



PRESS RELEASE
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**Bayonne Local Redevelopment Authority Signs Agreement with Fidelco Bayonne Realty
to Develop Harbor Station at The Peninsula at Bayonne Harbor**

Bayonne, NJ, March 25, 2005 – The Board of Commissioners of the Bayonne Local Redevelopment Authority (BLRA) approved a resolution at its regular meeting last night to authorize its Executive Director to sign an agreement with Fidelco Bayonne Realty (FBR) to develop the Harbor Station District of The Peninsula at Bayonne Harbor.

The Bayonne Local Redevelopment Authority (BLRA) will initially be paid \$1,000,000 for its pre-development costs by Fidelco upon the signing of the agreement. Under the agreement, Fidelco will advance \$21,500,000 to the BLRA by June 1. This advance will be used by the BLRA to begin infrastructure construction on the site. This advance is to be credited against the purchase price that Fidelco will pay for development parcels in Harbor Station. The purchase price of all development parcels in Harbor Station will be determined using a fair market value process set forth in the agreement. The BLRA may choose to provide some or all of the \$21,500,000 advance to the City of Bayonne if the City of Bayonne agrees to undertake infrastructure work for the BLRA on The Peninsula.

The redevelopment agreement gives Fidelco rights to develop Harbor Station. The BLRA will, at a later date, determine what entity or entities will be selected to develop parcels in the remaining districts on the Peninsula.

"This is an historic agreement in that it sets forth a framework whereby property can be redeveloped," said Nancy A. Kist, Executive Director, Bayonne Local Redevelopment Authority. "The advance payment contained in the agreement only represents a down payment on what we believe to be one of the most valuable pieces of real estate in New York Harbor."

"The BLRA's hard work over the last six years has paid off. This agreement is an important step toward redeveloping the property in a manner consistent with the community's vision," said Howard Fitch, Chairman, Bayonne Local Redevelopment Authority. "The Harbor

Station development will create tax ratables, create job opportunities and help stabilize the tax base of the City.”

“We are thankful that the public-private cooperative venture has finished its work and produced an award-winning plan for the most exciting development on the Hudson waterfront in the past 50 years,” said Marc Berson, chairman of the Fidelco Group. “We’re excited to lead the project as Bayonne reclaims MOTBY, reconnects with its historic waterfront and revitalizes one of the most significant pieces of real estate on the East Coast.”

Harbor Station consists of approximately 102 acres of land on the western edge of the property. It runs the length of Route 440 from Prospect Avenue to 45th Street. The net developable acreage for the district, however, is approximately 47 acres because several areas are constrained for development purposes due to road and bridge connections. Other portions of Harbor Station have been reserved for civic uses such as schools, police, fire and other municipal facilities as well as active and passive recreational spaces.

In addition to these public uses (including the beginning of the waterfront walkway on this site), the redevelopment plan for Harbor Station permits a vibrant mix of uses including, multi-family housing, one- and two-family townhouses, retail and personal services, grocery stores, restaurants and bars, commercial recreation, entertainment facilities, multi-media production facilities, hotels, financial institutions, offices, child care centers, plazas and parking facilities. Harbor Station is expected to provide market rate and affordable housing opportunities.

The principals of Fidelco Bayonne Realty are Marc E. Berson and Steven B. Kalafer. Fidelco is an owner-developer of office, residential, industrial and retail properties located primarily in New Jersey, New York, Florida, and Ohio. Its property portfolio totals over nine million square feet. It is an active investor in properties which require rehabilitation, repositioning and/or environmental remediation.

Future plans for The Peninsula at Bayonne Harbor call for a vibrant mixed-use waterfront development comprised of residential, maritime, light industrial, commercial and office uses. The Peninsula will feature a marina, ferry service, more than two miles of waterfront walkway and numerous recreational areas with parks and playgrounds.

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