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THE WORLD TRADE CENTER

PROGRESS REPORT

JUNE 1, 1962

World Trade Department
The Port of New York Authority

TO: Matthias E. Lukens, Deputy Executive Director
FROM: Guy F. Tozzoli, Director World Trade Department

As a result of legislation passed by the State of New Jersey on February 13, 1962, and by the State of New York on March 27, 1962, The Port of New York Authority has been authorized to effectuate a unified port development project involving the acquisition, rehabilitation and improvement of the Hudson & Manhattan Railroad and the establishment of a World Trade Center on a site in lower Manhattan.

At its first meeting following the enactment of the legislation, (April 12, 1962), the Commissioners of the Port Authority authorized their Executive Director "to proceed as rapidly as may be possible to initiate the action necessary to accomplish the purposes of the World Trade Center and the Hudson and Manhattan legislation." This directive was in implementation of the report of March 1961 on the feasibility of the project which stated:

"A final decision on the establishment of a World Trade Center can be made only after additional planning and conclusive negotiation with prospective participants. Further progress in these activities, however, can be made authoritatively only by an organization empowered to enter into commitments and to proceed with financing and construction. We recommend, therefore, that an appropriate organization be authorized to be responsible for the planning, financing and establishment of a World Trade Center in the Port of New York."

In undertaking this final planning stage of the World Trade Center, the Port Authority is embarking upon the development of one of the largest and most complex projects ever undertaken. Our target is to expedite the completion of this phase of the project so that actual construction of the Center, so eagerly awaited by the world trade community and so vital to the interests of the people of the Port District, can proceed as rapidly as possible.

As of June 1, 1962, just 50 calendar days since the action of the Board of Commissioners, substantial and significant progress has been made in fulfilling each of the Board's directives. While much remains to be done in the task of creating this \$270,000,000 World Trade Center, the activities of these initial days of implementation illustrate not only the complexity of the task but the rapid strides that are being made towards the achievement of the project.

Organization

To implement the World Trade Center and to achieve fully the objectives of the Center in expediting and expanding world trade, the Port Authority has combined two existing staff units and one new unit to form the new World Trade Department. One of the units brought into the World Trade Department is Port Commerce which carries the responsibility for the Port Authority's continuing program of trade development, port promotion and port protection. The other existing staff unit brought into the World Trade

Department is the Transportation Section, New York World's Fair. The new unit within the World Trade Department is the group charged with the basic responsibility for the development of the World Trade Center.

Through the inclusion of Port Commerce with its network of trade development offices in the United States and abroad and with its extensive contacts in the shipping industry, we are promoting the interest of the world trade community in the Center, identifying potential participants, and developing further the many technical functions provided by the Center. The World's Fair unit, with its experience in marketing and with its technical knowledge of exhibition techniques, also has a program which is contributing significantly to the development of the Center. Thus, in the creation of this new World Trade Department, we have brought together the strongest possible organizational grouping of the unique talents and programs required for the successful establishment of the World Trade Center and for the maintenance of the pre-eminent position of the Port of New York.

The World Trade Center, as shown in the organization chart on the following page, includes a Planning Division, a Rentals Division and a Financial unit. In staffing the World Trade Center, we are reaching into existing Port Authority units to obtain the finest talent available. Our Supervisor of Marine Terminal Planning, with outstanding experience in planning for function and economy, has been appointed Chief of World Trade Center Planning. Our Assistant General Auditor has been appointed Supervisor of Financial Analysis. The highest standards are being applied in selecting the engineers, negotiators, architects and other personnel who will be actively engaged in the project.

To supplement regular staff activity on the World Trade Center, consulting assistance is being used, where appropriate. For example, Mr. Frank B. Laughlin, recently-retired Assistant Collector of Customs at the Port of New York, who aided immeasurably in our work with the U. S. Bureau of Customs during the basic study of the Center and has acquired a nationwide reputation for his knowledge of Customs administration, is serving on the project as a consultant.

We have also formed a Real Estate Advisory Board to assist in our planning and development of the Center. The Board is comprised of the following outstanding members of the real estate profession in the City of New York:

Robert S. Curtiss, President, Horace S. Ely & Company, Past President
Real Estate Board of New York, and former Director of Real Estate
for the Port Authority

J. Clarence Davies, Executive Vice President, B. J. M. Brown &
J. Clarence Davies Corporation

Charles F. Noyes, Chairman of the Board, Charles F. Noyes Co., Inc.

