

CHAPTER 2

The Politics of Planning the World's Most Visible Urban Redevelopment Project

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THREE YEARS after the terrorist attack of September 11, 2001, plans for four key elements in rebuilding the World Trade Center (WTC) site had been adopted: restoring the historic streetscape, creating a new public transportation gateway, building an iconic skyscraper, and fashioning the 9/11 memorial. Despite this progress, however, what ultimately emerges from this heavily argued decisionmaking process will depend on numerous design decisions, financial calls, and technical executions of conceptual plans—or indeed, the rebuilding plan may be redefined without regard to plans adopted through 2004. These implementation decisions will determine whether new cultural attractions revitalize lower Manhattan and whether costly new transportation investments link it more directly with Long Island's commuters. These decisions will determine whether planned open spaces come about, and market forces will determine how many office towers rise on the site. In other words, a vision has been stated, but it will take at least a decade to weave its fabric.

It has been a formidable challenge for a city known for its intense and fractious development politics to get this far. This chapter reviews the emotionally charged planning for the redevelopment of the WTC site between September 2001 and the end of 2004. Though we do not yet know how these plans will be realized, we can nonetheless examine how the initial plans emerged—or were extracted—from competing ambitions, contentious turf battles, intense architectural fights, and seemingly unresolvable design conflicts.

New York Governor George E. Pataki launched this process by creating the Lower Manhattan Development Corporation (LMDC) in November 2001. It picked up pace when LMDC designated Studio Daniel Libeskind's master plan, "Memory Foundations," for the site in February 2003. The process took on further weight when designs were unveiled in December 2003 and January 2004 for the 1,776-foot-high Freedom Tower, Santiago Calatrava's expansive, multitiered transportation portal, and Michael Arad and Peter Walker's memorial design, "Reflecting Absence." The initial planning period ended in December 2004, when a federal trial jury ruled in favor of Silverstein Properties on the insurance-recovery question and set the likely financial parameters for the rebuilding process.

During this period deliberations about what to do on the site were intense and closely watched. While the decisionmaking environment was fluid, it also seemed marked by extemporized decisions, perhaps deliberately so. Three conditions exacerbated this most visible of urban redevelopment projects: a lack of clarity from public officials (despite public pronouncements otherwise) about whether they gave priority to remembrance or rebuilding; institutional and jurisdictional competition between the state of New York, the city of New York, and the Port Authority of New York and New Jersey (PANYNJ, or PA); and the inability of any principal stakeholder to submerge its interests to the greater civic good.

Competing institutional claims were central to this ambiguity, although Governor Pataki partly resolved them by exercising the authority and institutional resources at his command. Though the city of New York had a tremendous interest in what happened on the WTC site and the surrounding area of lower Manhattan, the site itself was owned by the Port Authority. The PA was ultimately accountable to the governor, who appoints half the PA board, designates its executive director, and shapes its actions in New York in a division of labor with the governor of New Jersey, who does the same for his state. (Susan Fainstein elaborates on the Port Authority's role in the next chapter.)

Rather than put his political capital on the line at the outset, Governor Pataki remained cautious and uncommitted during the first part of the debate, husbanding his political resources and exercising his powers "in a spirit of political opportunism rather than broad commitment to the public interest" (Alan Altshuler, private communication, October 1, 2004). Pataki's actions and those of people around him were shaped by his desire to be reelected in November 2002, his aspirations in national politics, his relations with President Bush (who faced reelection in November 2004), and the swirl of political loyalties around both men.

Absent concerted leadership from the governor, no other single agent could assert primary authority over the dual tasks of assuring remembrance while

rebuilding the site. Instead, the confusion and conflict in the planning process were compounded in the leadership vacuum, and many decisions about Ground Zero's redevelopment seemed to reflect an ad hoc interplay of commanding personalities, fervent loyalties, powerful emotions, and strong interests, particularly downtown business interests. Roland W. Betts, chair of the LMDC's site-planning subcommittee, kept the process moving along through the glare of high-profile coverage by the print media. But even when key decisions were made, they often seemed to presage staff conflict over how to resolve the technical issues.

When the public dramatically rejected the first set of plans issued by the LMDC and Port Authority in July 2002, LMDC officials initiated a second design process, the "Innovative Design Study." (Arielle Goldberg's chapter in this volume describes this episode in detail.) Run like an architectural competition from September 2002 to February 2003, it became the focal point of worldwide coverage, extensive debate among design professionals, and intense lobbying on all sides. Architectural interests were thrust into the spotlight of an unprecedented level of popular attention. On the day he chose Libeskind Studio's "Memory Foundations" as the winning design, Governor Pataki became the arbiter of a highly politicized process. His key role in the planning process lifted it above the level of a typical "old-fashioned New York brawl." Had the mayor's agenda or conventional interest-group politics been predominant instead, the outcomes might have been different.

Selection of the memorial design took place on a completely separate and quite different institutional track from master planning for the site, perhaps deliberately so. (Further exploration of this matter is offered by James Young in this volume.) In the process, the independent jury's selection challenged the Libeskind master plan and firmly resolved how the tension between remembrance and commercial reconstruction would be managed on the site. Meanwhile, efforts by Mayor Michael R. Bloomberg and his senior officials to insert the city into the decisionmaking arena were largely unsuccessful (a topic explored by Mitchell Moss in this volume).

COMPETING CLAIMS

That the process of planning the rebuilding of the WTC site would be complicated and contentious was not unexpected. Not only were the objectives of repairing an emotionally traumatized neighborhood, physically rebuilding a devastated site, and memorializing the losses experienced there likely to run counter to each other, but all of the figures involved in the decisionmaking had big ambitions, strong emotions, and conflicting goals. Three imperatives shaped the planning process: first, the hallowed site must memorialize the 2,749 persons who died there; second, the site represents a long-term public

commitment to city building; and third, whatever is built on the site must recognize the ownership claims flowing from a business transaction completed only weeks before the disaster and sustain the income it provides to the Port Authority.

How would public officials reconcile these competing claims? How would the interests and forces swirling around each of these claims shape the decisionmaking process? How could any master plan survive the political fray, move through multiple regulatory reviews, and still meet the test of market feasibility? Put concretely, would Studio Daniel Libeskind's designated master plan survive as a blueprint for rebuilding the WTC site? Or would it fall victim to irreconcilable claims, weak political commitments, and ever-shifting practical considerations?

The high density of the island makes all large-scale projects in Manhattan targets for opposition. The unprecedented emotional context and worldwide interest in the World Trade Center site raised the ante even higher, requiring an especially deft planning response. The institutional environment complicated matters. The Port Authority had built and owned the sixteen-acre site, but six weeks prior to 9/11, after a long and exacting process, the PA had successfully privatized the twin towers complex for \$3.2 billion through a ninety-nine-year lease with a group of investors led by Larry A. Silverstein. Barely freed from its status as landlord, the Port Authority faced decisions about the WTC site with interest both as a landowner exempt from local regulations and as an operator of a regional transportation system. The main financial resource for rebuilding—private insurance proceeds—was subject to lengthy litigation. That process would determine how much money Silverstein could recover from the destruction of the WTC, and therefore how much would be available to rebuild the site. Silverstein argued that the attack was two separate events, allowing recovery of as much as \$7 billion, while the insurers considered it to be one, worth \$3.55 billion. (In the end, split decisions will award a figure somewhere in between.) The relatively weak position of New York State and outstanding commitments of the Port Authority's capital budget made other sources of financing, apart from federal aid, highly uncertain. Yet it was clear that the memorial would be costly and that priority transportation improvements would far exceed the funds committed by the president and Congress in the wake of the attack.

As a matter of political wisdom, if not statutory requirement, government officials must seek public input on major development decisions whether they like it or not. Early in the rebuilding dialogue, some advocated for a powerful rebuilding czar, a modern-day Robert Moses, who could overcome the conflicting imperatives and incessant pressures to show quick progress in the effort. Others decried command-and-control strategies carried out by a small set of power players. As Arielle Goldberg's chapter details, a group of civic coalitions

quickly arose to assert the public's interest in how the planning would be carried out and what its substance should be.

THE SITE

Ground Zero is a 16-acre superblock layered with significant political legacies. The PA used a hotly contested condemnation action to assemble the site in the early 1960s, erasing the historic grid of five city streets and eliminating 12 blocks of Radio Row.¹ Demolition cleared 164 buildings within a 21-sided polygon of 14.634 acres (Dunlap 2004e). When fully tenanted, the WTC was a city within the city, with its own zip code (10048). More than 42,000 people worked in a vertical commercial landscape of 10.5 million square feet of office space, 450,000 square feet of retail space (the nation's third-largest-grossing mall), an 820-room hotel with conference facilities, and a vast underground of 2,000 parking spaces, storage vaults, mechanical and loading facilities, and other supporting infrastructure, including the PATH station and subway complex. In creating this complex, the PA took the unusual step of acting as the developer, a risky position typically left to the private sector. This policy intervention was unprecedented in scale and went far beyond numerous earlier high-profile plans seeking to revitalize lower Manhattan.²

Half of the site, the so-called bathtub foundation, covers areas that used to be the Hudson River. A three-foot-thick concrete wall, 70 feet deep, tied to bedrock with steel cables running 3,100 feet around the rectangular perimeter, kept the river at bay. The excavated fill created 23.5 acres of new land immediately west of the site for the creation of Battery Park City (BPC), yet another extension of lower Manhattan's western boundary.³ This technical feat would become an important constraint on the practical reality of rebuilding, particularly as it affected the design of the 9/11 memorial (Wyatt 2002i). Other encumbrances included the PATH tracks and the need for security, truck access, and underground bus and car parking facilities, all of which bedeviled the design process by triggering conflict among the stakeholders. As one of the last of the massive urban renewal efforts, the WTC was widely regarded as evidence of urban renewal's brutal disregard for the urban fabric. It wore this legacy boldly, just the way its domineering developer, Austin Tobin, the executive director of the Port Authority had intended (Glanz and Lipton 2003, 60–61, 145–75). Tobin deliberately sought to fashion a symbol of concentrated power and financial resources.

The towers gradually became an icon. As a city-within-a-city that physically dominated the surrounding low-density neighborhood, they remained iconic even after other cities around the world built even taller skyscrapers. The twin towers contained 12.5 percent of lower Manhattan's office inventory and 20 percent of its post-1960s office buildings.⁴

Rebuilding the site presented city planners with the opportunity to correct past mistakes and remedy the deficits in the area's quality of life.⁵ Reinserting part of the historic street grid emerged as a rare point of consensus among city planners, downtown business interests, and residents of Battery Park City, the adjacent mixed-use development that had become a prized part of lower Manhattan. As Moss (this volume) elaborates, city policy and area residents both placed a priority on building more housing and cultural facilities to reinforce the nascent trend toward downtown living. By statute as well as proclivity, however, the PA was forbidden to build housing on the WTC site or elsewhere, and it would require legislation from New York and New Jersey to amend the agency's bylaws.

As Goldberg (this volume) reports in greater detail, New York New Visions (NYNV), a group representing "an unprecedented coalition of 21 architecture, planning, and design organizations committed to honoring the victims of the September 11 tragedy by rebuilding a vital New York," issued the first blueprint for rebuilding the site in January 2002. The result of a three-month voluntary collaboration of 350 professionals and civic leaders, *Principles for the Rebuilding of Lower Manhattan* (2002a, 5) set out "to inform the large-scale urban, economic and real estate decisions to be made in the coming months." The professional design community assumed that the governor had given the LMDC the authority to manage the rebuilding process; through this and subsequent reports and actions, NYNV sought to influence the planning taking place in the LMDC's offices.⁶

The report was ambitious, substantive, and wise in the ways of city building. It set the task of rebuilding the site within the broader context of regional growth, transportation, and planning issues, reflecting an early and well-considered decision by NYNV professionals to focus on general principles, not on site design.⁷ While acknowledging that "these principles and recommendations do not replace the broader public discourse about the future of our city that must and will take place among policy and decision makers," the NYNV report recommended an open memorial process, a flexible, mixed-use future for lower Manhattan, a more interconnected downtown, renewing lower Manhattan's relation to the region, design excellence and sustainability, an effective and inclusive planning process, and immediate action as a foundation for decision-making. In short order, the LMDC embraced these goals. After a public outreach campaign involving the creation of nine advisory councils for various stakeholders, the LMDC issued its first planning statement, *Principles and Preliminary Blueprint for the Future of Lower Manhattan* (2002a), in April 2002.⁸ The NYNV leadership noted that it "closely parallels and echoes" the NYNV Principles document (Choa 2002).

The LMDC's blueprint set forth fourteen broad but specific public goals: preserving an area of the WTC site for one or more permanent memorials; facili-

tating the immediate revitalization of lower Manhattan to ensure its viability; restoring a portion of the street grid to reintegrate the site into downtown; eliminating West Street as a barrier for Battery Park City; better integrating mass transit services with the rest of the city and region; creating a distinctive transit gateway to lower Manhattan; creating facilities to accommodate the anticipated surge in charter and tour buses; expanding the residential population; promoting retail opportunities to serve the residential community; providing new cultural and civic institutions; creating more parks and open space; using sustainable design and "green building" technologies; preserving outstanding historic structures; and diversifying the area's economy beyond financial services. The LMDC addressed the revival of lower Manhattan, not just rebuilding the WTC site. "These plans represent the best possible consensus we can find at the moment," said Alexander Garvin, the corporation's vice president for planning, design, and development. "Now we need to put meat on these bones" (Wyatt 2002b). The metaphor might have been a bit inappropriate, but his optimism was critical for the complicated task ahead. After public hearings and outreach, a revised blueprint was issued in June.

