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N.J. development company to invest \$150M to build 800 rental units at former Navy base

STATEN ISLAND, N.Y. -- David Barry, president of Ironstate Development Company, first considered building apartments on the Staten Island waterfront when young Islanders started showing up at his brand-new mixed-use development on the waterfront in Long Branch, N.J.

Pier Village includes 550 apartments along with restaurants, stores, a Gold's Gym and even a specialty olive oil shop. And the developers recently built a boutique hotel there.

"We were attracting a lot of Staten Islanders, and I started thinking about what was happening on the waterfront on Staten Island," Barry recalled earlier today, shortly after a press conference at the Stapleton home port.

Not a lot was happening until Ironstate expressed interest.

Barry joined Mayor Michael Bloomberg, the borough president and other local leaders in announcing that the Hoboken-based development company will invest \$150 million to build 800 rental units at the former Navy base, along with stores and restaurants on the ground floor of the development. Ironstate is buying seven acres at the home port from the city for \$12 million.

In return, the city will invest \$33 million to build a waterfront esplanade and improve the streets leading from the home port to Stapleton as part of the long-awaited first step of home port redevelopment. City officials are also counting on the apartments to draw one segment of population the borough is losing: Its young people.

A 2007 study commissioned by the Staten Island Economic Development Corp. and conducted by the Center for an Urban Future found that even as the borough grew faster than any part of the city during the 1990s, it simultaneously lost 5 percent of its younger residents, or people 18 to 34 years old.

"You want to keep your young people, your best and your brightest and those with enthusiasm and those who are going to take older people like me and challenge us. You want to have them stay here," the mayor said.

"Keeping them here will just create jobs one after the other, and that's a good thing, it builds on itself."



Rents for the apartments, which should be completed by 2013, are likely to start at around \$1,200 for a one-bedroom and \$1,500 for a two-bedroom, with prices topping out at about \$1,900, Barry said.

"I think this project is going to enhance the reputation and lifestyle of Staten Island," he added.

He also said he believed the market had reached bottom, making it a good time to develop new projects.

City officials have said they will make improvements in local streets and put up money for long-term maintenance of a waterfront esplanade at the home port.

And Borough President James Molinaro, who earlier this year introduced the developer to the city, said that he had allocated \$1 million from his budget to refurbish the nearby Stapleton train station.

Molinaro called it the biggest one-time development in the history of the borough. "Everybody wanted this to happen," he said of the home port plan.

He was joined at the home port earlier today by state Sen. Diane Savino (D-North Shore/Brooklyn), Assemblyman Matthew Titone (D-North Shore) and Councilman Kenneth Mitchell (D-North Shore).

Realtor John Pitera of Casandra Properties was also on hand for the announcement. Ironstate reached out to Casandra Properties when it first inquired about the Island.

Pitera represented developer Leib Puretz, who was putting up several new buildings on the North Shore waterfront when the market crashed and Puretz was unable to refinance his developments. Pitera said he expected Puretz to overcome foreclosure and finish those projects, including one at nearby Bay Street Landing, another waterfront community.

"In the not-too-distant future there will be people in those beautiful buildings," he said.

City officials said home port construction will generate 1,100 temporary jobs and 150 permanent ones, with the entire development expected to generate \$90 million in revenue for the city over the next 30 years.

But John Luisi, Molinaro's Democratic opponent in the race for borough president, said the city has failed to deliver on repeated promises to redevelop home port.

"I would like something to finally happen there, however, when something is announced immediately before an election, I'm very skeptical of their motive and their ability to actually carry it out," he said.

--- *Contributed by Karen O'Shea and Peter Spencer*



Perspective View

NEW STAPLETON WATERFRONT

Stapleton Waterfront Development Authority

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Architect's rendering shows plans for a waterfront esplanade and 800 apartments at the former Stapleton home port.