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Jersey City on the Rise



Robert Cotter
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Bob Cotter has been planning and directing Jersey City's upward growth and urban renewal over the course of the last 35 years. During that period, the city has risen to be one of the top 20 downtowns in America in terms of amount of Class A office space. The tallest buildings in New Jersey have been in Jersey City since the 1980's. His motto for his staff of planners is "Market Driven in the Public Interest." His style of city planning is to codify what is important and let the market take care of the rest. It works!



Jeff Wenger
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Jeff Wenger has been a Principal Planner with the Jersey City Planning Division since 1998. Jeff has written numerous redevelopment plans, including the Journal Square 2060 Plan which permits a cluster of skyscrapers with no building height limit. Jeff also reviews site plan applications including small infill development projects to skyscraper complexes with over a thousand units.

Abstract

Home to 7 of the 10 tallest buildings in New Jersey, and 16 of the top 20, Jersey City is the growth engine of North Jersey. Situated at a strategic junction between New York City and Northern New Jersey, Jersey City has attracted acceleration investment and development. With a diversifying new economy, elected officials consistently support tax incentives and an aggressive approach to modernizing zoning code that has transformed Jersey City's skyline, economy and culture. Starting with historic preservation in the 1970's, followed by a new wave of redevelopment planning in the 1980's, the city's Planning Division has developed an approach to urban planning that has taken advantage of the dynamic market forces while requiring quality urban design. This paper will detail the evolution of Jersey City's zoning and redevelopment code with site specific, customized regulations that balance the needs of developers, architects, engineers, community groups, and elected officials.

Keywords: Urban planning; Zoning

Jersey City is currently undergoing profound shifts in its economy, leading to a new round of urban development as dramatic as the city's original industrialization. This economic cycle is creating a skyline in Jersey City, now home to 7 of the 10 tallest buildings in New Jersey and 16 of the top 20 - all built within the last 25 years. Situated at a strategic junction between New York City and North Jersey, which is an often overlooked metropolitan area the size and population of Los Angeles, (see Figure 1) Jersey City has attracted accelerating investment and urban development. From humble beginnings as a Dutch outpost of the New Amsterdam colony, Jersey City would later become a classic example of urban decay and deindustrialization, leaving vast tracts of empty rail yards and blighted neighborhoods that now offer unrivaled opportunity for redevelopment at the center of the New York metropolitan region.

Beginnings

Jersey City is New Jersey's first city. It was a colony of the original Dutch settlement of New Amsterdam, and was first settled by Europeans in 1630. Its location directly across the Hudson River from Manhattan ties its fortunes to one of the world's greatest cities.

And so it has been that Jersey City's history was one of living off the harbor. The Dutch recognized the strategic value of the harbor, one of the world's best, and promptly turned their colony into an internationally competitive port city. During the colonial period,



Figure 1. Map comparing the geographic area of Los Angeles overlain on the Northern part of New Jersey (Source: City of Jersey City)

most of the port activity remained on the New York side as small freighters easily unloaded onto the hundreds of docks lining the shores of Manhattan. This would begin to change during the period of industrialization, as demand for greater access to the interior of North America would reorganize the port activities around freight rail. Situated on the mainland side of the harbor, New York's port activities began a westward shift to Jersey City, which became the rail terminus of the nation. During the 19th Century and into the 20th, the railroads occupied almost the entire five mile shoreline and extended Jersey City with landfill into the Hudson River. This created over 400 acres of rail yard in downtown Jersey City's Hudson River waterfront, as well as massive multistoried warehouse facilities to service the port.

Bypassing the Erie Canal and the New York side of the port, cargo from the heartland of the United States was brought by rail to the Jersey City waterfront for overseas shipping. All this thrived and grew until the invention of standardized shipping containers in the 1950's and the shift to intermodal freight transport. Overnight, the shipping industry changed from the break bulk method to the containerized method. A system that had been in use for millennia was suddenly obsolete, as a new period of globalization began with the container. And so in 1956, the decline of the Jersey City waterfront began. Containerization required

