

NEW YORK POST

West Side is gaining 'yard'age

By Tom Topousis

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Prime Real Estate: Plans for the West Side rail yard include apartment complexes, office towers and a public plaza.

After decades of false starts, Manhattan's Far West Side rail yard is finally on track to become the city's newest neighborhood.

Developers of a massive project slated for the 26-acre yard say that work could begin in as little as two years, now that a \$1 billion lease has been signed with the Metropolitan Transportation Authority and a deep-pocketed partner is on board.

"I'm banking on the fact that the stars are finally aligned," said Jay Cross, president of Related Hudson Yards, which plans to build a mini-city of apartment and office towers, along with hotels, parks, a school and cultural facilities.

"It's possible for us to start at the beginning of 2012 or late 2011," Cross said, referring to an optimistic timetable that would be set into motion by the signing of a major corporate tenant for at least one office tower.

After being selected in 2007 to develop the site, Related slowed its pace after the stock market

tumbled and Lehman Brothers went under.

Today, the city seems to have survived the worst of the financial crisis, and Cross said prospective tenants "are realizing that the world is not going to come to an end and they might have big needs come 2015, '16 and '17.

"We're sort of coming out of hibernation," Cross said.

"Now we're going to ramp up our marketing and tell our story to a greater degree."

Last week, on the eve of inking its deal with the MTA for the right to build above the rail yard, Related also announced that it had found a new partner for the project.

The entry of the Oxford Properties Group, a consortium of institutional investors from Canada, fills a void left by Goldman Sachs, which pulled out during the height of the economic downturn.

Between 33rd and 30th streets and stretching from 10th to 12th avenues, the rail yard is almost twice the size of the World Trade Center site and is the single largest tract of undeveloped property in Manhattan

Cross said the initial development would be on the eastern half, starting with the construction of a platform above the tracks as the Long Island Rail Road continues to move trains in and out.

"It's like open-heart surgery to go in and build the platform while the railroad operates," he said.

"We wouldn't build a platform in the absence of a tenant," Cross said. "But if a tenant showed up tomorrow and said, 'Let's go,' we are literally ready to go because the engineering has been done."

The first phase would include at least one corporate tower, a 200,000-square-foot cultural facility and a public plaza.

A proposal by the Jets to build a stadium over the western half of the rail yard -- overseen by Cross while he worked for the football team -- was scuttled by Albany lawmakers.

But that paved the way for this latest project.

The \$1 billion windfall -- which will help fund the MTA's capital projects, such as the Second Avenue Subway and connecting the LIRR to Grand Central Terminal -- will be paid out over several decades.