The principles seemed "benign," the architectural critic Paul Goldberger (2002) wrote in his review of how the future of Ground Zero was being resolved:

But is it possible to create an appropriate memorial and also increase the area's strength as a financial center? Is improving the neighborhood going to get in the way of developing lower Manhattan as a tourist and cultural magnet? And if you create a "comprehensive, coherent plan for transit access to lower Manhattan"—in other words, a new station for the mess of disconnected subway and other transit lines downtown—will it cost so much that it will put other transit plans, like the Second Avenue subway, at risk?

The LMDC was ambiguous about how it would reconcile competing priorities. It would push simultaneously for the "preservation of the site as a place of remembrance and memorial" and for new development that would "enhance and revive Lower Manhattan as a center of new financial, cultural, and community activity" (LMDC 2004a, S6-7). These goals would also have to take a backseat to the Port Authority's non-negotiable demand to replace the ten-million-plus square feet of office space that generated \$120 million annual ground-lease payments stemming from the ninety-nine-year lease encumbering the site to Silverstein (for the two towers) and Westfield America (for the retail mall). Absent buying out these claims, PA officials intended to honor the lease, which gave Silverstein and Westfield the right as well as obligation to rebuild exactly what was in place prior to the attack. As Fainstein (this vol-

ume) outlines, the lease payments were essential to supporting the PA capital program and enabling it to meet its paramount commitment to its bondholders.

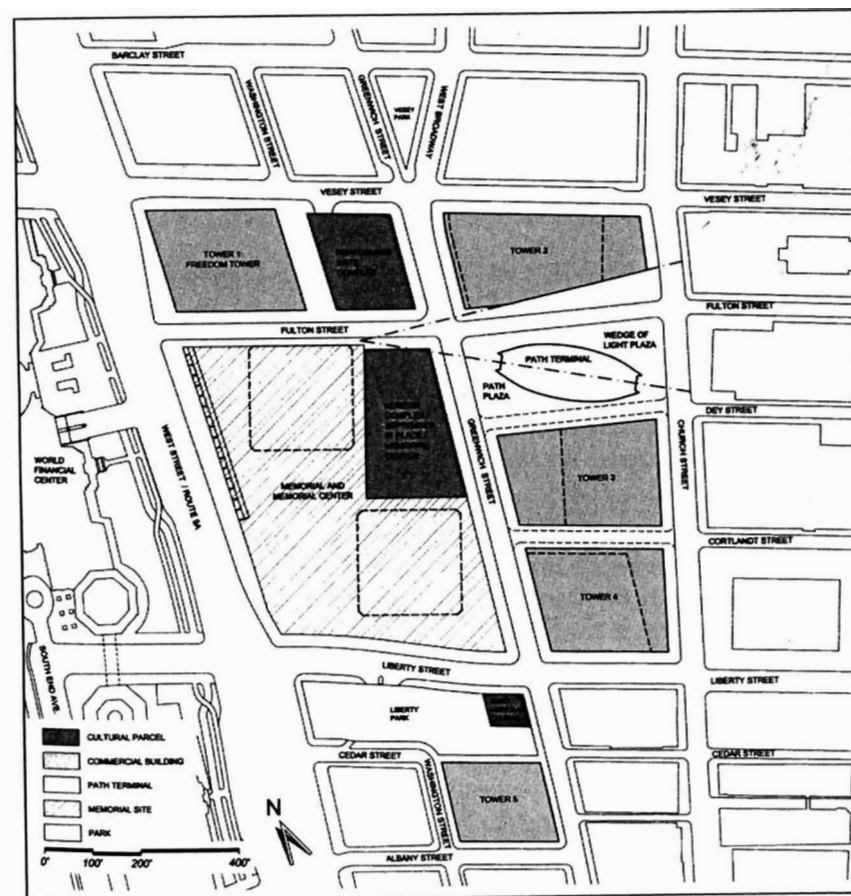
The sixteen-acre site is large by New York standards, equal to all of Rockefeller Center or the entire Grand Central Terminal district. Still, it was not large enough to accommodate all the ambitions for Ground Zero voiced by different interests. There would not be much room to maneuver or to explore notions of city building that might not address the PA's financial concerns. This created the constant refrain in public discourse that planners were loading the site with densely packed commercial towers that threatened to crowd out a meaningful memorial space. In time, the principal decisionmakers came to realize that the only way out of this dilemma was to expand the site beyond Ground Zero.

The first report that "rebuilding may expand beyond the site" appeared in June 2002, before any visual plans had been presented to the public. The LMDC's planners, the *New York Times* reported, "had begun studying the use of up to 16 adjacent blocks to accommodate some of the 10 million square feet of office space and 450,000 square feet of retail space that had been at the center" (Wyatt 2002c). Speaking to the New York Building Congress, LMDC president Louis R. Tomson, a longtime Pataki associate, pointed out that additional land could be needed because a memorial might take up half the site while new office towers would probably be no taller than 60 stories (in contrast to the original 110-story towers). With an expanded site, "we can plan to accommodate the needs of the Port Authority, the wishes of the community and the mayor, the memorial, cultural institutions, residences and retail space" (Haberman 2002b, 2002c). Since nearly all adjacent property was privately owned, the implication was that the LMDC would have to exercise eminent domain. Other possibilities included swapping land with the city or transferring development rights off the site.

Whatever their merits, each option promised to trigger complicated negotiations between the city, the state, and the Port Authority. For city officials, expanding the site would give them new leverage over the LMDC and PA. With the Republicans in control of the governor's mansion and city hall, political power was more closely aligned than usual, but the city controlled only streets and sidewalks, and the Port Authority, the site owner, was exempt from city regulations. The city's hamstrung position after 9/11 recalled the Port Authority's aggressive push in first developing the WTC in the 1960s (Glanz and Lipton 2003, 145–54). By a legal fluke, the city retained title to approximately two and a half acres of former streets within the sixteen-acre superblock. This nearly forgotten detail was the city's only legal point of leverage in the matter. It became relevant when the LMDC's *Amended General Project Plan* (2003a) released in September 2003, proposed to expand the site to include

two city blocks south of the WTC site (see figure 2.1). This action brought the severely damaged Deutsche Bank property at 130 Liberty Street into the project area as the site of a fifth office tower.⁹ That the city made a point of this issue reflected its lack of influence. "I don't want to overemphasize the need to stake a claim to property rights. That's not what we're trying to do."

FIGURE 2.1 WORLD TRADE CENTER MEMORIAL AND REDEVELOPMENT PLAN: PROPOSED SITE PLAN AS OF DECEMBER, 2002 (EXHIBIT A)



remarked deputy mayor Daniel E. Doctoroff. “We’re merely saying that’s one of the issues that needs to be resolved” (Dunlap 2004d).¹⁰

Although Port Authority executive director Joseph J. Seymour, a former chairman of the New York Power Authority, had been a longtime loyal aide and friend of Governor Pataki, the PA is a bistate agency. As such, its decisions had to be approved by the governors of both New York and New Jersey. Since the governor of New Jersey could in theory veto anything proposed for the site, he ironically had more power over it than the mayor of New York, a fact that would make any mayor unhappy. After Governor Pataki rejected in June 2003 the city’s proposal to swap the land under Kennedy and LaGuardia Airports to the PA in exchange for the WTC site, the mayor said:

In the end, I think it should be up to the City of New York. It is part of our city. The [PA] was there for the WTC, but now tragically, it is no longer there. . . . While I understand New Jersey has an interest in what goes on in the region, I don’t think the governor of New Jersey should have a big say, or the New Jersey Legislature, in what developed there.

Bloomberg believed the city should control its own destiny (Lombardi and Haberman 2003; Seifman 2003; Neuman 2003).

The Port Authority’s legal and financial constraints posed an obvious problem for the LMDC. Like the city, the LMDC had no authority over the PA, a state of affairs that was bound to create tensions with it. The LMDC’s key representatives, first Alex Garvin and then Roland Betts, did not challenge the PA’s commercial program for the site:

“It’s the Port’s site from an ownership standpoint and what’s the point of developing a whole plan and getting into a pissing contest with the Port because they don’t like it?” Betts said. Both he and Garvin started out believing that if the Port Authority had the right to determine the program for the site—that is, what functions would occupy the land and how much space would be devoted to each—while the LMDC would have the right to figure out what the whole thing would look like. (Goldberger 2004b, 87)

Betts recalled continuous fighting over the issue of how much commercial space would be built on the site. A working group met regularly to review many different plans that covered the walls in a PA conference room in lower Manhattan. The room was large because all the entities wanted to bring their own architects, lawyers, and staff. At the high count, the number of attendees reached seventy. The large size of the meetings made them a circus, Betts

said. Reporters were supposed to be excluded, but sometimes they sneaked in, disguised in the crowd. To manage the process and plug the press leaks, Betts set up a smaller steering group that included John C. Whitehead, LMDC chairman; Louis R. Tomson, LMDC president; PA commissioners Charles Kushner and Anthony J. Sartor; PA executive director Joseph J. Seymour; Diana Taylor, deputy secretary to Governor Pataki; and Daniel E. Doctoroff, New York City deputy mayor for economic development and rebuilding.

Although it may have seemed obvious to this group that they needed to reduce the square footage built on the site, figuring out how to find money to make the Port Authority whole for the rent lost was not so obvious. The Port Authority kept asking where the money would come from and why it should have “to take a haircut.” According to Betts, the option of expanding the site was always on the table but not yet part of the solution. He could recall Doctoroff making the only serious bid to buy out Silverstein through the land swap, but that negotiation fell apart after many rounds. In time, Betts wore down the PA and brought it into an agreement about the square footage; in time, Seymour recognized that the issue would not go away, that the site was too cluttered, and that the market might not support the planned volume of commercial space. To get to this point, however, Betts noted, Seymour had to go against his whole board—his commissioners saw the rebuilding as just another real estate deal. A man on a mission and not one to let a hard-won concession slip away, Betts quickly grabbed a scrap of paper when the moment arrived, scrawled an outline of the terms reducing the square footage on the site, and had everyone in the room sign it. He still has the paper (Betts 2004).

THE GOVERNOR’S POLITICS

Because the early planning process coincided with the 2002 gubernatorial election, even seemingly technical site issues became high-profile political decisions. Seeking a third term, Governor Pataki faced two Democratic hopefuls: former secretary of the Department of Housing and Urban Development (HUD) Andrew Cuomo and New York State’s comptroller, H. Carl McCall. Often reticent on thorny political issues in normal times, Pataki seemed unusually quiet about what should happen at Ground Zero, how much government should intervene, and how fast the process should go. Since his loyal aides Seymour and Tomson held the key positions at the Port Authority and the LMDC, Pataki controlled the downtown site, yet the press kept reporting dissension among his staff over whether the governor should support a slow and deliberate pace or push for immediate action (Rice 2002; Nagourney 2002; Haberman 2002a; Bagli 2002a).

The influential *Times* editorial page regularly criticized the project’s snail-like pace throughout 2002. In early April, it found that the LMDC seemed “to

be taking its time in devising a master plan. . . . If this year passes without concrete public proposals, critics may begin to ask whether Governor Pataki, who powerfully influences the redevelopment process, was delaying hard choices until after the November election.”

A couple of weeks after the LMDC and PA had issued the first request for proposals (RFP) for design services, the *Times* credited Pataki for sending a message to the various governing boards that “it is time to set up a workable process for reimagining and rebuilding downtown.” After the unveiling of six “dismal” plans, though, it told the governor that “the buck stops at his desk, that he needs to listen. . . . That means he must take the lead in negotiating with companies that hold leases to the World Trade Center, while also pushing planners for more inspired visions of how to use the space.” The *Times* found his performance dismal: so far, there had been “very little to indicate that the governor is exercising the kind of leadership that adds luster to the Pataki name.” When Pataki told the Port Authority to look beyond the site to build the ten million square feet of office space, *Times* editors continued their goading:

Governor Pataki’s recent remarks are a sign that he understands how central the rebuilding of Lower Manhattan will be to his own political legacy. Now he needs to follow through with action, to keep demonstrating that his core concern is coming up with the best possible plan, not simply keeping the issue on hold until after this fall election.

After Pataki was reelected, the *Times* opined that rebuilding had been “deadened by the benign neglect provided by election-year politics”; now the governor needed to “prove he could get things going for the people and businesses of Lower Manhattan” (*New York Times* 2002a, 2002b, 2002d, 2002f, 2002g). Although the *Times* was the most insistent voice calling for more assertive leadership, the business weekly *Crain’s* also editorialized after the election that “unless Pataki displays the leadership he had avoided, little progress would be made. He needs to make it clear that he will make the final decisions, or he should cede control of the World Trade Center site to the city” (*Crain’s* 2002).

