

NJRA NJRA NJRA

NEW JERSEY REDEVELOPMENT AUTHORITY



2004 ANNUAL REPORT CREATIVE COMMUNITY INVESTMENTS

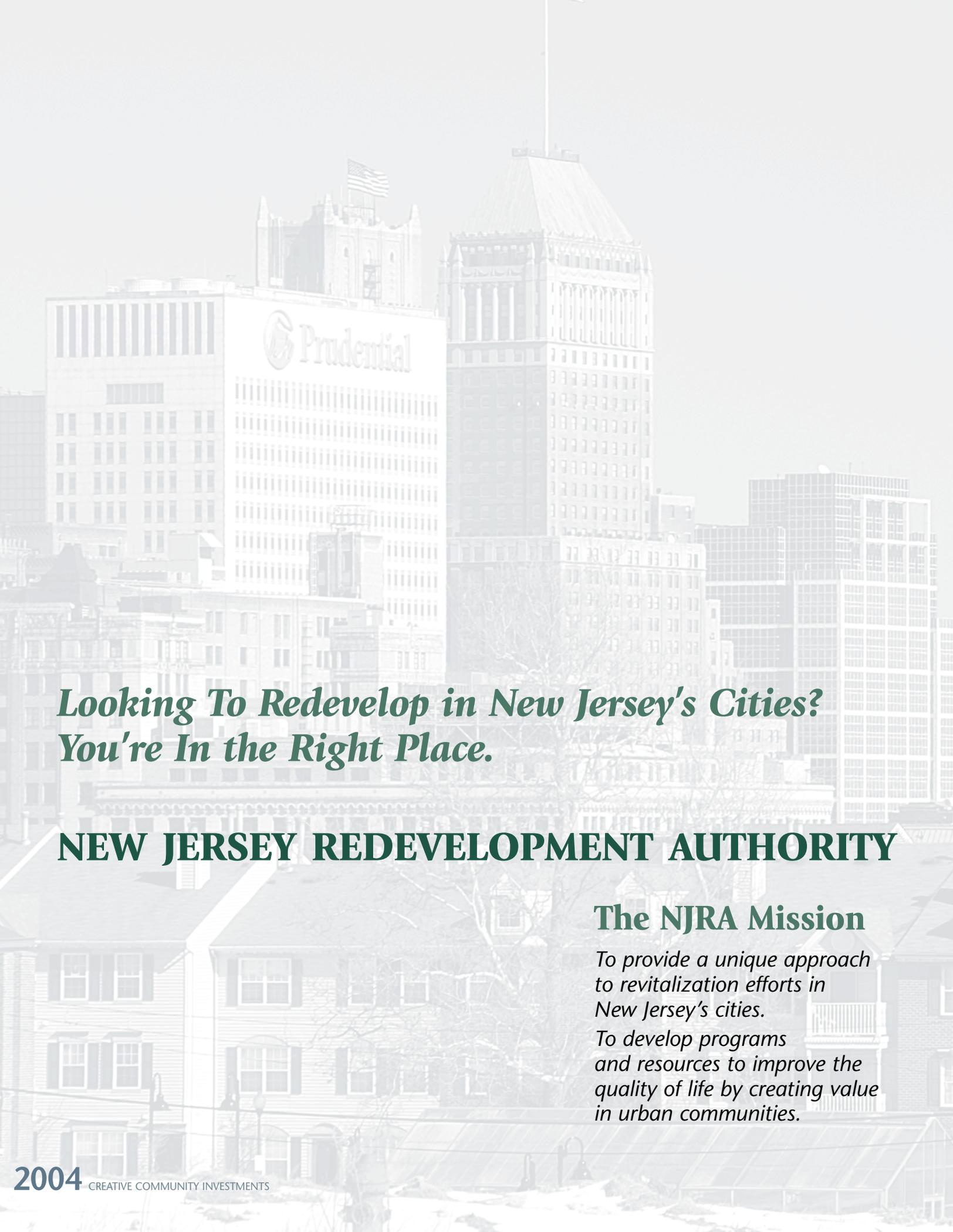


Front Cover, left to right:

Rahway's Central Business District
Children at Harmony Day Care Center in Irvington
Construction site in the city of Newark
proServices employees at the new Trenton Makes Technology building

Cover Background:

The Victor, Camden, New Jersey



*Looking To Redevelop in New Jersey's Cities?
You're In the Right Place.*

NEW JERSEY REDEVELOPMENT AUTHORITY

The NJRA Mission

*To provide a unique approach
to revitalization efforts in
New Jersey's cities.*

*To develop programs
and resources to improve the
quality of life by creating value
in urban communities.*

Message from the Acting Governor Richard J. Codey



New Jersey has become one of the nation's leading places to live and work. We are proud to offer a regional hub that is rich in culture and diversity.

