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## There is a future for Square Corp.

### Agency is prepping budget to go forward

By JASON FINK Journal staff writer

JERSEY CITY—With the City Council in Jersey City set to approve its long-delayed budget tonight, the Journal Square Restoration Corp. has begun the arduous task of reorganizing itself.

After several months of public squabbling with its principal benefactor, a near total financial collapse and the eventual shutting of its offices and elimination of its staff, the Restoration Corp., a quasi-public agency supported in equal measure with state funding and by local property owners, is hoping for a new lease on life.

Although the organization is technically not operating—its 30 maintenance and security workers have been laid off since February—several city officials and others involved in the local business community have been working for weeks to resurrect the battered agency and put it on a path to financial solvency.

Members of the organization even met yesterday morning to get a better sense of what they are dealing with and to discuss how to save the agency, according to Ward C Councilman Steve Lipski.

“I felt a real sense of optimism from the owners and I’m enthused they have come together to make sure the dignity and integrity of Journal Square is kept in place,” Lipski said yesterday.

The Restoration Corp. president, Brian Coleman, resigned last month and Don Smartt, the district administrator for the Historic Downtown Neighborhood Improvement District, centered at Newark Avenue, was hired to oversee the reorganization for a three-month period ending July 1.

“We’ve got a three-month window,” Smartt said Monday evening after a caucus of the City Council at which the agency’s budget was discussed. “We’re conducting an entire review of the organization.”

Smartt was reluctant to commit to any particulars about how the revamped agency might look, but he said the budget for the next fiscal year, which begins in just over two months, was already in the works.

The problems at the seven-year-old Restoration Corp. first

came to light in February when maintenance and security personnel were laid off for what Coleman said was a lack of money to make the payroll. The former president attributed the shortfall to a refusal by the city Economic Development Corp.—which disburses state — aid to meet its financial obligations dating back to 1998.

As result, according to Coleman, the Restoration Corp. borrowed about \$500,000 from the Trust Company of New Jersey. When the bank stopped extending loans to the organization, Coleman said, it ran out of money.

Officials from the EDC have said Coleman’s requests to them for reimbursements were unreasonable and have vowed to keep closer tabs on the organization’s accounting practices in the future.

The budget submitted for approval for the current fiscal year is \$1.3 million, more than a third of which is listed as administrative costs.

“We spend far too much money on administration in (Special Improvement Districts) throughout the city,” said Marialyce Fitzgerald, the chief executive officer at the EDC.

The taxes assessed Journal Square business owners that are earmarked for the Restoration Corp. are Special Improvement District taxes.

Although officials have not yet determined precisely what the future role of the Restoration Corp. will be, they say the organization will most likely continue in some form.

“There will be a future,” said

Smartt, who declined to speculate even on whether he will remain at the helm or if a new president will be chosen.

As for maintenance, which is currently being handled by the city Incinerator Authority, the nonprofit Doe Fund and prisoners from the Hudson County jail, Smartt said some form of cleaning will continue in the Journal Square pedestrian plaza, but he was short on particulars.

“We’re going to take advantage of new alternatives in the private sector,” he said.

“It hasn’t been easy,” Lipski said at Monday’s meeting of the process of bringing the Restoration Corp. back from the brink. “The t’s are being crossed and the i’s are being dotted.”

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**Don Smartt and The Community Advocates was hired to oversee the reorganization of the Journal Square Restoration Corporation.**

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Don Smartt and The Community Advocates