

A NEW JERSEY BUSINESS SPECIAL FEATURE



Malls Without Walls

BIDs and SIDs showcase the benefits of public-private partnerships.

By Vince Baglivo, Contributing Writer

Across the country and around the globe, public-private partnerships between municipalities and local stakeholders have become an increasingly popular strategy to benefit their communities. Most familiar as Business Improvement Districts (BIDs) and Special Improvement Districts (SIDs), there are also Tourism, Industrial, Neighborhood and other types of districts among the thousands created since the formation of the first managed districts in the 1970s.

These 'malls without walls' allow stakeholders to address common concerns and needs in an organized way, and with a stable source of funding. For many downtowns, BIDs and SIDs represent a promising way for traditional brick-and-mortar retailers and service providers to compete in an economy increasingly dominated by online shopping, big box stores and regional discount centers.

Since New Jersey's SID statute became law in 1984, more than 90 managed districts have been established statewide with others currently in the planning stages. While shifting economic tides have impacted their popularity, particularly in the aftermath of the 'Great Recession,' advocates note the proven quality of life and eco-

Dining outdoors in Haddonfield. A favorite Philadelphia-area getaway, Haddonfield's picturesque tree-lined streets feature 200 shops, galleries and restaurants.

>>> BIDS AND SIDS SHOWCASE



The Newark Ironbound District's more than 200 restaurants, bakeries, coffee shops, cafes and markets present a tapestry of tastes encompassing the cuisines of Portugal, Spain and Brazil. Pictured here, a local fish market sells the fresh catch of the day.

conomic development improvements that managed districts have helped foster. They also point to the ability of BIDs to access grants and sponsorships – not available to municipalities – that can contribute greatly to development efforts.

“New Jersey is a state of small towns and downtowns, so BIDs flourished to accomplish exactly what they were intended to accomplish, which is revitalization through local public-private partnerships,” notes Seth A. Grossman, Ph.D., the president of Cooperative Professional Services in Frenchtown, a planning, training and educational consultancy focused on public-private partnerships.

Grossman, as the designer and administrator of the Business Improvement District Services Program for the State of New Jersey in the 1980s, helped set the stage and contributed to the formation of some of the state’s first managed districts, and continues to serve as executive director of the Ironbound Business Improvement District (IBID) in Newark. “The most critical characteristic of BIDs is the expansion of local management capacity around

business development and economic needs. Towns with BIDs are simply better managed, and it’s obvious.”

How BIDS Work

While managed districts have been around for decades, many potential stakeholders are uninformed about how they are created, funded and managed. That’s important because the desire and support of businesses and property owners, residents and other stakeholders is required for the formation of a new district.

According to an FAQ by the Department of Community Affairs, the state agency that oversees the program, under the Pedestrian Mall and Special Improvement District Act, improvement districts can be formed by ordinance in any municipality in New Jersey. It further states that “the improvement district provides a mechanism for the businesses of a community to organize as a single entity, to raise funds for activities that supplement municipal services, and to manage themselves to become more effective shopping, dining and commercial destinations.”

For properties and businesses lo-

cated within the boundaries of the district, that means contributing financially through an assessment, although districts can, and do, supplement their budgets through partnerships, sponsorships, grants and other contributions.

BIDs and SIDs are governed by municipally-assigned District Management Corporations (DMC), non-profit organizations with board members made up of the district’s business and property owners, along with residents and municipal representatives. While the managed district is a partnership between local stakeholders and the municipality, the DMC is not part of the municipality itself and operates and manages its affairs separately.

Focus on Community Needs

How a BID or SID decides its mission and allocates funds can be as different and distinct as the districts themselves. Supplemental sanitation and security programs in support of municipal services are common initiatives. Landscaping, pedestrian safety, parking, façade improvements, business recruitment and retention, banners and signage, advertising, marketing and special events are emphasized by managed districts as well.

