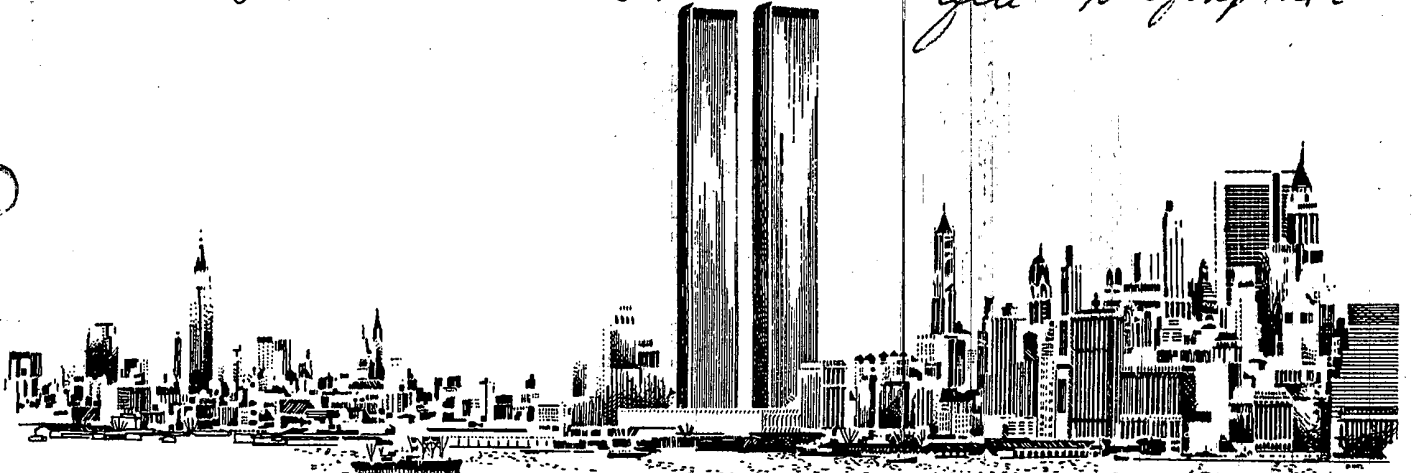


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# The World Trade Center in the Port of New York

## RECENT REPORTS ON WORLD TRADE CENTER PROGRESS— BUREAU OF CUSTOMS REQUESTS 763,500 SQ. FT. OF SPACE

THE NEW YORK TIMES,

WEDNESDAY, JULY 7, 1965.

### CUSTOMS TO MOVE TO TRADE CENTER

It Will Be Largest Tenant—  
U.S. Decision Is a Coup  
for Port Authority

By GLENN FOWLER

The projected World Trade Center on the Lower West Side got its biggest tenant last night with the announcement in Washington that the Bureau of Customs would take 763,500 square feet of floor space in the 16-acre complex.

The decision by the Federal Government to consolidate its New York customs activities in the controversial trade center constitutes a major victory for the Port of New York Authority, which has fought lawsuits and political pressure aimed at forcing it to abandon the \$350 million project.

Opponents of the trade center have contended that Washington will not go through with its plans to make the customs agency the center's prime tenant.

An official announcement of the agreement to lease the space is expected today. But, as is customary in Federal projects of great local impact, members of Congress of the party in power are permitted to issue the first public word.

Thus, a joint announcement confirming the agreement was issued last evening by Senator Robert F. Kennedy and Representative Leonard Farbstein, in whose district the twin-towered, 110-story center will rise.

Customs now occupies the Custom House on Bowling Green, which was built in 1907, and space in four other downtown buildings. The facilities to be consolidated in the trade center will not include the United States Customs Court, which is not a part of the Bureau of Customs and which will have its own building in the Civic Center being built on Foley Square.

Most of the Customs space will be in the satellite buildings scattered around a plaza at the foot of the rectangular buildings that will be the tallest in the world—100 feet taller than the Empire State Building.

The trade center site, which is keystone-shaped, is bounded on the south by Liberty Street, on the east by Church Street and West Broadway, on the north by Vesey and Barclay Streets and on the west by West Street and the West Side Elevated Highway.

The Government, it was learned last night, has agreed to pay a maximum of \$3,149,600 a year in rent over an initial term of 20 years for the Customs space, exclusive of the cost of heat, light and other services. After the 20-year term ends, the Government will have the option of renewing for 16 five-year periods, during which it would pay \$298,400 a year, again excluding services.

The reason for the higher rent over the first 20 years is that the agreement with the Port Authority is what is known as a "lease construction" contract. The space will be tailored to the Customs Bureau's needs, and the first 20 years' rent in effect will amortize the cost of construction.

