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**Roosevelt Island Operating Corporation Reaches Agreement on
Master Lease of Retail Corridor
Hudson Companies Inc. and Related Companies to Manage 34 Retail Stores
Totaling 100,000 Square Feet**

(Roosevelt Island, NY) -- The Roosevelt Island Operating Corporation (RIOC) announced today that it has reached an agreement with Hudson Companies Inc. and Related Companies (Hudson/Related) on a joint venture for the master lease of the retail corridor on Roosevelt Island. RIOC currently controls 34 retail stores on the island containing 100,000 square feet.

“This is a very exciting day for Roosevelt Island,” said RIOC President Leslie Torres. “We are looking forward to working with Hudson/Related to improve the vibrancy and appearance of the Main Street retail corridor and help increase the services and products offered to our community. Along with the construction of the Louis Kahn-designed FDR Memorial on the southern tip of the island, the interest shown in a new science center, and our new Tram, the retail transformation is another example of the exciting improvement happening on Roosevelt Island.”

Roosevelt Island is a community of more than 12,000 residents and workers. Planned development will increase the housing stock by 5,500 units.

“For several decades Roosevelt Island residents suffered without retail options. That is why my colleagues and I worked tirelessly to make this master lease possible. A vibrant Main Street will offer residents competitive prices, better stores, services, and job opportunities. I am proud to witness this turning point for our community and economy,” said Jonathan Kalkin, member of the RIOC Board of Directors.

Hudson/Related has been active on Roosevelt Island since 1997 when it was conditionally designated to develop 2,000 units in a new neighborhood, Riverwalk, surrounding the Roosevelt Island subway station. “Since developing 6 buildings in Riverwalk and 7 retail stores, we have become huge fans of the island,” said Hudson principal David Kramer. “We are very proud of the retail we brought to Riverwalk, a mix of national tenants such as Starbucks and Duane Reade and local stores such as Fuji East, Nonno’s

Focacceria and the Riverwalk Bar & Grill. More importantly, we are pleased to have brought retail to the island that truly serves the needs of the residents and we will continue that tradition as we revitalize the Main Street retail corridor. ”

The Hudson/Related developers will start by sitting down with community residents, store owners and other Main Street stakeholders to solicit input about the future changes to the corridor.

“We want to have a dramatic impact on how retail is experienced on Main Street,” said Related Vice President Kimberly Sherman Stamler. “We are going to be looking at upgrading the storefronts, signage, street furniture and displays. And we plan to hold all of our tenants to a very high standard with their products and displays.”

Hudson/Related is expected to start work on the retail corridor by July 1. The agreement is subject to a formal approval by the RIOC Board of Directors who will vote to approve the deal at their May Board meeting.

“For far too long, Roosevelt Islanders have been deprived of the vibrancy and convenience that Main Street should offer,” said Assembly Member Micah Kellner. “By implementing a master lease for Main Street’s store fronts, Islanders can finally get the kind of retail services they want and deserve.”

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