The New Newark: Economic Development Progress, Challenges, and Prospects

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The New Newark

• Assets and Uptrends
• Challenges
• New Opportunities
Assets and Uptrends
Growing Population

Newark is one of the fastest-growing cities in the Northeast, having grown by 3% between 2000 and 2006.

- Newark Pop: 429,760 (1930s)
- Newark Pop: 275,221 (1980s)
- Newark Pop: 281,402 (2000s)
Accessibility to the Region
Port of New York New Jersey

Port of NY/NJ Total TEUs, 1991 - 2027
(2007-2027 Projected - 7% AGR)
Inner cities contain transportation infrastructure clusters, giving them a competitive advantage over other city regions.
Thriving Office Market

4.7% Class A vacancy rate
Doubled Affordable Housing Production

- 326 units under construction as of December 2008
- 926 funded units in the pipeline
Newark saw 20 Ribbon Cuttings and Groundbreakings in 2008

• 10 of those were in the final quarter
In 2008 Newark saw its largest one-year crime drop ever.

- Murder rate plunged 32%.
- Shooting rate dropped by 12%.
“What have you heard most recently about Newark?”

Top Open-Ended Responses:

27% Opening of Devils Arena
18% Positive perceptions of Mayor Booker/New Administration
13% Sharpe James Trial
Emerging Challenges
The Foreclosure Problem
Abandoned Properties
Small Business Challenges

• Lines of credit frozen, difficulty obtaining working capital
• Declining consumer spending
Unemployment
Immediate Responses
Newark/Essex Foreclosure Taskforce

Mission and Goals

• Addresses the impact of the mortgage foreclosure crisis and supports housing security and neighborhood stability in Newark, Irvington, Orange, East Orange and the surrounding area.

• Creating a forum for sharing ideas and information and coordinating action among the various local entities working on foreclosure prevention and intervention.

• Developing and implementing programs and activities that prevent unnecessary foreclosures and that help Newark and urban Essex residents faced with foreclosure to achieve the best possible housing and credit outcomes.

• Serving as a local anchor for policy and advocacy on behalf of the needs of low- and moderate-income urban residents in the context of the mortgage crisis.
West Ward Initiative and Abandoned Properties Ordinance

- 12 block targeted area
- New infill homes, Rehabilitation of historic housing stock
- Estimated $25 million total development (about 80 units)
- Work has begun on a new community garden and park, other public improvements planned, including streetscape
Bond Assistance Program

- $1,000,000 fund for small, women, or minority-owned
- BCDC has engaged Surety Bond Associates and the GNBDC to provide
  - Technical Assistance
  - Working Capital Loans
  - Direct Bonding Assistance

Grow Newark Fund

Partnership with Grow America Fund (“GAF”)
- $6 million loan fund
- Loans of $50,000 to $2 million
- SBA guaranteed

BCDC role:
- Source businesses
- Guide through process
- Technical assistance
Financing Developments

The City of Newark recently convened banking and other financial professionals to discuss creative ways of moving development projects forward.
Employment-intensive Social Ventures

- Looking to launch enterprises such as grease recycling and lot maintenance that clean our City while providing ex-offenders a path to the job marketplace
- Designing programs with groups such as the New Jersey Institute for Social Justice and the Doe Fund
Shovel-Ready Infrastructure Projects
Parks Initiative

- $59 million in public and private funds to revamp the city’s parks, partnering with groups such as Trust for Public Land.
- Adding swimming pools, sports fields, basketball courts, playgrounds and other facilities
- 11 parks will be completed in 2008/2009
A New Downtown Waterfront Park
Streetscape Improvements

Tens of millions in streetscape investments being made + planned across the City
Green Projects

- Retrofiting City and private buildings to boost their energy efficiency
- Looking to alternative fuels for heating and fleets
- Supporting local green industries such as biofuel producer Innovation Fuels
- Reaching out to the community: volunteers went door-to-door passing out free CFL light bulbs, and 311 operators refer residents to programs such as Energy Start and NJ Office of Clean Energy.
Shovel-Ready Economic Development Projects
Market Comparison

Total Cost:

- Midtown, NYC .......................................................... 369,158,092
- Lower Manhattan, NYC ................................. 346,433,643
- Outer Boroughs, New York ................................. 322,703,610
- Newark, NJ ............................................................ 310,769,495
- Newark, NJ with Urban Transit Hub Tax Credit ........ 298,627,368
New Corporate Tenants

Standard Chartered
International Outreach Trade Conferences
**Arena District**

- Prudential Center
- Richardson Lofts
Prudential Center
Richardson Lofts

"Newark’s Fresh Urban Living"
Planning Board Meeting
May 2007
Military Park District

- Cogswell Portfolio
- NJPAC
NJPAC
Two Center Street
NJPAC
Broad Street Station District

- Broad Street Station
- One Washington, Fidelco
- Tucker Development
Broad Street Station Area
NHA Land + City Land + Private Land

+/- 60 Acres of identified “Soft Sites” in the Master Plan Area
One Washington Park

422 Broad Street Proposed Tucker Development
(Transaction Preliminary, Not Finalized)
Newark’s Burgeoning Port
Insufficient Vacant Available Land Surrounding the Port

The City has initiated a redevelopment planning process designed to assemble land for new distribution and production businesses.

Potential acreage for redevelopment:
- Portfields plots\(^{(1)}\)
- City owned plots\(^{(2)}\)
- Potentially underutilized plots\(^{(3)}\)

(1) Sites identified by joint Portfields Initiative between NJ EDA / PANYNJ as having high redevelopment potential.
(2) Sites identified by City of Newark Planning Department as city owned.
(3) Sites preliminarily identified by City of Newark Planning Department as potentially underutilized.

BCG analysis