Our cities are an important part of our collective character. I grew up in Orange; I am aware of the challenges that cities face as they confront issues such as population growth, economic development and changing political landscapes.

Look at the recent development growth in our state and you will see the enormous potential of our cities. This growth forces us to look within and take advantage of the existing infrastructure that our urban areas provide. We want to ensure that future development is responsible and complements the many other amenities our cities offer their residents.

In 2004, the New Jersey Redevelopment Authority (NJRA), the State's primary urban-focused redevelopment authority, continued its role in providing comprehensive resources for redevelopment throughout urban New Jersey. The NJRA has worked with partners across the state to implement projects

that make a difference and increase the quality of life in our neighborhoods.

The NJRA provides resources to assist with redevelopment, expedites the economic development process, and, most importantly, ensures that residents have a say in how their neighborhoods are being redeveloped.

This year's accomplishments demonstrate that our efforts to link the strengths of the public and private sectors are having a direct and positive effect in building stronger communities. I am pleased that the NJRA continues to make smart investment decisions, as well as offer creative resources to support redevelopment throughout New Jersey.

With regards,

Richard J. Codey

Message from the NJRA Chairman Susan Bass Levin



For almost a decade, the New Jersey Redevelopment Authority (NJRA) has paved the way as New Jersey's urban-focused redevelopment authority by providing comprehensive resources and technical assistance to support successful redevelopment projects throughout the state.

Redevelopment financing, which covers the costs of neighborhood planning, site acquisition, demolition and pre-development, are key components of the redevelopment process. The NJRA provides these resources, all in a one-stop shop, which makes it easier to bring your redevelopment projects to fruition.

This year, the NJRA has made great strides. In addition to financing projects in cities such as Camden, East Orange, Rahway, Irvington and Trenton, NJRA will further stimulate economic investments through the creation of a new subsidiary, Working in Newark's Neighborhoods (WINN). This \$10 million revolving loan program will invest in comprehensive redevelopment efforts that support smart growth principles throughout Newark's community.

At the New Jersey Department of Community Affairs (DCA), we work together with NJRA to provide complementary tools to reinvest into our cities. This comprehensive pool of resources motivates our eligible cities to implement their neighborhood redevelopment plans and enable them to take advantage of what we have to offer here at the state level. As a result, cities are in a better position as they embark on redevelopment initiatives, which in turn, increase the quality of life in their neighborhoods.

As NJRA Chairman and DCA Commissioner, I look forward to providing continued support to New Jersey's urban communities. These investments not only benefit projects, but the families and futures of our neighborhoods.

Sincerely,

A handwritten signature in black ink that reads "Susan Bass Levin". The signature is written in a fluid, cursive style.

Susan Bass Levin
Commissioner, Department of Community Affairs

Message from the Executive Director Leslie A. Anderson



The New Jersey Redevelopment Authority (NJRA) has been charged with the important responsibility of implementing urban economic development initiatives throughout New Jersey. As urban redevelopment experts, we are looked upon to provide all levels of support including the making of sound investment decisions to facilitate growth in New Jersey's urban centers.

We take pride in the fact that we are able to offer products and services that are critical for project financing. Our resources and technical assistance serve as valuable assets, which have brought many projects to fruition in our cities, communities and neighborhoods throughout the state.

When the NJRA finances a project, many different aspects are examined to determine its success. In addition to the project being financially viable, it must also fit within the scope of a city's redevelopment plan as well as have support from the local community.

What makes the NJRA unique is our ability to recognize value in redevelopment projects during the early stages of project development. Long before the construction or permanent financing partners are on board, the NJRA gives full consideration to the financial viability and value of a project to an urban community.

