

Greed or Reality?

The continuing saga of Ground Zero development is dragging on. Meanwhile the city of New Orleans, which has realized far greater devastation, is being rebuilt—at least the private sector anyway. I had a chance to visit New Orleans on vacation last month. A restaurateur in the French Quarter, who had more than 120 employees before Hurricane Katrina and now has less than 30, said, “We wish that our ground zero was less than a mile wide, instead of 60.” Sadly, I venture to guess that New Orleans will be rebuilt before the World Trade Center.

The Port Authority and Larry Silverstein didn't meet Governor George Pataki's deadline last month. At press time, Silverstein and the Port Authority have resumed the talks, but have not come to an agreement. Silverstein says, “We have made tremendous progress on all major issues, including rent, allocation of insurance proceeds, sharing of Liberty Bonds and my company's contribution to common site infrastructure....However, we now find that the process has apparently gotten bogged down inside the Port Authority.” Insiders say it could be several months before an agreement will be made.

As regular readers know, I am not buying the Port Authority's story that Silverstein is being greedy in his development plans. Perhaps the Port Authority thinks that a new developer would waive the costs of building in the highest security area ever created in the US. I've interviewed contractors, who have said they wished they would have bid higher, because the cost of doing work at Ground Zero far exceeds the estimates.

Let's be realistic. The buildings to be constructed at Ground Zero, by their very design, will be more expensive than any building ever built, and that's with the cost estimates we have right now. Greed has nothing to do with it.

At this point, Silverstein is the only developer who has had to deal with the politics and the security issues that have plagued the redevelopment efforts. So now, the Port Authority wants to bring in a new developer who will be unaware of what is really happening. Let's hope the new developers can stand the political heat, build the safest buildings known to man that will also be appealing to those who would lease there, all while cutting their construction costs to the bone.

Meanwhile, some good news came last month, when the World Trade Center Memorial and Museum broke ground and the physical deconstruction of the former Deutsche Bank building at 130 Liberty St. began. So yes, there is some progress, finally.

No matter how good the news could be, however, nothing would be sweeter than the sound of the Freedom Tower breaking ground, with Silverstein at the helm. Now, that would be priceless.



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