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Analysis Shows Hudson Yards' Impact on City's Economy

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Hudson Yards, the largest private development project in New York City, will cost more than \$20 billion over 13 years and contribute nearly that much annually into the city's gross domestic product, according to a report to be released Monday morning.

In addition, when the 28-acre mixed-use development is fully built and occupied, it will employ 55,752 people who will make an average of \$175,000 a year, according to the

38-page analysis from consulting firm Appleseed.

Titled "An Investment That's Paying Off: The Economic and Fiscal Impact of the Development At Hudson Yards," the release of the analysis will coincide with a panel about the project at a Crain's breakfast.

Former deputy mayor Dan Doctoroff, U.S. Sen. Chuck Schumer and Stephen Ross, chairman of the Related Companies, which is behind the project, will discuss its future.

The analysis found that from 2012 through 2025, more than \$20 billion will be spent on the project, including employing approximately 7,030 construction workers annually. The work accounts for about 16 percent of the total increase in construction employment in the city from 2011 through 2014, Appleseed found.

In addition, the companies operating out of the office towers being constructed on the site will contribute close to \$19 billion a year to the city's gross domestic product, which is about 2.5 percent of the citywide GDP, according to the analysis.

The project is being built on the far west side of Midtown Manhattan, over the MTA's rail yards. The developers must make ground lease payments to the MTA during and after construction.

The 14-year construction period will generate more than \$1.7 billion in revenue for the MTA, and upon completion, the development will pour another \$89 million a year in ground lease payments and dedicated MTA

taxes for the authority—enough to renovate four subway stations, according to the analysis.

"Development of Hudson Yards will also help knit together the neighborhoods of Manhattan's West Side in a way they have not been previously," the report concluded. "With the completion of the third segment of the High Line and its connection to Hudson Park & Boulevard, the West Side will now have a continuous connection from the West Village to Hell's Kitchen."

Among the commercial tenants who have committed to space in Hudson Yards are Time Warner, occupying 1.4 million square feet; Coach, taking 715,000 square feet; and Wells Fargo, with 501,000 square feet.

All told, Hudson Yards is spread over 17 million square feet of space and includes five office buildings with a total of 10.4 million square feet, eight residential towers taking up 4.6 million square feet and accounting for 3,900 units and a 1-million-square-foot retail complex. It will also be home to a public school, open space, a culture shed and an outdoor observation deck.

