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Brookfield Saves in 'Big Megillah' Deck Plan for New York West Side Towers

By David M. Levitt

Brookfield Office Properties Inc. is seeking to gain an edge in the construction of millions of square feet of office space on Manhattan's west side by using bridge-building technology to cover a 65-foot railroad trench.

The plan would employ a method never used with a building project, save two years of labor, and cut costs for a platform in half to about \$300 million, according to Brookfield. The company, owner of lower Manhattan's World Financial Center, aims to build three skyscrapers at the site, which requires covering tracks that shuttle about 100,000 people each weekday into and out of Pennsylvania Station.

Brookfield is competing with Related Cos. to develop the rail yards and lure tenants to the far west side, where the New York-based companies are building 11.2 million square feet (1.04 million square meters) of offices spanning 30th to 33rd streets near the Hudson River. That total would be slightly less than all the office space in downtown Baltimore.

Platforms on the west side "are a big megillah," said Joseph Harbert, chief operating officer for the New York region of Cushman & Wakefield Inc. "Once those platforms are up, that place is going to be on fire," he said of Brookfield's plan. "If they can get it up faster and at a lower cost, that stuff is going to rent."

Mayor Michael Bloomberg has compared the far west side to Canary Wharf, which gave London a second financial center to the east after it was built in the early 1990s. He is the founder and majority owner of Bloomberg News parent Bloomberg LP.

Site Plans

Brookfield's project, named Manhattan West, calls for two towers of 2 million square feet each and a third of 1.2 million square feet, plus as much as 200,000 square feet of retail space. Related, developer of the Time Warner Center, is planning almost 13 million square feet of construction, including about 6 million square feet of offices, at its 26-acre (11-hectare) Hudson Yards site, a half-block west of Brookfield's trench.

Related also expects to develop more than 5 million square feet of housing, a million square feet of stores, a hotel, a school, a cultural center and open space.

The developer has a more traditional approach to cover its west side yards site, where Long Island Rail Road trains are stored and dispatched. It involves drilling caissons, or vertical supports, to support a platform over the tracks.

Both companies aim to start site preparation next year, and say they'll have their first buildings completed in 2015. They are competing in the same market of tenants, including media, fashion and financial-services firms, offering state-of-the-art, environmentally friendly office space on an island where more than 60 percent of the stock is more than 50 years old.

Tenant Competition

Accelerating the construction of the deck should help Brookfield compete for tenants with Related, Harbert said. Part of Related's site is on "terra firma" -- ordinary land that needs no platform -- on the southeast corner along 10th Avenue, Joanna Rose, a company spokeswoman, said in an e-mail. It plans a 950-foot (290-meter) skyscraper of 1.7 million square feet at that location.

Platforms for skyscrapers have been critical to Manhattan's emergence as the model for a global business center, said Alexander Garvin, president of AGA Public Realm Strategists and onetime planner for NYC2012, the city's failed bid for the 2012 Olympics. That group had hoped to build the main Olympic stadium on the Hudson Yards.

Grand Central Platforms

The best example of the power of platforms is Park Avenue and the nearby streets surrounding Grand Central Terminal, where the decking of the New York Central train yard early in the 20th century "changed the city of New York forever" by moving the center of business to Midtown from lower Manhattan, Garvin said.

"The opportunity of the platforming on the far west side is an opportunity to extend the central business district to the Hudson River," Garvin said. "If we do it with the same quality of excellence that was done by the New York Central railway, then we will do a very fine thing for New York."

Brookfield's platforms are needed to support a plaza between its towers, as well as an atrium and possibly retail space. The buildings themselves will be rooted in the bedrock to either side of the trench.

The company's decking plan is unique because it involves building 30-foot-wide, 12-foot-high, and 8-foot-long T-shaped segments of the deck that are molded off site, then fused together to give them the strength to bear heavy loads, said Jim White, Brookfield's vice president of construction. A previous plan would have involved about 50 support columns, taken three years and cost about \$600 million. Now, only 21 columns would remain after completion.

Roslyn Viaduct

The idea was conceived in 2009, while the project was put on hold after the credit meltdown the year before. White said he was driving to his home in Oyster Bay, New York, when he stopped to admire the reconstruction of Long Island's Roslyn Viaduct. At about 3 a.m. the next morning, he popped up in bed with an idea.

