



Building Up, Downtown



Szanne DeChillo/The New York Times

A \$500 million construction project in White Plains featuring two 47-story condominium towers flanking a Ritz-Carlton hotel is being completed by the developer Louis R. Cappelli.

By CHARLES V. BAGLI
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ERIK A. KAISER plunges through the vine-tangled woods that surround the long abandoned Glenwood power plant on the Hudson River in Yonkers as rapidly as he talks.

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Suzanne DeChillo/The New York Times

Development along the Yonkers waterfront includes the Hudson Park apartments, which reach up to 9 stories; a second phase of the project will rise 12 stories.

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multicolored 25-story tower inside the south wing.

He vows that the \$250 million project will be “a piece of art” that will attract people from around the world. It’s heady talk in a city left for dead after the Alexander Smith carpet mills and the Otis Elevator factories closed more than a quarter century ago. Even during the real estate booms in the 1980s and 1990s, the city found it hard to scare up interest from developers or companies interested in relocation.

He has big plans to convert the plant, which closed in 1964, into a glamorous contemporary art museum topped by luxury lofts, condominiums and apartments, combining what he calls “extreme architecture and sustainability,” the likes of which have never been seen in this working-class city.

The first floor, like much of Yonkers’s once industrial waterfront, offers IMAX-like views of the Hudson River and the Palisades in New Jersey. Visible to the south on a clear morning were the George Washington Bridge, Manhattan and the Goldman Sachs tower, New Jersey’s tallest building.

Mr. Kaiser said he would preserve the handsome red-brick exterior of the power plant, while erecting a six-story glass box on top of the north wing and planting a jagged

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The UBS complex in Stamford, Conn., is home to 4,000 workers.



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Restrictions on the height of the Ritz-Carlton project in White Plains were raised three times.

But Mr. Kaiser, who is based in Hoboken, where another industrial waterfront was transformed over the past 25 years into a gold coast thicket of high-rise towers, lofts, town houses and marinas, is only one of many developers now prowling the Yonkers waterfront and its sagging downtown. Whatever the fate of his proposal, projects worth \$5 billion are in the pipeline in Yonkers, including as many as 17 high-rise residential towers planned for the city's 4.5-mile-long waterfront.

"At the end of the day, you'll look up and down the Hudson and all you'll see are high rises," said Louis R. Cappelli, another developer with big plans for Yonkers.

Young people and executives who have fled high-priced Manhattan for Yonkers can find apartments for half the price, with an urban ambience, waterfront views and a 20-minute train ride to Midtown. In what some residents regard as a sign of civilization akin to the day Starbucks opened in Jersey City, a chic restaurant, X20 Xaviars on the Hudson, opened last month on the Yonkers city pier, opposite the newly renovated train station.

To be sure, Yonkers is still four years or so behind New Rochelle, White Plains, Stamford, Conn., and other newly resurgent older suburbs and cities on the comeback trail. Luxury apartments are stacking up in ever taller towers in a thriving downtown White Plains, which looked like a

ghost town after 5 p.m. as recently as 2001. And Stamford, where the mayor has promoted high-density residential development near the train station, is poised to become Connecticut's largest city and a powerful financial center.

In New Jersey, the redevelopment of the factories, warehouses and rail yards that lined the Hudson County waterfront between Jersey City and Weehawken began in the 1970s. High-rise office towers started going up along the waterfront in the 1980s, slowed during a recession in the early '90s, and then took off again a couple of years later as Manhattan surged. Now, development is seeping from the waterfront into downtown Jersey City, where residential towers are springing up. Rahway, to the south, is also getting its share of attention from developers, with projects like a 16-story hotel and luxury condominium building opposite the train station.

But it is the remarkable turnaround in Yonkers, New York's fourth-largest city, that raises the question: Is there hope for still-down-on-their-luck cities like Paterson and Camden in New Jersey, Hempstead on Long Island and Bridgeport, Conn.?

[Immigration](#) is fueling the growth of many outlying cities and towns in the New York metropolitan region. Baby boomers are beginning to retire, and there is an increasing demand for young educated workers. Middle-age empty nesters and young adults have shown a new willingness to live in urban areas.

"We're at a point where there are a series of demographic and economic trends that revalue the special qualities of older cities," said Jennifer S. Vey, a senior researcher at the [Brookings Institution](#) in Washington and the author of "Restoring Prosperity," a report that said economic and social changes could offer renewal opportunities in many older industrial cities. "There's no doubt these trends are putting the wind at the back of a lot of cities, giving them opportunities to capitalize on their assets."

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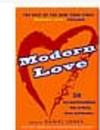
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James Hughes, dean of the Edward J. Bloustein School of Planning and Public Policy at [Rutgers University](#), agreed. "Certainly the prospects are a lot better today than 20 years ago," he said.

