

Interview with Christopher Paladino

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Berkhout: Well we've interviewed 15 people, you know, starting with John Heldrich, Bob Campbell, Eric Krebs was great. Tom Kelso, John Lynch last week.

Paladino: How was that?

Holtz: How is John?

Listokin: Very . . .

Berkhout: Very good. Very good.

Listokin: Very special.

Paladino: I bet that was interesting.

Berkhout: We spent two hours with him up in Linden.

Holtz: Uh-huh.

Berkhout: Pat Sheehan, Jim Cahill . . .

Holtz: Oh, okay.

Berkhout: You know, we're sort of, the only . . .

Paladino: So that's, that's from a time standpoint that's . . .?

Berkhout: Well we wanted to get people who were the more senior first because we don't know how long they will be remembering. Like Ralph Voorhees. And what was interesting was sort of the discussion about the people who lived in Highland Park who would come back to the churches, and the sense of community.

Listokin: That was something, you know, in part even people who left New Brunswick they had some connection because they lived nearby, but they went to church in New Brunswick, and they had those earlier ties so they may never have been here, but they had a

connection to New Brunswick.

Paladino: [. . .]

Berkhout: We have, we still have to schedule them, but Leo Molinaro who was head of American Cities Corporation . . .

Holtz: Yes.

Listokin: Right.

Berkhout: But his wife is ill, and he is in a retirement community, so I hope that works.

Paladino: Is he still in Philadelphia?

Holtz: Where is he?

Berkhout: In Philadelphia. And Bill Wright and Henry Cobb of I.M. Pei.

Paladino: Who's Henry Cobb?

Berkhout: He's Pei's partner. Pei, I guess, is not able to be interviewed.

Holtz: Gosh how old is I.M. Pei?

Listokin: But we spoke . . .

Berkhout: In his nineties.

Paladino: Richard Sellars (inaudible).

Holtz: Ninety?

Paladino: But Richard Sellars is not well.

Listokin: Alzheimer's.

Paladino: Yeah.

Holtz: He has Alzheimer's, yeah.

Berkhout: So we're moving on. The only rejection we got, and maybe someone can

help us with this, was Jim Black of the Frog & the Peach. Everybody said you should talk with him about, you know . . .

Paladino: Yeah, that would be a great story because that was an interesting.

Berkhout: Right. And he said he prefers to keep that in his past. So, I'm thing maybe John might help.

Listokin: You know, I view it as if only one person says no when we've spoke to many people, and we've had . . .

Holtz: I'll . . .I'll ask

Paladino: Yeah, it's kind of interesting.

Berkhout: Right.

Paladino: I've never met the man.

Holtz: The history is – I wouldn't know him. No.

Berkhout: Really?

Holtz: No. Betsy and I, you know, are friendly.

Paladino: I've talked to Betsy, but never him. He's left me – when I first got here because that was during the, still the Riverwatch stuff, which I inherited here – and he would leave me like messages, but never return a call. And I've never met him.

Holtz: His viewpoint is really important.

Listokin: Well, that tells you something.

Berkhout: We've also interviewed some of the NBT people, Ted Hargrove, we interviewed Kenneth Wheeler, who was the Provost who initially, you know, Ed Bloustein had involved.

Paladino: Oh sure.

Listokin: We'll – we'll send you a list of.

Berkhout: So we're filming, and videotaping them, and we have audio tapes and we're having them transcribed, and at some point we'll have to figure once we have 25 of these, 50 hours I guess, what's the next step. Are we going to have a, you know, video made of it for classroom use or scholars who want to see them . . .

Listokin: It's how to pull out, you know, there's the archival end of it is important. That it's memorialized and it's put in the library somewhere.

Berkhout: Right.

Listokin: But what you really want to do synthesize, you know, from all these hours of discussions, you know, a shorter video and some other materials that land up in some, you know, New Brunswick library or . . .

Paladino: How do you do a shorter video that doesn't have editorial content? I mean you're choosing and picking what . . .

Berkhout: I know.

Paladino: You know?

Berkhout: Right.

Paladino: I mean, I'm not saying that you would do this, but someone could take . . .

Berkhout: Correct.

Paladino: Pieces out of all of this and shape whatever story they wanted.

Berkhout: Right, right.

Paladino: It's a very, it's a very, I'm so glad you're doing this because particularly with the John Heldrichs of the world and stuff who just don't have that much more time, and people talked about it. I saw a great – I can't remember her name now – she's an architectural

historian at Columbia.

Listokin: Right.

Paladino: Who is married to Warren Kramer. He's one of the richer people in New Jersey. He's a big Democratic national fund raiser. But she did a special exhibit, curated a special exhibit at the Museum of the City of New York on Robert Moses.

Berkhout: Oh, okay. Yes.

Paladino: And she talked about – I guess Columbia has a big oral history operation.

Berkhout: Yes. Right.

Paladino: And how important that was to things because, you know, the crowd of people that were around Robert Moses and in that period of time are dying very quickly.

Berkhout: Yes.

Paladino: But they were able to get like a month before she passed away, the woman who led the grassroots opposition to Lincoln Center.

Berkhout: Right.

Paladino: And they actually used in – I mean what I think would be kind of cool, if some of this somehow eventually could be used, you know, if something that could almost because you're looking for artifacts and stuff, if there could be some, not necessarily a permanent exhibit, but a public exhibit.

Berkhout: Yes.

Listokin: Well, well that's what I'm thinking, you know?

Berkhout: That's what John would like to have, too, like some kind of a little museum.

Listokin: You know before and after photos, you know. There were aerials. There

are bits and pieces of this all over.

Paladino: And then you kind of run stuff on a loop with, you know, people talking, and who these people and personalities are.

Holtz: Would you like some water, or something.

Paladino: Oh, I'm sorry.

Listokin: In City Hall and the New Brunswick Public Library, and at Rutgers, and maybe here. You know it . . .

Paladino: We could do it in our exhibit space in the hotel.

Berkhout: Yes. Yeah that would be nice.

Paladino: You know, I mean even if you had that short kind of thing. Like running it, you know, making it available to the Hyatt and then to Heldrich to put on our loop on the television. You know when you wake up there's always something on the television?

Holtz: Oh, yes.

Paladino: It's a very, it's a very, obviously, it's going to be an interesting perspective.

Berkhout: Right.

Listokin: So we should have some discussions about, you know, what's the next step.

Berkhout: About the next step.

Paladino: Yeah, sure.

Listokin: Because we want to hear from different people.

Berkhout: Before I forget . . .

Paladino: Did you get a hold of Nero at all?

Berkhout: Before I forget, we did interview Chris Foglio, but we need contact

information for Frank Nero and Paul Abdalla, but I do have Frank Nero's.

Holtz: Yeah, Frank's in Miami.

Paladino: I got Frank's stuff.

Berkhout: Who would have Abdalla.

Paladino: I think Abdul makes it a whole different part of the world.

Holtz: What's Nero's? Frank Nero?

Paladino: Frank Nero. Yeah, we have that in our list.

Holtz: And what was Abdalla's first name?

Paladino: Paul.

Holtz: I wonder if Andy knows that?

Berkhout: We don't need it right now, but . . .

Holtz: How do you spell Abdalla?

Berkhout: Abdalla?

Holtz: Okay. We'll see what we can find.

Berkhout: Okay.

Paladino: And Frank Nero will be interesting.

Listokin: Yeah, I remember working with Frank.

Paladino: Oh yeah? I met Frank Nero once in my life. You know Dave Fleming?

Berkhout: Yeah, I knew him when I first went on the State Theater Board – he was just going off.

Listokin: Also in a strange way, you know, former students of mine . . .

Paladino: He's around again.

Listokin: Became, you know . . .

Paladino: Chris was a student of yours right?

Listokin: Yeah, Chris was a student. Our New Brunswick Planning Director.

Berkhout: Oh and Glenn Paterson.

Paladino: Glenn?

Berkhout: Glenn.

Paladino: Oh, so you're responsible for him.

Listokin: And so it's kind of nice to have seen . . .

Berkhout: Not his mood!.

Listokin: To have seen, you know, people that have – and just before I forget because I'm getting older I forget a lot of things. We're doing almost a pro bono study for the Fund for New Jersey on innovative ways to construct schools other than the standard model. All right. I know you are currently involved . . .

Paladino: Construct them or pay for them?

Holtz: Yeah, construct or pay . . .

Listokin: With . . .

Paladino: This is an interesting story here because, you know, we are finishing this six months early, and we haven't announced any of the details yet because we won't know until a final accounting, but we have saved the state millions of dollars.

Listokin: So my quick question is, we're doing a number of case studies, my gut tells me that would be an appropriate case study?

Paladino: That and I think the Lord Stirling School because the Lord Stirling School was totally out of the box. We actually went, I actually went to a bank and borrowed the money from First Union for that school.

Listokin: So if we can followup on that front?

Paladino: Because of redevelopment project. You know there are a lot of interesting little twists to it.

Listokin: All right.

Holtz: Sarah would be . . .

Paladino: The School Construction Corporation has . . .

Speaker: Sara has all kinds of ideas and recommendations too about what . . .

Berkhout: Sarah Clark?

Holtz: Yeah. About what works and what doesn't.

Paladino: They've screwed a lot of this stuff up.

Listokin: So that would be – we're looking at a number of things, also out of New Jersey. Like the University of Pennsylvania constructed a school for Philadelphia, you know, and they staff it as well.

Paladino: Well it's the Franklin Institute or the Franklin School or the . . .?

Listokin: I believe that's . . .

Paladino: Yeah that. Oh don't get me started. That was my, that was the center piece of the College Avenue Redevelopment that we had pitched?

Berkhout: Yes, yes.

Paladino: That there was going to be a school, but the university would be in control of at some level, and the fact is that what we really wanted to do is reclaim that neighborhood for families. You know? And get it away from the students. Get the students out of those houses, because that was a – you know it's a great place for a young Latino or black family that wants to stay here to go to a good community school run by Rutgers. Their kid can walk. They walk

through Bucculah Park, play in the park, and the housing stock is still like decent. But your bosses went in a different direction. They wanted to spend all their money on a big bus stop, which they're never going to build.

Listokin: Okay.

