

Chappaqua Crossing readies apartments as retail begins construction

by Ryan Deffenbaugh

Westchester County Business Journal via www.dailyvoiceplus.com
July 13, 2017 1:07 a.m.



Wilder Balter Partners Inc. is converting the former Reader's Digest headquarters into apartments. Photo by Bob Rozycki

While not ready to say Chappaqua Crossing has reached the home stretch just yet, Felix Charney is happy to report some real progress with the redevelopment of the former Reader's Digest campus in New Castle.

“We’re finally building, rather than just talking about building,” said Charney, principal of Summit/Greenfield Partners and president of Summit Development LLC in Southport, Connecticut.

It has been 13 years since Charney’s Summit/Greenfield Partners, a joint venture of two Fairfield development firms, spent \$59 million to buy the 116-acre campus. Reader’s Digest built a media empire on the site starting in the 1930s and moved its last employees out in 2009.

Now, a slew of activity will result in a mixed-use campus with 450,000-square-feet of office space, 120,000-square-feet of retail and two separate residential portions: 91 townhouses and a building with 64 apartments. In all, Charney estimates a total investment of around \$200 million will be put into bringing new life to the site.



A wood-paneled, octagon-shaped library will be preserved. Photo by Bob Rozycki

Construction is about halfway done on the \$21 million residential conversion that will create 64 apartments in the most iconic building on the site, the brick 1939 Georgian-style former Reader’s Digest headquarters.

Elmsford-based developer Wilder Balter Partners Inc. has a 99-year lease on the property, which it is converting to a mix of one-, two- and three-bedroom apartments. Of those, 28 will be

affordable housing units, 25 priced at market rate and 10 will be workforce housing, plus one superintendent apartment. The four-story, 95,000-square-foot building will include two courtyards, a clubroom, fitness room, library, playground and terrace space, plus 94 parking spaces.

The building is not only central to the campus, but also the most historically significant part of the site. It's where Reader's Digest founders DeWitt and Lila Wallace kept their offices, along with a host of editors and writers.

A hallway in the center section of the building has been framed out and electrical and HVAC has been put in place. Photo by Bob Rozycki

Geoff Thompson, a spokesman for the project, said Wilder Balter has gone out of its way to preserve original features of the 77-year-old building. That includes the original rotunda entrance, which will showcase photographs and other historical Reader's Digest documents.

A wood-paneled, octagon-shaped 1,000-square-foot library, formerly used as reference room for the editorial staff, will be restored and maintained as a library for residents.

The building's most distinctive feature, a cupola with four Pegasus statues visible from the Saw Mill River Parkway, isn't going anywhere either.

On a tour of the premises on July 11, much of the wood framing for the separate apartments and electrical work was in place. Residents are expected to start moving in by the end of this year or January 2018, Thompson said.

Applications for the affordable and workforce housing are open now at chappaqua-crossing-apartments.com. The affordable housing portion is limited to people with incomes between 40 percent and 60 percent of area median income. Rents for the affordable portion range for \$765 for a one-bedroom to \$1,631 for a three-bedroom.

A balcony overlooks an overgrown courtyard in the center of the former headquarters. Photo by Bob Rozycki

For the workforce housing, the limit is 90 percent of area median income. Rents range from \$1,810 for a one-bedroom to \$2,500 for a three-bedroom. Two separate lotteries in September will pick from those applications.

Just east of the future apartments, construction crews are leveling the ground for the two anchor tenants of the 120,000-square-foot "retail village," as the developers refer to it.

Whole Foods will occupy 40,000 square feet of that space, along with a Life Time Fitness building the same size. A mix of other tenants are expected to occupy smaller spaces, including a bank, pet store and restaurants.

The \$50 million retail portion is a collaboration between Summit Development and Boston-based real estate firm The Grossman Cos. The retail leasing is handled by The Dartmouth Co., a commercial real estate agency with offices in the Northeast.

Charney expressed excitement at the proposed acquisition of Whole Foods by Amazon.

“Whole Foods, now especially with its merger with Amazon, is one of the pre-eminent healthy living grocers in the world,” Charney said. “And who knows where Amazon is going to take them. I think that will be an incredibly exciting dynamic.”

Construction on the retail portion is expected to take 18 months. In April, CBRE’s National Retail Partners announced it had arranged \$68 million in financing for the retail venture at the site.

For the office portion, a little less than half of the 500,000 square feet of space is leased. Northern Westchester Hospital occupies 35,000 square feet, while CareMount Medical has 45,000 square-feet. Data storage company vXchnge operates a 40,000-square-foot data center.

Cushman & Wakefield is handling leasing for the office portion. Other tenants include the U.S. General Services Administration, Access Nursing and Wilson Prep.

Developers say more office tenants will be announced soon. As the retail and housing portions of the mixed-use site get closer to completion, Charney said, office leasing is expected to pick up.

“We’ll have a host of services and conveniences that can make the property potentially more available to smaller, traditional office tenants,” Charney said. “That’s because of the access to services. They can walk to pretty much anything they need.”

Meanwhile, plans for 91 newly built Georgian style townhomes still need final approvals from the village. The units, set on 31 acres of land, would be for purchase, Charney said. The company is expecting to announce a builder soon. The townhomes likely would be built throughout 2019.

Summit/Greenfield Partners is also funding at least \$4 million in road improvements to the Bedford Road and Roaring Brook Road intersection, along with traffic-improvement measures at Horace Greeley High School. A shuttle will also carry residents, shoppers and office workers on site to the Chappaqua Metro-North station about 2 miles south.

A 400-seat auditorium formerly used for Reader’s Digest conferences has been deeded to the town of New Castle. The town launched a community theater in the space called the [Chappaqua Performing Arts Center](#).