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STARTS ON PAGE NY1

New York

NEW JERSEY, NEW YORK

**TOP
STARTS****ENR**NewYork Ranks The Largest Projects Started In The Last Year**NYC COMMERCIAL
WORK LEADS REGION'S
LARGEST PROJECTS**Office buildings and other nonresidential projects showed strength in 2016 as the frenetic residential sector cooled **BY ALISA ZEVIN**

SKY HIGH A rendering of One Vanderbilt, which will be the second-tallest building in Manhattan when completed in 2020.

Construction starts in New York City fell 22% in 2016 as key market sectors cooled off, according to new tallies supplied by Dodge Data & Analytics. However, starts still totaled \$32.2 billion and are 33.6% higher than the average over the last five years.

The construction market slowdown was most profound in the city's superheated residential market, with

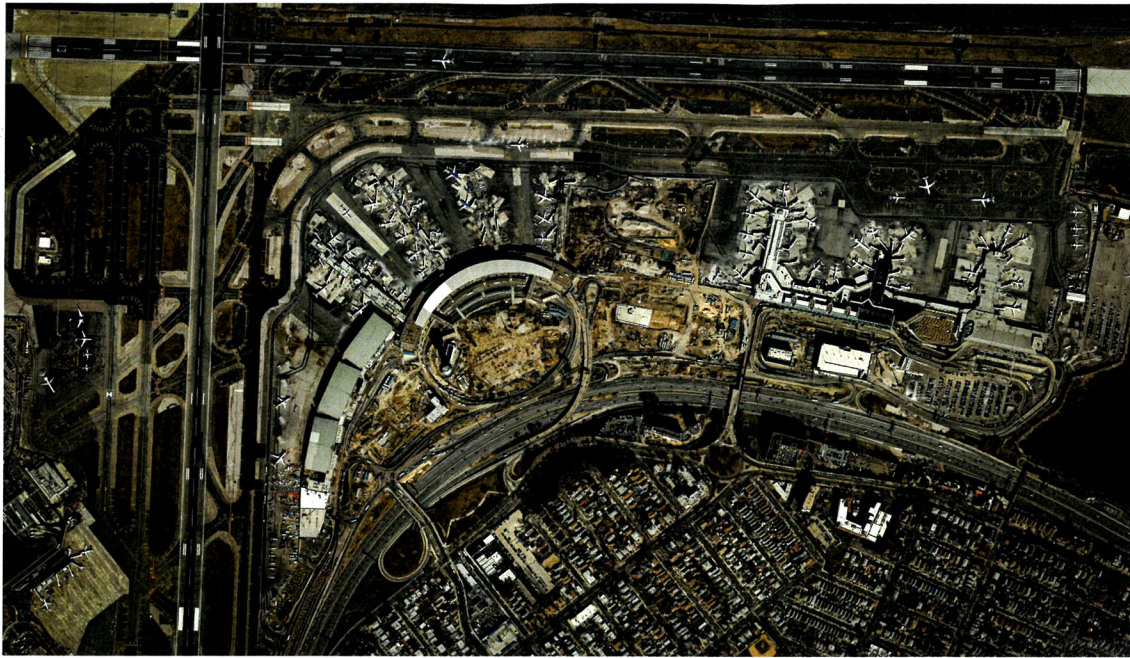
new starts falling 41% to \$11.5 billion from last year's \$19.5 billion total.

"There was really no way that the residential sector would be able to maintain the blistering pace of new construction that was set in 2015," says Carlo A. Scissura, New York Building Congress president and CEO. "That said, it's extremely encouraging to see \$11.5 billion in new housing construction last year, despite the expiration of the 421a tax abatement program and the huge number of apartments that were already in the pipeline in 2016."

The original abatement program, created in 1971 to offer tax exemptions to developers to include affordable housing as part of residential projects, expired in early 2016 in a dispute between builders and unions over prevailing wage terms. A replacement that is now being mulled by state legislators includes set wage rates for Manhattan, Brooklyn and Queens and is strongly supported by Gov. Andrew Cuomo. Mayor Bill de Blasio has expressed concern over added costs to the city.

Construction starts in the city's public sector also experienced a slight drop in 2016. The \$3.4 billion total reported by Dodge is 5.6% lower than the \$3.6 billion reported in 2015 and marks the third consecutive year of decline.

But Scissura is optimistic about future market



growth, citing recent plans announced by Cuomo and de Blasio to upgrade mass transit, airports, energy supply and water treatment facilities throughout the region.

Scissura notes that construction in the five boroughs reached more than \$70 billion over the last two years. Nonresidential starts accounted for \$17.3 billion worth of construction in 2016, only a slight decline from \$18 billion the previous year, according to Dodge.

Among the largest projects to break ground in 2016 was developer SL Green's One Vanderbilt, a \$3.1-billion office building near Grand Central Station. Designed by Kohn Pederson Fox Associates, the 57-floor, 1,401-ft tower will be the second-tallest building in New York City when completed in 2020.

The LaGuardia Airport redevelopment was the largest project to break ground last year. The nearly \$4-billion project is a public-private partnership between the Port Authority of New York and New Jersey and LaGuardia Gateway Partners—a development team that includes Vantage Airport Group, Skanska and Meridian Infrastructure. Joint venture Skanska-Walsh leads design-build, supported by partners HOK and WSP | Parsons Brinckerhoff.

Richard Cavallaro, president and CEO of Skanska USA, says upgrades to the airport “will restore a critical component of our domestic air transportation network.” The redevelopment will include a new terminal B and a pedestrian walkway between

that structure and the new west garage. Additional upgrades will include public airport roads improvements, a new central heating and refrigeration plant and other enhancements.

Region's Health Care, Power Needs

Elsewhere in the New York-New Jersey region, there were noteworthy starts. These include the Vassar Brothers Medical Center Patient Pavilion in Poughkeepsie, N.Y., that broke ground in September. The \$500-million, 696,000-sq-ft project will include an emergency and trauma center with 66 treatment rooms, a 30-bed critical care unit and 264 private patient rooms. Completion is set for 2019.

In New Jersey, 99 Hudson Street in Jersey City began construction early last year. The 95-story, mixed-use condominium tower was developed by China Overseas America and designed by Perkins Eastman Architects. When completed in 2018, the 990-ft-tall structure will be the state's tallest building.

Utility PSE&G's new 540-MW power plant, Sewaren 7, also broke ground last summer in Woodbridge, N.J., and is expected to finish in two years. The \$600-million project, cited in media reports as the utility's largest and most expensive power plant to be built in the state, will replace the nearly 70-year-old Sewaren switching station that was heavily damaged by Superstorm Sandy in 2012. Black & Veatch was named as project EPC contractor.

TAKING FLIGHT An aerial view of the LaGuardia airport redevelopment project.

ON THE WEB

For information on other projects under construction in the New York region, visit enr.com/newyork.