Still, daunting problems remain. Paterson has failed to find replacements for the manufacturing industries that dominated decades ago, while crime and poverty remain persistent problems, Mr. Hughes said. Camden, Trenton and Bridgeport face similar problems. On Long Island, officials governing the latticework of towns and villages zealously guard the low-scale suburban zoning, prohibiting taller residential buildings near their train stations and highways that might enliven their downtown areas.

"We would love to have what is happening in Westchester happen in our downtowns in Nassau County," said [Thomas R. Suozzi](#), the county executive. "Maybe the buildings don't have to be that tall, but we need that kind of density in select locations, near train stations for instance, in order to sustain the next generations."

Stamford, White Plains, New Rochelle and Yonkers all benefit from their proximity to Manhattan, where the rent for prime space in Midtown has topped \$100 per square foot and the average price of an apartment is more than \$1.2 million.

"The cities are happening because Manhattan's happening," said Mr. Cappelli, who is building more than \$2 billion worth of increasingly tall towers in New Rochelle, White Plains, Stamford and, soon, Yonkers. "People are being priced out of Manhattan."

Some real estate executives say the condominium market in Westchester is softening and a downturn in the economy could bring the boom to an end. But there is no question that there is a demand for high-end housing in downtown areas.

Politicians, planners and developers draw a distinction between White Plains and Stamford, satellite cities that have become employment centers in their own right, and New Rochelle and Yonkers, many of whose residents work elsewhere. Indeed, on a workday morning, more people today are getting off the Metro-North trains in Stamford and White Plains to go to work than are getting on the trains bound for Manhattan.

In White Plains and Stamford, there was a burst of new construction in the late 1980s, but by the early '90s many office buildings became plagued by high vacancy rates as companies reduced workers, closed offices or moved. The downtowns were commercial districts, largely devoid of life in the evenings. In the late '90s, workers at UBS, the Swiss financial giant in Stamford that now has 4,000 employees, often complained that aside from a Morton's steakhouse, there was little else in the surrounding downtown area.

In recent years, Stamford's mayor, Dannell P. Malloy, has encouraged the development of housing downtown. The city also adopted regulations in 2003 requiring developers to set rents for at least 10 percent of their units at more modest levels, for firefighters, teachers and other members of the work force.

Mr. Cappelli and a business partner, Thomas L. Rich, are about to break ground on a \$165 million 34-story residential tower called Trump Parc in downtown Stamford. Mr. Cappelli is also proposing a \$500 million Ritz-Carlton hotel and condominium complex. In the city's south end, between Interstate 95 and the Long Island Sound, plans are under way for a \$3.5 billion residential and retail development in a neighborhood of working-class housing, vacant factories and motorcycle shops.

"Stamford came back to life when people started living downtown again," said Anthony E. Malkin, president of W&M Properties. "Stamford added movie theaters, bars and restaurants and encouraged transit-oriented development. There was street life."

The story is similar in White Plains. Mr. Cappelli said many rival developers thought he was “insane” in 2001 when he bought a vacant department store building in the heart of downtown and began planning City Center, a retail complex with two luxury apartment towers.

“They said, ‘Who would want to live in a high rise in Westchester?’ ” Mr. Cappelli recalled. “This was an absolute ghost town. Nobody wanted to be here. Now it’s become a 24-hour city.”

He said the 212 apartments were snapped up by a mix of empty nesters who lived in White Plains and executives who worked in Manhattan.

Now, Mr. Cappelli is rushing to complete a \$500 million Ritz-Carlton project nearby. The hotel is flanked by two 47-story condominium towers with the blue-black glass and sharp angles of modern Manhattan skyscrapers. The city council was so eager to see downtown development that they raised the height limit for the towers three times. Mr. Cappelli said he is now getting \$1,000 a square foot for apartments that would cost \$2,500 in Manhattan.

But with downtown real estate booming, the city council no longer seems so eager to put the city’s fate in Mr. Cappelli’s hands. The council recently balked at granting him exclusive development rights until January to a five-acre, city-owned parcel near the train station where he has proposed the \$850 million State Square project, a mix of office buildings, a garage and a firehouse. They wanted to see what other developers might offer.

There is great hope that Newark may also be on its way back. The city has been grappling with the devastating loss of industrial jobs since the end of World War II. Department stores fled long ago, and the city has been dogged by political scandal and crime.

But Newark still has all the features that made it a mighty city, including a seaport, trains to Manhattan and access to major highways. And many developers who have bought buildings downtown over the past 10 years hope the new mayor, Corey A. Booker, will succeed in reining in crime and promoting new projects.

