

2014 ULI Fall Meeting



Green from Green: Creating Real Estate Value from Private Management of the Public Realm



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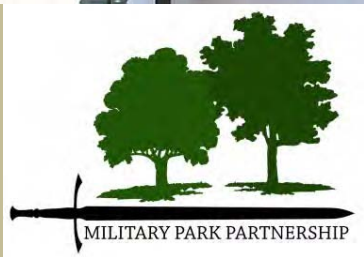
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Green to Green: Creating Real Estate Value from the Public Realm

Peter Harnik
Trust for Public Land

Urban Land Institute, October 22, 2014

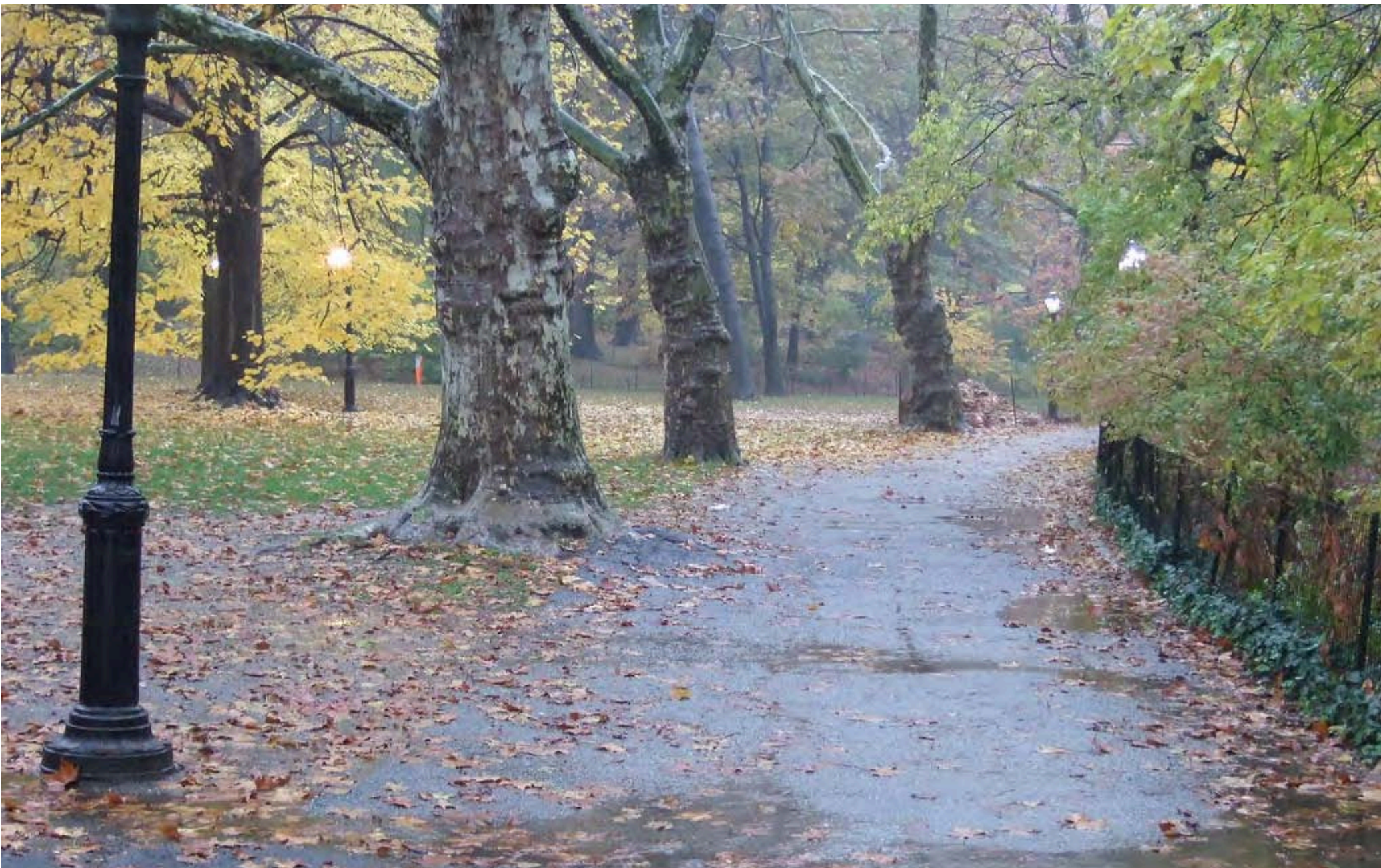


Economic Benefits





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Center for City Park Excellence
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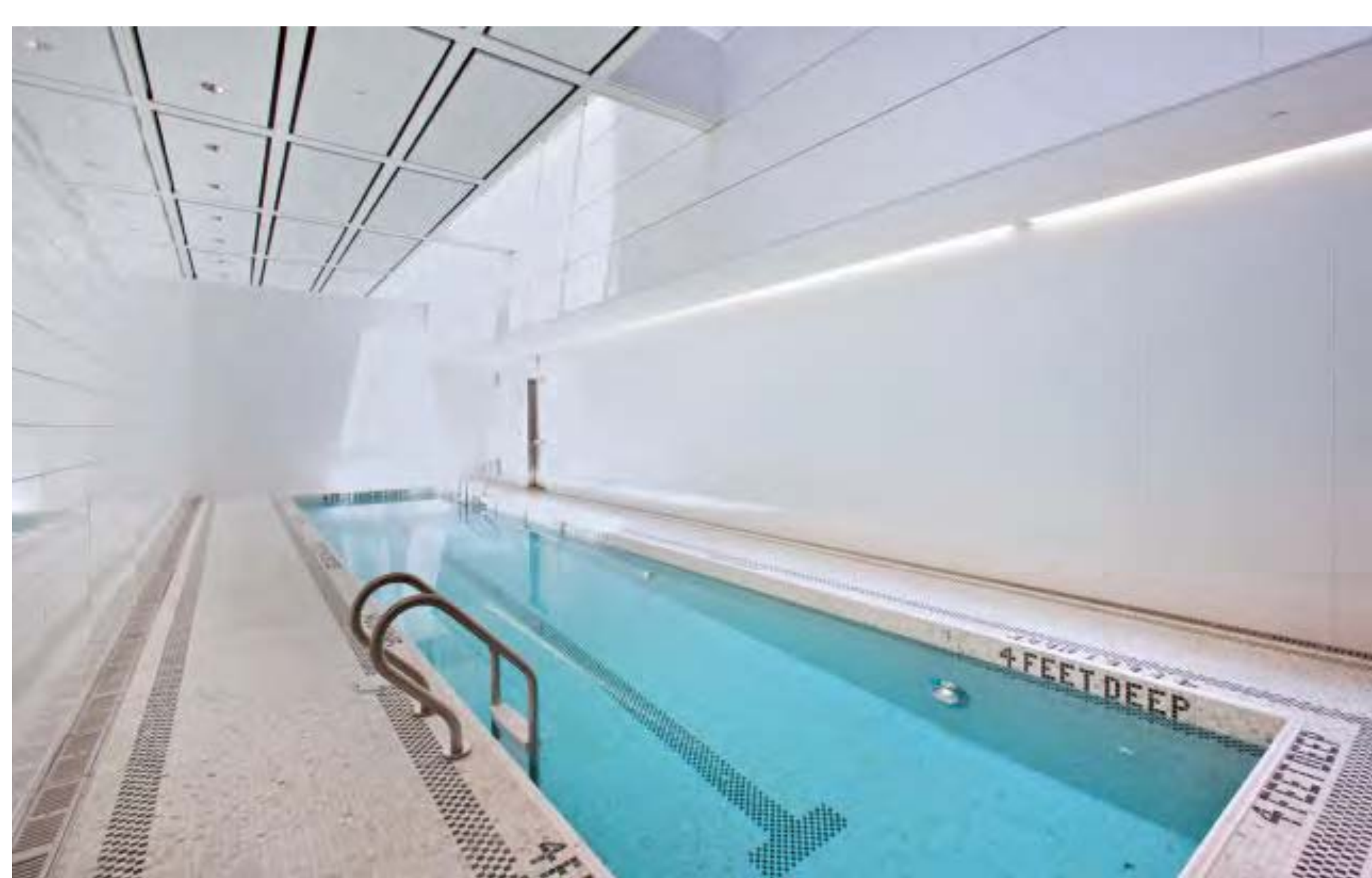
The Durst Organization's
1133 Sixth Avenue Lobby Renovation
Design by Gensler Architects - \$10 Million