Paladino: That was Glass. You know, I'll never forget . . .

Holtz: Follow-up.

Listokin: We will follow-up.

Paladino: If I ever get the time, at that time I said, you're going to build this glass bus stop? I said, what do you think college students are going to do? They're going to put stickers all over it.

Berkhout: And what Kenneth Wheeler say? That if it had been left up to the university to make some of the decisions they would have talked about it for 10 years and still not have had a consensus.

Listokin: And nothing would have – and more, they didn't have the resources or willing to commit the resources, but more they couldn't make decisions, you know? It's all group speak.

Berkhout: Kenneth, my first job at Rutgers was working with Kenneth Wheeler.

Paladino: Is he retired?

Berkhout: Yes. He retired, he was originally an urban historian, and did a lot of work on comparing Paris and New York, and you know cultural scenes, and all of that. So he was very interested early on in getting Rutgers to do more in the downtown. He said there was this beautiful bank, I guess it's the one on the corner of Church. It had a beautiful inside. Had marble fireplaces. He wanted Marvin Greenberg to put money into it, and put visiting faculty in

there. He said they would love it. They'd be near the train station, whatever. And they said, you know, no. He said they were too cheap. They never got I – I guess that was when the Cedar Lane apartments got built. Or not the Cedar Lane, the Treetops? So he said so then they were out there and, you know, not near a city or anything else. But that was kind of typical, he said that he would suggest these things, and try to get more interest in the downtown.

Listokin: We pull no punches.

Berkhout: Yeah.

Listokin: Let me thank you. This has been an enjoyable and I think important activity in memorialized talking to the principals involved in the redevelopment. Looking back in part looking back as a basis to looking forward in, you know, what do we take from this. So we've shared with you, this is not going to be a question and answer, but, you know, I'd look at such thing as why, who, what, outcome, hindsight, transferability. It's almost you know what you would train journalists on, who, what, when, where, how. All right. But the most important thing we're finding is to start with the individual. Maybe you can tell us something about yourself and how you came to New Brunswick. I mean – because we're finding that's important. That background. Maybe we can get a little thumbnail sketch about, you know, where you were born? Where you grew up? Went to school? You know, your work? And then coming to New Brunswick.

Paladino: Well you know, it's like, everything is a big circle. It's where I was born. It's where you would probably find that most people in central New Jersey were born. I was born at St. Peter's Hospital. But more importantly, I mean this was, when I was a kid, the center of the universe. I lived one block outside of New Brunswick between Remsen and Livingston Avenue in North Brunswick. My parents both grew up here. Probably neither of them probably

spoke English until they went to school; my mother being Hungarian and my father Italian. They – you know, this was the center of the universe. You came here to go to church. You came to New Brunswick to buy your school shoes. You went to the doctor. If you were lucky, you got to, you know, eat at the lunch counter at, you know, Arnold Constable or P.J. Young's. It's where you went and bought clothes, and this was the, you know, early and mid-sixties. So it was, obviously, an important part. My father was a teacher in the high school in New Brunswick when I was a kid. So I would spend the last week of August sitting there stamping the books and un-crating the new texts, social studies textbooks, and when he was coaching basketball, you know, carrying the basketballs at the games and those kinds of things. So it was an important part of my growing up experience. It was also the place, by the late sixties where your parents told you like you're in New Brunswick lock the doors when we would drive through. I mean it had changed that quickly. In fact, I'll never forget, and I don't remember if it was '68 or '69 when I forgot what the polite term for what happened here was, unrest or . . .

Listokin: Civil disturbance.

Paladino: Civil disturbance. My parents taking me down to Livingston Avenue because there was actually, believe it or not, in North Brunswick, a block from New Brunswick, there was a gun store in the back of someone's backyard. The guy sold hunting equipment. And we were designated one of those places that was more secure. So there were police at the end of our street for a week or two at night when there were disturbances going on. So I vividly remember, you know, the picture of Pat Sheehan in the *Home News*. The *Home News* was a real newspaper in those days, and standing on the hood on the front end of a car with a megaphone, you know, talking to a crowd of people. My mother ran daycare programs for the YMCA here, and so people who I later came to know professionally and personally and created friendships

with, like David Harris, you know, David Harris was that young guy with the big afro in the *Home News*, which I remind him about all the time. So a lot of the, you know, we'd go to church on Christmas Eve, and used to drive over to the neighborhood over by New York Avenue, and you know, the Lynches always had really nice decorations on their house, you know, so these were people who I only knew as almost mythical figures in some ways, on one level. And the other side of it, you know, like Bob Campbell was my Little League coach growing up. These people I knew when I was – knew in a totally different part of my life. So New Brunswick was never, you know, I didn't happen upon this as an adult, and not understand the culture, you know. I went to high school in North Brunswick, and played football and basketball games against St. Peter's in New Brunswick so this was kind a part of life. And then I went to Rutgers and lived here for four years. At that point, never thinking that I would return. I went to law school in Camden, and lived in Camden, and so that was kind of an interesting urban experience. Different than the one I had here. And New Brunswick was never, you know, my alma mater always having been kind of back handily supportive of the city in some ways. And I remember going to freshman orientation, and being told you don't go underneath the bridge by the public safety people at Rutgers. This was a place that I was always comfortable. I never found it intimidating. I think even in the seventies, you know, even in the late eighties, and during that period of time, excuse me, in the late seventies, I'm much older than I want to remember, many New Jersey kids, particularly kids who were oriented towards New York City or kind of come from more so the ex-burbs. You know out of the Hudson and Essex County, kind of laughed when they thought that this was really a tough place, because – and I guess in some respects it was – but, you know, New Brunswick always had an interesting mix of population that, I think, never made it particularly frightening to any one group of people. So I lived in Camden. Got

married. Went to work in an awful place in north Jersey, Roseland.

Berkhout: Oh really?

Paladino: It was like the Oz of law firms, you know, you had to get in your car. Probably the experience that has not living in Camden, not growing up here, not the work that I did at the state, probably that four years I spent working on an old farm in a sea of office buildings probably impacted my view of urban life more than anything else. It took 25 minutes to get a tuna fish sandwich. You had to get into your car. You had to go drive into downtown Livingston. You had to wait in line. You had to come back, and you know, it really shaped why – why an urban experience is an important experience for me.

I ended up working for Governor Florio in the governor's office, and then I became the Deputy Director of the New Jersey Economic Development Authority, where I probably, by total happenstance, started doing this type of business. It's nothing I ever, you know, sought out, woke up saying, I wanted to be. You know put in an historical perspective, Devco was founded when I was 16. I remember Devco, New Brunswick Tomorrow process being a point of controversy when I was in school. You know, I remember . . .

Listokin: Talk a little bit about that?

Paladino: You know, just there was the issue of, you know, the man, you know? John Lynch was the mayor, I guess, in those days. I mean I worked, I worked, not only did I, when I lived here, but I worked on French Street growing up, like in high school. And I remember his first campaign, which was a Democratic primary that him and George Hendrickson. It was very spirited. And then I remember, you know, kind of a little bit, at least what I remember, the controversy or the stresses between the university community and New Brunswick, and you know, much of it coming out of the planners at the university of what is

good urban policy, and urban renewal or removal, and those types of issues. Not that I cared all that much. It wasn't part of my undergraduate experience, you know, protesting anything, but I just remember its being an issue. I remember the city's inspection team coming in and, you know, getting ready to close a fraternity down for not having, you know, probably which things I would probably agree that they did the right thing, but you know like safety issues and things, but I'll never forget the building inspector wearing a side arm and being somewhat offended by that. So it's probably not until I started working at EDA that I became kind of more involved in these issues, and I really ran the real estate operation at the EDA, but until the last 18 months was the worst real estate recession in American history, you know, we're talking about 1991, which was a great . . .

Listokin: It prepared you for today.

Paladino: Well, it was a great time to be 31, to be in the government, and being part of – an area where you could actually do something important. You know, we had money. We had resources. I worked with Tony Coscia, who is now the chairman of the Port Authority. He was 33 at the time. George Zoffinger was the chairman. He had been, he was the secretary, and we were able to actually, you know, meaningfully provide some levels of financing for, you know manufacturing real estate projects, and we did most of our work in those days, spent most of my time in Jersey City. This was a time when they were really trying to get Jersey City jump started. Got pulled back into . . .

Listokin: Was that with Newport or?

Paladino: Not – actually, it was the 101 Hudson, the Merrill Lynch project - Colgate. Basically worked on every, every time somebody would hiccup at the New Stock Exchange, the Mercantile Exchange, any of those places, we would throw ourselves

wholeheartedly into trying to get one of those exchanges to move their operation to the Colgate site. Worked with Bank of America. We worked on a variety of projects. I think the leasing up of Newport Tower was probably the only real successes we had. Brown Brothers Harriman, a couple cable companies, some other things. Worked on the *Daily News* print facility, which actually, the transaction didn't even close until probably the most, the two most, probably important events where I was collateral damage that had the most impact on my professional career was number one – and they were both, Jim Florio being involved in both of them. Number one he lost the 1981 election. It was a great thing for me personally. I was really involved, I had worked for Bill Hamilton who had run for governor, and then I got involved in the Florio administration. If he had won that election, I probably would have some awful job in DMV today, and not be, you know? But I went to law school instead. And then obviously the second time him being elected, and I would be 49 years old, and walking funny because carrying those really bad litigation bags to, you know, courthouses in Essex and Hudson County. I got to actually to leave and do something fun, but then Jim Florio loses. Three events probably. Jim Florio losing again, probably got me at the right time out of state government and into something new. You know, Christie Whitman was elected, and the first thing I was told, and you know the transitional period that I was supposed to go tell Mort Zuckerman that the deal was off and he couldn't move, they weren't going to fund his move to Jersey City. So it was really kind of fun to be 31 years old and get sent to Mort Zuckerman's office while he smoked a Cohiba and blew smoke in my face while I told him he couldn't move here. The only good thing about the meeting was Barbara Streisand was there before I was so I got to size her up on the way in. But how I ended up here? Is that interesting?

Listokin: Yeah, yeah, that would be good. Just take us there and then some of the

early.

