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# In Queens, Neglected Sector Attracts Big Developers

By **TERRY PRISTIN**

Willets Point, the unsightly jumble of auto shops in northeastern [Queens](#), looks pretty much as it did in May 2007, when Mayor Michael R. Bloomberg announced plans for a \$3 billion mixed-use development on the site — with the notable exception that Citi Field, the new home of the New York Mets, now looms over it.

The streets still have no sidewalks and are pocked with huge potholes and littered with garbage, broken glass and rusted chassis. Mosquito-attracting puddles linger for days after a rain. And the 250 businesses in the district must still rely on cesspools rather than sewers. Only a few small shops have closed since the city began assembling the site.

But city officials say their project at Willets Point has reached an important milestone and is moving full speed ahead. They say they are gratified that despite the uncertain economic climate, a number of developers, including some big names, responded last month to a request for proposals sent out in May to 29 companies that had indicated interest in the project.

“After receiving numerous responses for the first phase of development, we are another step closer to the new Willets Point,” said Thomas McKnight, an executive vice president of the city Economic Development Corporation. “This project will create thousands of jobs and allow an environmentally contaminated area to become a model center of economic growth for [Queens](#) and [New York City](#).”

The applicants themselves are barred by a confidentiality agreement from acknowledging that they have submitted proposals. But public officials, developers and other real estate specialists say about half a dozen companies are seeking the development rights for the first phase of the project.

Among them are the [Related Companies](#), the developer of the Gateway Center at [Bronx Terminal Market](#), a shopping center in the South Bronx; [Silverstein Properties](#), the developer of the World

Trade Center complex in Lower Manhattan; and Macerich, the owner of the Queens Center mall in nearby Flushing, which teamed up with AvalonBay Communities, the developer of Avalon Riverview North, a luxury residential complex in Long Island City.

Related, which also developed the Time Warner Center on Columbus Circle in Manhattan, is believed to have teamed up with Sterling Equities, the real estate company founded by Fred Wilpon and Saul B. Katz, the owners of the Mets. Sterling, like other developers on the list, would not say if it had responded.

The one applicant that has gone public is TDC Development, a Queens company with Chinese backers that is one of the developers of Flushing Commons, a five-acre mixed-use project.

On its Web site, TDC states that it is one of the “finalists” for Willets Point, but the company president, Michael Meyer, said in an e-mail from China that he could not discuss the project until the city Economic Development Corporation “gives the green light.”

Willets Point, sometimes known as the Iron Triangle, is bounded by Roosevelt Avenue to the south, the Van Wyck Expressway and the Flushing River to the east; Northern Boulevard to the north and 126th Street to the west.

As approved by the City Council in 2008, Willets Point was supposed to be built all at once and include 5,500 units of housing, a local convention center and 500,000 square feet of office space.

Instead, developers were asked to submit proposals for a first phase of 12.75 acres to be located closest to Citi Field, extending from 126th Street to 127th Street, and from Roosevelt Avenue to 35th Avenue. This phase would include up to 680,000 square feet of retail space, up to 400 units of housing (of which about a third would be income restricted), a hotel, two acres of open space and parking.

An additional 7.5 acres would be set aside as a vacant buffer zone to separate the new development from the auto-parts businesses. The city says that it now controls nearly 90 percent of the land needed for the first phase and intends to acquire the rest through condemnation if necessary. City Councilwoman Julissa Ferreras, who represents the area, said the city was still negotiating with nine property owners.

In submitting their bids, applicants also had to supply a “concept plan” for the entire 62-acre district.

The designated developer will be responsible for cleaning up the site, perhaps with the help of the [state brownfields tax credit program](#). But the infrastructure will be the city's responsibility. Officials say they plan to begin constructing sanitary and storm sewers later this fall, a project that is expected to take 18 months. They say they expect to choose a development team by spring.

Though the project has the support of politicians, some business owners are still fighting it. Michael Rikon, one of their lawyers, accused the city of trying to clear the site to make way for additional parking for the ballpark, which is much closer to Willets Point than its predecessor, Shea Stadium.

"It's just a sham," Mr. Rikon said, referring to the project. "No developer can build there, and it will cost billions of dollars to correct the conditions that exist. What will happen is that Bloomberg will go out of office, and the project will be forgotten again."

In a brief filed last month with the appellate division of the New York Supreme Court, Mr. Rikon argued that since no developer has been selected Willets Point cannot be considered a "public use" that would justify condemnation.

But Lisa Bova-Hiatt, a deputy chief of the city law department, said Willets Point is part of an urban renewal plan, which the courts have viewed as a valid public use. "The notion that you can't use eminent domain without first designating a developer is clearly a mistake," she said.

Opponents say there are other legal hurdles that could delay or thwart development. They have argued that dividing the project into stages was not permitted under the plan approved by the City Council because cleaning up only one part of the site at a time runs the risk of recontamination.

They also contend that it would violate environmental laws to start building at Willets Point until two ramps are added to connect the new development to the Van Wyck Expressway to ease traffic.

"It is our belief that this project, if built, would put so much traffic on the Van Wyck as to immobilize it," said Michael B. Gerrard, a Columbia law professor who is also representing the business owners.

City officials say the ramps are included in the overall plan but are not needed for the first phase.

Yet is it realistic to imagine that redevelopment will occur anytime soon on a site that has

bedeviled city officials and civil leaders for decades? “I think it’s absolutely realistic,” Ms. Ferreras said, citing the proposals the city has received. “It will kick-start our economy.”

Specialists in real estate financing who are not working with any of the Willets Point bidders point out that a project of this scale is likely to require a great deal of public financing at a time when the city and state are slashing their spending.

Scott A. Singer, a principal of the [Singer & Bassuk Organization](#), a New York company that arranges financing for major property owners, said that some construction financing is still available today, but that the hurdles for developers — especially outside Manhattan — are much higher than they used to be.

“It’s not necessarily impossible,” Mr. Singer said, “but it wouldn’t be at all surprising if this moved forward only in fits and starts.”