While there are many immediate benefits connected to redevelopment efforts, there is also additional value that goes beyond simply focusing on project completion. This value is demonstrated through the creation of jobs for local residents, job training services, amenities to the community, new and enhanced neighborhood services and new home ownership opportunities. These continued outcomes reinforce the work of the NJRA and allow us to carry out our mandate to invest in urban redevelopment.

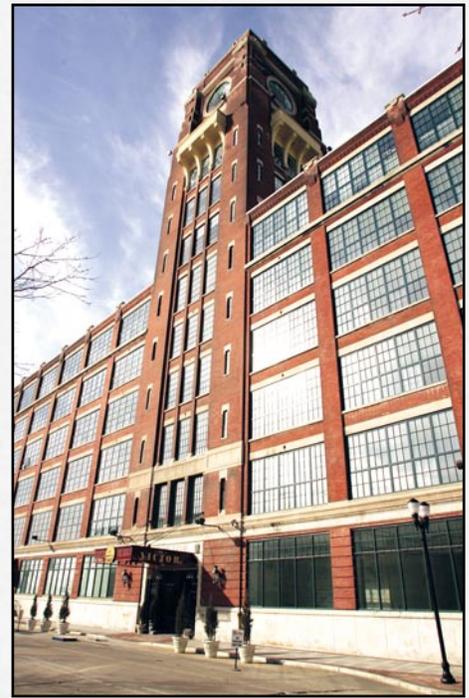
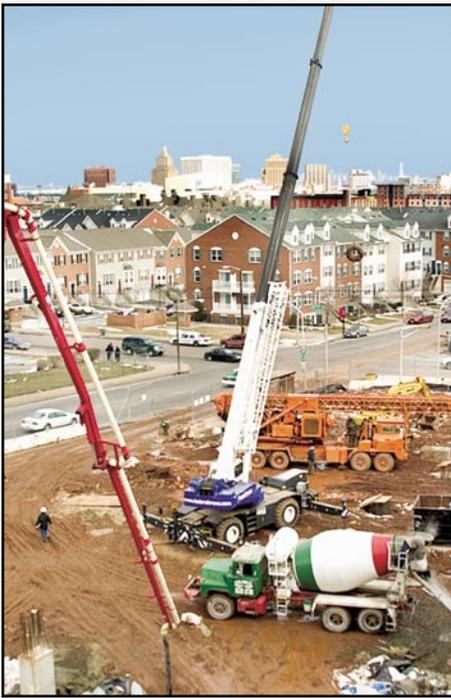
At the NJRA, we will continue to provide that unique approach for urban-focused redevelopment. Further, we will continue to support those committed to the economic resurgence taking place in our cities. It is our goal to develop programs and resources to improve the quality of life by creating value in urban communities.

Sincerely,

A handwritten signature in black ink that reads "Leslie A. Anderson". The signature is fluid and cursive.

Leslie A. Anderson
Executive Director

Redevelopment in New Jersey



In 2004, the New Jersey Redevelopment Authority (NJRA) made providing comprehensive resources for redevelopment in New Jersey its top priority.

The NJRA focused on fulfilling its mission: Providing a unique approach to revitalization efforts throughout New Jersey's cities while developing opportunities to invest resources in projects that will improve the quality of life for residents who live and work in the Garden State.

The NJRA's commitment to urban redevelopment is demonstrated in the projects you will read about throughout the *2004 Annual Report*. There is a special value within each one of these projects that contributes to the overall redevelopment goals that are being achieved in each city.

A critical element of any redevelopment process is planning which serves as a foundation for redevelopment. Planning efforts address many different areas and identify public improvements, proposed projects and uses, the design style that the city is looking to achieve and the acquisition of properties within the redevelopment area.

As New Jersey's cities are being reborn as prime destinations to live and work, redevelopment planning becomes an even more important tool because future development must be well planned to ensure that as a community grows, its residents are greatly valued in the planning process.

The NJRA knows and understands the intricate need to balance the goals of redevelopment with the needs of the community. In that regard, the NJRA offers a comprehensive approach to assist those looking to enhance and revitalize New Jersey's cities. The NJRA provides the necessary resources and tools required to carry out redevelopment projects.

If you are looking to redevelop in New Jersey's cities: The NJRA is the right place!

