



New York's corridor of media power gets denser

Publishing and broadcasting giants are defying the notion that they'd flee high rents and are moving into or building up in Midtown.

By Thomas S. Mulligan, Times Staff Writer

January 1, 2007

NEW YORK — Newspaper baron William Randolph Hearst wanted to make a splash with his New York headquarters in 1926, so he hired Joseph Urban, an Austrian emigre with a flair for the theatrical.

The veteran set designer had worked for the Metropolitan Opera, the Ziegfeld Follies and Hearst's Cosmopolitan Productions movie studio. The result was the International Magazine Building, an imposing limestone box on 8th Avenue that might have been mistaken for a bank save for the telltale sculptures representing tragedy, industry, music and printing — and gigantic, bedpost-like columns rising from the sixth story.

It's the kind of audacious style that's still in vogue in Midtown today, and for good reason. The area is the nerve center for the nation's media business, a place where buildings aim for boldness to mirror the creativity taking place inside. A 40-block swath on Manhattan's West Side, the corridor houses the headquarters of eight of the nation's largest media and entertainment companies, key subsidiaries of others and — not coincidentally — the theater district and Times Square.

Clustering the nation's media so close together means paying the price for elite office space. Newer space can command rents of \$80 to \$100 per square foot, making it some of the most expensive commercial real estate in Manhattan and the nation. But being there also means having quick access to talent, transportation and lunches with allies or competitors.

"In a high-return business like media that relies on intellectual capital, the last thing they'll mention is low rent," said Daniel L. Doctoroff, New York's deputy mayor for economic development.

The so-called Media Corridor runs between 8th Avenue and Avenue of the Americas (6th Avenue), and roughly from Columbus Circle south to 40th Street. It has long been home to major TV and radio networks, many of the biggest magazine and book publishers and the advertising industry that grew up with them.

But with the world increasingly turning digital, there were predictions that the city's media

constellation would fragment. Why pay Manhattan rents, the theory went, when you can do the work from anywhere and, when necessary, electronically?

"That's proven to be a complete fallacy," Doctoroff said. "People want to do things face to face."

Instead of shrinking, the media cluster has grown denser.

Some of New York's most exciting new buildings are in the Media Corridor, housing such companies as Time Warner Inc., Conde Nast Publications, Hearst Corp. and — in a dramatic Renzo Piano tower set to open in the spring — New York Times Co. Bloomberg's much talked-about new headquarters is something of an outlier, at the site of a former department store on the Upper East Side, spectacularly repurposed by architect Cesar Pelli.

Besides being wired for digital communication from the ground up, "new buildings are more conducive to creative activity," said Mitchell L. Moss, a professor of urban policy and planning at New York University who has mapped the expansion of the Media Corridor.

Hearst — corporate parent of such magazines as Cosmopolitan and Esquire, newspapers including the San Francisco Chronicle and 28 TV stations — in some ways best exemplifies the corridor's evolution. Not only did the company stay put in New York, but it also used the International Magazine Building as a base for the new, 46-story Hearst Tower designed by the British architect Norman Foster.

From inside the lower floors of the glass-and-steel tower, Urban's surrounding limestone facade does indeed resemble a stage set.

Paul J. Luthringer, a Hearst spokesman, said the proximity of media planners and advertising firms made staying in New York a necessity, but the amenities of the building were a plus. Situating the elevator well against a back wall instead of in the central core made it possible to provide spectacular views for nearly all 2,000 employees.

Looking a few blocks north to Columbus Circle from certain upper floors, one can spy on Time Warner Chief Executive Richard D. Parsons as he ducks onto the garden terrace outside his office to smoke a cigar.

When the Time Warner Center, designed by David Childs, opened nearly three years ago, Parsons called the mixed-use complex "both a showcase and a workplace." It also helps to enhance the brand of both the corporation and cable-news subsidiary CNN, whose studio there has become a tourist attraction.

The broadcast networks also are alive to the branding opportunities of the high-traffic corridor. ABC, CBS and NBC all produce their live morning shows from street-level studios that allow the public to look on and sometimes interact. News Corp.'s Fox News runs a giant electronic news ticker along the facade of the company's headquarters at Avenue of the Americas and 48th Street. News service Reuters does the same at its nearby headquarters in the heart of Times Square.

One media space that generates buzz without electronics is the Conde Nast cafeteria, designed by Frank Gehry, that opened in 2000. With its blue titanium walls, rippling glass dividers and leather banquettes, it is "perhaps the most desirable corporate cafeteria in the world," as Moss puts it. Diners on a budget might prefer the Bloomberg building, where free snacks are available to employees and their guests around the clock.

City government helped set the stage for the Media Corridor's development by cleaning up some of the seedier aspects of Times Square without robbing it of its glitz, according to Robert D. Yaro, president of the Regional Plan Assn., a nonprofit research and advocacy group. In fact, Yaro noted, a city ordinance requires buildings in Times Square to devote much of their facades to billboard space.

Foreign media companies such as Bertelsmann, Sony Corp. and Reuters Group made big commitments to the Times Square area, and local companies such as Time Warner, New York Times and Hearst later made plans to expand. Part of the draw to the West Side was that it was relatively underdeveloped. Needing new buildings, companies gravitated to the one place in Midtown Manhattan where a lot of space was available.

Much more commercial space is in the pipeline. Last month Mayor Michael R. Bloomberg announced an initiative to help the city prepare for what looks to be a boom that will take New York's population past the 9-million mark by 2025.

A rezoning of the far West Side near the Hudson River will unlock 24 million square feet of office space — about half as much as now exists in Boston, according to Saul Shapiro, a specialist in the media, entertainment and telecommunications industries at the city's Economic Development Corp. The area is to be served by a new subway line, financed by \$2 billion in bonds that the city floated several weeks ago.

Big media may gravitate to the corridor without further encouragement from the city, but officials want to make sure that fledgling media companies also have a place to roost in New York.

To that end, the city is trying to attract smaller companies to more-affordable areas such as Long Island City in Queens and downtown Brooklyn.

Doctoroff may be correct that rental rates aren't big media's chief concern, but that doesn't mean they're not a factor.

Although Viacom Inc. is widely expected to keep its top New York-based executives in Times Square when leases come up for renewal in 2007 and 2008, the company is considering moving some of its New York operations to Long Island City, spokesman Carl Folta said.

Dan Fasulo, director of market analysis at Real Capital Analytics in New York, said city subsidies could bring rates in Long Island City to less than half the \$80 per square foot that Viacom might have to pay for renewal in Times Square.

New York Times Co., meanwhile, has been increasing the number of floors in its new 52-story home that are available for lease to outside tenants.

"There's interesting tenant activity in these new buildings," Fasulo said.

"I'm sure the CFOs are saying, 'There's a lot of money to be made renting out rather than occupying.' "

*

thomas.mulligan@latimes.com