The governor had made only one decision about the WTC site before his reelection. To an audience of six hundred attending a memorial ceremony at the Jacob K. Javits Convention Center, he unexpectedly announced that “we will never build where the towers stood. They will always be a lasting memorial for those that we lost” (Santos 2002). By sealing an informal decision among rebuilding officials that the memorial would be placed on the southwest quadrant where the twin towers had stood (see figure 2.1), Pataki’s “footprints statement” preempted design plans soon to be unveiled. This was

an instance in which rebuilding officials tipped their hand that a decision, while subject to change, had been made but not made (Wyatt 2002b, 2002d).

Meanwhile, downtown business interests had also grown impatient with the governor’s lack of leadership. Worried that political paralysis was jeopardizing downtown’s prospects for recovery, the CEOs of three of downtown’s biggest commercial tenants, American Express, Merrill Lynch, and the Bank of New York, threw down the gauntlet. In a strongly worded confidential memo addressed to Henry Kravis and Jerry Speyer, influential co-chairs of the Partnership for New York City, they called for clear government leadership and more rapid decisionmaking. They noted that debris removal around the WTC site had made lower Manhattan a very difficult place to work. “If redevelopment tracks the kind of three-decade timetable that eventually produced the New Times Square,” they wrote, corporate departures were likely. “A 20- or 30-year schedule is unacceptable,” they wrote. “It is time for a clear definition of accountability and responsibility for Ground Zero and the rest of downtown” (Cuozzo 2003a, 2003b). Several of their recommendations found their way into a well-publicized speech the governor made three weeks later, on April 24, 2003, to downtown business leaders at a luncheon of the Association for a Better New York (ABNY). In this talk, Pataki laid out an ambitious plan and comprehensive timetable for the revitalization of lower Manhattan.

The governor’s response to this wake-up call detailed something for every constituency. For business interests focused on transportation, he suggested initiatives for the subway, PATH, and ferry service, and a study of how to provide new rail access from Long Island and JFK Airport. For downtown residents, he proposed a new high school, streetscape amenities on Broadway, and community parks throughout lower Manhattan; for Battery Park City residents, he offered pedestrian bridges and improvements to West Street to link that neighborhood with the rest of lower Manhattan. For Wall Street, he suggested security improvements for the New York Stock Exchange; and for the citywide civic groups, he proposed that a start be made on parts of Libeskind’s master plan, including the 1,776-foot-tall “Freedom Tower.” Finally, for the 9/11 families and the world at large, he proposed a memorial design. Governor Pataki slated sixteen initiatives for completion in 2003 and 2004, with another six in the pipeline for 2005, another for the year after, and still another five by 2009. He pledged \$50 million for short-term capital projects and spoke of multiple billions in long-term investments. This “aggressive timetable” became Pataki’s true rebuilding agenda (Pataki 2003). He reiterated its pledges and gave a progress report in similar speeches before the ABNY later that fall (see his press release of October 30, 2003) and on May 5, 2004.

Having secured reelection, Pataki was less concerned about angering constituencies vital to his campaign by taking forceful positions; moreover, completing this agenda provided plentiful opportunities for ribbon-cuttings, press

conferences, photo ops, and other forms of credit-taking. Although the governor may not have had a vision for rebuilding, he was keenly attentive to how his actions could bolster his political legacy. With his aggressive timetable, he tied that legacy to rebuilding Ground Zero, and Ground Zero in turn became a potent platform for his future political ambitions.

The governor's ambitions became more apparent when he announced that the groundbreaking for the Freedom Tower would take place July 4, 2004. A remark by Larry Silverstein to reporters and editors of the *Daily News* the previous year had pegged that event to coincide with the GOP convention in Manhattan at the end of the summer, near the third anniversary of the terrorist attacks. The governor's office denied this report, which Silverstein's spokesman immediately disavowed, but the rumor persisted in the press (Haberman and Gittich 2003; Bagli 2003d; Cockfield 2004a). Though the new date skirted the charge of rank opportunism, critics quickly pointed out that the "groundbreaking" had more to do with Pataki's ambitions than any business considerations. The emblematic cornerstone ceremony took place before anyone knew how high the tower would actually rise in relation to its symbolic 1,776 feet, what the building would look like, how much it would cost, who would finance it, and what tenants might be willing to lease a significant amount of its 2.6 million square feet of space.

As long as determined optimism about rebuilding prevailed, these details were not likely to matter much. Unattached to a permanent in-place foundation, the cornerstone was ready to be moved wherever a fully designed building went into construction. The real question lurking behind the ceremony was the same one that prevailed in the earliest days of the master plan process: what would really be built? Reporting on the ceremony, veteran *Times* reporter David W. Dunlap (2004f) succinctly captured the spirit of this event: "Guessing the future of long-term megaprojects is a fool's game. Their momentum depends on an alignment of political will, popular support, market demand and economic conditions that shift constantly, beyond the ability of anyone to control or predict."

INSTITUTIONAL STRUGGLES

According to Roland Betts, Governor Pataki created the LMDC a month before the city's mayoral election to minimize the influence of the Democratic candidate, Mark Green, who seemed to have a chance of winning the close race (Betts 2004). With term limits preventing Republican mayor Rudolph W. Giuliani from standing for reelection, Republicans could ensure their political control over the WTC by declining to give the city equal representation on the LMDC and giving the state a majority of its eleven board seats. (As Moss

[this volume] relates, the governor gave the city additional seats after Republican Michael Bloomberg won office; the city and the state now have equal representation on a sixteen-member board.) The LMDC's trusted and respected lawyer, Ira M. Millstein, told the board that its mandate, at least on paper, was total control over the WTC site. But given that the Port Authority owned the site, Betts asked himself how the LMDC could actually exercise this control (Betts 2004).

The struggle over who would control site decisions came into public view in early April 2002, when the LMDC, on its own, put out a request for proposals for urban planning consulting services for the site and surrounding areas. The LMDC quickly pulled the RFP after angered Port Authority officials vehemently objected that they had not been asked for advice. Shortly afterwards, they issued a nearly identical joint RFP, but with the Port Authority listed as the lead agency on the cover page. Said PA chairman Jack Sinagra, "We can't lose sight of the fact that it's the Port Authority's property and the Port Authority's responsibility for what is eventually recreated on the site" (Lentz 2002; McGeeveran 2002a). The Port Authority funded the \$3 million comprehensive consulting contract, though the LMDC ultimately paid part of it.

The Port Authority and the LMDC announced at the same time that they had negotiated a memorandum of understanding spelling out their respective roles in the rebuilding process. "They [LMDC] are managing the public input, the citizen-participation process. We will be managing the development of the plan on the site and the plan on the periphery," said PA executive director Seymour (Neuman 2002b). The next day LMDC chairman John C. Whitehead, who had a reputation for being independent, stated that "both boards" would approve the plans for the WTC site. "I think [PA chairman Jack Sinagra] would agree that we must agree, too, with the final plan" (Neuman and Haberman 2002). The memorandum provided that the LMDC would control the memorial design process and reportedly contained concessions from the Port Authority releasing some land for a memorial, allowing cultural facilities as well as commercial buildings on the site, and considering reopening the street grid, all of which might reduce the land available for the original program of ten million square feet of office space.

Five weeks later the agencies jointly selected Beyer Blinder Belle Architects & Planners (BBB), in association with Parsons Brinckerhoff, to provide consulting services to the agencies; the full team included eleven other specialty and engineering firms.¹¹ Both New York-based firms had strong credentials for creating an urban design and planning study for the WTC site. Phase 1, scheduled to be completed in July 2002, promised up to six concepts for land use on the site; phase 2 was "to further develop and define these options based on the public input received"; and phase 3 would lead to a "preferred land-use

and transportation plan.” The work never got beyond phase 1, after a highly publicized meeting of some 4,500 people in July 2002 left no doubt that they rejected all six plans presented.

The Civic Alliance to Rebuild Downtown New York, a coalition of more than eighty-five civic, business, environmental, community, university, and labor groups convened by the Regional Plan Association (RPA), organized this “Listening to the City” event in cooperation with the LMDC and the Port Authority. These eighty-five groups, along with private foundations and corporate donors, provided \$2 million for the event, which was designed to develop consensus strategies for redeveloping lower Manhattan. The meeting used a technological format developed by America Speaks, a nonprofit organization specializing in facilitating consensus-building events, to project the alternative plans and gauge face-to-face responses to them. As Arielle Goldberg details in her chapter, this event altered the trajectory of the debate and was hailed by some as setting a new standard for public participation. Hundreds of round tables seating ten were placed in the cavernous Javits Center exhibition space. In the center of that vast field of tables was a raised stage for the proceedings. No one attending the meeting on that blistering hot summer Saturday would forget the overwhelmingly negative comments that participants offered about the six plans, which were variously described in the press as “strikingly similar,” “dismal,” “disappointing,” “uninspiring,” “mediocre,” “no soul,” “lacking vision,” and “not broad enough, bold enough, or big enough.” Nor would participants forget the orderly but intense group dynamic that produced the clear consensus that the six plans were simply inadequate.

The excessive amount of office space was a chief complaint. New Yorkers are used to density, but however configured, a dense cluster of office towers seemed an inappropriate setting for remembering those who tragically perished on September 11. Participants recommended making every effort to cancel the Silverstein lease so that the Port Authority’s commercial requirements would not govern planning decisions. “Listening to the City” attendees put forth rebuilding proposals that were more clearly articulated, if not completely different, from those in the LMDC’s revised blueprint. They called for a suitable memorial as the centerpiece, restoring lower Manhattan’s skyline, eliminating West Street as a barrier to the waterfront, restoring the street grid, emphasizing street-level activity, reducing the amount of office space on the site, and providing memorable architecture (Civic Alliance 2002).

The press savaged the alternatives in ways no elected official could ignore. In “The Downtown We Don’t Want,” the *Times* editorial page called the plans “dreary, laden proposals that fall far short of what New York City—and the world—expect to see rise at ground zero.” The editorial put the onus squarely on the requirement that the site “be packed with a full 11 million square feet of office space, 600,000 square feet of retail space and another 600,000 square

feet for a hotel.” It also noted that “some of the overcrowded designs may be posturing, with the aim of resolving complicated legal disputes involving” the leaseholders of the complex. And the *Times* put officials on notice that they would be held accountable for something visionary: “What these proposals demonstrate most conclusively is that nothing memorable can be done in Lower Manhattan if the Port Authority insists on reclaiming every inch of commercial space that it controlled before Sept. 11” (*New York Times* 2002c). A couple of days later the *Times* made a more direct call to hold Governor George Pataki accountable in “Talk to the Man in Charge” (*New York Times* 2002d).

Editors at the *Daily News* penned a sharper critique of the Port Authority, which they said was “flawed by design.” “The LMDC, though filled with talented people, had been handcuffed by its boss, the Port Authority. It had to follow orders. . . . As the design concepts prove, the PA still places its own needs first. . . . It is accountable to no one. And that’s the real problem;” Over the next ten days, the *Daily News* followed up with two more editorials, upping its criticism of the Port Authority’s “severe limitation on the land use,” which made “a visionary plan impossible.” The problem was structural: “This insulated agency is simply too self-centered, unimaginative and bureaucratic to handle such a sensitive project” (*New York Daily News* 2002a, 2002b, 2002c, 2002d).

Newsday told its readers: “None of the WTC Proposals Is Good Enough.” Its editors similarly laid the blame squarely on the broad shoulders of the Port Authority and the requirement for putting the leaseholders first. They argued several positions: “forget about legalisms,” “slow down,” “creativity is key,” and “hold Pataki responsible” (*Newsday* 2002). Among the city’s dailies, only the *Post* seemed to like what had been produced: remarkably, considering the near universal sentiment otherwise, its editors said, “So far, so good” (*New York Post* 2002).

The LMDC and the Port Authority had both upheld a public rhetoric of working collaboratively, but each agency set an independent course after this public relations disaster. Silverstein and the owner of the World Financial Center in Battery Park City, Brookfield Properties, had their own architects and planners working on rebuilding. All four were preparing a master plan for the site, and planning exercise meant something different to each owner.

PARALLEL PLANNING

Striving for Legitimacy

After bungling phase 1, the LMDC obviously needed to get it right the second time. Betts believed that lack of specific enabling legislation made the LMDC’s ad hoc planning process susceptible to legal challenge, but he considered it

critically important to move the process forward. To “organize” would have taken a year of precious time. Called the “most visionary member of the LMDC board” by the architectural critic Paul Goldberger (2004b, 111), Betts took charge of the site-planning committee formed shortly after the hiring of Beyer Blinder Belle. This committee was “comfortable enough, but not very enthusiastic” about the design 1 schemes, Betts recalled. After “Listening to the City,” it took to heart the lessons that the historic street grid should be reinserted, a transit hub created, a first-rate memorial built, West Street broadened and landscaped, and the skyline of lower Manhattan remade with an iconic tower (Betts 2004).

