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Spring Valley Development Aims To Revitalize Village

Proposed project includes rental apartments and up to 80,000 square feet of office and retail space near the train station

By
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North Main Street in Spring Valley, N.Y. A proposed development includes rental apartments and up to 80,000 square feet of office and retail space near the train station. PHOTO: ENID ALVAREZ FOR THE WALL STREET JOURNAL

Ariel “Eric” Jacobov has spent the last seven years assembling small parcels of land around the worn surroundings of a suburban train station just north of New York City. His goal: To create a hopping downtown with vibrant streets, apartments, shops and connections to mass transit in the village of Spring Valley.

Mr. Jacobov’s blueprint for a mixed-use development bears the familiar trademarks of other projects developers have built in the last several years along suburban rail lines in the metropolitan area, aiming to capitalize on the idea of walkable downtowns with convenient transportation options.

One improvement that he says would be a boon for his Rockland County project is a direct train line and a shorter commute into New York City. That idea, however, has been on the drawing board for years and faces an uncertain future, transit experts said.

“Rockland has been growing at a fierce pace,” said Mr. Jacobov, chief executive of Concord Capital New York. “It’s only fair for us to have a direct train to New York City.”

Mr. Jacobov’s \$175 million development proposal doesn’t hinge upon securing a direct line, he said. Demand for housing in the area continues to grow, and he believes that the existing train service and access to local buses at the development site make his project attractive. But a one-seat ride from Spring Valley to New York Penn Station could mean a 50-minute commute, possibly reducing the trip by nearly 30 minutes, he said. Now, many area commuters take direct buses to Manhattan from about a mile from the village train station, he noted.

NJ Transit’s Pascack Valley line, which serves Spring Valley, runs to Hoboken and Secaucus, where riders heading to Manhattan have to switch to the PATH train or another NJ Transit line. A loop track connecting train lines such as the Pascack Valley service to tracks going into Manhattan is part of the later phase of the larger \$30 billion, regional Gateway Project. That proposal would build a new Hudson River tunnel, repair the existing one and expand New York Penn Station so it could handle more trains.

Efforts have been under way to secure funding for the first phase, but it remains unclear where New York, New Jersey and the federal government would find the money to finance the Gateway project.

“It’s a very cloudy picture right now, and anybody that is making a commercial bet on the loop and the addition of platform and track space at [New York] Penn Station is really in a prayerful mode,” said Martin Robins, director emeritus of the Alan M. Voorhees Transportation Center at Rutgers University.

Mr. Jacobov’s development plan calls for 600 to 800 rental apartments and as much as 80,000 square feet of office and retail spread across six to seven buildings on 4.5 acres. Spring Valley Mayor Demeza Delhomme, whose term ends in December, said he supports the plan, as does the village’s Urban Renewal board, which created the urban-renewal district where the project would rise.

If completed, the development would be a boost to the revitalization efforts in downtown Spring Valley, a village of about 32,000 people roughly 37 miles north of Midtown Manhattan. Like other villages and small cities, Spring Valley’s downtown retail suffered as competition from malls increased.



North Main Street in Spring Valley, N.Y. A developer has proposed a \$175 million mixed-use project for the village, which is about 37 miles north of New York City. PHOTO: ENID ALVAREZ FOR THE WALL STREET JOURNAL

Just after the financial crisis of 2008, an arm of the nonprofit multifamily housing lender Community Preservation Corp. constructed two affordable apartment buildings with ground-floor retail space in a designated urban-renewal area on North Main Street. Today the two, four-story buildings stand out among the older small buildings filled with restaurants and bodegas.

The recession and its aftermath dampened the pace of private development, said Tom McGrath, senior vice president and director of Upstate revitalization for the Community Preservation Corp. “It would have been different had the economy not tanked,” he said. “There was a lot of excitement, and I felt things would have moved along a little bit quicker.”

The two Community Preservation buildings, which were completed about seven years ago, leased quickly, and Mr. Jacobov took note.

“When I noticed the first development taking place, I said, ‘It’s the place where I want to buy,’ ” Mr. Jacobov recalled.

Rockland County's population increased about 3% between 2010 and 2015 to 320,688, according to the U.S. Census Bureau, topping nearby Westchester and Bergen counties with increases of 2% and 2.3% respectively.

Spring Valley and the surrounding areas have added to its ethnically diverse population, Mr. Jacobov said. A large Orthodox Jewish community has been growing in the area with residents priced out of New York City neighborhoods such as Williamsburg, he said.

With a previous career as a commercial-lending broker, Mr. Jacobov began piecing together land for the Spring Valley project by primarily buying defaulted loans from lenders and acquiring the deeds to the properties at a discount. He said he owns about 70% of the proposed downtown Spring Valley site, which falls in an urban-renewal area that allows for this sort of mixed-use development. That leaves a few parcels belonging to private owners to be condemned as part of the urban-renewal redevelopment process.

The area Mr. Jacobov wants to develop has been a dead zone, said Mr. Delhomme, who chairs the urban-renewal board. The development would make improvements to the train station, which is managed by Metro-North Railroad, and a village park. "The project would remove a dilapidated area and give us the rentals we desperately need," Mr. Delhomme said.

Mr. Jacobov said he expects he will be able to get state grants for transit-oriented urban-renewal development and tap traditional lending sources for overall construction costs. He hasn't ruled out building with affordable-tax credits, but he is planning for market-rate apartments, with rents ranging from \$1,350 for a one-bedroom unit to \$2,150 for a three-bedroom.