Paladino: George Zoffinger had – George Zoffinger had moved – had left the Florio administration early. He was probably one of the smarter members of the cabinet. Got off early and took over the Kean family bank. The bank that was founded by the Keans and the Roeblings; National State Bank of New Jersey. It was headquartered in Edison, excuse me, in Elizabeth, and George didn't like Elizabeth. He was living in Lawrenceville. His daughter was going to go to Rutgers. They bought, had just done an acquisition of New Brunswick Savings Bank, which is their landmark building is on Bayard Street. They're headquartered in this building. So George decided to, you know, move everybody out, and move his offices here. Interesting how you find decisions are made in the corporate world. When I was working at EDA and we were trying to lure corporations from New York City to the Jersey City waterfront, the most significant part of that decision was where the decision maker lived. If he lived in New Jersey or if he lived in New York City there was a decent possibility that you weren't automatically getting vetoed. If they lived in Westchester or they lived in Long Island they weren't coming to New Jersey. So George decided to move the bank to New Brunswick because he liked it, and it was closer to home, and I was, already, had packed up my boxes and was moving to New York to work for Windels, Marx, Davis & Ives, which is Tony Coscia's law firm in New York, and George called me and said – he and I were working on the World Cup at the time, he was the chairman and I was the president of the World Cup host committee for New Jersey and New York – and he said, you know, there's this thing called Devco. And I said, yeah, I know about Devco. He said, well it's kind of screwed up, and Chris Foglio left 18 months ago. There really hasn't been a president. Things have kind of slip, slided away, and I talked to the guys at J&J, and they wanted me to come in as chairman, and I told them I would only do it if

you came and did this job. So he said why don't you come. We'll do it for a year, and see if – see if we can fix it, and then you can go do what you want to do, but you don't want to be a lawyer anyway. And I said okay. So I told my wife I was going to do it for a year and then I would get a real job, and 13 years later I'm still, she's still waiting for me to get a real job. So we came here, and I think at the time when we took Devco over . . .

Listokin: And that's what year?

Berkhout: 1994?

Paladino: 1994. How many years ago?

Berkhout: 15.

Paladino: There was 110 dollars in the bank, and we owed Johnson & Johnson something in the neighborhood of 10 million dollars and we had about 4 billion dollars of unsecured debt, and that's what our balance sheet looked like. Today we actually have assets . . .

Listokin: Is this post Hyatt? I'm just trying to . . .

Paladino: This is 1990 – give you, give you, give you . . .

Berkhout: The Hyatt had been there for what? Ten years?

Paladino: Give you a historical reference for the Hyatt. The Hyatt opened three weeks or four weeks before my college graduation in 1982. So this 14 years later. You know, I finished college. Went to law school. Met my wife. Had children in the interim period of time. All those things have been landmarks when you look at life. So, you know, Devco was really, they had gone to a point at that point where when Chris Foglio left there was – and, look, this was a very Johnson & Johnson driven organization in those days. It was actually, and this is just my perspective looking back, kind of an interesting, and I'm not sure, and I would be curious to see what Chris's opinions of all of this were, because you know, in many ways, I think Chris kind

of lusted after some of the support that I ended up getting that she didn't get here because she was caught in – and I mean Nero would also kind of agree with this in kind of the pull and tug between Johnson & Johnson and City Hall. You know one of the things that they did well here – and when you talk about transferability, I've got some strong opinions about that because I've tried to help people transfer it, both when I was at the state and since then – is City Hall did not try to – and John Lynch – did not say, “I'm going to appoint "x" amount of members, J&J you're going to appoint "x" amount of members. I want to be on the board.” But what he very effectively did is, you know, Chris, Nero who probably had, played the greatest role in Devco's early days, were all – had all worked for him. But the money all came from Johnson & Johnson so there was this interesting stress between the two at times over Devco. What, I think, John Lynch amazingly well, is first of all he recruited young people like no one ever else did, and it wasn't all about you had to be from New Brunswick and go to St. Peter's, and go to the right church. You know, there was the Chris Foglios and the Glenn Patersons and these people who came to school here and wanted to be involved that was probably – people can look at pretty buildings and stuff, but John Lynch built a personal infrastructure here that is second to none. That's why this city works and others don't. You can actually go to City Hall and get from one office to the other and get a permit and build a building.

But at that point, Johnson & Johnson told George Zoffinger, “Look we're no longer going to be, we want to participate. We're no longer going to lead,” and this is, you know, that was the quote. “We're going to fund you for some operational, on the operational side of things.” J&J made a kind of long-term commitment to 200,000 dollars a year, but we're no longer going to fund projects, and you're kind of on your own. Because after Chris left, they brought Leo Molinaro back in to do an evaluation, and we should find that study for you because it should be

part of your achieves that said Devco should stay, and the question was, I think John Heldrich asked, do we still need Devco, and if we need it how would you reorganize it? And Leo did a report that said, it's kind of funny, because you should read it and then see what our operation is today and see what he recommended. That doesn't necessarily jive, but he said, "No, this is a good thing. You need to do this. You should reinvigorate it. You know, because it had been this 18 month lapse." So there was this commitment by Johnson & Johnson was that, "We'll let you go hire a president. We'll give you some money, and let's see where you go from there." So, you know, that's how in 1994 I show up with this commitment I'll do it for a year. And then we went off to try and figure out how we sort this out. I think what's important, do you want, I'm just rambling, but . . .

Listokin: Right. No, no, no. And I guess this sort out is that it's no longer going to be J&J with the checkbook, it's there to help in some operations, but now the projects have to make sense, and you have to get financing from various sources.

Paladino: Correct. And I think it's important to look to what Devco projects looked like prior to 1994 and what they looked like after. I don't think anybody will have a coronary if they watch this and hear me say this because it wasn't the story that I was told, but I've now, from my observations and having talked to people who were involved in the game in those days, I think people came to admit that's what really happened. Now look, Johnson & Johnson – one of the things I try to explain to the people in Newark when I've been involved there is, you know, you have waded into this business and you have to wade in a big way, and it's a philanthropic adventure, and don't think you're going to make money on it. You know, Prudential has gone into litigation where they thought at Hanes & Griffith that they were going to make money, and they weren't sure if it was a donation or if it was a gift. Johnson & Johnson never thought that

they were going to make money on projects they invested in, in Devco. And they never called loans. They forgave loans. They did all of those things, but what they did do in some ways, is that they protected a huge real estate investment. You know that property where, you know, I remember it in 1963 after church on Somerset Street going down and getting my first dog at the ASPC down there when this was a really bad part of town in the sixties. Got protected by the Hyatt, by Kilmer Square, by this building, and this building, and not that that's a bad thing. It was very good planning. Where other cities have tried to make constituencies happy and made investment in different parts of the city. What they understood here was critical mass right from day one. And, you know, they created a critical mass at the corner of George and Albany Street; that intersection, they changed New Brunswick forever. But what those investments looked like from a Devco perspective in those days was Devco was the developer of the Hyatt. There was, you know, we're in the era of Jimmy Carter and the Urban Development Action Grants, that New Brunswick has probably used wiser than any other city in New Jersey. I'll talk about that in a second. It was a loan. Prudential stepped in and helped finance the hotel with a room guarantee for J&J. Very quickly after it was up and running, Johnson & Johnson stepped in, paid back Prudential, paid the city back to UDAC, which is a critical thing. New Brunswick today still uses that money. I mean it is 2010 almost, and New Brunswick is using money that Jimmy Carter gave to the city, because they didn't give it away. The Urban Development Action Grant was really a loan program in New Brunswick, and they have recycled that money, and every once in a while, Glenn Paterson and I will laugh because, I said, "What are you doing?" He's doing a little project up on Revson Avenue. He says, "Yeah we got some UDAC there."

So Kilmer Square. Kilmer Square was a project that was started by a private developer. It went into bankruptcy. Devco, I'm not sure who, someone found Dyson, Kitson & Moran who

was interested in doing the project? Actually they probably -- Dyson, Kitson, & Moran got involved. Devco built Plaza One and Two. J&J occupied them. They were then sold to Dyson, Kitson, & Moran as part of some type of cabal. That money was taken and put into the Cultural Center, but I never quite understood that. We tried to trace the paperwork, but again, you know, on Kilmer Square, Devco became a joint venture partner with a private entity, but all of our capital was funded by Johnson & Johnson, and it was a loan to Devco. You know, they wanted Kilmer Square done. They couldn't let Kilmer Square lay fallow. They didn't want to do it themselves. So they had Devco do it. Riverwatch is another perfect example. Started out planned by Devco. You know, again, going back to what, you know, John Lynch really couldn't afford in the early days to spend a lot of money on staff in City Hall to do planning. Devco really played that early role of using, you know, grant money to be able to do some of the urban planning, early urban planning that got done in the city. Riverwatch failed under the first regime on the private sector – it was actually the Voorhees family who were the first owners.

Berkhout: Yeah. Alan owned the property, some of the property down there.

Paladino: All of it at one point.

Berkhout: Oh all of it? Okay.

Paladino: They came in and restructured the loans. They brought in Adwin Realty from, which is the PECO Electric Company. All the utilities were involved in real estate in the eighties. Devco became a partner. J&J basically guaranteed the loan to Amboy National Bank but Devco held onto the whole property. And as property would get taken down by the development team, the bank would get paid back, and J&J would pay the interest every year. So they were very, up until 1994, they were very hands on. They were always – had someone on the board who was also ran their real estate over there. They were involved in the partners

meetings, and when I got here, the partner meeting at Kilmer Square and a partner meeting at Riverwatch would include J&J executives; very, very hands on – in cleaning up – and I spent a good part of several years cleaning up the old Devco stuff . . .

Listokin: Would you speculate that J&J had, in part had to be in there so much financially because at that point there wasn't private money?

