ADR TIMES



February 2015

The Center for Alternative Dispute Resolution Newsletter State of Hawaii, Judiciary



Center for Alternative **Dispute Resolution** Hawaii State Judiciary 417 South King Street Honolulu, Hawaii 96813

Phone: 808-539-4ADR (4237)

Fax: 808-539-4416

E-mail: CADR@courts.hawaii.gov

Website: www.courts.state.hi.us/cadr

Negotiating the Rebuilding of the World Trade Center Part II: Design & Community

Rebuilding the World Trade Center involved varied groups, needs, and interests. "This number of participants greatly exceeded that of a typical real estate venture and consequently required resources significantly beyond those of conventional reconstruction." The Lower Manhattan Development Corporation, a joint state-city corporation, was created by New York Governor George Pataki and New York City Mayor Rudy Giuliani in 2001 with a \$3 billion appropriation from the Department of Housing and Urban Development, to maintain control of reconstruction.² Considerations such as access for persons with disabilities and security were important in rebuilding.³



In July 2002, the Lower Manhattan Development Corporation sponsored a "Preliminary Design Contest" but public dissatisfaction with the designs prompted the second "Innovative Design Contest" in December. Of the 2,000 entries, a 1776 foot tower designed by architect Daniel Libeskind, was selected. Governor Pataki named it the Freedom Tower. 4 However, as the lease holder, Larry Silverstein had already selected architect David Childs to design the building. "After the competition, Libeskind, Silverstein, and Childs held a series of tense negotiations." As a result, Libeskind gave up the position of architect to Childs and agreed to "meaningfully collaborate" on the project. When Childs made changes that included reducing the height of the building, Libeskind appealed to Governor Pataki who "called Childs from Bermuda, where he was vacationing," and Childs honored the Governor's request to preserve the height.⁵ In July 2004, Libeskind sued Silverstein for \$800,000 of unpaid fees and in October the case settled for \$370,000, a "small but symbolic sum" given the rebuilding cost of over \$4 billion. 6 In 2005, design changes in response to the New York City Police Department's requirements for safety and security left only the height of 1776 feet. Libeskind described the new building as "even better than the tower we had before," stating later that he was prepared to compromise and move from "fighting to collaboration" after realizing rebuilding the site was a democratic process.7

Construction progressed through various hurdles. In July 2010, the Port Authority selected the Durst Organization and began negotiations for building the Freedom Tower at the World Trade Center site. Terms included a membership interest for Durst in One World Trade Center, primary construction and responsibility for tenant fit-out, leasing, and property management, and receipt of financial return tied to its equity interest.8 On February 25, 2011, Mayor Michael Bloomberg's office announced that the New York City government would become the first tenant of 4 World Trade Center.9

During rebuilding, the Greek Orthodox Archdiocese engaged "in a tug-of-war" with the Port Authority since St. Nicholas Greek Orthodox Church was crushed when the Twin Towers collapsed in 2001. The archdiocese accepted that the church could not be rebuilt at 155 Cedar Street, the original site, and began negotiations with the Port Authority for a land swap. A tentative agreement was reached in 2008 for a church at 130 Liberty Street but the Port Authority later called off the deal claiming it would be too costly. The archdiocese filed suit in February but after Archbishop Demetrios had dinner with New York Governor Andrew Cuomo, the Governor agreed to mediate negotiations between the parties.

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An agreement was reached in October 2011 for St. Nicholas Church to be built at 130 Liberty Street. The Port Authority agreed to pay for site work and below ground infrastructure while the archdiocese would fund construction. On November 10, 2013, the St. Nicholas community unanimously approved a resolution to make the community a national shrine of the Holy Archdiocese of America. The resolution also included the final agreement for the parish to exchange its land at 155 Cedar Street, including air and ground rights, for 130 Liberty Street. The new parcel, although less than fifty yards from the previous location, is more than three times larger. The new church, designed by Santiago Calatrava who also designed the World Trade Center Transportation Hub, is projected to open in 2016.

Notes:

- 1. Alex Garvin, Negotiating the Mega-Rebuilding Deal at the World Trade Center: The Historical Context, *Transactions: The Tennessee Journal of Business Law*, Vol. 10 (2008-2009) pp. 15-26; p. 20, accessed April 7, 2014
- 2. Garvin, p. 20 accessed April 7, 2014
- 3. Garvin, p. 22 accessed April 7, 2014
- 4. Elizabeth Greenspan, "<u>Daniel Libeskind's World Trade Center Change of</u> Heart," *The New Yorker*, August 29, 2013, accessed April 7, 2014
- 5. Greenspan, accessed April 7, 2014
- Greenspan, accessed April 7, 2014
- 7. Greenspan, accessed April 7, 2014
- 8. Juan DeJesus, <u>Durst to Rebuild One World Trade</u>, NBCNEWYORK.com, Thursday, July 8, 2010, accessed April 7, 2014
- 9. About the World Trade Center, World Trade Center Timeline, accessed April 7, 2014
- Christopher White, <u>2011 World Trade Center Church Will be Rebuilt</u>, National Catholic Register, October 27, 2010, accessed April 7, 2014
- 11. Orthodox Church in America, November 13, 2013, accessed April 7, 2014

