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## In the Region /New Jersey; New Brunswick Adding to Its Revival

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THE dreary slice of New Brunswick at the southern end of the city's reviving downtown is not much to look at. It is occupied by a timeworn 1929 hotel and a huddle of small shops covering a triangular block.

But last month the city's Redevelopment Authority designated the nonprofit New Brunswick Development Corporation to transform the block with a 550,000-square-foot, 15-story mixed-use building. Christopher J. Paladino, the corporation president, has announced plans to develop the \$100-million project with public and private funds over the next two-and-a-half years in partnership with the Advance Group of Bedminster.

Called Heldrich Plaza, the project will combine conference and retail space with a 200-room hotel, 198 rental apartments and a new home for the John J. Heldrich Center for Workforce Development, part of Rutgers University. There will also be a 300-car underground garage on the 1.8-acre site, bounded by Livingston Avenue and George and New Streets.

The center and the plaza are named for the chairman of the state's Employment and Training Commission, who is also a retired Johnson & Johnson executive. Mr. Heldrich is credited with convincing the pharmaceutical giant in the 1970's to remain in New Brunswick, a decision that spurred the downtown revival.

The Heldrich Plaza site is considered pivotal to the downtown's 25-year-old revival. It is framed to the west by the city's cultural district, where three theaters stand, along with a 175,000-square-foot structure housing the university's planning and arts schools. To the east it faces a 135,000-square-foot block-long building that houses a retail component and offices of the University of Medicine and Dentistry of New Jersey. To the southeast is an underdeveloped stretch of land.

More than \$80 million in public and private money has been invested in the southern end of New Brunswick's downtown since 1994, according to city figures.

The project "will have a major impact on the downtown and fill in the last side of the triangle," said Glenn Patterson, director of the city's Department of Planning, Community and Economic Development. It is expected to create 2,500 construction and permanent jobs and when completed, in 2002, generate about \$1 million a year in taxes, he said.

It is also intended, said Mr. Paladino, to be a catalyst in moving redevelopment in a southeasterly direction along George Street to a five-block stretch extending from New Street to Commercial Avenue and connect to Rutgers' Douglass/Cook campus.

The project started modestly enough 18 months ago out of the need to build a new 50,000-square-foot home for the Heldrich Center, a two-year-old national training and research institute that holds conferences on labor issues. It now occupies 10,000 square feet at the Edward J. Bloustein School of Planning and Public Policy, across from the development site.

Since then the center's search for a new home has attracted a \$24 million commitment from the state, which along with the city saw it as the anchor to a major redevelopment effort. In the process, the project blossomed to its current size.

Jane M. Kenny, commissioner of the state's Department of Community Affairs, said the project reflected not only "the continuation of downtown New Brunswick's revitalization," but the state's pledge "to provide the resources to put cities back in business."

The state has already provided a \$3.4 million grant to the Heldrich Center. The next step, said Carl Van Horn, its director, is to enter a long-term agreement with the state's Department of Labor to provide the balance of the funds for new headquarters space, which is needed because "we're busting at the seams." Mr. Van Horn said that given the current support for the center he is optimistic the funding will be granted.

So is Mr. Paladino, who said the state commitment would enable his corporation to attract the remaining \$76 million for the overall project. Most of it will come from the sale of bonds by the New Brunswick Redevelopment Authority, he said, noting that about 25 percent would come from private banking sources.

He said his corporation had also received a \$1.6 million state loan as part of the funds needed to acquire the site, adding that he expected the City Council to approve the nonprofit group as the redeveloper this week. Before construction can begin, the 82-room hotel, home to more than 200 long-term residents, and 12 shops must be razed and the tenants must be relocated.

As with other redevelopment efforts in the city some shop owners on the site have voiced concerns over the process. Mr. Paladino said his company, as it has done before, would help all viable businesses that want to continue to relocate elsewhere in the city.

THE new building, designed by Ford Farewell Mills and Gatsch, Architects in Princeton, will have shops on the ground floor and conference space for the Heldrich Center and the hotel on the second floor.

The third and fourth floors will be occupied by hotel rooms and Heldrich Center offices; the rest of the hotel will rise through the seventh floor.

The apartments will occupy the eighth through the 13th floors and the building's mechanical systems will be housed in what Michael Farewell, one of the architecture firm's partners, calls "a lantern-like crown" on the 14th and 15th floors.

While the varied uses will "feed off one another," said Mr. Farewell, each will have a separate entrance and lobby.

There were previous attempts to redevelop the site, all of which focused on recycling the hotel into such uses as housing for students or the elderly. But none moved forward.

"The earlier efforts were not large enough to turn around the block," Mr. Paladino said, noting that until recently timing also was not on the side of a project the scale of Heldrich Plaza. Today, he said, "we can use the additional investment in the downtown as leverage," noting that it was the state's commitment that "makes it all work."

Peter Coccoziello, president of the Advance Group, the co-developer, said those factors along with what he called "a general push back to the cities" were the reasons his company, known as a suburban office developer, was drawn to the project. Mr. Coccoziello was referring to such state initiatives as its buying a million acres of open space, making development more difficult in the suburbs, and encouraging the reuse of former polluted sites in the cities.

Mr. Coccoziello also said that tenants in Heldrich Plaza apartments would be offered, for an extra fee, hotel services, from housekeeping and room service to the use of the swimming pool and health club. Estimated rents for the studio to two-bedroom apartments, ranging from 675 to 1,150 square feet, are \$1,150 to \$1,750.

The hotel and conference center will cater to small business groups. A feasibility study done by PKF Consulting, a real estate and hotel consulting firm in Manhattan, said there would be a demand for such a center from corporations in northern New Jersey, which is "an underserved marketplace." As home to Rutgers, Johnson & Johnson, St. Peter's Medical Center and the Robert Wood Johnson University Hospital, the city also has a built-in market niche, added Mr. Paladino.

David E. Arnold, executive vice president at PKF, said for the hotel/conference center to succeed it not only must be part of a larger project, but the city must continue to improve.

Local officials said the Heldrich Plaza project will help do just that by fueling development farther south. There are signs such a ripple effect is possible.

One is the recent \$14 million purchase by the Matrix Development Group of Cranbury of two office buildings, totaling 210,000 square feet, and nine acres, now used for parking, just southeast of the Heldrich Plaza site. The plan is to invest \$10 million to renovate the buildings in the coming year, and twice that amount in the next few years to develop the parking lots into a mix of housing, retail, garage parking and possibly more offices, said Joseph Taylor, the company's president.

Key to that five-block area's revival is the city's plans to raze the four-building, 246-unit Memorial Homes public-housing complex, just off Route 18, and replace it with 198 rental and for-sale town-house residences. They will rise on six parcels in the area, including the old Memorial Homes site, Mr. Patterson, the city's planning director said, adding that construction could begin on the first 64 residences by next spring or summer.

A new elementary school now under construction at the corner of Throop and George Streets will replace an existing school two blocks to the east, bringing the redevelopment just about to the doorstep of the Douglass/Cook campus, Mr. Patterson added. The existing school will be converted into 32 apartments, he said.

Photo: The 1929 hotel, above, and 12 shops will be razed to make way for mixed-use building, left. Map of northern New Jersey, highlighting Heldrich Plaza in New Brunswick.