

# Stephen Ross Is Building New York City's Next Must-See Destination

The real estate giant has grand plans for an Eiffel Tower on the Hudson

[Vicky Ward](#) Feb 16, 2018

On the face of it, a gray October afternoon would not seem an auspicious moment to don a hard hat and clamber up inside the half-completed urnlike structure known as Vessel, a towering honeycomb that anchors the 18 million square feet of the Hudson Yards development on Manhattan's West Side, the largest private development the U.S. has ever seen.

Viewed from the top of one of the skyscrapers that constitute the perimeter of the development, which occupies the entire area from 30th to 34th streets between 10th Avenue and the West Side Highway, Vessel seems spidery and small. But as you approach it, through a park, even on a cloudy day the colors hit you, as does the scale.

*It's a city within a city, a little New York.*

Externally, it gleams. The coppery sheen of the surface (in fact it is stainless steel) is deliberately sophisticated and pure to emphasize the contrast with the exposed nuts and bolts of the rough-hewn interior, which resembles, to my prosaic mind, a set from the 1960s *Star Trek* TV series. I'm reminded of the shots in which Captain Kirk would look up from his chair and see the flight deck circling above.

I half-expect to find Spock or Bones peering down—precisely what Vessel's

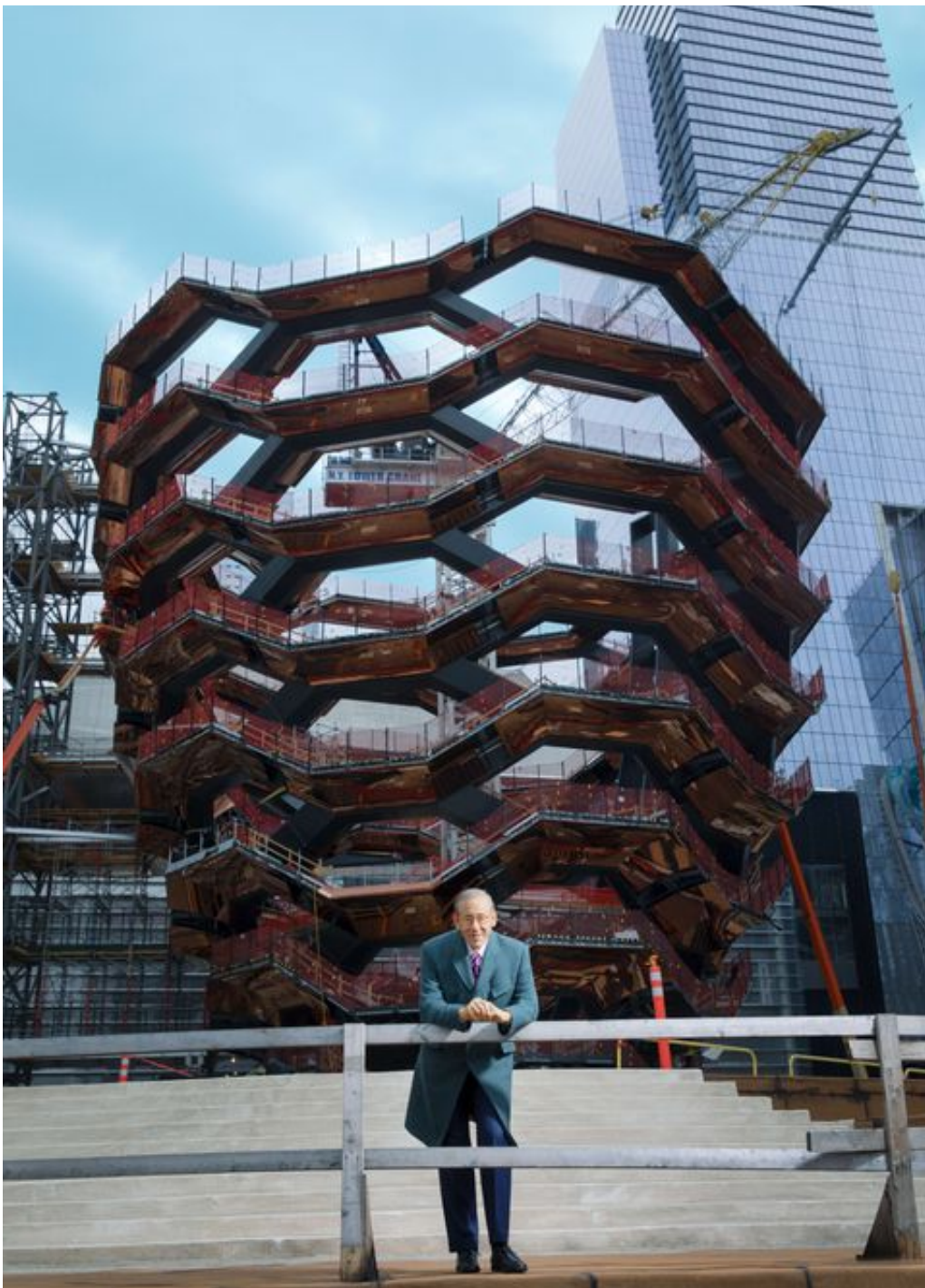
auteur, British designer Thomas Heatherwick, envisaged. “You might see your child looking down at you from four levels up, and your mum might be four levels down.”