To showcase its streetscape redevelopment efforts, the Mt. Prospect Partnership in Newark’s North Ward hosts an annual Hot Rods & Classic Car Show featuring live salsa music, great food and family-friendly entertainment that has attracted thousands of visitors from throughout the region to the historic Forest Hill neighborhood.

The Perth Amboy Business Improvement District is joining forces with a local nonprofit, “Celebrate Our Stars & Stripes,” to bring together municipal, civic and volunteer resources to present one of the state’s largest fireworks displays over the local waterfront shared by Perth Amboy and South Amboy to celebrate Indepen-

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Sand art on the streets of Red Bank. In March, Red Bank was named "Best Downtown Arts District" by Discover Jersey Arts People's Choice Awards for the third consecutive year.

dence Day 2017.

From the state's largest urban cities to suburban and rural towns in 19 of the state's 21 counties, inviting events and activities, clean and safe programs, plus attractive and distinctive streetscapes are the hallmarks of the state's most successful districts.

Red Bank: All About the Arts

James Scavone, executive director of Red Bank RiverCenter, the DMC for Red Bank's special improvement district, believes the town is fortunate to have both the Count Basie Theatre and the Two River Theater as part of its downtown core. He embraces "arts destination" as part of its brand recognition, and believes Red Bank's public-partnership between the municipality, business and property owners was a key factor in leveraging opportunities that recognition creates. In March, Red Bank was named "Best Downtown Arts District" by Discover Jersey Arts People's Choice Awards for the third consecutive year.

"The theaters were such a natural draw and helped spur other arts initiatives and organizations, plus related businesses like art galleries and fashion designers to call Red Bank home," Scavone states, adding that the Count Basie Theatre alone draws more than 200,000 people to Red Bank annually. "Red Bank RiverCenter was able to leverage things that already existed, and the partnerships we have built over the past 26 years to build an arts atmosphere benefits all of our stakeholders."

Jay Webb was surprised to find that Red Bank did not have a multi-day film festival when he was looking for a home for the Indie Street Film Festival. As the festival's founder, Webb, a Monmouth County native who has produced films distributed through Lionsgate and HBO, recognized top notch venues and a thriving arts scene with a void that needed filling. "It was obvious that Red Bank was set-up more ideally than other locations that hosted large festivals," he adds.

Scavone and Red Bank RiverCenter quickly helped Webb create a network of support and partnerships between the municipality, arts and entertainment venues, including the Count Basie Theatre and the Two River Theater, and other local businesses, hotels and restaurants. In 2016, the inaugural Indie Street Film Festival attracted more than 5,000 attendees who enjoyed 75 independent feature films, short films, animation and documentaries from nearly 30 different countries, plus panel discussions, filmmaker Q&A's, and live art and music performances. The positive response led Webb to schedule the second annual festival in Red Bank on July 26-30.

"Content has to be the No. 1 focus, but having local people and businesses get involved is the key," Webb states.

Red Bank's funky mix of shops and stores complements dozens of equally diverse restaurants and specialty food businesses. That combination is a win-win for the big name showcases as well as smaller clubs and bars that make Red Bank's entertainment scene so dynamic.

Other staples in Red Bank's year-round calendar of events include a Wedding Walk and a Riverfest featuring food, music, artisans, rides, games and activities (www.redbank.org).

Newark's Ironbound District: A Nexus of Activity

"Foodies and savvy shoppers from New Jersey and New York, as well as other parts of the United States and around the world, have come to recognize the Ironbound as Newark's top destination," notes Seth A. Grossman of the Ironbound Business Improvement District (IBID). "The Ironbound's convenience as a transportation and entertainment nexus, plus the unique ambiance, cultural influences and a safe and attractive streetscape make the Ironbound the perfect place for a

weekend getaway or to fill a few hours between flights at Newark Liberty International Airport or train departures from Newark Penn Station, the gateway to the Ironbound District.”