EJM Equities' 51 Astor Place Featuring
Balloon Rabbit (Red) by Jeff Koons-
Approximate Value \$50 Million



The Grey Group's 200 Fifth Avenue Roof Deck, designed by Skidmore, Owings, & Merrill – Cost Kept Private



**Boston Properties' 510 Madison
Avenue Featuring a 20-yard**



Brookfield Properties' The Grace Building
Total investment in Bryant Park since 1980
about \$3 Million



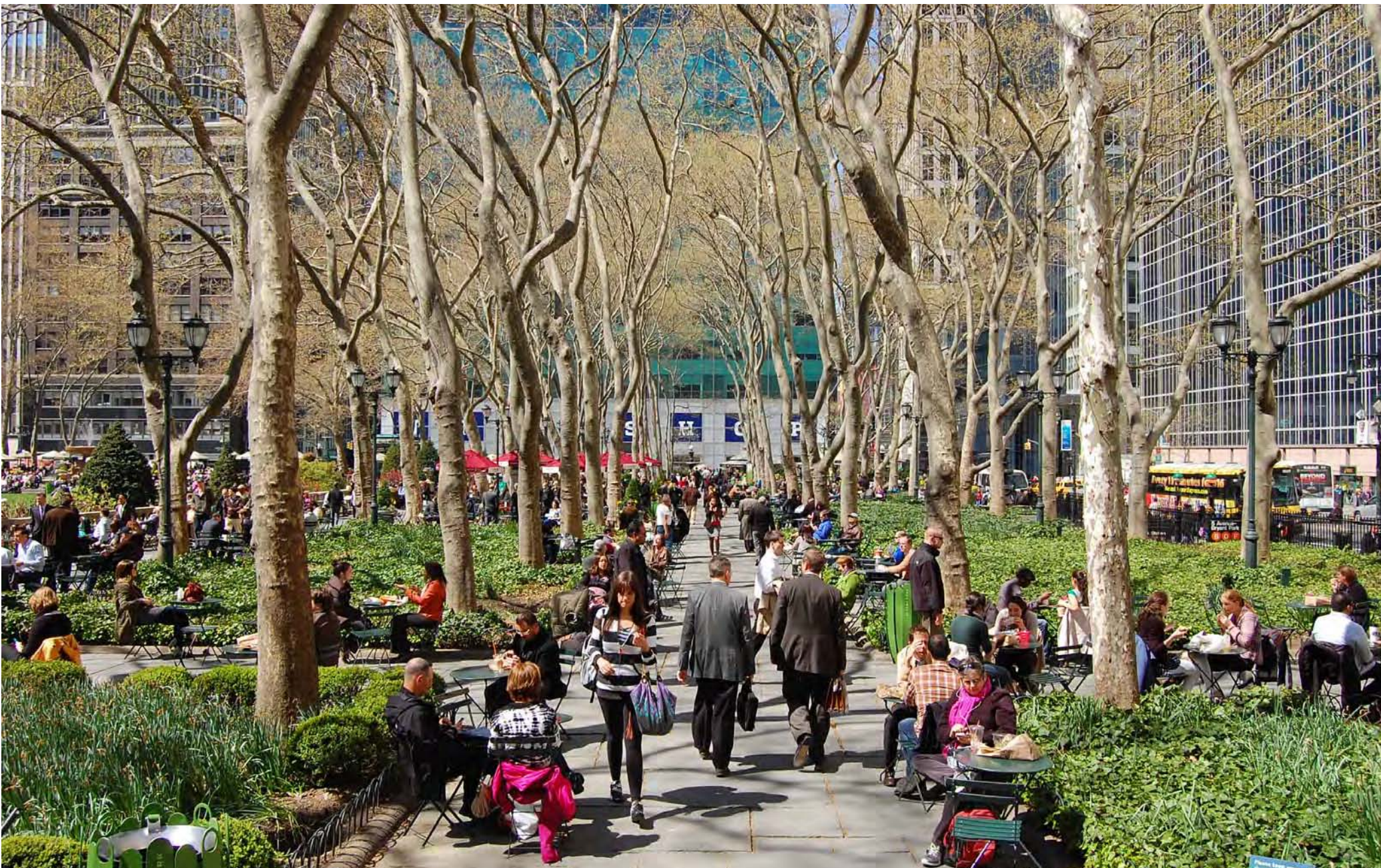
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Creating value through Privatization at the Grace Building, NYC

Increase in effective rents through
privatization of Bryant Park (per owners):_____ \$15/ sq. ft.

