

In Newark, a New Chapter Unfolding

By RONDA KAYSEN AUG. 19, 2016



Military Park serves as a green oasis in downtown Newark's business district.
Alex di Suvero for The New York Times

In Newark's Central Ward, not far from the site of the 1967 riots, a market-rate rental building opened earlier this year with 152 apartments and its name, [24 Jones](#), emblazoned in cheerful orange lettering on the blocky, colorful facade. Promotional materials invite prospective tenants to "come to a place where everything is possible."

What, exactly, is possible in Newark? That is the question driving this next chapter of the city's history. With about \$2 billion in commercial and residential development underway, 1,500 units of housing are under construction and another 4,000 are planned, according to the city's [department of economic and housing development](#). Corporate dollars have poured into the city in recent years. Since 2008, Goldman Sachs has invested \$500 million in the city, and Prudential Financial, which is based in Newark, has invested \$368 million.

Vacant lots are being redeveloped, like the 11-acre parcel that now houses 24 Jones, which is the residential piece of a \$94 million project called

Springfield Avenue Marketplace that also includes a ShopRite and other stores. Forsaken buildings are being renovated, such as the 1901 Hahne & Company department store, which had been a grand shopping destination until it shut in the 1980s, languishing downtown ever since, a hulking testament to how far the city had fallen. By next year, a \$174 million restoration will transform the structure into 160 apartments, a cultural center for Rutgers University and a Whole Foods Market.

“This is the largest city in the state and for too long it’s been hamstrung by people’s discomfort with its reputation,” said Jonathan M. Cortell, the vice president of development for [L & M Development Partners](#), which owns the Hahne’s building with other partners. “And now, maybe it’s premature to start calling it a rising star, but there’s positive action happening here.”



The former Hahne’s department store is undergoing a restoration that will transform the structure into 160 apartments, a cultural center for Rutgers University and a Whole Foods Market.
Alex di Suvero for The New York Times

Developers are certainly betting on the city, like Lotus Equity Group, based in New York, which recently bought Bears Stadium in Newark to build a mixed-use project.

But Newark cannot simply build its problems away. Nearly a third of the city’s residents live in poverty, according to census data, while crime is high and many of its schools are failing. One of the city’s biggest assets — available land — is also a liability, as there is no shortage of vacant lots and abandoned parcels across the city. The city also faces redevelopment challenges that are

different from those in neighboring cities like Harrison, Jersey City and Hoboken, which have tied their fortunes to Manhattan by enticing New York commuters with promises of cheaper housing and a quick ride to the city.

“Newark’s not trying to be the next Brooklyn, or the next Jersey City,” said Baye Adofo-Wilson, Newark’s Deputy Mayor for Economic and Housing Development, adding, “We have our own richness and our own culture here that isn’t just an expansion of Wall Street, but really an expansion of Newark and an expansion of New Jersey.”

With some 282,000 residents, Newark has an international airport, universities and one of the largest ports in the country. The approximately 15-mile trip from downtown Newark to Midtown Manhattan takes around 20 minutes by train. Getting to New York from other parts of the city can be less direct. Nevertheless, residents in neighborhoods like the Ironbound, a popular destination with shops and restaurants, worry that new growth could drive up rents and push out longtime residents. Ultimately, the city cannot rely on commuters alone, city leaders say. It needs jobs and housing for locals.



The Hahne & Company department store closed in the 1980s. Alex di Suvero for The New York Times

“The whole economic development engine of the city had to be rebooted,” said Ron Beit, the chief executive of the [RBH Group](#), which developed [Teachers Village](#), a [Richard Meier](#)-designed complex that first opened in 2013 and will be complete later this year. “And that’s what’s happened here in the past several years.”

The city points to mixed-use developments as part of the solution. The Hahne’s building, a gracious structure with grand staircases, wrought-iron banisters and a 6,000-square-foot atrium skylight, is an example. Whole Foods is expected to bring 200 jobs, and [Express Newark](#), a Rutgers University arts and cultural program, is intended to draw students and faculty into the city. Forty percent of the 160 apartments will be affordable.