In Vessel everything is interconnected by steps, 2,500 to be precise, going up, down, roundabout—dizzyingly, in the manner of an Indian stepwell. This is a climbing structure where it is more disorienting to look up than down. Even so, the view from the top is worth it.

“Here’s where you will get the marriage proposals,” says Joanna Rose, one of my tour guides, as we pause at a landing with a bench on the fifth floor. But the uses for the structure are infinite.

Heatherwick has had conversations with the New York Philharmonic, because the orchestra has 80 members and Vessel has 80 landings.

“Imagine,” he says, “a one-off performance with the orchestra dotted around and the audience walking among the players.”



Steve Ross in front of Vessel, currently under construction, at Hudson Yards on the West Side of Manhattan. Vessel will open to the public in March 2019.

## ALLISON MICHAEL ORENSTEIN

The idea is that Vessel, which opens in 2019, should not be a sculpture so much as a kinetic experience, offering a truly democratic kind of engagement. “You are not supposed to stand back and applaud it,” Heatherwick says. “It is meant to be a physical experience as well as a cerebral one. Something

fundamental in all of us wants to climb to the top of something, whether or not you like what it looks like. When people use their bodies, it affects their emotions. They laugh. They smile.”

Stephen M. Ross, the developer who commissioned it five years ago, cites both the Eiffel Tower and the Rockefeller Center Christmas tree as inspirations, because they are both markers of community, identity, and history that were originally meant to be ephemeral. “I couldn’t just do another development. It had to have a sense of place. It had to be a destination,” Ross says.

Heatherwick says the point of Vessel is to represent to generations to come the public-spiritedness behind the project. Hudson Yards is the first private development in New York on such a grand scale since John D. Rockefeller Jr. built Rockefeller Center in the 1930s. That was \$250 million for 22 acres; this is at least \$25 billion for 28.

Crucially, access to Vessel will be free. The structure may even be renamed, Ross says, if the public comes up with a good moniker organically. “I thought that was a better way for it to happen than to put a name on something, you know?” (At one point, a year or so ago, he had to be talked out of calling it “The Social Climber.”)

During the week Vessel’s visitors will most likely come from the estimated 56,000 people who will live or work in the futuristic community being built, which could subsist almost entirely on its own: The structure is surrounded by four towers (housing a mix of residential and office space), 4,000 apartments (some of which will be affordable housing), a hotel, 100 shops, 27 restaurants, a public school, and a five-acre park with access to the High Line, the popular former elevated train track that is now a mile-and-a-half-long landscaped promenade. “It’s a city within a city,” Ross says. “A little New York.”

New York real estate developers of a certain age and status tend to come in

two distinct breeds. Many want to boast about deals they've done, buildings they've owned (that group includes the current occupant of 1600 Pennsylvania Avenue). A much smaller group wants to make you feel the intensity of what they feel, to see their purpose in acres of concrete.

Steve Ross is one of the latter. Interviewing him on the 18th floor of his current headquarters, the Time Warner Center on Columbus Circle, feels like a master class in chutzpah. Ross may be 77, but his charm and energy are relentless. His confidence is softened by regular bellows of laughter and a few self-deprecating jokes. He gives it to you straight. You can see why blue chip brands trust him.

