



## Newark to break ground on long-awaited Teachers Village

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Tony Kurdzuk/The Star-Ledger

A view of a section of the new Teachers Village development site under construction on Halsey Street in Newark.

**NEWARK** — Elected officials, real estate developers and international investors will gather in the heart of downtown Newark today to break ground on the city's most ambitious project since the Prudential Center, one Mayor Cory Booker says will transform the entire downtown.

Teachers Village is a nearly \$150-million mixed-use development that will rise along four blocks of Halsey Street, between the Prudential Center and University Heights. Once completed, the site will have eight buildings, including three charter schools, a daycare center, more than 200 apartments for teachers and 70,000 square feet of street-level retail and restaurant space.

The project is largely being built through public financing, and funding for the first building — which includes two schools, a gymnasium and retail — closed last Friday.

"This is yet another game-changing project for the city of Newark," Booker said, citing the Courtyard by Marriott hotel that is under construction downtown and Panasonic Corp., which will move its North American headquarters to the city next year. "And in a down economy like we're experiencing globally, Newark is having its greatest economic development period in generations."

The idea to incorporate teachers came after the developers realized many of the city's current educators worked long hours and lived far away. By living closer, they would in turn would bring energy and ideas to the area, and possibly attract more business.

The project includes an unlikely cast of characters. Its lead developer, Ron Beit of New York-based RBH Group got his start in Newark nearly two decades ago managing a commercial building in the South Ward while he was in law school. Nicolas Berggruen, an early partner, is an investor with ventures in Europe and Asia and is known as the "homeless billionaire" because he lives in hotels. And world-renowned architect Richard Meier, who was born in Newark, created the project's overall design.

"This area has tremendous potential, and this is the first phase to catalyze that neighborhood," Beit said earlier this week. "We have an opportunity to build a community here for the 21st century that will serve as an economic engine for the city for decades to come."

Teachers Village was conceived seven years ago when Newark rose to the top of a list of places to invest in real estate. Beit and several New York colleagues were interested in the city for its development potential and proximity to New York. Since then, everything the group has done has been with an eye toward the vision of Teachers Village. What starts today is part of a master plan that will include 15 million square feet of office buildings, retail, residential units and a hotel spanning 12 blocks.

"We always had a big vision," Beit said. "The vision certainly got a lot larger over time."

The project was awarded nearly \$40 million in Urban Transit Hub tax credits from the state Economic Development Authority and allocated \$60 million in federal New Markets tax credits for the school portion. Other public financing came from the city of Newark, the state Casino Reinvestment Development Authority, and federal Qualified School Construction Bonds, according to an EDA memo. Private financing came from Goldman Sachs, Prudential Financial Corp., TD Bank and New Jersey Community Capital, Beit said. In the early months of the recession, Beit said, Berggruen's unwavering commitment to the project — Berggruen said he considers his investment "long-term" — brought everyone else together.

For Meier, who designed the Getty Center in Los Angeles, Teachers Village was as much a personal project as it was professional.

"I've always felt my roots were in Newark," he said in an interview. "To be able to in some way contribute in an ongoing way to help to the city grow and change and prosper was important to me."

The project extends for four blocks on both sides of Halsey Street and will rise primarily from surface parking lots, creating 500 construction and permanent jobs. The buildings range from 4 to 6 stories, with one renovated 9-story residential tower. The apartments will be pre-marketed to teachers and were designed with their salaries in mind, with rents ranging from \$700 for a studio to \$1,400 for two bedrooms.

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One restaurant, Booker's Diner — named not for the mayor but for educator Booker T. Washington — has already signed a lease, and Beit said a grocery store chain has also expressed interest. Retail is what will tie the buildings to the community and draw people to the neighborhood, Beit said.



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Teachers Village in Newark will rise along four blocks of Halsey Street, between the Prudential Center and University Heights

"The single point we made when doing this master plan was we wanted as many people on the street, because that will ultimately be the success of this project and the long-term sustainability of it," Beit said.

The first building is expected to open in May 2013 and the first residential units could open as soon as

September 2013.

The Prudential Center and New Jersey Performing Arts Center have proven people will come to Newark after work and on weekends, and Christian Benedetto, a longtime real estate broker, said Teachers Village will breathe a "24/7 environment" into downtown.

"They have location, location, location, (and) they can draw tens of thousands of people from any side of their building," Benedetto said. "It just further legitimizes the market."

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