

October 8, 2008

Council Clears Way for \$700 Million Complex in Harlem

By **CHARLES V. BAGLI**

Despite the weak economy and turmoil on Wall Street, a \$700 million project intended to transform three parcels in East Harlem into a media, entertainment and housing complex is moving forward, city officials and real estate executives said on Tuesday.

The 1.7-million-square-foot project includes office and retail space, a small hotel, a cultural center, open space and 800 apartments, 600 of which will be set aside for families with low and moderate incomes. Officials say it will complement recent retail and commercial developments on 125th Street, Harlem's main boulevard.

The city, working with community groups, recently selected the development team, a mix of national developers and local groups. On Tuesday, the City Council approved new zoning for the three largely vacant parcels, which sit between 125th and 127th Streets, from Second to Third Avenues. The city controls 82 percent of the land and is negotiating with private owners for the rest.

"The development of the East Harlem Media, Entertainment and Cultural Center will help cement 125th Street's legacy as Harlem's main street and the cultural retail hub of Upper Manhattan," Mayor **Michael R. Bloomberg** said in a prepared statement.

After local opposition defeated an earlier city proposal for the parcels, the administration began working with politicians and community groups to outline a project that would be economically viable and address the requests of the neighborhood for cultural space, housing and subsidized storefronts for local entrepreneurs. Seven groups competed for the project.

“This is a model for how planning and economic development should be done in the future,” said City Councilwoman Melissa Mark-Viverito, whose district includes East Harlem. “We have produced a project that is in tune with the community.”

The selected development team includes Archstone-Smith, [General Growth Properties](#), the Richman Group, the [Carey Group](#), [Monadnock Construction](#), and two local partners, [Hope Community](#) and [El Barrio’s Operation Fightback](#). The team is required to break ground on the first phase of the project next year. Although new projects are thriving on 125th Street and work is progressing at the nearby East River Plaza, which will house several large national retailers, the economic environment is proving difficult for many builders.

Al Neely, the managing partner of the development team, said that the group saw a great opportunity in East Harlem. “The phased project, with a coordinated mix of uses, is planned to build off of the strength of the area,” he said. “We have a lot of hard work before us, and at the time the project is ready to move into construction we are confident economic conditions will be optimal.”

Earlier this year, [Vornado Realty Trust](#) announced plans for a new office tower farther west on 125th Street that would house Major League Baseball’s cable network. But the project is now on hold, city officials and real estate executives

said, because Vornado was unable to secure additional tenants and financing. In general, lenders have become unwilling to finance most real estate projects because of the crisis in the credit markets.

Deputy Mayor Robert C. Lieber said he hoped that the “gridlock” in the financial markets will loosen up in the coming months. “We want to make sure we’re in a position to get these things done,” Mr. Lieber said. “We set some milestones for the development team. We’re hopeful that the economics of this project can still work because this community is in such dire need of affordable housing and new retail.”

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