

Midtown West: Recent Developments

Midtown West, one of New York's most widely-used and widely-visited areas, is getting an expansive facelift with new high-rise luxury condominiums, multi-billion dollar commercial renovations, and major modernization of its transportation hubs.

Since 2000, the northern boundary along West 42nd Street has seen significant development. The following are recent large-scale luxury apartment buildings constructed west of Eighth Avenue between West 41st and West 43rd Streets.

- **One River Place**, Silverstein Properties' 40-story, 921-unit 80/20 luxury rental facility located along the eastern full block front of Twelfth Avenue between West 41st and West 42nd Streets;
- **420 West 42nd Street**, the Brodsky Organization's 41-story, 264-unit 80/20 luxury rental facility completed in 2001 and located along the eastern full block front of Dyer Avenue between West 41st and West 42nd Streets;
- **The Victory**, Sidney Fetner Associates' 47-story, 415-unit 80/20 rental facility constructed in 2002 and located at Tenth Avenue and West 41st Street;
- **Ivy Tower**, the Friedman Brothers' 45-story, 320-unit 80/20 rental facility constructed in 2002 and located mid-block between Eighth and Ninth Avenues, with frontage on West 42nd and West 43rd Streets;
- **360 West 43rd Street**, the Brodsky Organization's 23-story, 256-unit 80/20 luxury rental facility completed in 2003 and with frontage along West 42nd Street, West 43rd Street, and Ninth Avenue;
- **The Orion**, Extell Development's 60-story, 550-unit luxury condominium completed in 2006 and located along the southerly side of West 42nd Street between Eighth and Ninth Avenues; and
- **The Atelier**, the Moinian Group's 46-story, 478-unit luxury condominium facility which began occupancy in 2007 and is located adjacent to the subject property along the north side of West 42nd Street between Eleventh and Twelfth Avenues.

The only other notable luxury rental facility constructed since 2000 in the Hudson Yards area is the Hudson Crossing, a 15-story, 247-unit 80/20 building constructed in 2003 by the Dermot Company. The building is currently owned and operated by Equity Residential.

In addition to those already completed projects, several large-scale developments are underway or scheduled in the near future. These projects include the following:

- **431-439 West 37th Street:** Gemstone Property Group is scheduled to develop a 12-story, 100-unit, market-rate, luxury rental apartment building on a full block site between Ninth and Tenth Avenues.
- **600 West 42nd Street:** Silverstein Development is constructing River Place II, a 1,359-unit rental facility contained within two 58-story towers at West 42nd Street and Eleventh Avenue. The project will have 20% of the units set-aside for low-income households and will also contain 22,083 square feet of retail space and a 13,000 square foot amenity center.
- **320 West 38th Street:** Glenwood Management is constructing a 24-story, 569-unit luxury rental apartment building on a through-block site between Eighth and Ninth Avenues, with frontage along West 37th and West 38th Streets.
- **455 West 37th Street:** Rockrose Development is currently constructing a 23-story luxury rental apartment building. The property will contain 394 apartments, of which 20% will be set-aside for low-income tenants. The development will also include over 21,000 square feet of grade-level retail and a 139-car parking garage. The site occupies the eastern full block front of Tenth Avenue between West 37th and West 38th Streets.
- **505 West 37th Street:** Along the western side of Tenth Avenue at West 37th Street, Rockrose Development is developing a two-tower luxury rental development containing 835 rental apartments, retail, and a parking garage.
- **605 West 42nd Street (subject property):** Along the westerly full block front of Eleventh Avenue between West 42nd and West 43rd Streets, the Moinian Group is building a 61-story mixed-use tower which will include 1,055 apartments, of which 20% will be set-aside for low-income tenants and 10.0% will be furnished corporate housing. The development will also include a multilevel retail component and a 519-car parking garage.
- **440 West 42nd Street:** The Related Companies is scheduled to build a 60-story tower on the full block bounded by West 41st Street, Dyer Avenue, West 42nd Street, and Tenth Avenue. The tower will include 600± apartments comprised of a mix of rental and condominiums, plus hotel rooms, theater space, and a multilevel retail component. The site was cleared in 2005, but has stalled as the project failed to receive a zoning bonus and tax

breaks for a proposed Cirque du Soleil complex in the tower's base. Completion is likely for 2010 or 2011.

