



19

# Jersey City sees big building boom

By Terrence T. McDonald | The Jersey Journal

August 16, 2016



## Jersey City is about to get a lot more crowded.

The city is expecting nearly 3,000 residential units to come online before the end of the year, while developers are expected to break ground on another 3,000 in the next 10 months.

The new additions will include a 950-foot condominium tower on Hudson Street that will be the tallest building in New Jersey, a 50-story high-rise outside the Grove Street PATH station and a 448-unit tower in Liberty Harbor North that will rise 44 stories.

And the changes aren't only in the Downtown, where most of the new large-scale development has taken place for the last three decades. Hundreds of units are set to go online by the end of the year on Senate Place, just south of Canco Lofts, and at the Beacon.

Developers Eric and Paul Silverman have been building in Jersey City for over 30 years -- before it

was cool. The brothers' new building, Charles and Co., a 99-unit Grove Street building with office and retail space, is opening this summer. Eric Silverman told The Jersey Journal the city's newest boom is part of a global trend of more people choosing city living over suburbia.

More than that, he said, Jersey City is special.

"People have finally recognized that Jersey City has a lot of natural assets: good architecture, a good grid pattern, the multiple modes of transportation," he said. "It has everything."

Elli Klapper, of real-estate firm CBRE, which helped to broker a \$19.5 million deal for a 4-acre site on the West Side that could be home to nearly 600 units, called Journal Square "the next frontier" for developers and wealthy investors.

"The hottest place for New York City money," Klapper told The Jersey Journal, "is in Jersey City."



### 'SUCCESS CANNOT BE MATCHED'

The list of buildings opening or breaking ground in Jersey City this year changes so rapidly it's hard to keep track.

Earlier this month, ground was broken for an 83-unit apartment building on Suydam Avenue in Bergen-Lafayette, the largest development Ward F has seen in years. The apartment complex, which will be named Baker Building after the Baker Coating Factory that used to stand in its place, will be a 100,000-square foot wood frame building less than four blocks away from the Liberty State Park Light Rail station.

In May, an 11-story building with 164 residential units and ground-floor retail will open at 50 Regent St., while the Silverman brothers' Charles & Co. will open next to City Hall around the same time.

Later in the year, 70 Columbus -- which features 545 rental units, 20,000 square feet of commercial space adjacent to the Grove Street PATH station -- is expected to be completed, while construction on its sister tower, 90 Columbus, which will have 630 units in 50 stories, should begin by December. Both are the work of a group of developers that include Ironstate and Joseph Panepinto.

Nearby, Provost Square, a Toll Brothers project that is expected to have more than 900 units when completed, should open 417 units by the end of 2015.

Mack-Cali/Roseland are the lead developers behind Marbella II, at 425 Washington St., which is set to welcome residents to its 311 luxury rental units by the end of the year, as is 25 Senate Place, 266 rental units and more than 5,000 square feet of retail space.

Marbella II includes state of the art amenities and has been optimized by feng shui consultant Alex Stark from Los Angeles.

The Criterion, a 271-unit tower at the Beacon -- the former Jersey City Medical Center complex on Baldwin Avenue -- is also expected to open up this year.

Meanwhile, Ironstate is building a 44-story, 670-unit tower at Grand and Grove streets on the site of the old Boys and Girls Clubs of Hudson County. That project, which could break ground late this year, will come with park improvements and an extension of Grove Street into the Liberty Harbor North area.

All told, the city expects the new developments opening this year to contribute to an expected 8,000 increase in the city's population. By next year, Mayor Steve Fulop says, the city will be the largest in the state.

Jersey City has seen building booms before, but Fulop said this one is different because it is "benefiting every neighborhood."

Less lucrative tax abatements for Downtown residential buildings are allowing the city to grow its rateable base, he said, leading to more residents sharing the tax burden. And more lucrative tax deals for developers outside of Downtown, which was home to the city's last building boom, are helping lure developers to build elsewhere in the city, he said.

Fulop, elected mayor in 2013, is putting the pace of development in Jersey City at the top of his list of accomplishments. And, as he eyes a run for governor in 2017, he has been contrasting the city's economic strength with the state's financial woes.





### 'TOP-DOWN DEVELOPMENT'

Not everyone defines continued development as success. Visit a Planning Board meeting where developers are seeking city approval to build towers and you'll hear homeowners expressing fear that an influx of new residents will exacerbate parking, traffic and sewer problems, or that longtime residents will get priced out as luxury housing expands from the Downtown into Journal Square and beyond.

Donal Malone, an associate professor of sociology and urban studies at Saint Peter's University, said those fears are justified. Malone said the rapid pace of development threatens to replicate what's happened in cities like New York and San Francisco, where low- and middle-income residents are struggling to find affordable places to live. It could also threaten local businesses, he said.

"I wonder what's going to happen to those mom-and-pop stores along Kennedy Boulevard," he said. "There won't be bodegas. There will be Starbucks."

Indeed, Starbucks is looking to open a store in Journal Square.

Malone said a better way to develop Jersey City without pushing out lower income residents would be to work with midsize developers and nonprofits instead of going after boldfaced names like Jared Kushner, who is set to build residential towers on the site of the old headquarters of The Jersey Journal and on the long-vacant lot across the street.

"The model is top-down development," Malone said. "But if you leave it to a relatively free market, it's always going to go to the most profitable housing, and that is luxury."

City officials scoff when they hear these complaints, and they point to small residential buildings like the 56-unit Kennedy Lofts on Newkirk Street -- where monthly rents start at \$1,500 for a studio apartment -- as evidence that Jersey City isn't focused solely on large-scale, luxury towers.

Fulop said recently that expanding affordable housing citywide is one of his top goals for 2015. The city's current practice of asking developers seeking tax breaks to chip in to a fund meant to build affordable units is not "moving the needle enough," he said, and he wants to offer incentives -- zoning changes, tax breaks -- to get developers to create residential buildings where up to 20 percent of the units are affordable.

At a March 5 real estate confab at Maritime Parc in Jersey City, Deputy Mayor Marcos Vigil, a recent addition to the Fulop administration, acknowledged the changes longtime residents have seen, but said it's the city's intention to include them as the city expands to welcome new residents.

"We want them to stay here and contribute and help us continue to build upon those layers that have made the city what it is," Vigil said.