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**MAYOR BLOOMBERG UNVEILS PLANS FOR MAJOR MIXED-USE
DEVELOPMENT IN LONG-VACANT SEWARD PARK AREA ON LOWER EAST
SIDE**

*Unprecedented Collaboration Between Community and Administration Culminates in
Comprehensive Plan to Build New Affordable Housing, Retail, Office, Community and Cultural
Space*

*Team of L+M Development, BFC and Taconic Will Invest \$1.1 Billion, Creating 1,600
Permanent Jobs and 4,400 Construction Jobs*

High-Resolution Renderings Available at www.flickr.com/nycmayorsoffice

Mayor Michael R. Bloomberg today unveiled plans that will transform the largest stretch of undeveloped City-owned land in Manhattan below 96th Street into vibrant, mixed-use space in one of New York's most dynamic, diverse and historic neighborhoods. Nine sites located near the intersection of Essex Street and Delancey Street will become a 1.65-million-square-foot development anchored by 1,000 units of housing, half of which will be permanently affordable for low-, moderate-, and middle-income households and senior citizens. In addition, the project, to be called Essex Crossing, includes a 15,000-square-foot open space, a new and expanded Essex Street Market, a dual-generation school operated by the Educational Alliance, a community center run by Grand Street Settlement, a rooftop urban farm, the Andy Warhol Museum, 250,000 square feet of office space and a diverse mix of retail space. Seward Park will also become a hub of small-business incubation, with micro-retail spaces and creative and tech co-working and incubator space. The project represents \$1.1 billion dollars of investment by Delancey Street Associates LLC, a joint venture comprised of L+M Development Partners, BFC Partners, and Taconic Investment Partners, and will create approximately 1,600 permanent jobs and 4,400 construction jobs. Mayor Bloomberg made the announcement at a former public market building south of Delancey – the site of the new, expanded Essex Street Market – and was joined by Deputy Mayor for Economic Development Robert K. Steel, Council Member Margaret Chin, Department of Housing Preservation and Development Commissioner RuthAnne Visnaukas, Economic Development Corporation President Kyle Kimball, Housing Development Corporation President Marc Jahr, Chairperson of Community Board 3 Gigi Li, L+M Development Partners CEO Ron Moelis, BFC Partners President Donald Capoccia,

(more)

Taconic Investment Partners Co-CEOs Charles Bendit and Paul Pariser and Margarita Rosa, executive director of Grand Street Settlement.

“For decades, these lots have sat vacant and under-used – despite repeated attempts by various mayors to redevelop sites,” said Mayor Bloomberg. “Now, that wait is finally over. Just as we’ve done across the city, we are taking a long-neglected area and creating new housing, new open space, and new jobs. We struck a real partnership with community leaders, and that collaborative process has produced very rewarding results: an innovative, modern plan that complements the Lower East Side’s history and traditions.”

“After decades of inaction followed by years of close partnership with the local community, the Bloomberg Administration is thrilled to select a world-class mixed-use development plan for the Seward Park area,” Deputy Mayor Steel said. “What are today mostly vacant parking lots will soon spring to life as a new community with new affordable and market-rate housing, office space and retail.”

“This is an unprecedented opportunity to take what was one of the most underutilized areas of Manhattan and transform it into a diverse, exciting, mixed-use community for all New Yorkers,” said the principals of Delancey Street Associates. “We came together because we knew that this project would require a team that understands the need for community involvement, knows how to prioritize affordable housing and can generate exciting retail and commercial development. We are looking forward to delivering all this and more to New York City.”

“The historic, community-driven Seward Park Mixed-Use Development Plan will bring new life and economic growth to a portion of the Lower East Side that has remained underutilized for decades, while preserving and building upon the vibrant culture that makes this neighborhood great,” said New York City Economic Development Corporation President Kyle Kimball. “I want to thank the many community stakeholders whose unprecedented level of collaboration over the past several years has resulted in a plan that will help this neighborhood thrive.”

“Housing is the tie that binds communities together. It turns a vacant lot into a home, and its residents give purpose and incentive to the businesses that will follow. Quality affordable housing forms the foundation for stable lives and neighborhoods, and offers the opportunity to those who have been in the neighborhood to stay and define its character,” said HPD Commissioner RuthAnne Visnauskas. “This is an exciting plan long in the making, and one that would not have happened but for the hard work of so many concerned and determined community members and City agencies striving towards this common goal. My thanks to the Mayor for his leadership, and to the Community Board, Task Force, and elected officials for their unwavering commitment to putting a plan together that meets the diverse needs of this growing community.”

The Seward Park Mixed-Use Development Project grew out of an unprecedented collaboration between community stakeholders, grassroots local leadership and elected officials, working together in partnership with the City for the past five years to develop the framework for

this historic plan. Monthly meetings were led for years by the Community Board, in coordination with a team of representatives from the Bloomberg Administration. More recently, the level of community involvement in the RFP process has been unprecedented. The City has met regularly with a Task Force designated by the Community Board, and included their priorities for the project in the RFP jointly issued in January 2013 by the Economic Development Corporation and the Department of Housing Preservation and Development. Respondents to the RFP were required to specifically address the community criteria in their proposals, which were formally part of the selection criteria. Going forward, the Task Force will meet quarterly with the development team, and will be consulted on key project aspects throughout pre-development and construction. The development team will also establish a community liaison and website to serve as a resource for public inquiries, and plans to expand the group of locally based community organizations involved in the project.