Redeveloping Cities

Radio Lofts

The city of Camden is aggressively carrying out a vision for the entire city. *FUTURECamden*, the city's revised Master Plan, is its first comprehensive plan in almost 25 years and looks to chart a course for the physical improvement of Camden over the next 20 years.

The Camden Waterfront is one of the major components of the city's Master Plan. The city has formed many partnerships with the public and private sector to implement a \$500 million waterfront revitalization program. The conversion of the former RCA complex into residential uses is part of this waterfront revitalization effort. The rehabilitation of the former Nipper building into Victor Lofts, luxury waterfront apartment units with retail and parking space, is in the first phase of this effort.



The NJRA, through the resources of the Brownfields Redevelopment Initiative (BRI), invested funds to assist with the remediation costs of this site during Phase I.

The NJRA continues its commitment to the project by again providing funding to assist with brownfields concerns. The NJRA's investment will leverage \$22 million in private sector investment. The second phase will convert an adjoining building to the RCA complex into market-rate housing.

Trenton Makes Technology

The city of Trenton began its redevelopment efforts with an emphasis on neighborhood-based efforts resulting in new housing opportunities for city residents. While neighborhood development remains an important goal, the city is now working to balance its housing goals with a focus on attracting business opportunities to the State Capital. The John A. Roebling Works Complex, within the city's Gateway Redevelopment Plan, is an area primed for this type of effort. The Roebling Market, the NJ Light Rail System and the Sovereign Bank Arena all demonstrate that this area is ready for redevelopment.

Enter, proServices, Inc. This privately owned technology-based corporation acquired Building #79 in the Roebling Complex for the expansion of its businesses. The NJRA helped proServices pay for a portion of the site acquisition and related costs for the properties associated with its expansion. Once the expansion is complete, the new facility will be titled the Trenton Makes Technology Building. proServices will expand its operations from 3,000 square feet to 10,000 square feet to accommodate its future growth.

This project is an outgrowth of a Cyberdistrict feasibility study and redevelopment plan, also funded by the NJRA, to help Trenton attract high-tech firms.



Above: The skyline of the Camden, NJ waterfront reveals the NJRA's recent investment in efforts including the historic Victor building (tall structure on left).

Right: Artist's rendering of Camden's Radio Lofts project. A \$2 million investment from the NJRA's Environmental Equity Program (E²P) will offset overall remediation costs associated with this market-rate housing project, which will create 95 for-sale units.



proServices – Trenton
proServices' staff performs software testing at the new Trenton Makes Technology Building. The NJRA partnered with proServices to provide a \$200,000 loan through the NJ Urban Site Acquisition Program (NJUSA) for its expansion.

Financing & Fostering Redevelopment

The New Jersey Redevelopment Authority (NJRA) is the state's primary urban Redevelopment Authority focused on providing a unique approach to revitalization efforts in New Jersey's cities.

The NJRA partners with community-based organizations, municipalities, developers and businesses to leverage its resources for redevelopment projects in 69 eligible municipalities throughout New Jersey.

The NJRA provides customized financing to invest in urban economic development initiatives in addition to valuable technical assistance.

DEBT & EQUITY FINANCING (RIF)
PREDEVELOPMENT (NJ-PLP)
ACQUISITION (NJUSA)
BONDS
BROWNFIELDS (E²P)



NJ Pre-Development Loan Program (NJ-PLP)

Financing pool that funds various activities during the early stages of redevelopment. NJ-PLP covers architectural costs, environmental and engineering studies, legal and other related soft costs for commercial projects.



Redevelopment Investment Fund (RIF)

Flexible investment fund provides debt and equity financing for business and real estate ventures. RIF offers direct loans, real estate equity, loan guarantees and other forms of credit enhancements.



Bond Program

The NJRA issues taxable and tax-exempt bonds to raise capital for making long-term loans at attractive, below-market interest rates to a broad range of qualified businesses and not-for-profit organizations.



NJ Urban Site Acquisition Program (NJUSA)

A revolving loan fund that facilitates the acquisition, site preparation and revitalization of properties that are components of an urban redevelopment plan.

NJUSA provides a form of bridge financing to acquire title to property and other acquisition-related costs.