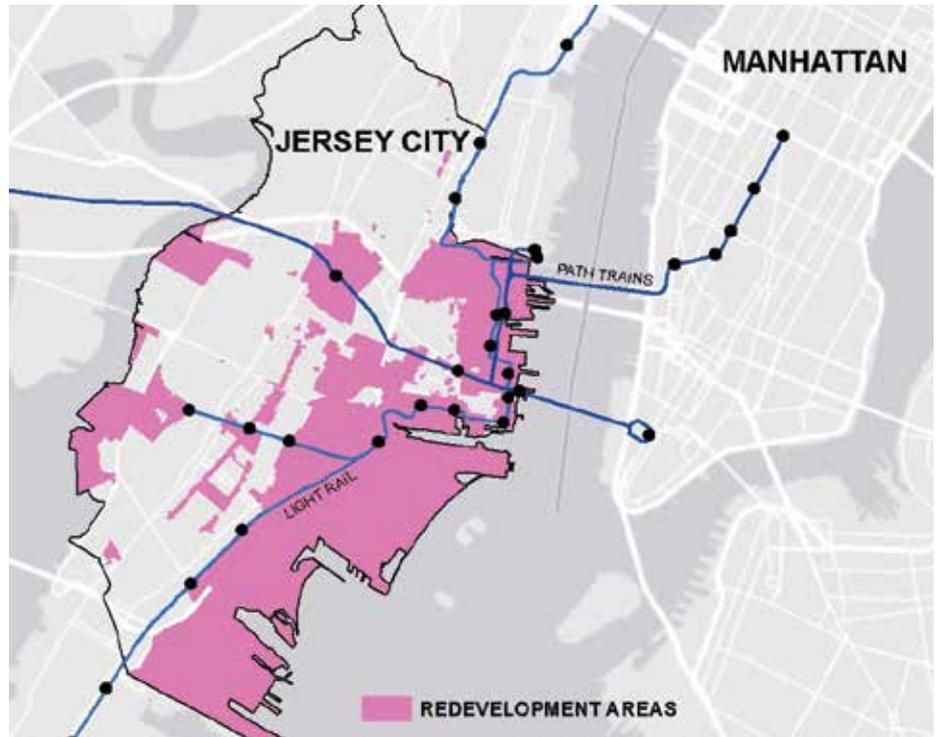


Figure 2. Jersey City Redevelopment Areas, including PATH and Light Rail systems, and showing the location of the port relocations (Source: City of Jersey City)

a complete reorganization and redesign of port facilities with large tracts of land to stack and sort containers, as well as far fewer but much larger shipping berths to accommodate ever larger container ships. Both sides of the Hudson River are obsolete for this operation and the port activities relocated yet again further west to Port Newark and Port Elizabeth (see Figure 2).

The collapse of Jersey City's rail and shipping economy occurred over the next decade. The movement of industry away from the Northeastern United States had begun and further eroded Jersey City's economy, abandoning the vast tracts of rail yards and warehouse space just opposite Manhattan

along the Hudson River waterfront. Seeking a way to revive the city, Mayor Thomas Gangemi called upon the state of New Jersey's Office of Planning for help in 1962. The plan that emerged was to create "Wall Street West." Situated one mile west and a five minute subway ride from New York's financial district, the city was primed for rebirth as a financial center. While it would take almost 40 years to build the 800 foot tall Goldman-Sachs building, within ten years of the Wall Street West plan, the first new office buildings in 50 years were built on Montgomery Street, and they became the locus of the Over the Counter stock market trading.



Figure 3. Gregory Park urban renewal site clearance, circa 1954 (Source: Jersey City Public Library)

Urban Renewal, First Wave

Like most American cities, Jersey City had been hollowed out by the years of the Great Depression and World War II. The United States Congress created a program to allow American cities to repair the damage done by years of neglect and deprivation. Urban Renewal was the tool given to the cities to rebuild and replace the slums and blight that plagued American cities, large and small. This took the form of massive clearance projects that scraped the land bare and resulted in the first high rise housing projects to be built in the United States.

