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## A Long Island City Awakening

By JOHN HOLUSHA

Midtown Manhattan is closer to Long Island City than it is to downtown Manhattan, and the transportation links are excellent. All this has made the area particularly attractive to deep-pocketed developers of residential projects, like Rockrose and AvalonBay, and they and other builders have a number of projects under way to house people who cannot afford Manhattan prices or decline to pay them.

As a result, the prospective influx of people to what had been an industrial area seems likely to attract retailers and other service companies. But will office developers and business tenants be attracted to what has long been designated as New York City's fourth central business district, after Midtown, downtown Manhattan and downtown Brooklyn?

Opinions vary. Some office projects have been developed, and others are being planned. But despite high rents and a shortage of prime space in Midtown, office tenants are not clamoring for sites in Long Island City, real estate professionals say, and developers are reluctant to build without an anchor tenant.

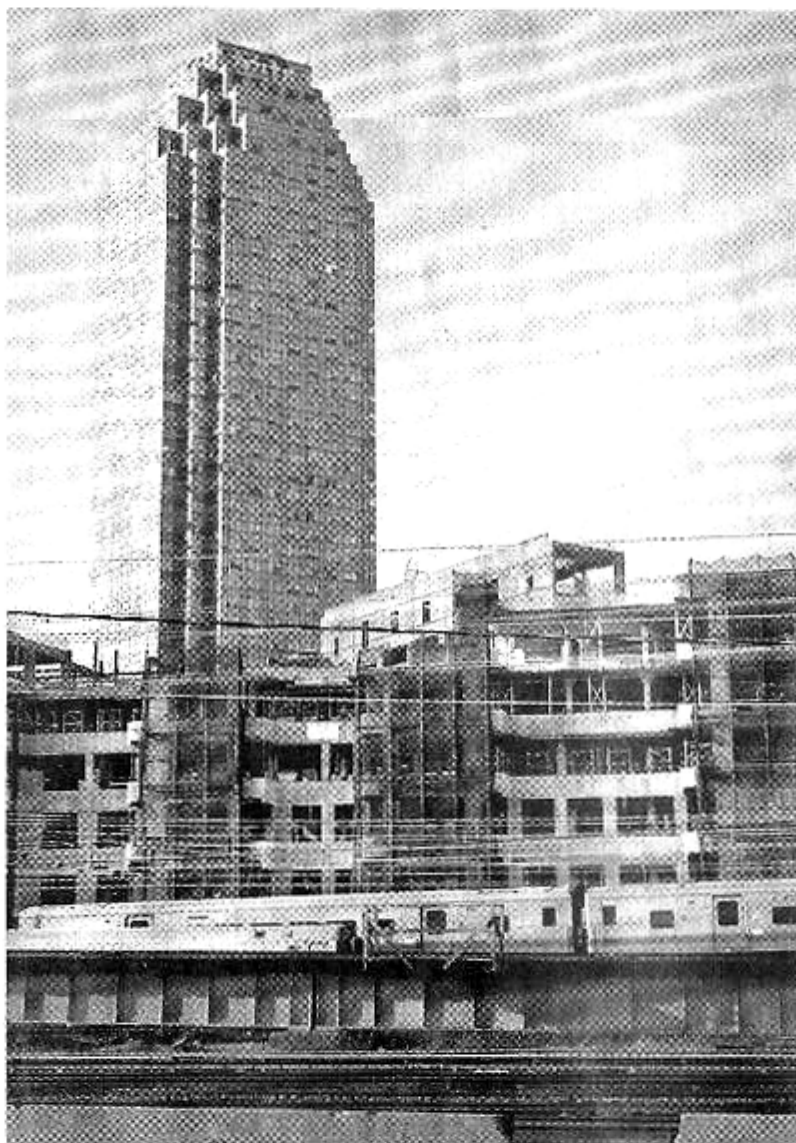
"The East Side of Manhattan is one subway stop away from the Citicorp building" in Long Island City, said Christopher Jones of the Regional Plan Association, a nonpartisan research group. "That is closer than the West Side. But the East River remains a physical and psychological barrier."

The Citicorp tower, also known as Court Square One, is a 48-story, 1.4-million-square-foot office building that opened in 1989.

Mr. Jones said that government-aided efforts to revive downtown Manhattan in the wake of the attack of Sept. 11 may delay efforts to develop a commercial core in Long Island City, despite favorable zoning changes intended to encourage high-rise development.

"There is some potential tension between downtown and Long Island City," Mr. Jones said. "But over all, Long Island City caters to a different market than downtown, and it is on a different time scale" in that there is a sense of urgency to redevelop Lower Manhattan relatively quickly.

Residential development is starting to transform Long Island City, argued Sanford Zuckerbrot, chair-



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The Eagle Electric factory, near the Citicorp high-rise in Long Island City, a subway stop from Manhattan, is being converted into residences.

man of Shalom & Zuckerbrot, a brokerage firm with headquarters in the area. "Until recently, we had only local developers in the area. Now, we have had an influx of big-time developers — Manhattan developers who were not associated with Queens."

He said Rockrose was planning to build seven residential buildings that would house 3,200 to 3,300 condominium units, along with other residential developments. "Now we are having long-term development, like Jersey City," where major projects

have been built in several stages, Mr. Zuckerbrot said.

Some industrial buildings, like the Eagle Electric factory near the Citicorp high-rise, are being converted into residences. But Mr. Zuckerbrot said some operations, like printers, were still viable and were needed to service businesses in Manhattan.

He said the remaining industrial companies could co-exist with newer residential development in separate zones, as they do in Brooklyn in neighborhoods like Williamsburg

and Greenpoint.

Some commercial projects have already happened. To house up to 2,000 MetLife workers transferred out of Manhattan, Brause Realty converted and added to an old factory facing the Queensboro Bridge. Construction is under way near the Citicorp tower for a 16-story, 270,000-square-foot building that will house the United Nations Federal Credit Union and other commercial tenants. It is called Court Square Two.

But other projects remain stalled. Tishman Speyer's plan for a major office tower in Queens Plaza has not attracted a major tenant so far. "The site is all zoned and ready to go for as much as 3.5 million square feet, but they will not build without a tenant," said John Reinertsen, a specialist in Queens properties for CB Richard Ellis, a Manhattan-based brokerage and services company.

Mr. Reinertsen said a growing residential population might help to spur the development of commercial properties, but he added that for now areas zoned as residential would be the first to be developed. "The value of land that is zoned for residential is three times more than for commercial," he said.

The residential and commercial markets are really not linked in Long Island City, unlike in some other areas where there are mixed-use projects with offices, stores and housing, said John Maltz, the president of Greiner-Maltz, a brokerage firm focusing on Queens, Brooklyn and Long Island. The projects that have taken place, like the MetLife development or the United Nations Credit Union, have been driven by a single major tenant.

Most developers, he said, have no stomach to put up speculative office buildings in hopes of filling them with multiple tenants. "There is land available along Jackson Avenue" that is zoned for high-density commercial development, he said, "but nobody is going into the ground."

Nevertheless, when the Reckson Associates Realty Corporation, a real estate investment trust, acquired the Citicorp building and recapitalized it last fall, the company noted the potential of the area.

Scott Rechler, the president of Reckson, said Long Island City was "one of the last remaining underdeveloped New York City submarkets."