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City of Newark, NJ

Newark Community
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City of Newark
April 28, 2016

COMMUNITY REPORT
WEST WARD
BUSINESS IMPROVEMENT DISTRICT
STEERING COMMITTEE

PROCESS AND PROPOSAL

The report describes the planning process and findings, and proposes a Ward-wide Business Improvement District (BID) including boundaries, services and a budget that brings together all business and commercial properties --except industrial and residential properties-- in one organization to improve business and revitalize the West Ward of Newark's commercial corridors.

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PROCESS AND TASKS

OF THE STEERING COMMITTEE

This is the report of the West Ward Business Improvement District Steering Committee. After a year of discussion between the City of Newark, Unified Vailsburg Service Organization (UVSO), the West Ward Economic Development Corporation (West Corp.) and the Newark Community Economic Development Corporation (NCEDC), a Business Improvement District Steering Committee was formed with funding provided by the NCEDC. The West Ward Business Improvement District Steering Committee was formed to explore strategies available to the business community specifically and the community of West Ward in general for strengthening the business vitality of the community, including the use and benefit of establishing a Special Improvement District (SID) to be called a Business Improvement District (BID). The Newark Community Economic Development Corporation (NCEDC) administered the funds, UVSO provided the meeting space, and the NCEDC hired a planning consultant, Seth A. Grossman of Cooperative Professional Services, Newark, NJ, to lead the BID planning process and act as staff to the Committee. The Committee met on Wednesday mornings at the UVSO offices at 179 Smith Street, Newark, NJ offices beginning October 21, 2015 to March 9, 2016, and thereafter to prepare and disseminate this report, support the BID ordinance process, and establish the BID Management Corporation. In this report Special/Business Improvement Districts will be referred to as both SIDs and/or BIDs. The Committee's tasks were to:

1. Determine the applicability of a BID according to New Jersey statute N.J.S.A. 40:56-80 et seq. for the West Ward, Newark, NJ;
2. Conduct a discussion and study of business community needs, boundaries, services, management, and the initial budget of the proposed BID; and,
3. Present a final report of its findings and recommendations to the Mayor, NCEDC, and Municipal Council.

A Business Improvement District (BID) for the West Ward is proposed as a pan-Ward BID in two phases, including all commercial areas of the Ward. This is the first proposed pan-Ward BID in the City:

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Phase One:

Schedule 1: South Orange Avenue from Dover St. to Bergen St.

Schedule 2: Sanford Avenue from the Irvington Border to East Orange border.

Schedule 3: 18th Avenue from Sanford Avenue to Myrtle St.

Schedule 4: Mt. Vernon Place from Eder Terrace to Sanford Avenue

Phase Two {will consist of all or part (in the case of parts, there may be a third Phase):

Schedule 5: West Market Street from East Orange border to Bergen Street

Schedule 6: Central Avenue from East Orange border (15th St.) to 3rd St.

Schedule 7: Orange Street from East Orange border to 3rd St.

Schedule 8: Roseville Avenue from West Market Street to 3rd. St. (into Central Ward)

Schedule 9: Bergen Street from West Market Street to So. Orange Ave.

Schedule 10: Park Avenue from East Orange border to 3rd. Street

BID BACKGROUND

A BID is a public-private business and community development partnership established by municipal ordinance. A business improvement district (BID) is a defined but can be non-contiguous areas within which businesses are required to pay an additional assessment in order to manage the areas and fund projects within the district's boundaries. The BID is often funded primarily through the assessment, but can also draw on other public and private funding streams. BIDs may go by other names, such as business improvement area (BIA), business revitalization zone (BRZ), community improvement district (CID), special services area (SSA), or special improvement district (SID). These districts typically fund services which are supplemental to services performed by government, such as cleaning streets, providing security, making capital improvements, construction of pedestrian and streetscape enhancements, and marketing the area.

There are currently five business improvement districts (BIDs) in the City of Newark that have successfully revitalized the community and provided enhance services such as safe and clean programs, marketing and advertising, streetscape improvements, snow removal, and other business development programs. The five BIDs are: the Ironbound BID in the East Ward, Bergen-Lyons-Clinton SID in the South Ward, Mt. Prospect Avenue SID in the North Ward, the Newark Downtown District in the Central

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and East Wards, and a Tourism BID that supports the Greater Newark Visitors & Convention Bureau.

More than ten years ago, the Councilman of the West Ward set as one of his goals the revitalization of the ward's business districts, particularly South Orange Avenue, but also to address the other commercial corridors in the ward. In this process the West Ward Economic Development Corp. (WestCorp) was established. The current Councilman, Joseph McCallum began to immediately address the issue of business development and revitalization and saw that it would require a united Ward effort in partnership with the City. In discussions with UVSO and West Corp., both who have community and economic development directives, the interest in examining a business improvement district in the West Ward similar to those in the East, South, Central and North Wards was seriously considered, and a team was assembled. Although West Corp, the Urban League, UVSO, New Communities corp., other service organizations, and the UEZ Authority, as well as the other economic development efforts produced results of the years, neither was able to sustainably unite the business community or establish a public-private partnership with the municipal government to accomplish this.

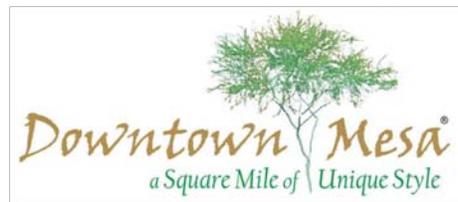
November 2, 2006 an announcement made at City Hall Rotunda press conference, alludes to Unified Vailsburg Service Organization, and what it plans it hoped to achieve in the West Ward. During the press conference, Department of Community Affairs announced plans to approve UVSO's Five-Year Neighborhood Plan (2005-2010). Significant components of the Vailsburg Neighborhood Plan included the construction, restoration of existing infrastructure, the acquisition and management of rental housing and expansion of the agency's neighborhood services at South Orange Ave and Stanford Ave. The revitalization of the, South Orange Ave commercial corridor, would be spurred by services, reactivation of merchant association, and the creating of a Business Improvement District.

Competition from malls, highway retailers, and the suburbanization of Essex County that created a urban vs suburban dichotomy that resulted in urban neglect. By 1970, deterioration in the area was evident. Various community organizing efforts did result in streetscape improvements in 2007-2009. But, the tensions and inter dependency between the old Vailsburg areas and the eastern Newark areas continue to require resolution. The BID offers the opportunity for some of that resolution to take place starting with the commercial corridors that everyone utilizes. Like many New Jersey communities, West Ward is proud of its heritage, architecture, community and religious organizations, neighborliness, small town feel, but did not manage the

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economic aspects as if they were marketable assets. It was assumed that West Ward would retain its traditional prominence as a central business destination in the region with little attention to competition and marketing. For instance, historic preservation, which could be prominent in West Ward, such as the impact of Catholic organizations and facilities is not fully developed as a marketing asset, but chiefly as a quality of life issue that was in many ways a "West Ward's secret". Preservation is understandable and needed, but it must define identity and destination advantages if it to support economic progress. The West Ward, even South Orange Avenue let alone the other corridors other than Bergen Street's medical centers, lack a sense of destination branding.

Examples of branding:



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The City's West Ward is not alone in this behavior. Many once proud neighborhoods in the City of Newark faced the same issues of disinvestment. Consequently, West Ward felt unable to combat a change in the market and has had trouble grasping its market status. West Ward advocates concluded that its market status had declined and, as a result began efforts to work towards revitalization; WestCorp specifically and UVSO in general are examples of this effort.

