

# NJBIZ

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## 'THIS IS NOT MY OLD JERSEY CITY'

BY JOHN PARKINSON

Phil McGovern is not shy about telling you his street address, church parish and the Jersey City neighborhood he grew up in. The managing partner at the law firm Connell Foley fondly recalls the vibrant mix of ethnicities and middle-class working folk that gave the city its character. McGovern has stayed close to his roots, even as he has built a successful legal career. His firm has been involved in some of the largest Jersey City development projects, including the Urby, New Jersey's tallest residential building. NJBIZ recently had an opportunity to ask him about his city, firm, and some of the projects Connell Foley has worked on.

**NJBIZ:** What's it been like to see the building of major skyscrapers in the city?

**McGovern:** If you had told me 30 years ago that the Jersey City skyline would be dotted with skyscrapers and downtown would turn into one of the most significant economic growth areas in the United States, I would have quietly placed you in the back seat of my car and driven you to the nearest psychiatric ward. To know that Jersey City is now considered a "hip" place to live is mind-boggling for those of us who grew up here. As kids, we commonly referred to Bayonne as the "Short Hills" of Hudson County. Back then Jersey City, and even Hoboken, was not the desired address it is now.

**NJBIZ:** Can you provide an overview of your firm and what they do in terms of real estate development?

**McGovern:** Connell Foley is a full-service law firm, with a particular emphasis on real estate and land-use development. We opened our Jersey City office in December 2002 to specifically expand this focus. Following a number of discussions I had in the late '90s and early 2000s with a longtime neighbor and local lawyer, Bernard Hartnett, a compelling argument was made to my then senior partners at Connell Foley that we should be in Jersey City. We opened our first satellite office

on Chapel Avenue by acquiring the three-person firm of Schiller, Squeo and Hartnett, and I relocated my office from Roseland to join them in Jersey City.

**NJBIZ:** You represented Mack-Cali Realty Corp. in the assemblage, joint venture and development of a significant residential real estate project in Jersey City. Can you talk about what project that was, and the specific work you and your firm did on it?

**McGovern:** The Mack-Cali deal was significant at the time because it came together just at the tail end of the 2008-2010 recession. Mitch Hersh, the former Mack-Cali CEO, came to our office and inquired whether or not we could successfully handle a change to the zoning designation for the three adjacent pads outside of our existing office space. At that time each parcel was zoned for commercial/office.

Mitch had the good sense to foresee that development along the waterfront was changing. The appetite for office space had dwindled to a standstill but conversely the outlook for rental housing was quite optimistic. Mitch asked if we could get the zoning changed and I was confident that our Jersey City land-use team could accommodate his request. He also asked me for several recommendations for a residential development partner. I gave him a few names and of those he selected David Barry and the Ironstate [Development] folks as Mack-Cali's residential partner. From those conversations we represented the Mack-Cali/Ironstate joint venture and were successful in changing the zoning for those parcels and gaining approvals for the first of three proposed buildings, including the largest residential structure that at the time had ever been approved for the state. Each tower would total approximately 70 stories and contain over 700 rental units. The first of those structures is now completed and is commonly known as Urby. I understand from Michael DeMarco, the current Mack-Cali president and CEO (and former St. Peter's Prep classmate) that Urby is nearly 100



Philip F. McGovern Jr., managing partner, Connell Foley, pictured in his Jersey City office. — AARON HOUSTON

percent leased.

**NJBIZ:** Can you talk about some of the other major deals you and your firm have been involved in that relate to Jersey City?

**McGovern:** It's an estimate but I would say that since 2002 our firm has handled roughly between 60 percent and 70 percent of the development projects here in Jersey City. These projects have been for every major developer in this area and comprise some of the most significant projects in the city, including the Grove Street Towers, Crystal Point, Liberty Harbor North, Liberty National Golf Course and the vast majority of the LeFrak development of Newport.

**NJBIZ:** What have been the most remarkable things you have seen in the city in terms of development?

**McGovern:** The scope and pace of the development in Jersey City, originally along the waterfront but now in Journal Square and along the West Side, particularly by New Jersey City University, has been nothing short of remarkable. The rate at which buildings of over 50 stories are being erected, the attenuated infrastructure for those buildings and the amenity packages being offered by residential developers are astounding. To say the least, this is not my old Jersey City.

**NJBIZ:** What are the most pressing challenges Jersey City needs to address?

**McGovern:** The challenges are well-known. Given the diverse socioeconomic population of Jersey City, affordability of housing is of paramount importance to the current administration as well as the business community in general. Mayor [Steve] Fulop and his administration are doing great things to meet this challenge. In fact, at the recent Jersey City Summit where I served as the moderator, I credited Steve Fulop as being, at least in my opinion, the single most transformative mayor this city has seen since Frank Hague — giving due deference to Bret Schundler, Glenn Cunningham and Jerry Healy, each of whom played a significant role in

the early years of the Gold Coast's development.

**NJBIZ:** Are there any particular projects you are involved in and looking forward to seeing come to fruition?

**McGovern:** Our firm has a number of projects that are currently under construction. 99 Hudson is a 78-story residential condominium building containing 781 luxury units with attendant amenities and retail space. When completed, it will be the largest building in the State of New Jersey and one of the tallest residential buildings in the United States. We have projects in Journal Square and I am particularly interested to see how the development of the Square progresses. Journal Square is a large area with an eclectic mix of population and businesses; the challenge to transition that area into a booming economic hub affords great opportunity but presents significant challenges.

The firm is also involved in projects with unique public and private components that benefit the community. One such project is to be constructed on Columbus Drive and involves a substantial, multiuse project that is a first of its kind as it incorporates a new public school to be built by the developer and transferred to the Jersey City Board of Education for one dollar. In another, the firm has guided the developer in obtaining zone changes to provide for the development of approximately 1,200 residential units in three high-rises and a historic rehabilitation building. The project will provide the city with the construction and dedication of a new police facility and a new public park.

**NJBIZ:** As a long-time Jersey City person, how do you characterize or view the city today?

**McGovern:** Today's Jersey City is a great combination of the old and new. ... And by that I mean Jersey City has maintained its distinct Hudson County parochial roots while embracing all the recent development, a new and younger population and a great ethnic diversity.