

NEIGHBORHOOD INFRASTRUCTURE ASSISTANCE PROGRAM – S. B. 149

Proponent Testimony – “A New *West Side Story*”

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Asbury Park, New Jersey

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Chairman Schaffer, Ranking Minority Member Tavares, members of the Senate Ways and Means Committee, I bring you ***GREETINGS FROM ASBURY PARK!***

My name is Paul McEvily and I am the Associate Executive Director of Interfaith Neighbors, a publically incorporated, non-denominational, 501(c)3 community benefit corporation providing services to our neighbors in need throughout Monmouth County, New Jersey.

We operate a variety of programs including a rental assistance program for working poor families, a meals-on-wheels program for seniors throughout the County, and several workforce training programs for young adults. We are a licensed NJ home builder, a non-profit developer of affordable housing, and we are heavily involved in economic development initiatives in Asbury Park. We have just under 50 employees (full and part-time); a \$4+ million annual operating budget and net financial assets in excess of \$7 million. We are a social services agency that operates like a business where \$.96 out of every \$1 contributed goes directly to support a benefiting activity.

I’ve been invited here today to discuss our experience with NJ’s Neighborhood Revitalization Tax Credit (“NRTC”) Program. New Jersey’s NRTC Program is designed to foster the revitalization of the state’s most distressed neighborhoods. NRTC offers business entities a tax credit against various New Jersey state business taxes. A majority of the NRTC tax credit-fueled investment dollars must be used for activities related to housing and economic development initiatives (think “bricks and mortar”). A total of \$10 million per year State-wide is available in tax credits through the NRTC Program.

Non-profits with State-approved neighborhood revitalization plans can receive up to \$1 million in NRTC funds for individual projects that are consistent with their approved plan.

Interfaith Neighbors’ plan for revitalizing the West Side of Asbury Park was approved by the State in 2006, thereby making us eligible for tax credit investments under the NRTC Program. We’ve now had four different projects approved, each fully funded and involving multiple initiatives.

All that said, I am not here today to discuss the nitty gritty details of our plan, nor to discuss the technical aspects of the NRTC Program; the truth is I am not a policy wonk nor do I have much patience for policy-related discussions.

I am here today to share a story with you – a true story of hope and revival on the West Side of Asbury Park, a success story with still growing momentum. This is the story of the near-miraculous metamorphosis of a burned out and downtrodden neighborhood. It's a new **WEST SIDE STORY**, unfolding as we speak to reclaim the heart and soul of Asbury Park.

Asbury Park – “Where Music Lives” – is an oceanfront community, approximately one mile square, about 60 miles down the coast from NYC, with a year-round population a little over 16,000. Because of its proximity to the ocean and its mile long stretch of pristine beaches, Asbury has flourished over the past century and a half as a resort community accessible by road and rail from NY as well as the more densely populated areas of North Jersey. Like many resort communities, it has experienced its fair share of cyclical ups and downs.

Asbury reached a zenith in terms of popularity in the 50's and early 60's, only to see that popularity decline precipitously in the later 60's as the recently constructed Garden State Parkway opened up access to more and less expensive southern coastal communities and as suburban malls took hold the fancies of New Jersey shoppers. Its near death knell could be heard tolling in 1970 as the civil disturbances and race riots that swept through Detroit, Chicago, Newark and other large urban areas in the late 60's and early 70's erupted on the West Side of Asbury Park.

Perhaps I should stop here and take you on a short and historical picture tour of Asbury Park, as the pictures here really do tell the story....

Picture #1 “Greetings from Asbury Park”

Picture #2 Boardwalk Circa 1910

Picture #3 Boardwalk Circa 1960

Picture #4 Downtown Circa 2005 (Steinbach's Department store)

Picture #5 Downtown Circa 2012 (Steinbach's Department store – restored)

Picture #6 West Side – Springwood Avenue Circa 1965

Picture #7 Springwood Avenue July 4, 1970

Picture #8 Springwood Avenue July 5, 1970

Picture #9 Springwood Avenue October 2007

Picture #10 Springwood Center April 2012

Picture #11 Springwood Center April 2012

Springwood Center Project:

- Collaborative public/private effort between Interfaith Neighbors as developer and the City of Asbury Park
- 27,500 square foot, architecturally significant mixed use building
- First new commercial space on Springwood Avenue since the 1970 riots
- 1st Floor: commercial/retail/community benefit spaces
- 2nd Floor: Asbury Park Senior Center
- 3rd Floor: 8 affordable low-to-moderate income apartments
- All-in cost to complete: \$7.0 million
 - NRTC Tax Credit Investments \$1,750,000
 - HOME Program subsidy 1,410,000
 - City of Asbury Park (purchase space) 3,000,000
 - Neighborhood Stabilization Program 640,000
 - Community Block Dev. Grant 200,000
 - \$7,000,000

Picture #12 Rendering -- ***Asbury J.A.M.S. (Jobs, Arts, Music, Sciences) Project:***

- Envisioned as the “keystone project” in a revitalized Springwood Ave. corridor
- Primary destination for people coming to Asbury Park to experience the city’s vibrant Arts and Music scene
- 45,000 sf mixed use, “arts-centric” building proximate to the City’s multi-modal transportation center (rail and bus)
- Anchor attractions: Smithsonian-quality exhibit space for Asbury Park Musical Heritage Foundation; 200 seat musical performance venue; supper club/restaurant space; boutique hotel.
- Estimated all-in project cost: \$14.7 million
- Estimated NRTC Tax Credit Investment: \$1,570,000

Picture #13 Rendering -- Proposed mixed use commercial/residential project across from ***Asbury J.A.M.S.***

This **West Side Story** of hope and revival continues to unfold. Starting with the development of the Springwood Center building which came online in 2012 and looking out over the next five years, I estimate that over \$60 million will have been invested in a three block area of Springwood Avenue, yielding 240,000 cumulative square feet of new construction encompassing 135 new housing units, 8-10 new businesses, a state-of-the art senior center, and a world-class architectural gem devoted to the musical and performing arts.

The catalyst for all of this wonderful momentum is without a doubt the State's Neighborhood Revitalization Tax Credit Program. Over the years, there have been many, many programs launched by the State that were designed to encourage development and investment in our distressed communities... this one REALLY works and here's why:

- ✓ Competitive with other NJ State tax credit programs and attractive to the corporate investment community.
- ✓ Can be "first money in" on a development project – important in attracting the remaining project financing needed to undertake the development project.
- ✓ Can be (and should be) leveraged with other public and private sourced investment \$\$\$.
- ✓ Interfaith's experience mirrors the state-wide experience when it comes to leveraged investment results – basically an 8 to 1 ratio of total dollars invested to allocated NRTC tax credit dollars.

The bottom-line is this – without the NRTC Program, projects like the award-winning Springwood Center project and the proposed **Asbury J.A.M.S.** development project would **never** come off the drawing boards and Springwood Avenue would today be the same barren and forsaken landscape that blighted the West Side neighborhood for over 40 years. Courtesy of the NRTC Program, that 40+ year blight is now lifting.

Thank you for the opportunity to share our **West Side Story** with you today...and please, come visit us in Asbury Park!

I'd be happy to answer any questions you may have about NJ's NRTC Program or our efforts to revitalize Asbury Park's West Side community...

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