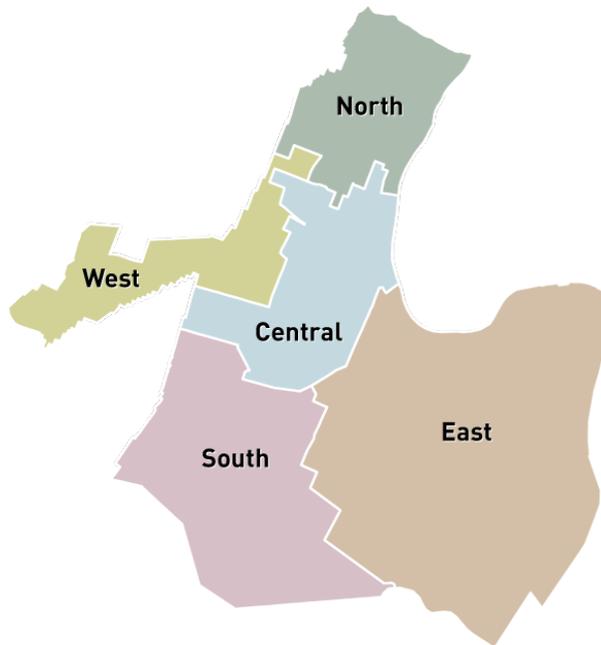
It's important to note that the West Ward is unique in its relationship to the City of Newark. It was annexed to the City of Newark on January 1, 1905, but prior to that it was a independent incorporated municipality. East to West, its original boundaries started just east of the Garden State parkway at about 18th St. and went up to South Orange at Dover St. East of 18th Street is traditionally Newark, and this demarcation exists today to form the West Ward, but also is a sociological distinction between two distinct neighborhoods linked primarily by South Orange Avenue. "Unification" is a key element to understanding the West Ward. Efforts to unite the two "sections" of the West Ward continue with the BID process. Additionally, the West Ward business corridors and particularly South Orange Avenue have sections that are in another municipality. Three blocks of South Orange Avenue are in the City of East Orange, and the south side of 18th Avenue is part of the Twp. of Irvington. This means that in order to be included into this BID process separate BIDs in those areas must be created by East Orange and Irvington and they could designate the proposed management corporation to unite them. Also, the West Ward is bounded by the Twp. of South Orange Village and the Twp. of Maplewood. The West Ward's population is culturally diverse and once a Ukrainian, German, and Irish community, today consists largely of immigrants from Africa and the West Indies. Haitian, Guyanese and Jamaican establishments particularly have a high profile in this section of Newark. Nigerian immigrants are also a growing constituency.

As indicated above, starting in the late 1960's, Newark's neighborhoods and even the downtown were experiencing an economic and cultural sense of market isolation and disinvestment chiefly due to extreme suburbanization and social urban disenfranchisement based on historic racial and demographic disparities that still exist today. This created neighborhoods, like those in the West Ward seem to be feel lost in a sea of opportunity; an opportunity experienced by surrounding suburban communities. Consequently, West Ward, like much of the rest of Newark, began to see its greatest assets erode-its positive name recognition, productivity, and its historic integrity - and faced an unprecedented descent into a form of economic and social obscurity and negative market assessments while surrounding communities benefitted

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and ascended. The BID action is an honest response to this situation, noting that revitalization will require a united business community, a partnership with the municipal government, and a strong market approach to business development.

Continued efforts by the City of Newark together with the NCEDC and the West Ward, UBSO, WestCorp, and the West Ward Councilman resulted in a positive action to study and establish an inclusive, professional, and organized business effort utilizing the New Jersey BID/SID laws. The West Ward Community Plan anticipated the BID action calling for "strategies to encourage community and economic development within the Ward, integrate the residential and commercial segments of West Ward to benefit the entire community, and, strengthen and enhance the commercial sectors of the Ward, with an emphasis on rebuilding the infrastructure, emphasizing clean and safe initiatives, partnering with the City, attracting specialty retail and restaurants, and encouraging the redevelopment of underutilized properties. Below is a ward map of the City of Newark. Notice the West Ward as an appendage on the left, and the perceptible distinction between Newark and Vailsburg..



(<https://www.aclu-nj.org/files/9813/8004/2523/newark-wards.png>)

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At a meeting in 2000 and then later in 2009, CPS was invited to talk about the Special/Business Improvement District Project (SIDs/BIDs) similar to BIDs in 85 other New Jersey municipalities including other Newark BIDs, Jersey City, East Orange, Red Bank, Trenton, Elizabeth, Union, Maplewood, West & South Orange, and Irvington, there was great anticipation to move forward on a BID Program. But, it took a number of years to solidify the effort. It was recognized that progress was deeply hampered if local government and business could not come together in a viable partnership. The success of the City and the Ward's businesses were threatened by a change in market conditions and suburban development, the current recession, lack of coordinated management, and planning, which tended to isolate rather than connect the Ward to the region. It needed a new model that would include West Ward as a complete shopping destination. But, this moniker "destination"-sounds difficult to manifest unless the West Ward is placed in a regional context. Then West Ward is a gateway to the City and an exciting historic, multi-cultural urban adventure with the potential for high level shopping and services. This can be accomplished by a synergistic strategy that unites all businesses in a destination marketing model that manages the community's assets as value-added services and experiences to customers, and builds on excellent customer service capability.

On September 1, 2015, the NCEDC contracted with Seth Grossman, Ph.D., President of Cooperative Professional Services, Director of the Rutgers University-Institute of Business District Management, former Director of the NJ – DCA Business Improvement District Program and a recognized expert on Special (Business) Improvement Districts and community development, to work with the West Ward Business Improvement District Steering Committee and conduct a Special (Business) Improvement District Planning and Feasibility Study according to the New Jersey statute 40:65, et. seq., and assist the West Ward Business Improvement District Steering Committee in reviewing the existing zoned business and commercial districts and current mix of commercial, retail and residential uses to determine the usefulness and appropriateness of utilizing a business improvement district to strengthen and expand business operations and to improve the economic health and prosperity of the districts to West Ward and its stakeholders within the districts and the community as follows:

Overview of Process and District Feasibility. Review and build upon the efforts of the NCEDE, its predecessor and local and City activities as professional staff and planner.

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- Provide needed assistance to implement a BID, development of an operating budget and the costs, including the levying and calculation of an assessment of benefiting properties identified.

Organizing Community Based Consensus. Assist the West Ward Business Improvement District Steering Committee and the members of the business community in organizing, planning, defining and implementing a Business Improvement District according to N.J.S.A. 40:65, et. seq., and City of Newark initiatives.

- ☐ using a community based, 'bottom up' effort which is time and labor intensive, identify the liabilities that the business and property owners of the district wish to see addressed in the work plan which will incorporate strategies to attack and treat those liabilities.
- ☐ assist the business community and Business Improvement District Steering Committee in establishing local priorities and estimating the cost for addressing these concerns.
- ☐ identify how best to maximize the use of a Business Improvement District as for meeting the challenges that confront the West Ward.

BID Objectives/Work Program/Budget. Develop a work plan that addresses at least the following five areas: management, business practices and performance, market research and communications, business retention and recruitment, and physical appearance and safety.

