

Essex Crossing comes on line

Nine-building development caps decades of change on Lower East Side

BY TOM ACITELLI

Paul Stallings bought his first four buildings on the Lower East Side—each with 24 apartments—for a total of \$250,000.

The year was 1980, and the deal was sealed with \$40,000 in cash and the balance in seller financing.

"I started on Norfolk Street," said Stallings, an attorney turned investor. "And literally you didn't go to the end of Norfolk Street because it was too dangerous."

Twenty-four years later, Stallings opened the Hotel on Rivington, the neighborhood's first boutique inn, which, along with other high-end additions, such as Schiller's Liquor Bar by Keith McNally and the Blue Condominium, touched off a wave of change that all but wiped away the Lower East Side's gritty, crime-ridden legacy.

The capstone came in September 2013, when the Bloomberg administration tapped L&M Development Partners, BFC Partners, Taconic Investment Partners and Goldman Sachs to develop a 6-acre parcel known as Essex Crossing. The nine-building, 1.87 million-square-foot project is set to begin opening this year. It includes a massive, subterranean retail complex; hundreds of market-rate and affordable apartments; and a 15,000-square-foot park. Plus, there will be a cinema, a Trader Joe's and a Target. The project sits on land that federal and local authorities cleared in the late 1960s under the guise of urban renewal. Numerous attempts to rebuild there failed, derailed by then Assembly Speaker Sheldon Silver's controversial efforts to appease select constituents by keeping the parcels vacant. But a corruption scandal would humble Silver in 2015—the same year that construction started on Essex Crossing.

Stallings, who was not involved in the project, said that aside from pushing real estate prices much higher, the development's biggest effect may be ending a longstanding geographic divide

"Historically there's always been this east-west division," he said. "SoHo, NoHo were prime areas, and as you marched east, rents and values diminished. This might be the icing on the cake in eliminating that differential." ■



ESSEX CROSSING

