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L+M Development Partners and Prudential Financial Secure Financing to Transform Newark's Historic New Jersey Bell Building into New Mixed-Use Project

Citi Community Capital and Goldman Sachs Urban Investment Group will provide construction financing

Landmarked Ralph Walker-Designed Building to Feature Market-Rate and Affordable Residences, Class A Office, and Retail

Newark (October 18, 2017) — 540 Broad Street Owners LLC, a joint venture whose principal members are L+M Development Partners and Prudential Financial Inc., have closed on more than \$100 million in financing for the conversion of the historic New Jersey Bell building located at 540 Broad Street in Downtown Newark.

The Bell Building conversion anticipates a new mixed-income, mixed-used development featuring 263 residences – 20 percent of those affordable – and approximately 80,000 square feet of Class A office and retail space. The New Jersey Housing and Mortgage Finance Agency (HMFA) is providing \$15 million in Conduit Bond financing and federal 4 percent Low Income Housing Tax Credits (LIHTC), which in combination with historic tax credit proceeds on the affordable units are expected to generate an additional \$9.4 million in private equity through Goldman Sachs Urban Investment Group. Citi Community Capital provided approximately \$70 million in construction financing and approximately \$14 million in equity through the National Trust Community Investment Corporation., in combination with NJ Community Capital, allocated \$14 million in New Market Tax Credits for project. Construction on 540 Broad, the largest mixed-use, residential project under development in Newark, is now underway. "L+M is proud to once again invest in Downtown Newark's longterm future and its existing assets," said **Ron Moelis, CEO of L+M Development Partners**. "As with Hahne's before it, we celebrate this formidable city by restoring one of its great buildings. From mixed-income housing to high-quality neighborhood-focused retail and Class A office space, this project will transform one one of the city's architectural gems into a vibrant place to live and work, and marks another thoughtful adaptive reuse collaboration in Newark with our partners at Prudential, Citi Community Capital and the Goldman Sachs Urban Investment Group. We look forward to delivering a project the city can be proud of, and to continuing our work in and around Newark for years to come."

"As we re-imagine these beautiful, empty spaces, they become beacons of opportunity, attracting more people, businesses and the supporting infrastructure necessary to transform

downtown Newark into a 24/7 destination,” a said **Ommeed Sathe, vice president, impact investments, Prudential Financial, Inc.** “It is equally important that these opportunities are accessible to all residents. We are proud that 20% of the units will be set aside as affordable housing.”

“We are proud to be a part of the revitalization of Newark and the 540 Broad Street redevelopment,” said **Richard Gerwitz, Co-Head of Citi Community Capital.** “When completed, this project will bring much needed mixed-income housing, commercial and retail space to the community.”

“We are thrilled to be part of the public-private partnership that will transform this historic landmark into a vibrant and catalytic hub to bring more jobs, affordable housing, and retail space to Downtown Newark,” said **Margaret Anadu, Managing Director and head of the Urban Investment Group at Goldman Sachs.** “This project builds on our investment in the nearby Hahne & Co. building and deepens our commitment to the economic growth of Newark.”

“We are pleased to partner with L+M Development Partners on this project, which will revitalize a landmark building in our City’s downtown district,” said **Newark Mayor Ras Baraka.** “This effort represents more than just a collaboration on a structure. It represents a commitment to jobs, development, and to bring quality housing and economic growth to our downtown. That in turn will spread through our neighborhoods and communities as they gain from the benefits of this project. It also continues our progress of being a national model for urban growth. Finally, this project adds greater luster to our city as a place to live, work, and play.”

“The HMFA is thrilled to provide financing through our conduit bond program and federal LIHTCs for this adaptive reuse project that will transform this historic location into a modern affordable residential and retail community for individuals and families,” said **HMFA Executive Director Anthony L. Marchetta.** This project is a remarkable example of how collaborative partnerships act as the catalyst to providing a blend of affordable and market rate rental housing, within a mixed-use, retail setting, while it increases community diversity, expands the local tax base, drives economic growth and strengthens the long-term vitality of the community.”

