

## COMMERCIAL PROPERTY

# Developers Bet Large on Big-Box Sites

By Joseph De Avila

Developers are moving forward with plans to develop two neighboring sites along the southwest Brooklyn waterfront for national retailers in the latest sign of incursions into the city by big-box stores.

Joseph Sitt, a Brooklyn-born developer who has been doing deals from Coney Island to London, is seeking city approvals to build a 200,000-square-foot shopping center and 2.4-acre public waterfront esplanade near Gravesend Bay. The \$150 million project, which already has a tentative 20-year lease with a BJ's Wholesale Club, would be one of the biggest retail centers in the works in the New York region.

**Thor Equities bought the site of a former bus terminal in 2005 but plans on hold.**

Right next door is a 4.5-acre plot of land owned by the Cropsy Family, which has roots in Brooklyn dating to the 1600s and is the namesake of Cropsy Avenue, which is near the site. The family is seeking developers to extend the site up to an additional 14 acres—primarily by building piers and reclaiming land currently underwater—to make way for big-box stores.

The moves come at a time that plans for other big-box projects are causing controversy and sparking criticism from competing mom-and-pop retailers and community groups concerned about traffic. Wal-Mart Stores Inc. has been interested in opening a store in the city for years but hasn't yet identified a site.

Also, a plan to develop a 15-acre swath near Four Sparrow March in Mill Basin, Brooklyn into a car dealership and retail center is working its way through environmental review. That long-delayed project, however, might run into further problems because it has been tied into the corruption case involving State Sen. Carl Kruger.

Developers and some city officials support big-box stores to generate jobs, especially now when the city is still recovering from the downturn. Big-box supporters also point out that sales currently are being lost to suburban stores that attract city residents.

The sites owned by Mr. Sitt and the Cropsy family are near Caesar's Bay Plaza, built around the 1950s. Current tenants there include Best Buy, Kohl's and Toys R' Us.

Mr. Sitt says his project, which he named Shore Parkway, "will bring vibrancy to the area" and "should prompt other things to happen once the economy starts to pick up more."

Mr. Sitt's company, Thor Equities, bought the site of a former bus terminal in 2005 for \$10 million, according to property records. Mr. Sitt put his plans for the shopping center on hold after the financial crisis hit. In 2009, he filed papers with the city to begin the land-use review process for the development, which he named Shore Parkway.

The land-use review process is expected to last several more months and Shore Parkway also would need City Council approval before it can proceed.

Another remaining hurdle: finding lenders to provide construction financing. "We are in the process right now. It's been good responses, so we are not worried at all," Mr. Sitt says.

Thor Equities has recently been buying up high-profile retail properties like the Burlington Arcade in London and the Takashimaya Building on Fifth Avenue in Manhattan. Mr. Sitt, who grew up in Bensonhurst near the Shore Parkway site describes the shopping center as "a project of pride."

Mr. Sitt made his name in the retail business during the 1990s when he founded the women's clothing company Urban Brands. He switched to real-estate development in 2000. Thor Equities eventually became one of the largest property owners in Coney Island. In 2009, the company sold about seven acres of land on the boardwalk to the city for \$96 million.

The Cropsy family, which



Above, Thor Equities' rendering of a proposed \$150 million shopping center near Gravesend Bay. Right, developer Joseph Sitt, chairman and CEO of Thor Equities.

owns the property adjacent to the Shore Parkway, is betting that the economy has turned around enough to lure a developer to build a big-box store on their land.

Thor Equities and the Cropsy family have talked about doing a deal together, but nothing has developed so far, said James Cropsy who works on managing the family's real estate.

The property has belonged to the Cropsys since 1639 when the Dutch government issued a land grant to an ancestor of the family. In 1895, the family purchased the water rights for about 14 acres of property from the state of New York.

Around the War of 1812, Col. James Cropsy started a lumber company on the property that would operate for more than 100 years. Nearby Cropsy Avenue was named after the colonel. In



the late 1970s, the land was redeveloped and a New York Sports Club opened up, along with a self-storage facility and a hotel.

The family has sought deals off-and-on to take advantage of the water rights for several years, says Mr. Cropsy. "We've been looking at leasing that in the past. We had a deal before



the economy tanked," he said. That plan called for adding a marina to the site.

Now the family is hoping to attract developers with a master lease for the entire lot, including the buildings that currently have tenants. The land is zoned for many uses and can accommodate a marina, a ferry terminal and

even a skating rink, says Geoffrey Bailey of commercial brokerage firm TerraCRG, which is exclusively marketing the site.

"The more obvious potential for development is utilizing the site for large retail," Mr. Bailey says. "I think the Ikea in Red Hook has proven the idea of having retail access by water."

Thor Equities

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