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Behold, a Mini-City Rises

's Canary Wharf on the waterfront. Millions of feet of office space, thousands of apartments—
Bloomberg's developers dream big in the Far West Side. BY MATTHEW SCHUERMAN

MAP BY HAISAM HUSSEIN

Five years ago, Mayor Michael Bloomberg painted a utopian picture of the future of New York on the canvas of the disjuncted tenements and bad garages of midtown west.

It was to be a city where college-educated office workers would walk to work at brand-new office buildings with floor plates the size of football fields. A tree-lined boulevard, broader than Park Avenue, would slice up New York's bulky street grid and draw pedestrians down to a gigantic civic complex with a gigantic football stadium.

The boulevard was called Olympic Boulevard; the stadium, Olympic Stadium.

Remember those days? The Mayor's aides called the plan for the new West Side "magnificent," "the single best investment in our future," "monumental" and a blueprint to create "one of the world's great urban places."

The slides of what the neighborhood would look like in 20 years bore a certain resemblance to socialist-realist art, complete with massive rays of sunlight streaming down to an area as tall and dense as Madison Avenue.

And guess what? It's all coming true—sort of.

Even now that the ill-fated football stadium and Olympic bid—which were, after all, supposed to act as catalysts for the new development—have fallen by the wayside, the new neighborhood is taking shape. Some 20 projects are somewhere on a drawing board, and a few others have already broken ground.

The ones furthest along are the residential ones, since it will take until 2012 at the earliest to complete the real engine of the West Side: the extension of the No. 7 line west to 11th Avenue and south to 34th Street. Still, ten office developers, energized by a bullish midtown commercial market, are publicizing new buildings for the district, even if only to advertise their availability to prospective tenants.

"A lot of things are happening faster than what we expected, given the state of the real-estate market, with rents just going through a roof and building prices following that trajectory," said James Parrott, deputy director and chief economist for the Fiscal Policy Institute, a left-leaning think tank. "It seems like the attention that will be given to a Far West Side will begin sooner than it otherwise would have."

The plan was supposed to provide about 24 million square feet of office space (the equivalent of about nine Freedom Towers), and 15,000 new apartments, in the 45-block area from 29th Street to 42nd Street and from Eighth Avenue to the Hudson River. The tax revenue from the commercial buildings would pay back the \$2.1 billion borrowed to build the extension of the No. 7 subway line down 11th Avenue.

"This plan will do for New York what Canary Wharf has done for London," said Jeff Katz, president

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—JON McMILLAN OF
ROCKROSE
DEVELOPMENT CORP.

dent of Sherwood Equities, which owns both commercial and residential property in the district. "In order for Manhattan to remain one of the most critically important financial centers, it needed a place to grow. We didn't really have a place to grow before Hudson Yards was put into place."

In contrast to Canary Wharf, which is about three miles away from London's traditional financial district, Hudson Yards is nearly adjacent to midtown Manhattan. It remains to be seen whether the same type of star-studded architecture will take hold in the West Side's former warehouse district as it did in London. Right now, experienced (if critically unacclaimed) architects like Costes Kondyis and Gene Kaufman have work going up for Richard Rogers, Nobis Pedersen Fox, and Skidmore, Owings & Merrill—all of which also designed for Canary Wharf—have projects on the table.

But if the area does get developed according to plan, it will, more than any other business district in the city, have all been built from the ground up, without regard to historic preservation, in the span of a mere 30 years.

Plans have a way of biting back, however. In the two years it has taken for big-league developers to gather investors, draw up blueprints and sort through the thick regulations, nimble upstart builders have erected budget hotels on whichever parcels they found available.

In fact, on one block, just south of the Port Authority Bus Terminal, five budget hotels—called "pencil hotels" because of their tall, narrow shape—have sprouted up, feeding the hunger for hotel rooms near Times Square and the Jacob K. Javits Convention Center.

Needless to say, however much the city likes its tourists, this isn't what New Yorkers had in mind for a brave new West Side.

"This is what the market does," said Joe Restuccia, executive director of the nonprofit Clinton Housing Development Company. "Someone comes along and says, 'I can pay a lot of money for that site and build a cheap hotel and make a lot of money.' Who would ever think that so many of them would cluster in this one place?"

Deputy Mayor Dan Doctoroff told The Observer that the hotels didn't concern him much, precisely because they are concentrated on one block on the eastern side of the site.

"If you remember the zoning, we anticipated relatively lower-scale building between Eighth Avenue and Ninth, and Ninth and 10th, and that's where most of this development is occurring," he said.

The area that is going to go through the biggest change is between 10th and 12th avenues.

Residential development is, meanwhile, taking shape along two arteries: 42nd Street and 37th Street. On the far western end of 37th Street, near and along 11th Avenue, Baruch Singer—known for buying up large swaths of run-down tenements in Harlem—is planning two 40-story-plus hotels. Mr. Singer told The Observer that he is speaking with major hotel chains and planned to break ground by the end of the year.

