

A Crucial Piece in a Makeover Mosaic



Douglas Healey for The New York Times

A KEY SITE Kim M. Morque, left, and Clayton H. Fowler at the site of Spinnaker Real Estate Partners' planned \$500 million mixed-use development.

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South Norwalk

A BLIGHT on Norwalk's riverfront 20 years ago, when it was a bleak industrial area, South Norwalk is today a model of urban cool. Its airy lofts, upscale bars and specialty shops are magnets for young professionals, who have imparted new creative energy to the renovated brick factory buildings where they now live or work.

Yet the district still lacks heft: an anchor to stabilize its fragile arts and entertainment community and sustain it during economic storms. Plans for just such an anchor have been on the city's drawing boards for five years as part of a broader urban renewal plan, but only now is the project moving ahead, and in a significantly altered form.

Last month, the city's Common Council approved a proposal from Spinnaker Real Estate Partners to change the plan for a million-square-foot office park on a 12.5-acre site at the intersection of Interstate 95 and Route 7 to a mixed-use development — called "95/7" — combining office space, housing, retailing and a hotel. The plan establishes a framework for the development, which will be negotiated in greater detail in coming months.

The changes still include a strong office component of 475,000 to 625,000 square feet, but the reduction acknowledges office market shifts since the original plan was negotiated in 2001.

The property was owned at the time by Fred F. French Investments L.L.C. The Stamford-based Spinnaker and a partner, Greenfield Partnership, acquired all of the property and development rights last year for \$26.9 million. They submitted their mixed-use proposal in January to the Norwalk Redevelopment Agency, which oversees an urban renewal area in South Norwalk.

"We recognized that the office park really wasn't a viable plan," said Kim M. Morque, a Spinnaker partner and its director of development. "This office market really doesn't support one million square feet and, more importantly, it really wasn't the right mix for today's tenants. Everyone is time-pressed, and they want to be able to walk to services. They'd rather not get in the car to go get a sandwich."

Spinnaker's chief executive, Clayton H. Fowler, said, "Our contention is we don't want another Merritt 7," referring to the 1.4-million-square-foot office park in Norwalk about three miles up Route 7 at the intersection with the Merritt Parkway. "We want a community. Now the city has agreed with that."

Spinnaker has established a strong track record in South Norwalk, having developed three other projects identified in an urban renewal plan drawn up in 1983 for a 70-acre area between the Norwalk River and West Avenue. Two of those projects are completed: the conversion of a former lock factory into a 100,000-square-foot office building, and construction of a parking garage opposite the Maritime Aquarium on North Water Street.

The third, a residential complex with ground-floor commercial space, is scheduled for completion early next year. Called Maritime Yards, that project includes 61 condominiums, 136 rental apartments and 40,000 square feet of commercial space. It has already attracted a major tenant: Virgin Atlantic has leased 16,000 square feet for its North American headquarters.

Mr. Fowler calls the three projects, along with two loft conversions that the company did on its own, “practice jobs” for the \$500 million mixed-use development that lies ahead. Under the plan approved by the council, the project must have, in addition to the office space, 75,000 to 125,000 square feet of retailing space, an 80,000-square-foot hotel and 250 to 350 units of housing.

Of the housing units, the council prescribed that 15 percent must be sold or rented at “affordable” rates. Ten percent must be set aside for families making 80 percent or less of the state median income, which is \$81,000. Five percent are to be reserved for families earning more than the state median but less than the Stamford-Norwalk area’s median income, which is \$116,300.

The council also stipulated that at least 2 percent of the development’s total square footage be dedicated to public cultural purposes, like a community theater or display space for local artists.

The building site is mostly vacant, having been pieced together over time by French through private acquisitions and city-backed eminent domain. Stalled for years by a sluggish office market and a legal battle with one remaining property owner, French finally sold the property outright to Spinnaker. The company is a partner with Spinnaker, however, in the development itself.

The name 95/7 is an obvious reference to the location, but also a play on the term 24/7, to suggest round-the-clock vitality. The project is still under design, but Mr. Fowler said it would “extend the brand of SoNo,” with an industrial blend of bricks, steel and glass.

In approving the changes, some Common Council members were hesitant to reduce the amount of office space, which tends to attract high-paying jobs, to replace it with retail and residential components, said Matthew Miklave, chairman of the council’s Planning and Redevelopment Committee.

Given the realities of the office market, however, he said he was satisfied that the new plan limits retailing, which tends to produce lower-paying jobs than offices, and includes a “strong commitment to working families” in its affordable-housing component.

Studies commissioned by the Norwalk Redevelopment Agency have confirmed Spinnaker’s contention that the market cannot support a million more square feet of office space. “A lot of the apparent strength that Norwalk had seen was essentially musical chairs,” with existing office tenants shifting spaces, said John Burritt Jr., the agency’s assistant director.

The studies also indicated not only continuing strength in the market for upper-end condominiums, but also gaps in Norwalk’s retailing mix. Consultants determined that while a full-service hotel was not economically feasible, a hotel geared toward business travelers could make a go of it, Mr. Burritt said.

This particular development is considered crucial to the area’s overall renewal plan because of its potential for strengthening the economic underpinnings of SoNo. It may also hasten the transition from an industrial base to a service-sector economy along a broader riverfront area that stretches north up West Avenue to Wall Street.

“This is the piece the city’s been waiting the longest for,” said Doug Hempstead, the council’s minority leader, “and it’s the largest parcel. It’s on the outer fringes of the site, and hopefully will spur additional redevelopment on West Avenue.”

Mr. Hempstead in particular has waited a long time for this project — he was on the council in 1985 when the site’s potential was first discussed. After more than 20 years, the greatest significance he sees to the latest changes in the plan is that, at last, “somebody wants to move forward with it.”