Jersey City moved fast to take advantage of these new federal programs and created the Jersey City Redevelopment Agency in 1949 and began the nation's first Urban Renewal project in 1952 (see Figure 3). To be called

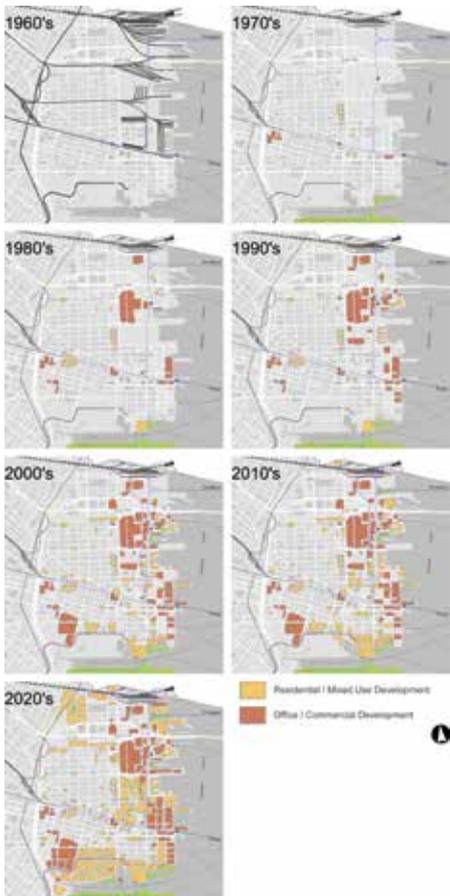


Figure 4. Redevelopment projects by decade. Note spike after Hudson Bergen Light Rail opens in 2000 (Source: City of Jersey City)

Gregory Park, twin 21 story towers were built as residential co-ops for families with limited incomes. Surrounded by expansive parking lots, they were an American version of Le Corbusier's "tower in the park," except they were "towers in the parking lot." These types of projects were primarily focused on housing development and often lacked retail or quality open space. Early projects also cleared acres of urban land for surface parking lots, adding to Jersey City's already enormous inventory of un-built land surrounded by quality infrastructure. Today, Jersey City is working to "fix" the unfortunate mistakes of 1960s Urban Renewal.

Pre-1980 urban renewal programs were focused on the removal of dilapidated buildings and blighted neighborhoods and paid little attention to the issues of urbanism, walkability, public open space, and transit oriented development that dominate urban planning today. Early redevelopment efforts completely failed to recognize the location of major redevelopment projects adjacent to mass transit facilities and were instead attempting to compete with suburban development with high parking ratios exceeding one per unit and low lot coverage ratios, sometimes as low as 15% of the site. These early redevelopment models relied on high levels of federal and state subsidies, since "slum clearance" was the major aim and private finance was disinterested in

urban investment. This inefficient use of urban land, often in transit accessible locations with significant infrastructure investment, would quickly prove unsustainable. As federal and state subsidies began to disappear and a new vogue for urban living began in the 1980's, private investment began to reassert itself in Jersey City's development program. Noting the shift, Jersey City's elected officials rebuilt the Planning Division and began experimenting with a new wave of urban redevelopment planning, leveraging the city's infrastructure assets in mass transit facilities and a dense street grid network.

Urban Renewal Redux

With a new focus on urbanism, walkability, and a more rounded effort at economic growth rather than simple housing development, the Planning Division began a program of enacting a series of redevelopment plans permitting much higher densities, taller building height limits, lower parking ratios, retail requirements, and a greater focus on urban design and walkability. Averaging two to three redevelopment plans per year, today, 92 redevelopment plans are in effect covering almost 50% of the city's land area and encompassing nearly all major development projects (see Figure 2). Traditional zoning code which guided development since the 1920's has been left behind. It should be noted that alongside these redevelopment efforts was the establishment of four historic districts in the 1970's which had also been boarded up blighted neighborhoods. Historic preservation has successfully spurred neighborhood re-investment and stabilization and has been an important

counterpoint to the intensification of development permitted by redevelopment planning. Preservation and redevelopment have worked well together, often on parcels immediately adjacent to one another, and have reinforced each other's benefits.

Jersey City has not always found it easy to attract private investment, despite its unique and strategic location. While Jersey City's proximity to Manhattan's financial district and midtown on the PATH subway system are obvious attractors for development, often over looked is the city's connection to the cities and suburbs of Northern New Jersey. North Jersey is an area of approximately the same size and population of Los Angeles with nearly the same sized economy. Jersey City sits on an enviable strategic transfer point between the two economic behemoths. The PATH train which connects Jersey City to Manhattan is one of few subway lines in the world offering 24 hour service. Jersey City is also well served with various ferry and bus services as well as a light rail system connecting to other North Jersey municipalities that began operation in 2000. With highway and rail access to North Jersey's 3.5 million people and New York City's 8.4 million, nearly 12 million people are within an hour's reach of Jersey City by car or transit. While it is often assumed that people and businesses moving out of New York City drives the Jersey City real estate market, northern New Jersey makes a significant contribution, powering Jersey City's development from both sides. It was only after the 2000 opening of the Hudson Bergen Light Rail System, centered on Jersey City's waterfront, with access to NJ Transit connections at the Hoboken terminal, that the office market began to truly boom (see Figure