Paladino: Absolutely. If they weren't coming in and leveraging, allowing the private sector to leverage what they were doing, this never would have happened. That's why, again, when I go back to the Newarks of the world and say, you know, "It's not about a couple million dollars and the donation and letting" – it's really, it was as important, quite honestly, the money, as them rolling their sleeves up and being involved. They were smart people who had some good business sense and who had stature, and I think that probably was as important as the money. Because this was a, it was becoming a world-wide company, and they were worried about the 16 condominiums on Hiram Market. And they were worried about them because they had an investment. They worried about them because their name was on it, but it was right there, you know, it was part of the plan. They were very big on the plan, which changed there in early on in the days is that I could be at meeting in the corporate dining room and say, you know, say something about Church Street, and them kind of look at me, and have to take somebody to the window to show them. You know, the people who were here in the early days at J&J, they were part of the community. They lived here. They worked here. This was not the multinational company that it is today. I mean there are people in those executive offices who know far more about Beijing than about New Brunswick, and understandably so. It's a different place. Also the culture has changed from the standpoint was that the people who moved up in that company back in the day probably worked for the General, and they probably lived in this community, and they

knew the streets and they knew the – it's just generational change.

Listokin: So we have the old model of Devco, and then your coming in, and then if you can just take us on . . .

Paladino: Yeah, I mean what we really tried to find is how could we stand on our own two feet, and what we spent several years doing is taking – taking this paradigm that they had in the creation of critical mass, and looking at the city, and we looked at two places that we could have the greatest impact, and that was one in the government district and one, if you take – see what happened at the corner of George and Albany? Why couldn't we, there had been some investment made in the City Square building by the Florio administration and by Rutgers. There had been investment made in the Cultural Center. There's no reason that that wasn't the next place that we tried to focus our attention so we're looking at the government district and we were looking at that area. We actually found a model, a financing model, that started a building and wanted to impact it more greatly. UMDNJ was looking for an administrative office. They could have gone into the Plaza building. They could have gone to Piscataway. Theoretically they could have gone to Newark. I was having lunch with George Zoffinger and Ron Berman who had just – they had just folded up DKM's operation after a couple years, and he was back in the real estate business, and he was – George was actually interested, the meeting was because George was interested in investing in his hockey team in Trenton, and we quickly got onto the -- we were in Panico's – and we got into this conversation about ,”This could be an interesting opportunity. There could be an interesting opportunity for – to do a project with UMDNJ, what do you think?” And I said, “I know exactly where we're going to do this.” I said, “Come back to my office.” So he left the meeting, the day before he was going to UMDNJ meeting, with drawings that Michael Farewell had done for us on just some planning exercise at the corner of

where Livingston, George, and Liberty, where the new UMDNJ building is. And we had done the analysis, the acquisition analysis. We had done the cost analysis, and we had some pretty pictures. You know, back when I worked at the EDA I used to kind of scoff at people who had spent all this money on models and pretty pictures because, you know, I got, by the time someone came to the EDA on a project in those days, they had been – they couldn't figure out how to do it, and they needed the last 10 percent pushed over the top, but they had worked on something for seven years. I didn't really appreciate what an image can do? So he took those pictures. Went to Newark and we were off and running on a project. And we started using Certificates of Participation financing, which Berman had experience in doing the New Jersey Transit Building in Newark. Certificates of Participation are a unique mode of financing that private sector can use to do public/private partnerships with the government that, it's really an installment sale. So UMDNJ agreed to a lease, and you took that lease to Wall Street and you financed it, and you operated the building and they occupied the building for 30 years, and the government then gets it for a dollar again. They've actually paid off the mortgage. So we – we we did the project. We, I think we got paid 100,000 dollars.

Listokin: And I guess so Wall Street is now replacing J&J with credit? And under this theme of lease payment for 30 years as the backing on it?

Paladino: Correct. And what we were trying to do was to try to find, what we immediately tried to do was say, “Look all of our projects should support the whole critical mass theory. All of our projects should be multiuse because we only have limited resources, so you aren't ever going to build an office building anymore. It's going to have parking. It's going to have retail. We're going change the streetscape. We're going to do those things.” I mean, Liberty Plaza, in some ways, I say this about every project we're doing, is probably the most

significant project we've done to date. We pushed the building back. We established a new design concept or streetscape. We got outdoor dining. You know, we also started to show that if you develop, if you build quality retail space you can get good tenants. We've had G&C. We've had Radio Shack. We've had Dunkin Donuts. We had Soho. Outdoor dining, but we've always kind of endeavored that our projects should meet some broader public policy goal.

Listokin: And actually if I can go back on the multiuse. The multiuse is being envisioned as both good business sense in that you now have someone paying a higher rent, you know, for retail because it's retail, and if you retail it's a more interesting building so . . .

Paladino: The building is bigger too. I've always found that if you make stuff bigger they become more financially viable. So if you add 50,000 square feet of retail or 25,000 square feet of retail, or 100,000 square foot retail you're spreading the sunk cost over a larger, and everybody benefits from that.

Listokin: As well as, I would think, from the planning benefits. You know a city is all about multiple uses . . .

Paladino: Yeah. You know, you're putting an office on the first floor in the center of a downtown is, you know, a travesty.

Listokin: It's – so you don't have to drive 25 minutes for your tuna sandwich because you just go downstairs.

Paladino: And you make it a more pleasant place to work. You know, it was all about making it a more pleasant place to work.

Berkhout: Did Michael Farewell design that then?

Paladino: No.

Berkhout: Oh.

Paladino: Somebody else designed it.

Listokin: All right. So we're using this more innovative financing, and we also this model of mixed use, this is both a financing and planning benefit.

Paladino: So we spent a couple of years totally redoing and revitalizing the government district. The county was thinking of renovating the old, ugly county administration building. Fourteen floors, 10,000 square foot floor plates, men and women's bathrooms on every floor, just an atrocity, and someone thought it was a really good idea to, you know, it was those days when you had plenum ceilings where you blew hot or cold air into the space between the drop ceiling and the concrete slab, and through the holes in the tile the fresh air dropped, but people forgot that the asbestos that had got blown on the steel was going to fall and block that. So what happened is the employees would knock the tiles out to get warmth or cool air, and the asbestos would fall on them. So we came in and said, you know, look, maybe you don't want to renovate this building, but we've designed a building on the former jail site next door, the county owns, and what we want to do is long-term lease that site from you so we'll make a cash payment to the county. Which is always a good thing to say to the government. And we build a building, we'll replace your 140,000 square foot building with a 115,000 square foot building; that will be state of the art, that will be energy efficient, and that – we had done an analysis of what it cost to operate the old building, they were operating at \$14/foot – and we will operate this for you at \$6/foot. So we will cut more than half of your operating costs, and you'll have less space, and you'll have more useable space. We had the same amount of useable space in a building that was 30,000 square foot smaller. By just from design issues. At the same time New Brunswick was looking for a new police station, and the mayor agreed to take the old post office site, move the New Brunswick police department there, move the municipal county prosecutor's office, the

municipal court, and the postal workers, everybody who has guns, into one place. So this was pre-9/11. The concept was if we separate the court house, and the administration building, and the police that some buildings could become more accessible, which is the truth which has happened even post-9/11. Because you used to have to go through the old administration building to get to the courthouse, and you had different populations that were mixing. You know, someone was coming to get a passport they didn't necessarily have to be with the people who were going to the, you know, murder trial or the children that were going there because their parents were being divorced. You know this population was being mixed up, and so we took – we took the 135,000 square foot building we were building on the post office site and the county administration building. Now we're getting one construction contract for, you know, almost 300,000 square feet as opposed to building two 100,000 square foot buildings, but more importantly the county who had the best credit rating out of all of the tenants wrapped one lease, and then we created subleases. So the city got the benefit of the fact that we got the better interest rate because of the county lease, so the police station actually ended up costing less. Underground parking, and we created underground parking that supported the, you know, trying to find, you know, meet some other uses, underground parking that was available at night for the Cultural Center. Immediately the court said, “What about us?” David Crabel decided he wanted to help the court system. This was in the constitutional amendment days of who's responsible for court costs if you were following that big fight. John Lynch was, you know, deeply obviously sleeves rolled up in all of these discussions in those days, and we built the family courthouse. The concept was, “Let's take out the group that we can separate and that we don't want in, so, you know, you got people doing domestic violence and divorces and children and all that stuff. Get them in one place and keep them away from the criminal courts and the

other parts of the business.” So we built that building, used the same model, and then what happens is the, I'm not quite sure why, but we end up buying the entire court complex from the county and do another 50 million dollar transaction and renovate floor by floor the court buildings, all new technology, all new HVAC. Devco now owns about half a million square feet, and operates about a million square feet of institutional space.

Listokin: And you continue to use the finances, the participation financing that you described earlier?

Paladino: Right. Now probably the best part of this story is when I had gone to the freeholders and told them how awful their old building was, and how it should be torn down, and maybe it should become a park, I went back and I said, “You know I was only kidding. It's really not such a bad building.” Let us buy it from you, and we'll turn it into 80/20 housing. So we actually have, we have 88 apartments now on that site. The bottom three floors are being more court offices, and we're able to actually get people to kind of live there.

Listokin: And that was also I guess mixed use, and clearly transit oriented.

Paladino: Absolutely. Close to the medical school. We have medical students living there. We have doctors living there. We have, in the affordable units, I'm not sure who's there now, but when they first opened, we had, you know, a woman that was a secretary in the sheriff's office and her aging mother. And it was, the thought was people, pretty much people who worked in the city, who didn't have those opportunities, were now getting an opportunity to live there. So over a number of years, we've really transformed that entire part of the city.

And then, you know, the other thing that we were working on at the time that was a huge priority – it's kind of interesting how our priorities have changed, our goals and priorities have changed over the years – was trying to figure out how you do market-rate housing. The city was

really good. The Cahill administration was really good at doing affordable housing. Glenn Paterson really kind of led that. They did the Hope replacement, all those things, but nobody could really figure out how to do affordable – market-rate housing, and probably, again, something that, probably, it's all about leadership. And New Brunswick wouldn't be what it is today – you could finish that sentence with a lot of things – if it wasn't for John Heldrich. If it wasn't for John Heldrich, you know, continuing to probably badger and be a pest to Dick Sellars that, “We've got to this. We have to do this. We have to do this. We should stay in New Brunswick,” – all those types of things and I just know anecdotally those stories, but New Brunswick wouldn't be today if it hadn't had consistent, intelligent leadership in City Hall. You know, I think the fact that we've had two mayors since 1977 is probably an important – and good mayors and people who got this business, but a lot of places when you had a plan for Riverwatch, which was supposed to be 110 luxury townhouses, at some point I was able to go to J&J and to the City Hall and say, “This just isn't working. It isn't working. We didn't expect this economy. Maybe, just maybe, if we get people to commit for a year on a lease, they'll commit to a 30-year mortgage someday.” So working with the Applied Companies, we built, using a 221(d)4 financing, using the AFL-CIO Trust Fund, we built Riverwatch Commons. We sold them a piece of property. Probably in retrospect, you know, the things we would regret. Sold them too much property. Let them create big surface parking lots.

