



# PERSPECTIVE NEW YORK

The comprehensive view of real estate, design and construction

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# SWIG EQUITIES

*...Moving Forward in FiDi*

48 Wall Street Grand Mezzanine

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# Swig Equities

## ...MOVING FORWARD IN FiDi

By Jan Wilson

**S**oHo, Tribeca, DUMBO....and now, FiDi. The latest in a series of ingeniously named New York City neighborhoods is taking off as businesses and residents alike are discovering, many for the first time, the limitless possibilities of the area of Manhattan known in its previous life as the Financial District. “FiDi has been Manhattan’s best kept secret, but now the word is out,” says Kent M. Swig, President, Swig Equities. “Residents are here, retail is here, workers are here, transportation is here—it doesn’t get any better than this.”

Swig has been bullish on FiDi for some time, and has staked his claim with both commercial and residential properties located in the area. Now everyone else is getting in on the act, with developers creating luxury condominiums and high-end retailers such as Hermes, Tiffany, Canali, Tumi, Thomas Pink, Maison du Chocolate, True Religion Brand Jeans and BMW discovering that their clients not only work there, but they live there too.

“Once the new World Trade Center is built, it will be the perfect bridge between FiDi and Tribeca,” says Swig. “There are 27 million visitors to Manhattan every year, and the highest tourist traffic, behind Times Square, is at Broad and Wall Streets. When the World Trade Center Memorial opens up, the tourist population and the number of trips to Lower Manhattan will be even greater than it is today. No one can estimate just how big FiDi is going to become.”



Kent Swig, President  
Swig Equities

### DIVERSE REAL ESTATE BUSINESSES

Swig Equities was formed in April 1994, and prior to the formation of the company, Swig served as executive vice president of The Macklowe Organization and as president of Manhattan Pacific Management Co., where he oversaw the

leasing and operations of more than 45 commercial and residential buildings in New York and Los Angeles with a market value of more than \$4 billion.

Shortly after forming Swig Equities, Swig acquired two residential real estate brokerage companies, Brown Harris Stevens in 1995 and Halstead Property in 2000, with his partners Arthur and Will Zeckendorf and David Burris. These firms comprise two of the operating companies under the Terra Holdings companies. In addition, Swig also owns Helmsley Spear, America’s oldest commercial brokerage firm; Falcon Pacific Construction Company, focusing on ground-up construction and building-wide redevelopment; and Hudson Land Company, a title insurance company. Finally, Swig is principal in and serves as chairman of The Swig Company, a family-owned firm based in San Francisco that owns and operates over nine million square feet of office space throughout the United States, including one of the more than 50 Fairmount Hotels.

Similar to Terra Holdings, Swig has spent considerable money and time integrating his many operating companies under the Swig Equities name into one powerful platform where many of the related services for the companies are con-



(LEFT TO RIGHT) OPPOSITE PAGE: 48 Wall Street exterior and Grand Mezzanine; ABOVE LEFT: 80 Broad Street lobby interior, ABOVE RIGHT: 80 Broad Street exterior

solidated. Thus, each company pays for a portion of the services that they use from a central point, making each company more profitable while receiving a higher level of service.

As for his development, investment and management company, Swig Equities, Swig has created a firm with in-house architects, asset management, permit analysts, and lease administration, among other disciplines to monitor outside professionals. Although this may seem like duplicating services, Swig says that the reason behind employing these complementary in-house professionals is simple: To produce the best quality projects coming to market. "We do this because it gives us the ability to understand and track what's going on with our projects in order to prevent problems and ensure that we have the right perspective on the jobs that we do," he says. "It's the ultimate in cross-pollination and it keeps our fingers on the pulse of what's going on."

The 2007 acquisition of Helmsley Spear means that Swig can offer the commercial marketplace a complete range of operating, management, development, and construction services. In addition, the departments that Swig has already developed in-house—property management, accounting, lease administration and asset management—will be blended with those services that Helmsley Spear provides for its clients, thus enhancing both companies. "We are taking the best of what Helmsley Spear had and combining it with our existing platform," says Swig. "Suddenly, Helmsley Spear will be as competitive as a firm 10 times its size."

Swig notes that the power of his platform works for the firm's other affiliated companies. "If you look at something as simple as purchasing energy for the

buildings that we manage, that is something that can be done more efficiently by negotiating in bulk," he says. "We don't actually have to buy in bulk in order to negotiate bulk rate discounts on a per unit basis."

