

One Developer Out, Another Expanding in Yonkers



John Golden | Jun-26-09, 02:14 PM |

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Neighboring developers in downtown Yonkers have gone opposite routes in the recession: one's out of the city, leaving behind heavy debt and lost properties, while the other is more deeply in.

While MetroPartners L.L.C. recently acquired another Buena Vista Avenue property as part of its residential expansion plans near the downtown waterfront, Homes for America Holdings Inc. has vacated its headquarters in Station Plaza, the 3-year-old office and retail building that, like a ship's prow pointed at the Hudson River, straddles the southeast corner of Main Street and Buena Vista. Amalgamated Bank, the defaulted developer's mortgage lender in Manhattan, has assumed ownership of the largely vacant building and is said to have a buyer for it.

The Yonkers Downtown Waterfront Development Corp. recently sold one of the city's undesignated historic landmarks, Teutonia Hall at 41-49 Buena Vista Ave., to MetroPartners for \$450,000. Kenneth Dearden, president for development at MetroPartners, said in addition to the cash purchase, the partners over several years "have spent thousands and thousands of dollars on the property. We've been paying the carrying costs on the property" as required in the company's land disposition agreement with the city.

A former dance and arts hall built in 1891, the architecturally distinctive though deteriorated building is part of an approximately 2-acre assemblage of residential and industrial properties on Buena Vista where MetroPartners plans to expand its residential development from The Lofts at Metro 92, a former trolley barn at the southwest corner of Buena Vista and Main Street converted to 40 live-work rental lofts and retail space.

Dearden said MetroPartners accelerated its scheduled purchase of Teutonia Hall to fill a gap in the assemblage. "The lenders didn't like having that gap in the properties," he said.

Teutonia Hall and adjoining industrial parcels are environmentally contaminated sites and the developer will be eligible for brownfield cleanup tax credits by a prior agreement with the state.

As for the future adaptive reuse or demolition of the building, "We're looking at all options," Dearden said. The developer is assembling a team of architects, planners, engineers and cultural resource consultants to develop site proposals over the next six months.

As it did with its second downtown development, 66 Main, MetroPartners again plans to build rental units rather than condominiums. "I still think that's all that downtown Yonkers supports," Dearden said. "Until we get some more density down there, I don't think it will support a condo market." He said 66 Main, a 170-unit luxury apartment building that opened in February 2008, has only five vacancies.

At Station Plaza, though the lobby directory last week still listed Homes for America Holdings as sole second-floor tenant, that space now is occupied by the district office of State Sen. Andrea Stewart-Cousins, according to a lobby attendant employed by Newmark Knight Frank, the building's new managing agent for Amalgamated Bank.

Amalgamated Bank officials did not reply to requests for comment on the status of the 86 Main St. property and the bank's plans for its sale or leasing. Homes for America reportedly owed Amalgamated about \$10 million on its Station Plaza mortgage loan.

The developer also reportedly has not repaid \$2.9 million of a federally guaranteed construction loan from the city of Yonkers. City Hall officials could not be reached by press time to confirm that.

Unable to obtain refinancing in the frozen credit market, Homes for America at the end of 2008 lost to another lender and equity partner, an undisclosed New York City real estate investment fund, its 30-acre former industrial property on the city's downtown waterfront. Homes for America had proposed to build Point Street Landing, a mixed-use high-rise development, on the brownfield site as part of the city's master plan to redevelop the Alexander Street corridor as a high-density, transit-oriented neighborhood.

Robert MacFarlane, the company's co-founder and former CEO, in January said Homes for America owed \$97 million on the property, which required a costly cleanup that far exceeded initial estimates.

MacFarlane, who retired from the company this year, did not return a call for comment last week.

Early this year, Station Plaza was listed for sale with NAI Friedland Realty in Yonkers at an asking price of \$14 million. "We were not able to sell it or rent it," Peter Cokin, executive vice president at Friedland Realty and Station Plaza's former broker, said last week. "People don't seem to want to be in Yonkers. There's a lot of empty office space. People want to be in White Plains for offices."

Cokin said he has heard "rumors" that an Amalgamated Bank customer has contracted to buy the six-story, approximately 71,000-square-foot building. The broker said he submitted an initial purchase offer from a Manhattan investor, but Amalgamated officials did not respond.

Cokin said any buyer can expect to pay an additional \$5 million to build out Station Plaza's unfinished top three floors and cover expenses "for two or three years until you rent it."

"The best type of purchaser for that property is somebody who could use three floors, like a law firm or an accounting firm," he said.



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