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N.J. hopes incentives will lure builders

State is looking to boost Newark and 8 other cities

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It's been nearly 20 years since a major new office tower has been built in Newark, but officials hope an all-out marketing push, with incentives that could equal 10 years of free rent, will help reconfigure the city's skyline.

It won't be easy to attract major construction projects in the face of a recession, and most of the hoped-for developments won't break ground for a few years, said Stefan Pryor, deputy mayor for economic development.

But Pryor suggested a struggling economy might actually benefit the city.

"When the economy is good, no one's thinking about saving on lease rates," he said. "However, when we're facing tough economic times, CEOs start thinking about every way to trim the budget. ... Newark has an enormous cost advantage over midtown Manhattan."

Plus, he said, "the incentive package has never been better."

The newest lure is a state program called the urban transit hub tax credit, worth up to \$75 million for building near a rail station, or up to 10 years of rent for leasing space there. The state credits will be available in nine cities, including Newark, and require at least 250 employees.

The state is seeking to "jump start" development near city train stations, in an effort to create new jobs, cut traffic and boost the economy, said Gary Rose, New Jersey's economic growth czar.

Already, the credits have attracted the interest of a major builder, Tucker Development Corp.

Tucker's plans include a 200-room hotel and ground-floor retail shops in a 20- to 30-story tower it hopes to build next to the Broad Street train station, where the Lincoln Motel used to stand.

If Tucker can use the tax break to attract a major office tenant, the firm expects to start construction in 2009 and finish by 2011, said Richard Tucker, the firm's chief executive.

Such tax credits can serve as "giveaways" to companies that would have relocated anyway, said Greg LeRoy, director of Good Jobs First, a nonprofit group that advocates for corporate accountability.

But Tucker said attracting a major tenant without the credit would be "a very difficult task."

Such financial incentives -- as well as city job training grants and other benefits -- will be outlined in letters to be mailed to thousands of corporations throughout North Jersey and New York City, according to city officials. The letters, along with glossy brochures, are being prepared by the city's Brick City Development Corporation and PSE&G, based in Newark.

The city is targeting firms with leases expiring in the next two years, as well as expanding companies and those hunting for bargains, Pryor said.

The city even capitalized on Wednesday's Devils-Rangers playoff game at the Prudential Center,

inviting 15 "site selectors," who specialize in choosing new corporate locations, to enjoy the game and peruse brochures on the benefits of moving to Newark.

Among the firms already coming to Newark are an international bank as well as major engineering and law firms, Pryor said in a recent talk hosted by the Newark Regional Business Partnership.

One day, the city hopes to see new office towers, apartment buildings, street-level shops and discreetly tucked-away parking decks along Broad Street, according to two recent presentations to developers and business executives by Pryor and other Newark officials.

The city, Rutgers-Newark and the New Jersey Institute of Technology own about 50 acres near the Broad Street train station, an area that's ripe for development, city planner Toni Griffin told 100 would-be builders in a presentation at city hall this week.

The Broad Street plan, Mayor Cory Booker told the builders, "is going to be transformative for the residents of Newark and beyond."

The city and universities will accept proposals from developers until May 12, then rate the aspiring builders for their financial strength, experience and the proposal's benefits to the community, Pryor said.

It could take a decade for all the city's plans to be realized, he added.

All the talk is exciting, said Daniel Czerniawski, a loan manager at Garden Savings Federal Credit Union who attended Pryor's speech to the business partnership.

"I love the big planning, and you can't be a big city without that," the Ironbound resident said.

But until the plans are a reality, he said, Newark must find a way to create a livelier downtown for all the visitors to the new Prudential Center arena, giving them more reasons to come back to the city.

Now, Czerniawski said, "the downtown's not a neighborhood. It's a place you go to, and then you leave."

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