Although design 1 was an embarrassment, LMDC was called to task for failing to articulate clear priorities and manage the consensus-building process. News stories reported that “no one’s home over there” and that the memorial design process was moving too slowly while the overall site planning was moving too quickly for so momentous a decision. Other reports charged that LMDC officials were meeting with private interests behind closed doors while keeping their own board in the dark over the planning process and the selection of a design firm. One reporter charged that the agency’s secret meetings contravened New York State’s open-meeting law (Haberman and Neuman 2002a; Neuman 2002a, 2002b, 2002c, 2002d; Wyatt 2002e). One insider who asked to remain anonymous put it this way: “Everyone thinks they are missing something going on in another room, even the governor.”

The decision to make a master plan for the entire site *before* designing the memorial struck many citizens and professionals alike as proceeding in reverse gear. Shouldn’t the memorial design come first and constrain the master plan? Starting with a master plan focused decisionmaking on how much territory would be reserved for a memorial, whereas the critical planning question might logically have been how best to integrate an appropriate memorial design into the redevelopment of the site and the fabric of lower Manhattan. The LMDC’s strategic decision to proceed first with a master plan put it on the defensive when its handpicked memorial jury selected Michael Arad and Peter Walker’s “Reflecting Absence,” an unapologetic and dramatic violation of Daniel Libeskind’s “Memory Foundations” master plan. In short, the LMDC appeared opportunistic, uncoordinated, and confused. Even its president, Louis Tomson, acknowledged in a January 2003 breakfast speech at New York University Law School that “we’ve screwed up lots of times along the way.” One of the biggest mistakes, Tomson said, was releasing the first set of rebuilding plans. “We did not convey to the public what we were trying to do with the plans we released in July” (Rogers 2003).

To recover momentum, Betts decided to throw out the BBB plans and start all over. The “mistake” in the first round, he said, was to present the plans as massing models showing a layout without defining what the buildings would

look like, when the public “thinks you’re designing a building.” Betts felt that the BBB architects had not been invested in their plans; he now wanted to involve the world’s best architects in the process. With support from his committee, which included the architect Billie Tsien, LMDC vice president Alex Garvin, who would manage the process, was also keen on the idea. To sell this course of action to the Port Authority and the city, LMDC executive director Tomson, who had a good relationship with Seymour, would work the Port Authority, while Betts, who had a long and close relationship with Doctoroff, would work the city. They would mention that the design 1 website had received 50 million hits, that the eyes of the world were watching what they were doing, that such a big project demanded world-class talent, and that they had to do it right. Before they could launch their campaign, however, someone leaked their plans to the *Times*; as Betts recalled later, the task then became “very difficult” (Betts 2004).

Garvin understood the strategic value of playing “the architectural card” to make the LMDC, “at least for a few months at the end of 2002, into the most conspicuous architectural patron in the world,” as Paul Goldberger (2003a) explained in his well-informed account of the inside maneuvering. “It was a shrewd decision, because it moved the planning process to an area that the Port Authority had traditionally shown little interest in.” Within the month the LMDC had launched a worldwide “Innovative Design Study” (design 2) with a request for qualifications (RFQ) to select as many as five architecture and planning firms to offer new ideas for the WTC site. The LMDC emphasized the word “innovative” to signal how different this process (and presumably the product) would be.

Design 2 ran from August 2002 to February 2003, ending in the selection of Studio Daniel Libeskind’s master plan for the site. As with design 1, this process was fraught with controversy and reflected an ongoing struggle between the Port Authority and the LMDC. It left the conflicts between the site’s competing claims unresolved. During this time the governor was getting more comfortable with doing something great, Betts recalled, but Pataki did not weigh in until the final selection process. Design 2 implicitly challenged the designers to resolve competing claims—in effect, to accomplish the political task that politicians were reluctant to do.

Design 2 unveiled nine design schemes in December 2002, yielding praise for the LMDC (if not for the actual designs) for calling for a big vision and a standard of world-class design.¹² Yet the bold ideas and visual clues of a new future for the WTC site could not paper over the continuing confusion among civic groups, design professionals, and the public about how these critical decisions would be made. Nor did they mute the persistent call for less commercial space. As they redrafted their message to the public and the design participants, the LMDC and PA made two telling revisions.

The first revision seemed to suggest some softening of the Port Authority's position on commercial space. A few weeks after the seven teams were chosen from a field of 407, the LMDC announced a revision of the office space component from 10 million square feet to 6.5 million. (This was the signed scrap-paper agreement Betts had secured from the four principal entities.) The Port Authority had not changed its position ("You can't assume the Port Authority is going to give up its real estate interests," a PA source was quoted as saying), but rather suggested that some of the space would be accommodated outside the WTC site. Since the city and the Port Authority were still at loggerheads about where this might occur, "it was left purposely amorphous" (Wyatt 2002g). The new revision also allowed for as much as 2 million additional square feet each of hotel and retail space. These revisions reflected the fluidity of the ongoing negotiations between the city and the Port Authority over "a raft of issues," including the airport-WTC land swap put on the table by Doctoroff ten weeks earlier (Neuman 2002e).

Second, despite what the RFQ stated (in boldface: "This is NOT a design competition and will not result in the selection of a final plan"), the Innovative Design Study had morphed into a design competition among world-class architects that would produce one winner. "Once the designs began to emerge," Goldberger (2003a) wrote, Garvin "decided to give up on his notion of treating the architects' work like a smorgasbord, picking and choosing what was best." As Betts said, "It will be one central idea. Whatever plan survives is going to be subject to modifications, but it's far less likely that two plans would be combined. It's like combining two different artists whose style is completely different" (Thrush 2003). Given the high-profile talent brought to bear on the task and the worldwide attention, it could hardly have been different. Port Authority officials, however, were reportedly holding out for the possibility of combining aspects of several designs (Wyatt 2003f).

The LMDC was not in a good position to manage this process. It had planning expertise, but no design capability. To fill this gap, LMDC met regularly with New York New Visions members to provide a "kitchen cabinet of sorts" for Garvin, who asked them for advice on how to run a competition, input on the criteria to include in the Innovative Design Study RFQ, and a list of architects and planners to review the RFQ responses. Garvin initially asked NYNV to run the competition, but the group said no. Marcie Kesner, an experienced planner who had worked in the Queens borough president's office and who co-chaired the group's executive committee, firmly believed that the LMDC should run the process. She was not sure why NYNV was being asked to manage it. Like other "on-call advisers," she was concerned that the LMDC might just want them to provide cover. The extent to which Garvin relied on the group was "flattering," but always caused NYNV committee members to

The group kept up a near-vigil on the LMDC's actions. It regularly voiced distress about the corporation's lack of coordination, kept a sharp eye on procedural details, and pushed for openness and full participation in the planning exercise. It was constantly concerned about the integrity of the planning process and put forth a formal design critique at each stage on the way to a final master plan. After the Libeskind selection, NYNV saw itself as protecting the "immutable" planning principles put forth in its *Principles for Rebuilding Lower Manhattan*, as these were reflected in the selected master plan. The group believed its role was to keep the pressure on the LMDC; "retiring" from the field would send the wrong message to decisionmakers. Ironically, NYNV was playing the role of the Department of City Planning (DCP); just why this was so remained the unspoken open question among planning professionals.¹³ NYNV's advice offered the LMDC a needed source of legitimacy. That ability to have input in turn held great meaning for those who took part (New York New Visions 2002b, 2002c, 2003a; see also minutes of the NYNV Steering Committee: 5/1/02, 11/22/02, Executive Committee: 5/22/02, 10/16/02, 10/30/02, 11/13/02, 3/12/03, 5/28/03, 6/25/03, 3/24/04, 5/12/04, and Coalition: 8/27/02, 11/6/02).

Restoring the Revenue Stream

As described by Susan Fainstein (this volume), the Port Authority took on the process of planning for Ground Zero wounded and shaken by the losses it suffered on 9/11, including its executive director, seventy-four other employees, and its signature headquarters. Yet its distinctive and insular institutional culture buffered the PA from some of these wounds. Used to operating without legislative oversight, the engineering-dominated authority was not accustomed to sharing its institutional turf. It had earned a reputation as a strong-willed institution over decades of activity that reshaped the landscape of the New York-New Jersey region. Although its halo of power had dimmed since the rule of its autocratic first director, Austin Tobin, his larger-than-life legacy could not be ignored.

When the Port Authority developed the WTC in the 1960s, this move into the realm of commercial real estate signaled aggressive risk-taking, an unusual position for a public transportation agency. It took two attempts at privatization (Governor Hugh L. Carey initiated the first review of a potential sale in 1980, and Governor Pataki initiated the second in 1997) before the Port Authority succeeded in capturing the \$3.2 billion value of this gamble in bricks-and-mortar by selling a ninety-nine-year leasehold to Silverstein and his investors. In exchange, the PA relinquished day-to-day control over the twin towers and retail mall, while the land parcel remained a part of its \$15.6 billion portfolio.

Much as the \$120 million in annual WTC lease revenues (4 percent of the

authority's 2001 total revenue intake of \$2.7 billion) motivated the PA to rebuild on the original commercial scale, the Port Authority had other compelling aspirations that would influence its actions. Fueled by criticism that the big real estate projects had distracted it from its core mission of easing the region's transportation bottlenecks, the PA made a strategic policy shift back to transportation-based projects in 1995. For regional transportation groups and downtown business interests, the PA faced two pieces of unfinished business that were central to the future of lower Manhattan: addressing its long-standing failure to build a rail-freight tunnel between New York and New Jersey and providing a commuter-rail link to the suburbs of Long Island.

After 9/11, "straitened times" for the PA budget, increased security costs, and related capital improvements caused the agency to scale back its recently approved five-year capital program. Port Authority officials saw demands to place open spaces and cultural facilities alongside the memorial space as a threat to the revenue-producing potential of the site. "However that property is ultimately planned, the important thing from the PA's point of view is that we address the need to have a comparable revenue stream," one commissioner said (McGeveran 2002a). By rebuilding the WTC site, the Port Authority also hoped to evoke its institutional legacy in a way that would give meaning to its emotional losses and enhance its diminished reputation. "It was going to be a great opportunity for the Port Authority to reestablish itself as a great and majestic builder," said Christopher Ward, the organization's former chief of strategic planning. "It was what I thought we would do for the next ten years" (Machalaba 2002).

Port Authority officials appeared indecisive during the earliest stage of planning, but the public debacle over the BBB designs and the LMDC's architectural competition triggered the PA into an even more intense struggle for control over site decisions. It felt that determining the configuration of the memorial, the commercial space, and the cultural facilities was equivalent to programming the financial equation. If the LMDC maintained the lion's share of responsibility for planning the sixteen-acre site, the LMDC would be determining how much revenue the Port Authority would get. PA executives were tellingly absent when the LMDC launched the Innovative Design Study. LMDC's Lou Tomson remarked that the two agencies "have different points of view on how to proceed" (Wyatt 2002f). Within the month, just days before the LMDC was set to announce the seven new design teams, the PA hired Ehrenkrantz Eckstut & Kuhn (EEK) to do in-house transportation planning and design coordination. This further confused observers about how key decisions would be made and who would really lead the effort (Hetter and Janison 2002).

In this period, a dark cloud hung over both the current and long-term prospects of the real estate market in lower Manhattan. The attack had destroyed 12.5 million square feet of office space and damaged an additional 13.8 million

square feet, taking out nearly one-quarter of the downtown office inventory—and even more, 44 percent, of its recently constructed class A space. (The total represented only 6.5 percent of the Manhattan inventory and even less for the region.) It was valuable space in Manhattan's dueling office hierarchy and important to its ongoing battle to retain office jobs that were otherwise being lost to New Jersey waterfront cities (Jersey City, Hoboken, and Newark) and the northern suburbs of New York (White Plains, New York, and Stamford, Connecticut). In the short term, lower Manhattan managed to retain 49 percent of the displaced office tenancy, yet the landscape of future demand grew weaker with each month of planning confusion and political indecisiveness.

Downtown real estate executives thought the viability of downtown as an employment center was at risk. Hugh Kelly (2002a, 69), a well-known real estate economist with a deep understanding of the city's office market, concluded that it would be "difficult to envision employers committing to a district where more than 30 percent of its most modern space had been destroyed and not replaced." He cautioned that "the absence of an adequate office stock to accommodate job growth will retard or even reverse downtown's resurgence as a residential community, along with development of the attractive recreational and entertainment amenities that will flow from such a mixed live/work environment." Just how much new space would be deemed "adequate," however, was less clear. Did 10 million square feet need to be replaced, or would a lesser though still critical mass of 5 to 7 million square feet be enough? Building 10 million square feet of new space when 17 million square feet already stood empty downtown (a vacancy rate of around 19 percent) made many business executives, especially landlords, extremely nervous.

The city's three downtown business groups—the Alliance for Downtown, the Association for a Better New York, and the Partnership for New York City—and the Real Estate Board of New York were united behind the firm belief that transportation improvements were their highest priority. Without improved access to the region, downtown business leaders thought the WTC site would be unmarketable (Alliance for Downtown 2002, 2003; Partnership for New York City 2003). They wanted the two regional transportation agencies—the Port Authority and the Metropolitan Transportation Authority (MTA)—to move their agenda. Having long time horizons and steady sources of funds, these agencies have a far different institutional profile than the LMDC. Because they are engineering bureaucracies focused on serving current customers, they are not development-oriented (Weisbrod 2002). But to achieve its goals as a landowner, the Port Authority would have to promote the transportation agenda in a big way.