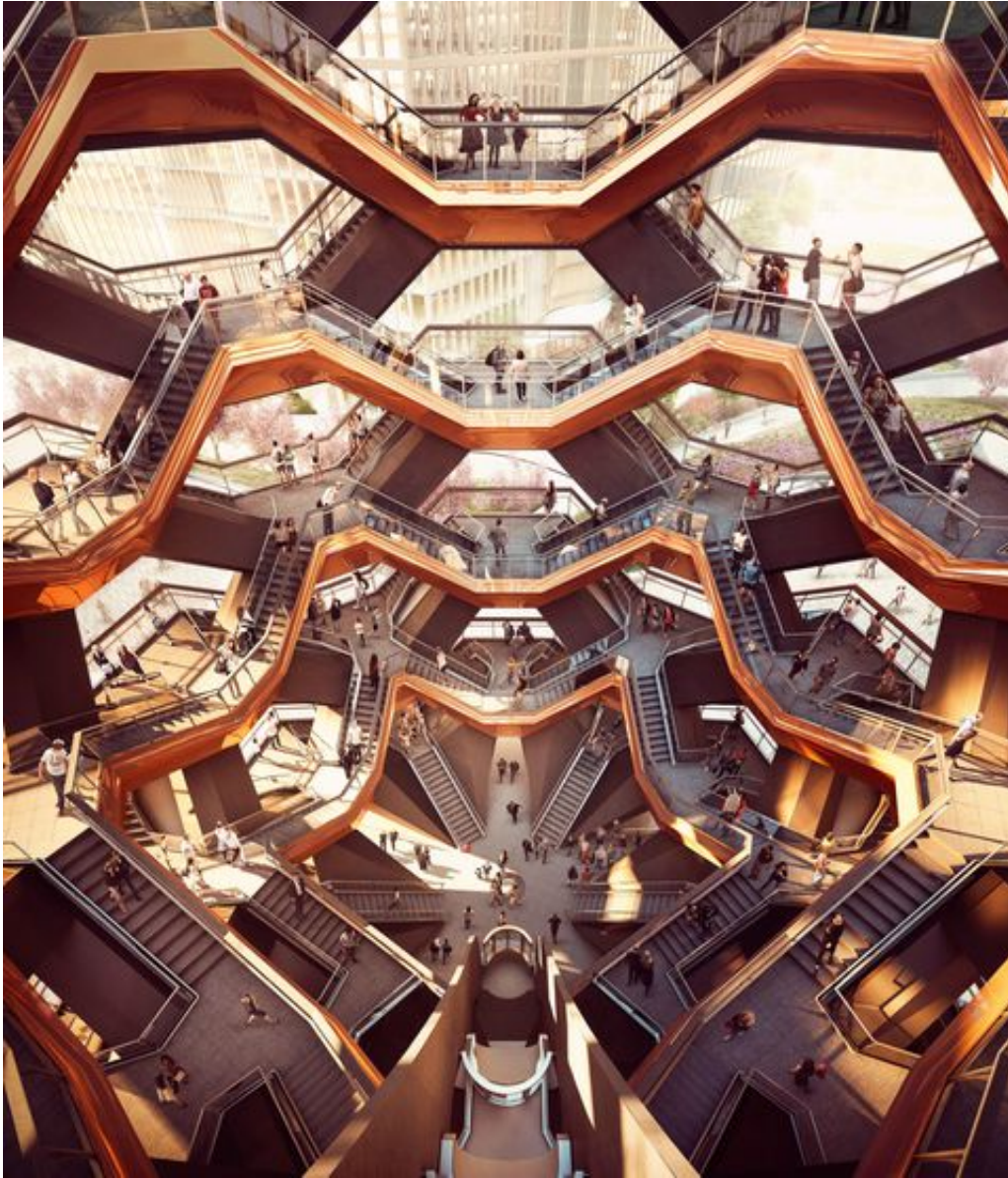
He recalls going to pitch Frédéric Rozé, the president and CEO of L'Oréal USA, at a time when Coach was the only company committed to Hudson Yards and the project looked like little more than a lot of idling commuter trains over which Ross audaciously planned to build a huge table to support his dream city. Vessel had not yet been conceived. "I had 45 minutes to sell this guy," Ross says. "I did a good job—we got them for 400,000 feet."

A brief history of how Hudson Yards came to exist demonstrates the perseverance that has played a big part in building Ross's estimated \$7.6 billion fortune. The development of the area over the tracks (the "yards" of the name) was referred to by multiple city administrations as "the last frontier" due to the overwhelming expense of doing it.

The project was made feasible by Michael Bloomberg's administration, which, in around 2005, cut through all sorts of zoning restrictions and came up with a \$2 billion plan to bring a subway line to the area. Bloomberg's initial idea was to help New York's bid to host the 2012 summer Olympics by building a stadium over the train tracks and then, after the Games, handing it off to the New York Jets football team. When that fell through, he was stuck with the subway.

