

POST FOCUS ON COMMERCIAL REAL ESTATE

Big 6 bid on part of 1 WTC

Related, Durst, Brookfield, Vornado interested: source



Steve Guozzo

REALTY CHECK

PORT Authority Executive Director **Chris Ward** wasn't exaggerating when he said recently the PA would act swiftly to find a development partner for 1 World Trade Center.

Although a deal might be months off, six major real estate companies put in offers to the PA last Friday — among them, we've confirmed Related Cos., the Durst Organization, Brookfield Properties and Vornado. Sources said that Boston Properties and Hines also submitted bids.

A source close to the talks said the PA plans to meet with each of the bidders next week to clarify aspects of their proposals.

The PA is seeking a development partner to effectively take on all aspects of completing 1 WTC, leasing it up and managing it — "everything to bring the whole project home," as one source put it.

The PA is not in the business of marketing office space. Our source said, "Having the tower in the name of a well-known private developer will lend it instant credibility and erase any stigma over public or quasi-public ownership."

Last month, Crain's reported the PA was asking for at least \$100 million to have a piece of the \$3 billion, 1,776-foot-tall tower, which

has now risen to 20 stories above street level.

Our source said yesterday that "bidders were required to say not only how much money they'd put in, but also how the whole thing would be structured."

The swift responses indicate that the process is more focused than earlier PA efforts to find a buyer or partner for 1 WTC.

None of the developers would comment.

PA spokesman **Steve Coleman** said he couldn't discuss the bids because the process is confidential.

But he said, "The interest we have generated around 1 World Trade Center is positive news and adds to the momentum around the entire rebuilding effort."

Retailing in Manhattan requires nerves of steel and more than a little luck.

So many things can go wrong beyond the challenge of selling products at prices high enough to cover rent and operating costs — things like scaffolding that never comes down, for example.

Take the apartment tower at 1035-1049 Third Ave., at East 62nd Street, two blocks north of Bloomingdale's, that's finally poised to emerge from years of construction that made life hell for merchants.

Its uninviting public plaza has been demolished and is being replaced with a new, shopper-friendly one by the tower's owner, a BlackRock partnership.

Only two stores — Arche and Morrell Wine Exchange — remain behind the mess. But **Variazioni** is coming soon, as my colleague **Lois Weiss** reported last week, and Prudential Douglas Elliman's **Faith Hope Consolo** said she has leases out for two more spaces.

The new plaza designed by **David Rockwell** will be at sidewalk level as opposed to the step-up affair it long was.

The \$6 million redesign will include floor-to-ceiling

glass storefronts with 12,000 square feet — part of a three-year tower renovation.

Asking rents for the stores are \$225 a square foot, **Consolo** said.

But she acknowledges some lingering skepticism on the part of prospective tenants, because the current work is the latest in a history of disruptions that helped drive some stores out.

In December 2005, we reported that **Consolo** had helped lure two new tenants, "even though the storefronts have been hidden under a construction scaffolding for almost three years."

But **Consolo** said, "Now it's coming to an end, and the result will be stunning."

Meanwhile, Second Avenue subway construction will soon claim one of the Upper East Side's largest, most popular restaurants — **Tony's Di Napoli** near East 83rd Street.

The MTA is ousting **Tony's** to make room for an entrance to the 86th Street station, which will extend several blocks south.

General Manager **Bruce Dimpflmaier** said the eat-

ery will likely have to leave between 12 months and three years from now. But, "We're definitely looking for a new space now," he said.

Tony's, a local institution for 17 years, has about 12 years left on its lease. Families flock to its 230 indoor seats, and used to come to 80 sidewalk seats, but **Tony's** lost those last summer to MTA work.

Unlike many businesses in the subway job's cross hairs, **Tony's** is no mom-and-pop; the company that owns it also runs a **Tony's** near Times Square and eight Dallas BBQ locations.

But the subway spares nothing in its path.

Dimpflmaier said work has already narrowed the sidewalk in front of **Tony's** to just seven feet and has reduced parking nearby.

Tony's enjoys a rare half-block length of sidewalk exposure. The MTA is obligated to pay the owners a "fixture allowance,"

Dimpflmaier said, but, whether it will help with relocation costs isn't clear.

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