Listokin: Is that correct it rented up really quickly?

Paladino: It was sold out before it opened, and what we did was created a market, and when the Applied Companies wanted to do the next 70 units, I believe, on the street that the Frog and the Peach is on, Nielsen?

Berkhout: Dennis.

Paladino: Dennis Street. What I required them to do at that point was that they had to finish the first 33 condominiums. They agreed to build and finish the first 33 condominiums, and a significant portion of those early buyers were people who had rented in the project we had done. So they had really come to believe – they weren't being told, but they came to believe and experience that this was a quality thing. You know, over seven or eight years, going from not having anybody who was living in the downtown, we built in the Riverwatch community itself, we built, I think, I guess 250 units, and we built 425 in the Highlands, and we had 700 Rutgers undergraduates living in Rockoff Hall. I mean how many people did we say?

Holtz: 1200 units over the years.

Paladino: 1200 units, which is probably 3,000 people living in the downtown that weren't there before. So we had to prove that, the interesting part of that is, you know, people, its how do you – is how do you really then get that residual value, you know? Our involvement with the Cultural Center is always interesting. When any type of surveys we do or advertising you see, people who, you know people want to tell people at cocktail parties that they live in New Brunswick so they can walk to theater. The question is how do we get those people to actually come? This is a whole other subject.

So, we went from these very, we thought were complicated, we thought were innovative – I would give anything to do one of those transactions today, because we then converted into doing stand alone projects that had to stand on their own financing without basically a government backup, which those leases were. We had county leases. We had city leases. We had – I mean the important thing about that, and again talk about transferability, what we were able to do here, and it's the royal “we,” because it wasn't me. What they were able to do here, and this goes back again to the John Lynchs and the John Heldrichs and the Jim Cahills of the

world, is they were really able to keep everybody together. New Brunswick had turned so bad at one point that everybody really needed each other, and even when they started to then have success, you know, John Heldrich's quarterly meetings over at the guest house really paid off. You know, we really tried to stay with kind of – because we often do things without portfolio. We just do things because we see a vacuum to fill. But what we really tried to say is that, you know, Rutgers, the hospitals, the county, the city really should not be making investments unless they kind of take a hard look and say how else can this be leveraged, and, you know, doing the Civic Square building that created an underground parking that the county didn't want to do, and Rutgers didn't want to do, but it became parking for the Cultural Center. Really trying to get those organizations to really think about the greater good, the greater design, you know, turning Child Health around and letting one of the hospital buildings face French Street was a huge thing. Because hospitals all want to be insular, and that building was originally designed for the middle of the block going the other way instead of that way. So a lot of opportunities came along. Rutgers had a huge student housing problem. Not anything compared to today's problem, but it was in that day it was a pretty big problem, and they had an interest in trying to do a project that was – they referred to it as off balance sheet, but they really wanted to be off credit. We worked with Standard, Poors & Moody. We designed the structure. We built Rockoff Hall. We did it as a redevelopment project. We did it as – we really started to merge – our partnership with the Parking Authority really started to emerge. We do almost all our projects with them now, so they're paying for the parking and people are paying, and it's kind of a use. They're paying – people who use it pay for it. The entire project isn't being burdened with that cost. We're building it for them. We're selling it to them.

Listokin: People have mentioned to us the importance of the Parking Authority, and

maybe an under appreciated role of the Parking Authority. Can you speak a little bit about that?

Berkhout: And the funding.

Paladino: Well on a couple levels. To Jim Cahill's credit, it has had extraordinary management. It is certainly the most effective, well run, parking authority in New Jersey. It also turns a pretty big wheel; I think it's like 8,000 parking spaces that they manage. What they've become for us . . .

Listokin: So that scale means what? That they have revenues?

Paladino: They have revenue. They have old debt. They have retired debt. They have people paying for parking in garages that are paid for. That allows them to be aggressive. Allows them to – in projects we've done – go out and, I don't have to go to a bank and try to borrow money to do land acquisition. They have the funds to actually go out and do the acquisition. And then we end up, when we do our permanent financing, we whack up the pie and reimburse them. The fact that they can look at a project or a number of projects and maximize the economy of the project. You know, you build in a lot of places, a lot of cities, Newark's the perfect example of making, wasting, there's Trenton. You know, we're doing a building. It's creating 500 cars of parking demand. Let's build 500 spaces. So then people don't work on weekends. People don't, they leave at 5 o'clock at night. People take vacations. People get sick. You know, and you got a garage that's empty 40% of the time. But they look at a project and say, you need 500 spaces so we're going to build 550, we're going to build 600 spaces, but this garage is also going to have a daily element to it. We're going to do another project across the street. We're going to know we have some future parking for that project, and in the best of all possible worlds in housing it's really worked well. It's we try to match up a daytime use and assume, although it's becoming less and less the case. I used to go to the

planning board and convince the planning board that all of the people who lived in that apartment building were going to drive away and work someplace else. Well, now they're not. We can only count half of those spaces in a given day where people are leaving their car and taking the train. But what we're also finding is that people don't, you know, if you have couples they don't have two cars anymore, because of the train. So the Parking Authority is an extraordinary partner because they're able to maximize the economy of the structures. They also have the ability to do acquisition with us, and, you know, fund costs, and it's just good to have the city as your partner on a redevelopment project. I mean, if you're a developer, you know, if you're really kind of a partner with the Parking Authority and the city, you're really on the same page.

Listokin: And that translates into approvals and . . .

Paladino: You know, I mean, I don't – actually I don't really want to infer that because there's no better place to work than, you know, I've gotten approved, three-quarters of a billion dollars worth of projects in the time I've been there. I've never spent more than an hour and half before a planning board. You know, there are places and cities where you come back time after time and get postponed and get moved. It's because of the good work that's done by the city. Starting with mayor. I mean, I had a conversation with him yesterday about a potential project that could be a, you know, bombshell for New Brunswick, you know. I'm going to be – when I'm done with you, I'm going to be on the phone with him, and next week I'm going to be in his office and we'll be talking about. And, you know, he's a real partner, and he's more than just a leader. He's a real partner. What I've found quite often when I get stumped on a project, quite often on design issues or trying to make something work, I go over just to City Hall to sit down and talk to Jim, and he has a whole new perspective on it because he gets this business. So

we did Rockoff Hall. It – it's a structured finance. It's not being backed up by anyone. You know, it's all based on the fact that a feasibility study was done. Rutgers needed housing. That these kids weren't going anywhere, and they can charge "x" amount of dollars. We run the building. Rutgers runs the students, and it's a very, very, very good partnership.

Listokin: So it's being financed on the expected flow of income from the students rather than Rutgers credit?

Paladino: Right. And what's important there, students really don't understand it. They'd probably be furious if they really knew it. The students, Rutgers has 14,000 beds in their system. The kid – everybody pays the same – but the kid who lives in the worst dorm, subsidizes the kid who lives in the best dorm.

Berkhout: Right.

Paladino: You know, when they build these new dorms at Busch, the kids living in the stuff that was built pre-war down here and with the steam pipes running through it are going to be subsidizing those kids, because what we did here is we built the building and at a price that the kids that live in it pay for it. And it's not subsidized, which also is important, at least, just for me to prove to the Board of Governors that we could do it. So that project is a huge success. That project is a huge success not just because we've got a building that's half-way decent looking. That project, people who are on the street in New Brunswick, will tell you changed George Street forever. It changed the tempo of the street. It's not that these kids are great, you know, they're buying more stuff in restaurants. They're buying stuff in the stores, and they are. What they point out to me is that, you know, it starts at 7 o'clock in the morning when kids are out running, and it goes until after midnight. But it's at 2 o'clock in the afternoon, it's at 7 o'clock there's always kids on the street. There's always activity. It created a different rhythm to the

downtown, which is a positive thing. I mean, I saw that when they opened the Mason Gross building back before we did this. I would come into work at 7 o'clock in the morning, and you'd see kids coming out of there who spent all night working in the – in the studios and stuff, and kids going in with their big bags, you know. It was a different pulse to the street once we started to put the students on the streets.

Then we did the Heldrich, which maybe, every time I do one I say maybe the most important project that we've ever done, but, you know, there's a totally structured financed 110 million dollar four-star hotel, condominiums, office space, restaurants, etc., that brings large groups of people in that again really kind of change the tempo of the street. People going to restaurants. You know, Tuesday night, it's really important to keep the, kind of the partnership up between our staff and the restaurant community, because we need to tell them how many people we have in the hotel, because early on people would get kind of slammed because it was a Tuesday night and supposed to be slow, but we've got 180 people from Merrill Lynch and, you know, 40 people show up at Soho at 7 o'clock for dinner. So that really has probably been the most, besides being a nice, a pretty building, it has put extraordinary – has an impact on the local economy.

Listokin: You started speaking about, if not, but for, so you know you mentioned the leadership of Heldrich, and I guess J&J, the political stability, and the ability to have a city as a partner on a lot of things. You mentioned the Parking Authority, etc. You want to continue along, these were the pillars and maybe think about what's transferable?

Paladino: Yeah. I think there's an interesting – I can call, and do call, you know, the president of one of the larger hospitals in New Jersey on a weekly basis. And if he's not there, he calls me right back. The president of the university. The mayor, you know, senior executives at

J&J. I don't talk to Bill Weldon all that often, but, you know, I have. The chairman of Johnson & Johnson has sat down with me and we've talked with the senior members of the executive committee. You know, important researchers at the medical school, at the university. Guys like Bill Haight who would be – there is a sense of common purpose that may not all be our – everybody may not have the – it's not the most important thing, it's not their job, but people when they've – either kind of inherited these jobs, were picked for these jobs, they at least picked up a little bit on the spirit is that of what – that what we all do impacts all us, and a better New Brunswick is a better – a good thing for New Brunswick is good for all of them. I mean I've heard Dick McCormick say that a lot. What's good for New Brunswick is good for Rutgers. And what you don't have in many other places, even where existing – you know, Newark is probably the perfect example that, you know, I don't think on a regular basis the president of UMDNJ and the president of Rutgers and the chairman of Prudential and the mayor sit down and talk. You know? Everybody sends their kind of, you know, their squires, and they've got organizations for everything. But they don't just sit down and talk, you know? It's still, if John Heldrich or the mayor say calls a meeting, and they take a month to organize it, but you get all those people to show up and have breakfast and talk about an issue or just update each other about what's going on.