NJ Environmental Equity Program (E²P)

A revolving loan program, which provides up-front capital to assist with the early developmental stages of brownfields redevelopment projects.

E²P assists with site acquisition, remediation and demolition costs.



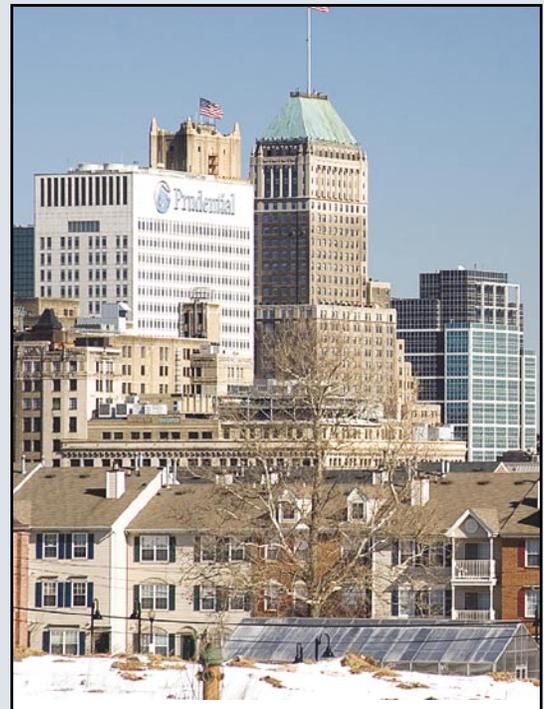
Working in Newark's Neighborhoods

WINN Finances:

- Predevelopment
- Site Preparation
- Acquisition
- Demolition
- Permanent Financing
- Loan Guarantees
- Construction Financing

In another innovative approach, the NJRA created its first subsidiary, Working in Newark's Neighborhoods (WINN). The Port Authority of New York and New Jersey made a \$10 million investment in the NJRA for commercial and mixed-use redevelopment projects in the city of Newark. This revolving loan program will leverage funds and resources to attract private sector investment into Newark's neighborhoods.

WINN's goal is to now target neighborhoods within Newark's Port District that fall outside the borders of the downtown redevelopment area. This redevelopment tool will complement existing development and improve the quality of life for the city as a whole.



Right: Funding through WINN will target Newark's emerging neighborhoods.

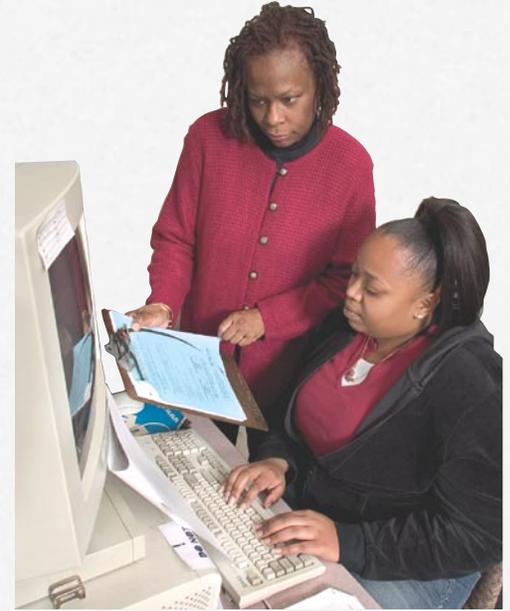
Redeveloping Communities

St. Matthew Neighborhood Improvement Association

The city of East Orange has taken the time to evaluate its needs and develop strategies, which will result in well-planned economic development throughout the city.

Redevelopment of the Evergreen/Halsted District will help the city meet its goals of eliminating vacant parcels and creating new development. As a result, the city will provide new employment opportunities, thus enhancing the value and quality of life for residents. The District is also soliciting a full-service upscale lodging facility that will assist the city in reducing its tax base.

Understanding the importance of the community's role in the success of redevelopment efforts, the NJRA will partner with St. Matthew Neighborhood Improvement Association (NIDA) to provide a permanent home to its community programs and services. The new site, which NIDA will own, is adjacent to the Evergreen/Halsted Redevelopment Area, and will facilitate linkages for the community to connect to redevelopment opportunities.



