

## Business Better (Season 3, Episode 10): Building Neighborhoods – A Resilient Business Model with Paul Silverman

Speakers: Krishana Pleasant and Paul Silverman

Steve Burkhart:

Welcome to Business Better, a podcast designed to help businesses navigate the new norm. I'm your host, Steve Burkhart. After a long career at global consumer products company, BIC, where I served as vice president of administration, general counsel and secretary, I'm now special counsel in the litigation department at Ballard Spahr, a law firm of clients across industries and throughout the country.

In today's episode, we're joined by special guest Paul Silverman, Co-Founder and Principal of SILVERMAN. SILVERMAN is a real estate company that restores and transforms historic architecture into thoughtfully designed residences in Jersey City. Speaking with Mr. Silverman is my Ballard Spahr colleague Krishana Pleasant, Of Counsel in our New York office. So now let's join Krishana and her guest Paul Silverman.

Krishana Pleasant:

Today I'm excited to have Paul Silverman, a principal with Silverman, which is a real estate firm that has developed some of the most thoughtfully designed mixed-used buildings in downtown Jersey City. Silverman's real estate assets include iconic properties, sought-after residences, and prime commercial and light industrial space. I met with Paul a few weeks ago, and as impressive as the real estate portfolio he and his team have built is, I walked away from that meeting completely blown away by Paul's unique leadership style. Paul is going to share how building neighborhoods has become essential to Silverman's success. Hi Paul, and welcome to the Business Better Podcast.

Paul Silverman:

Thank you, Krishana. I'm excited to be here. And I'm smiling already from your introduction to me. It is fun, the way we do it is, I think it's unique, but I don't know why everybody does it, do it our way. It is a lot more fun to be the way we are.

Krishana Pleasant:

Yeah. So we will definitely dig into the method behind the Building Neighborhoods tagline, but I wanted to just back up for a second and talk about what building neighborhoods means for you. I am a Jersey City resident, and I've called Jersey City home for over a decade. I am fourth generation in my family living in Jersey City. And when I think of the Silverman Properties, I just think of a place that I want to be, whether it's my doctor's office, or restaurant, or the co-working space, it's just a vibrant space with great energy. And so I'm wondering if you can just share with us what exactly building neighborhoods means from your perspective.

Paul Silverman:

Great, thank you. I'd be happy to do that. Anyone could build a building, you get brick and mortar and then build a structure that people can live in. But we go that one step further to build the neighborhood. And in addition to the actual structure of a building, we want to fill it with really great retail and businesses and restaurants and schools, all the things you need to be in a neighborhood. And if you look back to years ago as neighborhoods would develop, you'd start out with a small grocery store, maybe a butcher, and then maybe a liquor store, and a restaurant, and then a school, and all those things that would come up around, and pop up to make a neighborhood be what it is. And my brother Eric and I, working together since 1981, have really become experienced, and I think successful, in listening to what the neighborhood wants.

I don't live in the neighborhood, I work here. So I talk to you, and I talk to others that are in the neighborhood, "What do you need? What do like? What do you want to love living here?" And then we actively work to find that. I'll give an example of Rumba Cubana, great Cuban restaurant that's now in the Hamilton Park neighborhood. People in the neighborhood had Vietnamese, they had Italian, they had pizza, they had barbecue. So what's missing? "Oh, great to have a nice Cuban restaurant." So we tracked down people that we thought would know about Cuban restaurants, and we were told that best Cuban restaurant is Rumba Cubana. They had a location in Guttenberg, one in North Bergen. They had opened up a little cafe years and years ago in Jersey City, but nothing in our neighborhood. And when I called the owner of Rumba Cubana, he told me he was too busy to open up here in Jersey City, even though he wanted to be here.

So I'd met with him, and I told him we would wait until he wasn't busy, and he was building a location in Clifton, and he was way behind schedule. And I made him an offer, and I said, "If you sign a lease with us whenever you finish in Clifton, doesn't matter if it's a month from now, or six months from now, we'll give you a two-month break to rest and relax, and then you have to tackle and open up Jersey City." And he asked why we would wait for him. And I said, "Because you're the best Cuban restaurant according to everybody, and that's what we want in our neighborhood."

