

Restoring a Business, Reviving a Neighborhood

663 Main Avenue went from a faded glory to an impetus for renewal in Passaic

By Joseph S. Buga, Ph. D., Project Manager, Passaic Enterprise Zone Development Corporation



In October 1931, the *New York Times* reported on the opening of a lavish commercial building in the City of Passaic. The project was a grand, 11-story art-deco tower that rose far above the city's vibrant downtown. Interestingly, the project began just prior to the Great Depression and ended two years later, while the country was in economic turmoil. But after some rough patches at the onset, the building flourished as a 2019 Smart Growth Award Winner and a destination for professional offices for doctors, lawyers, accountants, and even Congressmen.

Fast forward 35 years. The bank and the high profile professional tenants were leaving, part of an exodus many industrial cities saw with their downtowns decimated during the 1960s by flight to the suburbs. By the 1970s the property had changed hands several times and the newest owners were content to rent the retail spaces on the basement and first floors. By the 1980s the building became fully vacant. Except for paying their property taxes the owners did little with this asset. Repairs languished until the deteriorated condition posed a significant safety hazard, with windows flying from the upper floors to the heavily traveled commercial corridor below.

In response, the city took the step of acquiring the building using its power of eminent domains in the early 2000s. Funds from the Urban Enterprise Zone program were used to acquire and remediate environmental issues. Then the city sold the building in 2007 through a RFP process which resulted in only one bidder. Unfortunately that sale coincided with another recession and that developer's plan for the tower did not materialize.

Fortunately in 2014 the previous developer entered into an agreement with a seasoned professional real estate developer, The Hanini Group, who took over the project. Their experience

26 New Jersey Municipalities | June 2019

663 Main Avenue

in Newark and other New Jersey cities provided them with the knowledge to tap into state and federal resources which were necessary to make this a viable project. They used a combination of conventional financing, New Market Tax Credits, and federal Historic Tax Credits. Passaic provided a loan through the UEZ program and offered a PILOT.

Restoring a crown jewel

Over the next two years, capital was amassed, and approvals garnered. Tenants were signed-up and the tower was opened. At a celebration in October 2018 Passaic Mayor Hector Lora lauded the developers for their vision and persistence. He also acknowledged that

this was a project over a decade in the making. But a crown jewel to the city's downtown was restored. Anchored by the administrative offices of the Passaic Public Schools, the 66,000 square foot building also has several floors of a Blink Fitness Center and a Caribbean Fusion Restaurant, Mama Sushi, its first New Jersey location.

On New Year's Eve 2018 the city hosted its first Piñata Drop from the 11-story-tower to make the New Year.

With music and extended restaurant hours, hundreds of resident and visitors participated in the event. The building that once cast a foreboding shadow on the downtown is now illuminating a new vibrancy to Passaic's downtown. 🍷

Project Sparks Housing, Development



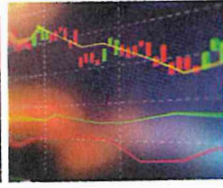
The project at 663 Main Avenue has sparked development in the area. A 30-unit residential building at 585 Main Avenue was completed, a new building with

eight residential units atop retail spaces across the street from the building is nearing completion, and later this spring a 15-unit project over retail on Main Avenue a block away from the building will be the subject of an RFP.

Additionally, NJ Transit, the County of Passaic, and the US Department of Transportation have teamed up to plan and fund a new \$4 million state-of-the-art bus station, also on Main Avenue, one block south of the building. A new parking deck near the bus station is also being planned.

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