

## URBAN EFFORT: As more towns embrace need for development, builders see opportunity for new hot spots on rail lines

By **Joshua Burd**, August 22, 2016 at 3:00 AM

Jonathan Schwartz thinks back to roughly four years ago, when BNE Real Estate Group took the lead in a mixed-use redevelopment project in downtown Bloomfield.

He knew then what he knows now — there was plenty to like about the rail-served location.

“It’s generally 30 minutes into Manhattan and (there’s) a lot of

walkability,” said Schwartz, a principal with the Livingston-based development firm. “So, although most people in the suburban-urban towns like Bloomfield still have cars, you can still walk out of our project and walk to a hundred different restaurants, bars, stores, a variety store, diner — whatever it may be.

“That’s what attracted us to the area.”

That potential has given way to a new 140-unit apartment building that BNE is set to open next month at 56 Broad St. With 10,000 square feet of retail space, The Green at



Jonathan Schwartz, principal, BNE Real Estate, at The Green at Bloomfield. - (PHOTO BY AARON HOUSTON)

Bloomfield is the latest mixed-use project to come to the Essex County township in recent years.

More importantly, for the state of New Jersey, it's part of a growing number of suburban municipalities that have embraced such projects in an effort to improve their train-centric downtowns. For developers, it's an opportunity to build in new markets and continue to capitalize on the demand for walkable, urban-style living options.

"I think you're seeing a lot of transit-oriented redevelopment in the towns that have historically had active train stations, because they have active downtowns, and I think there is pressure on community leaders to make those downtowns even better," said Stephen Santola, executive vice president and general counsel of Woodmont Properties. "And one way to do that is by adding residential density in the downtown — you create foot traffic, you create disposable income right within the downtown, and that assists the local retail and restaurant market."

Santola said the trend is akin to what has happened in Morristown over the past decade, which has been emulated more recently in towns such as Cranford. Woodmont is now well into construction for such a project

### **Call out for Cranford**

To Stephen Santola, Cranford is perhaps the poster child for the type of mixed-use redevelopment that is now spreading to suburban downtowns around New Jersey.

"There's probably nowhere that it's more evident, where a handful of transit-oriented developments around the Cranford train station have sparked a tremendous boom in the downtown," said Santola, executive vice president and general counsel of Woodmont Properties. "It looks great, it feels great, there's new restaurants opening all the time and their train station has just become a real catalyst."

Woodmont would know, having opened the 163-unit Woodmont Station at Cranford last year, and it hopes to replicate that formula in Metuchen. Known as Woodmont Metro at Metuchen Station, the 273-unit project is nearing completion and helping to spark other activity around the borough's downtown.

"There are other landlords that we're in touch with that are interested in doing something," Santola said. "Certainly the retail interest from regional retailers, restaurateurs and mom-and-pops has increased, and I think you're going to see a very similar phenomenon as in Cranford."

in Metuchen, just a block from a busy train station, with plans calling for 273 rental units and 11,500 square feet of retail and restaurants.

The Fairfield-based developer is also preparing to start on a similar project in South Amboy, and Santola said he believes there are still other towns in the state that will follow suit.

“People are seeing it work,” Santola said. “Look at what transit-oriented development did for Rahway, Morristown, Red Bank — towns that were sort of sagging a little bit that have just become these really hot, great places to live.”



**Stephen Santola**

“I think local town leaders and residents are going to these other towns and they’re having dinner and saying, ‘This is great. We should do this, too.’ You can redevelop in your downtown in a responsible way that enhances rather than harms the existing downtown.”

He added that towns could become more welcoming of mixed-use development as a way to meet their affordable housing obligations, especially now that oversight by the state judiciary could finally force the hands of local governments.

Getting buy-in from the community is one thing, experts say, but there are often other prerequisites to building in suburban downtowns. Matt McDonough, a managing director in Transwestern’s Parsippany office, said an established street life or nightlife are important, as is having a healthy residential building stock surrounding the central business district.

#### **Neighboring help**

With great accessibility and a developing retail and restaurant base, downtown Bloomfield has emerged as a draw for mixed-use development such as The Green at Bloomfield.

But Jonathan Schwartz knows it would be silly to ignore one very high-profile amenity just up the road from the township. “Montclair, to some degree, has become the restaurant capital of at least this part of New Jersey,” said Schwartz, principal with BNE Real Estate Group. “We’re within minutes of Bloomfield Avenue in Montclair. So I think that provides for a very big upside ... because, although you can do what you want to do in Bloomfield, you’ve got Montclair, which has become a great scene, just minutes away.”

That's not to mention the challenges that still exist, even if everything else falls into place.

"The big barrier is scale," McDonough said. "In any of those towns, to try to assemble a piece of property that has enough scale that makes it worthwhile for a well-capitalized developer to spend the time is difficult — scale in terms of units, whether it's residential or developable square feet."

Those that have found success are trying to capture the demographics that have built the high-end communities on the Hudson waterfront, but in a slightly scaled-down fashion. Santola said Woodmont designs such projects to be "very edgy to compete for the millennial market, whether it's the carpet selections or the lighting or the amenities," while being sure to incorporate clean, direct and comfortable train access into the layout.

Another feature — one that is as important as any other — is "being respectful of its neighbors."

"I always try to remind our design team, as well as our construction managers and our property managers, we're bringing in something new to a neighborhood in a downtown that already exists," he said. "And the neighbors ... are in a comfort zone that we, to some extent, are going to disrupt, so I think it's incumbent upon us to be as respectful as we possibly can be of them and try to make things better, rather than just be a totally disruptive force."