So we were able to be patient. He signed the lease, put a sign up in the window that said, "Coming soon, Rumba Cubana," which was almost as good as having him in the neighborhood. People were excited about it. And now that they're open almost five years already, it is still the best Cuban restaurant in Hudson County, maybe in New Jersey. So we've been really fortunate to listen to the people of the neighborhood, and carefully build the spaces with, as you mentioned, restaurants, schools, stores, doctors, fitness, pharmacy, co-working, so all the things that you need, you never really need to leave the neighborhood. That's the idea.

Krishana Pleasant:

Interesting. So I know that that model is a really holistic model. It's not just a matter of having a vision as a developer and then imposing that vision on a neighborhood. It's actually getting the feedback from the community that you plan to serve before you finish the project and get it rented out. It sounds like that happens in a very relational and organic way. So my question for you, is with that concept of building neighborhoods in mind, how has that become essential to the company's success? I know that you are a very strategic thinker, and when we spoke a few weeks ago, you talked to me about how, from the company's inception, the very first Jersey City project, you and your brother were already thinking about how to measure success beyond just financial terms. So can you tell me about the first project and your strategy there?

Paul Silverman:

Yeah, sure thing. A lot of people thought we were crazy to invest in Jersey City back in 1981. It was not anywhere near what it is today. And my brother had the courage and the vision to see what could be a great neighborhood, and what's now Paulus Hook, one of the oldest neighborhoods of New Jersey, you can see the Statue of Liberty. You can walk a few blocks to the PATH train to be in New York City, or Newark, but it was run down, broken windows, and no trees, and really tough neighborhood, but could be beautiful.

And Eric had the vision to see that. I became his partner in it, and we bought a 14 unit apartment building with a commercial storefront, and put our heart and soul into renovating it, to make a beautiful building with charming one and two bedroom apartments. And after the year of this amazing restoration of this building, where we planted trees, and all the windows were not only repaired, but clean. And in three weekends rented out all 14 apartments. Tiny ads in a paper, New York Times, no internet back then, and three weekends my wife, myself and Eric showed the apartments, and rented all 14 apartments to people that could really appreciate this neighborhood.

As I said, you can see the Statue of Liberty, you had beautiful views of New York City, walk five minutes at the PATH Train, you could be in Manhattan in moments, so you could be in Newark in 20 minutes, a really great spot. And we saw adding that kind of value to the neighborhood really was beneficial. We talked about, a moment ago, you mentioned about not having the finances as number one. Certainly important to know that you could afford to renovate the building and get rents that help support it, but we really learned to make our decisions based on what's right, and do the right thing, putting the money aside. Our father taught us that. Our father's in the trucking and warehousing business, and always giving service, and always teaching us about quality.

And I think when you were on your tour, I may have shown you the desk that I sit at, and that was a desk our father bought in 1969 for his trucking company. Definitely paid top dollar for it, but 50 some odd years later, the desk is in great shape, good solid wood desk with a chrome accent. The drawers work as smoothly as they did in 1969. Because he bought quality as opposed to a cheap desk that he had to replace in five years or 10 years, getting banged up. So I mean, typical of that, to build high quality, build it the right way, get the market rents, and have it pay for what you do. But I think that formula has allowed us to continually do the right thing, and find the right retailers, and then the dollars happen. We do make a good living doing what we do, but our focus is really on building the right neighborhood.

Krishana Pleasant:

Did you have a particular commercial tenant in mind for that first endeavor?

Paul Silverman:

Well, the very first one, I think you may note, Krishana, Eric and I and our company, we're very philanthropic and generous with the nonprofits throughout Jersey City. But our very first building there, we became philanthropic right from the start. Eric was driving through Jersey City, and there was a building collapsed at a construction site, and it collapsed the building next door that housed two brothers with a small engraving shop. And they were devastated about their building collapse. The one brother was disabled, he was in a wheelchair, the other brother had to carry him out, and they lost their business. And we had a little storefront in this first building that we were going to rent out, and we offered it to these brothers. Immediately said, "Tonight, we'll go clean it out." It had been our construction office, "We'll clean it out tonight, tomorrow you can be back in business."