Lee Thompson Smith, Chairman of the Board, Home Title Guaranty Company and Past President, Real Estate Board of New York

Edmund E. Thomas, Partner, Brooks, Harvey & Co. and President, Real Estate Board of New York

Edmund F. Wagner, Chairman of the Board and President of The Seamen's Bank for Savings

The Board has endorsed wholeheartedly the feasibility of and need for the Center. It is meeting regularly with our staff to provide expert advice on specific problems of our planning and sales programs.

Development and Rentals Program

General Response

A principal indication of the importance and need for the establishment of the World Trade Center is the great enthusiasm with which it has been greeted by the world trade community in the metropolitan area, throughout the United States and in other nations. Prior to the legislative authorization of the World Trade Center, the concept of the Center had been endorsed by many civic and trade associations and by numerous business and government officials. This general reaction has continued and increased as the development of the Center proceeds.

An outstanding reaffirmation of the appeal of the World Trade Center to those persons whom it will serve is contained in a series of articles published in "The Journal of Commerce" early in April. The series, based on independent research conducted by reporter Alan Schoedel, found that all areas of the port community endorse the establishment of the Center. We have reprinted the series in booklet form and are using it extensively in promotional and sales work (a copy is appended to this report).

Of special importance, the World Trade Center has received enthusiastic support from a number of high officials in the Federal Government. During the recent meeting of the Committee for a National Trade Policy, the World Trade Center was discussed with Secretary of Commerce Luther H. Hodges, Secretary of Labor Arthur J. Goldberg, Ambassador Lodge, Mr. Charles P. Taft and other key persons (see photos on following page). The response of all these officials may be characterized as being in accord with the reaction of Secretary Hodges, who in May 1961 stated:

"The proposal for a coordinated center, first advanced by the Downtown-Lower Manhattan Association, and carried forward by The Port of New York Authority, is both inspiring and practical. This is no little plan, but one fully in keeping with New York's status as one of the great portals for world commerce.

"Here, in one vast but orderly workplace, you would provide for the multiple activities of trade: marketing, administration and customs, banking, information and the exchange of commodities and securities. Here would be a symbol of your reliance on trade and of your eagerness to have world traffic expand and increase in efficiency.

"I believe this new center, which the Port Authority would develop, could do much to stimulate the flow of commerce through the New York-New Jersey District. What is more, by centralizing and improving trade information services, it might well encourage more American companies to enter the export field, which is wide open for greater development."

Evidence of the substantial support which the Center has received from State and municipal officials and by trade and civic organizations was provided on May 15, at the William Randolph Hearst Memorial Award Dinner sponsored by the Downtown-Lower Manhattan Association to honor those government officials who took an active part in accomplishing authorization of the Hudson Tubes-World Trade Center project. In their statements at the dinner, Governors Rockefeller and Hughes demonstrated their unanimity on the project.

Representatives of New York City have also continued to render the type of cooperation which resulted in an amazing few weeks in late February and early March of this year, in an agreement on basic principles covering the critical problems of street closings, urban renewal, payments in lieu of taxes and other matters related to the World Trade Center which involve City consideration. Recently, we started discussions with representatives of the City regarding specific aspects of these matters and have been met with a cooperative and constructive attitude aimed at achieving the establishment of the Center at the earliest possible time.

Rentals Progress

One of the most important aspects of our current program for the development of the World Trade Center is translating into actual commitments to occupy space in the Center, the numerous endorsements obtained during our study activities. We have, therefore, embarked upon an intensive campaign aimed at stimulating interest in the World Trade Center, explaining to potential occupants the benefits which the Center holds for them and working with specific major occupants whose participation is especially critical to the success of the World Trade Center.

Of the thousands of organizations who will ultimately be located in the Center, the most important single organization is the Federal Government, and particularly the Bureau of Customs of the Treasury Department. The concept of the World Trade Center requires that the local operations of the Bureau of Customs, which are now inadequately and inefficiently housed in the Customs House at the foot of Broadway, and in the Appraisers' Stores Building on Varick Street in Manhattan, be relocated to unified areas within the World Trade Center. Our recent discussions with representatives of the Federal Government had demonstrated again their enthusiastic interest and support for such a move. We have been delighted to find that this enthusiasm has not waned and that the responsible Federal Government officials recognize the benefits which such a relocation would have both for the operations of the Bureau of Customs and for the world trade community which it serves.

In this regard, the Secretary of the Treasury, C. Douglas Dillon, in April wrote to the Administrator of the General Services Administration, who has the responsibility for providing physical accommodations for government operations, "to remind him of the Treasury's interest in the World Trade Center, and to urge him towards establishing consolidated Customs offices desired in the new Center." The Secretary also suggested that the Administrator "begin negotiations with the Port Authority soon so that the needs of Customs for space can be taken care of properly."