Swig Equities' business culture is based on integrity and professionalism with a clear perspective of who ones' clients really are. "We are not just a building owner; instead, we are a **tenant service provider**," Swig declares. "If you imagined every tenant as having a 30-day lease rather than a 10-year lease, you would most likely provide a very different level of service than what most building owners do," he adds. "We perform as though we are always trying to capture and maintain the business."

### THE DISCOVERY OF FIDI

Swig Equities, in partnership with MacDonald & Cie, entered the FiDi marketplace in March 1998 with the purchase of 48 Wall Street, the former Bank of New York Building, and represented only the third owner of the building, going back to the mid-1700s. "Everybody immediately started asking me what I intended to do with the property," says Swig. He initially thought of converting the building to residential usage or a hotel, as the Bank of New York was only going to be occupying the building for a year after the purchase, and the building's smaller floor plates meant that it would have to be multi-tenanted. "Seeking small commercial tenants requires more time to lease the property, and I was concerned that it would take too long to lease-up the entire building." So initially, Swig Equities decided to convert the property to residential use after a deal for a hotel fell through.

"As I put out residential advertise-

**"FiDi has been Manhattan's best kept secret, but now the word is out."**

**Kent M. Swig, President, Swig Equities**

ments into the market, commercial brokers kept calling," says Swig. "There was clearly a lot of interest there. As a residential property it would contain about 192,000 square feet of actual rentable space, but as a commercial property it contains over 300,000 square feet. Collecting rent on that much more square footage was intriguing even though the rents would be lower. Also, the time and money to upgrade the property as a commercial building was much less than converting it to residential. So, I decided to keep the property for commercial use."

Swig studied the market further and quickly realized that there was no space for the small tenant that wanted full-floor identification in a luxury class building. "Over 14 million square feet class of "C" and "D" space was converted to residential, so there was nothing available within the upgraded and renovated class "B" to "B+" building within the FiDi market," he says. "Using that knowledge, I began purchasing everything I could in FiDi, understanding our success with 48 Wall was a repeatable paradigm."

**"Kent has been a leading force in the redevelopment of the Financial District. He has made the commitment over the years to develop both residential and commercial projects in the area, has supported new retail coming into the area, and has been instrumental in supporting public amenities such as the new Burling Slip playground, which he is underwriting, and projects like Art Downtown."**

**Julie Menin, Chairperson, Community Board 1**

The destruction of the World Trade Center has meant that the entire City's infrastructure (including water mains, electric power lines and telecommunication pipes) south of Chambers Street has been replaced, says Swig, and, as the new World Trade Center comes on line, it will create a vital link between FiDi and TriBeCa. "The impact of the new World Trade Center and the Memorial will be incredible," he says. "7 World Trade Center has been completed, occupied and is virtually fully leased. Freedom Tower is now well under construction and is almost 40 percent leased, and 3 World Trade Center and 4 World Trade Center are both now under construction with good pre-leasing of Tower 4," he says. "Plus, the impact of visitors to the Memorial cannot be underestimated."

Indeed, infrastructure alone would be reason enough for FiDi to be on the rise. It has easy access to 14 subway lines, the PATH station, numerous bus lines and the FDR Drive, as well as the Brooklyn Battery Tunnel. New transportation projects include the PATH station designed by Santiago Calatrava, the new Fulton Street Transit Hub, where every subway line in



25 Broad Street exterior



25 Broad Street lobby interior

Lower Manhattan will converge, and two new ferry transportation hubs—one at Battery Park and the other, now completed, at Whitehall Street. Since January 2005, 193 firms have relocated to Downtown from other parts of the metropolitan area, leasing more than 4.4 million square feet of office space. As far as residential development is concerned, according to Brown Harris Stevens, the average price for Downtown condominiums was 17 percent higher at the end of the first quarter of 2008, versus a year ago. "Despite the tremendous price growth, though," says Swig, "the area is still very attractive, and even underpriced, when compared to the Upper West and Upper East Sides."

### PREMIER FIDI RESIDENCES

In the past, FiDi used to be viewed as a strictly '9-to-5' area, but that is no longer the case as professional singles and young families have realized just how desirable the neighborhood has become. "The same thing that happened in Times Square in the late 1980s and early 1990s is now happening in FiDi," says Swig. "For a number of years after the transition took place, people still had a mistaken impression of Times Square as it was in the 1970s—a rundown neighborhood. Then they came to new theaters and restaurants, and it opened their eyes to see the changes that had taken place there over the last decade."

