

Roosevelt Island gains favor as residential spot

Inhabitants of one-time backwater are psyched over parks, pending Main Street revamp that will enhance fast-growing New York City area.

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CURB APPEAL: The once-belittled island is gaining population.

When two developers completed the first luxury condo development on the southern end of Roosevelt Island in 2005, they faced a huge challenge: convincing New Yorkers to actually move there.

Today, execs at The Hudson Cos. and The Related Cos. don't have to worry about the area's appeal. Their most recent high-end projects are doing well. Riverwalk Crossing, a 2-year-old, 242-unit rental tower, is fully leased; Riverwalk Court—their latest condo, with 123 units—is nearly 75% sold.

“Once people come to Roosevelt Island, they love it,” said David Kramer, a principal of Hudson. “The views are spectacular, it's quiet and it's one of the safest places in the city.”

Ready for its close-up

The 2-mile-long, 147-acre island in the East River is basking in an unaccustomed glow. With a population of some 14,000, up from 9,500 a decade ago, the area is one of the fastest-growing neighborhoods in New York, observers say. Stanford University has expressed interest in building an engineering school there, in response to an invitation seeking proposals to establish a technical university on city land.

The island is also getting greener. The revamped 8.5-acre Southpoint Park will open this summer. Adjacent to that, 4-acre Franklin D. Roosevelt Four Freedoms Park, a \$45 million project, is expected to be completed in the fall of 2012; the FDR Hope Memorial is slated to be added in the spring of 2013.

In addition, Hudson and Related will revamp Main Street—the island's commercial backbone, with 100,000 square feet of retail space—after decades of neglect. Mr. Kramer declined to provide details, noting that the plans are preliminary, but he indicated that the thoroughfare will get “a new look.”

Residents' hopes are soaring.

“Now we have the population to support a first-class restaurant,” said 22-year resident Matthew Katz, president of the Roosevelt Island Residents Association.

Right now, the island has only a couple of takeout eateries, including those at Hudson/Related properties.

The developers currently manage eight retail spaces at the base of their six residential buildings, including the island's only Starbucks and its sole Duane Reade.

“We have no turnover on any of our leases,” Mr. Kramer said, adding that the island could use more amenities, such as a wine shop and a florist. “It won't be hard to attract retailers. There is a captive audience.”

Hogging the spotlight

This activity is quite a change for an isolated spot with a history of unappealing associations. The Dutch dubbed it Hog Island, and for a good part of the past century, it was called Welfare Island because of its smallpox hospital and mental institution.

Today, it boasts more than 4,900 residential units—a mix of affordable housing and market-rate rentals, condos and co-ops, plus housing for hospital staff, college faculty, the elderly and the disabled. Related and Hudson have the right to construct three more buildings, which could add as many as 800 units.

“We are completely self-sustaining,” said Leslie Torres, president of Roosevelt Island Operating Corp., the state-created public benefit entity that manages the island.

RIOC collects ground rents from residential buildings' landlords; this funds its \$20 million budget for maintaining the island, which the state is leasing from the city for 99 years.

The area's growth does have its downside. The population increase has stressed the public transportation system. Residents rejoiced when the tramway to Manhattan reopened in November after a \$25 million refurbishment, especially since the only other mass transit is the crowded F train. Some are hoping for new ferry access to help relieve the strain.

“A ferry service won't solve our problem, but it is a step in the right direction,” said longtime resident Mr. Katz. “We understand the limitation of living on an island. It's a balancing act.”