Figure 5. Goldman Sachs tower (Source: Dean Marchetto AIA)

4). Soon after, Goldman Sachs built its 800 foot tower, currently the tallest in New Jersey, adjacent to one of the stations (see Figure 5). Indeed, Jersey City has become the economic driver of northern New Jersey, overtaking Newark and suburban locations in residential and office space growth. The Regional Plan Association, a nonprofit regional planning organization, recognizes Jersey City as the only part of New Jersey that is part of the New York metropolitan core.

The acres of empty parking lots and railroad yards from the earlier era sitting in the middle of the New York metropolitan region with 24 hour mass transit facilities and a dense street grid network have set the stage for a new round of intense redevelopment led by private investment. State enabling legislation which grants municipalities the authority to enact zoning codes has had difficulty keeping up with this opportunity as well as rapidly changing market forces and construction cost structures. Zoning was invented to exclude and separate; it encourages stasis. Redevelopment inherently implies change. Fortunately, the State also enables municipalities to enact redevelopment plans which are a more flexible form of zoning which can detail site-specific design requirements. Redevelopment plans may also permit compulsory land purchases (eminent domain), require contractual agreements between a developer and the Jersey City Redevelopment Agency (called developer designations), and permit long term tax abatements. This has allowed the Jersey City Planning Division to create redevelopment plans with highly customized and site specific development regulations that balance the needs of developers, architects, engineers, as well as community groups and elected officials. Redevelopment plans are readily amendable, allowing developers to propose new project concepts and quickly test the political appetite for often dramatic land use changes. The process of redevelopment plan enactment and amendment has been fast, averaging around 6 months to successfully negotiate the design requirements and community benefits for a proposed project and receiving development entitlements. Bureaucratic speed has allowed for the continuous updating of plan requirements to match market demand, developer interests, as well as incorporating the latest public interest needs for each project. Tax abatements and contractual developer designations have also been crucial components to Jersey City's redevelopment success. They have allowed Jersey City's



Figure 6. Freight rail era waterfront, now the Newport project (Source: Jersey City Public Library)



Figure 7. Newport project, redeveloped from freight yards (Source: Newport Development Associates)

property tax structure to remain competitive and attract investment, despite New Jersey's over-reliance on real estate tax revenues. Developer designation contracts with the Redevelopment Agency have also secured necessary infrastructure improvements and other community benefits to support continued development which could not have been obtained through traditional zoning ordinances.

Using redevelopment planning as the preferred legislative tool to guide development, Jersey City has been able to capture the opportunities that its location, land availability, and transit access have afforded it. In the 1980s, this was a "give

away the store" process, as Jersey City was just emerging from its decades of decline. Incentives were necessary to attract private investment in the uncharted land on the other side of the Hudson River. New York City worked hard to dissuade companies from relocating, so Jersey City had to secure financial incentives to attract the first wave of private development. The Newport Redevelopment Plan was the first large scale, private redevelopment project of the 1980s, and benefitted from a \$40 million Urban Development Action Grant (the largest ever given by the United States Department of Housing and Urban Development) in 1983. The regulations of the plan were short and

simple, granting the developer wide latitude in design. Despite this give away, the plan did require mixed use, creating a vibrant and self sufficient neighborhood today (see Figures 6 and 7).

After Newport, the Jersey City Municipal Council and the Jersey City Planning Division continued with a consistent and intensive legislative effort, enacting a 35 year series of redevelopment plans and redevelopment plan amendments to create a market oriented planning paradigm that achieves necessary public interest goals. As the economics of building construction have changed along with market demand for different types of housing and office spaces, Jersey City's redevelopment plans have been able to adapt with each shift in market dynamics. The long series of legislative votes for each plan adoption and amendment has also enhanced the public's level of participation by maximizing voter opportunity to influence in the process.

