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## NYC Developers Praise Gov't While a Lawmaker Pans It

By [Paul Bubny](#) | New York

*RealShare APARTMENTS 2013 will tackle all of the major multifamily issues facing the nation. Join the industry's leaders who will gather for discussions on leasing, development, acquisitions, investment, financing issues & sourcing capital and the science of getting the deal done. [Register now](#) for the October 24th event!*



Related's Bruce Beal (at left) charts the emergence of the Far West Side during Tuesday's "Developers Shaping New York" panel.

NEW YORK CITY-Government figured in both the keynote address at Tuesday's RealShare New York conference and in the development panel that followed, albeit with two very different views of the public sector's effectiveness. In the "Developers Shaping New York" discussion, some of the heaviest hitters in the sector gave kudos to the Bloomberg administration's farsighted planning, while keynoter Rep. **Michael Grimm** (R-NY) spoke frankly about the role of lawmakers—as well as President **Barack Obama**—in both shutting down the government and being unable to resolve the impasse.

"Average Americans have lost confidence in Congress' ability to govern" and to a certain extent they've lost faith in the President as well, said Grimm. Although he characterized the Affordable Care Act as "bad policy," he said that shutting down the government as a result was similarly wrongheaded. "Two bad policies do not make a good policy," he said.

Nor did Grimm share the view of some members of Congress—on both sides of the

aisle—who downplay the consequences of a possible **default** on US debt. "This isn't fire that you burn yourself with; these are explosives," he said. Bipartisan cooperation is needed to resolve both the **shutdown** and the debt-ceiling standoff while also addressing the underlying long-term issues.

Speaking by telephone from Washington, DC, Grimm noted that the current "trench warfare" climate in Congress has been a long time in the making. Yet he faulted Obama for a lack of leadership in promoting cooperation across the aisles, by ignoring the relationship building that past Presidents as different as Ronald Reagan and Bill Clinton practiced regularly. "I have never been invited to the White House for a policy discussion, and I don't know of any Democratic Congressman who has, either," he said.

In that regard, Grimm suggested that the Obama administration take a cue from commercial real estate, where establishing relationships is an everyday aspect of business development. CRE also figures in Grimm's efforts to secure a five-year renewal of the Terrorism Risk Insurance Act, currently due to expire in December 2014. "If we do not reauthorize it quickly, projects are going to be stopped," he warned.

A panel of industry experts whose high-profile projects just might hit such an insurance roadblock absent a government backstop such as TRIA charted the current development scene, which is considerably livelier than the pace of Congressional lawmaking at the moment. **Bruce Beal**, president of **Related Cos.**, credited the city's smarts in rezoning much of the **Far West Side**, including **Hudson Yards**, where Related's \$15-billion mega-project is under construction. "That type of planning is the reason the neighborhood is booming today," said Beal.

Similarly, **Philip Wharton**, SVP of US development at **Brookfield Office Properties**, cited the Far West Side as a hot spot. BPO has Manhattan West, a mixed-use project not far from Hudson Yards, under development. "We see it as the convergence of two neighborhoods that are growing in our direction," namely Chelsea's northward progression and the increasing migration of Midtown's boundaries toward the Hudson River.

Yet **Miki Naftali**, chairman and CEO of the **Naftali Group**, was quick to point out the key role that developers play in this process. "At the end of the day, we are creating the hot spots," said Naftali, currently one of the most active multifamily developers in the city.