And we gave them the storefront free for first few months until they were able to organize, and get their business back running. And that felt better. They collected rent, being able to give them a home, help them reestablish. And then they were tenants of ours for probably six or seven years, a long time. I think that's typical, not so much free rent, but any business that comes in, we generally work with them on what their rent budget is, and we'll ask them what the rent budget is, and if it's anywhere close to what we need for the space, we'll say yes. We try not to squeeze every last dollar out of these retailers. And some of the businesses could pay more than others, and we recognize that, and we want the Corner Bookstore to be here forever. So we have to give them a good, affordable rent.

The pediatrician, the pharmacy, they have a different formula, and they could pay a little more rent. So we are sensitive to that, to do the right thing, do it the right way, and rent to the right people. So the first question to someone who rents from us is not, "What's the rent going to be?" It's, "What's your business going to be? What's your vision going to be? What's your passion and your desire and your experience in doing this?" And so I think that's what we'd look for first, and then make the dollars work after that.

Krishana Pleasant:

Wow. I just think it's noteworthy that maybe even before there was a formal strategy, the passion to give back, and to be philanthropic, was very evident even from the first project. You described The Hendrix as the culmination of a decade's long plan, and I've done a real estate development course, and I don't recall a decade's long plan as part of the strategy that was taught in class. So I'm just wondering if you could walk me through what was involved at a high level in completing that project, and why you chose to stay in the game for 30 plus years to get that done?

Paul Silverman:

Yeah, so 1982, so that's now 41 years ago, 1982, Eric and I bought the first lot on that block there, a single family home. I'm trying to remember if the home was there, or if it had already been demolished. I can't remember that far back. But we bought a lot, one parcel of land, and over the years bought lot after lot until we were able to put together enough of a footprint to build a building. And through the years, recessions and depressions and economic upheaval, we were able to hang on, and keep those lots. Wasn't easy, but we stuck with it, kept them, resisted selling them, knowing that maybe someday we'd have enough to put together a big building, and worked really hard to do that. The vision of seeing a high-rise building there. We always know that in real estate, you have to be patient and persistent, and persevere, but we didn't think it would be that long.

We thought it would've got up 10, 15, 20 years ago. But the timing was right now, we partnered with the Albanese Organization in New York City, great group, and built this high-rise 40 story building with 500 apartments, and a great Australian bakery on the ground floor, a great little convenience store. And we're donating the corner of the property to Art House Productions, a Jersey City-based theater group. And we were donating the theater to them for the next 20 years. But the patience of buying lot after a lot, and collecting some rents from people while they were living there, they knew that eventually we would want to change it to an apartment building on the site, and take down the brown stones and the old buildings that were there. We had a parking lot there for a good number of years to help pay the taxes on the land, and whatever we could do to keep it going, and keep the ownership.

And we got approvals for a 12-story building originally. And when we went back to the city a few years ago, I'd asked for 40 stories because that's what was going up around it. We got quick, unanimous approval for that 40-story building, and then built it over the last two years. So identifying something that can become valuable, was really important to us. It's just a block away from the Grove Street PATH station, which is probably the most strategic location, because from Grove Street, you can go to Wall Street, you can go to Midtown Manhattan, and you can go to Harrison and Newark, and to Journal Square here in Jersey City. So really good strategic location. Most people walk to work, walk to the train, so very few people with cars clogging the neighborhood. So worked out great. We just never gave up, which is, we're really proud of that. And that 42 year project is up and running now. And to see people living there and enjoying their life there, it's a great feeling.

