

Stephen Ross' Related Companies to develop New York City Rail Yard

By Robert Janjigian

May 20, 2008

Part-time Palm Beach resident Stephen M. Ross' Related Companies has signed an agreement with the Metropolitan Transportation Authority in New York to create 12 million square feet of commercial and residential towers above Manhattan's West Side Railyards.

Ross is founder, chairman and chief executive officer of the Related Companies, a New York City-based development firm that developed CityPlace in West Palm Beach among other well-known projects. He is also co-owner of the Miami Dolphins.



Daily News File Photo by Lee Hershfield

Stephen M. Ross, at the recent NFL owners meeting at The Breakers in Palm Beach, where his purchase of 50 percent of the Miami Dolphins football franchise was approved.

The development-rights deal for the 26-acre site, on either side of 11th Avenue between 30th and 33rd streets, is valued at \$1.054 billion. The New York investment bank Goldman Sachs is Related's financial partner in the venture.

"We have always believed that the West Side Yards present a unique development opportunity to shape the future of our city," Ross said in a statement released through the MTA. "We are confident that working closely with the visionary leadership of the state and city and the MTA, using the absolute best architectural, planning, engineering and construction talent, and having the financial strength and acumen of Related and Goldman Sachs, we will achieve our shared goals."

If the deal is approved by the MTA board during a special Thursday meeting, Related would begin the four-month process to complete a contract for its proposed development of 13 office buildings, a hotel, retail space, more than 5,000 homes, parks, parking facilities, a school and a cultural center on what is referred to as the largest undeveloped site in Manhattan.

Related's \$11 million initial deposit would then be released from escrow to the MTA, and the required six-month process of environmental and public review would begin. Construction of the mixed-use development would be completed in two stages.

Ross, who in February purchased 50 percent of the Miami Dolphins football franchise and Dolphins Stadium, had previously bid on the site's development rights but backed away when partner News Corp. dropped out.

The development rights were awarded to Tishman Speyer Properties, but the company abandoned the deal due to Tishman's concerns about the economic viability of the project.

The Related chairman called the development "New York's next great neighborhood," which he referred to as The Hudson Yards.

In Palm Beach County, Related Companies developed CityPlace, which has been in operation since 2000, and, with Miami-based Related Group, The Prado, The Slade and The Tower Condominium at CityPlace projects, all in West Palm Beach.

"Related Companies is distinguished by its well-known brand, the cornerstone of which is the highest level of quality and innovation," said Carey O'Donnell, a West Palm Beach public relations executive whose firm has represented Ross' company for nine years. "You only have to point to the Time-Warner Center at Columbus Circle in New York as a great example of Related's ability to execute complicated development projects in urban environments on time, within budget and exceeding expectations."