- ☐ strengthen the existing partnership with the City of Newark, the NCEDC, and the West Ward.
- ☐ identify consensus-supported district objectives and boundaries.
- ☐ develop a budget with revenues, staffing and other expenditures to support those objectives.
- ☐ identify the recommended management strategy and mechanism to operate a District Management Corporation (DMC) and a Business Improvement District.
- ☐ assist the NCEDC and legal counsel in the preparation of all documentation required for the creation of a BID, including a draft ordinance, mechanisms for collecting the assessment and pass through mechanisms for the assessment to the DMC.

Organizing the District Management Corporation (DMC). The organizational options for managing a Business Improvement District using a non-profit District Management Corporation will be outlined as available under existing state legislation.

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- ☐ define the roles and responsibilities of board leadership and the organizational structure and format for the proposed DMC.
- ☐ establish the committee structure appropriate to the proposed work plan to ensure the ability of the DMC to implement the work plan and fulfill its obligations to district participants.
- ☐ prepare organizational by-laws and operational budgets and all appropriate documentation needed to activate a DMC.

Consensus Building.

- ☐ hold community meetings to which business operators and commercial property owners will be invited.
- ☐ work closely with existing leadership and staff to identify constituencies vital to the success of the effort.
- ☐ identify those members of the community whose direct interest may not be specifically in one of the zoned business and commercial districts but in the overall economic vitality of the community at large and who have resources to support the City and the Business Improvement District Steering Committee effort.
 - ☐ develop agreed upon list of objectives, priorities and strategies that will be incorporated into an overall work program

Enacting A BID, Creating a DMC. Once consensus has been reached on the goals, objectives, budgets and strategies to be used to improve West Ward's zoned business and commercial districts through the creation of a BID, work closely with prospective DMC members and public officials in

- enacting a Business Improvement District ordinance,
- passing an approved budget and
- establishing and designating an appropriate non-profit District Management Corporation, and its manager.

COMMUNITY OUTREACH

The BID planning process began on October 21, 2015 and concluded its planning on March 30, 2016. Key to the West Ward BID planning process was the agreement to be as comprehensive and inclusive as possible. As discussions became centered around a united West Ward BID, the Steering Committee held a Community Meeting-Introduction to the BID Planning process on December 16, 2015 and sent out invitations to all West Ward business and members contacted people personally. Over 60 business attended the meeting and a general consensus to proceed with the BID planning

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process was achieved as well as a SWOT analysis, and theme. Each regular meeting of the Committee was open to anyone who was interested and a cross section of the community is represented on the Committee. The final community meeting is scheduled for April 13, 2016 at the Speedway Academy on South Orange Avenue with invitations, announcements to press releases, reports, and notices. Committee members will continue to meet with people in the proposed BID through April 2016, i.e., after the community meeting.

The Steering Committee met once a week on Wednesday morning at 10am at the UVSO offices at 179 Smith Street and went through a process of learning about BIDs and the BID statute, the technologies that are used to manage BIDs, and the strategies necessary to create an effective BID. Upon the passage of these recommendations and the final vote on the proposed West Ward BID Ordinance, the Steering Committee has fulfilled all its tasks and will be dissolved. The designated District Management Corporation (DMC) will take over and also act as a BID Advisory Board to the Mayor and Municipal Council. The process could not have been conducted as professionally or successfully without the NCEDC and particularly Scott Blow and Cesar Viscaino, and the offices of the West Ward Councilman, Hon. Joseph McCallum and his Chief of Staff, Hon. Rufus Johnson, Essex County Freeholder.

The BID Steering Committee members were active in discussing with government officials, property owners, business owners, and residents alike about what the BID would mean to the community. They addressed the need to coordinate with the City and County's redevelopment efforts, and work with the City Administration and NCEDC who assisted in the research of the BID.

SUMMARY OF RECOMMENDATIONS

The committee's recommendations are summarized as follows:

1. It is in the best interest of the municipality and the public to create a special improvement district aka: a business improvement district, and to designate a certified new Jersey non-profit district management corporation in good standing that has at minimum one member of the governing body of the municipality on its board of directors as a voting member as per NJSA 40:65 et seq.
2. **One inclusive Ward-wide BID be created in two (2) phases.**

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Phase One

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Schedule 4: Mt. Vernon Place from Eder Terrace to Sanford Avenue

Phase Two {will consist of all or part (in the case of parts, there may be a third Phase)}:

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Schedule 9: Bergen Street from West Market Street to So. Orange Ave.

Schedule 10: Park Avenue from East Orange border to 3rd. Street

3. Representation and Partnership:

a) the district must be inclusive of all commercial interests and represent the variety of people, apartments, and businesses that West Ward is known for; **b)** the BID represents two distinct conglomerate areas described above as Phase One and Phase two, and the five key neighborhoods of the West Ward: Roseville, West Side Park, Fairmount, Vailsburg, and Ivy Hill. **c)** the district must have a Board of Directors that represents the district equitably and works with the greater community. **d)** the district requires a comprehensive public-private partnership to realize its potential and implement its revitalization plans. **e)** the business community must be synergistic and united in a customer service and destination marketing modality. **f)** Government and the community work together as a public-private partnership on the tasks and vision of the BID: to honor the community's traditions, maintain community values and enhance value through excellent service to the City and Ward's customers exceeding their expectations and needs.

4. The boundaries of the West Ward BID include: All commercial businesses, apartments of 5 units or more, and commercial vacant land. Residential

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properties, 4 units or less will be excluded from the BID assessment. Revitalization is a ward-wide effort and everyone benefits, but it's chief beneficiaries are commercial properties and business owners.

5. A BID/SID by providing administrative and other business and community development services is beneficial to businesses, employees, residents, and customers;

6. There will be one coordinating professional management corporation for the BID.

7. The BID Management Corporation hire the best professional management possible.

8. The BID will be administered by a new non-profit Management Corporation named The Partnership West Corporation Trading as the West Ward Business improvement District. This corporation will meet the requirements of the New Jersey SID statute (NJSA 40:65, et.seq.) and New Jersey non-profit corporation statute (NJSA: 15A), and the federal tax code: 501 (c) (3) representing the various stakeholder groups in the BID/SID.

9. The BID will utilize the property tax assessment method form of assessment financing based on ad valorim property tax values.

10. Plans and activities of the BID be comprehensive to include the following service areas: Management and Administration, Marketing, Promotions and Public Relations, Environmental Improvement, Maintenance & Quality of Life, Business Recruitment and Retention, Business Practices, Planning, and Legal.

PROPOSAL

1. **A BID/SID by providing administrative and other business and community development services is beneficial to businesses, employees, residents, and customers.**
2. **It is in the best interest of the municipality and the public to create a Special Improvement District aka: a Business Improvement District, and to designate a non-profit District Management Corporation that has at**

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minimum one member of the governing body of the municipality on its board of directors as a voting member. The BID will have two phases.

3. **The BID will be administered** by a non-profit Management Corporation: the Partnership West, Inc.: the West Ward Business Improvement District Management Corp.) that meets the requirements of the NJ SID statute and represents the various stakeholder groups in the BID/SID.
4. **The BID will utilize** the property tax assessment method form of assessment financing based on ad valorem property tax values.
5. **The following types of properties in the Ward shall be in the BID. All zoned: 4A 4C, and 1 that are zoned 4A & 4C. This BID will be ward-wide in area coverage, but implemented in two or more phases.**
6. **A minimum Board of Directors** is recommended (as follows) for balanced representation and a public-private partnership to consist of at large representation:
 - Each of the five neighborhood would get two seats.
 - South Orange Avenue would have three seats.
 - One representative each from UVSO and WestCorp, The Urban League, and NCEDC.
 - The West Ward Councilman and the Mayor.
 - When the Twp. of Irvington has a BID on 18th Ave., and City of East Orange has a BID on South Orange Avenue respectively, they will have one selected position on the Board of Directors.
7. **The total initial-year budget** will be approximately \$500,000 for Phase One only:

Management (\$130,000): Manager/CEO (\$70,000) and Assistant (\$32,000), taxes (\$18,000). Health care (\$10,000)

General Administration (34,000): This amount serves to cover the costs of rent, accountant, office supplies and equipment, and other administrative costs.

