

Biggest Building Site in Manhattan Up for Auction

By [CHARLES V. BAGLI](#)

It is the largest building site left in Manhattan, 26 acres on the Far West Side, where the Bloomberg administration envisions the equivalent of five Empire State Buildings rising on \$1 billion worth of concrete columns over bustling railyards.

And starting next month, some of the city's biggest developers will have a chance to bid for the rights to make that grand — some say grandiose — plan real.

“The city hasn't done anything like this before, certainly not in Midtown,” said [Daniel L. Doctoroff](#), deputy mayor for economic development and rebuilding. “We want to create a 21st-century Rockefeller Center.”

Known as Hudson Yards, the project is central to one of Mayor [Michael R. Bloomberg](#)'s longstanding ambitions: to transform the heavily industrial Far West Side into the city's third business district, after Wall Street and Midtown, with not just high-rise office and apartment towers, hotels and parks, but also an expanded Jacob K. Javits Convention Center nearby.

The challenges are daunting. Developers say it will probably cost \$1 billion to build platforms over the yards for skyscrapers as tall as 70 stories, and the work must be done while Long Island Rail Road trains are running. Some residents want assurances that the development will include permanent housing for poor and working-class families. And a sharp debate is emerging over whether to tear down the northern end of the High Line, an unused railroad structure that is being converted to an elevated park south of 30th Street.

The plan, which is likely to take more than a decade to complete, calls for the construction of 12.4 million square feet of commercial, residential, recreational and cultural space over the railyards, which span 11th Avenue between 30th and 33rd Streets. It is Mr. Bloomberg's second attempt at developing the yards: His first attempt, which involved building a \$2.1 billion stadium for the Jets football team, crumbled in the face of opposition in the neighborhood and in Albany.

The city and the Metropolitan Transportation Authority, which owns the land, are working together to develop the railyards. The project must go through the city's lengthy land-use review process, but unlike the plan for a football stadium, it will not require approvals in Albany.

The city and transit officials say they will begin an auction for development rights over the parcel next month, and they expect five of the city's biggest developers to bid. They also plan to hire a contractor this summer to begin drilling work for the extension of the No. 7 subway line from Times Square to 11th Avenue and 34th Street.

“The Hudson Yards are one of the most expensive and complicated developments ever to be undertaken,” said the developer Douglas Durst.

Mr. Durst has formed a partnership with Vornado Realty Trust to bid for the property. Extell

Development Company also expects to bid, as does Brookfield Properties, and Tishman Speyer Properties, which real estate executives say may have an alliance with [Lehman Brothers](#) as a tenant. Tishman Speyer declined to comment, but if such a collaboration exists, the company would immediately jump to the front of the race.

Debate over the plan has focused on two potentially conflicting demands: that the development provide public benefits, like subsidized housing, parks and other amenities, and that the Metropolitan Transportation Authority get the highest possible price for the land.

Developers insist that any requirements for affordable housing or parks will increase their costs by \$100 million, reducing the price they can pay. Critics contend that the sale of public land should lead to community benefits, and that the cost of those benefits is a small price to pay for a rare commodity: land in Manhattan.

“It’s a vast undertaking, and it pitches these competing public goals against each other,” said Anna Levin, a member of Community Board 4. “I understand that the entire burden shouldn’t be placed on developers. But this is a public undertaking. There have to be public resources that can be brought to bear, otherwise this will become a gold coast that doesn’t serve the entire city.”

Although the Bloomberg administration failed to win legislative support to build the football stadium over the railyards in 2005, it did succeed in a more far-reaching goal: rezoning a wide swath of the West Side, including 45 blocks outside the railyards, for large-scale development. However, the portion of the railyards west of 11th Avenue still needs to be rezoned and to go through a public review process.

Last year, the Metropolitan Transportation Authority rebuffed the city’s offer to buy the development rights to the yards for \$500 million, saying it was too little. The two sides then agreed to create a strategic development plan for the yards, which is now complete, and put them up for sale.

The winning bidder would be assured of state and city support — though not necessarily community backing — during the lengthy public review, which can be unpredictable for a developer. Last week, the city and state publicly unveiled the plan, which calls for up to 5.7 million square feet of residential and commercial development on the western portion of the yards.

Under the proposal, towers as high as 70 stories are pushed to the north and south sides of both the western and eastern yards. There is public space at the center of the eastern yard that would connect to a tree-lined boulevard that the city wants to build from 39th to 33rd Streets between 10th and 11th Avenues. The open space is designed to draw pedestrians across the western yard, to the waterfront.

One of the thorniest issues concerns the fate of the High Line, which some people want converted into a park all the way to its northern terminus inside the Hudson Yards area. The city already plans to turn the railway into a park from 30th Street south to Gansevoort Street, where the mere promise of an elevated park has helped spur a residential boomlet in west Chelsea.

But state and city officials have expressed concern that keeping the High Line inside Hudson Yards could impede the already difficult task of construction. At least one critic, Mr. Durst, said retaining the line would add \$100 million to the cost of construction.

“Any additional complications will subtract from the value the M.T.A. receives, and leaving the High Line in place will have a substantial effect on that value,” Mr. Durst said.

But Friends of the High Line, an advocacy group, contends that retaining the rail structure will cost only about \$800,000, with the benefits outweighing any problems.

“You don’t often have the opportunity to take a piece of the city’s industrial infrastructure and reuse it

in an interesting way, to connect west Chelsea, Hudson Yards and the waterfront,” said Robert Hammond, a leader of the group. “It’ll be a great park that’ll serve the city as well as Central Park.”

At a community board meeting last week, an official with the transportation authority said for the first time that the authority supported retaining the High Line, although it also wanted to maximize revenues for rail operations. Privately, one official indicated that the authority did not want the High Line venture to cost it more than \$25 million.

Elliot G. Sander, the executive director of the authority, said he was trying to work out the housing issue and had set aside land controlled by the authority outside the railyards for subsidized apartments. Officials say bidders will be asked to submit offers based on keeping or demolishing the High Line.

There are other snags in the Bloomberg administration’s plans for the Far West Side. The long-awaited expansion of the Javits Convention Center is stalled while the Spitzer administration continues its review of the \$1.8 billion project, which has come under criticism from trade show producers. That, in turn, has held up plans to sell land across 11th Avenue from the Javits center, for a convention center hotel, as well as the block between the center and the western railyard.

But the administration is eager to show progress while the real estate market is hot. So officials say the request for bids on the railyards will be issued no later than early June.

“This is for the future of New York, so it’s not going to be done overnight,” said Stephen M. Ross of the Related Companies, one of the city’s most active developers. “I don’t think there’s ever been anything like this, on this scale.”