Krishana Pleasant:

Yeah, I think that that takes quite a bit of dedication to the value that you know you can bring to that community. So that was quite the feat. So just want to Transition For A Moment To The Team-building Aspect Of How Building Neighborhoods has become essential to Silverman's success. When we toured the Silverman office space and the &co co-working space, I took note that you set aside time to introduce me to every employee, not only their names, but their roles within the company, their tenure with the company. You knew some interesting personal detail about every person, and you also highlighted a number of exceptionally successful commercial tenants, and their photos were prominently displayed throughout the space. And I couldn't help but notice that knowing and valuing each team member is essential for you. So I just wondered if you could talk to us a little bit about that?

Paul Silverman:

Yes, absolutely. You felt it, and you experienced it with me, but real estate developing is a team sport. I think maybe golf is probably an individual sport, but almost every other sport is a team sport. And if any part of it is not strong, the whole team is not strong. Eric and I recognize that, and know that whether it's fixing a leaking pipe, collecting rent, paying bills, marketing, answering a phone, cleaning a floor, I mean, every task is so critical to the satisfaction. Like a dining in a fine restaurant, every ingredient has to be right, whether it be the staff, the menu, the service, the lighting, the smells, all that. So just like that real estate developing is the same way, where for our residents to love living here, our retail businesses to be successful with the products or services that they sell, every part of our team has to do a great job.

And I think we are really fortunate to have that with our team members, our staff members, bookkeeping, property management, accounting, the leasing and sales team, the fixing pipes, fixing wires, all the jobs that are required. And we have a relatively small company, and about 40 employees. So it's not too hard to get to know who they are and what they do. We try to do company events as well, whether it be a fishing trip, a day to the beach, a hockey game. We're big Devil's hockey fans. So every year we go to a hockey game, rent a suite, and by the way, we are seven and two in hockey games, we've been nine years in a row, we've only watched them lose twice. They've won seven games while we've been doing it. So yeah, we work hard to do that.

So that's on the team side of it. You mentioned the photographs that we have. We have our second set of GOAT's of Silverman, the greatest of all time of Silverman, probably there's 13 images in this round, photographed by an amazing photographer, Liza Gershman, who's written 17 photo books, beautiful books. But we were able to hire her to photograph our GOAT's for this round. And they range from the local cafe, Oak Cafe, to Cangiano's marketplace, the owners of Cangiano's, to former mayor, Jerry Healy and his family, and so many people that have made impacts in our lives and the lives of people here in Jersey City. So if we invite you to come to Jersey City to our building on Montgomery Street and check out these 13

images, they're beautiful color photos, framed, and as we walk over down the hallway in our office, we get to see these amazing GOATs every day. So we appreciate, and we like to recognize our team members, our tenants, our residents, as people that have added so much to our lives, business and personal.

Krishana Pleasant:

I wanted to just highlight for a moment that you're not just a development company, and this is obvious to me, but I think it's noteworthy, that you are also, once a project is completed, you are also managing the property for the long haul. So it's not just develop it, and turn it over to a management company, a third party, and move on to the next one. You stay with the property for the life of the property. And I think that that lends itself to a unique perspective.

Paul Silverman:

Yes, it allows us to build it the right way. We're building it to manage it. So we're building a high quality, we talked about my father's desk before, but we apply the same principles when we build. We have high quality windows, we spend a lot more for windows than most developers do, most builders do. High quality appliances, the carpentry, the wiring, all the things. We want to make sure that that building is easy to manage, and easy to maintain. So we build it with quality, and then we manage it, and try to keep as much in-house as possible. We have a HVAC-specialist that works for us full-time, an electrician, plumber, painter, carpenter, and certainly the big jobs we'll hire out subcontractors to wire up a new building, or put the air conditioning in for a new building, or the masonry work. But we try to build it so that we can manage it, and keep it in great shape.

And we work really hard to do that. Whether it be the residential apartments that are in our mixed-use buildings, or the office spaces, or the commercial space on the ground floors, we work really hard to manage them well. And it's fun. That's my responsibility. My brother Eric and I divide up our responsibilities, where Eric designs and builds the buildings, and then I manage them. So it's a fun separation of our duties, where we can each work to our skills. Because I don't have that design sense that my brother has. He can work with the architects, and make something functional and beautiful. Then I have the patience and the skills to manage an operation of a building once it's up. So it works so well for our partnership as well.

