

The Epoch Times

ONLINE

January 13, 2014

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\$340 Million in Bonds to Subsidize WTC 3 Construction

By Matt Gnaizda



NEW YORK— The scars left from 9/11 are still raw in many New Yorkers’ hearts. But for some the wounds have started to close as the new World Trade Center buildings rise day by day.

“We resolved that New York will come back,” recalled U.S. Sen. Charles Schumer Monday afternoon a few hundred feet from the near-complete World Trade Center 1 in Lower Manhattan.

Working with the U.S. Treasury, Schumer has secured \$340 million in bonds to subsidize the construction of World Trade Center 3, one of several skyscrapers on site.

“This rebuild was made possible not just by a mix of public and private capital, but by the creation of federal bonds specifically geared to rebuilding downtown Manhattan,” he said.

Schumer referred to Recovery Zone Bonds, part of a \$20 billion commitment by then-president George Bush to finance the redevelopment of Lower Manhattan in the wake of 9/11.

Construction on World Trade Center 3 began in 2008. But, like so many projects in the area, progress had been stalled due to lack of funding.

“It has taken more time than we all hoped, but people are finally recognizing that, out of the tragedy, we have created in Lower Manhattan the most dynamic urban neighborhood anywhere in the country,” said Larry Silverstein, president and chairman of the developers, Silverstein Properties, at the New York Building Congress Monday.

Last December, Silverstein Properties finally secured an anchor tenant, Group M, a media investment company that has promised to lease one quarter of the office space at World Trade Center 3. This has allowed Silverstein Properties to get private financing for construction.

Schumer then asked the Treasury Department to issue a rule that would allow Recovery Zone Bonds to be used for the rest of the construction costs, even though those bonds had initially expired in 2010.

The bonds will subsidize about one-fourth of the \$1.2 billion construction.

They are in essence a way to borrow \$340 million, which will eventually be repaid with interest using federal dollars.

Asked why taxpayer money is used to fund private development, Schumer said, “The whole purpose is for there to be an incentive to rebuild downtown.”

“The city, the state, and the federal government ... will make much more money in sales tax, income tax, and other revenues than they lay out for the bonds,” Schumer said.

World Trade Center 3 is just eight stories high now. When completed, it will be 80 stories and used by 8,000 employees. If all goes as planned, that will be in 2017.

Howard Sackel worked for Port Authority when the original World Trade Center was under construction. He still remembers 9/11.

“It was like a piece of me fell down with it,” he said.

Today, he feels encouraged by the progress on the site.

“Seeing the construction on site is a symbol of it coming back and renewing.”