

\$1.6B Yonkers Project Clears Major Hurdle

By John Jordan

YONKERS – While the real estate and financing markets are in the midst of a tremendous shakeout not seen in decades, several major redevelopment projects in Westchester County are continuing to press ahead despite the gray economic climate. The largest of those ventures, a massive plan to reshape the Yonkers downtown and waterfront districts, recently got a critical approval that the developer said was key for the proposal to move forward.

On Nov. 6 the \$1.6-billion Yonkers downtown/waterfront redevelopment project passed a critical phase in the approval process when the Yonkers City Council approved by a 5-2 vote the project's environmental findings. The developer of the project is a partnership called Struever Fidelco Cappelli, LLC, which consists of: Cappelli Enterprises of Valhalla, NY, Fidelco Realty Group of Millburn, NJ and Struever Bros. Eccles & Rose of Baltimore.

The construction trades as well as



A rendering of the first phase of the multi-billion dollar Yonkers downtown/waterfront redevelopment plan.

business organizations in Yonkers and throughout Westchester County lobbied the Yonkers City Council to approve the environmental findings for the project so that the development plan could proceed

to final approvals.

That same evening the City Council also rejected a proposal to give landmark status to an art deco building that currently serves as the City Hall Annex.

The SFC plan calls for that building's demolition to make way for a parking garage. While there still are a number of major hurdles to overcome, the approval allowed SFC to sidestep a reported \$2.2-million penalty from lender Bank of Scotland for what would have been a failure to hit a project milestone. SFC officials had hinted that if its environmental findings were not approved that evening, the partnership might have been forced to reassess the project's viability.

Yonkers Mayor Philip Amicone termed the SFC project "the most important economic development initiative" in the city's history. He praised the council members who voted in favor of the environmental findings and also thanked the many business, civic and labor leaders and city residents who expressed their support for the project to the City Council. "Their unwavering support of this and other key economic development initiatives is reflective of the vast majority of Yonkers residents who want to see their city continue to grow and prosper," the mayor said.

While the council's vote keeps the project moving forward, the mayor noted that there are key issues that need to be addressed before city approvals are complete and construction can commence on the project.

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"In the days and weeks ahead, the City Council and I have more important work ahead of us. We must come to an agreement with the development team on the business terms of this project. And we must do so quickly in order to avoid any further delays in realizing the many tangible benefits this project will bring to the people of Yonkers: thousands of good paying jobs and millions of dollars in new revenues for our municipal and school budgets. As we navigate these tough financial times, we must be mindful that nothing is more important to our city's long term viability than continuing to grow our local economy through good, solid economic development like this SFC project."

Peter Klein, vice president of Fidelco Realty Group and project manager for SFC, said of the City Council's recent actions, "It is an important step towards redeveloping downtown with a lot more work to do."

Joseph Apicella, executive vice president of Cappelli Enterprises, related that the SFC partnership to date has spent more than \$25 million to get the project this far in the approval process. Major hurdles left for the project include obtaining site plan approval, finalizing a land disposition agreement with the city and securing Tax Incremental Financing for necessary infrastructure work in connection with the development. While some SFC officials have put a target for construction by this spring, Klein said that SFC will be working on a schedule for the remainder of the approval process and phasing of construction as well as working on obtaining the necessary financing for construction.

Principals of the three firms involved in the partnership expressed their appreciation of the council's vote.

Louis R. Cappelli, president of Cappelli Enterprises, said, "We are pleased that the Yonkers City Council—after its very careful and detailed review—has taken the action necessary to begin the long-awaited revival of the Yonkers downtown.

We look forward to working with the Mayor Amicone and the City Council."

Bill Streuver, president of Struever Bros. called the council's action "a great achievement for the City of Yonkers. He related, "We will work side by side with Mayor Amicone and the entire City Council to achieve new jobs and sustainable growth for Downtown Yonkers. For more than three years SFC has worked closely with the city's leadership—lending our efforts and expertise—to make the redevelopment of Downtown Yonkers a cornerstone for responsible redevelopment, and a national model for public-private partnership."

Marc Berson, chairman of Fidelco Realty Group, added, "The public-private partnership is essential for a project of this scope which will provide the City of Yonkers with many tax benefits, much-needed jobs as well as significant improvements in its aging infrastructure. Our commitment to Yonkers is for the long-term and this key step will enable us to maintain momentum during this difficult economic time."

The first phase of what could be a \$3-billion redevelopment plan is called River Park Center, which is located in the area known as the Gateway District that 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 a reopened Saw Mill River, a 15-screen, 80,000-square-foot movie theater, a 6,500-seat ballpark located on the roof 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 more than 4,000 parking spaces.