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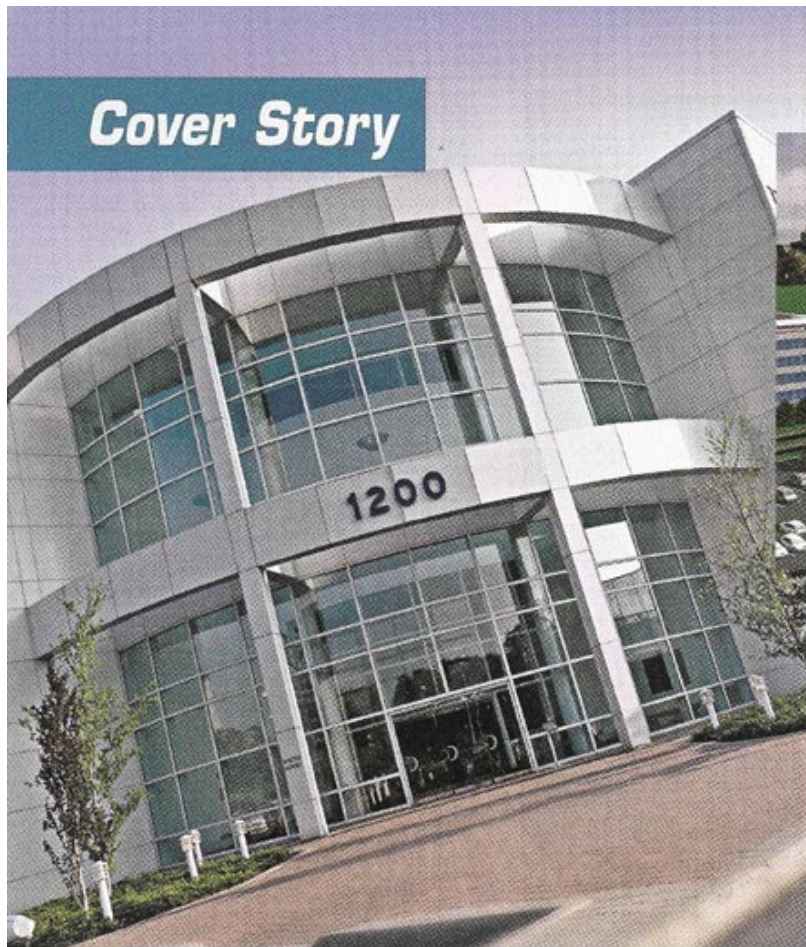
## Hutchinson Metro Center: A Bronx Success Story

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*Joseph Simone, president of Simone Development  
With Cushman & Wakefield's Leasing Team  
From Left: JoAnn Stock, Tara Stacom and Shawna Menifee*

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## Cover Story



# A BRONX TALE

Top: With 460,000 sf, 1200 Waters St. is fully leased.  
Right: A rendering of the planned office towers at the Hutchinson Metro Center

## SIMONE DEVELOPMENT'S HUTCHINSON METRO CENTER DELIVERS CLASS A OFFICE SPACE TO AN UNDERSERVED BOROUGH

By Jesse Serwer  
Managing Editor

"WE'RE NOT 100% LEASED, WE'RE 110% leased," developer Joseph Simone boasts of 1200 Waters St., his 460,000-sf class A office building in the Bronx. "That's why we're building a second building. We have a huge demand for more space."

If everything goes according to plan, Simone, the president of New Rochelle-based Simone Development Cos., will actually be constructing five more buildings and a total of 1.9 million sf of office space before he's through developing the Hutchinson Metro Center, the sprawling 42-acre campus he's assembled in the Westchester Square section of the Bronx. With 1200 Waters St. at its center, Simone is aiming to make "The Hutch" into a beacon for commercial development in the oft-overlooked borough, and the premier suburban-style office park in New York City.

With no tenants in place prior to construc-

tion and no government funding, Simone's philosophy, a la *Field of Dreams*, has been "build it, and they will come"—despite the fact that the Bronx might be the last place in the Tri-State area that comes to mind when people think of new office space.

"We knew this area was completely under-officed and it had a lot of pent-up demand," Simone explains of the decision to pursue office development on the site of the former Bronx Developmental

Center. "There is a very large labor pool in the surrounding area, with tremendous public transportation as well as vehicle transportation. We're 15 minutes or less from



A rendering of the lobby of the planned office towers at the Hutchinson Metro Center

every bridge—the Whitestone, Throgs Neck, Triboro, George Washington. There were lots and lots of people in class B and C space that wanted more, so we decided to produce it. Sure enough, Tara Stacom [of Cushman & Wakefield] brought along Visiting Nurse Services, and they broke the ice with a 51,000-sf lease. That kicked it off and, within 18 months, Tara and her team leased up the balance of the building.”

Simone purchased the 18.5-acre former mental health facility, which had been vacated back in 1992, from New York State at the bargain price of \$3.5 million in 2001. Beginning that year, he promptly began refitting the developmental center building, which was designed by renowned architect Richard Meier and completed in 1976, as part of an overall \$60-million redevelopment project.

“Before we started, it was like three separate buildings that were interconnected through a series of keyways,” Simone explains. “We connected them together into one building.” At the building’s front entrance, Simone added a circular, high ceiling evocative of the highest-end office developments. Trees were cut down, and the property was extensively landscaped in order to grab the attention of commuters on the Hutchinson River Parkway, which passes just yards away from the site.