City of Rahway

The city of Rahway created and adopted in 1998 its redevelopment plan in an effort to address several community and economic development issues. The Rahway Redevelopment Agency (RRA) was created by the city to carry out these redevelopment goals.

RRA requested financing from the NJRA to assist with the acquisition, predevelopment and demolition costs. These costs were associated with the development of a mixed-use project in Rahway's Central Business District. The NJRA's investment will result in market-rate rental housing, commercial development and much needed parking for residents, shoppers and commuters.



The NJRA's investment will result in market-rate rental housing, commercial development and much needed parking for residents, shoppers and commuters.

This project is vital to the success of already-advanced redevelopment projects along Main Street within Rahway's Central Business District. The NJRA's participation will enable RRA to further its goal of redeveloping the Main Street corridor.

Top: Instructor at St. Matthew Neighborhood Improvement Association (NIDA) assists a student with computer training. The NJRA approved a \$133,250 loan from the Redevelopment Investment Fund (RIF) to assist with the acquisition costs associated with NIDA's expansion. As a result, NIDA will continue to provide services and additional office space for other community-based organizations and small businesses.

Above, left: The NJRA, through the NJUSA Program, is providing a \$693,000 loan to the Rahway Redevelopment Agency (RRA) to acquire properties targeted for redevelopment. RRA will construct a 120-unit market-rate rental apartment complex with ground floor commercial uses and parking to complement recent redevelopment efforts in the Central Business District.



New Jersey Transportation Heritage Center

In 1998, the town of Phillipsburg and the Phillipsburg Urban Enterprise Zone (UEZ) implemented the Gateway Plan in line with its vision for the revitalization of its Main Street area.



To embark on the Gateway Plan, Phillipsburg, with assistance from the NJRA, was able to acquire the last historic railroad building for the development of the New Jersey Transportation Heritage Center. To ensure that the city's redevelopment plans moved forward, the NJRA provided a \$210,000 NJUSA loan to expedite and support Phillipsburg's Union Square Redevelopment Area, where the center is currently located. The Heritage Center, now owned and operated by the Friends of the New Jersey Transportation Heritage Center, preserves the images and artifacts of canal, railroad and roadway transportation heritage.

Above: New Jersey Transportation Heritage Center located in Phillipsburg's Urban Enterprise Zone. The center preserves images and artifacts from New Jersey's transportation heritage.

Redeveloping Neighborhoods

Risan Springfield Avenue Development Project



The NJRA has established a long-term partnership with Irvington Township. In a previous effort, the NJRA provided planning dollars for the East Ward and East Springfield Avenue's Redevelopment Plan, which was developed and adopted in 2002. This strategic revitalization plan merged these two targeted areas resulting in more efficient redevelopment planning.

A key objective in the plan was the importance of including local minority developers and contractors in the redevelopment process. As a result, Risan Development, LLC, a newly formed corporation, will implement new housing in this emerging area. This housing initiative will be the first attempt at housing development in Irvington in more than 20 years.

The NJRA, in support of Irvington's redevelopment plan and Risan's vision, provided financing for predevelopment expenses associated with the Risan Springfield Avenue Development Project.

Harmony Village Development Center

As a supporter of Irvington's redevelopment efforts, the NJRA looks to partner in initiatives to help the township reach its redevelopment goals. The Harmony Village Development Center is a second outgrowth of this partnership. Harmony is a well-established family child-care provider located in the downtown district. Harmony will expand its facilities to accommodate an expansion of its child-care facilities.

The NJRA has awarded a predevelopment loan to assist Harmony with predevelopment expenses associated with the construction of two sites that are part of the expansion project. This additional space will create 10 new classrooms and a new outdoor recreational space for Harmony's children. Local families in Irvington and surrounding towns will continue to benefit from the valuable services offered by the center.



Trenton Prospect Homes

The West Ward Community Partnership Corporation, a Trenton-based neighborhood community development corporation, has been working with various interested for-profit developers to address the needs of residents of the West Ward neighborhood. The West Ward has worked diligently on the implementation of its neighborhood plan.

It has partnered with Community Concepts, LLC, a for-profit developer, to implement a three-phase neighborhood plan. The NJRA recognized the importance of the implementation of this plan and partnered with the developer to make this vision a reality.