In addition to new market-rate housing, the joint venture has elected to set aside 20 percent of the homes at 540 Broad Street for families earning between 40-50 percent of Area Median Income. Residences in the new project will be located on floors six through 20, with the lower floors consisting of office, retail and other non-residential uses.

Units at 540 Broad Street will consist of studios, studios plus dens, one- bedrooms plus dens two-and three-bedroom units. Amenities will include a state-of-the-art fitness center, game room, bicycle storage, in-unit laundry, and a 24/7 doorman. The Marketing Directors have been hired as the exclusive residential leasing and marketing agent for the property. The Prusik

Group is the development partner responsible for the retail lease up, and Bozzuto Management is anticipated to act as the property manager for the entire property.

Built in 1929 and designed for the New Jersey Bell Telephone Company by famed architect Ralph Thomas Walker, the Art Deco building is known for its majestic lobby and brick-and-sandstone exterior, both of which were added to the U.S. National Register of Historic Places in 2005. The building has been home to the regional offices of Verizon, which will continue to occupy the building's 4th floor.

The development team is again working with Rutherford, NJ based Inglese Architecture & Engineering (IAE) for the new design and repositioning of the 20-story, 436,000-square-foot tower, while asking CetraRuddy, the NYC based architecture, planning and interior design firm, to support IAE with knowledge and experience acquired from prior conversions of Ralph Walker buildings, including the Walker Tower.

The project is L+M and Prudential's latest investment in the revitalization of Downtown Newark in partnership with the Goldman Sachs Urban Investment Group and Citi Community Capital. Earlier this year, the partnership re-opened the historic [Hahne & Co. building](#) at 609 Broad St. The former iconic department store, which sat abandoned for nearly 30 years, was transformed into a mixed-use complex featuring residences, an arts and cultural center operated by Rutgers University-Newark, Newark's first Whole Foods Market and a soon-to-open Marcus Samuelsson restaurant.

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About L+M Development Partners

Since its inception in 1984, L+M Development Partners, Inc. has been an innovator in developing quality affordable, mixed-income and market rate housing, while improving the neighborhoods in which it works. A full-service firm, L+M works from conception to completion, handling development, investment, construction and management with creativity that leads the industry. L+M is responsible for more than \$7 billion in development and investment, and has acquired, built or preserved more than 22,000 high-quality residential units in New York's tristate area, the West Coast and Gulf Coast regions. L+M is a double bottom line company, where its success is measured not only in financial returns but also by positive impacts. For more information, please visit: <http://lmdevpartners.com>.

About Prudential Financial, Inc.

Prudential Financial, Inc. (NYSE: PRU), a financial services leader, has operations in the United States, Asia, Europe, and Latin America. Prudential's diverse and talented employees are committed to helping individual and institutional customers grow and protect their wealth through a variety of products and services, including life insurance, annuities, retirement-related services, mutual funds and investment management. In the U.S., Prudential's iconic Rock symbol has stood for strength, stability, expertise and innovation for more than a century. For more information, please visit <http://www.news.prudential.com>

About Citi Community Capital

Citi Community Capital (CCC) is a premier financial partner with nationally recognized expertise in financing all types of affordable housing and community reinvestment projects. In 2016, CCC originated \$5.75 billion in construction and permanent loans to finance 50,000 units of renovated or new affordable housing. CCC's origination, structuring, asset and risk management staff across the country provides creative financing solutions designed to meet their clients' needs. CCC helps community development financial institutions, real estate developers, national intermediaries and nonprofit organizations achieve their goals through a broad, integrated platform of debt and equity offerings. For more information, please visit: <http://www.citicommunitycapital.com/>

About the Urban Investment Group at Goldman Sachs

Established in 2001, the Urban Investment Group deploys the firm's capital by making investments and loans that benefit urban communities. Through its comprehensive community development platform, UIG is a catalyst in the revitalization of underserved neighborhoods. UIG has committed over \$4.1 billion, facilitating the creation and preservation of over 17,000 housing units - the majority of which are affordable to low, moderate and middle-income families - as well as over 1,800,000 square feet of community facility space and over 5,000,000 square feet of commercial, retail, and industrial space. For more information, please visit: <http://www.goldmansachs.com/what-we-do/investing-and-lending/index.html>



credit: Inglese Architecture + Engineering