The Port Authority initially focused on rebuilding the towers and associated infrastructure demands. Its institutional authority over infrastructure was unchallenged. Indeed, the May 2002 memorandum of understanding with the

LMDC gave the PA full responsibility for everything but managing the memorial design process and organizing public input, which, in turn, were the unalligned mandate of the LMDC. Few observers could be convinced that the efforts of the two agencies would converge in joint decisionmaking at some fuzzy point in the future, however, and signs of what was happening behind closed doors did nothing to diminish their skepticism.

To the Port Authority's way of thinking, the LMDC would supply the "vision" thing, which would be inserted into the PA site plan like a Lego toy. In other words, the LMDC's role in the decisionmaking for the master plan would be limited to "pretty building designs," as EEK partner Stanton Eckstut reportedly said, adding that he alone was developing substantive plans for the site's streets, transportation facilities, and underground infrastructure (Neuman 2002f; Wyatt 2002i). This infuriated Garvin, who had broader ambitions in mind when the LMDC commissioned the seven high-profile design teams.¹⁴

Skeptics and veterans could not help wondering aloud whether the LMDC's Innovative Design Study was really just a sideshow while the PA made the real decisions. "It's a beauty contest and a distraction," said Robert D. Yaro, leader of the Civic Alliance (Flint 2002; Bagli 2003a; McGeveran 2003). "Fundamentally it's a sideshow because none of these things will be built," said one LMDC director about the December 2002 unveiling of the nine conceptual visions produced by the design 2 competition. "But they did show a variety of ways the site could have commercial development and a memorial without looking like a mess" (Bagli 2002b). Shortly after the design 2 visions were presented, the *Daily News* (2002f) let go with force: "What a healthy, open process. And what a monumental waste of time," the editors complained. "One suspects the PA will dismiss the LMDC plans outright and selfishly plow ahead with what it wants. If that is not the intention, why does Eckstut's work continue in secret?" the editors asked. "Both sides have promised to work together, but it's not easy to trust the PA promises."

When Roland Betts invited the PA to exhibit its master plan alongside those commissioned by the LMDC, the answer was no. He was told that their work would not be ready to show the public until February. "It's a work in progress and doesn't lend itself to that kind of presentation," a PA spokesman said (Haberman 2002d). When it came to its transportation agenda, however, the PA did not seem to have any problem revealing its work in progress. The PA's chief architect, Robert I. Davidson, showed early designs for a transportation hub (which included many elements of the temporary PATH station already under construction) at the annual "Build Boston" architectural conference just a month before the LMDC's seven teams of architects were scheduled to show their conceptual master plans for the WTC site. The PA released a second well-timed set of visuals for the new transportation center just days prior to the press conference announcing the LMDC's final selection of a mas-

ter-plan design. The Port Authority had not selected an architect for the \$2 billion downtown terminal it envisioned on the scale of Grand Central Terminal, but it laid out the underground engineering requirements for commuter and subway connections (Wyatt 2003b).

The behavior was disingenuous. The Port Authority was planning behind closed doors in a manner befitting its legacy of independence and its bureaucratic capacity. Eckstut had developed a full-scale model of the site, above and below ground, which the Port Authority insisted would yield far more specific and detailed engineering plans than those of the LMDC teams, even though those teams were also working with extensive models of the underground to plan for the retail shops, bus depots, and commuter train terminals required by the Port Authority. Those who saw Eckstut's plans reported that they resembled the rejected Beyer Blinder Belle schemes (Haberman 2002d; Kesner 2002).

Reports that intense interagency sparring was slowing the pace of the rebuilding efforts led LMDC president Lou Tomson to acknowledge previous disagreements. It also led to a second effort by the PA and the LMDC to clarify the messy and confused decisionmaking process. Signed in early December as "a process to lead to a single master plan for the WTC site," including transportation circulation and infrastructure, land/parcel distribution, land-use controls, and phased implementation, the goal was to present a common plan to the Port Authority and LMDC boards by January 31, 2003 (Wyatt 2002i, Port Authority 2003, 1-10). This would require Eckstut and Garvin to work together—a difficult undertaking considering their well-known and long-standing rivalry (Goldberger 2003a).

Planning professionals working with the Civic Alliance and New York New Visions had reasons to be wary of the Port Authority. Key decisions about the underground electrical substation, the footings for future office buildings, bus parking, vent tunnels, and security screening would forever foreclose possibilities for changing what happened on the surface of the site. It would be a challenge to get timely information from PA staff before advanced technical and engineering work precluded alternatives.¹⁵ Work that had already begun on an electrical substation near Liberty Street would compromise the implementation of Libeskind's conceptual master plan. Likewise, the PA had approved and was carrying out a \$544 million program to design and construct a temporary PATH station at the WTC site. "The LMDC is not ahead of the agenda," remarked one design insider who requested anonymity.

The PA felt that restoration of its revenue stream trumped the interests of any other stakeholder. In one plan, it placed five structures within the foundation walls of the WTC bathtub that encroached upon the footprints where the twin towers stood, considered "hallowed ground" by family members and placed off limits by Governor Pataki. An earlier design scheme had a temporary PATH transit concourse cutting through the North Tower footprint (Wyatt

2003e). (It was a bit figurative to say that the footprints should be kept inviolate down to bedrock because PATH trains had always run through this area.) The families of the victims killed were incensed that the Port Authority was insensitive to their concerns.

The agency also evoked the ire of its office leaseholder, Larry Silverstein, who continually sought a free hand to do what he deemed necessary to meet his commercial interests. The Port Authority laid out an underground plan for the southwest quadrant of the site that detailed a pedestrian through-pass at multiple levels, a design calculated to enhance the revenue-generating potential of an underground four-story interior mall, which WTC retail leaseholder Westfield America was insisting upon. Silverstein, who wanted to maximize the marketability of his office space, did not like this arrangement because it would require him to put office-tower lobbies on the third floor. He insisted that they must instead be on the ground floor. An earlier Eckstut design had angered Silverstein by putting a truck access ramp and loading dock on Greenwich Street, preventing the roadway from being fully restored through the former site of 7 World Trade Center, for which Silverstein had already given up 300,000 square feet of commercial space to permit reinstatement of the street grid (Haberman 2002e; Shin and Haberman 2002).¹⁶

For the most part, press coverage during this period focused on the “super-bowl of design” and how the dramatic architectural visions produced by the seven design teams were whittled down to the semifinalist runoff between Daniel Libeskind and Rafael Viñoly. Despite their visually arresting models, however, their designs were merely conceptual. The competition’s fundamental goal was to produce a master site plan—the unglamorous but essential blueprint for juxtaposing the memorial, transit center, and various commercial, retail, and cultural buildings in a way that could actually be built and then function well.

The final selection of the Libeskind plan did not resolve the key master plan issues—whether there would be four or five office towers, how the cultural facilities would be integrated into the plan, how much of the historic street grid would be reinstated, where to place underground security screening and bus parking facilities, and how deep to expose the slurry wall. To the contrary, the two agencies and their respective teams of designers, planners, engineers, and associated professionals debated these issues for weeks on end. Silverstein’s architects and planners, Skidmore, Owings & Merrill (SOM), also put plans on the table.¹⁷ At one point, his team proposed three towers on the southeast quadrant and located the entrance to one tower in the middle of Libeskind’s high-profile symbolic space, the “Wedge of Light.” Eventually, even Silverstein concluded that the site could not hold ten million square feet and backed off, as had top Port Authority officials.

In addition to its commercial agenda, the Port Authority’s chief goal was to

design and build a great transit terminal. At the end of July 2003, PA officials announced that they had selected Santiago Calatrava, a world-renowned architect and engineering poet of soaring stations and bridges, to design the transportation hub. Widely praised, the selection reframed the Port Authority’s reputation for being indifferent to aesthetics. This inspired strategic choice simultaneously signaled the agency’s unyielding position in the decisionmaking process. When unveiled six months later, Calatrava’s soaring vision for the PATH terminal positioned the Port Authority with an elegant and permanent rebuilding signature superior to the designed-by-committee Freedom Tower extruded from the LMDC’s politicized planning process.

THE GOVERNOR’S POWER

The appearance that no one would accept any designated master plan, even a broadly conceptual one, reflected an underlying reality. No major stakeholder was ready to relinquish its desired objective, despite the history of conflict over earlier proposals. This reflected a history in New York of actors being able to revive their proposals through persistence. The possibility that the LMDC might not be able to take the accepted plan through the technical blocking and tackling of environmental impact review and other procedural hurdles is another plausible explanation. The possibility that no plan might succeed kept each stakeholder enmeshed in parallel planning, opportunism, mistakes and false steps, fractiousness and interagency tensions, and public retreats and delays. Any forward advances remained mired in conflict and political disarray.

Roland Betts’s steering committee of principals from the LMDC, the Port Authority, the city, and the state met regularly to resolve the broad-based policy issues of site planning. Unless invited in for specific input, staff members were not included. Resolving all the technical details and problems of a site plan is always a staff function, however. Because of the multiple demands on the WTC site, its complex underground infrastructure, and high demands for security, the technical problems were especially complicated. Typically, contentious issues bounced back and forth for weeks, even months, between these two levels before a higher authority made a decision.

The pattern of decisionmaking was also confused and contentious, even in disarray at times, because the governor typically demonstrated leadership only in response to some pressing political constituency—the families of the 9/11 victims or business constituencies in lower Manhattan—or in preparation for a ribbon-cutting event. The governor seemed to let the principals work through the issues on their own, however noisy and conflicted this might get. His loyal aides headed both the Port Authority and the LMDC, and they would watch out for his political interests. Governor Pataki directly weighed in only

when absolutely necessary to break deadlocks on critical planning decisions, when the public reaction promised to be favorable, or when symbolic gestures would afford him good publicity. His behavior, in other words, was consistent with the rational calculus of American politicians.¹⁸

The power of the governor was never more apparent than when he decided to award the master plan to Daniel Libeskind's "Memory Foundations." He made this decision against the recommendation of the LMDC site-planning committee, which had taken a consensus vote for the other semifinalist, Rafael Viñoly's THINK team and its latticework scheme "Towers of Culture." The morning before the mayor and governor were to be briefed on the two final plans, the *Times* ran an exclusive story that the site committee favored the "Two Tall Towers" (Wyatt 2003d). In bold print, midcolumn standoff space, the article reported that "rebuilding officials challenge the politicians who appointed them." The article quoted one LMDC director as saying, "It's going to be a close one; it could simply come down to how the governor and the mayor feel." A site committee member, speaking on condition of anonymity, said that the committee expected the governor and mayor to follow its recommendation: "We don't expect anyone to overrule us." If this was a bold tactic by those who wanted the THINK team to win, it backfired. Betts, who saw himself as the steward of the design process, was left standing alone, out on a limb, exposed to the governor's anger.

Betts had spent the previous three weeks in daily meetings with both architectural teams. He had given both a short time frame in which to refine the physical plans and engineering details so that their visions could be rendered feasible. Betts wanted to keep the design process moving forward. He had the THINK team focus hard on the tremendously challenging details of making the towers lighter and less expensive. They would be built in eighty-foot modules off-site, then assembled like an erector set on-site; that way, he explained, no scaffolding would be needed. Betts talked to corporate tenants who saw Libeskind's design as more like a memorial, a graveyard. They wanted something more uplifting. As these meetings progressed, Betts became more involved with the THINK team plan and less with Libeskind's vision. He constantly updated Dan Doctoroff, who turned from skeptic to strong supporter of the twin latticework towers. In retrospect, Betts (2004) said, "I made a mistake by not involving many people in the process; if so, they too would have gotten excited."

Up to this point, the governor and the mayor had not been involved with the design process. When the nine designs were on display in mid-December, the governor had walked around the Winter Garden with Betts, Charles Gargano (chairman of the Empire State Development Corporation, LMDC's parent organization), and LMDC's Alex Garvin for about an hour asking questions. He wanted to see the Viñoly and Libeskind plans again. Now, just before the

decision day, Tomson told Betts that the governor was okay with both plans. Doctoroff told Betts that the mayor was okay with both plans. Betts did not foresee a problem with either selection.

The full site committee heard the worked-through revisions to both master plans only the day before the vote. The committee, said Betts, liked both plans; his job was to persuade them to go with the Viñoly plan. He did not want the LMDC to dissent on the final vote, so if something went awry, it would support the Libeskind plan. The site committee voted unanimously for the Viñoly plan, though Tomson abstained. "This should have told me something," Betts later remarked, but "I missed this, because Tomson did not care about the aesthetics of the decision," just the power and politics of the situation. At 5:30 A.M. the next day, Doctoroff called Betts to tell him that the report in the *Wall Street Journal* that they worried would highlight Viñoly's association with the Argentine junta prior to his immigration to the United States was buried and harmless. Something else, however, was brewing: the *Times* piece. The phones started ringing incessantly, and the governor's press agent was yelling, who do you think you are? "This introduced a new factor—pride and who calls the shots" (Betts 2004).

