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Subway Extension Reaches Milestone

By Paul Bubny



Tunnel excavation

NEW YORK CITY- In what City Council Speaker Christine Quinn on Thursday called “a great day for the West Side and the future of New York City,” the year-long tunneling project on the Number 7 subway line expansion was completed. City officials held a ceremony marking the completion of the first phase of a \$2.1-billion project to bring the subway line to what will eventually be the Hudson Yards redevelopment.

“For decades, people have talked about the Hudson Yards on Manhattan's Far West Side as a potential opportunity to provide new office space, housing, parks and jobs adjacent to the world’s premier business district, but nothing ever happened,” says Mayor Michael Bloomberg in a statement. “We’re acting to make sure that it does.”

Up next will be work on station entrances and finishes and support facilities such as ventilation and traction power substations. The new service is expected to open in December 2013, according to the Metropolitan Transportation Authority.

Whether that new service includes a stop at Tenth Avenue and 41st Street, a block east and seven blocks north of its current terminus at Eleventh Avenue and 34th Street, remains to be seen. The Tenth Avenue stop was originally planned but was scrapped in 2008 when the Hudson Yards Development Corp. said the funding

wasn't there to build two stations. However, following a lobbying campaign led by the Real Estate Board of New York, the Bloomberg administration earlier this month said it was applying for \$3 million in federal TIGER II grants for a feasibility study on reinstating the Tenth Avenue station, which would cost about \$550 million to build—money neither the MTA nor the city says it can spare.

As reported in the *Wall Street Journal* earlier this month, the administration's proposed redesign of the Tenth Avenue stop would entail building a station with two entrances and two separate platforms, one for eastbound trains and one for those continuing west to the line's new terminus at Eleventh Avenue. This would allow the station to be built after the rest of the extension is completed, assuming that funds become available.

Completion of the tunneling portion of the 7 line extension, which involved a pair of 1,000-ton tunnel boring machines, occurs a few weeks after another milestone in the redevelopment of Manhattan's Far West Side. In late May, Related Cos.—originally chosen in 2008 to develop the Hudson Yards project—announced that it had signed a binding contract on a 99-year lease with the MTA for the 26-acre site. It came to the agreement with a new general partner, Oxford Properties Group, the real estate investment and development arm of Canadian pension fund OMERS, the Ontario Municipal Employees Retirement System.

The new agreement, approved by the MTA's board this past spring, delays closing on the project until certain triggers are reached in the city's real estate market. Related will not be obligated to close on the deal, and start paying its 99-year lease, until Midtown's office availability rate declines to 11%, apartment sale prices reach an average \$1,200 per square foot and the AIA Architectural Billings Index hits 50.

Currently, the availability rate in Midtown is 13.7%, according to CB Richard Ellis, while Prudential Douglas Elliman puts the average apartment price at \$1,051 per square foot. Work on the Hudson Yards project, which will also include construction of elevated platforms over the Eastern and Western Rail Yards that are in daily use by the MTA's Long Island Rail Road, is expected to begin after the 7 extension is done.