He adds that *the wealthiest place in America by day is in FiDi's zip codes*, "and it is among the top three wealthiest places (in terms of per capita income per zip code) at night as well!" Super luxury retailers have now understood these demographics and have opened in the area, including Tiffany & Co, Hermes, Canali, Thomas Pink, Tumi, True Religion Brand Jeans, Maison du Chocolate, Hickey Freeman, and BMW. Many of them are among the largest grossing stores in their entire portfolios.

FiDi also is home to many cultural institutions that attract residents and visitors, such as the **Museum of American Finance**, the **African Burial Ground project**, the **Sports Museum of America**, the **National Museum of the American Indian**, and the **Museum of Jewish Heritage**.

Swig Equities further invested in FiDi's future as a premier residential neighborhood through the purchase **25 Broad Street** in 2005. Located in the heart of FiDi across the street from the New York Stock Exchange, this 21-story, 565,000 square foot Italian Renaissance Revival building was designed by architects Clinton & Russell and completed in 1902. "This building has a storied past as one of the most desirable locations in the area," says Swig. "It was PaineWebber's headquarters for nearly 70 years."

In 1995, a previous owner renamed the property The Exchange at 25 Broad and converted it from commercial use to a residential property with 346 one-, two- and three-bedroom rental units. It was placed on the Federal National Register of Landmarks in March 1998 and designated a landmark by the New York City Landmarks Commission in June 2000. Now, Swig Equities has just completed a major renovation of the property and converted the building to condominium status.

For the discerning professionals and families of FiDi, 25 Broad Street offers an unrivaled package of amenities, including a fully-equipped health club and day spa; private residents' lounge; private dining room with full catering kitchen; private screening room; tea room; viewing garden; children's playroom; and, business resource center. In addition, a large rooftop space has been devoted to resident amenities, offering a sundeck, bar and lounge, and shuffle board game area. The building includes approximately 21,400 square feet of retail space.

Ceiling heights range from 9 to 13 feet depending on the unit and floor, and all units come standard with luxury qual-

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**"We think that FiDi is a great value proposition for residents, for office tenants, for retailers. There is everything that you have in every part of the city and more."**

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**Josh Zamir, Managing Principal,  
Capstone Equities**

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ity, solid wide-plank hardwood floors. The bathrooms are finished with marble flooring, glass wall tiling, and stainless steel fixtures by Waterworks. "Few buildings in the area match what 25 Broad has to offer, with such high-end finishes in a building with landmark status," says Swig.

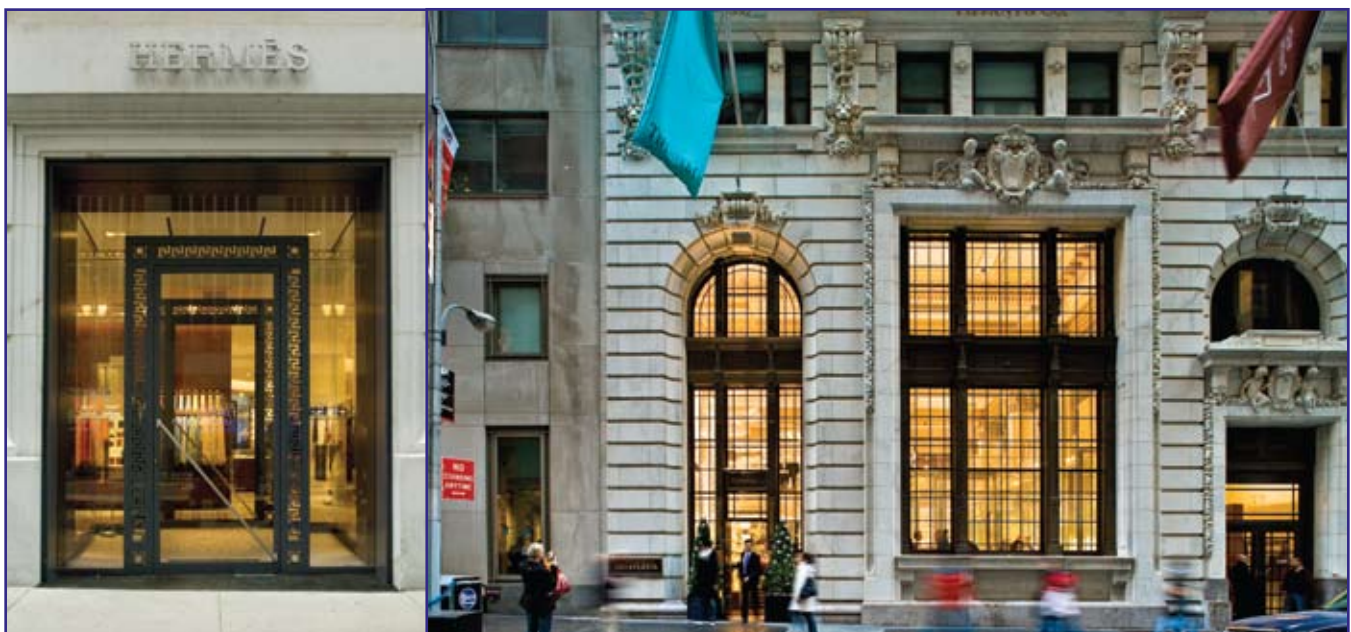
Swig is sold on the desirability of FiDi as a '24/7/365' neighborhood, and says that services are catching up to this