The RFP sought a redevelopment plan that would activate the underutilized area by providing market-rate and permanently affordable mixed-income housing, creating common community space sorely lacking in the neighborhood, attracting a dynamic mix of retailers that balances the needs of both local residents and visitors and stimulating local economic growth by drawing businesses to the area and creating quality jobs. The development team was selected through a competitive Request for Proposals that drew a robust response from the development and design sector. The development team will purchase the properties for \$180 million, investing a total of \$1.1 billion in the overall project. The development team is working with the Goldman Sachs Urban Investment Group as its lead financial partner.

The project will create a vibrant mixed-income community anchored by new market-rate and permanently affordable income-limited housing; offering both rental and homeownership opportunities. There will be a total of 1,000 new rental apartments and condominium units with 500 units being permanently affordable. 50 percent of the four of the largest sites will be permanently affordable to low-, moderate- and middle-income households. The Project will include 100 units of permanently affordable rental units for low- and moderate-income senior citizens that will be operated in partnership with Grand Street Settlement, a local multi-service agency dedicated to providing essential programs for community members of all ages. The project will also include homeownership opportunities, with 20 percent of the condo units being affordable to moderate-income households. The project's affordable units will be targeted to New Yorkers, including senior citizens, with household incomes ranging on average from \$31,700 to \$133,000 per year for a family of four.

Entertainment amenities at Seward Park include a bowling alley and movie theater. The dual-generation school run by local partner Educational Alliance will offer Head Start and Adult Education programs, and the community center operated by Grand Street Alliance will provide early childhood and senior services. The 64,000 square feet dedicated to these facilities is permanently deeded as community space. A site has also been reserved for a public school, which may be developed in the future by the School Construction Authority. The developers will also upgrade the existing DOT plazas on Delancey Street.

The Essex Street Market will relocate across Delancey Street, doubling in size to approximately 30,000 square feet on the ground floor, plus a mezzanine of roughly 7,000 square

feet. The new market, anticipated to open in 2018, will accommodate all the existing market vendors at the time of the move and provide room for new vendors in a range of sizes. The project will include an extensive assortment of retail and commercial uses, including the unique space to be known as the Market Line, on a concourse created through vaulted archways from the second floor through the cellar of the three sites south of Delancey between Essex and Clinton Streets. The natural light-filled, continuous Market Line will include a variety of spaces, consisting of small- to medium-sized vendor stalls with tenants that include retail and food-oriented uses, a culinary incubator and a center dedicated to encouraging entrepreneurs to learn craft skills and produce and sell hand-made merchandise. In addition, approximately 40 micro-retail spaces will be developed in the Market Line. The project also includes a large grocery store, an amenity that was strongly urged by the community to fill a critical local need. Other than the grocery store, movie theater and fitness center, no retail space will be larger than 30,000 square feet – a key community priority.

As the project is located along the F train corridor, which continues to grow as a tech corridor, connecting downtown Brooklyn, Dumbo, the Lower East Side and the new Applied Sciences campus on Roosevelt Island, the 250,000 square-foot of office space will be ideally located to capitalize on growing innovative markets. The new office workers will bring daytime traffic to the neighborhood, supporting local businesses throughout the day.

“The Seward Park Urban Renewal Area project is the product of years of community engagement, compromise, and constructive dialogue, and I am proud to stand here today with my fellow SPURA Task Force members to announce the historic agreement to renew, revitalize, and rebuild this site,” said Council Member Margaret Chin. “After 45 years, these vacant lots will be transformed into invaluable community amenities, including a much-needed school and 500 units of permanently affordable housing meeting the needs of working families and seniors. Further, this plan protects and expands opportunities for the small businesses at the Essex Street Market and new vendors in the future market and retail space. The plan will also create thousands of construction jobs and permanent jobs that will provide long-term economic stability for our residents. I thank all the stakeholders, including State Assembly Speaker Sheldon Silver, State Senator Daniel Squadron, Manhattan Borough President Scott Stringer, Community Board 3, neighborhood partners, as well as Mayor Michael Bloomberg and the Economic Development Corporation for their enduring commitment to this project. I look forward to working together to get shovels in the ground and ensure that the plans we have put forth become a reality.”

“Today, we take another important step forward in terms of implementing our collective vision for Seward Park rebirth and renewal, through the official selection of a development team to transform this site,” said Council Member Rosie Mendez. “Given the scope and substance of this project—including essential affordable housing, open space, community facility, commercial and educational cornerstones—all stakeholders have a singular opportunity to shape our community landscape and the lives of successive generations of New Yorkers. Ultimately, I hope and trust that the redevelopment plans will manifestly benefit our connected Lower East Side neighborhoods.”