The NJRA contributed towards the completion of a 60,000 square-foot shopping center complex carried out by Community Concepts. In addition, the NJRA will assist with the next phase of the plan: An independent living complex for seniors.





Above, left: The city of Irvington's Mayor, Wayne Smith, and Cassandra Dock, Principal of Risan Development, LLC, review plans for upcoming redevelopment. The NJRA will provide a \$203,000 NJUSA loan that will enable this female-owned business to pay for acquisition and predevelopment costs associated with construction of five two-family, market-rate homes.

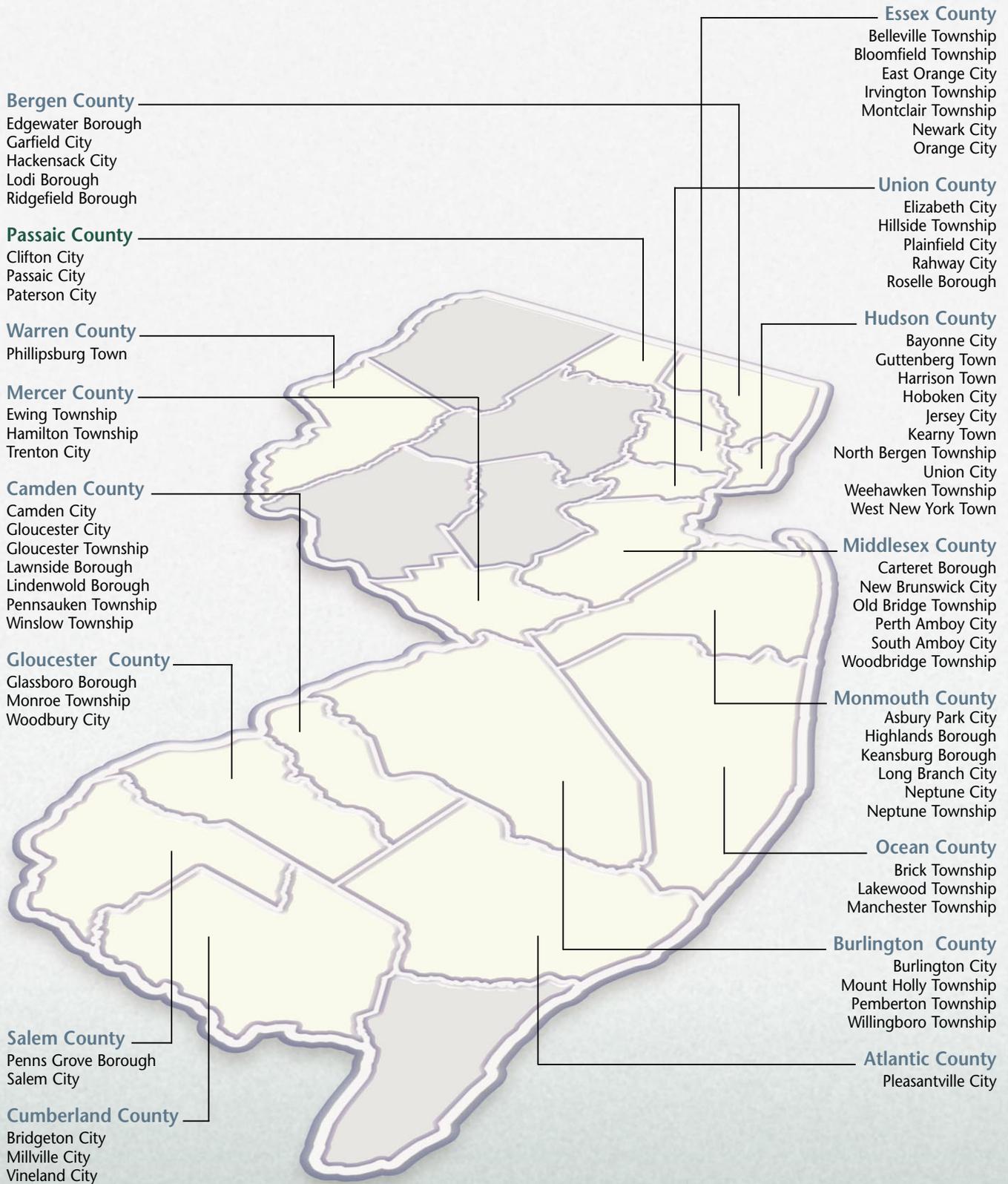
Center, left: Construction progresses at Harmony Day Care Center.