Krishana Pleasant:

Absolutely. I just wanted to take a bit of a detour for a second. You alluded to economic upheaval, and difficult times over the past several decades. And I mean, anyone who's in the real estate space knows that it's cyclical and you've got your ups and downs. You've managed to stay true to the vision. And I'm wondering how have your methods changed during times of uncertainty? Have you had to be creative when labor and material costs are rising, or when financing has become more expensive because of rising interest rates? I'm just curious to hear your perspective about that.

Paul Silverman:

That's really important for any business to survive. And as you saw during the pandemic, those restaurants that set up the outdoor parklets, and shifted to takeout, and all that, you have to be able to pivot, adapt, and really understand the environment around you to succeed. Because year after year, business is different. So we've worked hard with that to adapt and to respond. Part of our story was tremendous success in the early '80s, only to lose almost everything in the early '90s. 1987 when the stock, after the stock market crashed, 1988, the real estate market crashed, and early 1990s, one of our main banks went out of business, and the federal government, at that point, doesn't continue the loan. They want the money back. So we went through great upheaval, and lost so much of what we had gained in the '80s from 1990 to '94.

But then in 1997 or I think 1997, 1998, one of those bankers that had been doing the workout with us to help us work out through our loans, called me. And he was at a new bank, a man named Joe Burkhart, and he was at a new bank, Sovereign Bank, and he called, he said, "Paul, we want to lend you money for a project." And I said, "Joe," I said, "We didn't pay you back in full last time. Why would you lend us money?" And he said, great lessons for us in our 30s. He said, "Paul," he said, "No one paid us back in full. Everyone worked out some kind of deal. No one paid us back in full." He said, "But you and your brother Eric answered every call I made to you, you lived up to every promise you made. You have the kind of character we want to lend to."

So learning that lesson of failing, of adversity, but not hiding from it, and showing the banks where we were, what we had, and doing what's called, "Workout." We never declared bankruptcy. We didn't hide behind bankruptcy, but we showed the banks what we had, worked out deals with everybody amicably. They got something, we got something, and settled our debts professionally, and allowed the bank to trust us in good times to lend us some money. So the lessons we learned from that, answer your phone when it rings, don't hide from people. If you make a promise, stick to that promise. Eric and I, and I think that our entire company, we work really hard to make promises that we can stick to. Whether it be a deadline to do something, or a commitment to support something. Whatever it might be, when we say we're going to do it, we really work hard to do that.

We're not perfect, but people know that when we promise something, we work really hard to live up to that promise. So those traits that we've learned through that adversity have helped us be successful in the future. What other thing happened, we're really not afraid of anything. Having lost almost everything business-wise, we're probably willing to undertake a little more risk because of that, careful risk at this point. At my age now, I try to be a little less risky. But the other thing is it makes us compassionate landlords. So when our residents or our commercial tenants come to us with some situation, we listen, and we can be compassionate, because we've been in those shoes where you had an unexpected turnaround, something went wrong.

And sometimes we get faked out by a phony story, but most often we're hearing legitimate stories, where we show support for that person and that retailer, or that resident of ours, and help them get through their tough times. So that when they're strong, they're our customer for life. I think it's a good byproduct of what we went through, that allows us to be compassionate, and not be afraid to do things. Learning to never give up. Answering the phone, as I mentioned, and whether it be answering the phone, or answering text, answer an email, being responsive, and then making our promises, and sticking to those promises, all important things.

Krishana Pleasant:

That response could just be its own podcast episode. There's so much there. I just wanted to share my perspective. As a real estate finance lawyer, I am often representing lenders in the commercial real estate space, who are financing multifamily residential apartment buildings. And it's often the case that a lender will go to great lengths to salvage the relationship when the borrower is facing difficult times. Particularly if it's for reasons outside of the borrower's control, the market changes, the economy changes. I think folks sometimes lose sight of the fact that banks are comprised of people, and it's hard work to foreclose a property and get a borrower, or operator, out of the property, and replace management, and wipe the slate clean and start from scratch. I think most lenders will at least try initially to work with their customers. So I think it's really great that you mentioned the importance of relationships within the bank, because bankers sometimes move, they often move throughout their careers, and you just never know when you'll need a friend, so to speak.