reality as well. He notes that there are 17 new or renovated parks created in the Downtown area alone, ensuring that the area won't just be for busy professionals rushing to and from work. "Hotels here have among the highest occupancy in the City. Tourists flock here for the variety of sites that are within walking distance. The subway service throughout the area is unparalleled," he says. "Schools such as the **Claremont Academy**, **Montessori School of Manhattan** and **Millennium High School**, and others have opened in the area as well, catering to the many families that live here and are moving to the area."

### **A DEVELOPER'S GIFT**

Last year, Swig announced that he would make a \$1.3 million donation towards the endowment for David Rockwell's creative playground known as **Imagination Playground**—a rich and constantly transforming environment of diverse materials that encourages child-directed creative play. The donation was made in memory of Kent Swig's twin brother Robert J. Swig. Scheduled to start construction in the summer of 2008, the project will serve as a magnet for families from all the boroughs and a new community hub for the FiDi neighborhood in Lower Manhattan in the space at Burling Slip, which is located at John Street—between Front and South Streets.

"We could not be more grateful to Kent Swig for helping to bring Imagination Playground so close to fruition," said David Rockwell, CEO of Rockwell Group.



LEFT TO RIGHT: Flagship FiDi retailers Hermes and Tiffany & Co.



LEFT TO RIGHT: 90 Broad Street exterior and lobby interior

**“FiDi has parks, cultural destinations and retail as well as commercial and residential uses; what we needed to do was provide a coherent narrative. What Kent is doing is telling this story, and I think that is phenomenal. It started with his naming the area.”**

**Elizabeth Berger, President,  
Alliance For Downtown New York**

## THE DOWNTOWN COLLECTION

Increasing his commercial ownership in FiDi, after purchasing **48 Wall Street**, Swig subsequently purchased **5 Hanover Square**, a 320,000 square foot building where he undertook a major renovation of the entire building, including a newly expanded and renovated lobby, new electrical and HVAC services, elevators, fire life-safety systems and tenant spaces. Next, Swig purchased **44 Wall Street**, which, through another major capital improvement program, transformed the property into a multi-tenanted, luxury, boutique office building. The 25-story, 350,000 square foot building has high ceilings and exceptional window lines, providing excellent light and air to tenants.

Swig Equities just announced plans to construct a new, 62-story, super-luxury mixed-use development at **45 Broad Street** that will include the United States debut of the Nobu Hotel and Residences.

The primary elements of the building include approximately 7,500 square feet of retail space, a luxurious Nobu restaurant on the 3rd floor; a 128-room, five-star Nobu Hotel, as

well as 77 super-luxury condominium residences on floors 41 through 62.

David Rockwell and Rockwell Group is providing the architecture and interior design. The project’s exterior design architect is the renowned firm Moed deArmas and Shannon. Schuman Lichtenstein Claman and Efron serves as the project’s executive architect.

“This new tower, with a Nobu Hotel, Residences and Restaurant, will become a distinctive addition to the skyline of Lower Manhattan, and will symbolize a central destination for residents and visitors alike,” said Swig.

“We are thrilled to be working with Swig Equities and Kent Swig in the creation of the first Nobu Hotel in the United States,” said Richie Notar, Managing Partner, Nobu Hotel and Residences. “This new development will undoubtedly become a new destination for New Yorkers and world visitors alike.”

45 Broad Street’s six-story base will contain luxurious amenities including club and business lounges, meeting rooms, film screening rooms, private wine and sake cellars and a 13,000 square foot health club and spa with an indoor swimming pool. Hotel guest rooms and condominium apartments will occupy the building’s tower. The building will meet design and construction requirements for USGBC LEED Certification.

