



OFFICE OF THE GOVERNOR

NEWS RELEASE

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Gov. Christie Whitman Announces State Financial Support for New Hotel in Trenton

Gov. Christie Whitman today announced state financial support for the construction of a new hotel at Lafayette and South Warren Streets in Trenton.

"My administration has been working closely with the City of Trenton and Mercer County to ensure that guests of our fair city won't have to leave when its time for bed," Whitman said. "The hotel will show Trenton can be a bustling center for commerce, sports and the arts. Making Trenton the best that it can be will make all New Jerseyans even prouder of their home state."

"The hotel's location next to the War Memorial is a natural connection," the Governor said. "Now Trenton will be a destination for travelers who enjoy taking in a show -- and staying to take in the local scenery. Along with Waterfront Stadium and the planned new arena, the War Memorial will show that when Trenton makes music, home runs, foul shots, and slap shots, the world will gladly take the time to enjoy them right here."

The Governor said that the state will provide a \$2 million loan from the New Jersey Economic Development Authority (EDA) Local Development Finance Fund, which will carry a low interest rate of five percent with no payments due in the first five years of the loan.

Interest payments of \$100,000 annually will be required in years six to ten and repayment of the principal and accrued interest will be due at the end of 10 years.

In addition, the state will also guarantee a construction credit of up to \$5 million to go toward the cost of integrating the hotel and War Memorial through a connector. The Capitol City Redevelopment Corporation will lend the project \$500,000 on the same conditions as the EDA loan.

The State Department of Treasury will also provide long-term leases and agreements on parking and the state-owned portion of the Lafayette Yard property which will be the site of the hotel, parking deck and other improvements. The Treasury Department will enter into negotiations with Marriott Acquest -- the company interested in building the hotel -- for a long-term management contract for the War Memorial, which will ensure that the State's responsibility for the War Memorial's operation costs will not exceed \$200,000 per year.

The total cost of the hotel is estimated to be \$36. 5 million.

The state financial support for the hotel is among a number of initiatives undertaken by Governor Whitman to help strengthen the Trenton economy and revitalize the city. Specifically, the Whitman administration has:

- Assisted in the completion of the renovation of the Roebling complex.
- Moved the Department of Education into Riverview Plaza to help ensure that development's continued viability.
- Sold, at below market value, the property adjacent to Riverview Plaza to the Mercer County Improvement Authority to allow the development of Trenton's first new night spot on the waterfront -- Katmandu.
- Allocated 28 percent of New Jersey's total low-income housing tax credit allocation to Trenton. This action has resulted in 451 units of affordable housing in just two years. By contrast, Trenton received 0.7 percent in 1993.
- Moved forward on the revitalization of the War Memorial to enable the facility to once again be able to host the performing arts.
- Funded the feasibility study on the hotel/conference center and earlier in 1997 made a commitment to provide a \$50,000 matching grant to an economic development corporation when the City of Trenton creates one.
- Completed the Route 129 extension and was the first administration to help Trenton clear snow during winter storms.

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