The governor and the mayor met in a tiny room for a final review of the two plans. Betts still recalls the "steam" coming from Pataki. The architects had not been scheduled to make presentations, but they were called in early that morning. By several accounts, Libeskind was said to have done a great job; not so Viñoly. The governor made a series of emotional statements and, according to one person speaking on condition of anonymity, said, "I hate these towers, skeletons of death. I will never build them." The meeting fell apart soon after the governor left. Later, when Betts called Pataki, the governor repeated his preference for the Libeskind plan. Maybe he decided the twin towers were too risky, Betts (2004) said. Yet as one participant noted, with regret, "Pataki is too much of a politician to say, 'I taught you a lesson,' but he had."

The governor continued to play the arbiter for the rest of 2003, supporting Libeskind's vision through a bitter struggle with Silverstein's architect, David Childs, over the design of the Freedom Tower. The governor's support did, however, have a limit: he would not compromise his "aggressive timetable." During the summer his aides had brokered a "forced marriage" in which Childs would be "design architect and project manager" while Studio Daniel Libeskind would be "collaborating architects during the concept and schematic design phases." When this ever-frail "collaboration" collapsed in a series of blow-ups three weeks before Pataki's deadline in December, the governor insisted on a consensus design, which produced an uncomfortable merger of Childs and Libeskind's ideas that finally debuted with further intervention by the governor.¹⁹

MEMORIAL ASSERTION

The memorial design process followed an entirely different pattern of decision-making, as detailed by James Young in this volume. It proceeded in a straightforward way because this task floated above the institutional turf fights and political gray areas besetting the commercially sensitive decisions over density, land use, street patterns, pedestrian ways, and vehicular traffic. That is not to say that it was not subject to delays or criticism. The salient element for the overall story, however, was the way in which the LMDC carefully structured this process and protected it from political interference. This presents a sharp contrast to the intense politicization that plagued the site-plan selection.

LMDC officials did not structure the memorial design competition as an “open, inclusive process,” but rather as a series of controlled forums where members of the jury could hear the views of different constituent groups. Confidentiality governed the jury’s activities. Its thirteen members all signed agreements barring them from speaking to the press about the memorial selection process until the winner was announced. The eight finalists and their model makers, illustrators, and computer animators also signed confidentiality agreements. To head off the public relations battles that had poisoned the site-plan competition, these agreements included a clause prohibiting negative comments about peer designs that extended through December 31, 2005. The jurors’ notebooks never left the office where they reviewed the 5,201 entries, mounted on 30-by-40-inch boards and propped up on easels in rooms protected by a double-key system. As Young explains, the eight finalists were selected anonymously.

The hard-learned lessons of the site-plan competition led LMDC officials to decide to keep politics at bay. They succeeded in part because Governor Pataki, Mayor Bloomberg, and former mayor Giuliani (who was not far removed from commenting in public on 9/11 events) all agreed that the memorial decision should be the jury’s alone. The remembrance element was too hot for them to touch. “We want to be very clear,” Kevin M. Rampe, LMDC’s interim president, said at the outset of the memorial process. “We will entrust the jury with the ultimate responsibility to select a design and once entrusted we must respect the jury’s role in making the selection” (Wyatt 2003d).

Governor Pataki’s voice was heard only at the final press conference, not before. The Port Authority was nowhere in the conversation, let alone the deliberations, on this sensitive element of the WTC site. It was not represented on the memorial jury. The political calculus of this model was likely to work for the governor, regardless of the outcome. If it went well, the governor could take credit; if not, he was distanced from the result. “You can’t have a memorial designed by politicians,” Pataki remarked after the winning design had been unveiled (Collins and Dunlap 2004). Ironically, the LMDC’s ability

to shelter the memorial process from the Port Authority and the city enabled it to negate important parts of the master plan designed by Studio Daniel Libeskind.

The rules set forth by the LMDC “Memorial Competition Guidelines”—which is to say, no rules—gave the jurors complete flexibility to alter the parameters of the Libeskind plan. The “rules” specified that competitors could create a memorial “of any type, shape, height or concept” so long as it included five specifically enumerated physical elements essential for a fitting 9/11 memorial.²⁰ Design concepts needed only to be “sensitive to the spirit and vision of Studio Daniel Libeskind’s master plan for the entire site.” And the jury was not restricted in reviewing design concepts that “exceed the illustrated memorial site boundaries” (LMDC 2003b). Rampe reiterated this point at the press conference launching the international design competition, saying that, if competitors were to express their creativity, “it may take going outside those guidelines.” By professional inclination, the jurors were intent on considering all proposals. To attract high-caliber jurors, LMDC officials undoubtedly assured them that they would be the sole authority in this matter. Well-known juror Maya Lin was often mentioned as someone who “broke some of the rules” to produce the spectacularly successful Vietnam Veterans Memorial in Washington, D.C. (Wyatt 2003f; Graves and Neuman 2003).²¹ In short, jury members could disregard Libeskind’s site plan if it created problems in selecting what they considered to be the most creative proposal.

The unique surviving element of Libeskind’s vision was the slurry wall of the bathtub, which he deliberately left exposed as an ever-present reminder that the foundation held even as the seemingly invincible buildings crumbled. Libeskind’s site plan defined a memorial area of 4.7 acres depressed 30 feet below the level of the street—called “the pit,” “the commemorative pit,” “the sunken pit,” or “the desolate pit” by the news media. The site plan articulated place-holding museum and cultural buildings at the edges of the memorial area to shelter it from adjacent commercial activities. These conceptual elements created a specific physical template for the memorial, in effect predesigning aspects of the memorial.

The LMDC’s memorial program drafting committee did not want to sequester the memorial in isolation: “Designs should consider the neighborhood context, including the connectivity of the surrounding residential and business communities” (LMDC 2003c, 10). Reading between the lines, this could be understood as giving applicants permission to violate the approved master plan. The committee wanted “the memorial and site-planning processes to influence and be coordinated with one another for mutual benefit.” The memorial program would be “used as one of the criteria for the site plan selection. Once the memorial designer is selected, both the memorial designer and the site planner will work together to integrate their efforts.” The words sounded

right, but the site plan had already been selected when the memorial competition was launched; the premise of the jury's actual charge signaled permission to reject the LMDC's own approved master plan. "The jury was always thinking it is smarter than the others and removed some placeholders," one juror said at an academic meeting. "All memorials are negotiated. Nothing is set in stone."

The logic of the master plan was to define a blank space that the memorial design competition would fill in, but the competition rules unambiguously defined the memorial selection as *the* planning priority to which the site plan would have to respond. "It was the memorial *site* competition," one juror said to the press. "How many artists are given four and a half acres?" (Collins and Dunlap 2004). The jury objected to the way the master plan called for the memorial to be depressed thirty feet below street level; many jurors preferred a grade-level solution. (This feature also bothered downtown business interests and Battery Park City residents, who considered the pit an obstacle to passage through the WTC site.) Regardless of the logic or merit of the Libeskind vision, the jury wanted the memorial design to knit the Trade Center site back into the neighborhood. "We also had to face the stark reality of reintegrating into the urban fabric a site that had been violently torn from it," the jury emphasized in its statement on the winning design. Its recommendations were made contingent on achieving that end (LMDC 2004b).

It seems obvious that the jury would not want to cede even a small degree of its prerogative over the selection. Yet the jury was resolving an ambiguity that had bedeviled the entire planning process—how to balance remembrance with rebuilding. It used the moral authority of the memorial mission and its prerogatives as an independent jury to assert remembrance as *the* centerpiece of the endeavor. And it chose to do so in a way that would reunify the WTC site with the urban fabric of lower Manhattan, healing the planning wounds of the past.

All eight final designs ignored the idea that the entire memorial should be depressed below street level, and the three top proposals all violated Libeskind's master plan. "Libeskind's big-hole-in-the-ground-as-memorial was a particularly cruel joke to perpetrate on the future of the city. It was uncivic and strangely inappropriate as a long-term urban element," recounted one juror. "All of the schemes that were serious contenders brought the memorial back into relationship to the everyday life of the city" (Campbell 2004). The final choice also repudiated the master plan in the latest and perhaps most serious of steps weakening its integrity. The executive editor of *Metropolis*, a widely read design magazine, remarked on the "near-erasure" of "Memory Foundations" (Pedersen 2004). All the signature elements of the plan—the "Wedge of Light," the "Park of Heroes," the exposed slurry wall, and the companion sunken memorial site—had been "altered, reduced or eliminated,"

wrote Robin Pogrebin (2004b) from the *Times* cultural desk. Further revisions to designer Michael Arad's initial memorial scheme, completed jointly with one of the country's celebrated landscape architects, Peter Walker, may have recaptured bits of the Libeskind plan, but it failed to capture any of its emotional significance, especially viewed against slides detailing the plan's vision.

Op-ed commentators and architectural critics were lukewarm to hostile about Arad and Walker's "Reflecting Absence" and its twin "voids" of remembrance. A few defended the Libeskind plan by chronicling the erosions, while others bemoaned Libeskind's willingness to compromise so completely. The jury's decision also put LMDC's Rampe in a bind. "Kevin Rampe couldn't reverse the independent jury, nor could he afford to alienate Libeskind, whose ideas for Ground Zero had been enthusiastically endorsed by Pataki, Rampe's boss," Paul Goldberger (2004a) wrote in *The New Yorker*. "The solution to this dilemma was, like everything else at Ground Zero, a delicately stitched-together web of politics, policy, and disingenuous public statements."

A less frequently stated but perhaps more accurate interpretation, however, lay the blame on the original planning effort's unchallenged program for maximum commercial space. Martin C. Pedersen (2004) of *Metropolis* explained:

This long, torturous route to rebuilding has led us practically full circle; back to July 2002 and the universally reviled site plans originally credited to Beyer Blinder Belle. If you look at those schemes on the LMDC web site and then mentally Photoshop in the new memorial design, you arrive in most cases at something close to what we have today—which shouldn't come as a shock, since the original program of 10 million square feet of office space was *never* seriously challenged.

Could that original program ever have been seriously challenged—without cash or equivalent currency to buy out the leasehold interests of Silverstein and his investors? Who could have mounted such a challenge? The Port Authority? The governor? The city? When would a buyout have been initiated? In the weeks and months after 9/11? Before the court ruled on the insurance litigation that possibly included a negotiated settlement with the insurers? After the jury trials on the insurance cases?

When viewed through the lens of interests competing for primacy on this contested ground, the LMDC's memorial contest allowed its independent jury to make the first controlling claim on the remembrance-versus-rebuilding conflict separate from the factors that inevitably put the LMDC at a disadvantage relative to the Port Authority or the leaseholders. Soon after the winning announcement, LMDC president Rampe announced, "We said from the beginning—and I think the selection by the jury shows that we didn't just say it, we meant it—that the memorial is the centerpiece" (Dunlap 2004a).

WHERE ART THOU, O CITY?

In *Leaves of Grass*, New York's Walt Whitman wrote a prophetic ode to his

Proud and passionate city! mettlesome, mad, extravagant city!
Spring up, O city! not for peace alone, but be indeed yourself, warlike!
Fear not! submit to no models but your own, O city!

More than 150 years later, Whitman's words evoked the city government's poignant position in the three-way political struggle to rebuild at Ground Zero. To the city's elected officials, it seemed logical that they should shoulder the mandate to rebuild Ground Zero. Yet they were left at a severe disadvantage in influencing decisions that would shape the physical and economic landscape of lower Manhattan for decades to come. The Port Authority had owned the site for nearly forty years, was statutorily free of the city's regulatory and land-use powers, and reported to higher levels of government. City officials maneuvered opportunistically, tactically, and repeatedly to gain influence, to no real avail.

Their first thrust was the bold proposal in August 2002 to swap the land under LaGuardia and Kennedy Airports, owned by the city but operated by the PA under a lease due to expire in 2015, for the land under the WTC. The politics of any swap would require offering something to New Jersey. It also required a complicated fiscal calculation (weighing future airport lease revenues against future commercial rents from a rebuilt WTC) that did not look promising for the city, but the land swap enjoyed support from many quarters because it would return control of the site to the city. Even if the PA, the city, and New Jersey could all be satisfied, however, the land swap would diminish the governor's control of the site and the political benefits he derived from that; after months of fitful negotiation, Pataki suspended the talks in June 2003 (Wyatt 2002e; McGeeveran 2002c; Lueck 2002; Smothers 2003; Neuman 2003a, 2003b; Bagli 2003c; *Crain's* 2003).

The city made a second thrust four months after the first, and a week before the LMDC released its second round of designs, when Mayor Bloomberg outlined a broad, expansive, and graphic "Vision for the Twenty-first Century for Lower Manhattan" (Bloomberg 2002). Described in further detail by Mitchell Moss (this volume), this multifaceted \$10.6 billion agenda advanced by the mayor covered all of lower Manhattan below Canal Street from the East River to the Hudson River. To "reinforce Lower Manhattan's position as a premier financial district," it proposed three types of public investments: transportation to connect lower Manhattan to the areas around it, street improvements and open spaces to build new neighborhoods, and public places to create new

amenities throughout the district. Once floated, the plan was not pushed by city hall, which focused its attention instead on the Hudson Yards Project on the far West Side of midtown Manhattan.

