

Construction restarts on mixed-use Gramercy project



By *Eli Segall*

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The new owners of a once-mothballed Las Vegas real estate project have resumed construction on what they deem an “iconic” urban-style enclave.

More than 100 laborers are on site at the Gramercy, a 20-acre development with retail, office and residential space on Russell Road just west of the 215 Beltway, said Benjy Garfinkle, a principal with WGH Partners.

The Gramercy was formerly known as ManhattanWest, a boom-era project that was abandoned during the recession by original developer Alex Edelstein. He sold it for pennies on the dollar last spring.

The property is slated to have 200,000 square feet of retail and offices, a nine-story residential tower with a rooftop pool and “party deck,” as well as other amenities.

WGH, based in Las Vegas, is developing the project with the Krausz Cos., of San Francisco, which bought the partially finished property from Edelstein for \$20 million.

According to Garfinkle, the first residential and office tenants are expected to move into the development this summer.

The idle ManhattanWest project is shown June 21, 2011.

“We are working hard and have accelerated the construction schedule to get this beautiful community project open,” he said in a news release.

Edelstein broke ground on ManhattanWest after he built Manhattan Condominiums, about five miles south of the Strip, and sold its initial 700 units. ManhattanWest was slated to cost \$330 million, with the first of two phases completed by March 2009, according to Sun archives.

When the economy began to weaken, Edelstein, then CEO of Gemstone Development, pushed back against what he described as the media’s “perennially negative spin on the economy and the housing market.”

In June 2008, he sent out a press release announcing his new blog, FrothingDeveloper, saying he created it “to provide a forum for the positive statistics and facts that get buried at the bottom of back-page stories, if published at all.”

“We’ll go hand-to-hand with anyone who knocks Las Vegas’ prospects without an understanding of our market and the real facts,” he wrote.

By January 2009, however, he had mothballed the blog and ManhattanWest after his lenders reportedly yanked the financing. Gemstone now appears to be defunct.

Garfinkle has said Edelstein spent \$170 million on ManhattanWest before it flopped, and that the project was buried in litigation.