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Commercial Real Estate

Restaurant to Fill Niche Under Park Ave. Viaduct

By MERVYN ROTHSTEIN

For five years, the space beneath the Park Avenue viaduct opposite Grand Central Terminal at 42d Street has sat vacant and forlorn, a retail space in search of a retailer. But by the end of the year, street pigeons nibbling on crumbs are to be replaced by tourists, commuters and city residents dining in what its new proprietor calls "a place where people can come in tuxedos or T-shirts."

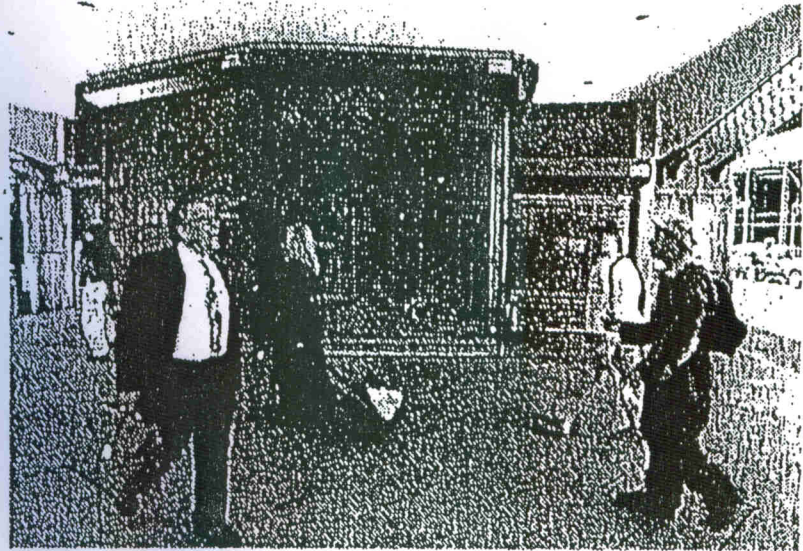
The Grand Central Partnership has found a restaurateur for the Pershing Square site: Michael (Buzzy) O'Keeffe, the owner of the River Cafe under the Brooklyn Bridge in Brooklyn and the Water Club by the East River at 30th Street. Mr. O'Keeffe said he planned a 225-seat restaurant, "a populist New York tavern" tentatively called Grand Central Cafe, in the walled-in space.

The 8,100-square-foot restaurant will reflect the early part of the century, the period when the terminal first opened; it will be designed in wood, with antiques, memorabilia and a central fireplace. New glass archways, planned with people-watching in mind, will replace the glass bricks — which were not part of the original structure — that now enclose the viaduct.

The restaurant will have arrival and departure monitors for Metro-North trains, and a working pastry shop in the front section will serve coffee, cappuccino and tea 24 hours a day. Mr. O'Keeffe said prices would range from \$8 for lunch to \$24 a person for dinner.

The restaurateur owned and operated the Cafe on the mezzanine at Grand Central from 1981 until last year, when it was closed as part of the terminal's two-year, \$175 million restoration, also scheduled to be completed by the end of the year. He signed a 25-year lease for the viaduct space with the partnership, with minimum annual rent in the mid-\$30's a square foot or 7 percent of the gross, whichever is greater.

The partnership, a business improvement district surrounding the rail station, had leased the space from New York City in late 1995 for 20 years, with the intent of finding a restaurateur to fill it. The city gets



Don Hogan Charles/The New York Times

The walled-in space at 42d Street, where Park Avenue rises to circle around Grand Central Terminal, is to become Grand Central Cafe.

an annual base rent of \$75,000, plus an undetermined part of the restaurant's gross.

Daniel A. Blederman, the partnership's president, said that "several major operators of multiple restaurants" had expressed interest in the site before the decision was made to go with Mr. O'Keeffe. He declined to name them.

The partnership will contribute \$1.25 million to the Grand Central Cafe project for shell improvements and utility connections; Mr. O'Keeffe estimates the cost of interior renovations at more than \$2 million.

When the partnership announced its plans for a restaurant in late 1995, it included a tree-shaded park on each side of the viaduct, a plan that required city approval. "Talking to the city about that was contingent on our having a completed lease for the restaurant," Mr. Blederman said. "Now we can go back and discuss the scope of the project."

He said that there was a "willingness by the city to discuss an outdoor seasonal cafe of substantial size," and that decisions on "whether to tear up the pavement and put in trees" were also open for discussion.

The Giuliani administration, he said, has provided much-needed support on the restaurant project.

Peter L. Malkin, the partnership's chairman, said the restaurant was a major step toward the "decade-plus dream of turning around the nondescript space into a sanctuary for people to use and enjoy."

The viaduct site was once home to a trolley barn. Later occupants included a U.S.O. center and the city's first Convention and Visitors Bureau. Its last incarnation was as a discount store, which closed in 1992.

Mr. Blederman is also president of the Bryant Park Restoration Corporation, which oversaw the successful renovation of Bryant Park and the establishment of its restaurants. He said the Grand Central Cafe was "a perfect example" of what a business improvement district could do — taking a blighted space and turning it into a "beautiful, viable, revenue-producing and exciting place."

"People who work to the east of Grand Central say they love Bryant Park but it's too far away to go for lunch," he said. "Now they can have someplace to go that's closer."