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## Balking Over Public Space

*Related Cos. Seeks to Opt Out of Paying for New Park on Border of Hudson Yards*

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Landlords are coming together to pay annual dues for upkeep and improvements to a new city-owned park being developed on Manhattan's far West Side.

But there's one notable exception: the developer of the 26-acre Hudson Yards project at the southern edge of the planned park.

Executives at Related Cos.—which is planning to develop office buildings, stores and apartment buildings on its huge site—have told people working on the park that they don't feel Related should have to contribute to its upkeep. The executives have pointed out that Related is already on the hook for funding the maintenance and operations of more than 12 acres of open space planned on its site given a prior agreement with the city. Company executives see another fee for maintenance in the area as a form of double taxation.



Other landlords in the area don't agree. "They should be paying the same thing as everybody else does," says Oskar Brecher, director of development for Moinian Group, which owns a site in the area.



The new park, planned to run from West 33rd to West 36th streets for its first phase, is expected to open in 2014. While the city paid for construction, it never made a commitment to pay for much of its upkeep, leaving open the question of how it would be funded.

Instead, neighborhood property owners and community leaders are working on creating a so-called "business improvement district" that would require owners of commercial and some residential buildings to pay annual fees for park maintenance and other services for the area. Fees would range from \$1 for owners of residential condos would exceed \$10,000 for some owners of larger, newer buildings before more developments are finished and share the burden.

The question is what should be the boundaries of the district? Its plan calls for it to cover a large swath of the West Side, stretching from West 30th Street to West 42nd Street, and from Ninth Avenue to the east side of 11th Avenue. Landlords would pay based on a formula that takes into account the square footage, assessed value and type of property.

But that proposed area would include the eastern half of Related's 26-acre development. Related feels the boundaries of the BID should be redrawn to exclude it, as the company sees its project as benefiting less than the buildings that border the park. "We are supportive of the creation of a BID to provide enhanced services to the new neighborhood and maintain the new Hudson Park and Boulevard, funded by the properties that border it and will primarily benefit," a spokeswoman for Related said in a written statement.

Related also owns another West Side property near the new park and within the boundaries of the BID that it believes would be fair. Related is willing to make contributions to the BID for those properties but not for those in Hudson Yards.

Other landlords in the area argue that tenants in Hudson Yards are sure to use the new park to the north as well as the open space in Related's project. "When a person walks up to one open space, they're not going to see artificial boundaries," says Joe Restuccia, the executive director of Clinton Housing Development Company, a

nonprofit housing developer in the area who is on the BID steering committee. "The whole thing is one whole—it's meant to be seamless and Related should be part of it."

Barbara Cohen, the consultant for the BID, says the planning committee—of which Related is a member—is negotiating with Related on a special formula that would charge them a lesser rate and allow them to start paying later.

"We see it as a separate category, having a lot of relief compared to other properties. It results in a fair and reasonable contribution," Ms. Cohen says.

Because the formula is already designed to accommodate properties differently, she says this doesn't amount to special treatment. "The truth of the matter is whether it was Related or ABC corporation that held that site, it's not about the owner. It's about the site's uniqueness," Ms. Cohen says.

On its website for its rail yards development, Related touts the "broad tree-lined parks and open space" planned for the new park in a list of public investments in the area that the website calls "especially beneficial for Hudson Yards."

Other properties will clearly see a big benefit from being even closer to the new park than the Related site. For example, Moinian Group's site sits directly on the new park.

"As opposed to having a roadway, our building is directly on the park. The east side retail opens up directly onto the park," Mr. Brecher says.

Nonetheless, Mr. Brecher says his position is that Related should contribute on the same basis as other landlords. He points out that the deal Related got when it was named developer of Hudson Yards includes "both ups and downs," and the company's contention that its site should be viewed differently than other landlords isn't an argument that "holds water."