Berkhout: And John is still doing that? He's still actively involved?

Paladino: Yeah, until recently. Yeah! The mayor has – the mayor has taken a little bit more of that role, but I think John kind of ceded it to him. Took his sword out and tapped him on both shoulders because someone had to.

Berkhout: But then you feel that Rutgers is too. I mean we've heard different opinions about Rutgers' involvement throughout the years.

Paladino: Well, look, Rutgers for the most part has come kicking and screaming, then warmly embraced, and then quite often it was their idea. I hear only stories about the old days with University Center. Fran Lawrence kind of said over his dead body, and John Lynch said maybe that's a possibility. I remember being in the room when Fran Lawrence was not going to do – not to Fran Lawrence bash – but was not going to do your building. You know, even though, Jim Florio and Carl Van Horn for the most part came up with most of the money for it. I still will remember, just the week before he left, Richard Norman?

Berkhout: Right.

Paladino: Richard Norman, who was on the Devco board telling me how awful – how awful it was, and I said, “You paid 12 million dollars for like a 60 million building that the state gave you. How could that be awful?” I mean, look, the John J. Heldrich Center for Workforce Development. Rutgers is in there for free. They don't pay to keep the lights on. They don't pay for the air conditioning. They don't pay the people who put away the trash. But you know all this, and you and I started this in some ways. Rutgers still ran up like a 300,000 dollar legal bill for a lease that was for zero. You know, as an institution they probably out of all the partners, you know, aren't ready for prime time in this business. But they're a university, and it's a culture thing. It's not necessarily, you know, individuals who don't want to do it. Quite honestly, Dick McCormick has a vision that, and I didn't know Dr. Bloustein, professionally, I mean he was actually a professor of mine. But Dick gets it of the vision. The problem is the implementation part of Rutgers is something left to be desired. I remember Dick's first day at Old Queens. I get phone call, my secretary it's the president of Rutgers on the phone. Why call back. So I picked up the phone, and he says Chris I'm driving around my old neighborhood where I used to live when I was a kid, and we have to do something about this. You know, I

mean . . .

Berkhout: Another New Brunswick native?

Paladino: Yeah. He has – he certainly he – we have a shared vision, I think the Rutgers – I think the questions about Rutgers is people who don't do this stuff trying to do it, and not being – you know they've got – they've got a methodology that doesn't necessarily jive with how Johnson & Johnson and the corporate world, they work or the way we work, or even the way a city works, which makes it difficult. I mean look, I worked with Ray Lesniak and the governor on this piece of legislation that is supposedly going to make it a lot easier for universities to do economic development projects on the campus and benefit from them. And, you know, we're doing a program next week at Kean College, and the first thing I'm going to say is that – this is with the college presidents – if you're serious about this, go hire somebody who knows how to do it. They can be a consultant, you can put them on your staff, but quite frankly there's nobody who works for you who knows how to do this.

Berkhout: Yeah. Well like the Livingston Campus, I guess they really . . .

Paladino: It's a disaster. It's about critical mass. It's not about a Starbucks and a Haagen Dazs, and we'll put up – you know? If you want to create a place. If you're doing place making you've got to create critical mass, but that's a whole different subject. It hasn't happened yet so we'll won't talk about. But I – they don't, universities just don't – they move with kind of glacial speed, which makes it much more difficult for them to do.

Listokin: If I can get back to on some of the unique factors, and which, of course, has implications on transferability, the size of a city? Like the size of a New Brunswick compared to a Newark? Do you think that is a factor?

Paladino: You know, it's a factor. I think, I think – the interesting part there is, do

the benefits that they have make up for it, and should they be a wash? Look, they've got Prudential. We have Johnson & Johnson. They have the bigger part of UMDNJ. We have the bigger part of Rutgers, but we have those institutions. They have a far better transportation system. They have an airport. You can see New York City. They have the PATH. I mean geographically it's a better location. They have a city with extraordinary history and great, great bones. There's big broad streets and there's city parks, and there's beautiful buildings. I mean we don't have ability to do renovation projects here. The buildings were never here. People worked here, they lived here, they worked in factories, and, you know, a lot of wood frames. They've had extraordinary state investment. A hundred and sixty million dollars in PAC, 200 million dollars in this arena. So the fact that it's 250,000 people as opposed to 50,000 people, and a poorer population across the board. I think it's kind of more made up from the advantages that they have. Look I've, I've worked with the last administration. I've worked with this administration. You know, the first thing I said to these guys, was, you know, "You can't run this. If you want to do what we do, you can't run it." You've got to find people that you trust and you have to – and, like, you know, the deputy mayor is the chairman of Devco there, you know? So it's automatically kind of suspect thing, and you have open public meetings, all those other things that come with it. I also can't look at – I am also very cognizant of the fact that I can't be too critical of people who are trying to do things, because I have had the wonderful benefit of time that, you know, I've picked this up. They had been doing it for 15 years by the time I got here. They – I was able to learn from mistakes before. I made my own, but when I see people making mistakes, I realize, yeah, you know where that comes from. Not having the resources, not having the experience. But I was given a huge running start, head start, because there had been so much good work done here. So anything that we've done certainly has – we've

been able to leverage what was done before. But cities are very fragile places. You're never done, and if you're not moving forward you're definitely moving backwards. You know, you have to every day try to make incremental progress. If you're not opening a project, in construction of another one, planning something and trying to figure out the financing of another one, you're probably falling behind. You opened New Jersey PAC and everybody applauded, and nothing happened. You know? Now they're talking about the apartment building 10 years later. You know have to build on the momentum that you have. We're going to start transit village and we're going to do something with the Ferren Deck. You know, you opened the Prudential Center and nothing else happened. A couple of restaurants may have opened and closed, but you know nothing else happened. You know, the hotel that you wanted to build has just been doing its ground breaking as you're, you know, having your first hockey game. So . . .

Listokin: So I guess specifically on the question transferability is what I'm hearing is, you now, of course you can establish a development corporation elsewhere, but it's part of a very complicated mosaic, you know, of people and experience and resources, you know, the things that you've been talking about . . .

Paladino: So much of the success here is subjective, you know, it's not like there is a manual and you can go put it in place. So how do you change people's attitudes and how you change people's opinions and kind of, how they look at their responsibility, you can't change some place else. So, I'm not saying, you know, quite often, I'll tell you, I go to places, I go to Camden. It's like ground hog day with Trenton with me. Every 11 months some new group of people get sent here to hear about it, you know? And you tell them, and they don't want to hear what you have to say because it's hard sometimes. It's – you don't, the problem is, nobody wants to give up power. You know? It's – if we had friction it's when we go and build a county

administration building. You know, that's really hard on a county engineer and a county administrator who once in their lifetime are going to get build a county administration building. They're going to sit there with the architects and look at the plans, and have opinions, and tell people at lunch what's going on, you know what I mean, and that gets kind of gets taken aside in that. And when you build a dormitory for Rutgers, there's resistance from the people who run dormitories, because if you start to do it too well. You know?

If you, you know, you build a laboratory building for somebody. There are people who do that, you know. The other thing is, let's not kid ourselves, UMDNJ and Rutgers, its in-house facility people, they charge eight percent to these projects. Don't like the fact that we do them for four, and that's how they run their budgets. So these universities take what is capital money, and eight percent of a project right off the top comes and goes to operations. Something I find fundamentally wrong with, but . . .

Berkhout: And they're charging gifts now for part of facilities costs

Paladino: Right.

Listokin: How about the role of payment in lieu of taxes, which New Brunswick was a leader in applying?

Paladino: Yeah. I think what – you can't do a redevelopment without them. Statutes are pretty . . .

Listokin: And you can't do it because? Of full property taxes being just a higher cost especially in the initial years? And you want to have the certainty of what the number is going to be all the time?

Paladino: What you want to be able – you want to be able to – and this is changing because the world's changing. You know, it's vogue to be in a city again, and all of those things,

but for the longest time you had to make a kind of least cost argument to people to move into cities, and so you couldn't have same taxes that were in the suburbs. Now your cost – since it is a calculation, even payment in lieu is a calculation – the abatement, the long term abatement process, it's not really a cut in lieu of payments, but the long-term abatement, it's a calculation statutorily. It's more expensive to build in a city than it is in the suburbs. So right from the start the calculation or even an evaluation under the real – just a regular real estate calculation, so – and given the history of cities and the additional cost that is perceived in cities – schools are more expensive and there's other social services – is that decision makers in the real estate transactions want to know with some certainty what the taxes are going to be over a long period of time. So they have effectively used it. I don't – I don't think – what they've certainly never done in New Brunswick is give away the store. It's always been a credible amount of money based on the statute – the state statute.

Listokin: If I can, two time questions, looking what forward where do you see Devco and the city? And then if we can follow that with looking back, you know, with 20/20 hindsight and things that may have been done differently. So maybe looking forward, you know, where do you see Devco and the city over the next five to 10 years?

Paladino: There are extraordinary opportunities. Just the fact that during the greatest recession of our lifetime anyway, that we'll be in the ground with a very big project probably, you know, bodes well for the city, but . . .

Listokin: You're referring to the Gateway?