Insurance (\$6,000): Liability and other insurances.

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Marketing & Public Relations (\$25,000): Consultant-Staff. One of the primary goals of the BID is to communicate to stakeholders, and promote and market the district as a destination to shop and conduct business.

- **Plus, (\$30,000) Banners and signage**

Quality of Life (\$250,000): A focus on safe and clean services, signage. Upgrades, and planning.

Planning: (\$25,000) - Long range business planning, designs and training.

This budget provides general categories of services necessary to pass a budget and as guidance for the BID management entity. The management entity will create a line item detailed budget as it builds the organization.

BASIS FOR ACTION

HISTORIC SUMMARY

Newark has long been the largest city in New Jersey. Founded in 1666, it greatly expanded during the Industrial Revolution, becoming the commercial and cultural hub of the region. Its population grew with various waves of migration in the mid 20th century, peaking in 1950. It suffered greatly during the era of urban decline and suburbanization in the late 20th century. Since the millennium, 21st century, it has benefited from interest and re-investment in America's cities. (https://en.wikipedia.org/wiki/History_of_Newark,_New_Jersey)

Historian Kenneth T. Jackson and others theorized that Newark, with a poor center surrounded by middle-class outlying areas, only did well when it was able to annex middle-class suburbs. When municipal annexation broke down, urban problems were exacerbated as the middle-class ring became divorced from the poor center. In 1900, Newark's mayor had confidently speculated, "East Orange, Vailsburg, Harrison, Kearny, and Belleville would be desirable acquisitions. By an exercise of discretion we can enlarge the city from decade to decade without unnecessarily taxing the property within our limits, which has already paid the cost of public improvements." Only Vailsburg would ever be added. (*Jackson, Kenneth T. (1985). Crabgrass Frontier: The Suburbanization of the United States. New York: Oxford University Press. ISBN 0-19-504983-7., p.277*)

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Brief Historical Perspective of West Ward

The current history of the West Ward is the history of Vailsburg. **Vailsburg** is an unincorporated community and neighborhood within the city of Newark in Essex County, New Jersey, United States. As of 2000, Vailsburg had a population of 34,348. The Vailsburg section of Newark is on a hill which closely aligns with the suburban and park areas outside it. Vailsburg includes the two smaller neighborhoods of upper Vailsburg and lower Vailsburg, both of which have Sanford Avenue as a focal point. Upper Vailsburg is closer to Maplewood and South Orange. Vailsburg was named for Dr. Merit H. Cash Vail, a physician and politician who was a major landowner and advocate for an independent municipality.

Vailsburg, like the rest of the West Ward, has some abandoned property and other signs of urban decay, but many parts feel suburban. Its commercial streets, particularly South Orange Avenue, underwent street-scape improvements at the turn of the 21st century and many businesses renovated their storefronts. Many mom-and-pop businesses line the avenue, giving the sense that entrepreneurial activity is greater than most other neighborhoods of Newark. Residents are mainly middle class, and with more than 37 block associations, Vailsburg is known for its strong sense of community.

STRATEGIC PLANNING

At the heart of these plans is a rediscovery of the significant values of the community developed through its history and interpersonal relationships. It is these values that the BID plans intend to build on and manage. The Committee discussed the following assets and values of the community:

ASSETS OF THE WEST WARD

- history
- regional location
- architecture
- the people
- good housing stock
- genuineness
- comfortable town feel
- walkability
- community networks

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- economic potential
- variety of stores

MISSION STATEMENT

The mission of the West Ward Business Improvement District is to professionally manage the organization so that our core values are delivered effectively to our customers, exceed their expectations, and provide an experience of enhanced value and excellence.

CORE COMMUNITY VALUES

- build on diversity
- be considerate and caring
- communicate
- be committed to success
- be truthful
- be accountable
- be informative
- have a good relationship to the facts
- if you don't know, don't make it up, and if you do make it up, clean it up.
- fun is important
- be pragmatic and results oriented
- be creative
- do our best
- be fair and equitable
- be in action and lead by example
- be considerate and caring
- seek and sustain partnerships

SWOT/ALPP ANALYSIS

The strengths, weaknesses, opportunities and threats (SWOT) as ALPP - Assets, Liabilities, Partnerships, Problems) of the district (or organization) were conducted at the December 16, 2015 Community Meeting at the Speedway Academy on South Orange Avenue.

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STRENGTHS/ASSETS – of South Orange Ave./ Vailsburg as a business destination
(internal: about VBID)

WEAKNESSES/LIABILITIES - of South Orange Ave./ Vailsburg as a business destination
(internal: about VBID)

OPPORTUNITIES/PARTNERSHIPS – in the South Orange Ave./ Vailsburg “Market”
(external: about customers, visitors, potentials)

THREATS/PROBLEMS– from competitors and the economic environment (external:
about the world we live in)

STRENGTHS/ASSETS

Public Transportation
Park & Community Greenery
Community Resources (NCC,UVSO)
Rec Center (Boylan St.)
Schools & Daycare
Churches
Large Open Spaces
St. Marys (Senior Services)
Abundant Opportunity
Diversity (Culture)
Cultural Riches
Block Club Network
Heavy foot and vehicle traffic
Public Safety (Police Sub Station)
Highway Access (Garden State Hwy.)
Banks (Funding Opportunities)
Hospital
Entertainment
Restaurants
Community Leadership
Affordable an Quality Housing
Fire Department
Library

WEAKNESSES/LIABILITIES

Unorganized businesses
Crime (robbery, squatters, loitering)
Low police community involvement
Streets not clean
Poor business education
Poor infrastructure (streetscape)
Poor governance & collaboration
Lack of information
Lack of community engagement
Lack of resources

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OPPORTUNITIES/ PARTNERSHIPS

Seton Hall Students & University
 Diversified businesses
 Longevity of businesses
 Supermarket
 Employment of residents
 Conference location
 Revenue for City
 Expansion/ Redevelopment
 Gibraltar Bank
 Wells Fargo Bank
 M&T
 East Orange, Irvington, South Orange
 NJ Transit

THREATS/ PROBLEMS

Loitering
 Drug dealing/traffic
 High unemployment
 Facade Improvement
 Vacant properties/ blight
 Littering
 Poor lighting and parking
 Crime
 Streetscape/ Speed bumps
 Poor public transportation
 Education system/no signs
 Police response
 No walkover bridge to park

THE VISION/ PROMISE OF THE BID

The West Ward Business Improvement District is a strong community connected to the world at the center of a growing and remarkable region; a hub of cultural diversity. We are committed to transforming this community into a safe district where business and residents thrive through responsible stewardship to realize its potential.

