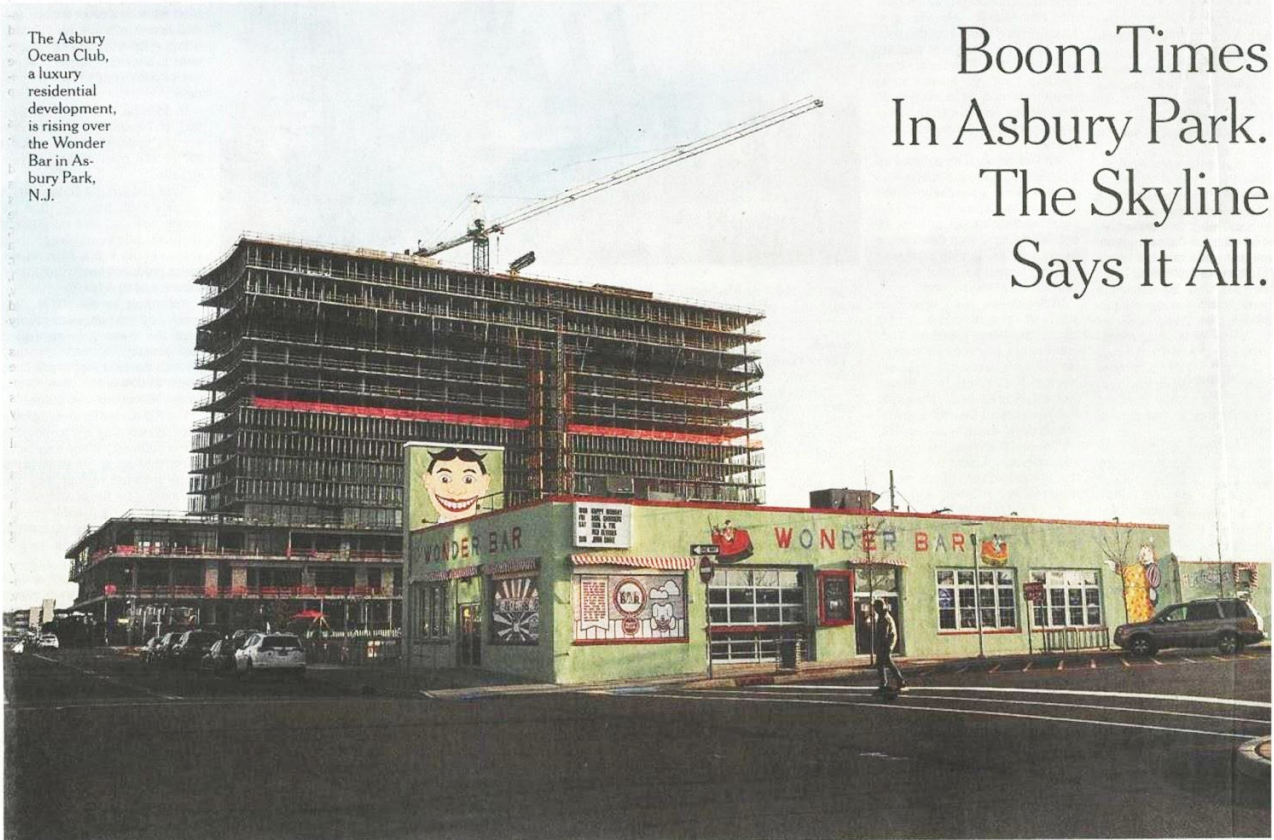


## New York

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The Asbury Ocean Club, a luxury residential development, is rising over the Wonder Bar in Asbury Park, N.J.



### Boom Times In Asbury Park. The Skyline Says It All.

#### Is there room for Hamptons-like lifestyle and prices in this quirky, vibrant town?

By NICK CORASANITI and JULIA GILLARD

ASBURY PARK, N.J. — For nearly 40 years a plot of land one block from the ocean sat rotting and abandoned, a decrepit visual counterpoint to the mounting evidence that Asbury Park, the famed Jersey Shore town, had finally achieved a comeback.

Today, a 17-story tower with contoured glass is nearing completion on the parcel where two previous developers had failed. But in a town that is now one of the Jersey Shore's most popular destinations, with a refurbished boardwalk and a bounty of new restaurants and breweries, the development is still a high-stakes gamble that people will be willing to pay Hamptons-like prices of nearly \$1 million to nearly \$6 million for oceanfront condominiums.

The project, called the Asbury Ocean Club, is the pinnacle of a \$300 million investment by iStar, a developer that about eight years ago made a significant bet that this once-forlorn city could attract wealthy residents while still retaining the quirky, artistic character that has made it appealing to visitors.

The new tower, which also includes a 54-room boutique hotel, will test that gamble. "There's a leap of faith here in that we think people appreciate quality and this will be the very best," said Jay Sugarman, the chief executive officer of iStar.