The "give away" has now gone away. Current redevelopment plans are written with community benefit bonus provisions that

require developers to pay for neighborhood amenities, transit improvements and affordable housing. Over the 35 year evolution of redevelopment planning, Jersey City has moved away from the high parking ratios that could never compete with suburban car accessibility. Parking requirements were consistently lowered and in many areas have now been reduced to zero with maximum permitted parking in transit accessible locations. Combined with increased permitted building height, this has achieved the necessary densities to privately finance site consolidations with limited use of eminent domain. These changes have also supported retail and employment growth, as well as bolstering the walking trip share and use of biking and mass transit. Jersey City has the country's second best modal split of automobile driving versus other means of transport and the second lowest car ownership rate, second only to New York City.

Concern for issues of urban design and quality open space now take precedence over traditional planning goals of limiting densities and building heights, regulating unit sizes, and excessive requirements for yards

and lot coverage. Recent redevelopment plans that have been enacted have done away with building height limits, density limitations, and parking requirements at Jersey City's most transit accessible locations. In their place are requirements for public plazas, ground floor retail, rooftop amenity areas, bike parking, quality urban design, and other public amenities such as theaters and arts space. Another priority has been a focus on Jersey City's economic development and job creation. By encouraging high rise residential and office construction, Jersey City has been able to maximize the growth of its ratable base from the limited supply of land with the best accessibility. This has produced a positive cycle of employment growth as high density residential and office development spurs nearby entrepreneurial business creation, making neighborhoods yet more desirable for office and residential development. Jersey City outpaces the State of New Jersey in job growth and business creation. Jersey City is also one of the few government entities in the world since the 2008 market crash to improve its bond rating due to rapid ratable growth.



Figure 8. Jersey City skyline (Source: Dean Marchetto AIA)

The continuous and rapid process of redevelopment planning and the constant amendments to those plans have enabled a high degree of plan innovation. Regulatory ideas that fail are quickly re-worked to support buildable projects. The removal of unit size requirements has permitted new concepts such as micro unit housing, as well as allowing developers to tailor the unit size and mix to consumer demand. Form based development controls, which define a permitted building envelope within which a developer can have maximum flexibility, are now the preferred zoning control. This has achieved a high level of market flexibility while securing quality urban design. Plans have also incorporated graduated floor area ratios (FAR) and building height limits whereby permitted building height and FAR is indexed to lot size. This has incentivized private site consolidation for high rise development without government assistance at prime locations where small lots predominate. Vertical zoning is another planned innovation which is now beginning to come into use. It requires different uses at various building levels to achieve public amenities above the ground floor tied to building height bonuses.

The Future of Market Driven Public Interest Redevelopment Planning

As Jersey City's building boom accelerates and attracts international investors, new public interest issues have come to the fore that will guide the evolution of Jersey City's redevelopment planning into the future. Hurricane Sandy, which flooded large parts of Jersey City, has challenged builders, planners, and community groups to address flood proofing without sacrificing urbanism. Flood proofing can require raising building plinths to base flood elevation, thereby creating blank walls and empty spaces between buildings. Redevelopment design controls are working to avoid these errors. Combined sewer overflows (CSO) into nearby rivers will also be strictly controlled in the future, necessitating new redevelopment requirements for green infrastructure such as green roofs, storm water swales, and other forms of on-site storm water retention. Other green building requirements for energy use and waste management, as well as mandates for valet or mechanical parking to reduce building volume of parking areas are in the early years of regulatory experimentation. As higher urban densities

have generated pedestrian traffic, bike lanes, traffic calming requirements, bike share docks, newly pedestrianized streets, and Bus Rapid Transit have made their debut in Jersey City's planning efforts.

Since 1980, 18 million square feet of office space have been developed on the Jersey City waterfront, generating the highest price per square foot office deals in New Jersey history and marking the success of the original "wall street west" concept. Currently over 6,000 housing units are under construction with another 20,000 units approved by the Planning Board. Much of this development is accommodated with high rise construction with approximately 28 buildings over 300 feet tall and 6 buildings over 500 feet with several more under construction. China Overseas has approvals for a new tower at 889 feet. Within a few years, Jersey City will overtake Newark as New Jersey's most populous city. As Jersey City grows upwards, skyscrapers on the Jersey side of the Hudson River will continue to evolve and make their mark in the Greater New York skyline (see Figures 8 and 9).



Figure 9. Jersey City skyline (Source: Dean Marchetto AIA)