



# HUD NOTIFICATION

U.S. Department of Housing and Urban Development  
Washington, D.C. 20410

**ACTION:** Brownfields Economic Development Initiative (BEDI) Grant Award

Fiscal Year 2000

**DESCRIPTION:** BEDI assistance for the following recipient in the stated amount:

<u>Recipient</u>	<u>Congr. Districts</u>	<u>Amount</u>
Jersey City, NJ	13 <sup>th</sup>	\$ 1,900,000

This information is eligible for release to the recipient on \_\_\_\_\_.

**PROJECT HIGHLIGHTS:** As part of its comprehensive economic development plan, the City of Jersey City, New Jersey will develop the Tramzhotel at Liberty Harbor North. BEDI and Section 108 funds will assist in the environmental cleanup. The project will transform the former Tidewater Basin industrial site into a luxury hotel adjacent to Liberty State Park and a stop on the recently opened Hudson-Bergen Light Rail Transit System. At least 200 jobs are to be created by the project for area residents. The city expects to leverage over \$46 million in private financing, with an additional \$1.7 million in additional public funds beyond the BEDI and Section 108 financing.

**Recipient Contact:** Ms. Annmarie Uebbing, Department of Housing, Economic Development, and Commerce, (201) 547-5606.

**HUD Contact** - Tony Johnston, BEDI Program, Office of Economic Development (202) 708-0614 ext. 4560.

**LOCATION** - Loan funds are targeted for site located within the Liberty Harbor North Redevelopment Area along the Tidewater Basin

**DESCRIPTION** - Application indicates that funds will be used for the acquisition, remediation, and construction for a 300 room full service hotel. The site is located within the Liberty Harbor North Redevelopment area along the Tidewater Basin. The Jersey City Redevelopment Agency

(JCRA), on behalf of the City, has demolished and provided initial remediation of the site, as the redevelopment plan proposes the change in local use from the area for industrial to residential, hotel and office uses. While not directly included in the City's Environmental Protection Agency (EPA) Pilot Assessment Program, it is not far from the designated area. Adjacent to one of the stops on the Hudson-Bergen Light Rail Transit line and Liberty State Park, the clean-up of this site will have a greater impact on the overall redevelopment of the area.

**JOBS PROJECTION** - The developer proposes the creation of 267 jobs, with approximately 242 targeted to low and moderate income residents. Local minority residents have been trained for environmental remediation as part of previous EPA grants the City has received, as will be used on the remediation of the sites and construction activity. In addition, the Hudson County YWCA has developed a plan to prepare select applicants in the defined distressed area for the entry level positions, through a new program called Community Partnerships in Hotel Employment (CPHE). CPHE will be a comprehensive program with 240 hour curriculum that addressed the full range of workforce development issues.

**FINANCING STRUCTURE** - The City, through the New Jersey Department of Community Affairs Unsafe Building Program, has borrowed \$744,000 for the demolition and remediation of the site, in preparation for redevelopment. The remediation is estimated at over \$2 million. The City intends to utilize its CDBG grant funds in the amount of \$469,960 and other funding structures to complete the project. The project is estimated at over \$57 million with federal (HUD), state and local funds totaling \$10 million.

**OTHER ISSUES** - Included in the application is a copy of the Grant/Loan Agreement between the State of New Jersey Department of Community Affairs and the City of New Jersey for \$744,000. The project meets several of the HUD objectives and the goals of the City of Jersey City's Five Year Consolidated Plan. The time line for the construction of the project is approximately two years upon transfer of the land to the designated developer, Tramz Hotels Inc.

**CONTACTS** - Honorable Bret Schundler - Mayor of Jersey City, NJ  
(201) 547-5200  
Annemarie C. Uebbing, Director Department of Housing, Economic  
Development & Commerce (201) 547-5606 City Hall, Jersey City, NJ  
07302



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stated amount:

<u>Recipient</u>	<u>Congressional Districts</u>	<u>Amount</u>
Phillipsburg, New Jersey	5 <sup>th</sup>	\$500,000

This information is eligible for release to the recipient on

\_\_\_\_\_.

**PROJECT HIGHLIGHTS:** As part of its comprehensive economic development plan the Town of Phillipsburg, New Jersey will receive \$500,000 in BEDI funds and \$2.5 million in Section 108 Loan funds to acquire 100 acres of a 385 acre site that is known as the Ingersoll Rand Company site. This brownfield site will be reclaimed by the town to provide a modern industrial park that will include new roads, the extension of rail spurs off the existing track, upgrade utility connections and most importantly, soil remediation. The Town of Phillipsburg through its Redevelopment Agency will contract for the erection of a 600,000 square foot manufacturing building and create a minimum of 300 jobs and \$685,000 in new tax base for the Town.

**Recipient Contact:** Harold L. Wyant, Jr., Mayor (904) 454-5500

**HUD Contact** - Tony Johnston, EDI Program, Office of Economic Development (202) 708-0614 ext. 4560.

**DESCRIPTION** -The Town of Phillipsburg is applying for **\$500,000 in BEDI** funds and **\$2,500,000** in Section 108 Loan funds to acquire 100 acres of a 385 acre site that is known as the Ingersoll Rand Company site. This Brownfields site will be reclaimed by the town to provide a modern industrial park that will include new roads, the extension of rail spurs off

the existing track, upgrade utility connections and most importantly, soil remediation. The Town through its Redevelopment Agency (PRA) will contract for the erection of a 600,000 square foot manufacturing building and create a minimum of 300 jobs and \$685,000 in new tax base for the Town. This project is eligible under 570.703 (a) acquisition; and the national objective is creating jobs 570.208 (a) (3). Total project cost are \$6,453,000. The State is behind the project and has successfully unwritten several successful projects. The application describes the Town as largely one that undertakes the rehabilitation of housing and smaller redevelopment efforts including the building of a 15-acre car surface lot and boat ramp. It now seeks, with developer assistance, to undertake a project whose scale is larger than any the town has done before. While the Town ranks 24<sup>th</sup> out of 566 other locations in the State based on a municipal distress index and has a high median family income, it links the needs of the project areas to the project to be carried out. The project is indicated as consistent with the ConPlan, but there is no certification of such in the application. Though the overall approach seems reasonable, there is some lingering consideration about the full commitment of the private sector developer. The project is justified as the current owner is vacating the premises and they towns has the opportunity to obtain the property and conduct the site remediation. There are also a number industries that have expressed interest is the PRA is the designated developer for the city. The private developer will be responsible for repayment of the Section 108 loan. The developer has taken up to \$2,139,825 in private financing to complete the land development

There has been a lot of public involvement in the project through community meetings and public presentations. Two community open houses have also be done. A video project and the opportunity for becoming involved has been shown on TV several times.

**JOBS PROJECTION** - 300 jobs are expected

**FINANCING STRUCTURE -**

<u>Proforma For Model 100,000 Sq. ft. bldg.</u>		<u>Other Costs</u>
Land	\$1,423,750	Acq. Of land \$3,600,000
Soft Cost	656,000	Infrastructure \$2, 618,000
Hard Construction	\$3,657,350	Delivery costs \$ 100,000
	\$5,737,100	Contingency \$ <u>135,000</u>
		\$6,453.100

**OTHER ISSUES:** The State of New Jersey supports the project

**CONTACTS** - Harold L. Wyatt, Jr.                      Caren S. Franzani

Mayor  
908-454-5500  
  
609 292-1800

Executive Director  
New Jersey Economic Dev.  
Authority