

# Waterfront projects get graded

BY ANDREW MARKS

**NEW YORK BEGAN TO REDISCOVER** the value of its waterfront with the success of Battery Park City and the lower Hudson River Park. By 2003, numerous projects were in various states of planning. In May of that year, *Crain's* assessed the viability of the major riverfront ventures.

Since then, the Bloomberg administration has made economic development, especially waterfront projects, a top priority—but not always with great success. In the past three years, some of these endeavors have moved forward, others have taken shape fitfully, while others have been abandoned or made little or no progress.

Here are current report cards on the key commercial projects.

## Greenpoint and Williamsburg Brooklyn ①

**A** **GRADE** THE CITY PLANNING Department's proposed rezoning of the Greenpoint and Williamsburg waterfronts from industrial to residential became a reality last year, opening the way for a 28-acre park and 10,800 new residential units, 3,500 of which will be affordable housing along nearly two miles of waterfront. For the moment, artists, yuppies and the working class are mixing it up in these two hot residential neighborhoods.

The state court decision that put the kibosh on TransGas Energy Systems' controversial proposal to build a power plant on Greenpoint's waterfront points the way to even more residential development.

**VIABILITY:** Excellent. The first project mixing luxury and affordable housing has been built, and another is already on the way.

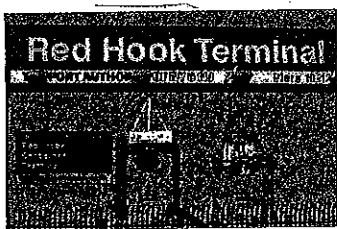
## Queens West ②

**A** **GRADE** COMMERCIAL development is out, but residential is going strong at this 74-acre complex. After several years of trying to lure a large retailer to anchor 2.5 million square feet of commercial space, the effort has been abandoned.

"The commercial core element is being reduced for lack of interest and because the market for residential is booming," says Charles Gargano, chairman of Empire State Development Corp.

Meanwhile, the fifth of seven residential towers in phase two of Queens West, which is being developed by Rockrose Development Corp., is going up. A request for proposals for developing the southern half of Queens West is expected in the first quarter of 2007.

**VIABILITY:** The odds of making Queens West into a mini-Battery Park City keep improving.



**CONVERSION** is moving swiftly in Red Hook.

## Red Hook Brooklyn ③

**A** **GRADE** THE CITY'S VISION OF converting Red Hook from a down-and-out commercial port to a thriving mixed-use retail and residential mecca is moving swiftly. The \$56 million Brooklyn Cruise Terminal is already operational, Fairway has opened a giant 52,000-square-foot store, and Ikea is on the way.

The city Economic Development Corp. issued an RFP in June for the development of Piers 10 through 12 on the Atlantic Basin. The EDC hopes for a grand plan that includes everything from maritime-related ventures to a hotel, art galleries and apartments—displacing American Stevedoring, whose lease expires next April.

**VIABILITY:** Hello retail and residential; goodbye stevedoring.

## Brooklyn Bridge Park ④

**B** **GRADE** WITH A CONSTRUCTION budget of \$130 million in place, Brooklyn's first new park in 130 years should be completed by 2012, says the ESDC's Mr. Gargano.

The Brooklyn Bridge Economic Development Corp spent three

years wrangling with neighborhood groups over its plan to use retail and residential development to generate \$15.2 million a year for park support. Finally, commercial space in the park was reduced to 10% of the available land, from 20%.

Plans now call for a Chelsea Piers-type recreation center on Pier 5, a hotel and conference center on Pier 1, and residential development at Pier 6, by the park's entrance.

**VIABILITY:** Expect the legal action to be over soon.

## East River Downtown Manhattan ⑤

**C** **GRADE** THREE AND A HALF years ago, when Mayor Michael Bloomberg announced his Vision for Lower Manhattan, it included vague plans for redeveloping the East River waterfront. In June 2005, the Lower Manhattan Development Corp. gave the idea momentum by awarding the EDC \$150 million to begin design work.

"The current plan incorporates extensive retail and residential development, and will bring people to the river," says Kevin Rampe, chairman of the LMDC.

A large portion of the plan, which calls for building an esplanade, park and recreational pavilions stretching from the Battery up to East River Park, awaits land-use approval, which should come late next year, according to the EDC.

Also crucial is the fate of the former Fulton Fish Market. Deputy Mayor Daniel Doctoroff expects proposals for the buildings in several months. "It will be mostly retail, but we've been talking to the New York Design Center about taking one of the buildings," he says.

**VIABILITY:** The key is whether the city and state get their act together at the World Trade Center site.

## Homeport Staten Island ⑥

**C** **GRADE** LAST MAY, the Department of City Planning officially began public review of the redevelopment plan proposed for

the Stapleton Waterfront and the former Navy Homeport, which the city has controlled since 1990. The plan calls for a mix of 350 housing units, retail, a Chelsea Piers-like sports complex and even a farmers' market along a mile-long waterfront esplanade. The mayor has budgeted \$66 million for construction of the esplanade and other infrastructure improvements.

