

# DAILY NEWS

## Retail, office development finally gets off ground in South Bronx

By Lore Croghan

July 20, 2008

The South Bronx site had sat empty since a mayoral groundbreaking ceremony.

The mayor was Abe Beame, and the year was 1976. The ceremony marked the first of three decades of false starts in a slice of the city that had more than its share of undelivered promises.

Sabo/News



Shoppers crowd the Hub retail district, where Harris Stores, sells 300 items a day from its 99-cent sidewalk rack.

But finally, last year, mega developer Stephen Ross built a two-story retail and office building at Third Ave. and E. 156th St., and renovated the parking garage next door.

Shoppers in the neighborhood known as the Hub said they like what his firm, the Related Companies, delivered.

Yonarys Ramos runs errands at the building's Rite Aid on her way home from work in the admissions office of Boricua College because the drugstore stays open until 9 p.m.

Ramos, who has four kids, gets school supplies at its Staples and she thinks the prices are right at its Nine West outlet store - her cousin bought a purse there for just \$5.

"I hope they build more stores," said Ramos, 31.

She'll get her wish if Related becomes a joint-venture partner with Blackacre Capital and Cypress Equities in a massive development planned nearby at a nearly empty, six-acre site at E. 149th St. and Bergen and Brook Aves.

Related wants in on the proposed 1.1 million-square-foot project, called the Plaza at the Hub. Before getting involved, the developer is asking the Bloomberg administration to move a city agency into an office building that would be part of the project, sources said.

Also, Related is seeking changes in the development plan, for instance, to include more housing. The current design calls for up to 250 apartments, 375,000 square feet of shops, a large supermarket, a 14-screen movie theater and about 1,000 parking spots.

Officials at the city Economic Development Corp. and execs at Related - which built the ritzy Time Warner Center and is now constructing the Gateway Center mall at the former Bronx Terminal Market - wouldn't discuss the proposed project. Regarding the Third Ave. project, Glenn Goldstein, the president of Related's retail division, did say he's in "advanced negotiations" with a casual restaurant about renting the last vacant space, on the ground floor of the garage.

While development officials were reticent, real estate brokers were eager to talk about changes the proposed Plaza at the Hub project would bring.

"A regional-tenanted corridor would get an opportunity to have lots of national tenants - and parking spaces, so people would come in by car," said broker Steve Lorenzo of NAI Friedland Realty. "It would bring the Targets of the world to the Hub and make it a place for 21st-century shoppers."

In the meantime, smaller retail sites are in play in the bustling shopping district situated between Mott Haven and Melrose, whose merchants include urban fashion retailers like Dr. Jay's and discounters like Conway and kids' clothing store Youngland.

Joseph Shamosh, the president of Youngland, owns a development site at the corner of Westchester and Bergen Aves. that's being marketed on real estate database CoStar.

At 306 E. 149th St., Lorenzo is trying to lease 40,000 square feet of retail space for Atlantic Development Group, which plans to build stores and apartments.

Susan Kaufman is looking for one or more tenants for a vacant 8,000-square-foot building at 368 E. 149th, which her grandfather, vaudeville song-and-dance man Abraham Kaufman, built in the 1920s. His business partner was a circus sideshow performer known as Zip the Pinhead.

A rep for Starbucks has taken a look at the building, Kaufman said, as have service organizations and phone stores.

"Tenants are desperate for space in the Hub," she insisted.

Some retail chains recently signed leases in the Hub, though many are scaling back expansion plans in the Bronx, Brooklyn, Queens and Staten Island because of the tough economy.

"In the next year and a half, you'll see a lot of conservatism on chain retailers' part," said broker Michael Friedman of In-Line Realty.

Walgreens took space on Third Ave. at E. 148th St., and eateries Subway and Little Caesars rented at the Orion, Procida Realty & Construction's Third Ave. condo development just north of Related's new building.

For discount clothing retailer Forman Mills - which opened a 36,000-square-foot store in Related's project - the Hub has turned out to be an effective location for its New York City debut.

Stretching the Hub's demographics a bit, Rick Forman, founder of the 25-store chain, said, "It gave us an entree to 1 million people in a mile and a half radius."

His store at the Hub, which has been open for nearly a year, has met sales projections and is profitable, he said. To celebrate its one-year anniversary, he's considering a big sale the first weekend in August with 20% off every item in the store.

When buildings were demolished to create the site where Related built Forman Mills and other stores, Vincent Valentino, executive director of the Hub's Business Improvement District, was a rookie cop, and Third Ave. was his beat. Thirty years of failed plans made him wonder if anything would ever get built.

"I was a doubting Thomas because it went through so many developers," Valentino said. Now that the long-empty lot is filled with busy stores, "it feels great," he said.