Total rentable space in building: _____ 1.3 million sq. ft.

Increase in Annual Rent Roll:_____ \$19.5 million

Increase in Building Value @ 5% Cap rate:_____ \$390 million



How Smart Parks Investment Pays Its Way

Bryant Park Case Study

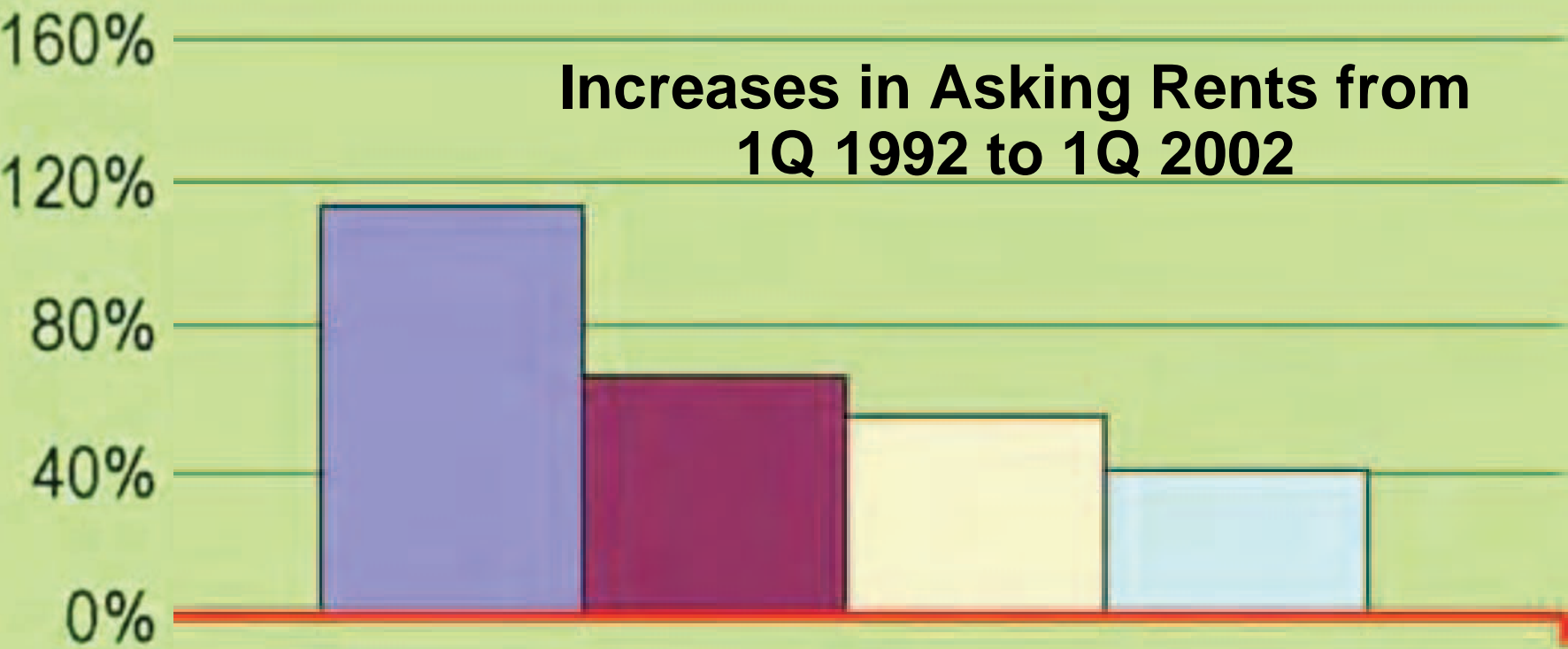
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Increases in Asking Rents from 1Q 1992 to 1Q 2002



