

Retail deal for NY's World Trade Center advances

Feb 8 (Reuters) – UPDATE 1 - The board of the Port Authority of New York and New Jersey will be presented on Thursday with a \$1.25 billion joint venture deal for Australian developer Westfield Group to lease around 364,000 square feet of retail space at the World Trade Center, according to sources familiar with the matter.

"The buildings are being built...the leasing process can now start," said one of the sources, who requested anonymity.

The Port Authority and Westfield had first announced a letter of intent in 2008, but there had been little progress on recreating the shops that were a vital part of the original World Trade Center until an agreement in principal was announced last summer.

A Westfield official could not be immediately reached. Port Authority officials declined comment ahead of the board's meeting on Thursday.

The redevelopment of the World Trade Center is years behind schedule and billions of dollars over budget. On Tuesday, an independent audit ordered by the governors of New York and New Jersey, who share control of the authority, found that the cost of the World Trade Center development had soared by \$3.8 billion to \$14.8 billion.

One problem has been frequent leadership changes, with the election a new governor for New York or New Jersey tending to slow the rebuilding.

The authority's executive director, Patrick Foye, who has been in office a little more than 100 days, has a mandate to reform the authority. Foye has said he wants to cut costs by 25 percent and cut the time needed for regulatory review of projects by 25 percent.