

REAL ESTATE MEN FIGHT PORT AGENCY

Opposition to Size of Trade Center Grows—110-Story Towers Called Too Big

MANY FEAR COMPETITION

Some Predict an Oversupply of Office Space—Warn of Rent Price War

By R. W. APPLE Jr.

For the first time in its 42-year history, the Port of New York Authority has been challenged by a powerful segment of the business community.

A group of major real estate operators is attempting to force the bistate agency to scale down its plans for a \$350 million World Trade Center, with twin 110-story towers, on the lower West Side.

If built according to present plans, the real estate men charge, the Trade Center would be four times as large as necessary and would undermine "disastrously" the entire market for office space in Manhattan.

The opponents of the Trade Center have decided upon indirect action. Rather than attack the Port Authority directly they hope to persuade the city to use its influence to reduce the scope of the project.

Opponents to Get Hearing

The city has a powerful weapon with which to bring pressure on the Port Authority. The authority must have the city's consent to close the four streets that cut through the plot where the Trade Center is to be built.

So far, there is no indication that the city will withhold its permission, although the city officials involved are ready to give the real estate men a hearing. Milton Mollen, chairman of the 16-member Mayor's Coordinating Committee on the Trade Center, said yesterday:

"We're for the Trade Center. We think all the problems can be worked out. But we are naturally worried about the economic health of the city, and the real estate business is an important part of that."

Austin J. Tobin, the Port Authority's executive director, has demonstrated his concern by trying to persuade realtors, in private meetings and in telephone conversations, that their fears are groundless.

Fought by Businessmen

Nevertheless, it would surprise most observers if Mr. Tobin's powerful agency lost the struggle. The Port Authority, with its complex of bridges, tunnels, airports and other facilities, is a formidable adversary.

The Port Authority was set up by agreement of the New York and New Jersey Legislatures in 1921 as a quasi-governmental body with broad powers. Governed by a board of 12 commissioners, it finances its projects by issuing tax-exempt bonds.

The dispute here is similar to the one that broke out in New Orleans last year over that city's 33-story International Trade Mart Tower. Despite the objections of many real estate men there, construction was started two weeks ago.

For many months, the New

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Real Estate Men Press Fight To Reduce Trade Center Plans

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York World Trade Center has been under attack by the small businessmen who would be displaced by it. These merchants and tradesmen, many of them electronics dealers, have fought the project bitterly in the courts.

The new opposition differs in that the real estate men deal every day in millions, not thousands, of dollars; and they object only to the size of the project, not the basic idea or the location.

These opponents have formed the Committee for a Reasonable World Trade Center led by Lawrence A. Wein, who controls the Empire State Building; Harold Uris of Uris Buildings Corporation, which has put up 10 million square feet of office space here since World War II; and the estate of Erwin S. Wolfson, builder of the Pan Am Building.

The committee's director is Robert Kopple, a pugnacious 53-year-old lawyer who runs a number of trade associations. (He also originated the idea of the 1964 New York World's Fair.)

Some in Disagreement

Not all the real estate men in the city agree with the arguments put forward by Mr. Kopple and his committee. For example, Samuel Rudin, the manager of many large Manhattan buildings, and Robert Tishman of the Tishman Realty and Construction Company are supporting Mr. Tobin.

The opposition centers among those who might lose tenants to the trade center. Many brokers, whose business improves when there is a large turnover among tenants, are backing the Trade Center.

Mr. Tobin discusses the committee as if Mr. Wein were its only significant member.

"Wein is causing all this commotion," he said last week, "because he doesn't want his building to be the third tallest in the city."

Not so, says Mr. Kopple. "Our list of members is growing all the time," he asserted. "We just added Laurence Tisch of Loew's Hotels, and people like Tisch don't chase along just because Larry Wein whistles. They have to believe in something first."

Worried About Tenants

Mr. Uris has stated the case for the committee:

"They say they're going to rent four million square feet to export-import firms. That's twice the space in the Pan Am Building. I just don't believe they can do it. And when they find they can't, they're going to dump the space on the open market at reduced rents.

"With their tax advantages and the low rates they pay for money, they could rent for far less than I can and still break even. I'm not afraid of losing the tenants I have now. I'm afraid there won't be any tenants for the buildings I put up five years from now."

Mr. Tobin maintains that the Port Authority will rent all of the Trade Center's four million square feet exclusively to companies whose principal business is in the export-import area.

Two floors have already been

leased, Mr. Tobin said. He reported that he had turned down a company that wanted 600,000 square feet for its general headquarters "because this is not the place for that sort of operation and we're not going to have it."

"Ten million square feet is required to provide for the functional requirements of the World Trade Center," Mr. Tobin said. "This project will benefit the port and the real estate men and the city as a whole more than anyone realizes."

Mr. Kopple contends that the Trade Center will need no more than 2.5 million square feet—a million for the Federal Government and a million and a half for export-import offices and allied services.

He challenges the right of the State of New York to move its offices from 35 locations in the metropolitan area into the center. According to Mr. Tobin, the state is likely to occupy more than 2 million square feet.

"What possible connection," Mr. Kopple asked recently, "is there between the State Unemployment Insurance Board, the Attorney General's office, the State Insurance Department and other such state agencies—and world commerce?"

Mr. Kopple has suggested that the state decided to move into the trade center solely because Governor Rockefeller's brother David was one of the originators of the project. Those close to David Rockefeller deny this.

Mr. Tobin concedes that it was the state's idea, not his, to set aside the space for state offices.

State Building Favored

"For several reasons," he said, "I'd rather see them put up their own building. But I'm not going to argue if this is what they want."

The Port Authority plans to move its own offices into the trade center and to occupy about 700,000 square feet. Mr. Kopple protests this, too.

"We'll have our offices anywhere we damned well please," Mr. Tobin said.

By vacating the space they now occupy, Mr. Kopple argues, the state and the Port Authority and the Federal Government will throw millions of square feet onto the open market, thereby compounding the problem created by the opening of the center itself.

Mr. Tobin says much of this space will be used for other governmental purposes. Furthermore, he contends, the new space "will be occupied over a period of years, so that the old space can be easily absorbed."

Mr. Kopple's committee has already begun its campaign to win the city to its side. When its members filed their annual requests for real estate tax abatements, they cited the harmful effect they said the Trade Center would have on property values.

In this and other ways, the real estate men hope to make their weight felt in City Hall. If this strategy fails, Mr. Kopple promised, "we are ready to go to court to try to get this bloated project — these 'Tobin Towers' — brought down to size."