

# NEW FIGHT BEGUN ON TRADE CENTER

## Realty Men Start Campaign to Block Construction of Project on West Side

By CLAYTON KNOWLES

A group of the city's leading realty men has begun a campaign to block construction of the \$350 million World Trade Center on Manhattan's Lower West Side.

They contend that the project, scheduled to be built by the tax-free Port of New York Authority, could in effect turn what has been an office building boom in the city into a depression.

They contend that the project will place 10 million square feet of office space on the market at a time when 10 million square feet already stands vacant.

And they maintain that the Port Authority and its bondholders, relieved of both real estate and income taxes on their investment, could survive while real estate operations in private hands suffered.

The group seeks to mobilize its campaign through the Commerce and Industry Association, the Citizens Budget Commission, the Real Estate Board of New York and other influential organizations.

The realty men are asking these organizations either to announce outright opposition immediately or to conduct special hearings on the project.

The scope of the drive was shown when a large number of

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letters setting forth the nature of the opposition became available. Individuals involved in the correspondence included such well-known real estate figures as Lawrence A. Wien, Robert V. Tishman, Wylie F. L. Tuttle and Walter P. Helmsley.

As leaders of the campaign, these men hold that the situation is worsened, rather than helped, by the fact that the state is moving most of its New York City offices into the building.

It was noted that the state would be paying a premium price of \$6.50 a square foot for space in the vast structure, far more than the cost of similar space in state-owned buildings.

Two state office buildings are to be sold, thereby adding to the glut of vacant space here.

The board of governors of the Real Estate Board of New York has scheduled a meeting for Tuesday, at which the Trade Center will come up for discussion. Other groups are being asked to follow suit.

Most of the realty men state publicly that they do not oppose a World Trade Center as such but that they deplore the abuse of the Port Authority's quasi-governmental privileges in constructing a 16-acre building with twin office towers, each taller than the Empire State Building.

They privately agree that the Port Authority was entitled to some "sugar" from the building to compensate it for the losses it faces in operating the Hudson & Manhattan Railroad. The authority got the right to construct the building in a package deal, approved by the Leg-

islatures of both New York and New Jersey, in which it also took over the H. & M. tubes.

The scale of the Trade Center project is such, the realty group insists, that the authority will stand to make up its railroad losses many times.

A typical letter by Mr. Helmsley, the senior vice president and treasurer of Helmsley-Spear, Inc., called upon the Real Estate Board to take "a firm position in opposition." He wrote that the authority's plans "represent an arrogant disregard for the property rights of our real property owners and a complete breach of faith with the intent of the World Trade Center concept."

Mr. Helmsley noted that the Port Authority had indicated it would pay the city \$3 million in lieu of taxes. He said a private builder would be obligated to the extent of \$15 million a year on the same square footage.