“Community Board 3 is excited about the programming that will be constructed on the Seward Park sites. The Task Force’s priorities are well-reflected in the plan, and we thank the

EDC and HPD team for engaging in an open and collaborative process,” said Gigi Li, Chairperson of Community Board 3 and the Seward Park Task Force. “We look forward to working with the developers to make the Lower East Side an even better neighborhood for local residents, business owners, and visitors.”

“I am delighted that the city is moving forward with plans for the Seward Park development,” said Congresswoman Carolyn Maloney. “This is a sensible, balanced and exciting project that will give the Lower East Side more permanent affordable housing, a community center, a rooftop urban farm, a school, a business incubator, much-needed open space and so much more. It will transform the community in a really positive way.”

“Grand St. Settlement has served residents of the Lower East Side community for 97 years. Our programs and services, staff and constituents reflect the best that this culturally rich community has to offer,” said Margarita Rosa, Executive Director of Grand Street Settlement. “The development team for Essex Crossing has been receptive and responsive to Grand St. Settlement’s commitment to inclusive diversity and excellence in program delivery. Throughout its history, Grand St. Settlement has worked collaboratively with countless community groups and individuals, amassing a dedicated and extensive network of partners and supporters. The Essex Crossing team will work closely with members of the Lower East Side community to ensure that this project reflects the mix of cultures and traditions as well as the entrepreneurial and creative spirit that makes the LES such a vibrant community. Essex Crossing is a grand opportunity for the Grand St. Settlement and all the people of the Lower East Side.”

“The Educational Alliance is thrilled to be a part of this project in our community which will create the country’s first two generation school for Head Start children and their parents,” said Robin Bernstein, President and CEO of Educational Alliance. “This is going to change people’s lives.”

“The City has been very proactive in communicating with the Essex Street Market Vendors Association throughout the RFP process,” said Anne Saxelby of Saxelby Cheesemongers, Co-Chair of the Association. “We eagerly anticipated this announcement and look forward to seeing the market become a cornerstone of this exciting new development.”

“What we are celebrating today was born out of a concerted good-faith effort between the community and City. As a result of this collaboration we now have a comprehensive plan that will help knit Seward Park back into the vibrant fabric of the Lower East Side,” said HDC President Marc Jahr. “We are pleased to have assisted in this effort and look forward to helping finance the proposed housing. Congratulations to the Community Board, the Task Force, and to the residents who have worked so hard and so successfully towards this goal.”

“The winning proposal reflects the priorities of the local community that were articulated during the multi-year community planning process,” said City Planning Commissioner Amanda Burden. “This development plan exemplifies key principles of great urban design and community building by enhancing the pedestrian experience of these currently underutilized blocks within the Lower East Side. By building on this area’s rich history, it will foster a new, vibrant mixed-use and mixed-income neighborhood that is characterized by diverse retail, active

streetscapes, unique open spaces, an inviting community park and key services such as affordable housing, educational centers and cultural amenities.”

The anticipated groundbreaking for the project is spring 2015. The first five buildings (all of the sites south of Delancey except the two adjacent sites between Norfolk and Clinton Streets) consisting of 580 units of housing, including 316 permanently affordable units, are anticipated to be completed by Summer 2018. The next two buildings (the remaining parcels south of Delancey, and the parcel located just north of Rivington Street on Essex Street), including the majority of the remaining housing, are anticipated to be completed by summer 2021, and the final two buildings (the remaining parcels north of Delancey Street) are anticipated to be completed by 2022 and 2024.

Delancey Street Associates LLC (DSA) is comprised of affordable housing developers L+M Development Partners and BFC Partners, and Taconic Investment Partners. The Prusik Group will co-develop the retail portion of the project. Senior housing developers B&B Supportive Housing will co-develop the senior building. DSA will work closely with local community partners Grand Street Settlement and Educational Alliance on the community center and dual-generation school, respectively. SHoP and Beyer Blinder Belle will be the primary architects on the Seward Park Project.

Five of the sites included in the RFP were acquired as part of a 1965 federal urban renewal plan that called for commercial and housing development, with demolition of the sites beginning in 1967. While portions of the plan were implemented, five sites remained undeveloped and have been used largely for surface parking. Several attempts were made to develop the sites over the years, but proposals ultimately failed to move forward due to lack of consensus on the best use of the sites. The original Seward Park Extension Urban Renewal Plan expired in 2005, 40 years after its adoption. Additional City-owned sites in the vicinity incorporated into the new plan include the Essex Street Market and related market buildings resulting in a total of approximately 6 acres for the current redevelopment.

Seward Park’s affordable housing will have a preference for income-eligible former residents of the Seward Park Extension Urban Renewal area who may no longer reside in the Community District. Former residents should compile any official documents that reflect their residence within the boundaries of the Urban Renewal Area for the years before site acquisition. This will be the first step for attaining housing opportunities for which they may be qualified.

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Contact:	Marc La Vorgna / Julie Wood	(212) 788-2958
	Patrick Muncie / Kate Blumm (NYCEDC)	(212) 312-3523
	Eric Bederman (HPD)	(212) 863-5176
	Risa Heller (Delancey Street Associates)	(646) 545-6242

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