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Prestige Properties unveils plans for \$270 million The Mall Bay Plaza Shopping Center in the Bronx

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On November 9th, New York based developer Prestige Properties launched plans to build The Mall at Bay Plaza, a brand new fashion mall. The new mall will be located on a corner parcel at the intersection of the Hutchinson River Pwy. and I-95, adjacent to Prestige's Bay Plaza Shopping Center. Once completed, the project will encompass a total of 780,000 s/f of retail space and include a 1,800-car parking garage. The total cost of the project is projected at \$270 million. Most notably, Macy's has agreed to take 160,000 s/f on three floors as the second anchor along with an existing JC Penney's.

The Bay Plaza Shopping Center has been a prospering center of retail in the North Bronx for well over 25 years. Originally built in 1984 it has continually expanded to where it is now one of the largest shopping centers in New York City at close to 1.3 million s/f. The center currently holds some of the highest performing stores on a per s/f basis for many national, best-in-class retailers.

The Mall at Bay Plaza will be the first enclosed anchored fashion mall in the New York City area in almost 40 years, the last being Queens Center in 1973. In a time when ground-up development is scarce and economic conditions are uncertain, building a brand new mall in New York City is bound to generate a lot of press. "Prestige Properties' Bay Plaza Shopping Center is already a great site of economic activity," said New York City mayor Michael Bloomberg. "Now, the addition of The Mall at Bay Plaza is great news not only for the Bronx - whose residents will have another great place to shop - but also for the entire city. A new mall means new job opportunities and new tax revenue, which will help boost our economy." In an economic benefit study, recently conducted by the firm AKRF Consulting, the project is expected to generate more than 2,000 construction jobs and more than 1,700 permanent jobs. This is welcome relief to job seekers in the area. Also, the construction is estimated to generate an additional \$37 million in tax revenue for New York City, the MTA and the state, according to AKRF.

Jerry Welkis along with Allen Cooperman of Welco Realty will lead leasing efforts on behalf of Prestige. Welkis believes that, based on the popularity of the existing center, the new addition will lease up quickly. "This is a retailer's dream," Welkis said. "With a perfect location, an existing powerhouse shopping platform and incredible highway access and transportation for shoppers, Prestige will deliver an even grander New York City shopping destination for a diverse and active consumer base." The Mall at Bay Plaza has already drawn significant interest from dozens of national and regional retailers looking to expand their presence in New York City.

Prestige believed for many years that a traditional, first-class, suburban-style fashion mall would flourish in a community many believed was underserved when it came to quality retail options. "We always understood that developing a best-in-class mall would be a huge benefit for the community and it would enrich the lives people in the surrounding area. We plan to build something that people

will be truly proud of," said Sam Shalem chairman and CEO of Prestige Properties. "It was our view that lining up the best possible anchor would make all the difference in convincing traditional national and regional mall tenants to come to the Bronx, we now have that with Macy's."

This project represents a shift for Macy's, which has not built a new ground up store in N.Y. for over 15 years. Ron Klein, Macy's chief stores officer said, "Our new Macy's store in Bay Plaza will help us to better serve customers and deepen our presence in the diverse and densely populated New York marketplace. We will be tailoring our merchandise assortments of well-known brands to local customer needs, with an emphasis on the distinctive fashion, obvious value and exciting shopping experience for which Macy's is known."

When it came to the design of The Mall at Bay Plaza, Prestige Properties had a very clear vision in mind. "We wanted to create a timeless, classic structure, something you could look at in 20 or 30 years and it would still be attractive and relevant" said Shalem." He goes on "when you walk around New York City and look at buildings built over the past hundred years, to me a more classical style of architecture is the most appealing to the eye, in our design we wanted more stone and less glass bucking the trend that most major developments are going for now. While this might cost more in the short term we are aiming to create value in the long term with a mall that will stand the test of time." To help Prestige reach this vision they hired the world class Los Angeles-based architectural firm Altoon & Porter Architects. Altoon and Porter have a history of building world-class malls both nationally and internationally including malls in China and Russia.

Prestige's goal is to make The Mall at Bay Plaza equivalent to the Bronx what The Queens Center is to Queens and what Kings Plaza is to Brooklyn; simply the leading option for an enclosed mall experience in the Bronx borough. The Mall at Bay Plaza is anticipated to open in fall 2013 or spring 2014.