■ Grace Building ■ Times Square Market
■ Grand Central Market ■ Rockefeller Center Market

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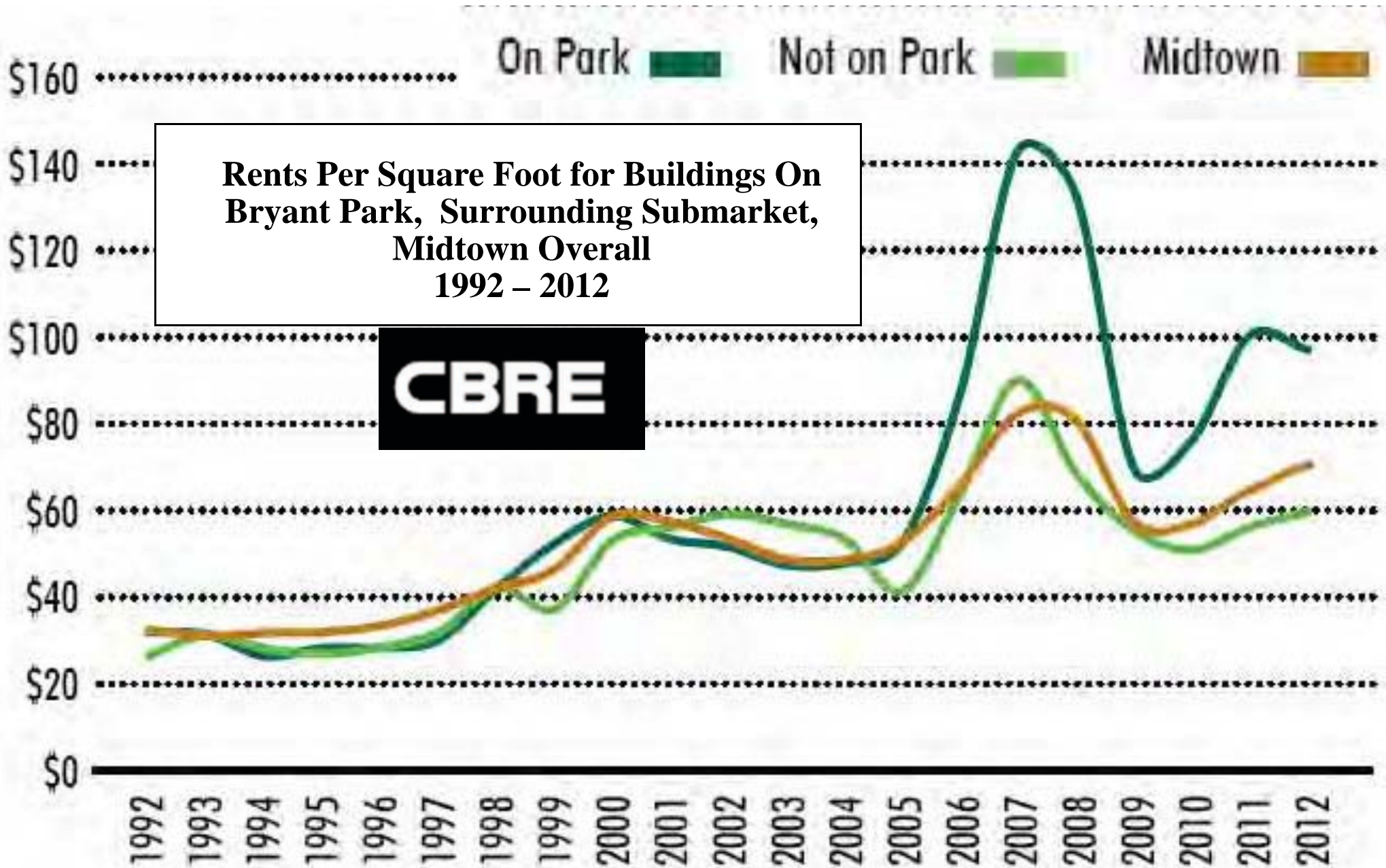


CBRE
GLOBAL RESEARCH AND CONSULTING

Premiums on the Park

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The New York Times

“Bryant Park Office Rents Outperform the Rest of Midtown”