Summed up, these attributes speak to a great sense of “small town” urban life. In the West Ward this is present in the nature and structure of the town, and fully recognized as a valuable asset. South Orange Avenue and some of the other business corridors are the West Ward's “Main Street”. Little wonder that an eroding of these values, real or perceived, cause anxiety. The challenge the Ward, and consequently the proposed BID, is to revitalize and build on its assets (including surrounding communities), and expand and maintain the community’s identity and essential value. As proven in other developing areas, much of the current anxiety of the community will prove unnecessary as intrinsic value is seen to be enhanced rather than eroded by the challenges of well-planned future growth. Factually, people coming new to the area are

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attracted for exactly the value that exists and often become staunch supporters of community-based planning. They seek walkable public/ community places that build a sense of community and meet real social and economic needs.

The West Ward is one of the important gateways to much of the region. Its small town assets can project a vibrant, well-maintained, upscale, safe, clean and attractive downtown and adjacent business corridors. Revitalization should be pedestrian friendly and provide facilities to accommodate vehicles and bicycles ... a vibrant business environment with mercantile and service type businesses...(the community)...would provide shopping, dining, socializing, entertainment and commercial activities for daytime and evening hours.” The Ward recognizes that to maximize its potential a legal and capable community partnership must be present. One that brings together free enterprise participants, government and the community. “Perhaps one of the most important findings of the Steering Committee was the lack of a comprehensive organization actively promoting the interest of the local merchants ... and commercial property owners. Fundamental to the success of the Ward is its ability to bring the community together as “one community”, and elevate the management of services that significantly enhance community assets. Revitalization plans are “daunting” if left to one aspect of the community such as local government. Its success relies on an integrated community approach and the maintenance of focused community partnerships.

WHAT IS A SPECIAL (BUSINESS) IMPROVEMENT DISTRICT?

A Special Improvement District (SID) is a legal self-governing body that provides services to a specific district of properties through a self-imposed public assessment. In most states, Special Improvement Districts (SIDs) are also known as Business Improvement Districts (BIDs) are public-private partnerships. State laws governing business (special) improvement districts provide statutory authority for municipalities to create publicly financed business improvement districts in partnership with their municipality *and* to designate business-led non-profit corporations to manage them. The statutes recognize that *business viability is related to the proper identification and management of services* to encourage and support retail/ commercial economic activity and development. SIDs/BIDs are public-private partnerships.

The SID works with the City to improve existing services to the district and provide additional enhancements and focus. Funding is created through an annual assessment on property in the district, collected by the City, but transferred and

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controlled by the BID. The BID management team (The Board of Directors and the professional manager) implement a strategic and operating plan, and establish the annual budget. There are over 85 BIDs in New Jersey providing comprehensive services that result in increased sales, property values and community pride.

BIDs are not government programs, but a partnership of business, government and the community. BIDs are created at the local municipal level and do not require state approval. The primary purposes of a BID are to:

- Manage business development professionally
- Increase customers and sales
- Expand business opportunities
- Keep the customers coming
- Work as an organized and professional team
- Be a good and reliable partner to government, financial institutions, and the community.
- Define a future vision (see vision statement)
- Be competitive, safe, clean and fun.

The questions a BID asks are: ***How well are we serving our customers? Are these services well planned and managed professionally?***

The technology of BIDs is similar to malls or commercial parks as they also: **A)** provide services that consider the customer's needs; **B)** provide a comprehensive array of services at the same time such as: promotions, security, cleanliness, design and development, business recruitment, business support, transportation, and financial resources; **C)** provide services that are common to all businesses in the district; and, **D)** provide professional management. BIDs work on the principles that ***management is the key to success, and that service is the competitive edge in business.***

BELOW, ARE ANSWERS TO TYPICAL QUESTIONS REGARDING BIDS/SIDS

1. **HOW IS THE BID CREATED?** The BID, itself, is created by local ordinance supported by a community planning process, and does not require approval by the state or county. A community-based planning process establishes the extent, purpose, mission, and budget of the BID.

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2. **HOW IS A BID TERMINATED?** The municipal government can rescind the BID ordinance in the same manner that it was created.
3. **WHO GOVERNS THE BID?** The BID is governed by a non-profit management corporation designated in the enabling ordinance. It is required that the BID have at least one local elected official on this board as a voting member, and that the board be comprised of a majority of business and property owners of the BID. All members of the BID are usually members of the non-profit corporation.
4. **WHO DETERMINES THE BID BUDGET?** The BID and its Board of Directors determine the budget of the BID not the local government, although the municipal council must approve it annually by resolution.
5. **WHAT SPECIFIC BENEFITS WILL I GET FROM A BID?** The services and benefits of a BID are summarized in the budget. Also, the BID will produce an annual report summarizing its services and accomplishments. The chief benefit a BID provides is a voice for the business community and the ability to professionally manage advocacy and services to improve business capability for the district as a whole.
6. **WHO COLLECTS THE BID ASSESSMENT?** - One of the chief partnerships of a BID is with the local government, which acts as collector of the BID's funds. It is their responsibility to bill and collect the funds as a special assessment and insure that **100%** of the funds are given to the BID.
7. **WHO PAYS THE BID ASSESSMENT?** NJ Law requires that the property owner pay the BID assessment.
8. **CAN THE BID ASSESSMENT BE PASSED THROUGH TO A TENANT?** YES, NJ law allows a landlord to pass along public assessments like property taxes and special assessments to tenants unless otherwise specifically stipulated in the lease agreement.
9. **CAN THE BID HAVE FUNDRAISERS?** YES, the non-profit management Corporation of the BID can raise additional funds.

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10. **DOES THE BID REPLACE ANY MUNICIPAL SERVICES?** No, by state statute a BID can only “enhance” not replace municipal services.
11. **DOES THE BID REPLACE UEZ PROGRAMS OR REDEVELOPMENT AUTHORITIES?** No, UEZ programs. Redevelopment Authorities, and BIDs are designed to complement each other with the BID acting as a business constituency focused on improvements and customer satisfaction, and the UEZ on business recruitment and job creation. Both are intended to revitalize activity business in commercial, retail and industrial areas.
12. **IS THERE MUNICIPAL OVERSIGHT OF THE BID?** - YES. There are four primary oversights: **1)** ordinance oversight by the Municipal Council; **2)** the BID statute requires at least one elected person to be a voting member of the BID Board of Directors; **3)** the municipal council must approve the annual BID budget and be presented with an annual report; and, **4)** the BID must conduct an annual certified audit which must be submitted to the municipal government.
13. **Examples of success in BIDs:**

It is reported that BIDs leverage up to 3 times their BID assessment budget, which brings the total amount of funds for the 85 BIDs in New Jersey to approx. \$52,500,000 per year.

To track successes some BIDs have tracked vacancy rates, amount of private investment, rent values, and customer volume. **Union Township BID** claims a 5% or less vacancy rate compared to 30% pre-BID. **Collingswood** claimed a 30% - 40% pre-BID vacancy rate and a year later 0%. **The Times Square BID** did a survey in 1996: 86% said they saw overall improvement, 86% said it was cleaner, and 80% said it was safer and there has been an influx of new businesses and renovation. **Red Bank** saw its ratable base grow from \$84.3 million in the 1990’s to \$121 million in 2000; retail rents were \$9-\$12 in 1994 and \$20-\$25 in 2003; 35% vacancy rate in 1990’s to a 98% occupancy rate in 2003; and, has attracted better stores going from being known as “dead bank” in 1990 to “the hippest town in New Jersey” in 1995. Towns that have BIDs are also surveying as showing a greater sense of town pride, cooperation between business and government, and cooperative development processes. **Newark’s Ironbound BID** states that it has

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leveraged twice its budget for clean-up efforts, façade improvements, and \$7.5 million for an extensive streetscape project, and has enhanced its designation as a tourist destination, built a partnership with local government, and sustained a less than 5% vacancy rate in the 2009-14 recession with over \$20,000,000 in commercial investments.

