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## LEGACY BUILDING

### PRESSING AHEAD THROUGH THE RECESSION WHILE RETOOLING THE DEVELOPMENT AGENDA

By Colby Hamilton



In promoting a third term, Mayor Michael Bloomberg had few bigger boosters than the real estate industry.

Major developers like Jerry Speyer and Steven Ross were reportedly early backers of his re-election bid. Bloomberg himself cited the need to see his rezoning efforts across the city through to fruition as justifications for staying in office.

Six months in to its third term, the Bloomberg administration's commitment and ability to continue remaking the city have been snagged in part by a real estate market struggling to rebound. And some see a signal of the mayor's priorities for a third term in replacing Bob Lieber

with Bob Steel, swapping a real estate background for a banking background.

“It doesn't necessarily mean they're going to abandon development commitments to fend for themselves, but it does mean he wasn't looking for another real estate person,” said Ken

Fisher, a former Council member and real estate lobbyist at Cozen O'Connor, of Steel's selection.

The administration is forging ahead with projects that will make up the Bloomberg legacy, even as uncertainty about the viability of New York City real estate development haunts public and private projects alike.

“I think in Bloomberg’s first two terms his objective was to set into place the opportunities for longer-term projects to happen and, with the third term, they now have the ability to actually implement those projects,” said Steven Spinola, president of the Real Estate Board of New York.

At the end of 2009, the Department of City Planning celebrated its 101st rezoning under the reign of Bloomberg, marking a full quarter of the city that will be reconfigured by the end of 2010. Even in the bust-out years, Bloomberg officials say, progress will continue to be made.

“For the most part, things are moving forward as planned,” David Lombino, spokesperson for the New York City Economic Development Corporation, said. “In a couple instances, timelines have been slowed and adjusted to account for an economy where there’s not as much building going on as a few years ago, but, for the most part, things are going quite well.”

Developers like Jeffery Levine of Levine Builders are counting on the city to move development forward during this time of uncertainty.

“I think the next three and a half years are a wonderful time for the city,” Levine said. “If anything, this downturn in the economy—because of the lower cost of building and historically low interest rates—is almost better for the creation of affordable housing than it was during the boom years.”

Levine pointed to projects like Hunter’s Point South as evidence of the city’s continued commitment to development during the current downturn.

“This administration is not sitting still.

It’s got a long-term game plan and they’re doing everything they can to follow through with it,” said Richard Anderson of the New York City Building Congress. “The key to the market for some years to come will be government.”

While the administration and some private developers remain optimistic about the mayor’s ability to move development forward over the coming years, there is not a uniformity of opinion. According to one industry source, the prevailing view, if not openly admitted, is that a sustained rebound in the city is unlikely anytime soon. There is even uncertainty about the wisdom behind the massive rezoning over the past few years, which have left some neighborhoods with a glut of empty or unfinished projects.

“Given the current economy, it’s unlikely there will be significant change in the skyline over the next three and a half years,” said real estate lobbyist Michele De Milly.

Whatever doubts may be circulating in conference rooms and over lunch meetings, Amanda Burden said that they have not yet made their way to her office at the Department of City Planning. The department is moving ahead at full capacity on a number of projects.

“We’ve never been more busy,” Burden said. “People want to get their applications in for when the market snaps back.”