



## **Bloomberg and city officials launch start of phase I of \$700 million project**

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Mayor Michael Bloomberg, deputy mayor for economic development Robert Lieber, council member Melissa Mark-Viverito, N.Y.C. Economic Development Corp. president Seth Pinsky, Housing Preservation and Development deputy first deputy commissioner Douglas Apple, and Richman Group president Richard Richman launched the start of construction of the first phase of a 1.7-million s/f, mixed-use development on three vacant parcels in East Harlem. The final development, to be known as the East Harlem Media, Entertainment and Cultural Center, will include 30,000 s/f of community and cultural space, 600 affordable housing units, a public plaza, office and retail space, and a hotel. The \$700 million project will create 1,500 permanent jobs and 4,000 construction jobs. Construction of the entire development will be a five-phase process with a target completion date of 2016. Phase one, located on the southeast corner of East 125th St. and 3rd Ave., will consist of both affordable housing and neighborhood retail, and is expected to be completed by July 2011.

"Today's groundbreaking, along with the other projects taking shape along 125th St., are helping sustain the momentum of Harlem's ongoing renaissance," said Bloomberg. "This major multi-use development - a major investment and show of confidence in Harlem's future - will serve the community in a variety of important ways: by creating needed affordable housing, valuable community and cultural space, and new office and retail space. Most importantly in today's economy, it will create thousands of permanent and construction jobs. Council member Melissa Mark-Viverito, the city's Economic Development Corp., the Department of Housing Preservation and Development, our state partners, the developer and the entire East 125th St. Task Force deserve a lot of credit for working together to make this development a reality."

"Today's groundbreaking exemplifies the city's continued commitment toward the renaissance of East Harlem," said Lieber. "Together with our other projects along the 125th St. corridor, the development of the East Harlem Media, Entertainment and Cultural Center will help cement 125th St. as 'Harlem's Main St.' and the cultural and retail hub of Upper Manhattan. In addition to much-needed cultural space, housing and open space, these projects will create thousands of permanent and construction job opportunities and capacity for future growth. I want to thank the interagency team led by NYCEDC and HPD for their work to make the development a reality, council member Mark-Viverito for her leadership, the East 125th St. Development Task Force for its input and guidance, and the development team for making a critical investment in the future of Upper Manhattan."

"This development was the result of a community-based planning process that took into account the needs and desires of this neighborhood," said Mark-Viverito. "I am happy to be here today at the groundbreaking of the East 125th development, which will deliver the affordable housing and jobs

our community has been calling for. As a community we will continue to meet with developers and our local community partners to ensure that as the project develops it honors the commitments made. I want to thank the mayor and his administration for their willingness to listen to the community and for partnering with us in a meaningful way."

The development team, 125 MEC Center LLC, consists of Archstone-Smith, the Richman Group, Monadnock Construction, local development partners Hope Community, and El Barrio's Operation Fightback. The first phase will provide 49 units of affordable housing, and 5,600 s/f of neighborhood retail space. The \$23 million development is being funded from sources including 125 MEC Center, the city's Department of Housing Preservation and Development, the State Department of Housing and Community Renewal, the city council, and the NYSERDA.

The affordable housing component of phase 1 will consist of 49 rental apartments (seven studios, 21 one-bedrooms, 13 two-bedrooms, seven three-bedrooms, and one two-bedroom superintendent's unit). All of the affordable housing will be available to families at varying income ranges; with a maximum income level of 60% of Area Median Income (AMI) or what is equal to an annual household income of \$46,100 for a family of four. Building amenities will include on-site super, community room, storage space, bike storage room, laundry room with Energy Star washers and dryers and a private landscaped courtyard. Eight of the units will be set aside for tenants with disabilities.

The project is a culmination of the city's collaboration with the East 125th St. Development Task Force, which was formed to help incorporate the community's goals for the project, which included affordable housing, economic development, local participation in the development and employment for local residents, and space for arts and culture. The city worked with the developer to create the structure for a five-phased development as a solution to the difficult economic climate currently facing developers throughout the city. Recently, many projects are being delayed or construction sites are sitting vacant as developers struggle to acquire funding to move them forward. By breaking the project up into five phases, the city and the developer have guaranteed that once a phase has started there is sufficient funding and means to complete it-thereby avoiding unnecessary construction delays.