Since its inception in 2000, the Ironbound BID has upgraded and improved the district by focusing on quality of life issues such as sidewalk and street cleaning, parking changes, pedestrian safety and other administrative tasks. The organization has embarked on an ambitious streetscape redevelopment plan that is transforming the Ferry Street corridor. Award-winning marketing programs underscore the many reasons why people meet in the Ironbound.

The Ironbound’s more than 200 restaurants, bakeries, coffee shops, cafes and markets present a tapestry of tastes encompassing the cuisines of Portugal, Spain and Brazil as well as many other culinary traditions and styles. International shopping that matches the Ironbound’s dining scene for variety and quality adds another element to enjoy, with clothing, jewelry, shoes and more from Europe and Brazil you just won’t find at your local mall.

The Ironbound is conveniently close to all of Newark’s top destinations, including the Prudential Center, New Jersey Performing Arts Center (NJPAC), Newark Museum, Newark Symphony Hall, Rutgers University, New Jersey Institute of Technology (NJIT) and Seton Hall Law School, numerous art galleries and exhibition spaces – even Red Bull Arena just across the Passaic River in nearby Harrison.

The newly announced Mulberry Commons project will transform the area between the Ironbound District and the Prudential Center into a development filled with mixed-use buildings, public gathering and activity areas, landscaped green space

and a pedestrian walkway across Rt. 21 that will link the facility with the Ironbound’s Peter Francisco Park and Newark Penn Station. Work on the project is expected to start in 2018. (www.goironbound.com)

Haddonfield: A Getaway for South Jersey & Philadelphia

Downtown Haddonfield keeps racking up accolades. From recognition in 2014 by The New Jersey Chapter of the American Planning Association as one

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A baking artisan participates in the Perth Amboy BID's Taste of Perth Amboy. In 2015, the BID took significant strides to aesthetically enhance the city's commercial districts. In doing so, it worked hand in hand with the City of Perth Amboy to design and install vibrant, custom street banners in many districts.

of the 'Great Places in New Jersey' to a spot on Nerdwallet.com's list of 'Cities on the Rise,' Haddonfield has earned a reputation as one of South Jersey's leading downtowns.

A favorite Philadelphia-area getaway, Haddonfield's picturesque tree-lined streets feature 200 shops, galleries and restaurants. Established in 2004, the Partnership for Haddonfield (PIH) serves as the management corporation for Downtown Haddonfield's Business Improvement District. In 2017, the New Jersey Tourism Industry Association awarded a prestigious 2017 New Jersey Tourism Excellence Award to PIH and longtime agency Suation Communications Group.

"Our downtown experience is second to none," says Susan Hodges, PIH chair. "New shops and restaurants continue to choose Downtown Haddonfield. Our innovative event calendar is on-trend and consistently draws in new visitors. Once they visit, they're hooked and they come back again and again," she says.

'Shop Haddonfield,' an innovative property tax reward program, offers

property tax credits for Haddonfield residents making downtown purchases at participating shops. Special programs such as 'Late Night Thursdays' offer longer shopping hours.

Signature events include Candlelight Shopping throughout the holidays, Haddonfield Uncorked!, the Haddonfield Night Market (food truck festival) and an Annual Crafts & Fine Art Festival. New and unique additions include a nanobrewery (coming in late 2017). Art lovers will appreciate the public/private outdoor art exhibitions that populate downtown locations with contemporary outdoor sculpture.

History buffs visit Haddy, the eight-foot-high statue of a Hadrosaurus Foulkii dinosaur commemorating the 1858 discovery of the world's first dinosaur skeleton near the very spot where it was found. The Indian King Tavern Museum, recognized as a Historic Landmark and listed on the National Register of Historic Places, was the site where the New Jersey General Assembly ratified the Declaration of Independence in 1777. (www.downtownhaddonfield.com)

Morristown: Live, Work and Play

As a member of the Morris County Economic Development Committee, Jennifer Wehring has firsthand experience interfacing with people representing local towns that want to start managed districts. Wehring, who also serves as executive director of the Morristown Partnership, the historic town's downtown special improvement district, understands their interest. They see the benefits when it comes to issues like cleanliness, safety, parking, marketing and communications that impact their communities and seek guidance from the efforts and experiences of established managed districts.