A few blocks away, at 540 Broad Street, L & M Development, in partnership with Prudential Financial, is restoring a 20-story Ralph Walker-designed tower built in 1929 for the New Jersey Bell Telephone Company, and converting it to a 260-unit rental. The architectural firm [CetraRuddy](#) was chosen in June to renovate the Art Deco tower, which has marble wainscoting and double-hung windows. Verizon will continue to occupy some space in the building. “We are trying to bring life back to these buildings,” Mr. Cortell said.

Despite the city's efforts to build for locals, New Yorkers have been eyeing downtown Newark, where a two-bedroom two-bath apartment in new construction can be had for around \$2,400 a month, according to Luis F. Nogueira, the owner of Exit Realty Lucky Associates, based in Newark. "We're having a lot of overflow from New York and even Jersey City because of the prices," he said.



The Ralph Walker-designed tower occupied by Verizon is also being renovated.
Alex di Suvero for The New York Times

At 999 Broad Street, an 87-unit rental that opens downtown this month, New Yorkers from Brooklyn, Harlem and Rockaway have been signing leases. Rents for a one-bedroom with a den start at \$1,675 a month. Two-bedrooms start at \$1,725 and three-bedrooms at \$2,250. "In the past, we've had a handful of people apply from New York, but this time it's much stronger," said Joseph Portelli, a vice president of the RPM Development Group, referring to previous projects by the company like [Richardson Lofts](#), which opened in 2012 and attracted mostly New Jersey residents. "There's a lot of good energy in downtown Newark right now."

Some Newark residents worry that the flurry of construction could spell displacement, particularly in the Ironbound. Six hundred units of housing are approved for construction there, according to Joseph Della Fave, the executive director of the [Ironbound Community Corporation](#). The neighborhood, home to immigrants from countries including Portugal and Brazil, is adjacent to Newark Penn Station and bounded by railroad tracks and the Passaic River.

Renters fear rents could rise and homeowners worry that the changes could alter the fabric of the diverse community.

“Gentrification always has a beginning and the beginning may not be displacement; it may be part of a market movement,” said Mr. Della Fave, who was a member of the Hoboken City Council in the late 1980s and early 1990s when the gentrification of that city was in its infancy. “It’s not like one day it’s not here and the next day it’s here,” he said.



The rentals at 24 Jones are close to Rutgers New Jersey Medical School.
Alex di Suvero for The New York Times

Mr. Della Fave and other community representatives are calling for an inclusionary zoning policy to require affordable housing in new developments. Mr. Adofo-Wilson said his office is drafting a proposal for such a policy to present to the City Council.

At 24 square miles, the city has large swaths that need investment. Springfield Avenue Marketplace, the University Heights project that houses 24 Jones, was designed to revive the intersection where South Orange Avenue meets Springfield Avenue. The project sits close to universities including [Rutgers New Jersey Medical School](#), and Society Hill, a middle-class enclave of townhouses. But Springfield Avenue also traverses areas burdened by crime, drugs and poverty.

At 24 Jones, 66 of the 152 apartments had rented as of Aug. 17; leasing began in December. Many of the tenants are students or faculty at the nearby universities. Rents rival those downtown, starting at \$1,712 a month for a

studio; \$1,867 for a one-bedroom and \$2,217 for a two-bedroom. The project's developer is offering up to two months of free rent, depending on the apartment, and expects leasing to pick up toward the end of the summer as students return to school. "We expected it to ramp up, which it is doing," said Richard H. Tucker, the chief executive of [Tucker Development](#), the site's developer.

Supporters of the project see its potential to breathe life into the area. The ShopRite, with 380 employees, is bustling. Other businesses are now opening in the complex, like Taco Bell, which opened last month. The restaurants Sarku Japan and Huddle House and the women's clothing store Ashley Stewart will open in the coming months.

Before the area was redeveloped, "it was just a massive hole on a very important block," said Margaret Anadu, a managing director of the [Goldman Sachs Urban Investment Group](#), which invested in the Springfield development and other Newark projects, including the Hahne's building and Teachers Village. The transformation is both symbolic and physical, she said.

"To walk by commercial activity and jobs and services," she said, "is a very different experience than to walk by vacant lots."