The city made a third thrust after the planned departure of Lou Tomson, who had been living alone, away from his family, in a downtown hotel and had finally served as president of the LMDC long enough to do what his friend, Governor Pataki, expected of him. In a confidential letter to John P. Cahill, the governor's chief of staff, Mayor Bloomberg proposed to revamp the LMDC to give the city more authority over reconstruction of the WTC site (subject to the approval of an advisory board of state, city, LMDC, and Port Authority officials). The proposal laid out shared decisionmaking over the LMDC's remaining \$1.25 billion of federal recovery money consonant with the mayor's "Vision for Lower Manhattan" (Doctoroff 2003). "The effect of having such an advisory board giving approval," the *Times* reported, "would be much the same as in the city's proposed land swap with the Port Authority, giving the city control of the trade center site while keeping the development process exempt from the complicated review process the city would experience, a process from which the Port Authority is exempt" (Wyatt 2003d).²²

Still pushing for an expanded role, city officials next attempted to refuse to approve the governor's choice to lead the LMDC, then operating with an interim president, until it received greater clarity on a wide variety of downtown building issues (Levy 2003). The city had been pressing the LMDC for months on site planning details concerning retail frontage and through streets. These details were key to the city's agenda for reintegrating the WTC site with lower Manhattan and creating pedestrian-friendly neighborhoods. Confident in its position, the city could be persistent in demanding a role in how the WTC redevelopment plan would reshape its cityscape. "Currently, the most important unresolved issue," deputy mayor Doctoroff wrote to PA executive director Joe Seymour, "is the plan for the ground level: how retail, streets, open spaces, and sidewalks will work together to ensure that the site is full of people walking the streets, shopping in the stores and spilling over to the rest of Lower Manhattan" (Matthews 2003).

The city's position on streets clashed with those of the Port Authority and its retail leaseholder, Westfield America (subsequently bought out of the project), which both sought revenue from a more extensive underground mall of retail shops. The city could press its position on this point, however, because it retained regulatory power over streets and sidewalks. It could also exercise this power over the LMDC's plan for the Deutsche Bank site south of Ground Zero.

By statute, the *World Trade Center Amended General Project Plan (Amended GPP)* (New York City Department of City Planning 2004) was subject to review by the City Planning Commission. Completed in early March 2004, the commission's fourteen-page review made numerous detailed recommendations in line

with the mayor's vision for lower Manhattan (Burden 2004). It asked the LMDC to modify its plan to restore Dey and Cortlandt Streets (which at one time ran through the sixteen-acre site) between Church and Greenwich. Restoring these streets would knit the WTC site back into the street grid (see figure 2.1), but it would also hamper the Port Authority's plans for the site, as well as those of the developer, who, according to Betts, was constantly pushing back on the master plan.²³ The city further sought to insert language into the *Amended GPP* that made the Department of City Planning a player in developing the project's design guidelines.

The review and recommended modifications carried "more than the power of positive persuasion," remarked David Karnovsky, counsel for the Department of City Planning (Dunlap 2004b). If the commission recommended disapproval or modification of the plan, state law required that the LMDC override by a two-thirds vote of its board of directors. Beyond that, however, the city could only get its way through negotiation, since the *Amended GPP* was binding only on the LMDC, not the Port Authority. If the LMDC only had authority over managing the memorial project, overseeing public input, and managing the remaining federal funds, how long could it stay in existence? In other words, the LMDC was an unlikely candidate to exercise long-term public stewardship over the rebuilding of Ground Zero. As a result, city officials wanted the three public bodies governing the redevelopment to forge an agreement not unlike the 1967 compact with the PA (Dunlap 2004c).²⁴ Anxious to move the rebuilding plan for substantive and political reasons—the cornerstone ceremony was scheduled for July 4—the LMDC agreed to further negotiation on the streets issue. The *Amended GPP* was approved in early June, but a formal agreement on the roles of the Port Authority, the LMDC, and the city had yet to be concluded.

Many observers found Mayor Bloomberg's efforts to exert influence on Ground Zero surprisingly low-key in comparison with his forceful advocacy of the Hudson Yards Project. It was natural for them to ask whether the mayor and the governor had cut a deal for credit for and control over their respective development priorities. At least one journalist noted that the governor and the mayor's staffs had come to agreement on who would do what work on each project (Steinhauer 2004).

It seems unlikely that the city's efforts to date will afford Mayor Bloomberg and his city planning commissioner, Amanda Burden, or the city's future elected officials, any real leverage over decisionmaking about Ground Zero. The Port Authority and the LMDC plan to develop guidelines for the full build-out of the site consistent with "Memory Foundations." These guidelines are supposed to define the framework for future development. Whether these future guidelines draw on those first drafted by Studio Daniel Libeskind is unclear, but the next guidelines are likely to be general and flexible enough to accommodate private interests and the vicissitudes of market demand. Questions about how

the *Amended GPP* could be further amended, if necessary, and what would happen if the LMDC no longer existed had no answers in early 2005.

What actually gets built will reflect market demand for new office space and retail investments and the stamina of the players. As noted, many serious encroachments have been made on "Memory Foundations." In the past, New York City has often executed large-scale development projects on the basis of a second plan, not on the first.²⁵ It will be essential to follow the path of money in this special case of public-private development. In the end, the Port Authority, as landowner, is likely to act in line with its interests and initial intentions.

FOLLOW THE MONEY

To a degree that surprised some, Larry Silverstein managed to maintain his position as presumptive master redeveloper of the planned ten million square feet of commercial space on the WTC site. His power to command development decisionmaking, to win crucial battles with the LMDC, and to gain access to the governor and other key decisionmakers stemmed from his right and obligation to rebuild the commercial space. These contractual rights, however, were inextricably linked to his financial ability to do so—in short, his claims to multiple billions in insurance coverage.

From the beginning, the question, as the court phrased it, was how much was "recoverable for the total destruction of the WTC that occurred after the buildings were struck by two fuel-laden aircraft that had been hijacked by terrorists." Acting for his investor group, related interests, and the Port Authority, Silverstein had obtained property and business-interruption coverage for the complex from twenty-five insurers in the total amount of \$3.55 billion "per occurrence."²⁶ Since only one of the many insurers had issued a final policy, legal uncertainty surrounded the "double indemnity" question: did the events of September 11, 2001, constitute one or two "occurrences"? The answer would determine whether Silverstein could recover only once, to an upper limit of \$3.55 billion, or twice, up to a limit of \$7 billion. Since the buildings were depreciated assets, insurers would conduct a valuation under either scenario and Silverstein would have to prove actual cash value to an arbitration panel. The outcome of three jury trials would determine Silverstein's long-term financial power in the rebuilding process.

Insurance monies were the source of funds for rebuilding the commercial space in a way that was unconstrained by the typical business demands of real estate development—namely, finding tenants willing to commit to large blocks of space at competitive rents and convincing lenders to provide financing on the basis of those commitments. The insurance proceeds would allow Silverstein to build "on spec" on a scale large enough to command a dominant market share of new class A space in lower Manhattan without the cash costs of

servicing debt while the space was being leased up. Building the five office towers with the maximum amount of insurance monies would also help the governor meet his aggressive building timetable. As a senior Port Authority official put it: "I don't want to reach the third anniversary of the attack and it's still a big hole" (Bagli 2003d). The governor was reportedly concerned about how much money was being consumed in legal fees. Two years into the costly and contentious insurance battle in state and federal courts, Pataki attempted but failed to forge a settlement between Silverstein and his insurers. If adverse legal findings reduced Silverstein's insurance payout, it would limit his role in rebuilding and diminish what could be accomplished.

In the first phase of the three-part trial, the jury ruled in favor of the insurers, reducing the payout potential to a maximum of \$4.6 billion or a minimum of \$3.55 billion, down from the maximum \$7 billion cap Silverstein had sought. The stakeholders, civic groups, business interests, and other real estate developers immediately started to evaluate the new math. Rebuilding 10 million square feet of office and retail space and four levels of underground infrastructure had been estimated in 2004 to cost \$9 billion to \$12 billion. (Decisions about who would pay what part of these underground costs had yet to be determined.) The insurance question neither altered the Port Authority's plans for Calatrava's \$2 billion transportation center nor jeopardized the remaining \$4.55 billion for transportation coming from the federal government. If it appeared questionable whether the total commercial build-out could be financed from the insurance payouts before the jury decision, it seemed impossible afterward.²⁷

In response to the insurance-loss verdict, the Port Authority called on the investor group to produce a financial plan showing how it would meet the lease terms requiring them to rebuild ten million square feet of commercial space. Silverstein hired Morgan Stanley for the job. In conventional real estate analysis, the numbers would depend on the critical assumption about how much rental revenue the developer could anticipate getting for the square footage of office space. To attract tenants downtown in a high-vacancy environment, Silverstein would have to offer significantly lower rents than the alternatives, namely midtown, as well as large move-in concessions.²⁸ One estimate put this discount at \$20 to \$25 per square foot, to which a Silverstein vice president responded: "We're in a position to capture the market that wants that space but doesn't want to pay the \$70 to \$80 a foot that midtown might command" (Cockfield 2004b).

The timing made many observers nervous. "An endless delay in commercial development at Ground Zero could thrust this massive project into direct competition with city plans to redevelop downtown Brooklyn and the rail yards of Manhattan west of Pennsylvania Station. There is a limit to how much new commercial office space the city can absorb," wrote the editors of *Newsday*

(2004). "Why not take this opportunity to scale back office plans? And why not seize the change to make sure the district winds up with more housing?" The editors at the *Daily News* (2004b) shared the sentiment: "The fundamental question now for Pataki, Bloomberg and the Port Authority is whether the demand for office space downtown will be sufficient to justify faith that the Trade Center site will not become frozen as home to the world's tallest building and little else of consequence. The market suggests such an unappealing future while indicating that other uses, such as housing and expanded open space, would be roaring successes. Reconsidering the master plan is in order." Editors at the *Times* (2004) noted the fact that the four office towers scheduled to follow construction of the tallest tower might not be built as rapidly as possible: "Now those towers will have to be developed in a manner that is more responsive to market conditions and we hope to the concerns of the public as well."

The Port Authority had a number of strategic options to consider. If insurance proceeds guaranteed that Silverstein could build the first and tallest tower (2.6 million square feet estimated to cost \$1.5 billion), all else remained uncertain, except that his leasehold was likely to be renegotiated. The office development rights he would retain in these negotiations would depend in part on how much financing he would or could raise. Most significantly, it would depend on how much development the Port Authority believed the market could realistically absorb in the decade ahead.

Silverstein's financial position improved dramatically when he won an additional potential \$1.1 billion from nine insurers in December 2004 on the basis of the second trial jury's decision that the destruction of the WTC constituted two separate attacks. The total possible payout was now \$4.6 billion, substantially less than \$7 billion and subject to appeal, but more than what had seemed likely to prevail after the first jury ruling. Silverstein had "extra clout," the *Times* reported. How much extra depended on what Silverstein would have to pay for his share of common underground at the site—the estimated \$1.5 billion in roadways, ramps, loading docks, and utilities—which remained a matter of negotiation with the Port Authority (Dunlap 2004g). The ruling seemed to ensure much of the financing for the second tower, though it did not change the long-term question of market feasibility. Silverstein was already well along in building 7 World Trade Center but had not signed up any tenants as of March 2005. The pivotal question remains how much of the lost WTC office space really needs to be replaced to ensure the future economic viability of lower Manhattan.

The Port Authority's strategic option to buy out the various private investment interests, in effect undoing its privatization, existed from the beginning. In 2004 as in 2002, this was a matter of determining the optimal time for a buyout. As Susan Fainstein (this volume) notes, the Port Authority had more

to lose than gain by an early buyout as long as the insurance case remained unsettled. By May 2004, the agency had reacquired the leasehold rights to the former 820-room Marriott Hotel (on the southwest edge of the site for redevelopment as a memorial), the U.S. Customs House (site for redevelopment of the tallest tower), and the one million square feet of retail shops held by Westfield America; it also had bought out Silverstein's lender, GMAC, which had extended \$563 million to finance the leasehold purchase. The exit of these parties reduced the number of players seeking input into decision-making over the site's commercial redevelopment and resolved some persistent conflicts over the configuration of the retail space. Yet these steps did not diminish the complexity of renegotiating the Silverstein lease agreement. The combination of insurance payouts and leasehold buyouts did shift more attention to the question of market feasibility. This may return the political dynamic to the more familiar (and somewhat predictable) terrain of development politics as opposed to electoral politics.

Larry Silverstein, Governor Pataki, and even Mayor Bloomberg used the power of a huge anticipated insurance payout as a strategic lever over the redevelopment of Ground Zero (Bagli 2003b). With a focus on the specifics of the claims before it, the insurance trial jury, in effect, resolved the contentious issue of how fast and in what configuration the commercial portions of the project would proceed. For the time being, rebuilding will now go forth more slowly and at lower densities, with evolving possibilities for different land uses. It will go forward at a pace dictated by the vicissitudes of the real estate market, undoubtedly with some help from the public sector. The new timetable will also allow more symbolic space for the memorial remembrance, once funds for its construction are raised. In this case, delay has been positive. It is an ironic end at a phase of planning that was so deeply subjected to political pressure to show quick progress.