In 2008, Ross won a competitive bidding process against other real estate

organizations to develop the area. Or he thought he had. He had Rupert Murdoch lined up as a tenant, but the day before the bidding Murdoch pulled out. “I had no hope,” Ross says drily.



Courtesy Forbes Massie

Tishman Speyer now had the project, but the economy was entering a downturn. Ross got a phone call. Would he be interested? “I asked to see the contracts,” he says. He struck a deal immediately. But within weeks the banking crisis hit. A lawyer by training, Ross came up with a creative way to reduce his risk: He inserted into the deal three triggers that would act as stalling mechanisms, giving the economy time to recover before the project

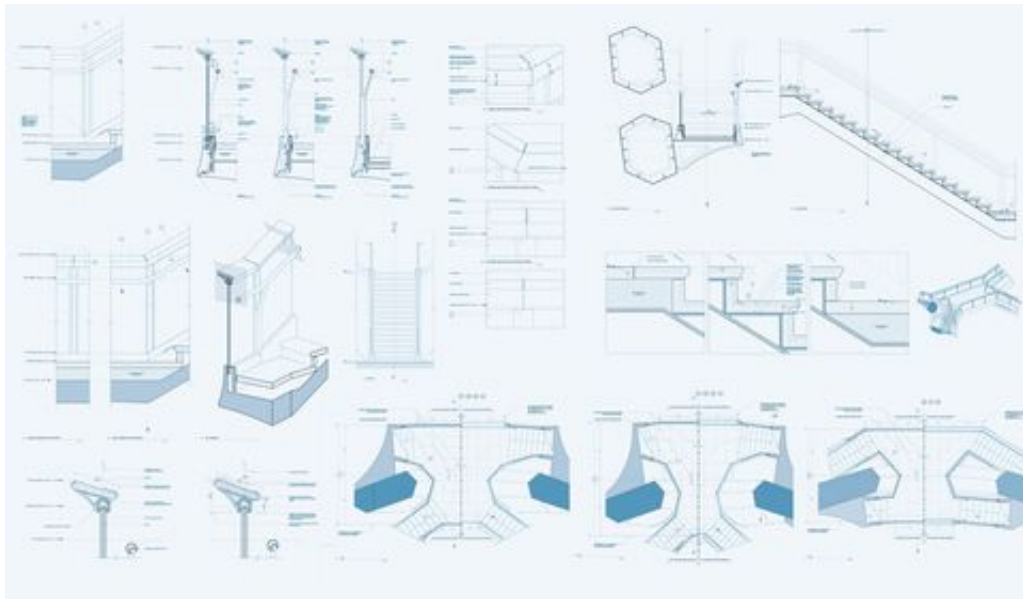
went ahead.

“Could I afford to lose the amount? Yes. Did I want to? No. Most people would not have taken that risk. I’ve always taken risks, and I feel comfortable taking risks—the old story: no risk, no reward.”

He quickly secured Coach and then L’Oréal as tenants for the tower at the corner of 30th Street and 10th Avenue. The landscape architect Thomas Woltz, of Nelson Byrd Woltz, was commissioned to design a park that would weave the entire development together. Ross also commissioned several sculptors, spending \$750,000 on mock-ups he was not satisfied with. Then a colleague mentioned Heatherwick. Ross did not know the designer, but he remembered being “blown away” by the Olympic torch Heatherwick had designed for the 2012 London Olympics, the so-called Cauldron.

Ross and Heatherwick talked for hours in New York. They met in London and talked some more. Heatherwick says he was excited and daunted by Ross’s vision but also extremely skeptical. “He was so ambitious. He wanted something so special and extraordinary, and I could see no obvious income stream for him, so I thought there was about a 2 percent chance it would happen.”

Heatherwick did not take Ross seriously when his various sketches were met with an ecstatic reception. “I am of the British school that thinks Americans are prone to exaggeration,” he says. When Heatherwick presented his final sketch pad for Vessel, Ross went through it with his partners. “I said, ‘We are doing it. I don’t care how much it costs,’ ” Ross recalls. (Vessel ultimately cost \$150 million.) “They thought it was crazy—too different.”



Ross envisions Vessel as a public beacon that people can climb and explore. "I couldn't just do another development," he says, "It had to be a destination."

