

THE WALL STREET JOURNAL.

A Tribeca Makeover Geared Toward Families

Skyscraper rising at 56 Leonard St. suggests changes coming to neighborhood

March 12, 2015
Kaya Laterman



The view from the 42nd floor of 56 Leonard St. PHOTO: MARK ABRAMSON FOR THE WALL STREET JOURNAL

On any given day, there are about 400 people—construction workers, truck drivers, engineers and designers—laboring to build **56 Leonard**, a 60-story residential skyscraper rising in Tribeca.

That number may not surprise people in the industry, but **56 Leonard** is just one of several major construction sites in this northeastern pocket of Tribeca, making the area a hotbed of concrete mixers, trucks and scaffolding.

The building is still a shell of what it will become—an ultra-luxurious condominium with panoramic views—but it has already helped transform the immediate area. Excluding penthouses, units have sold for slightly above \$3,000 a square foot. There's only one unit left—a five-bedroom penthouse on the market for \$34.5 million.

“This building brought a lot of things that this area of Tribeca didn’t have,” says Izak Senbahar, president of the Alexico Group, one of the building’s developers.

Among them: height, posh amenities like powder-room vanities made of Peruvian travertine carved in China, and a large sculpture by artist Anish Kapoor that will be added to the streetscape. Weighing about 40 tons and coming from the West Coast in four pieces, the shiny, balloon-like sculpture will look like it’s wedged underneath the building and supporting it.

Sales have gone quicker than expected. Many units were sold to people already living in the area, says Mr. Senbahar. Other developers and brokers have taken notice. About a dozen 19th century buildings in the neighborhood are being converted into luxury condominiums.

“Most of the new housing stock is clearly marketed towards families,” as many are floor-through units with multiple bedrooms, says Raphael De Niro, a broker at Douglas Elliman.

Mr. De Niro says he will launch sales for the seven units at 87 Leonard in a few weeks. He expects plenty of demand, despite many other conversions on the street, including 15 Leonard, 101 Leonard and one right around the corner at 67 Franklin Street. A parking garage at 24 Leonard is also expected to turn into high-end homes.

“The area has rapidly changed as the focus in Tribeca shifted east of Church [Street] after the success of 56 Leonard,” he said.



This shift, as well as the influx of new projects outside the borders of Tribeca’s five designated historic districts, have some preservationists on edge.



Prewar structures typical of the neighborhood PHOTO: MARK ABRAMSON FOR THE WALL STREET JOURNAL

Lynn Ellsworth, an economist and chairwoman of Tribeca Trust, a neighborhood nonprofit group, has long advocated expanding the districts’ meandering borders, which she says miss many historic structures.

“You can’t assign a dollar figure to historic, cultural districts,” she says. “Skyscrapers don’t belong in low-density areas. I feel the developers are free-riding off the value of a desirable area like Tribeca.”

Meanwhile, the approval process for converting a landmark building can take months. Peebles Corp. and El Ad Group, developers behind the conversion at 108 Leonard, are working their way through the process with the city Landmarks Preservation Commission over their plans for the historic structure at 346 Broadway, once known as the New York Life Insurance Building.

According to a person familiar with the discussions, a sticking point is the future of an 1897 clock on top of the building, along with the vintage mechanisms that are wound weekly by hand. The preservation commission gave approval in December for the developers to turn the clock tower into a penthouse unit and for the clock to run electronically.

Preservationists say the clock and its mechanisms, along with the building, are designated landmarks that should not be altered in any way, which may happen if the clock goes electronic. The developers are looking into how to preserve the clock's mechanisms while running it electronically before proceeding with the rest of the building's conversion.

"We love the clock," said Don Peebles, chairman of the Peebles Corp. "It's part of what is so attractive about the building. We do not plan to change any of the exterior, and we are working hard to maintain and treat the mechanical portions of the clock appropriately."

Separately, the building will likely have about 130 condominium units and space for a ground-floor restaurant, Mr. Peebles said.

The retail scene near Leonard is also poised for change. There are many street-level spaces available for rent along Broadway, and amenities for the new residents, such as a grocery store, are on the way. A Gourmet Garage, an upscale grocery store, is expected to open late this summer on the corner of Broadway and Franklin Street.

"The beautiful prewar buildings give the neighborhood a very authentic elegance," Mr. Peebles said. "Restoring the building is an important aspect to revive the area's historic grandeur, and I find it very exciting and spectacular."