

Retail Rumbblings Near the George Washington Bridge

By AMY FELDMAN



STV/SJM Partners

The largest of the new tenants at the overhauled George Washington Bridge Bus Station will be Marshalls.

The long-delayed plan to overhaul the dilapidated George Washington Bridge Bus Station in Upper Manhattan is gaining traction with a flurry of leases for its expanded retail space.

SJM Partners, one of the developers working with the Port Authority of New York and New Jersey, has cut deals with the discount retailer Marshalls; a new no-frills gym chain, Blink Fitness; and a Fine Fare supermarket.

Numerous others have expressed interest in taking space in the station, which is scheduled to launch a \$183.2 million renovation project in the winter, according to Stephen McBride, SJM's managing principal. The overhaul, set to be completed in summer 2013, will quadruple the station's retail space to about 105,000 square feet.

"There's nothing like this in the area," Mr. McBride says.

Of course, the development group faces challenges leasing space in a tough economic climate at a location that has been neglected for years.

But retail experts believe the firm can pull it off by finding a retail mix that bridges the Hispanic community that has been there for years and neighborhoods that are beginning to see more gentrification.

These include areas near Columbia University Medical Center and New York-Presbyterian Hospital and one to the north that real-estate brokers call Hudson Heights.

"If they do this right, it can be a really good shopping hub, and it will bring people from the whole area," says Faith Hope Consolo, chairman of the retail leasing and sales division of Prudential Douglas Elliman Real Estate.

The 294,000-square-foot station, a transportation hub designed by the Italian architect Pier Luigi Nervi that is nestled against the ramps to the George Washington Bridge, hasn't undergone a major renovation since it opened in 1963. The neighborhood around the station suffered from crime and high poverty in the 1980s and 1990s, and a 2008 plan to renovate the terminal was scuttled by the recession.

In recent years, though, the area has seen a rebirth. New stores and restaurants have opened and real-estate values have climbed.

When Julia Attaway, a freelance writer who has five children, moved to Washington Heights from Brooklyn 15 years ago, the neighborhood was just beginning to emerge from its tough days as a center of the city's drug trade.

"There was a big shift a decade ago, as more people who got priced out of the Upper West Side moved in," she says. "A lot of artists and musicians moved up here because it's cheap."

Planners of the bus station project say the available retail space in the area hasn't kept up with the changing population. Some of the new space in the station will target the 12,000 commuters who pass through it daily, but much of it will be primarily focused on the local community.

Marshalls and Blink Fitness will be accessible from Broadway in retail space that has been shuttered. A Blockbuster Video store there closed last year, leaving a grim and desolate stretch.

Blink is an offshoot of the Equinox fitness club chain that has no salespeople, no personal trainers and none of the spa-like amenities of Equinox. It charges just \$20 a month, a fraction of the typical price of a New York gym membership.

"When the [George Washington] Bridge project came our way, we found some really compelling reasons to be in Washington Heights," says Dos Condon, vice president at Blink. "There's tremendous population density up here, and it's a real active neighborhood. But the current offerings are not great."

The largest of the new tenants will be Marshalls, which will take 30,000 square feet on the ground and second floors, Mr. McBride said. Marshalls, owned by off-price retail powerhouse TJX Cos., has more than 875 stores nationwide, including in Harlem and East Harlem. TJX spokeswoman Doreen Thompson declined to comment, noting that Marshalls had not announced a new store in that location.

Mr. McBride says he hopes to get rents between \$60 a square foot for small, interior locations, and \$175 to \$200 a square foot for prime, ground-floor spaces along Broadway. Those numbers are dramatically higher than previously, but far below what space might go for at Penn Station or the Port Authority bus terminal.

Marshalls, Blink and Fine Fare will take more than half the 105,000 square feet of retail space in the station. SJM is aiming to lure a restaurant to the complex, to boost nighttime traffic, and to fill smaller spaces with neighborhood shops.

Retail experts say the developer has a decent chance of success.

"The notion that there's no spending power in these changing neighborhoods is a fallacy," said Ben Fox, executive vice president of retail leasing at Massey Knakal Realty Services. "The neighborhood has really stabilized over the past 10 years. There's disposable income there."

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