

Gas-Station Owner Cashes 'Lottery Ticket'

Nearly 40 years ago during New York's financial crisis, Argentine immigrant Oscar Porcelli began buying gas-station locations in the region.

He paid \$100,000 for a gritty property in the SoHo neighborhood across the street from the landmark Puck Building. "It was a lottery ticket," says his son, Marcello Porcelli, who has been involved with developing many of the properties his father bought. "And he hit a winner."

The Porcellis' company, LargaVista Cos., on Tuesday reached a deal with development giant Related Cos. to build an 83,000 square-foot building on the site. The seven-story project will cost \$200 million and will include about 30,000 square feet of retail and 53,000 square feet of office space.

Jeff Blau, Related's chief executive, says the project won't break ground until Related leases the retail space. But he predicted that won't be hard, noting that big names including Crate & Barrel, REI and Hollister all have outlets in the area and Related has extensive contacts with the world's top retailers.

Mr. Blau said Related has signed a long-term lease for the site that gives LargaVista a slice of the future profit. He declined to elaborate.

Oscar Porcelli, now 78, was virtually penniless when he moved to the U.S. as a 20-year-old. He first got into the gas-station business as an operator and then began buying properties. He eventually purchased more than 50 sites in the city's five boroughs.

Marcello Porcelli, 43, says he joined his father's firm in 1997 hoping "to unlock the potential" of some of the properties. Some have been converted to modest one-story stores. The family also developed a 23-unit condominium tower a few blocks from the Puck Building, where the son lives.

Related's interest in the site reflects how hot SoHo has become as a place to shop, work and live. Prime retail rents can be as much as \$1,000 a square foot, according toushman & Wakefield.

Kushner Cos., which acquired the Puck Building in 1986 for \$19 million, is converting two floors of the building into five penthouses and building a sixth one on the roof. They are priced from \$21 million to \$60 million.

The Porcelli site, located in SoHo's Cast Iron Historic District, has held a gas station since the 1930s. LargaVista, which has long planned to develop it, acquired two adjacent buildings for \$5 million in recent years to expand the site.

New York's Landmarks Preservation Commission last year unanimously approved a plan for the building developed by the younger Mr. Porcelli and his architect, Rick Cook of Cook + Fox Architects.

The glass facade will feature a white terra-cotta grid and decorative elements that pay homage to nearby historic buildings, including 65 Bleecker St., the only Louis Sullivan-designed building in New York.

Related is known for such projects as Time Warner Center in Manhattan and CityPlace in West Palm Beach. It is also the developer of the sprawling Hudson Yards project on Manhattan's West Side where Time Warner Inc. is planning to relocate its headquarters.

Marcello Porcelli says that the family had planned to develop the site across the street from the Puck Building on its own. But "having that much capital tied up in a single project was not the best course," he said.

Also, he added, "I don't define success by squeezing every last dollar out of a transaction."