Bottom, left: Artist's rendering of Trenton Prospect Homes.

The NJRA, through the NJUSA program, will provide Community Concepts with a \$425,000 loan for the acquisition of property important to the design success of this project. This facility will offer apartments with security and emergency call response for seniors.

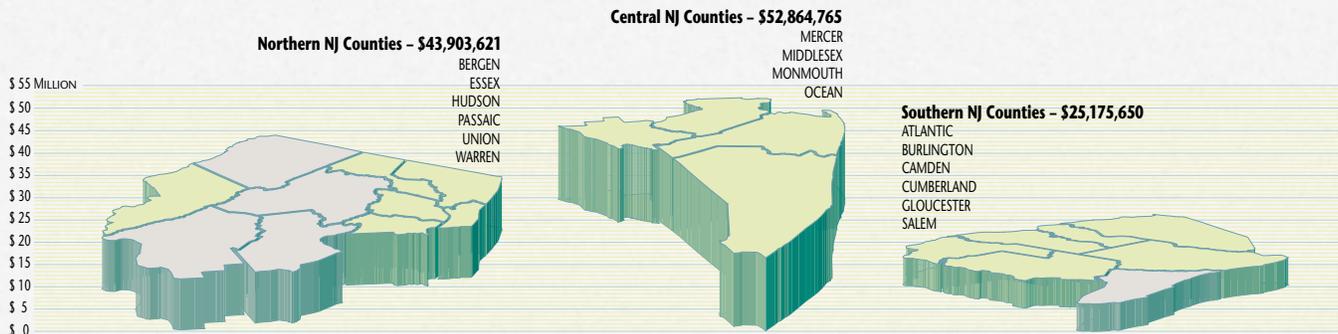
Above: Pre-schoolers at Irvington's Harmony Day Care Center participate in various games. As a result of a \$115,000 loan from the NJ Pre-Development Loan Program, Harmony will expand its current facilities.

Eligible Municipalities



NJRA Investments

New Jersey Redevelopment Authority's (NJRA) committed regional investments, from inception through December 2004, are represented in this chart.



	INVESTED FUNDS	LEVERAGED AMOUNTS
ATLANTIC	\$ 1,649,170	\$ 9,715,000
BERGEN	\$ 478,000	\$ 2,605,960
BURLINGTON	\$ 343,500	\$ 4,694,500
CAMDEN	\$ 18,879,900	\$ 1,093,417,500
CUMBERLAND	\$ 1,877,080	\$ 30,321,834
ESSEX	\$ 11,401,861	\$ 120,520,821
GLOUCESTER	\$ 2,411,000	\$ 35,226,000
HUDSON	\$ 13,115,000	\$ 88,530,350
MERCER	\$ 24,372,065	\$ 122,713,897
MIDDLESEX	\$ 21,564,200	\$ 355,979,832
MONMOUTH	\$ 6,903,500	\$ 96,563,230
OCEAN	\$ 25,000	\$ 25,000
PASSAIC	\$ 1,872,450	\$ 11,925,500
SALEM	\$ 15,000	\$ 15,000
UNION	\$ 15,951,310	\$ 85,173,397
WARREN	\$ 1,085,000	\$ 19,110,000
TOTALS	\$121,944,036	\$2,076,537,821

The NJRA's committed investments in eligible municipalities, from inception through December 2004, are represented by the aggregate totals in this list. The total development costs for all committed investments, financed by the NJRA in each county, are represented by the leveraged amount.

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(center)

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Commissioner, NJ Dept. of Community Affairs

(first row, l to r):

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Michael N. Kasparian, *MDK Development, LLC*;
Gilbert Ongwenyi, *NJ Dept. of Health and Senior Services*;
Harold Nafash, *Lowe's Home Companies*.

(Second row, l to r):

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Larry Hatton, *NJ Dept. of Human Services*;
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Train Image of Historical Photo:

Courtesy of the *Friends of the New Jersey Transportation Heritage Center*, Phillipsburg

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Courtesy of Dranoff Properties

Trenton Prospect Homes Rendering:

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