#### Prospectus to Be Issued

In a prospectus to be issued today, the General Services Administration, which is making the lease agreement for the Customs Bureau, will give several reasons for its decision to take space in the trade center—a decision that has been bitterly attacked by the owners of large buildings in the city as unfair competition on the part of the Port Authority, a public agency.

The prospectus will say that no other suitable space is available in New York. The G.S.A. concludes:

"The World Trade Center offers a unique opportunity for Customs to improve its service to the public and to work effectively and creatively with the international trade community in developing innovations for further improvements."

The Port Authority last night greeted word of the Customs lease with restrained jubilation. A spokesman said:

"The Port Authority is gratified that the General Services Administration has decided that the facilities of the Bureau of Customs should be located in the World Trade Center. This decision is in accord with the support the project has received from the Secretaries of State and Commerce, as well as the Secretary of the Treasury and Customs officials."

Opponents of the trade center were dismayed but refused to concede defeat last night. A spokesman for the Committee for a Reasonable World Trade Center, composed chiefly of real estate interests, said that the fight against the center would be carried to the New York Congressional delegation.

Oscar Nadel, a Cortlandt Street radio dealer who heads the Downtown West Businessmen's Association, charged that the G.S.A. had reneged on a promise to brief the businessmen's group on any plans to relocate Customs facilities before the plans were made public.

"We still say the Port Authority will never build the World Trade Center," he said. "We are confident that when this matter is placed before Congress and given a full hearing for the first time, the World Trade Center will be demonstrated to be worthless and the recommendation of the General Services Administration will be rejected."

#### Variety of Facilities.

When it is completed—the final stage will not be finished until 1970—the trade center will encompass a variety of facilities bearing on international commerce. These will include offices

for shipping companies, freight forwarders, banks, brokers and other agents, state and municipal offices dealing with foreign trade, off-street parking space for 1,800 vehicles, storage space for goods to be appraised for Customs and a variety of shops and ancillary services.

The center's towers, designed by the architectural firms of Minoru Yamasaki & Associates and Emery Roth & Sons, will be of revolutionary design. Because of their great height, the towers will have 230 elevators; passengers going to the upper floors will transfer at "sky lobbies" on the 41st and 74th floors

from express to local cars.

Large as it is, the space to be occupied by the Customs will be less than one-tenth of the 10 million square feet of floor area in the trade center. A total of 6 million square feet will be available for governmental agencies, with the remaining 4 million for lease to private concerns in the foreign-trade field.

New York State intends to take 1.5 million square feet and the Port Authority itself will use sizable space. All told, the Port Authority says, 75 per cent of the center is "reserved, committed or under active negotiation."

# Tenants Flocking to PA's Trade Center

NEWARK SUNDAY NEWS, JULY 11, 1965

*N.Y. Staff Correspondent.*

**NEW YORK** — The Port of New York Authority's planned World Trade Center on the Lower West Side is filling up.

When the federal government announced it will move some of its customs activities into 763,500 feet of the big development, the bistate agency was able to declare that 75 per cent of all available space has now been committed or is being spoken for in negotiations.

And the first spade of earth is yet to be dug on the quarter-billion-dollar enterprise.

Public money is going to pay for most of the center. The state of New York, the federal government and the PA itself are to be the biggest tenants of the center which will cover some 10 million square feet featuring two 110-story tower buildings.

The first big push for the project came when Gov. Rockefeller announced that an assortment of the state activities carried on in various parts of the city will be consolidated into 1.5 million feet in the center.

The PA will move out of its home at 111 8th Ave. and take

space in the north tower. The New York State offices will be located in the northwest portion of the plaza buildings that will front on Church Street.

Opponents of the center have complained that the big buildings only would clutter an already weakening commercial office market. Now the PA can point to the customs tenancy as proof that it has in fact planned a center of which world trade will be the principal commodity.

#### Plenty of Pressure

It took considerable pressure from such figures as the late President Kennedy, President Johnson and a variety of Cabinet offices to persuade the General Services Administration, which controls government agency housing, to accept the World Trade Center location.

There were other plans afoot. The GSA had said the customs offices might go into the new Customs Court and Federal Office Building now under construction in Foley Square.

For the first 20 years in the trade center, the government will pay a whopping \$3,149,600 a year. If it extends the lease the annual rental will be \$298,400.

#### Favorable Factors

In favor of the lease, the GSA said, was the fact that the center is close to the present office space occupied by a majority of the Customs House brokers, freight forwarders and other firms engaged in international trade. The center also is conveniently located to transportation facilities, will be designed to meet the customs needs, and offers "a unique opportunity to improve its services to the public," the GSA said.

The GSA added: "Consolidation of the U.S. Customs Service in one modern and specially designed facility will permit the efficient handling of the increased volume of business anticipated over the next 15 years in substantially less space than in the present, crowded, inadequate space."