The firm also owns **80 Broad Street**, which is an architecturally distinctive 36-floor, 400,000 square foot office building in the Art Deco style. The building, which was originally designed for the New York Maritime Exchange has completed a major capital improvement program as well. “We’ve already upgraded the lobby by adding an all new entrance with a two-story expansive glass transom which will let more light into the building,” Swig says.

Other office buildings in Swig’s Downtown Collection are:

- **90 Broad Street**, a 400,000 square foot, 25-story office building
- **110 William Street**, a 900,000 square foot, 32-story office building whose tenants include AIG and Bank of America
- **7 Hanover Square**, a 910,000 square foot, 27-story tower
- **140 William Street**, a 45,000 square foot building

“Many people don’t realize that Lower Manhattan contains the fourth largest concentration of office space in the country, behind Midtown Manhattan, Chicago and Washington, DC, and with the completion of the World Trade Center buildings, Lower Manhattan should once again regain its status as the third largest,” says Swig.

## OTHER MANHATTAN DEVELOPMENTS

Located next to the Hearst Tower on 57th Street at Columbus Circle, **Sheffield57** is being re-envisioned into luxury condo-



Nobu Hotel and Residences at 45 Broad Street

miniums by Swig Equities. The renovation of the building, located at 322 West 57th Street, is now almost complete. “Sheffield57 continues to appeal to Manhattan residents seeking luxury living with superb amenities at an ideal location,” says Swig. “We are creating great homes for discerning New Yorkers.” Cetra/Ruddy served as the architect for the apartment renovations, while Moed de Armas & Shannon served as the architect for the lobby, plaza and amenity spaces.

Amenities in the building include an expansive two-floor residents’ club located on the 57th and 58th floors, including a private restaurant, screening room, children’s play area, and a residents’ lounge which will offer both morning breakfast and evening cocktails. Also, the entire health and fitness club, including an open air pool on the 58th floor has been completely redeveloped. Situated in one of the most sought-after locations at Columbus Circle overlooking Central Park, Sheffield57 is almost 50 percent sold out.

**“Kent Swig was amazingly generous with a huge donation to underwrite the endowment that is sustaining the Imagination Playground. He stepped forward and is enabling this important amenity for FiDi’s children to come to life.”**

**David Rockwell, Principal, Rockwell Group**



LEFT TO RIGHT: 44 Wall Street lobby interior and exterior

## PROJECT TEAM MEMBERS

### Acheson Doyle Partners

Architectural Design, Restoration, Zoning Consulting & Planning

### Alliance Building Services

Building Maintenance, Security, Restoration & Painting

### Aragon Construction

General Contractors & Construction Managers

Projects: 80 Broad Street, 90 Broad Street, 110 William Street

### Atlantic Cooling Technologies & Services, LLC

Cooling Tower Rehab, Repairs & Parts

Projects: 44 Wall Street, 48 Wall Street, 100 Williams Street, 110 Williams Street, 5 Hanover Square, 80 Broad Street

### Chemical Specifics, Inc.

HVAC Water Treatment & Cleanings

Project: 25 Broad Street

### Croker Fire Drill Corp.

Fire Safety, Emergency Action Drills & Plans, Training, Code Compliance Education

### EMTEQUE Corp.

Environmental Consulting; Asbestos, Lead, IAQ, Phase I & II Studies

Projects: NYCDEP Community Right-To-Know for all Swig Locations; Asbestos Consulting for 48 Wall Street

### ESCC

Building Electronic Security & Communications

Projects: 110 William Street, 80 Broad Street, 90 Broad Street, 5 Hanover Square, Sheffield57, 25 Broad Street

### Forum Painting Inc.

Painting, Wall Covering, Decorating

Projects: 110 William Street, 90 Broad Street, 80 Broad Street, 48 Wall Street, 44 Wall Street

### Fried Frank Harris Shriver & Jacobson LLP

Attorneys at Law

### Genergy

Energy Cost Recovery, Metering, Monitoring, Consulting

### General Plumbing Corp.

Pumps & Fire Systems Testing

### GACE - Goldstein Associates Consulting Engineers, PC

Structural Engineering Services

Projects: 110 William Street, 90 Broad Street, 80 Broad Street, 48 Wall Street, 44 Wall Street, 770 Lexington Avenue, Sheffield57, 25 Broad Street, 5 Hanover Square, 201 West 92nd Street