- **Hudson Mews:** Located along Ninth Avenue between West 37th and West 38th Street, the Dermot Company, in a joint venture with the Port Authority of NY/NJ, is scheduled to construct an 809-unit luxury apartment building, of which 20% will be set-aside for low-income households. The development, which will comprise two 18-story towers, will also contain 15,000 square feet of retail and community facility space, and a parking garage for approximately 200 cars.
- **511-521 Ninth Avenue:** Located at the southwest corner of West 39th Street and Ninth Avenue, this site is being developed with a 12-story mixed-use project featuring a 90-key four-star hotel, 96 luxury condominium apartments, and an upscale restaurant.
- **352 West 37th Street:** Lalezarian Developers is building a 27-story apartment building with 207 apartments, of which 42 will be set-aside for low-income tenants.

Commercial Development

A major component of the rezoning initiative is to bring commercial development to the area.

The largest commercial development will be the current site of the **Hudson Rail Yards**, a 26-acre site owned by the MTA and running from West 30th to West 33rd Streets, from Tenth to Twelfth Avenues. The request for proposals for the development was officially released in July 2007. Related Companies, the Durst Organization and Vornado Realty Trust, Tishman Speyer, and Extell Development were among bidders to develop the site.

In March 2008, Tishman Speyer won the rights to a 99-year ground lease on the site. Tishman Speyer, which bid \$1.004 billion for the site, was selected despite its lack of an anchor tenant. However, in May, Tishman Speyer broke off talks with the MTA regarding development of the site.

The following week, the MTA announced it reached a tentative \$1.054 billion deal with the Related Companies, and financial backer Goldman Sachs, to develop the rail yards. Related had initially been seen as a leading candidate to develop the massive site until its anchor tenant, News Corp., dropped out of the project in March. Related plans about 4.6 million

square feet of commercial office space and more than 5,000 apartments, while Tishman Speyer planned about 8 million square feet of office space and 3,200 apartments.

Related also plans 565,000 square feet of retail, a 265,000-square-foot hotel, and 200,000 square feet of cultural and community space. About 55% of the site will be open space.

Vornado and Related were the companies planning to develop **Moynihan Station**, which includes rebuilding Penn Station and Madison Square Garden on the site of the Farley Post Office. However, owners of Madison Square Garden recently announced that they would renovate the 40-year old arena instead of moving to a new location a block away. This, coupled with delays and rising construction costs, could result in either a scaled-back version or a cancellation of the project all together.

Brookfield Properties is planning four office towers that would total 4.7 million square feet on Ninth Avenue between West 31st and West 33rd Streets, just west of the proposed Moynihan Station project. However, Brookfield's CEO indicates plans could be put on hold if the extension of the No. 7 train does not move forward.

Extell Development is planning a 1.5 million square foot office tower on the site of the famed Copacabana nightclub on Eleventh Avenue between West 33rd and West 34th Streets. Isreal Green has signed a letter of intent for 1 million square feet in the 45- to 50-story tower for the World Product Centre, a showroom for high-tech medical equipment. Construction is expected to begin in early 2009, with completion in 2012. Extell is also developing a 600,000 square foot tower at West 31st Street and Tenth Avenue. The building will contain office and gallery space on the bottom floors, a hotel in the middle, and condominiums above the hotel.

The **Port Authority** is resurrecting long-dormant plans to construct a 42-story office tower above its bus terminal at West 42nd Street and Eighth Avenue. Vornado Realty Trust and Lawrence Rubin Co., which were slated to build a tower on the site seven years ago, are once again in talks with the Port Authority about constructing the skyscraper. The Port Authority is also considering buying-up land on Tenth Avenue to build a new bus terminal, therefore allowing for the sale or redevelopment of its current Eighth Avenue space.

Another major project is the expansion of the **Jacob K. Javits Convention Center**, which has yet to get underway. The State administration was considering a proposal that would increase the new space from 300,000 square feet to 550,000 square feet, and at \$4 billion, double the cost of the overhaul proposed under Governor Pataki.