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Extell starts work on new Gem Tower

By Jason Turcotte

Extell Development president Gary Barnett has come full circle with his latest tower.

Known for his standout residential projects, the developer who first got his start in the diamond business unveiled the designs for his much-anticipated commercial condominium: International Gem Tower, a 34-story glass jewel in one of the diamond industry's most

active corridors in the world.

In conjunction with the unveiling of the building's design, Barnett — flanked by New York City Mayor Michael Bloomberg and Deputy Mayor Robert Lieber — launched the first phase of construction, which includes the erection of the building's first three floors over the next six to nine months. Tishman Construction has already excavated the site, located at 50

West 47th Street between Fifth and Sixth Avenue, and laid the foundation.

Extell's \$300 million investment in the project's first construction phase delivered a vote of confidence for the city in a time where people are aching for positive economic news. It's an investment that Mayor Bloomberg says will serve both the developer and the City of

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New York well. "I've said repeatedly that I think there's some evidence we've bottomed out..." Mayor Bloomberg said. "By the time this building is done I'm confident — in fact, I'm confident the economy's turning around now."

Bloomberg said jewelry demand is not going away and he remains bullish on an industry that sees half of the world's gems pass through New York. He said diamond industry expansion is long overdue.

"The wholesalers, retailers, manufacturers and designers that make up New York City's jewelry industry are a valuable part of the local economy but the center of the industry — the 47th Street Diamond District — has seen modest private investment in recent decades, and there is little space for international companies that want to locate here or

local businesses that want to expand," Mayor Bloomberg said.

Furthermore, 90% of diamonds that enter the U.S. pass through New York, according to Deputy Mayor Robert Lieber, who said, "this industry is more than just sparkles and glitz."

The Diamond District is one of the city's lifeblood industries and accounts for more than 25,000 New York jobs. Gem Tower alone will spur 1,000 construction jobs and 3,000 permanent jobs, placing a few hundred jewelry-related businesses under one roof. And Barnett said that help's to ensure New York's diamond sector stays competitive throughout the world.

"We have to be bold and forward thinking if we're to compete with the diamond centers in Shanghai and Dubai," Barnett said.

The building, which features a beam-

ing glass curtain wall, comes with state-of-the-art security, underground parking and lower level retail (square footage, to be determined). The commercial condos offer existing New York companies an opportunity to own and expand and, by pursuing "free trade zone" status with the city, the site — which Barnett said has already attracted overseas interest — could inspire many in the diamond business abroad to relocate to the Big Apple.

"For the first time, New York City's Diamond District will have an international gem and jewelry center on par with other global markets," Barnett said.

Extell is also seeking city and state tax incentives equating to nearly \$50 million. In order to benefit from the incentives, the developer must meet the city's threshold: 85% of occupants must represent the jewelry trade, with at least 50% of them being new businesses in

New York or an expansion of an existing enterprise. If so, the developer would meet the requirements for city and state tax benefits.

The 748,000 s/f project, designed by Skidmore Owings & Merrill, features a facade of embedded diamond shaped steel medallions that Mayor Bloomberg said "will light up the Diamond District."

Extell, which is most known for its high-end residential developments like The Lucida and Altair Lofts, is prepared to begin marketing the space later this month. Though pricing has not been disclosed, the firm hopes to have one-third of the building under contract by year's end.

The total cost of construction is anticipated around \$750 million and completion of the tower is slated for mid 2011.