

June 24, 2007

IN THE REGION | CONNECTICUT

## Hartford's Booster in Chief

By LISA PREVOST

HARTFORD

LAWRENCE R. GOTTESDIENER is a glass-half-full kind of guy. Ten years ago, with a recession hanging like smog over the city's downtown, he saw opportunity. "I came in with the impression that this was the most undervalued market in the country," he said.

The chairman and chief executive of the Northland Investment Corporation, based in Newton, Mass., Mr. Gottesdiener bought a 290,000-square-foot office building near the train station for a dirt-cheap \$10.5 million — it was empty. Then he began talking about building an upscale high-rise rental apartment building, all the while ignoring the naysayers — who, he said, implied that he was "fundamentally deranged."

Now, that high-rise is part of a modern complex of residential, retail and office space called Hartford 21. Sheathed in stainless steel and glass, the 36-story tower is the most obvious sign of Hartford's slow but ongoing turnaround, the revival Mr. Gottesdiener anticipated a decade ago.

Despite the recent news that MetLife will vacate roughly 370,000 square feet downtown next year to move to Bloomfield, his faith in the capital city's potential remains unshaken. It is so strong, in fact, that he has become downtown's largest private property owner, with some \$500 million in holdings within the small central business district. (The empty office building that he bought, Metro Center, is now fully leased and worth an estimated \$50 million.)

Halfway into what he says is his 20-year Hartford business plan, Mr. Gottesdiener is taking a more proactive role in speeding the city's revival: he's getting into the entertainment business. In the middle of his various properties and right next door to the new apartment tower is the Hartford Civic Center, a money-losing arena that is the potential linchpin for the kind of vibrant entertainment climate that would put more feet on the city streets.

By forging a partnership with AEG Worldwide, a [Los Angeles](#)-based sports and entertainment management company, Mr. Gottesdiener was able to win a six-year management contract for the center, which is owned by the city and leased by the state, beginning next month.

Satisfied that the city is on the upswing, Mr. Gottesdiener wants to keep the momentum going. "I've made money on everything I've done here, though not necessarily commensurate with the risk I've taken," he said. "If the momentum dissipates in the next five years, that would exacerbate the risk."

From the penthouse terrace of Hartford 21, Mr. Gottesdiener can point to most of his Hartford holdings,

which represent a third of Northland Investment's portfolio. Most of the rest is elsewhere in [New England](#) and in Southern states.

In addition to Metro Center, Northland owns a 300,000-square-foot office tower called City Place II, and a 311,000-square-foot office and retail building known as Trumbull Place. Two years ago, the company acquired Goodwin Square, an office tower fronted by a small hotel with a 19th-century brick facade. Mr. Gottesdiener's plans for the hotel will cater to more modern tastes, with marble baths and flat-screen televisions.

Although the MetLife announcement was a major blow, the state's enormous investment in a new convention center, Marriott hotel and science center on the Connecticut River downtown continues to drive interest in what now feels like a "pretty vibrant" area, said William H. Farley, president of the [Connecticut](#) region for CB Richard Ellis.

The state has also helped subsidize downtown housing development, which has been further encouraged, Mr. Farley said, by Northland's huge show of confidence. Though only a couple of hundred housing units existed in the central business district when Mr. Gottesdiener came to town, there are now closer to 1,500, most of them rentals.

David Nyberg, president of College Street L.L.C. in New Haven, converted the old SNET building, at Trumbull Place and Jewell Street, into 132 apartments. Trumbull on the Park, developed by Martin J. Kenny, added another 100 units. The former Sage-Allen department store, on Temple Street, was converted into 120 units, a combination of loft rentals and town houses for University of Hartford students.

Condominiums are beginning to follow, with Mr. Nyberg's 50-unit conversion, the Metropolitan, on Pearl Street among the first. Mr. Gottesdiener hopes to break ground next year on a 36-story tower on Jewell Street with 250 condominiums overlooking Bushnell Park.

That plan sounds particularly ambitious given that Hartford 21, his rental tower, is only 40 percent leased 10 months after opening. Leasing of street-level retail space has also been slow. Mr. Gottesdiener was so concerned about the lack of a supermarket that he paid \$1.8 million to build a cafe and store that will accommodate Bliss Market, a grocery store in Wethersfield.

Michael Grunberg, a managing partner in Grunberg Realty of [Manhattan](#), and an owner of two Hartford office towers, began renting an apartment at Hartford 21 last year after going through a divorce. The rents — which work out to about \$2.10 per square foot a month — are a little high for the area, he said.

Like Mr. Gottesdiener, he thinks the market is ripe for ownership opportunities. He is trying to work out a way to convert the upper floors of one of his office buildings into 50 condominiums, but the current tenant, Bank of America, is not eager to move out of four upper floors and into a lower part of the building.

Mr. Gottesdiener expressed satisfaction with the pace of rentals, noting that the four penthouses, which rent for \$6,000 a month, are all taken. "We're literally creating a market here," he said.

The market's future could be helped enormously by public investment in a new \$400 million arena to replace

the aging coliseum at the civic center, he said. Once home to the National Hockey League's Whalers, which moved in 1997, the civic center is now known primarily as the home of the Wolf Pack, the minor league hockey team. Mr. Gottesdiener wants to lure more suburbanites into downtown by bringing back an NHL franchise, and sees a new arena as crucial.

"Hartford's going to decide whether it wants to be in the entertainment business — if so, they will need a whole new facility," he said. "We need this walkable, lively environment that is not replicable in the suburbs, and we need that draw."

Copyright 2007 The New York Times Company

---

[Privacy Policy](#) | [Search](#) | [Corrections](#) | [RSS](#) | [First Look](#) | [Help](#) | [Contact Us](#) | [Work for Us](#) | [Site Map](#)