## Heatherwick Studio

From then on, Ross kept the sketch pad in a filing cabinet; only he had the key. He would unlock the drawer in marketing meetings with CEOs with much fanfare, and they'd go through the book, which now is quite battered from having been thumbed through so often. It took just three years to sell the office space to the mix of tenants Ross wanted.

In addition to Coach and L'Oréal, commercial tenants include software giant SAP, the Boston Consulting Group, Vayner Media, Intersection, Sidewalk Labs, HBO, Time Warner, KKR, Wells Fargo, SAC, Point 72 Asset Management, Third Point, Silver Lake, and Black Rock, as well as chef Thomas Keller. Then there are the retailers: Neiman Marcus, Tory Burch, Stuart Weitzman, Jo Malone, Van Cleef & Arpels, Cartier, and Watches of Switzerland, which is opening its first showroom in the U.S.

Meanwhile, fabrication of Vessel took place in Monfalcone, Italy, where it was partially assembled to make sure everything fit. Then it was dismantled and shipped to New York. There was value in the mystery and anticipation surrounding the project, and Ross went out of his way to keep the details

from becoming public. Two years ago Ross walked into the Monfalcone factory on his birthday and was presented with a huge cake shaped like Vessel. He was surprised and thrilled—for a second. Then he destroyed it with a machete. “I said, ‘I don’t want anybody ever to see this.’ I didn’t trust anybody.”

Stephen Ross grew up in Detroit. His father David was an inventor who never made any money, but his mother’s brother, Max Fisher, was an oil and gas tycoon who was arguably Detroit’s most powerful businessman and, according to Ross, the first important American Jewish Republican, having become a go-between for Israel and Washington. Occasionally Fisher would give his sister a secondhand car or, even better to the young Ross, the best seats at sporting events his firm sponsored. Fisher’s influence is stamped all over who Ross is today. “I always felt if he can do it, I can do it,” Ross says. “Why is the University of Michigan business school named after me? Because the Ohio State business school is named after him.”

*Why is the University of Michigan business school named after me? Because the Ohio State business school is named after him.*

The flipside was that Fisher was always traveling. “There were a lot of negatives,” Ross says. “His kids were brought up by nannies; I said I would never do that with my kids.” (He has two daughters and two stepdaughters.) But as Fisher got older and slowed down, he and Ross became very close. Fisher was Ross’s best man at his 2001 wedding to jewelry designer Kara Gaffney.

“I would say he’s probably been the person I’ve respected the most, ever,” Ross says.

Ross trained as an attorney, specializing in tax law, and started work at

Coopers & Lybrand in Detroit, but he found he couldn't escape the label "Max Fisher's nephew." He moved to New York, to the corporate finance department at Bear Stearns, where he occupied the office next to that of Henry Kravis (now a tenant at Hudson Yards).

One day Ross brought in a deal, a potential public offering, and presented it to the higher-ups in corporate finance. Someone he will identify today only as "the Weasel" dropped the ball, never returning the phone calls of the company's point person, and the deal was done elsewhere. The Weasel sauntered into Ross's office the day after the IPO was spread across a full page in the *Wall Street Journal*. "What happened to that company?" he asked Ross. "They're waiting for your phone call," Ross deadpanned.

Soon afterward, Ross was fired. "It was the best thing that ever happened to me," he says. He wrote up a business plan he had been mulling at Bear Stearns to start a real estate company across all asset classes with an initial focus on building affordable housing. "I bootstrapped it," he recalls. He made money, and suddenly the bankers were lining up to help him raise money—on his terms. "I bought them for lunch."

He wanted to call his business First Housing but could not get permission across the country. Unlike many in his industry—Trump, Macklowe, Solow—he did not want to name the company after himself, because he believes the key to success is hiring people smarter than yourself. "People don't want to work for a person, they want to work for a company and be part of a company."

He also did not want to limit himself, even in those early days. "Everything is related," he said to himself as the name Related Companies dawned on him. "We're going to do housing, we're going to do development, we're going into management, we're going into equities—all the different parts."

Related Companies is one of the largest private real estate developers in the United States and also has numerous projects abroad. But it has not been all

smooth sailing. Ross recently said that Related nearly went bankrupt in the real estate crash of the early 1990s. He bounced back, though, and beat other developers to the chance to reimagine one of New York's most troubled sites, Columbus Circle. (As with Hudson Yards, the key was to find a blue chip anchor tenant. He used his panache to woo Richard Parsons, then CEO of Time Warner. The meeting reportedly took five minutes.)