"As the county seat and a major business and healthcare center for the region, Morristown is fortunate to have a strong economic base in addition to an attractive and vibrant transit-connected downtown," Wehring says. "This is where people are coming to live, work and play."

Wehring credits the Morristown Partnership's founding director, Michael Fabrizio, for using his knowledge and understanding of different assets, projects and opportunities, and the people and organizations behind them, to position the organization as a trusted and respected liaison that built important partnerships at a critical time in Morristown's development.

Transit Village designation by the State of New Jersey in 1999 was an important catalyst in the redevelopment of Morristown's downtown core, including a multi-million-dollar upgrade of the Morristown Train Station. Today, the area between the station and the historic Morristown Green in the center of the downtown district features upscale residential and mixed-use development.

The site of the former Epstein's Department Store, now the centerpiece of another mixed-use development that has helped transform Morristown's downtown to embrace all of the posi-

tive aspects of a live, work, play community, is attracting empty nesters and Millennials seeking a vibrant, walkable and transit-connected lifestyle.

While downtown Morristown has seen an increase in downtown residents, the business community has also found a lot to like as well. Noted law firm Fox Rothschild, LLP is moving its Philadelphia headquarters to a newly developed building at Bank and Market streets. Smaller businesses providing retail products and services are opening to meet the needs of the business community as well as downtown residents who seek amenities, great restaurants and a thriving nightlife scene.

Wehring says the Partnership will roll out an updated website this summer with new interactive features that will be the place to find out about what's happening in Morristown, from available commercial space to upcoming events and activities like the popular Festival on the Green in September. "We are trying to meet the needs and expectations of all types of Morristown stakeholders, making the downtown a happening place to be all day for different people with different interests." (www.morristown-nj.org)

Challenges

While enthusiasm for the benefits to district stakeholders has continued to fuel the growth and expansion of managed districts in New Jersey, not everyone agrees with the choices DMCs make or even how the law is interpreted.

In 2015, a New Jersey Superior Court Judge ruled against plans for a major expansion of the special improvement district in Rahway after a group of local business owners filed suit in opposition to the expansion ordinance passed by the Rahway City Council. In her decision, Judge Karen Cassidy said the plan to include all businesses located in Rahway as part of the expanded district went beyond the intent of the law.

Edward J. Trawinski, of Counsel at Paramus-based law firm Schenck, Price, Smith & King, LLP, says the Appellate Court invited amicus curiae briefs like the one he contributed on behalf of the New Jersey Managed District Association (NJMDA) and the Ironbound Business Improvement District (IBID) that questioned the Superior Court ruling. The New Jersey Attorney General's Office, the New Jersey League of Municipalities and the Institute of Municipal Attorneys have also added their weight to efforts to overturn the decision.

Trawinski, who served as Assistant State Commerce Commissioner under Governor Thomas Kean and as Bergen County Administrator, has a long history in support of managed districts going back to his days as Mayor

and Councilman in Fair Lawn, home of both the River Road Improvement Corporation (RRIC) and the Broadway Improvement Corporation (BIC).

"The key to the SID Statute is the combination of constitutional and statutory authority of the state's municipalities," he concludes. "It dictates the broadest discretionary power to the municipality and its private partners to determine what is in the best interest and addresses the needs of local stakeholders in their community."

While the case is still pending appeal, Trawinski says he is cautiously optimistic the decision will be overturned. Business and property owners, residents and other advocates of the positive impact that BIDs and SIDs provide share that optimism. **NJB**

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