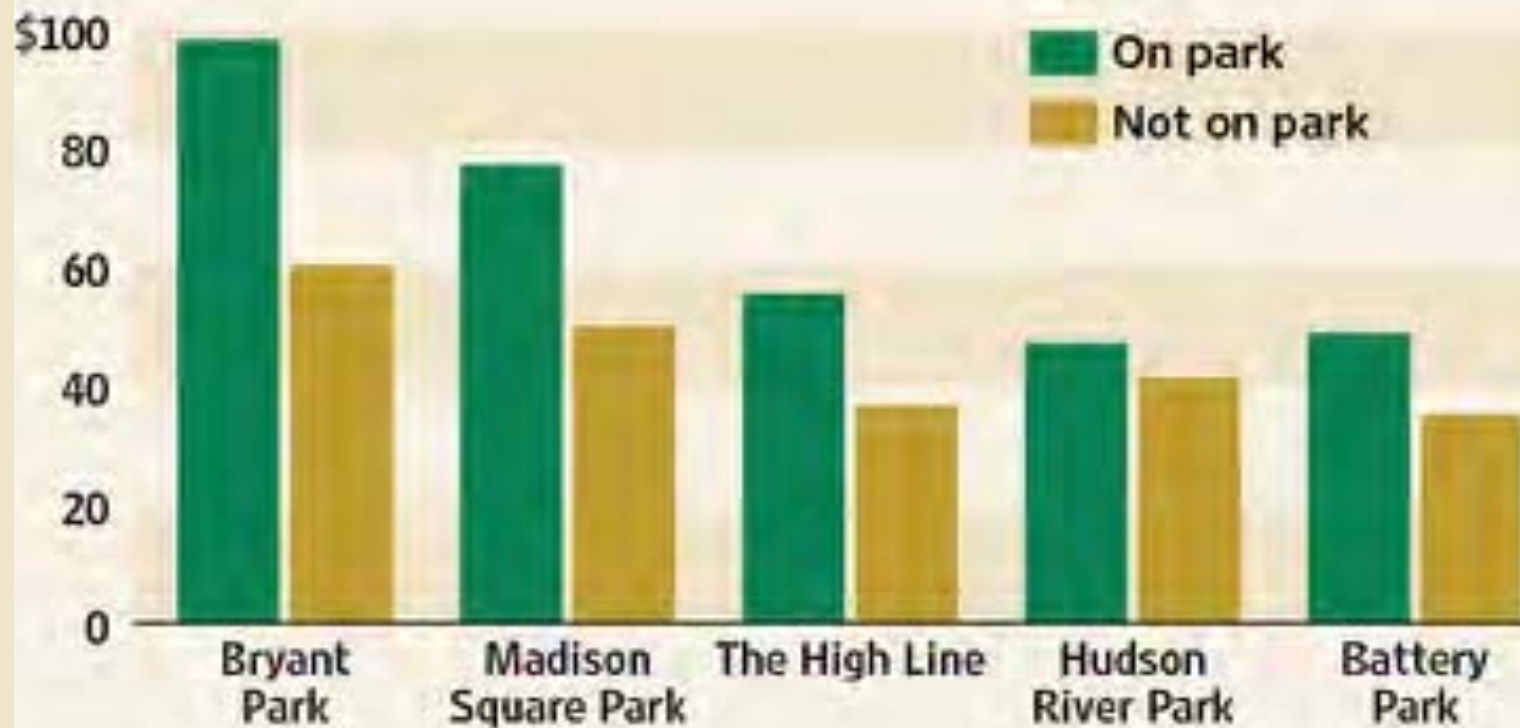
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THE WALL STREET JOURNAL.

