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## Super-Size Me: Moinian to pay \$200M for Hudson bonuses

Purchase adds 1 million sf of density

By Rich Bockmann



From left: Joe Moinian and 3 Hudson Boulevard Photo by STUDIO SCRIVO

UPDATED, Feb. 3, 12:54 p.m.: Taking the next step toward putting its latest mark on the Far West Side skyline, Joseph Moinian's development firm is planning to write a check north of \$200 million to buy building bonuses for its 67-story, mixed-use office tower in Hudson Yards, The Real Deal has learned.

The Moinian Group's 3 Hudson Boulevard, which is pegged to cost a total of \$1.6 billion by the time the fat lady sings, filed an application with the Department of City Planning seeking a pair of density-boosting programs the city offers to buildings in the Hudson Yards area. The bonuses total approximately \$204 million.

Sitting at the corner of 11th Avenue and 34th Street, Moinian's development site is on one of the "Four Corners" just north of the Related Companies' massive project spanning the Metropolitan Transportation Authority's east side rail yards, where the city has designated the densest zoning in the Hudson Yards neighborhood.

But only a portion of that FAR comes as-of-right. The rest must be purchased through a duo of local development corporations set up amid the neighborhood's 2005 rezoning in order to fund infrastructure improvements such as the 7-train extension and the mid-block park planned for the area.

Moinian's property, for which it paid \$57.5 million in 2005, comes with roughly 470,000 square feet of buildable space, or roughly 30 percent of the building's above-ground bulk of 1.5 million square feet. To get to the next level, the company will pay the nonprofit Hudson Yards Infrastructure Corporation \$46.8 million for another 373,072 buildable square feet, the application shows.

Once that reserve is exhausted, Moinian can then purchase air rights created over the rail yards by the rezoning. The firm has applied to buy 699,510 square feet of these rights, which are priced based on an assessment of the receiving site.

Late last year the company told TRD that a preliminary calculation pegged the cost of the bonuses in the mid-\$300 per square foot range.

Now, the firm says that the number is about \$225 per square foot, placing the total cost at roughly \$157.4 million.

Moinian expects to break ground this year and complete the building in 2019. Elsewhere on the "Four Corners," Related and majority partner Mitsui Fudosan America broke ground earlier this year on 55 Hudson Yards, the \$1.4 billion, 55-story tower set to open its doors in 2015.

Related filed an application late last year to purchase an estimated \$180 million in building bonuses, as TRD reported.

On the opposite end of the block at 10th Avenue, Tishman Speyer's application for its 2.6 million square-foot office tower has not yet been made public, though the developer has put a \$3.2 billion price tag on the project.

Correction: A previous version of this post misstated the square footage of the eastern rail yards development rights, resulting in an incorrect total cost. The cost and purchase date of the development site were also stated incorrectly.