Along with a 350-person cafeteria and a 120-seat conference center, a day care center, dry cleaners and a fitness center were included among the amenities. Shuttle bus service between the Westchester Square subway station and the complex was implemented every 20 minutes from 7 am to 7 pm Monday through Saturday. A shuttle from the property’s guardhouse to the building’s main entrance also runs every five minutes during that time.

“Joe didn’t just deliver what he promised in the lease, he went well beyond what he was obligated to do,” says Stacom, who, following the Visiting Nurse Services lease, took on the role of exclusive leasing agent for the project. “There is very little that you wouldn’t find here that you would find in the highest end suburban office parks in Greenwich, CT.”

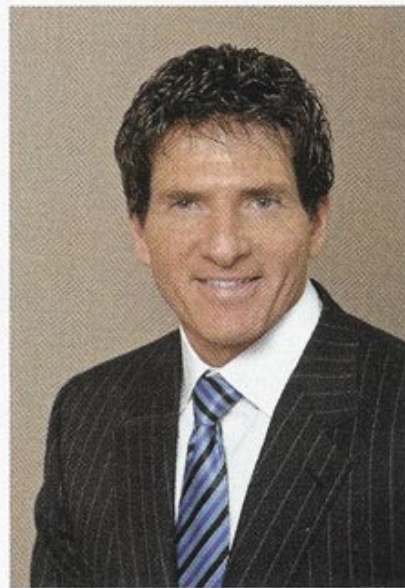
Along the way, Simone amassed 24 more acres through a series of acquisitions from public and private sellers. When all was said and done, Simone had added the first new class A office development to the Bronx in over a decade.

For major tenants like the New York City Housing Authority (whose lease of 63,000 sf extends until 2024) and Visiting Nurse Services, the move to Hutchinson represented a major consolidation of services spread out over the borough and, in some cases, the entire city or Westchester. Mercy College, the

building’s biggest tenant at 125,000 sf, was able to create a campus-like setting with its own private entrance.

“Because we are a college, we wanted that campus feel where we had capacity for a cafeteria, student lounge space,” says Mary Pat Wagner, vice president for institutional advancement with Mercy College. “And, because it wasn’t already developed and laid out, it gave us the latitude to design our own project and get the layout that we need. It’s the right size for our enrollment, which is 3000, but we have room to grow.”

According to Joe Kelleher, director of leasing and property management for the Metro Center, “the college/corporate combination works well—when they’re coming, we’re going. The parking lot always seems like it is



Joseph Simone

half-empty, because everybody isn’t here at the same time. Parking is a huge problem in the Bronx, but we have 3.3 spots per thousand sf. Few comparable sites can compete with that.”

Eileen Campbell, Bronx regional administrator for Visiting Nurse Services, cites the parking as one of the features that attracted the company to the site.

“We were in storefront operations before, and our staff were parking on side streets, getting ticketed all the time,” Campbell says. “We were very pleased that there was plenty of parking here, and it was free.”

With 1200 Waters St. fully leased for the foreseeable future, attention has turned to Phase Two of the project, with ground recently broken on the first of two 10-story, 260,000-sf twin office buildings to be known as “The Towers at Hutchinson Metro Center.”

Simone says he plans to continue building new towers as the existing ones lease up, until he hits the maximum developable space of 1.9 million sf.

“The entire complex is as-of-right,” Simone explains. “We don’t need any approvals or variances, so we can move ahead on anything very quickly. A site of this size does not sit as-of-right in any of the boroughs.”

In addition to a total of four towers, the plan includes room for a fifth building Simone says could be built to the specifications of a single user. In fact, the City is reportedly looking at the site as a possible location for a new auxiliary 911 Call Center.

Stacom and her leasing team—JoAnn Stock, senior director and Shawna Menifee, director—recently launched an aggressive marketing campaign for the new towers because “it’s still the Bronx, so we still need to educate the New York brokers. But it’s getting easier and easier every day.”

Stock says, “As we did with the first building, we are seeking people who had multiple locations for consolidation, and we want to continue to attract the medical community. Albert Einstein, Montefiore are all right here. For a tenant coming out of the city, there is a substantial tax credit of up to \$3,000 per employee. People are coming from Manhattan and doing the reverse commute. It’s an easy commute for people coming from Westchester, the traffic doesn’t start until after here.”

With current market conditions being what they are, Stacom says, the Bronx will quickly become a more attractive location for office tenants.

“You’re going to see a lot more corporations spreading their selves around the city, and taking leases in the outer boroughs, not only for threat security but economic issues,” says Stacom. “There’s under 7% availability in all of Manhattan, and rents will continue to spike. A lot more tenants will not be able to afford Manhattan. There’s not another building in this area offering this quality of a product for this amount of money. It’s in New York City but, because it’s a ‘suburban’ product, in some ways it’s better than Manhattan.”

Simone points out that the project is just one component of an overall development renaissance currently occurring in the Bronx. “Aside from what we’re doing in the northeast, there’s a major development in The Hub, everyone is excited about the new Yankee Stadium, the new retail center being built by Yankee Stadium. Acadia is doing an office/retail project. Now, the hot area for residential is SoBro. You have to get in early before it’s gone. That’s what we told people with this building, you have to get in before the building’s gone.” —RENY