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Goldman Sachs's New Palace Creates Princes, Serfs

By SUSANNE CRAIG

NEW YORK—Goldman Sachs Group Inc.'s new headquarters in lower Manhattan has the kind of amenities befitting masters of Wall Street. The \$2.1 billion steel-and-glass building has giant murals, opera-house ceiling heights, and a gym with overachiever fitness classes, like "Awesome Abs."

But a new class of haves and have-nots has emerged—even at Goldman where the notion of have-nots is relative. Outside offices are now reserved only for the firm's more than 300 elite partners. Managing directors, next down in the Goldman hierarchy, almost always get windowless inside offices.

And vice presidents, many of whom had offices before the move, now sit at open-space workbenches that in an earlier era would have been called a typing pool. They aren't thrilled.

"I haven't had a desk like this since high school," said one employee who asked not to be named.

Even some managing directors are grouching. Vice presidents, they note, often get a window seat at their bullpen desks, a sort of consolation prize for having lost an office. "I used to have an office with a view," explained one managing director. "Now I need binoculars to see sunlight."

In many other ways, though, Goldman employees aren't feeling let down by the upgrade. Unlike their old digs on 85 Broad St., which was cramped and had an obstructed view of New Jersey, Goldman's new space at nearby 200 West St. is steps away from the Hudson River, offering a panorama that includes New York Harbor.

The company has been secretive about its new headquarters, especially as it tries to counter criticism that has hurt the company's sterling image. So far, 6,500 of the 7,500 employees that will work in the 43-story building have moved in. Chairman and Chief Executive Lloyd Blankfein arrived a few weeks ago.

Founded in 1869, Goldman has always been based in downtown New York. In 2004, Goldman decided it was time to trade up from its Broad Street headquarters. At the time, financial companies rattled by the 2001 terrorist attacks on the World Trade Center were threatening to leave downtown Manhattan. In 2005, Goldman received tax breaks and grants valued at more than \$200 million toward the new building, which stands just across the street from Ground Zero.

Goldman broke ground in 2005. The construction was plagued with problems. In 2007, seven tons of steel fell off the 740-foot-tall building, paralyzing an architect on the ground. Then a sheet of steel

plummeted from the 18th floor, landing in a baseball field where a Little League game was being played. There were no injuries.

The first employees arrived by November 2009. The building occupies 2.1 million square feet and features six massive trading floors, each larger than a football field and equipped with enough flat-screen monitors to stock a Best Buy. The basement houses 92 storage tanks that hold 1.7 million pounds of ice made each night when electricity rates are lower than during daytime hours. Air cooled by the melting ice circulates throughout the building.

One of the building's most notable features is the Sky Lobby on the 11th floor. Flooded with light from a glass ceiling, the area resembles a massive auditorium-like space that houses banks of conference rooms, a cafeteria and employee gym. Henry Cobb, a partner at Pei Cobb Freed & Partners, the building's lead architect, calls the Sky Lobby the "living room" of the building.

Baristas serve French Toast Baba pastries and lattes in the cafe, not to be confused with the Sky Lobby cafeteria that offers a deep panini lineup and deadly cupcakes, employees say. Considering the old building's cafeteria was in a windowless basement, one of the most welcome features of the new eatery is the light of day.

The 54,000-square foot gym, called the GS Wellness Exchange, has classes from 5:45 a.m. to 7:50 p.m. The new steam rooms for men and women are drawing mixed reviews. Some employees find the idea of "steaming" with co-workers objectionable. Others, not so much. "Once you have seen your colleagues naked in the locker room, steaming with them isn't that weird," says one employee.

The employee reading lounge features Goldman-approved books, including "On the Brink," the bestseller by former Goldman Chairman and CEO turned Treasury Secretary Henry Paulson Jr. Employees also can thumb through "The Psychology of Persuasion: How to Persuade Others to Your Way of Thinking" by Kevin Hogan and Mitch Albom's "Have a Little Faith: A True Story."

The reading room is too hushed and open for vice presidents evicted from their old offices to use for confidential phone calls. If they have sensitive issues to discuss, they can slip into private offices now reserved for visitors.

"If I had been at a bench my whole life, it would be fine," said one vice president, "but I used to have an office."

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