CONCLUSIONS

Among the many goals for the WTC rebuilding project, four stood out as essential: deciding on a memorial design, selecting a master plan for the site, implementing the public pieces of the rebuilding agenda (the open spaces and the plan's cultural components), and enhancing regional access to lower Manhattan.²⁹ Existing institutional arrangements put the transportation components in the hands of the Port Authority (the PATH terminal) and the Metropolitan Transportation Authority (the Fulton Street subway station). Only the memorial process was spared political struggle, though the chosen design was not greeted with universal acclaim. In contrast, the selection of Libeskind's "Memory Foundations" master plan and the designation of the cultural facilities have engendered gigantic tussles over who will manage the process and caustic debates over the final decisions.³⁰

These controversies have differed from previous development battles among business interests, unions, and civic and citizen groups in New York. They have not just been about a symbolic memorial, or the design of a particular building, or how best to rebuild an entire neighborhood. They have been about all of these and more—a wished-for healing vision. The multifaceted scope of this task fell outside established institutional arrangements. In the highly visible first phase of planning, neither the LMDC as lead agency, nor the Port Authority as landowner, nor even the mayor as democratically elected steward of the body politic, could successfully claim legitimate authority to manage the dual objectives of remembrance and rebuilding. No established procedure existed for this unprecedented task, and ad hoc arrangements struck among the contending principals failed as substitutes. Each public agent brought its own statutory authorities and administrative processes to bear on parts of the process, but none could achieve mastery over the process. The result was fragmentation and confusion. The authorities tried to fill this gap by charging designers with arriving at a plan, but while they could articulate possible alternatives, they too failed to find a way to resolve the competing claims on this contested site. In the end, only Governor Pataki could resolve these conflicts and make final decisions, but he stepped in only when compelled by circumstances to do so.

The conflicts between rebuilding and remembrance were ultimately resolved in ways that were both predictable (expand the site, have the governor step in, assert the primacy of the Port Authority's commercial interests) and unexpected (actions by an independent memorial jury and the verdicts of insurance trial juries). Yet the absence of the political will to pull contending forces together for the greater civic good defeated the early big ambition to achieve an inspired civic vision. Why, in the face of compelling tragedy and irreproachable intentions, did this civic ambition dissolve into disarray and discord? When other megaprojects have suggested that decisionmakers can find creative means to resolve conflicts without sacrificing the overall vision—by making tough trade-offs, by mitigating major impacts, by accommodating key stakeholders—why did state and city officials and private interests flounder in this most profound endeavor?

It may be too early to answer these questions in any definitive manner. Where other cities like Boston have found ways to resolve ongoing conflicts over large-scale projects implemented over long time horizons, New York seems incapable of overcoming its intense political fragmentation. The endless posturing, symbolic rhetoric, and institutional competition over planning for the WTC site produced a political narrative that was at times opaque, at other times transparent, but always complicated. Although it remains uncertain what actually will be built at Ground Zero, the silver lining may be that delay could produce a less dense commercial project in line with evolving market possibilities in lower Manhattan. In particular, it may be possible to satisfy the widely and deeply held desire of many New Yorkers to reintegrate the

superblock created in the 1960s into the fabric of lower Manhattan, erasing the traces of the aggressive urban renewal project imposed on the city. However tall towers come to be configured on the site, the template for rebuilding will restore much of the site's former street grid, reinforce the primacy of mass transit to the city's future, and reaffirm a pedestrian orientation within the city's dense domain of skyscrapers. These are not small victories.

NOTES

1. Including 7 World Trade Center, which was developed under the auspices of the PA but is not technically part of Ground Zero, would increase the count to fourteen blocks combined into two superblocks.
2. These included nine major studies: the Regional Plan Association (RPA) of New York's *Regional Plan for New York and Its Environs* (1929); the New York City Planning Commission's preliminary master plan (1940), which was never adopted; two plans by the Downtown Lower Manhattan Association (DLMA, a business group led by David Rockefeller), *Lower Manhattan: Recommended Land Use, Redevelopment Areas, and Traffic Improvements* (1958), and *Major Improvements, Land Use, Transportation, Traffic* (1963); two plans for lower Manhattan from the New York City Planning Commission (1966, 1969); another plan from the RPA, *Second Regional Plan* (1969); a joint public-private effort between the DLMA and the city's Department of City Planning and Economic Development Corporation, *The Plan for Lower Manhattan* (1993); and a third regional plan by the RPA, *Regional at Risk* (1996). See Birch (Forthcoming).
3. This land expansion was nothing new to Manhattan. Century after century since 1660, the island had accommodated its hunger for additional land through landfill projects, adding approximately 3,742 acres of new waterfront by 1972, after which similar moves would be prohibited by the federal Clean Water Act.
4. In 2004 lower Manhattan was still the third-largest central business district in the United States, though as Moss (this volume) points out, its economic fortunes have gradually faded relative to midtown. David Rockefeller and Austin Tobin's efforts to create the WTC were only the most tangible among many initiatives to promote the area dating back to 1929 and were followed by the successful creation of Battery Park City in the early 1980s. Lower Manhattan's traditional employment base is a mix of business, finance, and government offices; it has been a national financial hub with significant corporate headquarters interspersed along the district's dense and complex pattern of streets. But the district has been steadily losing ground as the preferred location for new class A towers to Manhattan's larger and better-connected midtown office district.
5. Before 9/11, as Moss details in his chapter (this volume), downtown had begun to emerge as a residential address, signaling a renewed future. Using tax benefits, zoning changes, and landmark designations, Mayor Rudolph W. Giuliani's 1995 revival plan stimulated conversions of obsolete office buildings into apartments. Aided by a rebound in financial services employment during the 1990s, lower Manhattan was heading toward a live-and-work community supporting residential growth, hotels, restaurants, museums, movie theaters, and shopping. The dis-

trict's residential areas, primarily rental, were the fastest-growing in the city, attracting those with a walk-to-work attitude. This trend was important, but still embryonic. The new residential population was in small pockets, none of which, from a real estate perspective, were "large enough to sustain the kinds of services and high quality retail enjoyed by residents of areas like East Midtown, the Upper West Side, or Greenwich Village" (Dunlap 1995; Popper 1996; Denitto and Feldman 1996; Kelly 2002b; Lower Manhattan Development Corporation 2002a, 8; New York New Visions 2002a, 25).

6. NYNV's growth strategies report (New York New Visions 2002d) won the New York Chapter Project Award from the American Institute of Architects and became, as Goldberg (this volume) shows, one of the most influential civic coalitions.
7. I was a participant observer in this group; see NYNV minutes from the Steering Committee meeting, May 1, 2002, 3.
8. In addition to a General Advisory Council, the advisory councils included the following constituencies: arts, education, and tourism; development; families; financial services firms; professional firms; residents; restaurants, retailers, and small business; and transportation and commuters.
9. The project area also gained the below-grade portions of site 26 in Battery Park City to serve as a potential location for a bus garage serving visitors to the memorial (Lower Manhattan Development Corporation 2003b).
10. Because the site is being expanded to include a parcel not currently owned by the PA, the city has a right to collect taxes on the land, leverage it lacks over other PA-owned properties.
11. The controversy stemmed from Alexander Garvin, the LMDC's chief planner, scoring BBB higher than the other firms, prompting the directors of both agencies to ask for a review of the evaluation criteria. There was dissension over BBB within the LMDC as well. Lou Tomson favored working with BBB, but Roland Betts and Billie Tsien were not as enthusiastic about the firm (Haberman and Neuman 2002b; Goldberger 2003a). Garvin had already hired an in-house urban planning firm, Peterson/Littenberg Architecture and Urban Design, on a \$375,000 contract. The task had a large scope, as revealed by the list of specialists: landscape planning and design, economics and programming, civil and subsurface engineering, security planning, bus transit planning, traffic forecasting, traffic database, sustainable design, structural engineering, cost estimating, and 3-D computer database services (LMDC 2002b). BBB had worked in New York for more than thirty years on such notable planning projects as Grand Central Terminal, Governors Island, Ellis Island, and the Queens West Development at Hunters Point. In turn, Parsons Brinckerhoff's work in the city extended back more than one hundred years and included transportation planning for the Access to the Region's Core Project, Farley Post Office Building Redevelopment, and many others.
12. The LMDC site committee chose six teams, not five, and Garvin added his in-house consultants, Peterson/Littenberg, to the list of competing architectural teams. The THINK team led by Rafael Viñoly submitted three designs, making for a total of nine designs from the seven teams.
13. For reasons unknown to this author, neither the commissioner, Amanda Burden, nor the Department of City Planning was brought into the early planning process for Ground Zero, and according to Betts (2004), Doctoroff took the heat for their

- exclusion. DCP staff participated in the meetings that worked through the details of the Libeskind master plan after its selection.
14. Paul Goldberger (2004b, 128) reports that Betts and Garvin saw the design study as a way to get inspired designs from architects more creative than BBB: "They had long ago accepted the notion that a truly visionary plan for Ground Zero stood no chance of surviving the political process. They saw their roles as trying to squeeze as much design quality as they could out of that process, not of bypassing it altogether."
 15. New York New Visions was unsuccessful in pushing the PA to disclose its plans for transportation and also failed in its constant efforts to establish regular liaison meetings with the PA like those that it had with the LMDC.
 16. Silverstein's architects and planners, Skidmore, Owings & Merrill, had a scheme for three towers on the southeast quadrant with the entrance to one tower in Libeskind's master plan "Wedge of Light." "Everyone was operating as if no master-plan scheme existed," one design player recalled (Hack 2003).
 17. Silverstein started planning with his architects soon after September 11. By mid-2001, his team reportedly had had reasonably detailed concepts on the drawing board for several months (McGeveran 2002b).
 18. Alan Altshuler made this point to me.
 19. The press intently covered these struggles; see Dunlap (2003), and Goldberger (2003b, 2004a).
 20. The five physical elements were a recognition of each victim of the attack, an area for quiet contemplation, a separate area for visitation by the families of the victims, a 2,500-square-foot area for the unidentified human remains collected at the Trade Center site, and a way to make visible the footprints of the original twin towers.
 21. This point was also made by James Young at our Russell Sage working group meetings.
 22. Mayor Bloomberg could register his position at LMDC board meetings through the city's eight appointees and deputy mayor Dan Doctoroff, who attended most LMDC board meetings. The mayor was also in constant communication with Roland Betts about site-planning issues.
 23. The city wished to create a pedestrian environment with more than half of the retail space at or above grade with minimum retail frontage required at key streets, continuous retail on Church and Greenwich Streets, and transparency. To meet the requirement for street-level retail activity, office lobbies for towers 2, 3, and 4 would have to be on the third floor, a condition that Silverstein, reacting to the Port Authority's plan for underground retail, demanded be dropped because he believed it would hurt market prospects for his office space (New York City Department of City Planning 2004; Dunlap 2004b).
 24. Deputy mayor Doctoroff issued a letter calling for such a formal agreement on April 5, 2004. The Department of City Planning recommended that the agreement cover five areas: the public realm and open space (reintegrating the site with lower Manhattan); commercial and cultural programs (creating a pedestrian environment); traffic and transportation (lower Manhattan street management); infrastructure (managing user needs); and below-grade concourses and related above-grade infrastructure.

25. Other notable large-scale projects besides the Forty-second Street Development Project that fit the second-time-around pattern include Battery Park City and the Coliseum at Columbus Circle (now the Time Warner Project); see Sagalyn (2001).
26. The investors consisted of one group led by Lloyd Goldman, head of a major New York real estate family, which put up two-thirds of the \$125 million equity investment, and another formed by Larry A. Silverstein.
27. A second loss would have left Silverstein with \$3.55 billion, but on December 7, 2004, the second trial ruled that the destruction of the WTC did constitute two separate attacks, entitling Silverstein to collect up to \$4.6 billion. Of this sum, \$1.3 billion had already been spent on the buyout of GMAC, Westfield Properties, and its lender; lease payments to the Port Authority; legal bills to fight the insurance suit and defend private lawsuits; lost profit and management fees; and design and engineering fees. With \$1.5 billion committed to the first tower, that left \$1.8 billion as equity to fund the four other towers. The second trial verdict is likely to be appealed. Useful for understanding the insurance issues are Frankel (2002), Starkman (2004), and Starkman and Morrissey (2004a, 2004b).
28. Silverstein had to find tenants not only for the Freedom Tower but for 7 World Trade Center, his recently topped-out office tower across the street from Ground Zero.
29. Selection of the cultural components of rebuilding the WTC site is beyond the scope of this chapter.
30. In June 2004, after some delay, state and city officials announced that they had chosen four institutions as cultural anchors for the WTC site: the Signature Theater Company, the Joyce Theater, the Freedom Center, and the Drawing Center (Pogrebin 2004a).

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