White said he recalled how the engineers were extending precast concrete segments over Hempstead Harbor, dropping them into place using cranes. In his mind, he could see a similar system dropping in concrete decking over the west side trench, without disturbing the trackbed below. The next morning, he was on the phone with the viaduct's contractors.

The insertion of the concrete segments saves time and money by letting Brookfield create the sections and the equipment that will erect the deck offsite, while preparing the location for building at the same time, White said.

"You only want to be down there once," Chief Executive Officer Ric Clark said in an interview. "We eliminated the need to build structure that you don't need, and the net result is it's about half price."

Weekend Shutdowns

The plan needs the approval of train operators Amtrak and the Metropolitan Transportation Authority, and isn't without disruptions. Brookfield would build a 50-foot temporary bridge adjacent to Dyer Avenue, the western edge of the trench, which is also an entrance to the Lincoln Tunnel. That would require overnight weekend shutdowns of at least some of the train tracks beneath. There will also be coordinated late-night weekend outages as the platform sections are lowered into place.

Besides Amtrak, New Jersey Transit's commuter trains traverse the space. A train crosses the trench every two minutes during weekday rush hours, Clifford Cole, an Amtrak spokesman, said in an e-mail. Empty Long Island Rail Road trains also connect to the west side yards through the site.

Minimal Interference

The concept is "acceptable" because it would minimize interference with rail operations, said George Ehrhardt, director of engineering coordination for the Long Island Rail Road. "The devil's in the details but overall, and of course Amtrak is the driver, but it appears the concept is favorable."

Jim Richter, Amtrak's deputy chief engineer for structures, said he has seen an overview of the concept and called it a "good solution to a very tough problem." A more thorough review is still to be completed.

Billionaire Stephen Ross's Related has a different set of problems when it comes to decking over its site, which is cut into roughly equal 13-acre tracts divided by 11th Avenue.

The placement of footings is “a little tricky,” said Jay Cross, president of Related Hudson Yards. The western half is basically a train parking lot, with 30 tracks all parallel to one another, making platforming the area relatively simple, he said. On the eastern yards, the tracks come together as they feed trains to Penn Station.

Construction Complexities

The eastern yards also contain a control tower, which will be moved, a maintenance building that must stay, and a substation in the northeast corner which powers the trains as they move through the site. Two train tunnels that run below the site add to the complexity.

“You can’t be sure every place you think you can put a caisson, you actually can put a caisson,” Cross said.

The eastern deck should cost about \$800 million, down from about \$1 billion when the company was bidding for the site in 2008, Cross said. Much of the price reduction is due to a decline in labor costs since 2007, when construction was going “full blast,” said Michael Spiro, a Related vice president. The company also found ways to reduce the number of caissons to 188 from about 250, he said.

Related must provide an average clearance of 19.5 feet, or about 5 feet above the height of the railroad cars, to allow equipment to get in to reset a derailed train, said Ehrhardt of the Long Island Rail Road. The MTA has given the developer four years to complete the deck.

“The west side yards is critical to our LIRR operation,” he said. “We want to minimize disruption.”

Related has only spoken to the MTA about concepts and hasn’t submitted formal design documents, Ehrhardt said. Cross said the company would make its first submissions “imminently” and fill in more details over the next three months or so.

Tenant Demand

Related and Brookfield are in the process of marketing the towers to prospective tenants. Clark said Brookfield is seeing “meaningful demand” from financial firms, as well as media and entertainment companies, even as the world’s 50 largest banks announced almost 60,000 job cuts this year through the first week of August. Companies considering consolidating operations to new towers in New York include Citigroup Inc., Jefferies Group Inc., Credit Suisse Group AG and News Corp., according to Cassidy Turley, a commercial property broker.

Related is in late-stage negotiations with Coach Inc. (COH), the largest U.S. luxury-handbag maker, to take about 600,000 square feet in the first Hudson Yards tower, according to a person with knowledge of the discussions who asked not to be named because the talks are private. Cross declined to comment.

“Short-term news is not ultimately going to affect a 10- year, 20-year decision,” he said. “The resilience of the New York market standing up as well as it did post-’08 gives us reassurance for the future and gives us comfort for Hudson Yards.”