

Monday, April 4, 2011

BEHIND THE DEAL

Newark Sees a 'Critical Mass' of Development

By [Ryan Clark](#)



Courtyard by Marriott

NEWARK, NJ—"When the teams, the performers or the visitors come to Newark, they often do not have the ability to stay in town because the hotels are booked," Deputy Mayor for Economic and Housing Development Stefan Pryor tells me. "We are definitively under-booked." As GlobeSt.com reported, a solution, [the Courtyard by Marriott broke ground](#) last week. The construction is another piece in Mayor Cory Booker's plan to revitalize the city of Newark, but questions remain for the Brick City.

The Courtyard by Marriott will clock 150 hotel rooms and 15,000 square feet of retail downtown, creating 175 construction jobs and 50 to 75 permanent jobs, most of which the city hopes will be staffed by local residents. "There's a relationship between Marriott and our workforce agency, NewarkWorks," Pryor explains. "NewarkWorks will provide candidates and be given the first opportunities for hiring for job openings." The construction positions will be provided

under a union labor agreement, but Newark-based union members will be given preference to work on the project.

The \$35-million project was funded through a combination of sources. The city will use tax increment financing to bond a portion of future property taxes estimated by the municipality. It will be bonded against a Redevelopment Area Bond, which will partially subsidize the project, Pryor explains. Then there will be a "variety of other taxes at the state level" that will also be funded through the Economic Redevelopment Growth Grant. Pryor notes that each stream will provide about \$6 million a piece. Then, the Brick City Development Corp.—Newark's development corporation—is providing a "lynch pin loan of \$500,000 to help the partners in the project secure site control," Pryor tells GlobeSt.com. Tucker Development Corp. is developing with Marriott International managing and operating the hotel when it opens in 2012.

This is the first hotel built in Newark in almost 40 years, and for good reason. Despite the Newark docks, airport, sports arena and easy proximity to New York City, the city is not a tourism hot spot for the rest of the country by any means. Pryor tells me, however, that Newark is turning this around and the Marriott construction is proof of this. He notes that the Booker Administration has made concerted efforts to allow for public safety, the major concern for visitors in the ocean side city in New Jersey. The revamping of Newark's downtown area is following in the footsteps of other larger cities' efforts, he says,

such as the L.A. Live development in Los Angeles, which seeks to establish a live/work/play environment downtown. Making the neighborhood safer was a major precursor to turning the neighborhood into a destination for visitors, says Pryor.

"In addition, we've been attracting a lot more business, and we've been producing a lot of residential units in our city," he explains. Pryor notes the building of Teacher's Village slated for a 2011 groundbreaking, which will add 224 residential units

specifically aimed at teachers, who often do not live within the city limits. The Teacher's Village will, not by coincidence, be located right next to the hotel, near the arena. "In 2011 there is going to be a critical mass of development occurring in Newark," Pryor points out. Twenty-five projects are slated to be underway in 2011. Much of the new construction will happen downtown.

"The era of a tumbleweed business district, post-business hours, is over."

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