Paladino: The Gateway project. But I certainly see over the next couple of years the possibility to really use the new urban tax credit program to lure another corporation or get a corporation to expand. Continuing to build both affordable and market rate housing. Being able

to finally build the grocery store that is necessary. I really think the next big opportunity is the Ferren redevelopment where there are seven acres that – you know, the Obama administration from a public policy standpoint is, you know, talks about walkable cities and livable cities – we have the unique opportunity to create a 24-hour environment there where people, you know, work and live and buy, go to retail, and come to entertainment, we have a place to recreate, do some real urban planning, and all of the plans that we have, have all evolved back to returning to the old street grid. Getting rid of the big super block. Making like at least probably four, maybe five redevelopment sites and having different types of architecture, but keeping a street grid and getting people back on the streets, and using as that connectivity. I truly believe in the next four or five years that we will have finished the Cultural Center project and we will have gotten a tenant to anchor that project, and two new theaters. So I am – I am very optimistic.

Berkhout: Are you considering an arena yet?

Paladino: No.

Berkhout: Because I know there was discussion at some time ago.

Paladino: You know it doesn't fit anymore, number one. But you know, we don't need it. People build those big sports venues, particularly in parts of cities where they do good because there's nothing going on, and it's a good start. Even with Rutgers basketball, which is a great thing because people who go to college basketball also go out to dinner, and they go out afterwards. The problem is, you know, you have to keep that, find a way in this competitive environment with several arenas in the area, you have to keep it active, you know, 220 or 250 nights a year to make it viable, but also for it not to be just a dead zone in your city. I don't think so. I think Rutgers is going to be far better off either renovating the RAC or building something. If I was doing a college town that's what I would do. I would build a new arena and build the

college town around it because – I'd build dorms around it, and build retail, and do all of those kinds of things, a business school, etc. But I don't think – I don't think it's in our best interest to do that. I know people would like to do it, but I think we're far better off with taking care of business with the Cultural Center, trying to take that 300,000 people a year, and make it 400,000 people a year, because people who go to cultural events do go to dinner, do stay overnight, do they bring their children. You know, the problem with an arena quite often, you know, you have a tractor pull on a Saturday afternoon, and six people jump in the Dodge caravan from Old Bridge. They drive into your parking garage. They go to the tractor pull and they drive home, and eat at the Bennigan's on the highway. You know? It's not – I don't really think – I don't think it's really a priority.

Listokin: And at the other end looking back with everyone's 20/20 hindsight?

Paladino: 20/20 hindsight, I think you take what was done by the Roseland Company on the back lot of Matrix and it will have been the right decision at the time to get 600 or 700 people living down there. Probably not the . . .

Berkhout: This is the Highlands?

Paladino: Yeah, the Highlands. Probably not the best use of the property. Probably should have been mixed use. Should have been some high rise, should have been some office, certainly should have been some retail. The fact that the governor decided not to fund stem cell is not a loss for New Brunswick as much as it is loss for New Jersey. Not, you know, when I have to read about investments that have been made at the University of Alabama and the new companies that are opening in Alabama. Nothing that is wrong with Alabama, but that – when people talk about stem cell research on the public and private side, they're talking about Alabama, Wisconsin, and not talking about New Jersey. There's something wrong with that.

Lost opportunity. Time come and gone. Lost – I mean, again, things we didn't have any impact on, the fact that Black Rock made a decision to stay and not do anything, and not come to New Brunswick because of the economy would have sent us in a totally different direction much sooner. A place that we think we will get to. I think the Heldrich hotel and conference center probably made bigger.

Berkhout: You would have made it bigger?

Paladino: Bigger.

Berkhout: Is that because it doesn't take . . . ?

Paladino: No, I just, physically needed to be bigger. Size matters. I think something that I should have pushed harder, drug my heels on, when in Gateway project that the Rutgers Visitor's Center should have been there.

Berkhout: Yes.

Paladino: It should not have been in – it should not have been out at Busch. Should have been a place when, the most beautiful part of your campus is Old Queens and back on the Voorhees mall so when you come to visit, a perspective student came, they went to see their movie at the Visitor Center, they got on their bus, they did the tour, they walked back through Old Queens, they came to the bookstore, they bought the obligatory hat and T-shirt that we all buy when we take our kids on college – and then the thing that should really have been in that building, which was designed, is the university club. The Rutgers Club should have been in that building. Open to the public at least part of it, and then, you know, you go in, the Rutgers stuff is in there. You have your hamburger, and that's your Rutgers visiting experience.

Berkhout: Right.

Paladino: I really thought, and people coming on the train, and their image of

Rutgers would have been going into a visitor center and looking at Old Queens and Winants Hall, and you know, every place else I go, the postcard version of that university, has been what they showed me and my children the first time I got there. Maybe in fairness, people who end up who come to visit Rutgers the kids should learn what it's like to be on the bus for a good part of that.

Berkhout: Yeah.

Holtz: Or be forced to go park out at Busch.

Paladino: I think that – that probably is going to be one of the bigger regrets that I wasn't more of a nudge.

Berkhout: Yeah.

Listokin: How about, could more of the existing stock have been rehabilitated?

Paladino: I, you know what, I honestly have to tell you that I don't remember as a kid much. So I don't remember how what Hiram Market was like so I can't talk about that at all. Quite honestly, anything that we've had an opportunity to restore, we've restored. We restored Providence Square which was the old cigar factory.

Berkhout: Where was that?

Paladino: Somerset Street.

Berkhout: Oh, okay. Yes, right.

Paladino: We restored 116 Livingston, which was one of those big, beautiful apartment buildings on Livingston Avenue. The Bonds Clothing factory got restored. There has been nice restoration of the People's Bank here on the corner. We tried for a number years to restore the old hotel. It was across from where the new hotel, the Heldrich is now.

Berkhout: Oh yes. The Day's Inn.

Paladino: And could never make it work from an ADA standpoint. It was a built out of solid concrete, and we could never get the turning radiuses to work. I think, my answer is that there was also not extraordinary amount of great stock here to restore, and you know we've worked with the Historical Society here in New Brunswick, and I've taken the tour, and people have shown me, well, this was this century, and when you take a tour with people who really know the stuff, you see things that I might not – I certainly didn't see myself. The problem is, you know, these were buildings that were owned by folks that didn't want to restore them. Didn't have the resources. I mean the amount of resources that go into – take a wood frame building on French Street and try to restore it. I don't – I honestly think it wasn't a priority, but I'm not quite sure what could have been done.

Listokin: And more affordable housing?

Paladino: Well, I think – I think we build a lot of affordable housing. You could always use more affordable housing. Actually drive up on Remsen Avenue today. It's amazing what some of the churches have done. Some of these other organizations have done. As a matter of policy, we look at every residential rental building we do and we try to make it work as an 80/20, so we have a 20 percent set aside. I truly believe in, and the mayor and I had disagreements over Memorial Homes, is that I thought that should have been a bigger mix of subsidized, affordable, workforce . . .

Listokin: In what replaced Memorial Homes?

Paladino: Yeah. It actually got, and there are places in Boston and Pittsburgh and other places in the country where people are paying 2,000 dollars for an apartment, and people are paying 27 dollars for an apartment. And letting those communities, socioeconomically, live in the same neighborhood, I think is a positive thing culturally. So that's why I'm a big fan of the

80/20 is that you – we do have apartment buildings now, the Skyline is an example. There are people for the same exact apartment, you don't get as great a view, who pay – who are paying 2700 dollars or 3000 dollars and people who are paying 800 dollars, based on their ability to pay. So I think we will – I think we've – we've done a lot. They've done a lot. We've done some and they in the city has done a tremendous amount, and that we could do more. On the restoration of old buildings, they're doing a good job of the old Lord Stirling School. I would have liked if we could have replaced the Renshaw School someplace else.

Berkhout: The one that was torn down?

Paladino: Turn that into – that would have been a great senior building. It would have been a great place to live.

Berkhout: Right.

Paladino: You know, one of things I wanted to do for Rutgers, if we had done that community school that we wanted Rutgers to do, is to take the old, I forgot the name of the school that's back in that neighborhood behind the Rutgers gymnasium, and turned that into student housing.

Berkhout: Oh.

Paladino: I mean it had an old gym in it. That would have been cool. It had an old auditorium. You know, schools are great things to renovate. That's school I think was built in the late 1800's. A lot of neat stuff in it.

Berkhout: Right. What about the Easton Avenue area when you were talking about, you know, looking ahead or whatever, and old buildings. I know we're moving the New Jersey Books there, but are there other possibilities out there or not at this time?

Paladino: It should be done. It was part of our overall plan for that neighborhood

that we were going to again try to restore those neighborhoods for families and try to kind of move the kids in one area, and create, you know, actually I'd love to share it with you, you should put it in your – you should have as part of your archival collection, you know, things that people took a pass on that were really good ideas. Stan Eckstut had, you know, Stan Eckstut is great for overlaying other places, and showing you that you've got similar place. And he took Harvard Square, and you know, overlaid it with part of Easton Avenue where, and said, you know, this is what you have to do, you have to really create this as the place where you want the kids to congregate. You, again, in creating critical mass you're going to get better tenants and better service providers, and it's a place where people from the town, the different communities, can kind of like meet, but it also keeps them in one place. And then it allows you to kind of restore some of the other neighborhoods, and say, you know what, no we're not going to let, you know, the bars here. And we're not going to let another hot dog place in here. We want it to go in this area. So I think . . .

Berkhout: So what happened?

Paladino: I don't think its lost opportunity. Someone convinced the president that it was – that this was the big state university and they should have a competition for the redesign of the College Avenue area. So they spent a million dollars of Bank of America's money, and they got the bus stop. You know, so who knows. We live to fight another day. I'm only 48 years old. Who knows. So, I don't put that in the category of regrets, maybe you know, things have pushed the pause button.

Holtz: Stan had done that for the Highlands also. Remember?

Paladino: No, that was Farewell.

Listokin: Any further thoughts on the redevelopment that you would like to

comment on or we haven't spoken about?

Paladino: No. I think, I think there are a lot of people who have committed a lot of time and real good intentions and, you know, guys like Tom Kelso.

Berkhout: Yeah, we did interview him.

