



## FOR IMMEDIATE RELEASE

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Download high-resolution rendering of NJ Bell Building: [here](#)

Photo Credit: Inglese Architecture & Engineering

## Mayor Baraka and 540 Broad Street Owners LLC Break Ground on Historic NJ Bell Building Restoration

*Landmarked Ralph Walker-Designed Building is Development Team's Latest Investment in Downtown Newark's Revitalization*

**Newark, NJ** (April 23, 2018) — Newark Mayor Ras Baraka and 540 Broad Street Owners LLC, a joint venture whose principal members are L+M Development Partners, Prudential Financial Inc. and Goldman Sachs Urban Investment Group (UIG), today broke ground on the restoration of the historic New Jersey Bell building located at 540 Broad Street in Downtown Newark. The restoration of the landmarked Ralph Walker-designed building is the latest effort by L+M, Prudential and Goldman Sachs UIG in the revitalization of Downtown Newark. 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 rehabilitation of 540 Broad Street is a milestone in our strategy to reinvent a downtown where nobody once lived as a mixed-use neighborhood incorporating affordable and market rate housing as well as a thriving office and retail hub," said **Mayor of Newark Ras Baraka**. "540 Broad is a majestic symbol of Newark's past and Newark's present with its magnificent landmarked art deco design, history as the nerve center of New Jersey Bell, and future as a vital mixed-income, mixed-use architectural treasure."

"L+M is proud to once again invest in Downtown Newark's long term future and its existing assets and we couldn't be prouder than to break ground alongside Mayor Baraka," 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 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, along with the New Jersey Housing and Mortgage Finance Agency and the City of Newark. 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."

"Prudential has been a part of Newark's civic fabric since our founding, and we are deeply committed to helping revitalize the city and spread economic and social opportunity," said **Ommeed Sathe, head of Impact Investments at Prudential**. "540 Broad Street's redevelopment is another important milestone in Newark's resurgence and will bring a historic gem in a critical location back to life."

"We are committed to the revitalization of Newark and thrilled to be a part of the team on the 540 Broad Street redevelopment," said **John Heppollette, Co-Head of Citi Community Capital**. "When completed, this project will bring mixed-income housing and commercial and retail space to a community that has been underserved."

"We are proud to expand our commitment to revitalizing Newark through this transformational project that brings needed mixed-income housing and more quality office space to the area," said **Margaret Anadu, head of the Goldman Sachs Urban Investment Group**. "This project stands as a strong example of how the public and private sector can partner to improve our neighborhoods block-by-block."

"540 Broad Street is an exciting public-private partnership that will continue to enhance Newark ongoing revitalization, creating jobs, boosting the economy, and providing much-needed market rate and affordable housing units," said **New Jersey Housing and Mortgage Finance Agency Executive Director Charles A. Richman**. "The adaptive reuse of the New Jersey Bell building, with a mix of housing, retail and office space, not only preserves a strategically-placed historic building, but helps anchor the downtown neighborhood, giving residents walkable access to shopping, transportation, dining and other amenities."

The NJ Bell Building conversion anticipates a new mixed-income, mixed-use development featuring approximately 265 residences – 20 percent of which will be affordable – and over 80,000 square feet of Class A office and retail space. Affordable units will be targeted for families earning between 40-50 percent of Area Median Income. Residences in the new project will be located on floors six through 21, with the lower floors consisting of office, retail and other non-residential uses. The building has been home to the regional offices of Verizon, which will continue to occupy the building's 4th floor.

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 development team is again working with Rutherford, NJ-based Inglese Architecture & Engineering (IAE) for the new design and repositioning of the 21-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 received a key tax abatement from the City of Newark, which will help to spur job development, local hiring and affordable housing development. This important step is part of the commitment of Mayor Baraka's *Hire. Buy. Live. Newark.* Initiative, which aims to incentivize a productive ecosystem of jobs, business growth and the attraction of more residents to Newark. It also marks the City of Newark's recognition of its existing assets and the potential to repurpose otherwise obsolete or underutilized office structures downtown.

The complicated renovation is made possible through a bundling of sources from public, non-profit and private groups. The New Jersey Housing and Mortgage Finance Agency (HMFA) provided \$15 million in tax exempt bonds. Citi Community Capital provided approximately \$70 million in debt construction financing and approximately \$14 million in equity from the sale of Historic Tax Credits through the National Trust Community Investment Corporation. Additional financing was sourced through proceeds from the sale of Low-Income housing tax credits from Goldman Sachs UIG, as well as financing from Prudential Financial and sponsor equity. Additionally, an allocation of \$14 million in New Market Tax Credits, made available by Goldman Sachs UIG and NJ Community Capital, will facilitate the lease up of the nonresidential components of the Project.

The project is L+M, Prudential and Goldman Sachs UIG's latest Downtown Newark investment in partnership with Citi Community Capital. In 2017, 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 Marcus Samuelsson restaurant, Marcus B&P.

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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>*