Five of the residential developers in the area overcame a major obstacle last month when they struck preliminary agreements with the state Housing Finance Authority for tax-exempt bonds to finance their structures. The bonds require developers to set aside 20 percent of the units for low-income households, but the high demand—and limited supply—for such cheap financing had threatened to forestall the Hudson Yards development indefinitely.

"For us, 37th Street was the most civilized of the options," said Jon McMillan, planning director for the Rockrose Development Corporation, which broke ground on one building and is nearing work on another. "It doesn't pass by any of the Port Authority infrastructure; it has been developing with cultural and retail options, and it is where the most things have been planned so far."

That "infrastructure" is the spaghetti of entrance and exit tunnels and ramps to the Lincoln Tunnel and the Port Authority Bus Terminal that dominates the northeast end of the Hudson Yards. One of the key real-estate deals to smooth out the terrain is a pair of mid-rise apartment complexes on either side of 37th Street

between Ninth and 10th avenues. Called Hudson Mews North and South, the Dermot Company project will be built on a platform above the Lincoln Tunnel entrance and exit ramps—a challenge that has taken longer than expected to surmount.

"The engineering and technical details of building on that site have been worked out, and we are looking for the most cost-effective way of satisfying the Port Authority and other engineering requirements," Dermot president William Dickey told The Observer. "This is rather a unique situation. There is no other project like this in the city or in the Port Authority system."

Mr. Dickey said that when the Port Authority first agreed to give the air rights to the Dermot Company, the two parties had hoped that ground would be broken this summer, with December as the outside date. These days, December is looking more realistic. The cost of the air rights is one part of the negotiations.

Though residential use is supposed to dominate the northern and eastern ends of the district, office towers are supposed to be arranged in an "L" shape, north-south along 11th Avenue opposite the newly reborn Javits Center and east-west in the low 30's. Key to the southern corridor are the Metropolitan Transportation Authority rail yards, which have yet to go out to bid.

But it's telling that two landlords are willing to discuss some details of their projects.

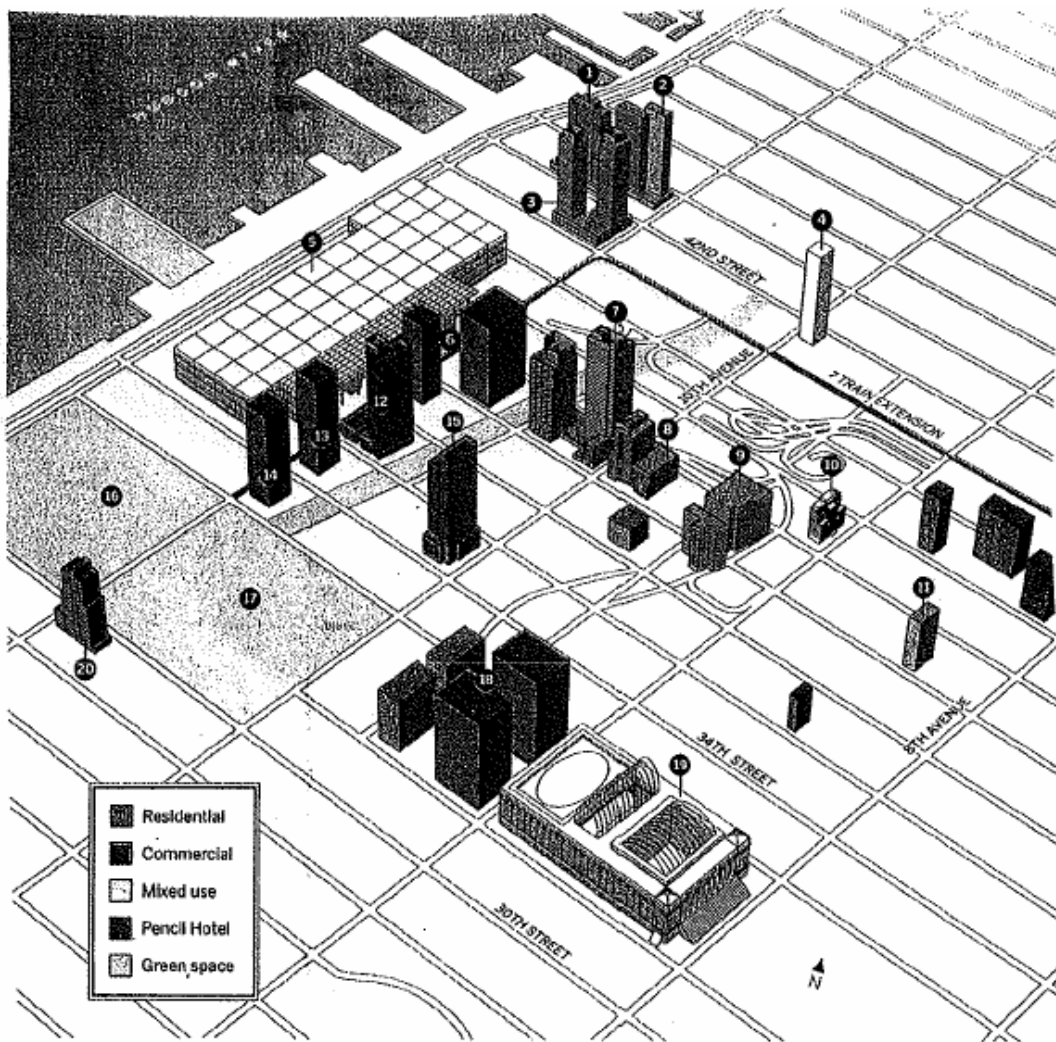
Brookfield Properties, which owns most of the block between 31st and 33rd streets on the west side of Ninth Avenue, is drawing up plans for four towers. Mr. Katz, the president of Sherwood, has come up with a schematic plan for his 11th Avenue parcel to allow off to financial companies.