Paladino: You know, Tom has – was at the Cultural Center right from the beginning. I mean first member of the board. Has played different roles in politics and in the academy, and his – his kind of commitment to the Cultural Center has paid off for them. Even though he's probably treated really poorly when they turned – when he resigned and they didn't make him emeritus. He – he – I think he could have probably turned his back on that organization, but the State Theater was too important, so you know guys like him. You know, as I said, people, you know, at City Hall like Glenn and those people are very professional. So I think it's just – out of the – I mean, I didn't know Mr. Sellars. Probably most of this wouldn't have happened without his kind of leadership. You know, John Lynch, is somebody who has been missed over last couple of years. You know, he was always somebody, personally for me, to go to when I got stuck to figure how to do stuff. I mean he's probably one of the best minds in this business. Just trying to think of the people who – who really – you know guys like Carl Van Horn who quietly, really impacted the city in a big way because of, you know, the kind of behind the scenes that he played in the Florio administration, and then his ability to help get the Whitman administration to commit to the Heldrich money. Guys like Alan Rockoff.

You know, when we – when I would go to Trenton or go to Washington and look for money, I kind of stood on the – I stand on the shoulders of giants. You know? There's a reputation that if you invest money in New Brunswick, particularly from the governmental side, is that you're not going to be embarrassed. That there will really be a ground breaking, and

there'll really be an opening, and from a politicians standpoint that's an important thing. So when we go to Bob Menendez and we're looking for transportation money, and we tell him it's not just because we want a nicer station, but because we're doing this and it's going – people listen to us, like Frank Lautenberg, listen to us because, you know – and generational change. You know this may be – now this may be an issue. I'm not sure if anybody ever commented on it. Who's next? You know? I got to give guys like John Heldrich and those people, although people have a tendency to hold onto stuff maybe too long, they did, you know, encourage people of my generation to do this, and I think there's been some good people who have been attracted, you know. Jean and I don't want to admit how old we really are. How long we've been doing it? But how do we, I mean we try to do our part. Everybody here who probably works for me now all probably went to Rutgers. I just hired somebody new. You know, how do you – well, Ralph Voorhees grandson is working for us.

Berkhout: Oh, Garrett.

Paladino: Garrett.

Berkhout: Oh really?

Paladino: You know, now here's a kid who this has been a part of his world in some way. There's a long family history. You know, can a guy like him grow up to want to do this and stay here, you know? That's kind of important, because in – there's an entire lost generation of people who like all lived on New York Avenue, and went to – they all kind of moved, and the question is how can you now kind of nurture the next group of, you know, as Mr. Heldrich is the first revitalizer, and get people to do this work. And the only way is to give them opportunity to do it; both on the political side and from what we do. What I'd like to see more of? Is the Johnson & Johnson commit the personal resources of people who truly think this is important.

You know, people who work there who want to get involved in what we do. Things that the Cultural Center does. Things that NBT does, and not because it's an obligation or it was an assignment. You know? There was a – it was from the heart when John Heldrich – it was their job. He was assigned it, but it was a commitment of his. Bob Campbell. Mr. Stolzer, you know, a lot of these other guys, they really believed in this. So Johnson & Johnson, the hospitals, Rutgers, you know, who's going to emerge that takes this seriously? You know, if I was an upper manager at Rutgers and wanted to make a name for myself today, I'd go into Dick's office and say let me – I'll take care of the New Brunswick side, and really spend time, expend your personal capital to do it. You know, the hospitals, Steve Jones is very committed, but then who's going to rise up out – Amy Mansue maybe taking a lot of that role now. She's the president of Children's Specialized Hospital. You know, we need people to kind of step up and want to be part of this to have a future.

Listokin: As far as information on Devco, like annual reports or anything like that?

Paladino: Jean has everything.

Listokin: If we could . . .

Paladino: We've got more stuff than you'd ever want, and we've got a basement full of old plans, and we've got models.

Berkhout: Are you going to keep them, because actually we also have talked with Rutgers' Archives people about their interest in possibly taking in more of these things. Like Heldrich's stuff, you know, he's got boxes.

Paladino: Oh yeah, we've seen the boxes

Berkhout: He needs help organizing them.

Holtz: Well you know, it's interesting whenever we have done anything that's

printed or formalized I always send a copy over to Special Collections.

Berkhout: Oh right. Okay. So they have it all.

Holtz: Well they don't have everything, but we have a draft strategic plan . . .

Paladino: We've got videos. We've got, you know, the Robert Johnson Foundation.

Listokin: At a later point, if I could maybe just stop by and see what you have?

Berkhout: We should see the videos. So you were saying the Robert Wood Johnson .

Paladino: Robert Johnson Foundation – that's something else that we have, you know, we really haven't kind of talked about, but, you know, a major commitment by the General in his, you know, bequest to the creation of the foundation that a certain amount of money was going to get spent here. Big challenge for the future, because we've had boards of directors who roll over there, like, why are we spending all this money in New Brunswick?

Berkhout: Yeah.

Holtz: That's part of their mission.

Berkhout: Well, they made the commitment to just New Brunswick, too. I thought there was a percent that was supposed to be . . .

Holtz: It's a legacy money that they refer to it as – it is it is three to five percent of everything they give out each year that the General wanted to come to New Brunswick, and every time the board turns over at Robert Wood these new folks question well why are we spending money outside of our health care mission?

Paladino: Not that there's not a lot of opportunity to spend it in the healthcare mission, because of the medical schools, but and look, I mean, Bob Campbell was the last chairman that had that real connection. He's kind of emeritus. Fortunately at the moment Tom Kean is the chairman. Tom Kean understands what we do.

Holtz: He took over last year.

Paladino: New Brunswick has always been an important place to him. He understands what we do. He understands what goes on here in terms of what's special about it. So that's, but that's, you know, Robert Wood Johnson Foundation, I can't tell you, and you probably should talk to somebody there. Unfortunately the guy just died. Terrence Keenan, who was the Program Manager. But they support us at several hundred thousands of dollars a year.

Berkhout: Well they apparently do have video taped interviews with each of the board members over the years.

Holtz: I think NBT – or Robert Wood?

Berkhout: Robert Wood.

Paladino: The foundation?

Berkhout: I talked to somebody there – the foundation – because one of them said, “Oh you know, there's been interviews with people about New Brunswick.”

Holtz: New Brunswick Tomorrow.

Berkhout: But yes, but they also did it with their own board members so like Bob Campbell was videotaped.

Listokin: As there were some oral history tapes of John Lynch, but you couldn't access it in the Rutgers Library. You had to have his permission.

Berkhout: Yeah, because he had designated limited access, now he said he wanted anybody to see it.

Paladino: Oh really?

Berkhout: But that was on . . .

Listokin: Yeah.

Berkhout: That was the history of the – some legislator.

Listokin: I know – I know – he's given permission and I will look at it, and I want to integrate this into what we're doing.

Berkhout: And so, you know, we have some initial funding and thanks for helping to contribute. And it's going, you know, we're transcribing these things, but then at some point we're going to have, you know, 50 hours of stuff that need to be either available as is or, you know, do we want to do some publication or do we want to provide some exhibit space somewhere where we could have an edited video tape? But if you have any ideas about what could be done with this, now . . .

Listokin: We want to have a good discussion on it. Because researchers will spend this time of listening to these, you know, 50 tapes that are transcribed and what have you, but we want to communicate this.

Paladino: I'll never forget the day, living on Gilden Street, my junior, senior year of college, and I had to write a paper for some planning class, and had heard that Pat Sheehan was going to be on an hour and a half interview radio show. So I take my pad, sit on my bed, take the phone, and I call in four times with different accent asking the questions I want to write my paper. And wrote an entire paper from the interview.

Holtz: Well, if I can synthesize this to 20 minutes so when I get the call the night before the papers are due, because I'm the one who gets these stupid calls, "Could you tell me, I'm very interested in the story . . ."

Paladino: That's the one. Other disappointing things. Little things. I mean, you've got to go, and we got to do some stuff, but, you know, there's no newspaper anymore. Trying to get people to understand what we do, you know, is a real hard thing. And . . .

(Interruption:

Holtz: Do you need him or do you need to get in here?

Paladino: No, we're moving. I'll move in two minutes and you can move back here.)

And the other – the other thing is having to – from the media standpoint is, every year we educate an entire new team of *Targum* reporters. Because you kind of owe it to them, but no matter what you say they get it wrong, but they don't anything, so it's somebody new. You know, they don't want to go back and read the old stuff. They don't . . .

Berkhout: Who is now on the Devco Board and NBT Board from Rutgers? I guess Nancy Winterbauer is on NBT, but . . .

Paladino: Nobody.

Berkhout: There's nobody. There used to be Ed Kozack.

Paladino: Oh, he's still on.

Holtz: He's still on.

Berkhout: He's still on?

Paladino: Yeah.

Holtz: As a retired – but there – actually, you know, you know there is no . . .

Berkhout: Did he ever do anything to help facilitate Rutgers?

Paladino: No, no, no. That was a favor to Alan Rockoff.

Berkhout: I see.

Holtz: He didn't even like our bookstore idea . . .

Listokin: I don't know, I am always trying to figure out how to recreate the New Brunswick class. I always felt we're a School of Planning and Public Policy. We have this thing

right in front of us. You know? How do we bring it . . .

Paladino: Ah, how easy would that be though? It's just like -- it's like the -- it's like the old class I took when I was in Eagleton with Ray Bateman and -- who used to do it, Ray Bateman, and ,oh, it was some other democratic lobbyist or something, and Dick Lehne. You know? You have a different speaker every night on a different subject. You get the mayor to come, and I come, and, you know? How easy is that?

Listokin: That might . . .

Paladino: I'll do that one for you.

Berkhout: Okay. We'll call you up about it.

Listokin: I'm also wondering about, and this is a wild idea, of how we can get John Lynch back into, you know, part of that class let's say, you know, speaking about redevelopment.

Paladino: He's a guy who could teach a class about a lot of stuff in public policy. School finance, tax reform, I mean -- he would be extraordinary.

Berkhout: Yeah.

Listokin: I have to figure out how to do this . . .

Paladino: What's his name is teaching at CCNY now, Spitzer.

Berkhout: Yes, I know. Right.

Paladino: I think once you pay your dues, you . . .

Holtz: Martha Stewart's back on TV.

Berkhout: Right. That's true.

Paladino: John was in good spirits? I haven't talked to him actually.

Listokin: Spitzer may be governor again, who knows?

Paladino: Who's going to be our governor?

Listokin: Thank you.

Paladino: Well I know I ran long, but . . .

[end of recording]