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FOR IMMEDIATE RELEASE

New Brunswick, N.J. -- A sweeping \$90 million new phase of the revitalization of downtown New Brunswick -- based on three separate projects utilizing private developers -- was announced today (Thursday, February 17).

The projects would provide a diversity of commercial, retail, in-city housing and transportation facilities. The projects would generate six times the existing property tax revenues and would create approximately 750 construction jobs, with a projected payroll of \$10 million, and some 2,000 permanent jobs.

The plans were announced at a news conference at the Hyatt Regency New Brunswick by Richard B. Sellars, chairman of the New Brunswick Development Corporation (DevCo), and Mayor John A. Lynch. Governor Thomas H. Kean and State Transportation Commissioner John P. Sheridan participated in the news conference.

The projects are:

-- A \$35 million NewCity Centre office-parking-transportation complex to be developed on the "Golden Triangle" block bounded by Albany and George Streets and the railroad.

-- A \$28 million Church Street project to provide retail and office space through rehabilitation and new construction.

(more)

-- A \$27 million program to develop approximately 150 units of new downtown middle-income condominium housing and retail space in the Hiram Market area.

The plans are keyed strongly to the investment of private funds, approximately \$75 million, but also commit the City of New Brunswick's Redevelopment Agency headed by Richard Keefe to apply to the U.S. Department of Housing and Urban Development (HUD) for a total of \$15 million in Urban Development Action Grant (UDAG) grants and loans. The ratio would be a minimum of five private dollars to every public dollar, with public funds being a catalyst to attract additional private development dollars.

The UDAG funds would be used as part of the cost of acquiring properties in all three project areas. The City also will be requested to grant tax incentives. Sellars and Mayor Lynch stressed that the proposals submitted by private developers are contingent on both written-down acquisition costs and tax incentives that are essential to make the projects economically feasible.

Sellars and Mayor Lynch said that, even with tax incentives, the three projects would generate an estimated \$1.8 million in local taxes -- compared to the total of approximately \$300,000 currently produced by properties in the three project areas.

Governor Kean said the plans announced today "will continue the exciting success story that is making New Brunswick a nationally recognized model of how a true partnership of the private and public sectors can revitalize an urban center."

DevCo will serve as overall coordinator of the three downtown revitalization projects. At the request of the New Brunswick Redevelopment Agency, DevCo has sought developers and is making recommendations to the Agency and to the City Council.

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The proposed developer of the NewCity Centre in the "Golden Triangle" is the Garibaldi Realty Corp. of Springfield, a 63-year-old firm that has been involved in corporate real estate projects totaling about \$2 billion throughout New Jersey. Co-developer with Garibaldi in the project would be the architectural and planning firm of Rothe-Johnson Associates of Iselin, which has been responsible for more than \$300 million in construction in the New Jersey-New York metropolitan area, Florida and North Carolina.

The proposed developer of the Church Street project is the Church Street Development Corp., a limited partnership consisting of two general partners, New Brunswick architect Don Gatarz and Robert Epifano, president of Epic, Inc., a Piscataway contracting firm, and a number of limited partners. Epic was founded in 1971 and has been involved in more than \$72 million in construction projects.

The Corporation will offer shares in the limited partnership to investors interested in New Brunswick's revitalization.

Sellers reported that three competing developers are completing specific proposals to carry out the residential-retail concepts of the Hiram Market project. He said that recommendations with regard to the designation of a developer are expected in the near future.

Mayor Lynch stressed that the City Redevelopment Agency will develop a relocation plan to offer assistance to residential and business occupants of the project areas. He noted that this is a requirement for UDAG financial assistance.

These are the highlights of each project:

NewCity Centre - Golden Triangle

Garibaldi proposes to construct and operate a 10-story office building with 267,160 square feet of space. It is estimated that the project would create some 1,000 permanent jobs. There would be 250,000 square feet of office space and a total of 17,160 square feet of retail space on the first two levels. A four-level parking garage with 739 spaces would be constructed beneath and behind the office tower.

The three-sided office tower would be designed to create an open arcade at the busy corner of George and Albany Streets as the fourth "side." Covered ground-level retail and pedestrian walkways would be constructed paralleling George and Albany Streets.

A glass-covered walkway would connect the office tower and the parking garage directly to an enclosed structure that would provide escalator access to the Railroad Station.

As previously announced, the City will lease the Railroad Station from NJ Transit. The first floor will be subleased to be the site of a new downtown restaurant.

The Garibaldi proposal also is contingent on major improvements to the railroad station by NJ Transit. Sellars and Mayor Lynch said NJ Transit and Commissioner Sheridan have indicated that they are prepared to proceed with the improvements that would include elevating both the north and southbound platforms and construction of new shelters for passengers. The station's second floor will include a railroad ticket office, waiting room and passenger convenience facilities.

Church Street

Rehabilitation of existing buildings and new infill construction would revitalize as an in-city retail center the two blocks bounded by Church, Albany, Neilson and Spring Streets. The project is proposed to include retail, office and a limited number of special-use upper floors.

The plan provides for a total of 136,650 square feet of major rehabilitated space and will provide 137,360 square feet of new infill construction.

The lower Church Street block would feature an east-west center block promenade from Neilson to George Streets with pedestrian amenities and open plazas. The block will provide specialty retail space with a variety of quality shops and stores.

The upper Church Street block would provide a retail arcade, along with rehabilitation of the bank building at 390 George Street and construction of a new office building. The retail arcade would continue along Albany Street as a continuation of the retail facilities for the new Ferren Parking Deck.

Among the buildings to be retained and/or rehabilitated are the Fidelity Union Bank building at 390 George Street, the adjacent Rhyans Restaurant on George Street, University Savings and Loan at George and Church Streets and the adjacent Rivoli building, the Roselle building and two adjacent structures on Church Street, the two buildings closest to the foot of Church Street, and the Public Service office structure at Albany and Neilson Streets.

The developer reported that roughly 65 percent of the existing buildings are vacant or underutilized and four lots are vacant land.

To minimize relocation costs and business disruptions during construction, the developer proposes to implement immediately the rehabilitation of all suitable structures on the lower Church Street block and to make the spaces available for relocation purposes.

Hiram Market

The 7½-acre project area is bounded by Memorial Parkway, Neilson, Hiram and Richmond Streets. DevCo President Paul J. Abdalla said the proposals being finalized by the competing developers would carry out the concept of mixed residential-retail use with limited office space. The program would be based on rehabilitation, where feasible, and new construction.

Approximately 150 units of center-city condominium housing units would be constructed, utilizing garden-apartment, low-rise designs. Each unit would have its own parking spaces. The units would be middle to upper-middle income in cost. The plan also calls for new and rehabilitated space for retail facilities.

There are about 45 families and 10 businesses now located in the entire project area. DevCo owns 26 of the 43 buildings and approximately 25-30 percent of the land space in the area.

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