

December 10, 2015

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Port Authority Gives Thumbs Up to 2WTC Subsidies As Murdoch Negotiations Continue



A RENDERING OF 2 WORLD TRADE CENTER.

BY [TERENCE CULLEN](#)

Silverstein Properties has received an early Christmas present from the **Port Authority of New York & New Jersey**: a rent reduction for **2 World Trade Center**.

The paltry, \$9 million subsidy package from the bi-state agency will help kick off construction of the 2.8-million-square-foot office tower, which is currently on hold until an anchor tenant is signed. Silverstein also has a bit more security as it negotiates a mega-deal with **Rupert Murdoch's News Corp.** and **20th Century Fox** to anchor the **Bjarke Ingels**-designed building.

The Port Authority board of governors unanimously approved the minor rent decreases at its monthly meeting held today in Jersey City.

Silverstein leases the ground where 2 World Trade is slated to be built BY 2020. Mr. Murdoch's companies—which include subsidiaries such as *The New York Post*, *The Wall Street Journal* and Fox News—would take up 1.5 million square feet of the tower.

The incentives vote reduces the developer's rent by \$43 million, but the cost to the Port Authority will be dropped because state tax breaks Silverstein Properties and the anchor tenants receive will go to the agency. Once Silverstein makes a \$19 million payment to the Port Authority, the agency's rent subsidy comes out to a mere \$9 million, per an executive summary released three days before the December board meeting.

While it's comparatively pocket change to the total price tag of the project, the returns will create \$500 million for capital spending on future transportation, according to the Port Authority.

“A short-term hit in revenues will produce much more over the long run,” **Mitchell Moss**, the director of **New York University's Rudin Center for Transportation Policy & Management**, said during the meeting's public testimony, arguing in favor of the rent reduction.

Controversy has swirled since the Dec. 7 announcement of the incentives package, which will be passed along to Mr. Murdoch's companies in their expected relocation from **1211 Avenue of the Americas**. Councilman **Ydanis Rodriguez**, the council's transportation committee chair, [penned a letter](#) to the Port Authority urging that the agency not approve the package, as Politico New York reported earlier this week.

“Silverstein Properties Inc. is fully capable of securing the private financing necessary to build in this location, either from their prospective partners at News Corp. or others,” Mr. Rodriguez wrote to Port Authority Executive Director **Patrick Foye** on Dec. 9. “Through this process the Port Authority would still earn returns on its investments.”

But business leaders and advocates urged the agency to authorize the subsidies in the build-up to today's meeting, noting that the tower would be the final push to draw companies and their employees Downtown.

“The completion of 2 World Trade on the 16-acre site brings us one step closer to finishing what we started years ago and will spur further local and regional development,” **Alliance for Downtown New York** President **Jessica Lappin** said in a Dec. 8 statement advocating for the package. “Investments by the public sector to realize that potential are wise ones.”

Labor and construction groups praised the Port Authority's decision, and argued that the subsidy would in turn create construction jobs and generate money for needed infrastructure projects.

“Just as importantly, the completion of 2 World Trade Center would unlock half a billion dollars in revenues that would be applied to the Port Authority's current 10-year capital plan, thus providing a vital source of new funding for a host of regional transportation priorities,” **Richard Anderson**, the president of the **New York Building Congress**, said in a statement following the vote.