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Bronx Retail to Grow at Armory

By Sharon Edelson

NEW YORK — Retail lives — potentially — in the Bronx.

The grim economic environment has prompted many stores to scale back expansion plans, but there are still parts of the country and projects that are getting attention. One such place is the Bronx. With a population estimated at almost 1.4 million, the retail square footage per person in the city's northernmost borough is one-third that of other parts of the U.S.

The Kingsbridge Armory on Jerome Avenue is a unique property that could alter that equation, retail experts said. The 575,000-square-foot National Guard Armory is considered to be the largest such facility in the world. It's near public transportation and institutions such as Fordham University and Lehman College.

The City of New York inherited the armory from the state in 1996. The city Economic Development Corp. in September 2006 sought requests for proposals for the property and, in April, Related Cos., which developed Manhattan's Time Warner Center, among other properties, was chosen as the developer.

Related's plan for The Shops at the Armory calls for an anchor department store as well as other components. Related is targeting J.C. Penney, Century 21 and Kohl's, sources said. Although the talks are very preliminary — the project won't be completed for another five years — sources said the opportunity is attractive enough to interest the stores, even in these challenging times.

"The project will be delivered in 2013 and hopefully we'll be in a different situation then," said one retail leasing expert. "I think the retailers can look that far out."

The Bronx has "no enclosed malls," said Robert D. Ursini, senior vice president of Related Retail, adding that the company envisions a department store and lifestyle mall. "The Bronx is also underscreened. There's no theaters with stadium seating in the Bronx."

If viewed as "a city unto itself, [the borough] would be the ninth largest city in the country," said Peter Ripka, a partner in Ripco Real Estate, which is handling the leasing for The Shops at the Armory. "The department store category, in particular, is very under-retailed in the Bronx. There's one Penney's and one Macy's, and that's it."

In addition to the department store, Ripka said: "We'll hopefully get a lot of specialty mer-



A rendering of the atrium at The Shops at the Armory.

chants that you find in malls. The armory is at a subway stop and right behind it are colleges, high schools and parkland."

Other features planned for The Shops at the Armory include restaurants, a health club, an entertainment complex and national and local retailers. There also could be a recreational facility, a catering and banquet section, outdoor open space with a seasonal farmers' market and an underground space for cultural performances.

The project is forecast to generate about 1,800 construction jobs and 2,000 permanent jobs. Related plans to invest about \$310 million to acquire and redevelop the armory.

There have been several failed proposals for the armory since the city took control of the property. In addition, there was community opposition to former Mayor Rudolph Giuliani's initiative to build a basketball-themed arena. One constant has been the community's insistence that more schools be built in the area.

Related will have a challenge when it builds The Shops at the Armory. "We have to build a building within a building because it's a historic structure," Ursini said.