

CRAIN'S

NEW YORK BUSINESS

JANUARY 23-29, 2006 PRICE: \$3.00

Bronx mall a test for Quinn

IN THE NEXT FEW WEEKS, the City Council will decide if a \$400 million, 1 million-square-foot shopping center is to be built in the Bronx. The project is vital for the borough's underserved consumers and would add several thousand new jobs. It is also the first test of whether new City Council Speaker Christine Quinn will act for the good of New York or again represent the special interests she has championed all too often.

The benefits of Gateway Center, proposed by the Related Cos., are obvious. The Bronx desperately needs more retailers, especially those serving low- and moderate-income households. Studies show that Bronx residents do only about 60% of their spending there—the lowest percentage of any borough. Some residents who have cars cross into Westchester to shop. The cost to the city in jobs and tax revenue is substantial; the cost to the poorest New Yorkers without cars is even greater.

With the city's employment growth sluggish at best, the project will create 800 construction jobs at wages totaling \$100 million, and then 2,300 permanent positions. The city can't turn down such economic bolsters.

The center's critics fall into two groups: The first speaks for the merchants who now work out of the derelict Bronx Terminal Market. These wholesalers, many of whom are part of the underground economy, pay far less than market rent and have shunned repeated good-faith efforts by city officials to find another site for them. A move would be

disruptive and costly, but these merchants have been offered fair compensation and shouldn't be allowed to stand in the way of such an important project.

The second opposition group is made up of those who are determined to keep out big-box stores. Though Related says it has no plans to lease space to lightning-rod Wal-Mart, it intends to anchor the mall with stores like Target, BJ's Warehouse, Costco, Best Buy or Circuit City. These chains' operating practices differ little from those of Wal-Mart, and unions here have already blocked a BJ's elsewhere in the borough.

New York needs to be clear about what's at stake. The

Gateway Center would add jobs and retailers the borough needs

stores that Gateway Center would feature dominate the retail sector elsewhere in the country because consumers want to shop at them. If New York restricts them, it is effectively saying that it favors pricier grocers and even more

expensive bodegas and hometown retailers.

New York has a choice to make, and Ms. Quinn will have a prominent voice in the decision. She has been in the forefront of the effort to limit retailing competition. If she does so at Gateway Center, she will brand herself as deaf to the needs of less affluent New Yorkers.