Green Premium

Rental price per square foot for park-front commercial properties vs. others nearby



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Private Financing of a Public Amenity

Bryant Park, New York, NY

Revenues

FY2013

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Sponsorship	\$	6,115,000
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Event fees	\$	2,025,000
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Restaurant rent	\$	1,800,000
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Concessions	\$	1,095,000
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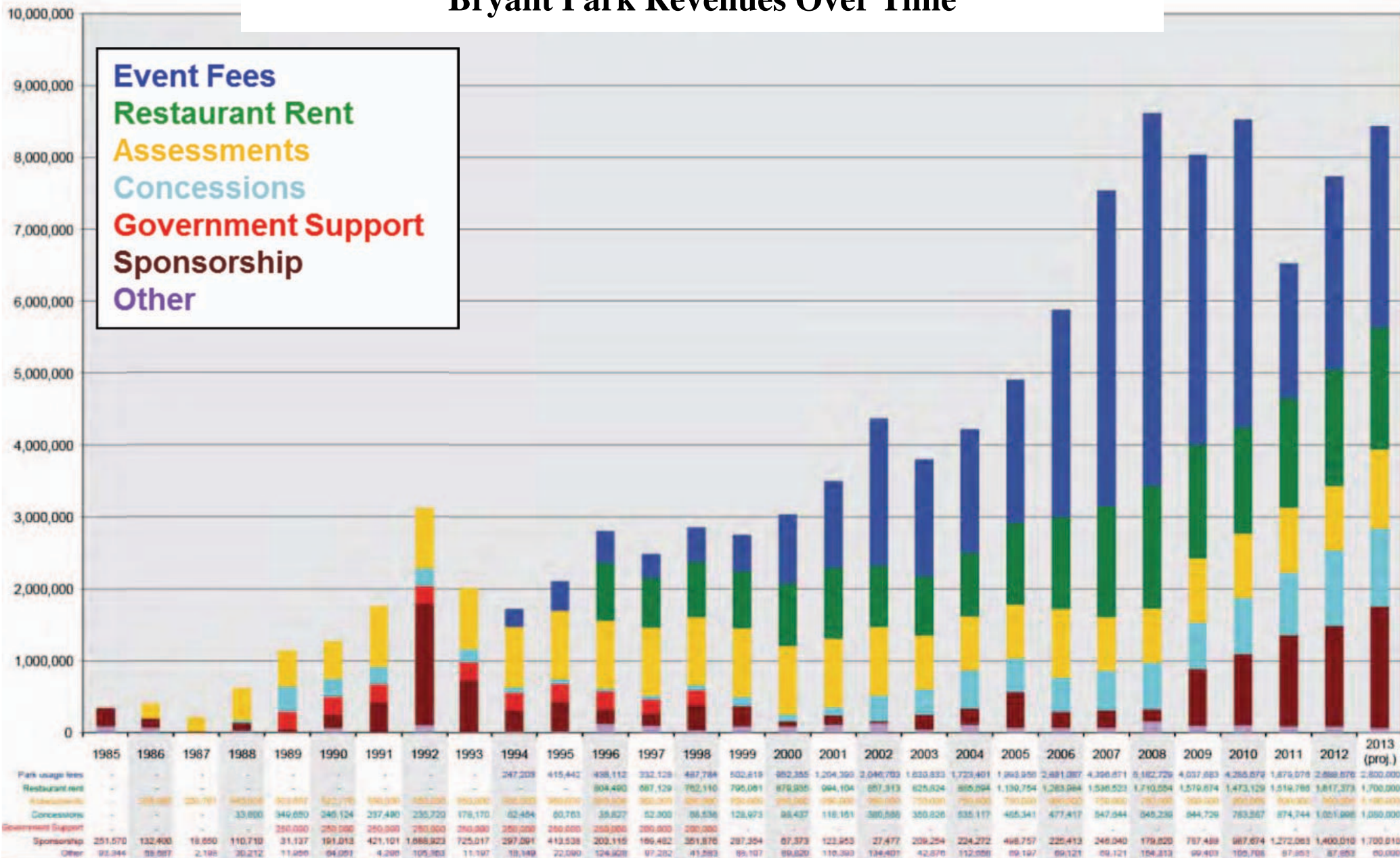
Assessments	\$	1,100,000
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Other sources	\$	65,000
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Total	\$	12,200,000
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Bryant Park Revenues Over Time



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ECONOMIC IMPACT – UPTOWN

Estimated Rental Rate Increase Since Park Opened



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ECONOMIC IMPACT - DOWNTOWN

Estimated Rental Rate Increase Since Park Opened



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ECONOMIC IMPACT

Estimated Building Sale Value Per Square Foot Increase



Pre-Park Opening (2012)
Current Status (2014)

(1) Estimated Purchase Price in 2004 (2) Estimated All-In New Construction Cost



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