So that was a really thoughtful response. Since we're on this topic of connection, I recently checked out your Instagram feed, and as promised, there you were making and serving pancakes to members of the &Co. co-working space. When you mentioned it a few weeks ago, I thought you were joking. I didn't think you were really going to do that, but you did it along with some folks on the staff. And one thing I noticed about you, is that you really seem to intentionally resist this out-of-touch leadership model in favor of empathy and connection. And it can't be an accident that you're doing that. I have worked at that co-working space, and I've been at the Charles & Co. building, and it's easily, hands-down, my favorite co-working space. I mean, it just attracts great tenants and great members. So I just wanted you to unpack, is it really about the pancakes? What's happening there?

Paul Silverman:

Yeah, it's funny, but we do a breakfast every Thursday morning for our members of &Co. Generally, it's from Frankie, the great Australian restaurant, right downstairs, very close by, come right up the backstairs, it delivers breakfast every Thursday morning. And about five years ago with John Tokar, that's who we do the pancakes with, John's one of our managers for the coworking space. I said to John, I said, "I used to be a breakfast cook in college. Thursday morning breakfast cook. I would get paid \$5 to make breakfast for my 50 fraternity brothers." I said, "So I can make breakfast."

And what's an easy breakfast to make? Pancakes. So John and I have been doing that. This was our fifth pancake breakfast, do it about once a year. And yeah, it's not about making the pancakes, it's about connecting with everyone walking up to me at

the countertop there, and giving them pancakes, learning who they are, what they do, what their business is, and enjoying time together. So this year was no exception. We had the blueberries and the chocolate chips, and the pancakes, and the time together, and it's fun to do. It's not something we normally do. So it's always fun to have that variety, and connecting over food. It's certainly a good thing to do.

Krishana Pleasant:

I think if you're a leader who intentionally serves the folks within your organization, I mean you immediately become approachable, accessible, you become an ally, you become a friend. And that's just such an important lesson in leadership, I think, for all of us.

Paul Silverman:

I think so. But one more example for that, we do an annual party for all of our residents, all the people that live in our building. You'll notice I don't call our residents, "Tenants," because we have three buildings that are condominium buildings, where we have some homeowners in there. And we've done three condominiums over our 40 years, and we've kept 10 to 20% of those units that we rent out. So we have buildings that have homeowners and tenants, and rather than have two classes of people living there, they all live there, so we call them residents. So everyone that lives in our buildings is a resident of the building, not a tenant or a homeowner, but we do an annual party. This past year was at White Eagle Hall, and we had platters of cupcakes for dessert. And I saw nobody was eating the cupcakes.

So I took the platters that I walked around the room and served the cupcakes. And I remember one of our residents said to me, "Paul Silverman serving me the cupcakes? How could that be?" And it's just such a nice thing to do, and I get tremendous joy out of that as well. I get happiness out of other people's happiness, and I think that's a tone we set in our company. When we see people enjoying themselves, whether it be work at &Co., or enjoying a meal at one of the restaurants, or just sitting on the rooftop and having a barbecue with family or friends, that joy spreads to us. And collecting the rent check is great, but more important than that, is that happiness and satisfaction we get from our residents.

I'll give you a fresh story from this morning. I try hard, don't, I'm not 100%, but I try hard to call everybody that renews their lease with us. And this morning I called a young man that rents from us. He and his wife moved to Ninth Street here in Jersey City from Manhattan a couple years ago, and I called to thank him for renewing. And he told me that they've been, he and his wife have been in I think five or six different apartments over their time together. And this is the first time they're buying permanent furniture for their apartment, because they love their home so much. They bought a couple pieces that were perfect just for that apartment, which they had never done before. They love it so much. And that brings me tremendous joy and happiness, to know that we're able to accomplish that for them, have a great place to live. That's why our apartments are 99% occupied, and I think we have 80% renewal rate. Most people stay and it's, I don't know why everybody doesn't do it this way.

