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Higher Costs and Delays Expected at Ground Zero

By [Charles V. Bagli](#)



Construction at the World Trade Center site earlier this month. (Photo: Ashley Gilbertson for The New York Times)

Updated, 9:53 p.m. | A series of tough choices must be made at ground zero, which will delay some projects and raise the cost of completing the Sept. 11 memorial, the office towers and transportation center, according to a report released on Monday by the Port Authority of New York and New Jersey.

The [34-page report](#) [pdf] offers a stark reassessment of the challenges that continue to face the [reconstruction of the former World Trade Center site](#), nearly seven years after the terrorist attack of Sept. 11, 2001.

Moreover, authorities revealed at a meeting of the Port Authority's board of commissioners on Monday afternoon that the planned [National Sept. 11 Memorial and Museum](#) would not be completed by 2011 — when the 10th anniversary of the terrorist attacks will be observed.

The new report detailed problems that have been [known for some time](#), but with a tone of unsparing candor.

“While significant progress has been made, the schedule and cost estimates of the rebuilding effort that have been communicated to the public are not realistic,” the report’s author, [Christopher O. Ward](#), who is the Port Authority’s executive director, wrote in a cover letter to Gov. [David A. Paterson](#).

The report identified “at least 15 fundamental issues” that had not been resolved, among them the lack of final designs for the proposed World Trade Center Transportation Hub, which is intended to be the city’s third-largest such hub, and for a proposed Vehicle Security Center; the still-unfinished decontamination and dismantling of the former Deutsche Bank tower; and the resolution of a land-rights issues involving the St. Nicholas Greek Orthodox Church, which was destroyed on 9/11.

Perhaps most pressingly, the report identified a need for “a more efficient, centralized decision-making structure — a steering committee — with authority to make final decisions on matters which fundamentally drive schedule and cost.” In addition to the Port Authority, an alphabet soup of public entities are involved with the reconstruction, among them the Federal Transit Administration, the State Department of Transportation, the Metropolitan Transportation Authority, the [Lower Manhattan Construction Command Center](#) and the [Lower Manhattan Development Corporation](#) — not to mention City Hall.

In response to those findings, the Port Authority, which owns the 16-acre site, plans to establish a governing board that will for the first time involve all the various parties involved in what is currently a \$15 billion rebuilding effort, including the developer [Larry A. Silverstein](#), the memorial foundation, the Metropolitan Transportation Authority, Goldman Sachs and Brookfield Properties. The board will revise the budget and timetable and then coordinate the work.

Mr. Ward wrote in his cover letter:

We now stand at a crossroads in the rebuilding effort to achieve a fully rebuilt site on an acceptable schedule and within an acceptable budget. This will require a new way of doing business as we move forward: a set of aggressive yet realistic schedule and cost estimates; established priorities and intermediate milestones to which you and the public can hold us accountable; a focused effort to control costs and identify sources to close funding gaps; and a transparent, inclusive and central decision-making structure to coordinate this incredibly complex program and the work of the many stakeholders going forward.

The authority had embargoed the public release of the report until the start of its board meeting at 1:30 p.m. Monday. Two officials who had read the report described it for The Times beforehand, and some details had already been published over the last week, most recently in [The Wall Street Journal](#) this morning.



Scott Thompson, a construction project executive with Silverstein Properties, at the World Trade Center site last week. (Photo: Mike Segar/Reuters)

According to the report, the schedule of each project on the site affects other projects on the crowded patch of land; adjusting one, in turn, affects what happens at adjacent sites. The report does not say how long some projects could be delayed or how much more the rebuilding effort will cost.

Construction on much of the site is affected by the long-delayed demolition of the former Deutsche Bank building, at 130 Liberty Street. Only after the demolition is completed can work begin on a vehicle screening center, which serves the entire site and affect construction of three office towers on Greenwich Street, between Vesey and Liberty Streets.

The Port Authority and the other groups must also come up with a plan for rebuilding the Greek Orthodox church, which was destroyed in the terrorist attack. A reconstructed church is planned for a portion of the site where the former Deutsche Bank building now sits. The new governing board will also decided what to do with a reconstructed station for the No. 1 subway line and a train trestle that crosses ground zero.

The fact that the rebuilding of ground zero is behind schedule and over budget has long been known by top government officials but rarely acknowledged in public. Indeed, a year-old report for the Lower Manhattan Construction Command Center also suggested that there would be delays and cost overruns.

“The World Trade Center site is so complex because of the infrastructure that runs underneath it and the requirements for rebuilding that no one should be surprised that the commercial development and the memorial will take longer than originally anticipated,” said [Mitchell L. Moss](#), a professor of urban policy and planning at New York University.

“There was an overemphasis on speed which is being superseded by a more realistic timetable.”

Professor Moss praised Governor Paterson, saying that he was “taking prudent and responsible approach, which has been missing at the state level.”

Many planners, officials and local residents insist that the dates and budget numbers were unrealistic the day they were announced by the Port Authority and former Gov. [George E. Pataki](#), who made the rebuilding of ground zero a cornerstone of his administration.