THE BID METHOD- Retail/Commercial Cooperative Management

Much of the challenge about BIDs is that they are an amalgamation of a number of legal, organizing and management capabilities. In almost every analysis of a BID, it has normative public and private functions. For instance, the BID public-private partnerships can be interpreted both as a public or private contract, or an organization term. All of these interpretations are valid. In this study, BID's are referred to regarding their legal interpretation. BIDs tell us that public-private partnerships can be government entities where that partnership is described in the enabling legislation by requiring public and private actors to participate in an advisory capacity and the management of the BID.

BIDs provide a local subgovernmental mechanism for managing business and community revitalization and development efforts by establishing a governing and special assessment district. This mechanism operates as a public-private partnership both contractually and politically. The BID's partnership stems not only from the combination of public and private property brought together to form the district, but from the requirement to have representatives of such properties manage and contribute to the financial stability of the district. Also, although BIDs are generally identified in the enabling ordinances by the lot and blocks of each property contributing financially to the BID, all BIDs have an area-wide designation laid over these properties, public property, and public right of ways thereby identifying the jurisdiction of the district, which supersedes the individual listed properties. This may seem obvious, but again it points to the combined public-private partnership intention of the BID. BIDs are not set up to operate individual businesses or properties (even though in many states they may own and operate property). They are set up to manage the designated business community as a whole. "public-private partnership" (PPP) describes the functional community-nature of BIDs. It further infers that BIDs function directly within larger real communities, and are not separate from their host community. This function is a function of government even as the techniques of business development are utilized. The partnership is managed by an organization--either a private non-profit

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corporation or a Committee-- thereby establishing the BID management as in, but not of, government often referred to as quasi-governmental.

There are two aspects to a BID. **First**, the Business Improvement District, itself, is a part of the local government and is a public entity governed by the enabling ordinance and legislation. **Second**, the management entity is a separate concern. In the enabling ordinance, the management entity is specifically identified and can be altered at any time by the municipal legislature. It is common, but also confusing when the management entity and the BID are unknowingly collapsed into one object. This tends to skew a true assessment of what the BID is and how it functions.

We must understand that the management entity of a BID manages as a privilege while the responsibility for the BIDs political function lies with the municipal legislature. Management corporations and Committees serve at the discretion of the municipal legislature. Nonetheless, most enabling statutes provide some guidance as to the representation of management actors, and those requirements can be enhanced by, and are the responsibility of, the municipal legislature who, in turn, through the enabling ordinance make it the responsibility of the management entity. Additionally, the public-private partnership, which comes about due to mutual (or intended) respect between government (public sector) and the business community (private sector), often creates a less direct oversight by the municipal government, and a discretionary approach intended to allow the partnership to evolve as naturally as possible. This can give the appearance, at times, of a laissez faire approach by government regarding the BID further complicating a clear understanding of BID functions.

Participating, caring for, and being committed to our communities are time honored concerns, and this certainly includes business communities. More and more communities are looking for and finding ways to build successful organized approaches to development, revitalization and improvements by creating Special (Business) Improvement Districts. BIDs began in Toronto, Ontario, Canada in the 1960s, and in New Orleans, LA the USA in the 1970's. It was in the late 1980's and early 1990's when BID creation accelerated, and in the mid-1990 when BIDs began to be exported around the world. In 2007 there was an estimated 750 plus BIDs in the USA, 400 plus in Canada, 1000 plus BIDs in North America, 350 plus in Europe, and over 60 BIDs in the UK. BIDs are growing in South Africa (50), Japan (290), Australia (200), New Zealand (180), France, Belgium, and Germany (International Downtown Association, 2007).

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The premise for a BID tends to be based on the observation that community revitalization without reliable resources and strong administrative support is limited and often ineffective. Having a non-profit community organization, or a non-governmental organization, is not enough to sustain long term revitalization, which requires legal structures and committed ongoing funds to sustain hard earned plans. Government programs also have their limits, and are held responsible for economic trends they cannot control, services that are not in line with immediate business needs, and service delivery systems that do not meet the day to day requirements of dynamic and changing business environments. Special (Business) Improvement Districts (SIDs/BIDs) are designed to remedy this problem, particularly in traditional downtown business areas (although the model has been extended to industrial, multi-use, and residential area) by transferring both the legitimacy of government and the resources of the private sector to a new entity—the BID.

Special (Business) Improvement Districts (SIDs/BIDs) define not only the specific business district (commercial, industrial or mixed use), but also the municipality as a whole. The saying, "as the downtown goes, so goes the town" is true. In a BID planning process the most challenging and rewarding discussions are discovering a new concept of the business community and as a community what it is committed to and can be counted on for. This type of strategic, future-oriented, planning is at the core of BID success.

From the Ironbound in Newark, Freehold in Monmouth County, Washington Borough in Warren County to Collingswood in Camden County, the towns that have BIDs are simply safer and more pleasant to be in. Consequently, they are also more effective at promoting business success. That is because the structure of the BID allows the business community to participate at a more dignified and accountable level. It is unmistakable in all 85-plus BIDs in New Jersey and over 1100 throughout the country (commercial or industrial) that the community with a BID is more vibrant and organized.

BIDs are an effective tool to structure the capability and concept of cooperative commercial management in traditional business districts with multiple owners. BIDs are structured to unite the community as an economic force derived from its natural vitality; the cooperative organization of the skills of its participants, and by practicing current asset-based business planning methods. The success of a BID is in its authority and organization. BIDs bring an appropriate level of governance to the community level that secures the investment of social capital, thereby enhancing efforts by local, county,

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and state governments by providing a more accessible and reliable private sector partner.

BIDs are the catalyst for "from the ground up" (community-based) sustained growth because of the legal authority provided and the high level of commitment from those actually effected. BIDs elevate the business public to the level of legal partner in the development and maintenance of municipal economic generators, i.e., downtowns, shopping zones, industrial tracts, ports, and entertainment zones.

BIDs are a compelling prospect for any town. A BID requires the willingness to work together and interact on the basis of what is good for the community as a whole. It is the "mining" of the knowledge, experience, goodwill and commitment of people in our communities that is the foundation of the community in the first place, and provides the vital reason to aspire to reaching higher degrees of excellence. BIDs maximize the potential of a community by providing a capable, dignified and respectful means of tapping into and maintaining community resources required to meet current economic demands. Utilizing these community resources through a BID structure increases economic capacity and accelerates success. This is because the success is owned by the community, and maintained by appropriate standards.

The future of successful community development relies on the integration of these key approaches:

- 1) Supporting asset-based planning rather than "fix it" project-based solutions.
- 2) "Mining Social Capital" by providing organizational structures that dignify social investment.
- 3) Supporting economically oriented community-based organizations with partnership capability and bonafide legal self-help authority.
- 4) Supporting interdependent social and team building education and training.

