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City Plans Redevelopment for Vacant Area in Lower Manhattan

By CHARLES V. BAGLI

A corner of New York City, by Delancey and Essex Streets on the Lower East Side, has been a vacant, bitterly contested area for decades, as community groups and politicians battled to a standstill over what would replace tenements that were demolished in 1967.

But after a three-year effort to forge a compromise, the Bloomberg administration plans to announce on Wednesday that it has selected developers to erect a complex called Essex Crossing at the location, long known as the Seward Park urban renewal area. The development would include retail markets, restaurants, office space, a movie theater, parks, an Andy Warhol Museum and 1,000 apartments. Half of the apartments would be for low-, moderate- and middle-income families.

Designed by SHoP Architects and Beyer Blinder Belle, the glassy, six-acre complex would be built over the next decade by a consortium on nine city-owned lots in a rapidly gentrifying neighborhood that was once home to working-class Italians, Jews, Puerto Ricans and Ukrainians.

The redevelopment would tap into the past by giving priority to some of the 2,000, largely Puerto Rican families displaced four decades ago, and into the future by creating a neighborhood hub with badly needed housing, small-scale retail and office space for tech companies and budding entrepreneurs.

“This project is the pinnacle of urban development in 2013,” Deputy Mayor Robert K. Steel said on Tuesday. “It has all the hallmarks of a Bloomberg administration project: transforming an underutilized asset into a place that serves the diverse needs of the community.”

To reach this point, the administration engaged in an unprecedented collaboration with the local community board and a task force starting in 2008. If Essex Crossing is built, it would also represent the culmination of compromises by various factions in the neighborhood and by the city itself.

Edward Delgado, who was a teenager in 1967 when his family was forced to rel had always wanted housing for families of limited and modest means built on t

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to go along with 50 percent affordable and 50 percent market-rate," he said, "or we would've had another 50 years of empty lots."

The developers selected for the project — L&M Development Partners, BFC Partners, Taconic Investment Partners and Grand Street Settlement — won out over some of the city's most prominent builders. In return, the developers will pay the city $180 million and start the first building within 18 months.

The announcement comes about three and a half months before Mayor Michael R. Bloomberg is to leave office, and some critics argue that his successor could easily overturn this plan.

"The new mayor is going to want to put his own stamp on the project," said Harold Jacob, general manager of the East River Housing Corporation, which operates 1,675 cooperative apartments in the neighborhood. "I don't believe the city produced a good plan."

But elected officials, developers and others say that for the first time in nearly half a century there is a consensus on what should happen. The plan has the support of Councilwoman Margaret S. Chin; State Senator Daniel L. Squadron; Community Board 3; and the State Assembly speaker, Sheldon Silver, who lives nearby and has blocked past proposals.

The redevelopment of the area had eluded Mayors John V. Lindsay, Edward I. Koch and Rudolph W. Giuliani, as well as Mr. Bloomberg in 2003. The longstanding split in the community had some Latinos and housing advocates demanding that the city build only low-income housing on the site, while residents of the nearby co-ops countered that only commercial development was appropriate.

"It was an exercise in frustration," said Richard LeFrak, a developer who was twice selected to rebuild Seward Park but was unable to move forward. "You had the collision between the Jewish community in the Grant Houses and the Latino and Asian communities."

The six blocks in the Seward Park urban renewal area have served as a symbol of the struggle to preserve affordable housing in working class neighborhoods against rapidly encroaching luxury development. Just north of Delancey and Essex Streets, the Blue Building, a 17-story glass condominium built in 2007, towers over the neighborhood.

During the recession, late in 2008, Dominic Berg, then the chairman of Community Board 3, convened a committee to try to reach a consensus. "People were tired of looking at empty lots," Mr. Berg said.

At the same time, Madelyn Wils and David Quart, executive vice presidents at the city's Economic Development Corporation, also began working on creating a ground-up development

plan for the largest city-owned site below 96th Street. Her bosses were skeptical, but gave them the go-ahead.

Both sides drew representatives of disparate neighborhood groups to come up with a set of development principles, which eventually included mixed-income housing, an emphasis on artisanal retail rather than big-box stores, office space that included incubators for budding entrepreneurs, parks and a new Essex Street Market that would still have vendors that provided goods for many of the low-income residents of the neighborhood.

But they did not reach a consensus until after John Shapiro, chairman of the Center for Planning and the Environment at the Pratt Institute, conducted private sessions in which proponents of opposing visions, who had never sat at the same table, were asked for solutions that everyone could live with.

“One thing that made this so hard,” Mr. Shapiro said, “is that all the players around the table wanted assurances that if they agreed to something, the terms of the deal would not change 5 or 10 years down the line.”

One of the winning developers, Ron Moelis, chairman of L&M Development Partners, said, “It’s a big enough site that we can create a community that has all the aspects of what one wants in a neighborhood: a mix of housing, retail, entertainment, food, job training and office space that will serve both low income people who live there and newcomers to the area.”

Mr. Delgado, whose family was forced out of the neighborhood more than 40 years ago, said that the project would not have everything he wanted, but that it had enough.

“I know it’ll never go back to the way it was,” he said. “But I want the right for poor people to live here, too.”