

Leading Developers Discuss Changing State Of New Jersey

By Betsy Kraat

FRANKLIN TOWNSHIP -- Some of New Jersey's real estate leaders discussed how redevelopment is changing the face of New Jersey at a May 13 meeting entitled "Redeveloping New Jersey: The Changing Face Of the Garden State" sponsored by the New Jersey Chapter of Professional Women in Construction (PWC).

More than 100 members and guests attended the meeting, which was held at the Palace at Somerset Park. The speakers included Ralph Zucker, president of Somerset Development in Lakewood; Stephen A. Santola, executive vice president and general counsel of Woodmont Properties in Parsippany; Jim Petrucci, president of J. G. Petrucci Co. in Asbury; William J. Rosato, president of Tarragon Corp. in New York City; and Lawrence F. Jacobs, chair of the Northern New Jersey District Council of the Urban Land Institute (ULI-NNJ).

The panel was moderated by Sharon Waters, deputy editor of NJ BIZ. The panelists described large-scale redevelopment projects -- including those in Morristown, Hoboken and at Wesmont Station in Wood-Ridge -- that are transforming the state's urban areas, some by revitalizing once-blighted industrial sites. Though such developments bring jobs, housing and tax ratables, the ability to build such projects is threatened by an increasingly difficult regulatory environment, some panelists said.

"For development in New Jersey, the party is just about over," said Zucker of Somerset. Citing a "perfect storm" of economic, social and regulatory conditions that has put the brakes on development, he asked participants to urge their lawmakers to create incentives for good development and to take a common sense approach toward regulation, shortening approval times and streamlining the regulatory process. "We have to recognize that if we don't work together, we won't work at all," Zucker added. "We need to pull together to send a message that we need more opportunity, not less."

Echoing Zucker's remarks, Santola of Woodmont said that redevelopment is in serious danger in New Jersey due to a multitude of factors affecting profitability. These include the cost of environmental clean-ups; high prices for steel and other construction materials; opposition to eminent domain, which affects the ability to assemble the large parcels of land required for urban redevelopment; and Council on Affordable Housing (COAH) regulations, which require developers to build residential units that are sold at reduced prices to low- and moderate-income families.

Santola delivered a slide presentation on the company's projects, including its influential redevelopment projects in Morristown -- the \$250 million redevelopment of the former Epstein's Department Store, the \$40 million redevelopment of the former Vail Mansion and the \$70 million transit village at the Morristown Station.

Similarly, Petrucci, whose company is a developer and design/build specialist for industrial, office, educational, retail, medical and hospitality facilities, described New Jersey as "a very tough state" to build in. J.G. Petrucci is currently redeveloping a brownfield site in Nutley, transforming an obsolete industrial facility into a 72-unit garden style apartment complex. The firm is also redeveloping 42 acres at the former ILR landfill in Edison, as well as a seven-acre brownfield site on Enterprise Avenue in Trenton.

Rosato of Tarragon also delivered a slide presentation on his company's projects, which include Upper Grand in Hoboken, a joint venture with the URSA Development Group. As Hoboken's largest developer, Tarragon is leading the redevelopment of the city's 25-acre Northwest Redevelopment Area, which is being transformed into the new Upper Grand luxury residential neighborhood. Once completed, Upper Grand will consist of approximately 1,400 homes, 14,400 square feet of retail space and abundant public parks and community recreational facilities.

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