Over the years Related has morphed into a behemoth that does far more than real estate. It owns Equinox and Soul-Cycle and a lower-cost fitness chain, Blink. Hudson Yards will house the first Equinox hotel, designed for travelers who want to keep up their fitness routines on the road.



View of some of the 28-acre Hudson Yards.

## Getty

In 2008, Ross bought the Miami Dolphins of the NFL, “because I wanted to win.” He found that owning a sports team opened doors that, he says half-jokingly, are ordinarily open only to beautiful women and professional athletes. “Owning a football team gives me the ability to do things other people can’t do.”

In 2015 he founded the Ross Initiative in Sports for Equality (RISE), a forum where leagues (representing all sorts of sports), educators, broadcast networks, and athletes come together to address racial inequality on the field and off. “I think that, because he grew up in Detroit, he has seen how racial issues can hold cities back,” says Jocelyn Benson, CEO of RISE.

Ross’s concern backfired on him in October, when President Trump accused football players who knelt during the national anthem to protest civil injustice of lacking patriotism. Ross had been one of the first supporters of the players’ right to kneel, but he quickly changed his position and said they must stand. He explains that in his mind there was no flip-flop.

“Trump changed the issue from civil injustice to one of patriotism when he wrapped it up in the flag,” he says. “I didn’t change my mind at all. I looked like a hypocrite, but the people who knew me understood, so I just let it go.” Benson adds, “Stephen is all about impact, so when we got distracted by the reframing of the narrative, he wanted to reframe our narrative.”

Max Fisher too had focused on racial inequality; he helped rebuild Detroit after the 1967 riots. He was also a major benefactor of the Detroit Symphony Orchestra, and today the orchestra’s hall is called the Max M. Fisher Music Center or, more simply, the Max. Ross has outdone his uncle in both the range and size of his philanthropic endeavors, but his interests are similar.

“I love cities, so I’ll be doing things that make cities better places,” he says. In 2004 he gave \$100 million to his alma mater, the University of Michigan; its business school is now the Stephen M. Ross School of Business, and he has subsequently donated nearly \$300 million more to the university.



Ross with quarterback Matt Moore of the Miami Dolphins.

Getty

“Stephen is different from other people in the real estate world,” says James Harmon, chairman of the board of the World Resources Institute, a sustainability research nonprofit, on the board of which Ross has served for a decade. “He realized that if you want to change the world you have to get cities right.”

So three years ago Ross founded the WRI Ross Center for Sustainable Cities, with its own staff and board, at a reported cost of more than \$30 million. “I think he founded the Ross Center as a way to create his legacy,” Harmon says, adding that in 2018 the center will award its first \$250,000 WRI Ross Prize for Cities to an urban project that has been transformative. “The idea is that this prize will become as recognized as the Pritzker Prize is for architects.” The prize will be handed out at the Shed, the new cultural space on the southern edge of Hudson Yards, where Ross serves as a board member.

There’s no knowing where his focus will land next. A few years ago Ross ran into an old acquaintance, Susan Solomon, the CEO and co-founder of the New York Stem Cell Foundation. He was starting to suffer from macular

degeneration and was fascinated by her work. “Susan is fantastic. She’s not a doctor, she’s not a scientist, and yet she created this thing all herself,” he says. Solomon tells me she asked Ross for advice about where to move her foundation. Instead of giving it, he assigned a colleague, Bruce Warwick, to supervise the renovation of a 40,000-square-foot space for her labs and offices off 11th Avenue. Now he’s under-writing the foundation’s first clinical trial in macular degeneration.

When it comes to Ross’s legacy, he is surprisingly shy, perhaps because he doesn’t like to be tied down, to be identified with just one thing. “I love owning a sports team, but I don’t live in that city. I would hate to live in a city where I owned a team, because that is all I would be known for.” Almost reluctantly he says he will soon be forming a new foundation “that will be very substantial” and deal with racial equality, cities, the arts, healthcare, and education. The details are still being worked out.

But in the end, Vessel and its surroundings would not be the worst thing to be remembered for. Heatherwick sees Vessel almost as a metaphor. “It’s a mark of extraordinary generosity,” he says. “It’s one more mile of extra space, climbing into the sky—for free. It will stand for decades and decades, through hurricanes and disasters.” Which makes it the perfect monument to Ross’s dreams. “We started from scratch and became the largest real estate developer in the world, doing the highest-quality projects,” he says. “I’ll be known for that. I’ll be known for Hudson Yards.”

**Portraits by Allison Michael Orenstein**

***This story appears in the March 2018 issue of* Town & Country.**