

# CRDA plan for free offices in Boardwalk Hall 'anti-development,' landlord says

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ATLANTIC CITY — The landlord who may lose the Board of Education as a tenant, if space at Jim Whelan Boardwalk Hall is renovated to offer the board free rent, said his company will appeal the tax assessment on 1300 Atlantic Avenue if it loses one of its main tenants.

“What the CRDA wants to do is totally anti-development,” said Aron Gottlieb, senior vice president of Diversified Capital in Lakewood, of the Casino Reinvestment Development Authority’s proposal to spend \$10.5 million to renovate long-vacant space in Boardwalk Hall.

“How many people will come to town and invest when they know the CRDA is going to pull out their tenants?” Gottlieb said. “How can anybody compete with free?”

Diversified bought the 135,000-square-foot, 8-story building known as the CitiCenter for \$1.75 million in 2004. It is assessed at \$4.5 million — \$1 million for the land and \$3.5 million for the improvements — and the company pays \$179,200 a year in property taxes, according to city tax records.

“He’s a private sector developer,” said CRDA Executive Director Matt Doherty in defending offering the Board of Education free rent. “It would make sense for him to have private sector clients.”

“If we can deliver government services in a more efficient, effective manner, we will,” Doherty said. “We are not taking his private sector clients.”

The BOE would contribute another \$2.1 million to the renovation, for a total cost of \$12.6 million for 28,000 square feet of space. That works out to \$450 per square foot.

The school board pays Diversified \$650,000 a year in rent for 18,000 square feet at 1300 Atlantic Avenue. It includes all utilities, parking for 82 employees, and janitorial and maintenance service, Gottlieb said.

Diversified offered the board a 10% discount in rent if it signed a long-term contract of about 10 years, according to Gottlieb.

Security guard Rosalyn Pugh said she will miss the Board of Education employees if the move happens, and so will area businesses and restaurants.

“I’m going to hate to see these people go. I’m close to all of them,” Pugh said. “Of course, a lot of them go out together to eat. It’s going to put a dent in (local businesses).”

Pugh said most of the foot traffic into the building is parents and others visiting the board offices.

The board of education has the fifth and sixth floors, and the state Division of Gaming Enforcement has the second through fourth floors, according to signs in the lobby.

Gottlieb also said merchants along Atlantic Avenue will lose the business of the board's 82 workers, further deteriorating the central business district of the city. He questioned Superintendent of Schools Barry Caldwell's characterization of the area around his building as unsafe.

"We are right across from the county building and Court House," Gottlieb said. "It's more secure than other buildings."

And he pointed out the board will be moving to Boardwalk Hall, which sits across Pacific Avenue from a "gentleman's club" advertising strippers and pole dances.

The building dates to 1920, and for decades was the home of the M. E. Blatt & Company Department Store. It also was the home of Lit Brothers when that store closed in the 1970s, and has been an office building since.

Gottlieb said the board of education would still have to pay hundreds of thousands a year for electric, heat, parking, maintenance and other amenities.

"There might not be rent (at Boardwalk Hall), but there will be other payments," Gottlieb said.

Doherty said the board will be given free parking in Boardwalk Hall's underground garage but will pay its own utilities.

Diversified owns 17 buildings in New Jersey and around the U.S. The building at 1300 Atlantic Ave. is its only holding in Atlantic City, Gottlieb said.

"We've been looking at other properties (in Atlantic City), but as of today we're stopping," Gottlieb said, "if this is the way they treat businesses."