THE TWIN TOWERS ALLIANCE

April 25, 2012

Mr. Daniel Tangherlini
Acting Administrator
The General Services Administration
1275 First Street, NE,
Washington, DC 20417

Dear Mr. Tangherlini,

There have been a number of reports in recent days of the telephone call Sen. Schumer made pressing you to finalize the 300,000 square-foot GSA lease of One World Trade Center. But his very reasons for citing the urgency of such a move are precisely the reasons why it would be improper for the GSA to sign off on the deal.

We at the Twin Towers Alliance have had a number of contacts with GSA officials over the past five years. In an email to Brian Miller and Anthony Costa in March, 2009, we pointed out that the GSA commitment to "exercise responsible asset management" and provide "best value for taxpayers and our federal customers" was inconsistent with its support for a tower that was a bust when the economy was booming.

The 2006 GSA commitment that was finagled by Governor Pataki essentially put the "Freedom Tower" on life-support by allowing the Port Authority to raise the money needed to finance its construction. Your agency provided the sole rationale for proceeding with a project that left New Yorkers and Americans cold – while thereby preventing a plan that was far more feasible, affordable, and popular from being considered.

Now, according to the *New York Post*, Sen. Schumer is warning, "If this lease isn't completed, it could be much harder to rent the rest of the tower." In other words, *it is not a healthy investment.* The tower is close to topping out and still only has two publicly subsidized tenants to show for all its lavish claims of success.

Veteran *New York Times* business columnist Joe Nocera pointed out in September of 2010, and again last September, that the tower is a white elephant that he predicted "will be a cash drain for decades to come. Where's the Tea Party when you need them?"

Nicole Gelinas of the Manhattan Institute recently published some "World Trade Center figures for thought" in the "NY Torch." She divided the value of Seven World Trade Center by its square footage to arrive at a square-foot value of $553 per square foot. She then multiplied that by One World Trade's 2.6 million square feet – to arrive at a valuation of about $1.4 billion for a tower that the PA is spending about $3.8 billion to build. And even though, as she pointed out, the comparison is imperfect, it is still disturbing.

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What we are bringing to your attention is just the tip of an iceberg of mismanagement. No one is clamoring for space in the tower because the project is a dud. In March, a "sure bet" to lease 200,000 square feet to a law firm tanked. We don't wonder that Sen. Schumer and others are panicky – but what is lacking at the site is a dose of reality – not another unwise infusion of taxpayer dollars to compound the debacle and postpone the inevitable.

Mr. Silverstein, the leaseholder who took his down payment back from the insurance payout and has been coasting on the public's massive investment ever since, recently predicted a rosy 2019 date for a completed site. Until whatever the far-off date really is, the site will be under construction – or worse, never completed. That is more uncertainty than most blue-chip companies are willing to cope with. Why should they?

In November, a District judge gave our organization permission to submit an *amicus* brief, *pro se*, in a lawsuit that is now pending in the Southern District of New York, based upon our experience with the Port Authority's questionable practices. The AAA is challenging the agency's confiscatory toll hikes. It is not the place of the General Services Administration to bail out a project that is the by-product of a colossal abuse of power and could become insolvent overnight if the lawsuit succeeds in Federal Court.

Whether the challenge succeeds or not, the PA's notorious lack of transparency is being investigated at the State and Federal levels. Propping up the Port Authority's signature blunder would in no way enhance "the smart value proposition" of the GSA or be an efficient or responsible use of taxpayer dollars.

The diligent efforts of citizens to require government officials to behave responsibly should not be a losing battle. But in rebuilding the World Trade Center officials have treated the public's common sense objections as a nuisance, adamantly refusing to justify the project on the merits, while recklessly pouring good money after bad.

The end result was inevitable and so is a final reckoning. Until there is a full accounting and comprehensive analysis of all the funding that has been sent to the site and how it has been spent – which should be available for the asking – it would be an indefensible breach of trust to invest anymore of the public's resources in the dubious project.

Sincerely,

Margaret Donovan and Richard Hughes
for The Twin Towers Alliance