A major step in our work with the Federal Government occurred on May 23, when in the Main Conference Room in the Treasury Building in Washington, D.C., a meeting was held to review with various Government officials the current status of the World Trade Center project. Our objective in the meeting was to establish a working relationship for continuing our studies and negotiations for the inclusion of Federal Government activities in the World Trade Center. The meeting was totally successful in achieving this objective.

Representing the Treasury Department at the meeting were Secretary Dillon, Assistant Secretary James Reed, Commissioner of Customs Philip C. Nichols, Jr., Deputy Commissioner of Customs Norbert Strub and John Coughlin of Administrative Services.

The Commerce Department was represented by Under Secretary of Commerce Edward Gudeman and Special Assistant to the Secretary John Stillman. Commissioner of Public Buildings Service Karl E. Wallace represented the General Services Administration. Mr. Samuel R. Broadbent, Chief of Commerce and Finance Division, represented the Bureau of the Budget.

With the permission of Secretary Dillon, we had also invited each of the Senators representing the States of New York and New Jersey to attend the meeting. We were delighted, therefore, to have Senators Case, Javits, Keating and Williams present at the meeting, giving their support to the project.

Governor Rockefeller was represented at the meeting by Donald H. Davenport, Deputy Commissioner of the New York State Department of Commerce. Governor Hughes was represented by Dwight Palmer and Mayor Wagner was represented by Charles Tenney, City Administrator.

At this meeting, a working group was established with representation from each of the Federal Government organizations involved and from the Port Authority to proceed with the necessary steps and negotiations required for Federal Government participation in the World Trade Center. Secretary Dillon designated Assistant Commissioner of Customs David Strubinger to represent the Treasury Department. Under Secretary of Commerce Gudeman designated John H. Prince Special Assistant to the Secretary of Commerce, and Karl Wallace indicated that he would represent the General Services Administration. Senator Javits, speaking on behalf of the four Senators present, asked that they be kept informed of the progress of our work so that they could lend their support when appropriate.

In furthering this work with the Federal Government, Assistant Commissioner of Customs Strubinger and members of his staff located in the Port of New York met with us this week to establish a program for resolving quickly a final statement of these needs as a basis for actual negotiations. Members of our planning staff are now at work with the Customs officials in developing a detailed plan to meet their needs.

Similarly, meetings will be held in the near future with representatives of the State of New York to discuss their requirements for space in the World Trade Center. Studies are also under way within the Port Authority to determine its future space requirements for inclusion in the World Trade Center.

While immediate work with potential World Trade Center occupants is being aimed at major users of space, we are preparing for the massive rental program which will be conducted as soon as more definite information on physical planning and rental rates has been established.

As an initial phase of this program, we have developed various informational material which is currently being given extensive distribution both in the United States and abroad. This program has already generated widespread interest in the World Trade Center. Newspapers throughout the world have carried stories on the authorization of the Center (see appendix) and we are beginning to get inquiries resulting from these stories. Similarly, distribution of a small descriptive brochure (see next page), now being sent to members of the world trade community, has resulted in inquiries for further information at the rate of over 50 a week. All of these inquiries are being catalogued and processed in anticipation of the actual rental program for the World Trade Center.

A major event in our development program occurred at the United States World Trade Fair held at the New York Coliseum between May 11 and May 22. The Port Authority exhibit, which focused on the World Trade Center, was the central exhibit at this Fair, and thousands of visitors, both members of the general public and of various aspects of the world trade industry, viewed the exhibit. As a result of this exhibit, over 500 contacts with potential occupants were developed.

Although the specific rental rate and space availability information required to obtain actual commitments for participation in the Center is not yet available, we have begun to accept applications for space in the Center from organizations associated with world trade. It is significant that in these applications and in other expressions of positive interest in participation in the Center, we have already represented an excellent cross-section of the world trade community: ship charterers, importers, exporters, manufacturers' agents, international trade development and marketing services, freight forwarders, banks, Customs lawyers and innumerable consumer services.

These expressions, while relatively small in number because of the early stage of our work, underscore the attraction which the World Trade Center has to the people it is meant to serve. Indeed, the first of these applications may well be considered as symbolizing the very nature of this joint port development project. This application, from a typically small member of the world trade community, was signed on behalf of the firm by an officer who is a New Jersey resident and who commutes frequently by the Hudson and Manhattan Railroad.

The real estate community of the metropolitan area has also demonstrated deep interest in the World Trade Center. The Board of Governors of the Real Estate Board of New York has endorsed the World Trade Center. Representatives of several major real estate firms have met with us in anticipation of their clients' interest in the World Trade Center and are eager to proceed as soon as our actual rentals program gets under way.