Krishana Pleasant:

So are you telling me that you personally call residents that renew their leases in your properties?

Paul Silverman:

I do. I don't get to everybody. I call a lot. And it's a few calls every day to say, "Thank you for renewing." And I love the reaction I get. Some people are excited to hear from me, but most often, "Yeah, we renew. We love living here." And to hear that every day, and frequently to shout out an individual, "Oh, Anne was terrific. The renewal, or I love Pedro, keeping the place clean, or Angel at the front desk is amazing," to get all those reassurances for our team feels so good. And it's fun to do. Phone calls are pretty rare these days between texting and emailing, so it's nice for the phone to ring. I do often get, "Sorry, the mailbox is full," so I do have to text sometimes. But when I can get some alive as I did this morning for him to tell me how he and his wife bought permanent furniture now, because they love it so much, brought great joy to me.

Krishana Pleasant:

So here's a question for you. I think that part of what you are referencing throughout our conversation today is quality over quantity. And you've emphasized a number of times that it's not about doing something low quality and super quick, but it's really about the long-term investment. And I think that you have a fine-tuned and quite effective strategy for building neighborhoods. I think with that type of success, imagining that you're presented with many opportunities to take that model and multiply it, whether it's to other locations, or to more units, or to a different real estate class, so commercial buildings instead of residential. You have to have a very well-defined list of things that you know you're going to say no to. You've narrowed down your business model to key areas where you can thrive and be successful. Is it challenging to say no to opportunities when your success opens up these new doors, and new opportunities for you?

Paul Silverman:

Yes, it is certainly challenging to say no. Everybody is excited about growth and new opportunities, and we get presented quite a bit as you can imagine. But we are intentional with our growth, and we want to be able to manage our growth, and have a few buildings, and people, and employees that we can wrap our arms around. And I think that's why we picked Jersey City to develop too. We could do the same thing we do in New York City, probably make more money charging higher rents in New York City than what we charge here. But here we really feel like we make a difference, when we rehabilitate a building in a neighborhood, we can make an impact in that neighborhood in Jersey City, because it's small relative to Manhattan. So we potentially choose to do that, so that we can be significant and be difference-makers in what we do.

And we don't live big lives. Both my brother and I, we have nice homes, but we're not nuts about private jets and fancy cars and all that. So I drive a little BMW i3 battery operated car, and so we're careful to not lead huge lifestyles, where we have to have millions of apartments. So it's a good feeling to be able to have quality, not the quantity. Our company's big enough that we've got staff to handle things, but small enough that I could pick up the phone and call people, and I can recognize people in the lobbies, and know who they are. And small enough that I can make pancakes for people in our coworking space.

So it's a good feeling. I think we're at a good size that way, but we do continue to grow. But we just opened up Swift & Co., that's our new building on Ninth Street, that's 17 years in the baking, not as many as 41 with the Hendrix, but Swift & Co. were, that was part of the old St. Francis Hospital complex. We bought it back in 2005, so about 17 years ago. So the chance to keep it manageable. One other measure we used, if I can ride the Citi Bike to the job site, that's a plus. We have a Citi Bike rack right outside our office at City Hall, take Citi Bike to Hamilton Park, or over to Van Vorst Park and to be able to get around by Citi Bike is a good measurement for me if I want to get involved with that project, so I can keep it close by.

Krishana Pleasant:

Wow. So it's the geographic location, it's the neighborhood, it's how bikeable is it? How closely can you maintain the connections within the organization? It definitely seems like it's a very well-thought-out strategy, and I think that there's just something to be learned from that. Definitely a leadership lesson there.

Paul Silverman:

But also it matches our styles. I think that's the key thing. There are going to be people that want to be corporate CEOs of a 10,000 person company, and that will suit them. There's going to be a small entrepreneurs that want to be their only employee, and have a small retail business or manage their own buildings. Our first building, I was the only employee, Eric and I had a building of 32 apartments that I managed, and that was it. I was managing it. So I mean, you have to really match it to your style. I think my brother and I have been fortunate to be able to understand our style, and then match our business to that style, so that we get tremendous joy out of what we do. And please don't get me wrong, I don't wake up 365 days a year loving what I do.