### Jack Green Associates

Mechanical and Electrical Engineering

Projects: 5 Hanover Square, 90 Broad Street

### MBI Group

General Contracting & Construction

Projects: 80 Broad Street, 110 William Street, 90 Broad Street, 5 Hanover Square

### MG Engineering, P.C.

Mechanical, Electrical, Plumbing, Fire Protection, Fire Alarm Engineers

Projects: 110 William Street, 90 Broad Street, 48 Wall Street, 44 Wall Street, 770 Lexington Avenue, Sheffield 57, 25 Broad Street, 201 West 92nd Street

### MJM Plumbing Inc.

Plumbing, Heating, Mechanical, Tank Cleaning, Tank Repair & Solar Systems

### Moed de Armas & Shannon

Architectural Design

Projects: 80 Broad Street, 45 Broad Street

### New York Elevator

Elevator Maintenance, Repair, & Modernization

### Outsource Consultants

Building Code, Zoning, Approvals, Permits, & Signoffs

Projects: 110 William Street, 90 Broad Street, 80 Broad Street, 48 Wall Street, 770 Lexington Avenue, 201 West 92nd Street

### Pinnacle Contractors

General Contractors

### Port Morris Marble & Metal

Stone & Metal Maintenance Services

Projects: 110 William Street, 44 Wall Street, 48 Wall Street, 90 Broad Street

### Signs of Success

Signage Design, Engineering, Production, Installation

Projects: Sheffield57, 80 Broad Street, 44 Wall Street, 110 William Street, 5 Hanover Square

### Sprint Recycling

Commercial Paper Recycling

### Total Fire Protection

Fire Extinguisher Maintenance

Projects: All Swig properties

## ART AND REAL ESTATE

In a part of the city where stock is taken in dollars and cents, Swig Equities has initiated an art program in its buildings whose stock is simply giving pleasure and creating a stimulating and thought-provoking atmosphere.

"Real Estate, as my business, happens to be a wonderful forum for sharing art with the public," declares Swig adding that his wife Liz curates the art that is on display throughout the company's property portfolio.

Liz and Kent Swig loan their personal art to their properties without any compensation whatsoever. "If we see a piece of art that is available and right for the building, we will purchase it or perhaps even commission certain original works for our spaces," continues Swig.



5 Hanover Square exterior

**"We strongly believe in the strength of FiDi, as it is the fourth largest business district in the world. There is a lot of demand for top of the line condominiums. Our customers are Wall Street people who want to have a place near work. This area attracts the younger generation, whether single or married."**

**Asher Zamir, Developer, The Setai**

Swig is currently exhibiting artwork in the lobbies of several of his properties in FiDi. This includes two works on display at 5 Hanover Square, a colorful abstract painting by St. Louis artist Jerald leans and a video installation by South African-born artist Robin Rhode. On view at 44 Wall Street is artist Robert Melee's Op-Art piece, which consists of three 8-foot by 12-foot panels with bottle caps nailed to it, which were then covered with plaster and vividly-colored high-gloss enamel paint. Melee's piece is the main focal point of the 28-foot-high limestone lobby, which is visible through the glass wall overlooking

the street. The most recent addition in FiDi is exhibited at 90 Broad Street is a piece by German artist Katharina Fritsch, which consists of four oversized, monochromatic umbrellas that are suspended from the ceiling.



5 Hanover Square lobby interior

## THE FUTURE OF FIDI

Swig notes that Manhattan natives may be slower to notice the potential of FiDi than the out-of-towner. "That's always been the story of New Yorkers—we know what we know, and we are comfortable with that," he says. "But you've got to ask yourself—why are the tourists here, why are the retailers here, why are people flocking to this area? It's because everything is here. I think that there are few, if any other neighborhoods in America, perhaps other than the SoMa (South of Market) area in San Francisco, where such a dynamic, mixed-use area exists with commercial, residential, retail, cultural, civic, hotel and school usages exist alongside each other."

"It is wonderful to see history being re-created in FiDi, for this is the area where New York first began as a city," Swig reminds us, "and now it is being redeveloped into one of the centerpieces of commerce, living, culture, shopping, and tourism once again!"

Whatever FiDi ultimately becomes, one thing is certain—Swig Equities will be in the center of the action. "It's very exciting to see a new neighborhood come into its own," says Swig. "Since I first created my business plan for what I wanted to do in FiDi, the neighborhood has further grown and solidified on top of what was already a growing neighborhood. It has been rewarding to be among the first to rediscover the possibilities of the area, and Swig Equities is proud to have contributed to its growth." ■