In the USA, Business Improvement Districts (BIDs), Neighborhood Improvement Districts (NIDs), and Special Improvement Districts (SIDs) are similar terms. In Canada BIDs are called Business Improvement Areas. BIDs are a type of governmental authority allowable in 49 (excluding New Mexico) by state statute that give authority to municipalities to create special districts to improve business and community development in local communities. States provide statutory authority for municipalities to create mandatorily financed business improvement districts (BIDs) that enhance local management capacity for local business and community developments and

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improvements so they can compete more effectively. “The general aim of BIDs is to put public places within cities on the same footing as the private places outside them—shopping centers and strip malls” (Mitchell, 2008, p. 6). In order to do this, public and private actors must be brought together in a professionally managed and committed partnership. The districts provide supplemental services to encourage and support a cooperative form of retail/commercial economic activity and provide a competitive edge. Similar to shopping malls, the BID provides services common to all businesses in the district such as: street and sidewalk cleaning, customer service, identify and manage community assets, and use destination marketing practices. Business Improvement District legislation is designed to provide municipalities with the ability to partner, focus, increase and manage services specifically designed to enhance the economic viability of business areas and downtown business centers. The services that are provided by a Business Improvement District are specific and unique to that business district.

- The Ironbound Business improvement District, Newark, NJ known as NJs top restaurant district provides an extensive clean and safe program as well as an award winning marketing and advertising program including a Wine and Food Exposition in October, a renewed streetscape, and various cultural festivals celebrating the Iberian, Portuguese, and South American cultures it is known for. The IBID co-sponsored the acclaimed NewarkBound Magazine.
- The Great Falls Tourism Business Improvement District in Great Falls, Montana provides and supports tournaments, sporting events, conventions, and trade shows.
- The Fashion Center Business Improvement District in New York City (from 35th to 41st from 5th to 9th Avenue) provides an information kiosk.
- The Wisconsin Dells BID in Wisconsin Dells, Wisconsin, has developed design guidelines.
- The Missoula Montana Downtown BID provides a safe and clean streets program and has hired two Downtown Ambassadors to provide visitors with information and work with police officers to deal with graffiti and panhandling, and has led to a two-year downtown master plan development, furthered streetscaping and flower-basket programs, and is a clearinghouse for downtown rental information.
- The Lakeshore/Lake Park Business Improvement District in Oakland, CA runs an annual festival.

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- The VINELAND, NJ Downtown Improvement District- operates the Vineland's Annual Downtown Seafood Festival.
- The East Passyunk Avenue Business Improvement District in Philadelphia, PA coordinated a fundraiser to preserve the Tasker Street Fountain known as the "Singing Fountain" of South Philadelphia.
- The Twin Falls BID in Twin Falls, ID took over management of the BID, hired an enforcement officer, and addressed planning and parking problems.
- The Chadron, Neb. Business Improvement District has a beautification program, provides planting and trees services, and is developing a flag plaza at the corner of Main and Second Streets.

The purposes of state BID legislation is to promote economic growth and employment, encourage self-financed business districts, designate the professional management of the districts, and develop public-private partnerships that implement supplemental services consistent with local needs, goals and objectives. In *Kessler vs Grand Central District Management Association (GCPMA)*, the NY court decided (and most jurisdictions agree), that the GCPMA (and by extension, other BIDs) is a limited purpose institutional design because its services are: **(1)** supplemental and secondary to municipal services; **(2)** quantitatively dwarfed by those of the City; and **(3)** qualitatively different from core municipal functions" (*Kessler Vs GCPMA, 1998*). Most existing state BID legislation empowers a municipality to designate a non-profit management corporation or Committee to provide business management and economic development activities including administering district affairs (adopt by-laws), purchasing and managing property, and managing the provision of specific services and standards (design, promotions, marketing, rehabilitation, clean-up, security). BIDs have no police power and cannot be construed as private governments, but act as agents of local government. Like many specialized government activities, BIDs are expected to advocate for their district and business in general, but services are tempered to be beneficial to the quality of life of the entire community.

BIDs are also defined as special assessment districts enabled by state legislation, approved by the local government by an ordinance, and initiated by property and business owners. They deliver public services but are managed by private interests and often private management corporations. Today, BIDs are not targeted solely for

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downtown revitalization efforts, but have extended into multi-use districts, suburban highway corridors, industrial, and purely residential neighborhoods.

THE WEST WARD BID PLANNING PROCESS

The BID (BID) * Steering Committee will lead the community-based planning process necessary to determine if a BID is applicable, and if so how it will be organized and what it will do to enhance business. The planning process outline is attached and consists of three essential stages: (*) A BID is a Business Improvement District, and a SID is a Special Improvement District. They are virtually the same thing, and the terms are used interchangeably. BID will be used here.

- 1) Getting Started – which consists of getting organized and understanding what a BID is and how a BID works;
- 2) Analysis, Planning & Product – which consists of research, discussion, and reaching out to the public;
- 3) Presentation to Governing Body – which consists of the necessary public hearings and reports to municipal mayor and council.

The planning process will take 5 to 6 months.

STEERING COMMITTEE RESPONSIBILITIES

The Steering Committee met weekly over the 5-6 month planning period and is responsible for administering an inclusive and comprehensive analysis and discussion of how a BID will benefit the community. The Steering Committee met midway through the process with the Community on December 16, 2015 to conduct a strategic exercise and an introduction to the BID process. It will also present its conclusions as a proposal for or against the establishment of a BID to the community and Municipal Council. Upon submission of this proposal, the Steering Committee will have concluded its tasks. If a BID is established (by ordinance) a non-profit management corporation and its Board of Directors will be convened and this Board will replace all BID Steering Committee functions and be legally responsible for managing the BID.

Below are summaries of the planning and training process to date.

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STAGE ONE - GETTING STARTED

First Step: Communication/Organization

The initial convening of the BID Steering Committee, the establishment of leadership and establishing the purpose and process.

Second Step: Education

What are we doing and why, and who are we? What is a Business/Special Improvement District? What must we do to become one?

Third Step: Strategy and Accountability

How will we do it and who will do what? Management and Vision.

STAGE TWO – ANALYSIS, PLANNING & PRODUCT

Fourth Step: Concept and Direction

Research, discussion, planning and product.

Fifth Step: Inclusion and Consensus

Present preliminary proposal for a BID to the community effected. This will include public meetings, communication to public, explanation of planning process and conclusions. Broad community input. Prepare final formal proposal.

STAGE THREE – SUBMISSION OF REPORT TO GOVERNING BODY

Sixth Step: Commitment

Submit proposal and, if appropriate, the BID ordinance and budget to municipal governing body for approval.

Seventh Step: Completion

Conclude all BID Steering Committee business,

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STAGE FOUR – SUBMISSION OF REPORT TO GOVERNING BODY

Eighth Step - Implementation

Assess process, create non-profit corporation to manage the BID, welcome new BID Board of Directors, hire manager.

FOUR ESSENTIAL ELEMENTS TO SUSTAINING AN EFFECTIVE BID

- 1) **AGREEMENTS** – BIDs manage agreements not disagreements. These agreements become the strategy and the services the BID provides.
- 2) **MANAGEMENT** – Professional management is the key to success. Volunteers generally do not manage BIDs.
- 3) **COMMITMENT** – BIDs are committed to accomplishing their agreements, everyone in the BID contributes equitably, and BIDs have a guaranteed source of basic funds from a mandatory public assessment. This enables the BID to be fully accountable and no-nonsense about fulfilling its promises.
- 4) **ACCOUNTABILITY** - BIDs are pragmatic and produce results. Therefore they manage and measure performance in a balanced fashion including public, private and organizational factors: Quality of Life (QOL), Return on Investment (ROI), and Organizational and Leadership Capacity OMC).