There are four or five days a year while I wake up like, "Ah, why am I doing this? I don't want to do this." But that's pretty good odds though. There's only handful of days where just things aren't going right. But there are many more days where I love what I do. It's a good size, good fit, nice team players that the work in our company, great residents, the dinners I've had



at our restaurants, and to walk you through the schools that run from us, and walking the neighborhoods, riding the Citi Bike through the neighborhoods, it just feels so good. We are really fortunate to have what we have.

Krishana Pleasant:

Lastly, I just want to turn to the future. When we met, I asked whether you were concerned about scarcity of land for future projects. And I think with New Jersey being one of the most densely populated states in the country, land is at a premium. It sometimes seems in Jersey City that every parcel that can be developed, someone's already claimed it. Your perspective made it clear that Silverman views its role in Jersey City as having continuing value for the long haul. I'm curious about what's on the horizon for the company?

Paul Silverman:

Yes, we have a project that we're working on now, that's probably five, six years in the making on Grand Street just a few blocks from our office. There's empty land there, owned by a Catholic school that we're buying the land from them. And then there's a old bar called the Golden Cicada that was on the corner, little single story dive bar that we were able to successfully buy about two or three years ago, and we're going to build a few hundred apartments there. Something that will fit in beautifully to the neighborhood. We've had probably 20 community meetings already about it, meeting with people in the neighborhood, people that live in the neighborhood, community leaders, planning board, zoning board, city officials. Lots and lots of meetings so that we have a design that I think almost everybody likes. We'll add a few hundred apartments, we'll have some affordable housing, we'll have some great recreational spaces as well.

And so it's fun to be able to work on that. Right in our neighborhood, I'll be able to walk or Citi Bike to it as well, right nearby. And hopefully rebuild another Golden Cicada, or something else like that. The Golden Cicada is an institution here in Jersey City for many years and we've been able to reopen it, a couple that took it over from, we were just about to demolish it. And they said, "No, please don't demolish the building. Let us run a fun beer bar in there for a few years until you demolish it." So they cleaned it up, made it safe and clean, and have been operating the Golden Cicada for the last year or so. And until the minute we demolished it, they'll keep operating. So that's in the future.

You talk about scarcity of land, Krishana, I think that we can build, and others can build in Jersey for many years, because there are so many parcels. Almost every block has an empty lot here or there. And we can build on those, we can assemble parcels together. And I think we've got a bright future ahead for Jersey City. Port Authority's been adding to the train system, so we'll have 10 car stations instead of eight car stations, less and less people with cars, so it won't really clog up the roads as much. But bicycles, the Citi Bike has been expanding, and it's certainly more office space here now. So we have more and more of our residents walking to work, rather than going to Manhattan. So that's been a plus too. More hotels, Liberty Science Center's building a huge development there. So for the next 20, 30, 40 years, I still think the future for Jersey City is strong and bright, and then we'll keep having fun with what we're doing. We're happy to see the progress.

Krishana Pleasant:

Yeah, that's great. I love Jersey City, and it really is a pleasure to speak with someone that shares the same passion, and has implemented a very successful model for building neighborhoods and connections. So that brings us to the end of this episode. Paul, I want to thank you for joining me today. It's been an absolute pleasure. To our listeners, I hope the real estate and leadership insights Paul shared with us today have been beneficial. And thank you for listening to the Business Better Podcast.

Steve Burkhart:

Thanks again to Krishana Pleasant and Paul Silverman. Make sure to visit our website, [www.ballardspahr.com](http://www.ballardspahr.com), where you can find the latest news and guidance from our attorneys. Subscribe to the show in Apple Podcasts, Google Play, Spotify, or your favorite podcast platform. If you have any questions or suggestions for the show, please email [podcast@ballardspahr.com](mailto:podcast@ballardspahr.com). Stay tuned for a new episode coming soon. Thank you for listening.