The East Harlem MEC is part of Bloomberg's New Housing Marketplace Plan. Launched in 2003, the plan was first envisioned as a five-year plan to finance the construction or preservation of 65,000 affordable homes for New Yorkers. In 2006, it was expanded to its current form: to enable the creation or preservation 165,000 affordable units by 2014. Since the start of the national recession, the city has financed more affordable units - 17,000 - than any other U.S. city or state, surpassing the 100,000 unit benchmark. More than 7,000 units of affordable housing have been created in East Harlem's Community District 11 under the plan.

"Today's groundbreaking marks another great step forward in protecting Harlem's 125th St. as a cultural and commercial corridor in Upper Manhattan," said N.Y.C. council speaker Christine Quinn. "This is an extraordinary example of community and inter-governmental planning at its best. Together, council member Melissa Mark-Viverito, EDC, HPD, and the East 125th Street Task Force worked tremendously hard to shape community goals and sustain the area's economic vitality for years to come. The fact that these community and cultural sites will create more than 5,000 jobs is unyielding proof that East Harlem's future will be nothing but big, bold and bright."

"I am extremely pleased today to break ground on this transformative mixed-use development project on East 125th St.," said Pinsky. "Continuing the revitalization of Harlem with developments

like this, which will bring important housing, retail and cultural space to the neighborhood, is a top priority for NYCEDC. Also, by breaking the development into five phases we have ensured that the project will be completed in the most efficient and responsible way possible for the people of the community. In the current economic climate it is a great sign of confidence in Harlem and N.Y.C. that developments like these are moving forward."

"Today's groundbreaking for the East Harlem MEC represents the beginning of our commitment to build more than 600 units of quality affordable housing here in East Harlem," said Cestero. "The transformation of East Harlem and the 125th St. corridor will create a thriving neighborhood of new affordable and mixed-income housing that will support new commercial enterprise and act as a catalyst for growth throughout the community. Creating neighborhoods of opportunity has been a critical component of the mayor's Five Borough Economic Opportunity Plan and affordable housing is leading the way in this effort across N.Y.C.. East Harlem is no different, to date the City has financed more than 7,000 units of affordable housing right here in Community Board 11 under the New Housing Marketplace Plan. I thank mayor Bloomberg and city council member Mark-Viverito for their leadership, and NYCEDC, the State Division of Housing and Community Renewal, NYSERDA, the East 125th St. Development Task Force and all of our partners for their commitment to the renaissance that is taking hold in this community."

"We are very happy to have provided Low Income Housing Tax Credits for the development of the East Harlem MEC Center," said State Division of Housing and Community Renewal Commissioner Brian Lawlor. "This is an exceptional project that will create jobs, enhance the community and most importantly, provide much-needed affordable housing to the residents of East Harlem. I'd like to thank and congratulate our partners in this endeavor, particularly mayor Bloomberg, HPD commissioner Rafael Cestero, the city's Economic Development Corp., the NYS Energy Research and Development Authority and the East 125th St. Development Task Force. This is a great day for East Harlem."

"125 MEC Center LLC is very pleased to be working with the Bloomberg administration and New York State government to kick off the first phase of this multi-phased, mixed use project, which will bring affordable housing, attendant retail, hotel and office space, and a new cultural center to East Harlem," said Richard Richman, president of Richman Group and speaking on behalf of the development team. "We as a team see great opportunity in East Harlem, and we eagerly look forward to working with community and civic leaders to make this first building and the future phases important additions to this vibrant neighborhood."

The project will achieve at least a Silver LEED certification from the U.S. Green Buildings Council, with specific LEED points focusing on indoor environmental quality. As part of its proposal, the development team has committed to targeted hiring and a Minority and Women-owned Business Enterprise (M/WBE) plan, which will provide employment training and placement opportunities during and after construction.

Features of the development include:

- \* 30,000 s/f of cultural space celebrating East Harlem's unique and diverse cultural heritage;
- \* More than 800 total housing units, 600 of which will be affordable to individuals or families with moderate or middle incomes;
- \* A mid-block public plaza;
- \* A minimum of 24,000 s/f of landscaped open space;
- \* 50,000 s/f of retail space reserved for locally-owned businesses at below market rents;

- \* 250,000 s/f of class A office space;
- \* A 98,000 s/f hotel; and,
- \* A \$10 million local investment fund to assist small businesses and entrepreneurs that locate in the new development.

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