

BUSINESS/FINANCIAL DESK

COMMERCIAL REAL ESTATE: REGIONAL MARKET -- Bronx; A Major Retail Presence Just North of Manhattan

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Not far from Spuyten Duyvil, the junction of the Harlem and Hudson Rivers in northern Manhattan, two commercial development trends have also converged: a big-box retailer with a major suburban presence has established an urban beachhead and in the process desolate industrial land has been given a much more lucrative reuse.

The result is River Plaza, a \$90 million 235,000-square-foot shopping center, which officially opened in August at 40 West 225th Street near the banks of the Harlem River.

Anchored by a 130,000-square-foot Target, a 35,000-square-foot Marshall's and a 7,500-square-foot Applebee's restaurant, the plaza has risen on the site of a former hospital warehouse, some car-repair shops and tire stores, and a fried-chicken restaurant. The 9.5-acre triangle-shaped lot straddles a little piece of the Marble Hill section of Manhattan and a bigger area of the Bronx just west of the Major Deegan Expressway.

When it is entirely open, probably in January, River Plaza will double the retail square footage in the Broadway shopping corridor, which runs from the Harlem River to the Westchester County line, the plaza's owners said.

Other stores already open at the shopping center are Kid's World and Lazarus, while a branch of Washington Mutual bank will open in two weeks. By the end of November, River Plaza will have a Starbucks, Radio Shack and Sprint, among others, owners said. Only two spaces have not been leased: one covering 2,500 square feet and the other 3,200 square feet.

Annual rents average \$50 a square foot, the owners said, comparable to the rents in the new Atlantic Terminal mall in downtown Brooklyn, which is also anchored by a Target store. In all, the plaza is expected to employ more than 1,000 and to pay more than \$12 million a year to the city in taxes.

The key retailer is Target, which is based in Minneapolis and which operates more than 1,100 stores in 47 states. Target is a co-owner of River Plaza with Kingsbridge Associates, a development company based in Manhattan that put together the project.

According to its developers, the plaza is the largest commercial development in the Bronx west of the Grand Concourse and is primed to draw from a number of sections that have good potential. "If you look at what has happened in these neighborhoods, incomes have risen and the population has increased, but, most important, crime rates have gone down," a Kingsbridge principal, Paul Travis, said. "The pent-up demand in this neighborhood was so extraordinary."

Target expects to draw from a population estimated at 400,000, Mr. Travis said; some of these people used to travel to Target stores in Yonkers or New Jersey.

The project, which was financed with private money, shows a willingness by Target to stray from its usual formula to break into a tightly packed urban environment. For example, a 640-space parking lot here is not splayed out in front of the two-story store, as it would be in the suburbs, but tucked out of sight on the roof.

The need to make maximum use of the space was not the only challenge to the developers. First, they had to negotiate with six property owners to purchase the adjacent lots. New York-Presbyterian Hospital owned the largest building on the site: a 326,000-square-foot, three-and-a-half-story storage space for old medical records. The sagging building had "major physical problems," Mr. Travis said, like a leaky roof and not enough electricity, and the hospital was unwilling to pay for upgrades.

After developers razed the hospital warehouse, they encountered soft soil and a water table of only 14 feet, since the site lies over the former bed of the Harlem River, which was diverted and deepened in the late 19th century.

After the groundbreaking for River Plaza in December 2002, developers drove 1,500 steel piles capped with concrete deep into the soil to reinforce the still-soggy former riverbed.

The finished River Plaza is spread out, low-slung and sidewalk-centered, with customers having to walk outside to enter different stores, as they would on a typical city block.

Architects said they were especially determined not to block the panorama from the roof, which includes the stanchions of the George Washington Bridge and, farther off, the spire of the Empire State Building. "It's quite a beautiful, surreal view," said Navid Maqami, an architect on the project for Greenberg Farrow Architecture. "We really wanted to urbanize this, to make it look like a New York streetscape."

He said some design elements of the plaza were meant to evoke details of the surrounding city. For instance, Mr. Maqami said, the gray steel of the canopy over the entrance to Target was inspired by the look of the looming U-shaped Broadway Bridge over the Harlem River.

The site has numerous transportation links. It sits between the Major Deegan Expressway and the 1 and 9 subway line, with a stop at Marble Hill-225th Street. There is also a Metro-North station at Marble Hill, part of the Hudson line, whose trains glide along the river in full view of the new plaza.

"River Plaza will keep people shopping in the Bronx and will keep revenue in the Bronx," said the Bronx borough president, Adolfo Carrión Jr., in an e-mail message. "It is all about availability and choices for the consumer, and I am happy to say that Bronxites will no longer have to leave the borough to find retail variety."

There may someday be even more variety if other retailers follow River Plaza's lead. "This development will further generate excitement about changing over industrial properties to a higher and better use," said Bill Jordan, a commercial broker with CB Richard Ellis in New York.

Photo: The River Plaza shopping center officially opened in August. (Photo by George M. Gutierrez for The New York Times)