

**Resolution Confirming Downtown HUB Associates III
Urban Renewal, LLC as Redeveloper of a 39 story mixed-use
building consisting of residential, laboratory and office uses on
property located in the Ferren Redevelopment Plan Area and
now known as Block 17.01; Lots 1.06, 3, 8, 9 and 10; approving
the H3 Redevelopment Agreement between the Housing
Authority and Downtown HUB Associates III Urban Renewal,
LLC and the Concept Plan for the Project**

WHEREAS, the Housing Authority of the City of New Brunswick, acting as the City of New Brunswick Redevelopment Agency (“Redevelopment Agency” or “Agency”), pursuant to N.J.S.A. 40A:12A-4 and N.J.S.A. 40A:12A-21, may exercise all powers, duties and functions relating to redevelopment in the manner of a redevelopment entity under the Local Redevelopment and Housing Law N.J.S.A. 40A:12A-1 to 49, which powers include contracting with redevelopers for the planning, replanning, construction, or undertaking of any project or redevelopment work under N.J.S.A. 40A:12A-8.f; and

WHEREAS, the City of New Brunswick (“City Council”) has approved a redevelopment plan for the Ferren Redevelopment Plan Area (“Redevelopment Plan”), which includes parcels of land situated on the southeastern side of Albany Street, bounded by Kirkpatrick Street, Paterson Street and Spring Street, which parcels consist of Block 17, Lot 1.01; Block 18, Lots 1, 2, 3, 4.01, 8, 9, 10, 11.02 and 19.01 and the right of way of Church Street between Kirkpatrick Street and Spring Street, which, as a result of street vacation, lot consolidation and subdivision, was, at the time of the 2022 Agreement (as defined below) known as Block 17.01, Lots 1.02 and 1.03, Block 17.02, Lot 1.04, and Block 18, Lots 1, 2, 3, 8, 9 and 10 and, which, as a result of subdivision approvals granted by the City Planning Board on April 8, 2024, were then known as Block 17.01, Lots 1.03, 1.04, 1.05 and 1.06, Block 17.02, Lot 1.04, and Block 18, Lots 1, 2, 3, 8, 9 and 10, and, per the determination of the City’s tax assessor, Block 17.01, Lots 1.04, 1.05, and 1.06 have been redesignated as Lots 1.05, 1.06, and 1.07, respectively, and Block 18, Lots 1, 2, 3, 8, 9 and 10 have been redesignated as Block 17.01, Lots 1, 2, 3, 8, 9 and 10 (“Redevelopment Plan Area”); and

WHEREAS, Redeveloper is currently wholly owned by New Brunswick Development Corporation (“DEVCO”) and it is anticipated that the ownership will be a partnership between DEVCO and Pennrose Properties, LLC (“Pennrose”); and

WHEREAS, Downtown HUB Associates II LLC (“DHA II”) and the Agency entered into a redevelopment agreement dated May 25, 2022 with respect to the redevelopment of property within the Redevelopment Plan Area then known as Block 17.01, Lot 1.02 and Block 17.02, Lot 1.04 (the “2022 Agreement”); and

WHEREAS, Redeveloper and Agency entered into an Amended and Restated Redevelopment Agreement, dated April 24, 2024 (“2024 Agreement”), that terminated the 2022 Agreement and designated Downtown HUB Associates III LLC as the Redeveloper for (a) real property known as Block 17.01, Lots 1.05 (which has been redesignated as Block 17.01, Lot 1.06), for a project known as H3 (“H3 Project”), and (b) real property known as Block 17.01,

Lot 1.06 (which has been redesignated as Block 17.01, Lot 1.07) for a project known as the Paseo (“Paseo”); and

WHEREAS, Redeveloper has assigned its rights as redeveloper under the 2024 Agreement to NJ Innovation Associates Urban Renewal LLC, a New Jersey limited liability company (“NJIA”), for the construction and development of the Paseo pursuant to that certain Partial Assignment of Redevelopment Agreement dated April 30, 2025 (“Partial Assignment”); and

WHEREAS, the Partial Assignment with respect to the Paseo is valid and effective, and nothing in this Agreement shall affect or prejudice any rights granted and transferred under the Partial Assignment; and

WHEREAS, the Redeveloper and the Agency entered into that certain Amendment to the Amended and Restated Redevelopment Agreement, dated June 25, 2025 (“Amendment to the 2024 Agreement”), which amended the timelines for submission of plans and narratives for the H3 Project in the 2024 Agreement and acknowledged the potential addition to the H3 Project of, inter alia, Block 18, Lots 3, 8, 9 and 10 (which have been redesignated as Block 17.01, Lots 3, 8, 9, and 10; together with Block 17.01, Lot 1.06, the “Project Site”) ; and

WHEREAS, the New Brunswick Parking Authority (“NBPA”) is the owner of the real property that comprises a portion of the Project Site known as Block 17.01, Lot 1.06, and Redeveloper is under contract with NBPA to purchase same; and

