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## **Statement by Regional Plan Association on Latest Proposal for Moving Development Ahead at the WTC Site**

Regional Plan Association supports the Port Authority's new efforts to break the deadlock with Silverstein Properties, Inc. over the construction of the World Trade Center site. RPA urges all parties to bring these protracted negotiations to a swift and successful conclusion.

At the heart of the issue is whether the Port Authority should back financing for two of Silverstein Properties' planned commercial towers, rather than the one tower the Port Authority has already agreed to help finance. While the full details of the proposal have not been made public, the essential elements include a Port Authority offer to backstop debt for a second tower if the developer secures \$300 million in private financing and pre-leases 20% of the office space at \$80 per square foot. These conditions would signal that the market is ready to support construction of a second tower and would limit the risk to the public's investment.

Since negotiations began, Regional Plan Association has maintained that three long-held principles should guide the outcome:

- The World Trade Center site should be restored to support street life and connections to the rest of Lower Manhattan as quickly as possible;
- Commercial development at the site should be paced by the market, rather than public subsidies; and
- No further public funds should be diverted to support commercial office space at the site.

RPA remains concerned that additional funds not be diverted from the Port Authority's capital plan, which has already been significantly curtailed as the recession has reduced the revenue needed to support critical transportation infrastructure.

Given the Port's continued deterioration in capital finances RPA is very concerned about diverting funds away from planned improvements to transportation access to both Lower Manhattan and Midtown, in particular a new PATH terminal and a new rail passenger tunnel underneath the Hudson River to provide badly needed capacity and redundancy for the century-old trans-Hudson tunnels. These investments are energy-saving, region-building initiatives that also support new commercial activity. RPA strongly supports efforts by the Port Authority and Silverstein Properties to restore commercial space at the World Trade Center, but it also believes that it should be the responsibility of the private sector to absorb the risks of new office space construction.

RPA has been committed to the success of the Lower Manhattan business district since the 1920s. In the aftermath of the 9/11 terrorist attacks, RPA led the Civic Alliance for Downtown NY, a broad civic and business coalition which provided public input and support for rebuilding efforts at the World Trade Center and across Lower Manhattan.