STILL, Newark has spent a lot of money chasing what the Brookings Institution calls “fads” — like a minor-league baseball stadium and the soon to open \$375 million Prudential Center, the arena where the New Jersey Devils hockey team will play — rather than capitalizing on the city’s unique assets.

Yonkers is also pursuing a minor league stadium in hopes of attracting visitors downtown.

“Even with hard evidence that such projects rarely pay the expected dividends,” the report said, “city leaders continue to pursue them.”

Although politicians and developers have talked about the redevelopment of the industrial waterfront in Yonkers for more than 40 years, it is only now starting to happen. There are plans to add 8,000 housing units over the next 10 years. Later this year, construction is expected to begin on two 25-story glass towers on the waterfront and on the \$650 million Ridge Hill Village development between I-87 and the Sprain Brook Parkway.

Downtown, the first phase of River Park Center — a combination of shops, movie theaters, parking and a ballpark — is also moving closer to construction.

But the city was hobbled for decades by crime, poor schools, political scandals, the

continuing loss of industrial jobs and a bitter, long-running desegregation battle.

Over the past 10 years, the city developed its own plans for development, used a package of tax breaks and state aid to entice developers and employers, and invested \$133.5 million in projects including a new library, a refurbished pier, a municipal garage and a \$13 million esplanade along the waterfront. The waterfront was rezoned for dense residential and retail development.

"It took us years to shed this image as a racist city where everything is very politicized," said Mayor Philip A. Amicone of Yonkers. "We had to show that government was stable and solid. We're taking active steps to improve the downtown area and passive steps to avoid gentrification. We've intentionally not rezoned some neighborhoods so there's no incentive for developers."

Yonkers is still very much a working-class city, with aging three- and four-story apartment buildings, small houses and shops lining the steep streets that lead down to the Hudson. An estimated 70 percent of the children in the public schools live at or below the poverty line. East of the Saw Mill Parkway, the city takes on a more middle-class, suburban character.

Downtown, Kawasaki is manufacturing subway cars in an old Otis Elevator factory, and the Domino sugar plant, one of the county's last riverfront factories, is still operating. But there are more high-tech jobs at Aureon Laboratories, a biomedical research and testing firm that opened in an old factory. Point of Purchase, which designs and manufactures marketing displays, consolidated its operations and moved from Queens to Yonkers with 1,200 engineering and production jobs. Yonkers Raceway added about 1,500 jobs last year when it built a \$290 million casino with 5,500 high-tech slot machines.

Arthur Collins II, a principal at Collins Enterprises, the only developer that has actually built on the Yonkers waterfront, said it was the city's decision to develop a master plan and spend money on the new library, garage and esplanade that prompted his company to build Hudson Park, a 266-apartment complex rising to nine stories on the waterfront, next to the train station. It took years to start construction, but the project sold out, and Mr. Collins is now building the second phase, 294 apartments in a 12-story building just to the north.

But now that Yonkers is poised to take off, there is debate over what the waterfront development should look like. Some residents and Scenic Hudson, an environmental group long active in the Hudson Valley, have criticized the 25-story towers proposed in various projects.

They say it is not just a matter of protecting the environment or the views of the working-class neighborhoods behind the proposed high-rises. Despite the esplanade, they contend, a wall of towers would convey a sense of a private enclave.

"We think it's great that the mayor is providing strong leadership for the redevelopment of the waterfront," said Ned Sullivan, the president of Scenic Hudson, which wants to limit the height of buildings to no more than nine stories and has recommended more affordable housing, and more restaurants, shops and activities to attract people to the waterfront.

"We just want to make sure that as the Yonkers renaissance occurs, the entire community benefits," Mr. Sullivan said. "We believe that the waterfront, in particular, should be a public resource. If only the wealthy people live there, then people from other economic sectors will feel it's only for the rich."

But Mr. Amicone, who is running for re-election, rejected the criticism. The new

buildings will include affordable housing, he said. More important, he said, developers could not afford to build new projects if they were restricted to low-scale construction.

“You have to consider the cost of cleaning contaminated soil and building on piles,” Mr. Amicone said. “There has to be enough density to make a profit.”

Peter X. Kelly, the chef and restaurateur who opened X20 Xaviars on the Hudson, is just happy to see that Yonkers is on its way back. He grew up in a large family in the William A. Schlobohm housing project in Yonkers. The opening of the restaurant created something in Yonkers that many residents had not seen before: a downtown traffic jam.

“The potential is huge, when you think about places like Brooklyn, SoHo and TriBeCa before they were developed,” Mr. Kelly said. “This is not a destination now, but I believe we’re building a landmark restaurant that’ll have an enduring impact on the community.”

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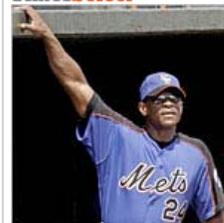
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