The GSA pointed out the Customs House at 1 Bowling Green, built in 1907, is separated from buildings in which other activities are located, causing "a serious loss of executive and operational manpower."

By Jan. 1, 1969, the GSA hopes that Customs and its 2,210 employees will be moved into their new home.

# New Custom House Savings in Millions

By Walter Hamshar  
Marine Editor

The Bureau of Customs proposal to locate a new Custom House in the Port of New York Authority's projected World Trade Center is expected to save the government from \$23 to \$39 million over the next half a century in addition to consolidating the port's custom activities in a central area in downtown New York.

Acting Commissioner William A. Schmidt of the Federal Public Buildings Service, made the estimate in a prospectus on the new Custom House submitted to the House and Senate Public Works Committee. Congress is expected to approve the Treasury Department's proposal for construction of the new Custom House before it adjourns this year. This will pave the way for the facility to be completed with the \$350 million World Trade Center by 1970.

## SATELLITE

The new Custom House will be a satellite building on the northwest corner of the World Trade Center at West and Barclay Sts. The multi-story building will have at least three levels below the land surface where trucks can deliver or pick up goods submitted for appraisal and customs collections with a minimum of traffic congestion.

Completion of the building will mean a consolidation of customs activities for the first time in many years. The present Custom House was built in 1907 but was found inadequate for the service's varied activities before the end of

World War I. The present Appraisers Stores Building was opened in 1929. Customs activities are also conducted at 45 Broadway, 641 Washington St. and 346 Broadway.

The prospectus was prepared after a thorough survey of customs needs by Commissioner Schmidt's department in the General Services Administration.

## ONE ROOF

The survey disclosed a need for incorporating all the customs activities under one building as a means of reducing lost time in circulating the many documents that must be handled at customs branches now at separate addresses. Also the need for frequent conferences between principal field officers and members of their staffs result in time loss in travel.

The survey presented three alternatives.

¶ Consolidation in an existing government-owned building.

¶ Construction of a new building by the government.

¶ Construction of a new building under lease.

The first was ruled out by General Services almost immediately as makeshift and unsatisfactory. In the long run it was felt that a new Custom House tailored to the port's needs would have to be built anyway.

## COST FACTOR

The Port Authority's offer to build a new Custom House in the World Trade Center was favored over Federal construction because of lower es-

timated costs and because the World Trade Center, as a center of the port's business activities, was considered a logical place for such facilities. The proposed Custom House also would be readily accessible to the Custom Court, which will be located in the new Federal Court building to be constructed a short distance away at Foley Square.

A study of the cost estimates showed that the lease construction would be cheaper in the longer run. Federal construction is estimated to cost from \$35 to \$41 million. Interest at 4¼ per cent on Federal financing of the facility over a 50-year amortization period would add from \$50 to \$59 million making the Federal construction total \$85 to \$100 million.

## RENT SCALE

Under the proposed lease arrangement the annual rental payments of about \$2.7 to \$3.1 million for the first 20 years and \$298,400 for subsequent years would make the 50-year lease cost between \$62 and \$71 million, depending on scale derived from construction costs. Thus the savings by using the lease arrangement would be from \$3 to \$29 million.

Finalization of the lease through Congressional approval would make the Customs Bureau the biggest tenant of the World Trade Center. Its new building would have a minimum of 763,500 square feet of floor space or more than the total now occupied by its activities in the four separate buildings.

## World Trade Center Forward

The Port of New York Authority is understandably gratified at the Federal government's decision that all the scattered activities here of the Bureau of Customs be consolidated in the World Trade Center. Certainly this is a big step ahead for the 110-story, 16-acre, \$350 million complex which the PA is pushing in downtown Manhattan. If this controversial development needed any further endorsement, Washington has certainly given it. For the World Trade Center is practically assured of the most essential tenant, in function as well as size, of the projected clearing house of international commerce.

But the victory is not primarily that of a public agency landlord, leasing a tenth of its unbuilt space, over the claims of unfair competition being made by some segments of private enterprise. This is more than just another office building proposition; it's an instrument for expanding trade with other nations by providing every

known facility in one spot. Buyers, sellers and government agencies are all brought into a central meeting place for greater convenience and effectiveness. And this will be an economic gain for the United States at large and, most particularly, for the Port of New York. The victory is therefore that of an idea; the PA is merely the propellant.

The General Services Administration surveyed all the alternatives, from making do with existing inadequacy to erecting a new Federal building, but came to the conclusion that the World Trade Center offers by far the most in merged customs services and creative co-operation with the entire international business community. Those still opposing the World Trade Center ought now to reflect that more business is inevitably the result of improved opportunity. That is the advance in sight, from which every part and person of the community is bound to benefit.



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