Whether buyers will be enticed to pay \$900,000 to \$5.9 million for one of the 130 units, which range in size from one to four bedrooms and feature floor-to-ceiling windows, remains to be seen — sales are just beginning. Even in the increasingly competitive real estate market along the ocean, the larger units will be the most expensive in town by a wide margin.

As the town gears up for the summer season, when the population surges from 15,700 year-round residents to more than 30,000 on a busy weekend, both locals and visitors expressed ambivalence about the looming tower. While they welcome the disappearance of an eyesore from the waterfront, some wonder what the dramatic addition to the skyline means for the future.

Real estate prices in Asbury Park have risen sharply, with the median home value of \$324,000 representing a 32 percent increase from last year, according to Zillow, an online real estate company. Stories of real estate agents knocking on residents' doors and offer-



Asbury Park, one of the Jersey Shore's most popular destinations, has refurbished its boardwalk, above. Below left, Jay Sugarman, the chief executive of iStar, at the site of the Asbury Ocean Club; and right, the Asbury Park beach.

ing to buy houses outright are common. For Sale signs rarely last long enough for the colors to fade in the sun.

But some worry that the proliferating development will squeeze out the city's bohemian culture, evoking comparisons to places like Montauk — the once-sleepy fishing village at the tip of Long Island that has become a sleek, stylish and expensive resort.

"This is completely destroying what Asbury

used to be," said Morgan Menditto, 30, who was born and raised in Asbury Park, as she played with her young daughter on a boardwalk playground. "They're closing down all the things that made Asbury Asbury, like the bodegas. They're putting up these developments and ruining our skyline. Just basically driving out anybody who is really not a rich yuppie basically."

Asbury Park is undoubtedly experiencing a

rebirth, but the renaissance is largely confined to the water's edge and has largely bypassed much of the rest of the city, where the majority African-American population lives on the west side and nearly one in three residents lives below the federal poverty line.

Indeed, a drive down any street leading away from the gleaming blocks along the ocean reveals a starkly different picture — aging homes with crumbling stone front steps and weedy lawns, vacant storefronts and tire-destroying potholes.

"The hotels that they're building there and the condos are unaffordable for the local community, so it seems like they're appealing to high-income, out-of-town individuals to come in and make Asbury a completely new city," said Andrew Chambarry, who lives in Asbury Park and is the chairman of the New Jersey chapter of the Surfrider Foundation, an environmental group.

But the mayor, John Moor, and iStar say they are taking steps to try to ensure that the beachfront boom yields benefits for the rest of the city. Among other initiatives are a program to train local residents for jobs in the growing hospitality industry. Several dozen residents were hired to help build the Asbury Ocean Club project.

Mr. Moor also noted that the new tower will contribute millions in additional tax revenue, nearly 10 percent of the overall tax base, which could go toward schools, public works and others projects throughout the city. "It should really help advance the city, the entire 1.2 square miles, not just the beachfront," he said.

To Mr. Sugarman, preserving the city's creative personality is key to Asbury Park's vibrancy.

"I want those people there," he said. "This eclectic group of people who are different and interesting and pushing the envelope, that is what makes a community special. If they leave, Asbury is not special anymore."

To try to help "protect the spirit" of the city, as Mr. Sugarman puts it, iStar has undertaken several projects, including refurbishing an old Salvation Army building into a chic hotel — the Asbury — that has become a cultural hub of sorts with live music in the lobby and an attached gallery featuring the work of a local music photographer.

The company also redeveloped the Asbury Lanes — an old, beer-stained bowling alley — into a new bowling alley and event space that has contracted with a New York-based music promoter to line up shows for the summer.

But as it reshapes the city, iStar has also encountered some bumps in the road. Its plan to build townhouses in the north end of the city was met with protests from local residents and the local chapter of the Surfrider Foundation, and they have yet to be constructed.

And when word filtered out that iStar was planning to open a "private beach club," locals erupted in protest, though the developer explained that while it plans open a private club near the beach, the project was never meant to include any part of the boardwalk or the beach. Mr. Moor was adamant that only "over my dead body" would he ever cede any part of the beach.

Gus Kavouras, 70, used to live in Asbury Park, but he, like many others, left the city after riots in 1970 that were touched off by years of racial grievances over jobs and living conditions.

"I never thought Asbury would come back," he said as he paid for street parking a few blocks from his old apartment. "I'm happy, I wouldn't walk down the street 17 years ago."

But Mr. Kavouras, who lives nearby in West Long Branch, has started coming back every summer, staying at the Hotel Tides.

Glancing at the Asbury Ocean Club tower visible in the distance, he said, "I'm happy, I think it's going to be a big plus. I think it's going to bring more people. It's going to help the restaurants. It's going to help our area."



'I'm happy, I think it's going to be a big plus.'

GUS KAVOURAS, a former resident who approves of the new high-rise



'This is . . . destroying what Asbury used to be.'

MORGAN MENDITTO, a resident who disapproves of the 17-story tower