WHEREAS, Redeveloper has acquired the portion of real property that comprises the Project Site known as Block 17.01, Lots 8 and 10 and is under contract to acquire the portion of real property that comprises the Project Site known as Block 17.01, Lot 9; and

WHEREAS, Redeveloper intends, within the 180 days following the date hereof, to enter into a contract to purchase certain real property that comprises a portion of the Project Site known as Block 17.01, Lot 3; and

WHEREAS, the applicable findings made by the Agency set forth in the 2022 Agreement with respect to the H3 Project are deemed incorporated into this Agreement; and

WHEREAS, this Agreement shall supersede all references to the H3 Project in the 2024 Agreement in its entirety, as amended by the Amendment to the 2024 Agreement, and terminate the 2024 Agreement as to the H3 Project, but shall not impair the effectiveness of the 2024 Agreement (as amended) as to the Paseo and the rights duly transferred by the Redeveloper to NJIA under the Partial Assignment; and

WHEREAS, the Redeveloper intends to construct the following on the redevelopment site:

1. Residential Apartments: There will be 265 residential housing units total, including 53 affordable units. The residential component includes amenity space such as a gym, co-working space, communal kitchen, billiards room, lounge space, and an outdoor

terrace. Pennrose will arrange for the financing of and will operate the residential component of the building.

2. Rutgers Laboratory and Research Group: This Rutgers space would occupy approximately 35,000 square feet on a dedicated floor, split between a wireless network testing laboratory and research infrastructure with specialty climate-controlled rooms.
3. Rutgers School of Medicine Housing: The total space allocated for the Rutgers School of Medicine Student Housing is approximately 50,000 sq. ft. spread over four dedicated floors consisting of 11 two-bedroom suites, 3 three-bedroom suites and 17 four-bedroom suites.
4. Wet and Dry Laboratory Space: H3 includes approximately 30,000 square feet of lab space sponsored by Middlesex County. It is anticipated that established small and medium sized pharmaceutical and bio-tech companies will initially utilize the space.
5. Middlesex County Office: The County will locate their C-Suite offices along with other public and business facing departments..

WHEREAS, DEVCO has substantial experience in constructing redevelopment projects in New Brunswick, including the Heldrich Hotel, New Brunswick Performing Arts Center, the Helix-1 project, and other major projects, and Pennrose has constructed and developed 700 market rate, affordable and senior housing units in New Brunswick over the past two decades in partnership with DEVCO; and

WHEREAS, the project is anticipated to cost \$485 Million and the Redeveloper anticipates financing a portion of the H3 Project through the Aspire tax credit incentive program for which Redeveloper is eligible to receive tax credits in the amount of \$359 Million; and

WHEREAS, for the non-apartment portion of the building, the Middlesex County Improvement Authority will issue 30-year tax exempt bonds secured by long term lease agreements between the Redeveloper and each of Rutgers University and Middlesex County, each of which will make equity contributions to the H3 Project; and

WHEREAS, the Redeveloper has submitted a concept plan prepared by Elkus Manfredi Architects, dated October 7, 2025 showing a 39-story building containing the elements set forth above with a penthouse/elevator overrun level (“Concept Plan”); and

WHEREAS, the Redeveloper contemplates that construction of the H3 Project will start in May of 2026 and be completed by December of 2028; and

WHEREAS, the attorneys for the Redevelopment Agency and the Redeveloper have negotiated a redevelopment agreement for the H3 Project, a copy of which is attached hereto (“H3 Redevelopment Agreement”); and

WHEREAS, the parties desire to enter into the H3 Redevelopment Agreement for the purpose of setting forth in greater detail their respective undertakings, rights and obligations in connection with the construction of the H3 Project exclusively, all in accordance with the Redevelopment Plan and applicable law and the terms and conditions of the H3 Redevelopment Agreement hereinafter set forth; and

WHEREAS, based upon a review of the submitted information and the presentation made by the Redeveloper at the public meeting held on October 22, 2025, including the answering of any questions by the Commissioners and the public, the Redevelopment Agency has found that the documentation and presentation to be acceptable and in conformity with the requirements of the Redevelopment Plan, including the Concept Plan and the H3 Redevelopment Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Housing Authority of the City of New Brunswick acting as the Redevelopment Agency as follows:

1. Downtown HUB Associates III Urban Renewal, LLC is confirmed as Redeveloper for the redevelopment project described in the Preamble.
2. The H3 Redevelopment Agreement by and between the Housing Authority of the City of New Brunswick and Downtown HUB Associates III Urban Renewal, LLC is approved in substantially the form attached hereto.
3. The Chairman is authorized to execute the H3 Redevelopment Agreement.
4. The Concept Plan prepared by Elkus Manfredi Architects dated October 7, 2025 is approved.
5. The financing plan and construction schedule for the redevelopment project set forth in the Preamble and H3 Redevelopment Agreement is approved.