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U.S. | NEW YORK | NY REAL ESTATE COMMERCIAL

Developer Sees Manhattan Office Tower as a New Landmark

SL Green's One Vanderbilt will stand next to Grand Central Terminal and will soar over the Chrysler Building



A rendering of One Vanderbilt, a 1.7-million-square-foot skyscraper that will be built in Manhattan's East Midtown office district. PHOTO: SL GREEN REALTY CORP.

By **KEIKO MORRIS**

The mammoth East Midtown office tower to be known as One Vanderbilt will rise 1,401 feet and taper into a slender pinnacle intended as an emphatic addition to the Manhattan skyline.

“It is what announces we are embarking on a new age of what will become the next generation of the city’s landmarks,” said Marc Holliday, chief executive of SL Green Realty Corp., the tower’s developer.

The desire to create a new landmark is only one of the story lines associated with the construction of One Vanderbilt, which will be built next to Grand Central Terminal and, when completed, soar over the Chrysler Building.

New York City planners also see the \$3 billion tower as the first step in modernizing the area around an important gateway—Grand Central—and throughout the aging East Midtown office district.

As city officials and SL Green executives plan to gather Tuesday for a ceremonial groundbreaking, there is talk in the city’s real estate world that the 58-story tower could push some owners of skyscrapers in the district to renovate their buildings and lift the overall quality of the neighborhood’s office and retail space.

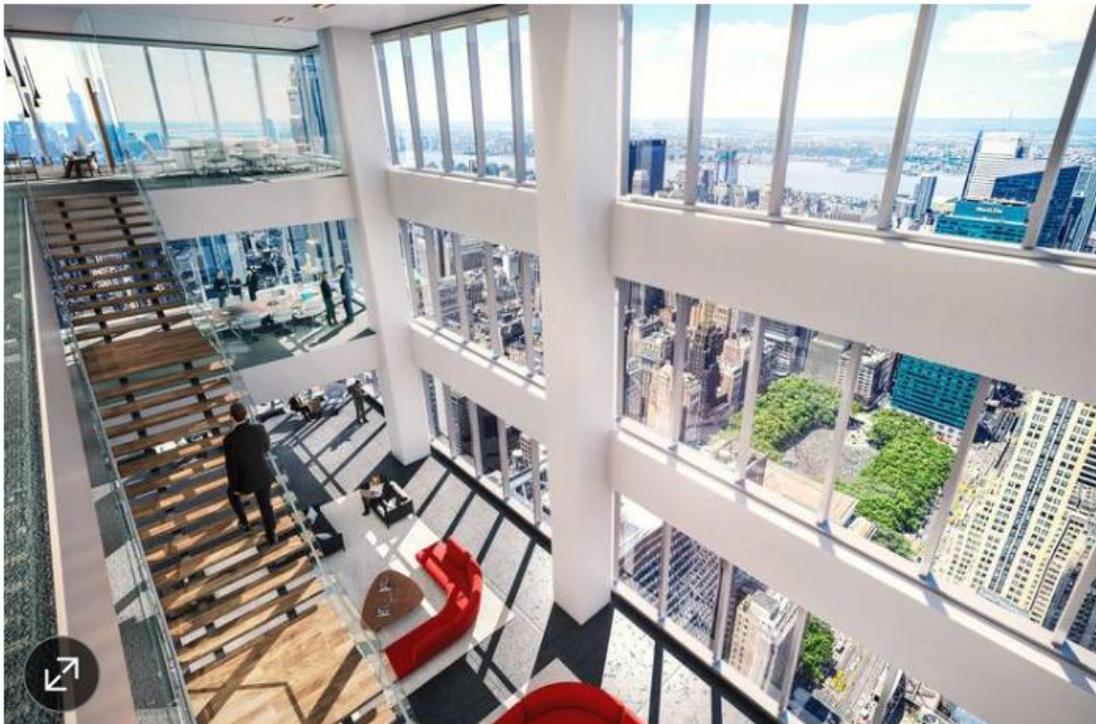
SL Green’s agreement to make \$220 million in transit upgrades and new access points in exchange for square footage for the building is seen as a template for Midtown East rezoning efforts.

The project, which fills the block between Vanderbilt and Madison avenues and East 42nd and East 43rd streets, also is expected to change the experience of commuters: Vanderbilt Avenue between East 42nd and East 43rd streets, on Grand Central’s western side, will become a pedestrian plaza.

The 1.7 million-square-foot tower is expected to be completed in 2020.

“One Vanderbilt was really a laboratory for how you want to modernize and upgrade the rest of East Midtown,” said Christopher Jones, senior vice president of the Regional Plan Association, an urban planning and civic group.

At the very least, One Vanderbilt will serve to highlight the age of the district’s other buildings and the need for new development, some real-estate executives said.



A rendering of the interior of One Vanderbilt, a skyscraper that will be next to Grand Central Terminal. PHOTO: SL GREEN REALTY CORP.

“With this development we are sending a clear signal that East Midtown is on a new path,” said City Councilman Dan Garodnick, whose district includes the area. “For too long, the area has been stuck in outdated building regulations that have kept growth from happening.”

Since 2000, Manhattan’s inventory of office space has increased about 10% with new construction, according to [CBRE Group](#) Inc. In that same period, new construction accounted for 25% of office relocation deals of 50,000 square feet or more.

“That’s telling us that those tenants of scale are looking for and buying into new construction,” said Mary Ann Tighe, chief executive of CBRE’s New York Tri-State Region. She is also part of the team that is marketing and leasing One Vanderbilt.

David Levinson, chief executive of L&L Holding Co., is catering to that demand in Midtown East with a ground-up office development at 425 Park Ave. and the redevelopment of 390 Madison Ave. But the lengthy period of emptying the building of tenants before beginning new construction is a money-losing process and isn’t for everyone, he added.

“It’s a high-stakes gamble,” he said, “and I don’t know that everybody is willing to do it.”

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—Christopher Jones of the Regional Plan Association

SL Green’s bet on One Vanderbilt began about 15 years ago. The real-estate investment trust began buying the four buildings that once made up the site. The landmarked Grand Central to the east and landmarked buildings to the south ensured views and preserved corridors of natural light.

In 2014, the developer signed TD Bank, a subsidiary of the [Toronto-Dominion Bank](#), to a 20-year lease for 200,000 square feet.

Among the marketable features of the building are its ceiling heights—ranging from 14.5 feet to 20 feet—and floor-to-ceiling windows that allow 85% of the floor area to receive natural light, said Steven Durels, SL Green executive vice president and director of leasing.

While sleek and modern, the tower nevertheless defers to historic buildings nearby. A diagonal wedge rising about 50 to 110 feet along the East 42nd Street side will provide sight lines to Grand Central from the west, said James von Klemperer, president and design principal at Kohn Pedersen Fox Associates PC, which designed the building.

Its glass cladding will make One Vanderbilt “visually permeable” and complement Grand Central’s solid materials, he said. And horizontal spandrels of textured terra-cotta draw inspiration from the decorative elements of historic buildings.

“It’s going to brighten the neighborhood and give it a sense of prosperity and relevance,” Mr. von Klemperer said.