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College Builds Bridge with Campus/Community Center

By Jennifer Dockery, Assignment Editor, Novogradac & Company LLP

In the early 1900s, the area surrounding St. Peter's College, a medium-sized Jesuit liberal arts college in Jersey City, N.J., was a vibrant part of the city. As the 20th century wore on, people and businesses moved out of the area, leaving the college surrounded by blight. Eventually, the neighborhood known as McGinley Square began to decline and affected the college's ability to grow and attract students. Today, the college is hoping that the \$500 million McGinley Square Community Redevelopment Plan will increase enrollment and provide services to the low-income neighborhood. The first phase of redevelopment, the St. Peter's Campus/Community Center, got under way last fall thanks to an infusion of \$38 million in new markets tax credits (NMTCs).

"We felt strongly that the redevelopment of McGinley Square was hand-in-glove related to the college's long-term prosperity," said Anthony Bastardi, chairman and chief executive officer of Strategic Development Group Incorporated, who serves as special advisor for strategic planning and real estate development to St. Peter's president and board of trustees. Bastardi managed the NMTC transaction and coordinated the many elements of the deal with AFL-CIO Housing Investment Trust's Building America CDE Inc., Telesis CDE, Revolution CDE, New Jersey Community Capital (NJCC) and Wells Fargo.

Founded in Jersey City in 1872, St. Peter's College is a federally designated Hispanic Serving Institution with approximately 3,000 full- and part-time students. Its student population is approximately 30 percent white/non-Hispanic, 26 percent Hispanic, 22 percent African American and 10 percent Asian/Pacific Islander, and 98 percent of students receive financial aid.

The surrounding community is a severely distressed secondary census tract that has an unemployment rate that is 1.4 times the national average, is a U.S. Department of Housing and Urban Development Choice Neighborhood as well as part of a HOPE VI redevelopment plan, and is a federally designated medically underserved area. Because of this, the college incorporated space to provide medical, educational, cultural and vocational training programs.

The college's main campus is located one block from McGinley Square and the college owns a significant amount of land in the neighborhood, some of which it uses as surface parking for students and faculty. St. Peter's is replacing those parking lots with a \$40 million campus/community center, the result of a college/community collaboration to provide a center that would meet the needs of the students and community. The six-story, 90,000-square-foot center will house community and student activities, community service operations and space for lectures, health fairs and conferences.

Marie Mascherin, NJCC's chief lending officer, said that NJCC supported the project because it involves a university using NMTCs for a major project on its campus and using it as an anchor for that community corridor. She added that the transaction is especially critical because "St. Peter's College is integral to the neighborhood's economic fabric."

The center will be the campus' first student center and will allow the college to centralize, expand and increase its programs and services. The Office of Community Service will move into the center, which the college anticipates will increase student volunteer service hours, currently estimated

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at about 16,000 annually, to more than 30,000 hours annually. The college will open the Guarini Institute for Government and Leadership, a nonpartisan forum for discussion and analysis of public policy issues. The nursing program will host health awareness programs for students and the community and include such events as a wellness fair, prostate screenings, blood drives, obesity prevention programs, blood pressure screening, diabetes testing and more. The center will also host lectures and conferences on topics that include AIDS awareness, homelessness, immigration issues, city planning, climate change and autism.

"At the end of the day, the college has made a \$49 million investment, which speaks to the ownership they are taking to revitalize this neighborhood. This investment will benefit the community and university five years from now, 20 years from now, 50 years from now," said Eric Price, Building America's chief executive officer.

Five community development entities provided the project with \$38 million in NMTC allocations: Building America provided \$10 million; Telesis provided \$7.25 million; Revolution provided \$11 million; NJCC provided \$5.13 million; and Wells Fargo provided \$5 million. Wells Fargo also provided equity for the NMTCs. St. Peter's provided the remaining funds for the project.

"It's a project that really serves the community by bringing jobs and services. This campus/community center represents a critical first component of the much larger downtown revitalization plan," said Scott Pinover, Wells Fargo NMTC Northeast Deal team manager.

In addition to bringing programs and services to students and the community, the campus/community center is bringing jobs, providing 240 direct construction jobs and another 600 indirect jobs during construction. Additionally, Price anticipates that the first phase will produce 115 permanent positions, including an increase in St. Peter's faculty and staff and people hired by groups using the center.

Additional jobs will be created by subsequent project phases. When completed, McGinley Square will be home to more than 2.2 million square feet of market-rate and workforce housing, retail and office space, a hotel, three parking structures and the campus/community center. The current plan calls for a supermarket, pharmacy, movie theater/bowling alley, big box department store, trolley car system, specialty boutiques, pocket parks and more. Contractors plan to break ground on the second development phase this spring.

"The St. Peter's community center really has a range of great impacts. It shows how the NMTC program can create immediate

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impacts in the form of job creation as well as long-term social benefits in the McGinley Square neighborhood. We have high expectations for the center and the neighborhood," said David Godschalk, general counsel for Telesis. ♦

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