation.

Has size and population density insulated New York City from the unthinkable? Or does it make it more likely?

Let's inventory all of the "Sky is Falling" scenarios which have been well publicized and have never really left the thoughts of most New Yorkers. The following could be the headlines that we wake up to on some future morning, and I leave it up to you, the reader, to decide, which potential city killing event our current resources should be directed to.

## **"A 50-ft. Tsunami Engulfs Lower Manhattan and 25% of Brooklyn!"**

Scientists have reconstructed that a massive earthquake, only 2,000 miles due west of New York City harbor, caused the tidal wave which gave only a few hours notice to hundreds of thousands of its victims. According to government sources, much of lower Manhattan and the Brooklyn shore remain flooded while search and rescue operations get underway.

Earthquake experts at a New York university have pointed out that New York City has had a history of significant earthquake activity for the past 200 years. Since 1730, there have been more than 400 earthquakes affecting the New York area having a magnitude of greater than 2.0 on the Richter scale. This past activity; however, may not be connected to the Atlantic Basin shift which caused the tidal wave.

## **"Croton Reservoir Tunnel Fails – Manhattan is Evacuated."**

The 100+ year old aqueduct which supplies more than 75% of New York City's potable water suffered a massive failure due to unknown causes. Officials, while refusing to be identified, have indicated that to date the cause could have either been from an earthquake or from a terrorist act. The Water Authority's efforts to build a backup tunnel are expected to be successful within the next 3 – 7 years. "The return of approximately 5 million residents and tens of thousands of commercial enterprises cannot be planned until the water system is restored" according to the mayor. Moody's has downgraded all of New York City's and New York State's debt to junk bond status. All major banks with extensive loan portfolios secured by Manhattan office and residential properties have commenced petitioning the government for immediate relief.

## **"Epidemic overwhelms the City's hospital system."**

City hospitals are blaming the rapid expansion of the smallpox-like virus to the convergence of countless world travelers through New York City's three major airports. The Center for Disease Control has not made a determination as to whether the variant strain causing this deadly epidemic is a result of bioterrorism or through the natural permutation of the virus. While most major corporations have called for an evacuation of their employees, city officials are still undecided as to whether a mass evacuation should be commenced. However, the city school system has been closed and restrictions are now in place on entering and leaving the city. Port Elizabeth and all airports includ-



ing Bethpage and Westchester county airports have been closed. "The sporadic power outages throughout the city are a result of lack of staffing" according to power company sources.

## **"Explosion Contaminates 20 Square Blocks."**

National Guard troops rumbled into Manhattan last night through the Lincoln and Holland tunnels to cordon off much of lower Manhattan. The massive explosion which shook downtown has caused contamination, which fortunately has not spread beyond the immediate vicinity of the event. However, the high winds expected in the next few days are forcing officials from FEMA to contemplate whether Brooklyn and portions of the New Jersey River waterfront should be evacuated. The New York Stock Exchange immediately transferred its trading activities to its alternative trading site, however exchange officials on the advice of the Chairman of the Federal Reserve Board, will not open the exchange until further notice.

Reading these hypothetical scenarios is as painful for most as staring into a thousand watt light bulb. However, a prudent city government must plan in advance to either thwart the event or minimize the catastrophic consequences of these or other similar events. Any one of these scenarios would most likely result in one or more of the following consequences.

Downgrading of municipal debt at best, or making New York City virtually unfinanceable at worst.

The instant illiquidity of trillions of dollars of New York City real estate as buyers and real estate lenders disappear simultaneously.

The forced relocation of a portion of New York City's population, numbers which would make most city officials envy the size of New Orleans' recent evacuation.

The disruption of financial markets having a ripple effect throughout the United States and the world.

The grinding to a halt of all air traffic into and out of the city and the closing of its marine and rail transport system.

For City officials to realistically plan for the implementation of a reliable evacuation plan as well as a state-of-the-art bio and radiation hazard detection system at all of its points of entry, will take courage, leadership, and the willingness of the City's population to bear a higher tax burden, as well as tolerating a more invasive government presence. Without the immediate implementation of a focused, well-thought-out action plan, here and now in 2005, New Yorkers may end up feeling as foolish as the denizens of New Orleans, who refused to raise among themselves the \$125 million dollars necessary to secure their levee system when the US Government slashed their federal appropriations.

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