

Owner gives Bronx artists brush-off

Budding colony at Banknote Building hit by rising rents; schools as Plan B?

by Hilary Potkewitz

A South Bronx artists colony centered in and around the historic Banknote Building is wilting.

Taconic Partners, the private equity firm that bought the building in 2007 for \$32 million, shifted tenants to six-month leases and raised rents 10% to 30%. In response, artists are starting to leave.

"I think what they're doing is very shortsighted," says Bill Aguado, president of the Bronx Council for the Arts, a nonprofit organization that helps artists find studio space in the South Bronx. "[Taconic] may have the best intentions, but artists don't have the wherewithal to pay those prices."

Charles Bendit, co-chief executive of Taconic, insists that he'd love to have the artists stick around. "We're not kicking anyone out," he says. "We've even offered rents as low as \$12 per square foot."

Taconic's initial renovation plans for the 100-year-old building reserved a section for low-cost artists' space. The developer hoped in that way to attract creative tenants, such as advertising agencies, design firms and nonprofits. But that was before the recession.

"I'm sure they thought things would be much easier," says John Robert, district manager of Bronx Community Board 2, where the building is located. He praises the renovations as creating a "very sleek and attractive" building, though he has some concerns about artists being priced out.

Meanwhile, the 400,000-square-foot building is still home to the Bronx Academy of Arts and Dance, Sustainable South Bronx, a charter school, and about a dozen artists. **But Mr.**



Banknote Building landlord Taconic Partners wants to bring in educational groups.

Aguado says more than half a dozen have left and a handful are weighing moves to nearby Mott Haven, where rents are cheaper.

Taconic has moved to Plan B. "This building can bring more young people and young energy if we bring educational institutions in," Mr. Bendit says. He's hoping to lure charter schools, a City University of New York campus or vocational schools.

Plan B also has its fans. "We would welcome the idea of the building becoming a mini-campus with different schools," says Mr. Robert. "That would be wonderful." ■