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IN THE PIPELINE: COSTAR DEVELOPMENT AND CONSTRUCTION NEWS FOR MAY 23 - 29

By Randy Drummer

NYC Partnership Breaks Ground on Mixed-Use Project for Schools, Retail

New York City Schools last week broke ground on a \$500 million mixed-use development that will house two public schools at 250 East 57th St. in Manhattan.

The development will house new facilities for P.S. 59 and the High School of Art and Design, which will open to students in September 2012.

Private developers will pay for construction of the schools under a partnership with the Department of Education's Educational Construction Fund (ECF), which develops mixed-use real estate projects featuring new school facilities. The 57th Street complex is the largest ECF project ever.

Schools Chancellor Joel Klein presided over the Friday groundbreaking, along with elected officials and David Lowenfeld of The World-Wide Group, the project's developer.

"In these tough financial times, it is absolutely critical that we explore every option to build new schools," said Chancellor Klein. "By partnering with a private developer, we're getting beautifully designed, state-of-the-art school space that serves our public school students and helps relieve overcrowding at no cost to the city."

"At the same time, the development of new retail and residential spaces has the potential to inspire a transformation of one of the most important intersections in Manhattan into a lively, pedestrian-friendly gateway," said Lowenfeld.

The ECF selected World-Wide Group in a competitive bidding process to develop the 1.5 acre property. The development, expected to create 1,100 construction and 500 permanent jobs for the city, will occur in two phases. The first phase includes the construction of the two new schools and 38,000 square feet of retail space to be occupied by Whole Foods. Phase II includes the design and construction of an additional 78,000 square feet of retail space and approximately 350 residential units.