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**L+M DEVELOPMENT, PARTNERS BREAK GROUND FOR  
REDEVELOPMENT OF HISTORIC HAHNE'S DEPARTMENT STORE  
IN DOWNTOWN NEWARK**

*Newark Mayor Ras Baraka, Elected Officials, Corporate Partners and  
Housing Leaders Celebrate Renovation of Downtown Newark Landmark*

**NEWARK, New Jersey** -- L+M Development Partners in partnership with Prudential Financial, Inc., Goldman Sachs and Citi today joined Newark Mayor Ras Baraka to break ground on a \$174 million renovation of the historic Hahne & Company building in downtown Newark.

This public-private partnership will transform the landmark Hahne's building into an innovative multi-use development that will create mixed-income housing, new street-level retail space and a new arts and cultural center for Rutgers University.

The project, which has had substantial support from local co-developers Hanini Group and Crawford Street Partners, will create hundreds of permanent new jobs and restore the former Hahne's Department Store as a vibrant destination in downtown Newark.

Mayor Ras Baraka said, "The Hahne's Department Store is one of the legendary buildings of our historic downtown and today's groundbreaking is another step in the transformation of Newark's core. For nearly three decades, this structure has stood vacant, but now it is becoming an integral and dynamic part of our efforts to transform Newark's downtown into a 24/7 neighborhood. From the renovation of Military Park to the relocation of the Panasonic USA headquarters; from the first luxury housing skyscraper being presented in 50 years here by NBA legend and Newark native Shaquille O'Neal to the openings of the New Jersey Performing Arts Center and the Prudential Center; Newark is undergoing an urban renaissance. More importantly, all of these development projects, including the construction work, will provide jobs and career opportunities for Newark residents. This is an example of how public and private partnerships can collaborate for the good of our City."

Jon Cortell, vice president of development at L+M Development Partners, said, "This is a historic day for the City of Newark. Together with our myriad of partners, we are proud

to finally bring the iconic Hahne's building back to life as well as inject new jobs, housing, retail and learning opportunities into the heart of downtown Newark.”

The Hahne's restoration will be located across the street from the newly renovated Military Park and adjacent to Prudential's new 20-story office building. The restored building will serve as a hub for artistic and technological innovation in Newark and link diverse communities located in the downtown area.

To honor the historic significance of the 400,000-square-foot building, the project will preserve key elements of the four-story former department store, including the façade, the original signage and the building's expansive skylight.

When complete, the first floor of the renovation will feature some 75,000 square feet of new street level retail space along Broad Street, including an approximately 30,000-square-foot flagship Whole Foods Market offering healthy and sustainable food options. The third and four floors will have a portion of the 160 mixed-income residential units, with 64 of the 160 units reserved for low-income tenants.

The development will also include the new home for the Rutgers University Department of Arts, Culture and Media of approximately 50,000 square feet. The space will include a 250-seat auditorium-style classroom plus studio and gallery space for campus arts programs. The Rutgers space will also provide a new teaching and work environment for more than 60 Rutgers staff and faculty. A nine-story residential building with approximately 100,000 square feet of residential space will connect to Hahne's through a shared lobby and public atrium.

The renovation was financed through a partnership among public, non-profit and private groups. The sources of funding include \$66 million from the New Jersey Housing and Mortgage Finance Agency (HMFA), \$40 million from the New Jersey Economic Development Authority, \$67 million of private equity and tax credit equity from Goldman Sachs as well as financing from Prudential Financial, Citi and sponsor equity.

Lata Reddy, vice president of corporate social responsibility and president of The Prudential Foundation at Prudential Financial, said, “Prudential's support of the renovation of the iconic Hahne's building is the latest example of our deep and lasting commitment to Newark and our neighbors. We are proud to be part of this catalytic effort to create a vibrant downtown in the city that has been our home for 140 years.”

Margaret Anadu, managing director in the Goldman Sachs Urban Investment Group who oversees some of the firm's largest impact investing projects in communities around the country, said. “We are proud to be part of this unique public-private partnership that makes this project possible. This restoration is an important part of our nearly \$500 million of investments in Newark that catalyze economic development and create jobs for local residents. We are excited to see the impact that providing affordable housing, access to healthy food options and building a ‘24-7’ community will bring to this neighborhood.”

Matt Bissonette, a director of Citi Community Capital, said, “Restoring the Hahne’s Department Store building represents a tremendous achievement by the city, the state and all of our partners in this project. We invested in this redevelopment because of the innovative way it blended residential, retail, commercial and educational uses in one project. Citi Community Capital is dedicated to the creation of affordable housing and we are confident that the inclusion of mixed-income housing will generate energy and excitement in downtown Newark.”

