

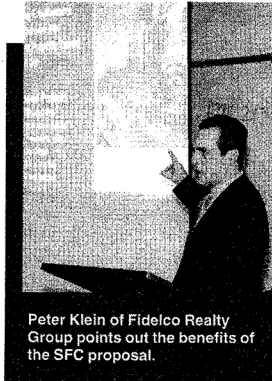
# Developer Cautions Against Delay on Yonkers Waterfront Project

By John Jordan

YONKERS – With the \$1.5-billion first phase of the Yonkers waterfront redevelopment initiative nearing the final stages of the approval process this summer, the developer is hoping to begin work on the venture later this year. At a recent meeting of the Westchester County Board of Realtors Commercial Investment Division, an executive with the development partnership stressed his firm's commitment to the endeavor but urged city leaders not to delay the project, especially in light of the current economic downturn.

The project, being proposed by a partnership of Cappelli Enterprises of Valhalla, Struever Brothers, Eccles & Rouse of Baltimore and Fidelco Realty Group of Millburn, NJ (SFC), recently cleared a major hurdle when the Yonkers City Council deemed its voluminous Draft Environmental Impact Statement as complete last month in a 7-0 vote. The City Council scheduled the first of what is expected to be several public hearings on the project for April 29 at Yonkers City Hall. Peter Klein, vice president of Fidelco Realty Group, discussed the status of the project at a March 27 CID meeting. He said that his firm believes that construction will take about 36 months to complete once it receives final approvals from the city on his plan. Klein, who is also project manager for SFC, said the project has been in draft form for about two years and that there have been about 70 public meetings on the project.

"We feel we have done everything possible to bring the project to the people, to let them ask the questions and raise concerns before we submitted our plan," Klein said. He added that the development team is hopeful that the remainder of the process can be expedited due to the extensive amount of outreach work it



Peter Klein of Fidelco Realty Group points out the benefits of the SFC proposal.

PHOTO BY JOHN VECCHIOLA

had undertaken. As the project enters the critical final stages of the environmental approval process, Klein said, "We are encouraging the City Council of Yonkers to display courage and do what is generally right for the city." He later added that delays in the approval process could scuttle projects or result in a significant setback, such as what took place recently at the Light-house Landing project in Sleepy Hollow.

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"The developer runs out of patience, they also run out of money. At some point running out of money means the next dollar spent is better spent somewhere else," he said. Klein, who did not provide any drop-dead date on when the developer wishes to have all approvals in hand, did say: "Time is money and lack of momentum kills deals."

In discussing the merits of the project, Klein related that Yonkers has the poten-

tial to be a great waterfront community and that in particular the area "is in desperate need for more retail." Klein said that based on an economic study com-

missioned by his firm, the Yonkers region is "leaking" approximately \$3 billion a year in retail sales that is leaving the region

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and going elsewhere. He said the area could accommodate between four million to eight million square feet of retail space. The developer also is in negotiations on a proposed Tax Incremental Financing plan that will use bond financing to fund infrastructure improvements connected with the development.

Klein complained that despite the downturn in real estate, there has been a run-up in real estate values in Downtown Yonkers due specifically to the SFC waterfront redevelopment proposal. "I am not going to pay a premium today for what I am going to build and that is what's happening in the Yonkers market," he said. "We are finding a lot of vacancies tied to speculators who have come in and said, 'Once SFC has completed their project, my property is going to be worth more.'"

The plan before the city is the first phase of what is projected to be a more than \$3-billion effort to revitalize some sections of the waterfront. The city is also reviewing a master plan for the Alexander Street area that was released earlier this year. The four main components of the Phase I development include River Park Center, Cacace Center, Palisades Point and the reopening of the Saw Mill River. The first phase of the project will feature \$160 million in infrastructure improvements, including road, bridge and sewer work.

River Park Center, which is located in the area known as the Gateway District, includes development of two city blocks in the heart of downtown just east of City Hall. This includes the site known as "Chicken Island," the Getty Square municipal parking lot and the government center parking garage. River Park Center will feature a mix of retail, office, residential and entertainment components including: 465,000 square feet of retail space, 325,000 square feet of office space in multiple buildings, 80,000

square feet of restaurant space with restaurants opening onto a new riverwalk along the reopened Saw Mill River, a 15-screen, 80,000-square-foot movie theater, a 6,500-seat ballpark located on the roof (11<sup>th</sup> floor) of the River Park Center for a new team in the Atlantic League of Professional Baseball Clubs, 950 residential apartments in two buildings and parking facilities with approximately 4,340 spaces. Klein said the opening day for the new stadium is April 2011 and the completion of the first phase will be in the late fall or early winter of 2011.

The plan for Cacace Center calls for a new 150,000-square-foot office building and a new 75,000-square-foot 150-room hotel on the corner of Nepperhan Avenue and South Broadway adjacent to the Cacace Justice Center. The Palisades Point development, which is planned for two Hudson River waterfront development sites south of the Yonkers train station, will be comprised of two 25-story residential buildings with a total of 436 condominium residences, 9,000 square feet of ground-level retail/restaurant or office space and two parking facilities with 725 spaces.

The fourth component of the phase one redevelopment plan is the re-opening of the Saw Mill River that now runs underneath parts of downtown or is inaccessible to the public near Getty Square and in Larkin Plaza. Landscaped public riverwalks would be built along the portions of the Saw Mill River in Larkin Plaza and the River Park Center site near Getty Square.

The phase one development is estimated to create 13,000 construction jobs and 5,460 permanent jobs. It will also generate \$14.8 million annually in tax revenue for Yonkers as well as \$14 million in taxes for the state and \$4.9 million for Westchester County, according to figures supplied by the SFC partnership.