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NATURAL RESOURCES DEFENSE COUNCIL
NYPIRG STRAPHANGERS CAMPAIGN
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TRANSPORTATION ALTERNATIVES
TRI-STATE TRANSPORTATION CAMPAIGN

**Statement from Civic, Environmental, Business, Transportation and
Planning Groups on Latest Proposal to Resolve Impasse at the World
Trade Center Site**

July 16, 2009

Leading civic, business, transportation, environmental and planning groups reacted today to the Port Authority of New York and New Jersey's latest attempt to break the impasse between the agency and developer Larry Silverstein. At issue is whether the Port should back financing for two of Silverstein Properties' planned commercial towers. Previously the Port has been resistant to provide financing for more than one of these buildings. However, last week the agency offered a compromise proposal that would backstop \$1.2 billion in debt for a second tower if the developer secured \$625 million in subordinate financing.

The groups urge Mr. Silverstein to accept the offer so construction at the commercial portion of the site may continue. They further emphasized that development of the private portions of the site continue to be guided by three principles:

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

The latest offer by the Port Authority would be consistent with those principles. The Port's exposure would be limited and, by requiring Silverstein Properties to commit significant capital, it would leave the onus on the private developer to determine when market demand warrants the investment. The current impasse should not delay full construction of the public elements of the site, including the memorial, PATH terminal, streets and public spaces.

"We continue to believe that subsidizing speculative office building is a poor use of scarce public resources" said Robert Yaro, President, Regional Plan Association. "Port Authority capital funds are more essential to improving transportation access to both Lower Manhattan and Midtown, in particular building 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, but it is the responsibility of the private sector to absorb the risks of new construction.”

“Using scarce public dollars to subsidize private commercial development is unacceptable when the needs of our public transportation network are so great. Public funds should go to projects commuters deserve, such as PATH upgrades, better bus service through the Lincoln Tunnel, and the ARC passenger rail tunnel,” said Kate Slevin, Executive Director of the Tri-State Transportation Campaign.

“In times of scarce public resources and overwhelming infrastructure needs to keep the region economically competitive, we cannot use public funds to subsidize private development, especially when no market indicators show a demand for it,” said Denise Richardson, Managing Director of the General Contractors Association. New York City does not need another office tower that will sit empty while the office market recovers. We need the Port Authority to invest in its core transportation projects, as well as the airports and the ports that will benefit the entire metropolitan area. The General Contractors Association of New York strongly urges Larry Silverstein to do what is best for all of New York and accept the Port Authority’s offer.”

“This is a complicated issue but when you look at the big picture it’s very simple: funding commercial office space over critical transit projects just doesn’t make sense,” said Paul Steely White, Executive Director, Transportation Alternatives. “We urge everyone to agree on this latest compromise so the important work of restoration and improving the transit system in Lower Manhattan and the rest of the region may continue.”

“Lower Manhattan needs to rebuild both emotionally and physically, which is why everyone around the table should give serious consideration to the latest offer by the Port Authority. This offer reflects long term beneficial planning for lower Manhattan. We can’t sit by while the site becomes mired in potential legal action and important projects are put on hold. The time to act is now,” said Ethel Sheffer, AICP, Past-President, APA NY Metro Chapter.

“The redevelopment of the Trade Center site requires complex choices but in a time of limited resources, investment in the region’s transportation system needs to be given priority,” said Adam Friedman, Executive Director, Pratt Center for Community Development.

“Funding transit projects is already difficult enough,” said Gene Russianoff, Senior Attorney, NYPIRG Straphangers Campaign. “In a world of limited funds, the financial resources of the Port Authority should be devoted to restoring the public infrastructure of the World Trade Center site and maintaining and improving the vital regional transportation facilities that are the Port’s core responsibility.”

“The Port Authority committed to paying for mass transit improvements and these payments should not be delayed to finance the development of office space,” said Rob Moore, Executive Director, Environmental Advocates. “This reallocation of public resources would be at transit riders' expense and negatively impact New York's air quality.”

“In a region with so many unmet public transportation needs, the Port Authority is right in seeking to prioritize its spending on important planned projects that will enhance mobility and increase ridership on public transit and reduce dependence on automobile use,” said Eric Goldstein, Senior Attorney with the Natural Resources Defense Council.

“For the sake of the region’s transit system and the environment, we urge everyone around the table to resolve this issue,” James T.B. Tripp, General Counsel, Environmental Defense Fund. “While the offer from the Port Authority is borderline too generous, we hope Mr. Silverstein takes this opportunity to settle matters quickly. We can’t waste anymore time downtown and we certainly can’t put important energy-saving, environmentally friendly transit projects on hold.”

For more information, contact:

Neysa Pranger at (212) 253-5796, (917) 532-0567 or npranger@rpa.org.

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