Still, Julie Menin, chairwoman of [Community Board 1](#), which covers the former World Trade Center, said she was dismayed by the latest news.

“For years, unrealistic deadlines were set,” Ms. Menin said. “There seemed to be more interest in having press conferences declaring how Lower Manhattan would be rebuilt better than ever, than in establishing realistic deadlines and budgets. Now we’re in a situation where projects could be stalled, or years away from being completed.”

Mr. Paterson said in a statement:

For the first time we have a candid, honest analysis of where the rebuilding effort stands and we have a roadmap for getting us on track. I want to thank Chris and his staff for their excellent work. Today this report will be made public for everyone to see. Progress has been made – Ground Zero has gone from a standstill to a busy construction site but the rebuilding effort is not where it should be and it is not where we promised it would be.

I am not interested in assigning blame. Instead, I am interested in fixing the problem so we can move forward. That is why I have charged Chris Ward and the Port Authority with working with all of the various stakeholders to address the fundamental questions raised in this report and to provide me with a set of real schedules and budgets by September 30 to which both the Port Authority and I will be held accountable.

I believe that the victims’ families deserve a memorial that is equal to the sacrifice and heroism displayed on that day and I believe that the City of New York deserves a reinvigorated site that secures our position as the economic capital of the world. We have a profound responsibility to the families, survivors and everyday Americans who come to the World Trade Center site to mourn and remember. We will fulfill that responsibility by finishing this project and we will tell the truth every step of the way.

Senator Charles E. Schumer, Democrat of New York, said in a statement:

After seven years of Alice in Wonderland fantasy plans, it’s refreshing to finally be presented with a no-nonsense, realistic look at the challenges to progress at Ground Zero. We will never get this done unless we take a good hard look at the facts and chart a sensible way to move forward with renewed vigor. Governor Paterson was right to ask

for this report and I am glad the Port Authority responded quickly and thoroughly. Only by acknowledging these challenges head on will we be able to complete the rebuilding.

[Sheldon Silver](#), a Manhattan Democrat and the speaker of the State Assembly, said in a statement:

I am pleased that the Port Authority's preliminary report on the state of the World Trade Center rebuilding effort is now in the public domain.

The report verifies what I have been warning for years: that the deadlines and estimates originally pronounced by the Pataki Administration were never achievable, and that the biggest obstacle to reconstruction was and is the inability of the City and the State to provide the unified and focused leadership necessary to advance this historic undertaking to completion steadily and efficiently.

If we have learned anything from the past, particularly from the tragedy at the Deutsche Bank building, it is that the community must be involved in every step of the rebuilding process.

There are difficult choices to be made and real progress must occur. One of the first projects that must be completed for the men, women and the families who live in, work in and who visit Lower Manhattan is the construction of the Fulton Transit Hub. We should not have to wait years and years for a project that can be moved forward now.

I am pleased that Governor Paterson is strengthening the state's commitment to Lower Manhattan and I am committed to working with Port Authority Director Chris Ward, the steering committee, and the LMCCC in bringing greater progress to the rebuilding effort. I am confident that our ongoing discussions along with the requisite public hearings will produce a plan that will make wise choices, lead to real results, and place the rebuilding and revitalization of Lower Manhattan back on track.

[Scott M. Stringer](#), the Manhattan borough president, said in a statement:

The truth is out there now – and as we all suspected the project is far behind schedule.

I give credit to the Governor and the Port Authority, who have proposed three things Ground Zero has lacked all along: a clear governance structure, a transparent way for the public to measure progress, and a direct line of political accountability. They've also prepared us for the fact that we are going to have to prioritize and make some very tough choices in order to achieve success.

We can't have any more years of blaming and delay. The impasse at Ground Zero is an international embarrassment that we must resolve.

Joseph C. Daniels, president of the National Sept. 11 Memorial & Museum, said in a statement:

The depth and candor with which Chris Ward and the Port Authority conducted this assessment is an important step forward in addressing the complexities of the rebuilding. Confronting the challenges head-on and laying out a clear decision-making structure provides the best chance to expedite progress on the Memorial. Doing everything possible to ensure we have a publicly accessible Memorial in time for the 10th anniversary of the attacks must be a critical part of this process.

Mr. Silverstein, whose real estate development firm is a key part of the reconstruction effort, said in a statement:

New Yorkers are entitled to an aggressive, reliable schedule for rebuilding the World Trade Center, backed by absolute accountability from the people responsible for getting the job done. Governor Paterson and Chris Ward have shown real leadership in committing to candidly and openly address the challenges the Port Authority faces with the projects under its control. As of today, my company's projects – Towers 2, 3 and 4 – are fully designed and on schedule. Construction of Towers 3 and 4 is underway, and all three buildings are slated for completion, as projected, by the end of 2012.

As demonstrated by the success of 7 World Trade Center, as well as other recent developments in the area, Downtown is energized like never before. It is vital that we maintain that momentum and finish the rebuilding.

Sewell Chan contributed reporting.