Anthony L. Marchetta, executive director of HMFA, said, “The HMFA is thrilled to provide direct and indirect financing for over 65% of the total residential development cost of this adaptive reuse project. Our Multifamily Conduit Bond Program enables well-capitalized developers to issue bonds through the agency on a pass-through basis at the most competitive interest rates available in the marketplace. It will transform a national landmark—once a crown jewel of downtown Newark shopping—into a modern residential and retail community.”

The financing package also included tax credits from several federal programs, including Low Income Housing Tax Credits, Historic Tax Credits and New Market Tax Credits. In addition, the project received important support from several non-profit finance organizations, including New Jersey Community Capital, the Low Income Investment Fund and The Reinvestment Fund. The Project would have not been possible without the benefits of tax abatement approved by the City of Newark.

Kirsten Shaw, director of the Eastern Region, Low Income Investment Fund, said, “The Hahne’s redevelopment is a wonderful project that we are proud to join as partners. LIIF was created to improve opportunities for low-income families and the communities. By increasing access to affordable housing and to healthy food, the Hahne’s project is exactly the type of investment we seek to make. We are confident that it will continue the revival of downtown Newark and enhance the quality of life for all of the city’s residents.”

Andrew Rachlin, managing director, lending and investment, at The Reinvestment Fund, said, “Bringing Hahne’s back to life is a tremendous achievement and we at TRF are glad to play a role in its restoration. Partnering with the Robert Wood Johnson Foundation, we are delighted to be able to support the effort toward creating a healthy local community through improved access to healthy food, jobs and affordable housing.”

The Hahne & Company Department Store was designed by architect Goldwin Starrett and built by prominent local businessman Julius Hahne in 1901. Hahne’s was Newark’s first commercial building designed specifically as a department store. In 1987, Hahne’s was sold to May Department Stores Co., owner of Lord & Taylor, and the building has remained vacant since then.

### **About L+M Development Partners**

Since its foundation in 1984, L+M Development Partners, Inc. has been an innovator in developing quality affordable, mixed-income and market rate housing, while improving the neighborhoods in which it works. A full-service firm, L+M works from conception to completion, handling development, investment, construction and management with creativity that leads the industry. L+M is responsible for more than \$4 billion in development, construction and investment, and has created or preserved more than 15,000 high-quality residential units in New York's tri-state area, the west coast and gulf coast region. Community leaders, government officials and institutional investor organizations turn to L+M because of its consistent track record of excellence. L+M is a double bottom line company, where its success is measured not only in financial returns but also by the positive impact it makes. L+M takes pride in its long-standing dedication to the communities it serves, demonstrated through an annual scholarship fund, job training programs, afterschool programs, and substantial support for local nonprofits. L+M brings a superior level of commitment to its investments in developments, and equally important, to its investment in people. For more information, please visit: <http://lmdevpartners.com>.

### **About Prudential**

The Prudential Insurance Company of America is a subsidiary of Prudential Financial, Inc. (NYSE: PRU), a financial services leader with approximately \$1.06 trillion of assets under management as of March 31, 2013. It has operations in the United States, Asia, Europe, and Latin America. Prudential's diverse and talented employees are committed to helping individual and institutional customers grow and protect their wealth through a variety of products and services, including life insurance, annuities, retirement-related services, mutual funds and investment management. In the U.S., Prudential's iconic Rock symbol has stood for strength, stability, expertise and innovation for more than a century. For more information, please visit <http://www.news.prudential.com/>.

### **About the Urban Investment Group at Goldman Sachs**

Established in 2001, the Urban Investment Group deploys the firm's capital by making investments and loans that benefit urban communities. Through its comprehensive community development platform, UIG is a catalyst in the revitalization of underserved neighborhoods. UIG has committed over \$4.1 billion, facilitating the creation and preservation of over 17,000 housing units - the majority of which are affordable to low, moderate and middle-income families - as well as over 1,800,000 square feet of community facility space and over 5,000,000 square feet of commercial, retail, and industrial space.

### **About Citi Community Capital**

Citi Community Capital (CCC) is a premier financial partner with nationally recognized expertise in financing all types of affordable housing and community reinvestment projects. CCC's origination, structuring, asset and risk management staff across the country provides creative financing solutions designed to meet their clients' needs. CCC helps community development financial institutions, real estate developers, national intermediaries and nonprofit organizations achieve their goals through a broad, integrated platform of debt and equity offerings. Additional information may be found at

[www.citicommunitycapital.com](http://www.citicommunitycapital.com). For general inquiries and questions, contact:  
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