"We're in the midst of completing the community planning process; then we'll be issuing RFPs for developers," says Mr. Doctoroff.

**VIABILITY:** An important first step on a long, tedious path.

## Hudson River Park Manhattan ⑦

**C** **GRADE** THE PARK CONTINUES to bloom along the West Side Waterfront, but the same cannot be said for the Hudson River Park Trust's efforts to make it financially self-supporting via redevelopment of several key piers as "commercial nodes." Three years ago, the trust's efforts to find a private developer for Pier 40 at West Houston Street fell apart under opposition from community activists.

Recently, the other major commercial development site, Pier 57, just above West 14th Street, hit a roadblock. Planning for Leonardo 57, an Italian-themed retail and recreational complex including a Cipriani restaurant and a marina stalled in June. Cipriani backed out, leaving its partner, The Witkoff Group, on its own.

Witkoff, says a spokesman for the developer, "continues to proceed with the project as planned. We are in talks with several developers, including but not limited to The Related Companies, about taking on a partnership role in developing the project."

A new RFP was issued for Pier 40 on Aug. 31 with a Nov. 17 deadline. "We're making progress," says a trust spokesman.

**VIABILITY:** Even if Related joins the project, land-use approval is still nearly two years away. Since election of a Democratic governor seems likely and the trust's board consists of Republican appointees, don't expect much to happen for a while.

## Sunset Park ⑧ Brooklyn

**C** GRADE THE REDEVELOPMENT of Sunset Park is occurring, but not as a fresh-water port, as many advocates had hoped. The Bloomberg administration envisions manufacturing companies operating on the waterfront along with a biotech center, arguing that “the city doesn’t need any more port facilities,” says Mr. Doctoroff.

The EDC recently issued a request for expressions of interest for redeveloping a portion of the Brooklyn Army Terminal for what it is calling the BAT Bioscience Center. Meanwhile, the Brooklyn Economic Development Corp. has issued an RFP to convert the 1.1 million-square-foot Federal Building 2 and adjacent land—at an estimated cost of as much as \$100 million—into a home for light manufacturers. “We expect to name a developer by end of year,” says BEDC President Margaret Nelson.

The EDC has already leased the South Brooklyn Marine Terminal to the Axis Group to run a scrap car-processing operation, and the city and state have budgeted \$36 million to transform Bush Terminal Piers into a recreational park.

**VIABILITY:** “The port development plan is still very much on the table,” says Councilwoman Sara Gonzalez. “The debate isn’t over.”

## Yankee Stadium ⑨ Waterfront Bronx

**D** GRADE WHILE THE WATERFRONT’S still there, Yankee Stadium won’t be. The redevelopment of the Bronx Terminal Market is finally under way after years of legal disputes. But the vision of a waterfront “Yankee Village” complete with a new park, a hotel, restaurants, an esplanade and a redeveloped Bronx Terminal Market vanished once the plan for the stadium shifted inland.

Bronx Borough President Adolfo Carrión is hoping to replace the project with a hotel and conference center between the Gateway Center and a proposed waterfront park.

“I’m optimistic about getting these projects in the ground over the next three years,” he says.

The city has invested \$1.4 million to improve waterfront access, and Mr. Carrión says the creation of a waterfront esplanade from the Terminal Market up to River Plaza is progressing. “We still have to get rid of a couple of businesses that don’t make sense on the waterfront. If we have to take the land, we will.”

**VIABILITY:** The Related Companies’ involvement means the Terminal Market will get built, but beyond that, a waterfront esplanade may be the best the borough can hope for.

## Governors Island ⑩

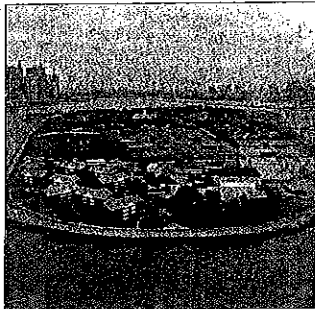
**F** GRADE IN 2003, the federal government had only recently given the island to the city and state, under the auspices of the Governors Island Preservation and Education Corp, which was to administer the property and oversee its development. Its 172 acres, incredible views of the city and the harbor, and proximity to both lower Manhattan and Brooklyn inspired proposals for everything from universities to theme parks.

But the island’s commercial development is moving backward, even though the city and state have already contributed \$122 million toward renovations and new infrastructure. The state recently rejected all 10 mixed-use development proposals submitted in response to a two-year RFP conducted by GIPEC.

“We were disappointed in the submissions made following the RFP process,” says the ESDC’s Mr. Gargano. “They wanted too much public money.”

**VIABILITY:** Back to square one.

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GOVERNORS ISLAND gets a falling grade.