Mr. Katz said he would not start without securing an anchor tenant—which is normal practice for office buildings—but both the Sherwood and Brookfield parcels are large enough to provide the 65,000-square-foot trading floors that investment banks like J.P. Morgan Chase are now looking to build at the World Trade Center site.

There are still several balls in the air, however, that community leaders who have helped to shape the plan say could make all the difference. Next month, the M.T.A. is supposed to put the eastern and western rail yards—including the former site of the Olympic stadium—up for bid. The \$1.7 billion expansion of the Javits Center, which was supposed to be one of the anchors of the new development, is being re-evaluated by the administration of Governor Eliot Spitzer.

And who knows just how far along private developers and the state are toward moving Madison Square Garden a block west, ripping the lid off of the subterranean Pennsylvania Station, and constructing another five million square feet of space in the vicinity? That's a massive amount of supply that, even according to the city's own estimates, would suck away developers' interest from further west.

"I'm very skeptical they are going to get the rail yards plan under way, and I think if nothing happens on the rail yards one, then it's in a parenthesis," said Anna Levin, co-chair of the land-use subcommittee for the local community board. "If you live in New York any period of time at all, you know that it is impossible to tell what sort of development will happen."



The New West Side Project by Project

- 1) The Atelier**
635 West 42nd Street
The Moianin Group
Architect: Costas Kondylis
46 stories, 478 condominiums
Partially occupied, to be completed this summer
- 2) 605 West 42nd Street**
The Moianin Group
Architect: Costas Kondylis
60 stories, 1,000 rentals
Under construction, to be completed in 2009
- 3) River Place II**
600 West 42nd Street
Silverstein Properties
Architect: Costas Kondylis
57 stories, 1,157 rentals (232 low-income units)
Under construction
- 4) 10th Avenue and 42nd Street**
The Related Companies
60 stories mixed-use, 500 rentals (125 low-income), 250-room hotel, theaters
Proposed
- 5) Javits Convention Center Expansion**
State and City of New York
Architect: Richard Rogers, P|Fowle, A, Epstein
Two-block extension of existing convention center and new facade
Under review by Spitzer administration

- 6) 37th Street and 11th Avenue**
Triangle Management Co. (Baruch Singer)
Two 40-plus-story hotels
Proposed
- 7) 505 West 37th Street**
Rackrose Development
Architect: Handal Architects
43- and 34-story towers, 824 rentals (166 low-income)
Construction to start in summer, to be completed fall 2009
- 8) 455 West 37th Street**
Rackrose Development
Architect: Handal Architects
23 stories, 388 rentals (80 low-income)
Under construction, to be completed spring 2009
- 9) 37th Street between Ninth and 10th avenues**
Hudson Mews North and South
The Demott Company
FxFowle
18 stories, 809 rentals (162 low-income) 30,000 square feet of open space
Proposed

- 10) Hotel Galerie**
Asa Properties
Architect: Costas Kondylis
12 stories, 92 serviced condominiums, 87-room hotel
Under construction, to be completed by early 2009
- 11) 37th Street, between Eighth and Ninth**
Glenwood Management
24 stories, 550 rentals
- 12) 11th Avenue, between 35th and 36th streets**
Javits Center Hotel
Developer to be determined
70 to 90 stories, 1,000 to 1,500 hotel rooms
State-city agency is reviewing five proposals
- 13) 11th Avenue between 34th and 35th streets**
The Moianin Group
Potential for two million square feet of commercial space
Under consideration
- 14) 11th Avenue between 33rd and 34th streets**
Estell Development
Commercial building site
Under consideration

- 15) 34th Street and 10th Avenue**
Sherwood Equities
55-story office building
Under consideration
- 16 & 17) 30th to 33rd streets, 10th to 12th avenues**
M.T.A. Railyards
12 million square feet of residential and commercial development rights, six-plus acres of open space
State-owned property, expected to be put out to bid in May
- 18) Ninth Avenue between 31st and 33rd streets**
Brookfield Properties
Architect: Skidmore, Owings & Merrill
Four million square feet of office space, 700,000 square feet of residential in development
- 19) Eighth to Ninth avenues, 31st to 33rd streets**
Moynihan Station/Madison Square Garden
Sports arena, train station, commuter-rail in refurbished Farley Post Office in design, under negotiation
- 20) 316 11th Avenue**
Douglasson Development
Architect: Stephen B. Jacobs Group
34 stories, 370 units (80 low-income)
Proposed