**** -- Agreements, Management & Commitment --Accountability ****

The Business Improvement District (BID) {AKA: Special Improvement District (BID)} enables local property owners, merchants and residents to plan for, manage, and finance supplemental services and improvements beyond those already provided by the municipality. The BID is funded by a “special assessment” levied against properties within the district designated in the BID ordinance. The level of assessment is determined by the BID. Although the municipal government collects the special assessment, it is not commingled with other general government funds. BIDs concentrate on improving customer service—adding value to the customers experience of the business district and the community.

The local government, by statute, collects the BID assessment. BID funds are held in a special account and returned to the BID management entity in its entirety to be used for BID purposes. A nonprofit corporation, usually called a District Management Corporation (or DMC), or a municipal Committee comprised of property owners, tenants, residents, other non-profits, and public officials, is responsible for administering the BID. The establishment of the BID is the decision of the local property

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owners, merchants and tenants who feel that additional services, improvements and professional management of the business environment are needed.

The Committee began discussions about the preliminary discussion of boundaries. Upon establishing preliminary boundaries, CPS will conduct a budget probability analysis.

FOCUS OF A BID: *The customer:* By managing community assets, BIDs provide services to add value to their customer's experience of the community.

RETAIL/ COMMERCIAL COOPERATIVE MANAGEMENT
THE CONCEPT

Special (Business) Improvement Districts (BIDs/ BIDs) utilize the same "technology of management" that Cooperative Apartments, Malls and Commercial Parks use. This technology is "Cooperative Professional Management" and it is designed to manage communities in a comprehensive manner. The technology does not address individual property directly, but rather the community as a whole accomplishing a community purpose. For instance, malls may be owned by a sole proprietor, and town centers and co-ops may be owned by many proprietors. This may affect the management process, but it does not affect the goal of management, which is to address common concerns. In each one of these places, there are multiple users renting or owning, and the users are tied to a specific environment with a specific purpose. Being clear about that purpose is fundamental to this cooperative professional management technology.

Town centers and the BIDs that manage them are not unlike malls, which have overall business growth and development as their primary and common purpose. All business areas are communities. A common purpose in itself defines a community. A clear vision of what is possible for the community and shared by all causes the purpose to grow and develop. Communities (of all kinds) thrive when a shared vision is achieved and well managed as the underlying means of addressing common concerns. The chief concern of a business district is the customer's satisfaction with the value they receive.

Value is accessed by the customer in four (4) ways:

1. The environment
2. Media
3. The type of shop and products offered

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4. The professional level of management provided.

Cooperative Professional Management is comprehensive in addressing each of the four ways the customer accesses value in the community, and is grounded in partnership building. Success is directly attributed to the clear expression and availability of the community's vision. Cooperative Professional Management is a management technology that fundamentally ensures the successful delivery of a community's vision and values.

A COMPREHENSIVE APPROACH

Business Improvement Districts are service districts and public-private partnerships between the business community and the local government. Both need to be managed well. Their interest is in serving their customers so that the customer has an efficient and enjoyable experience - an experience of receiving value. Customer service is a key technology for BIDs.

It goes without saying that customers need to be generated and, once generated, they need to be taken care of, attended to and adjusted to. As we pointed out in the previous section there are four ways a customer gets their perspective of your district and accesses value. For this reason BIDs are not single project oriented, or in fact "project-oriented". BIDs are service-oriented with each project expanding or establishing a service that articulates the community's values inherent in a shared vision. The four ways the customer accesses your community and its values are by specific types of managed services that fit into general "service domains". These domains are required by the BID to be successful and able to manage each aspect of "The Conversation". It is essential to be balanced and comprehensive with each domain. Each service domain manages an aspect of the conversation your customers have about your district. Most BIDs have the following service domains: Management, Environmental Maintenance & Design, Communications - Promotions & Public Relations, Business Recruitment & Retention, Business Practices and Performance, Planning & Development, and Volunteerism & Leadership.

COMMITTEE DISCUSSIONS - SUMMARY

At the October 21, 2015 meeting, the Committee reviewed the purpose and tasks of the committee for newly arrived members. The BID Committee met, introduced Seth A. Grossman of Cooperative Professional Services, staff and planner of the BID

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process, and reviewed the overall purpose and procedures of the BID Steering Committee emphasizing the public-private partnership intention of the BID statues. It was agreed that the meeting date of the Steering Committee would be every Wednesday (unless rescheduled) at 10 am at the 179 Smith Street, Newark, NJ. The meetings will last approximately 1.5 hours and would go longer only if the committee agreed. The Committee discussed the inclusion of people in the BID planning process that would accurately represent the stakeholders in the business community. Of chief concern was the timeline of the planning process. An initial idea was to work to an April 20, 2016 projected conclusion that would include appropriate community input. The first such event would be an Intro. to the BID Planning Process- Community. The Committee also discussed the following:

- ❖ The “Goal of a BID”: ***to create a sustainable public-private partnership that provides and improves the community by enhancing value to the customer.*** – Customer Service—BIDs are customer service districts.
- ❖ The importance of teamwork and integrity were addressed.
 - ***Teamwork***: a managed conversation about partnership (“we” rather than “me”).
 - ***Integrity***: being our word as ourselves; managing our commitments; being on time.
- ❖ **Intro- to the BID Process** - Community Meeting; To be rescheduled for December 16, 2015, 6 pm at the Speedway Academy on South Orange Avenue..

The Committee also discussed the following:

- ❖ The “Goal of a BID”: ***to create a sustainable public-private partnership that provides improves the community by enhancing value to the customer.*** – Customer Service—BIDs are customer service districts.
- ❖ The importance of teamwork and integrity were addressed.
 - ***Teamwork***: a managed conversation about partnership (“we” rather than “me”).
 - ***Integrity***: being our word as ourselves; managing our commitments; being on time.

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October 28, 2015 meeting: A review of the purpose and tasks of the committee was conducted. Again, the committee was asked if other people, or areas of the proposed BID should be asked to join the committee, as well as the time and date of the committee meetings – 4 pm, Tuesday (unless otherwise announced).

The Committee began a **strategic planning process** by distinguishing between strategic (future/ goals oriented) and tactical (methods and fix-it oriented) planning. We discussed and did an exercise on how to create a team approach to strategic planning by looking at: **1)** the limiting aspects of complaints; and, **2)** the expanding aspects of assets by an exploration of the question, "What do you feel is great about West Ward?" It is often a question not asked ... enough. It should be the chief item of importance on a citizen or customer survey because it tells us what is most important about our community. It is a question that is answered on many levels: physical, emotional, perceptual, visceral, social, economic, and conversational. It opens up the comprehensive nature of the community, its assets developed and undeveloped, its social connectivity, and its message.

Numerous questions were asked regarding the authority of the BID and the autonomy of the BID management group noting that the BID is a partnership with the local government, which enhances but does not replace municipal services. The management organization which can be a non-profit or a public commission, determines the budget. The initial budget analysis will be conducted by CPS, and members can discern an approximate cost based on industry averages of 7% of the total property tax bill although the actual amount must be determined by the committee. The budget is reviewed and approved by the Municipal Council each year and this is a key oversight. The enabling BID ordinance is the contract between the municipality and the BID, which can be altered, amended, or terminated through a normal ordinance process. Plus every year the budget must be approved by the Municipal Council, which acts as a review of the BID. Technically the BID can be terminated at any time by the Municipal Council but is usually done upon request of the business community. The BID may be suspended by not approving a budget thereby restricting funds.

Although all BIDs use similar technologies to suburban malls and other retail-commercial cooperatives, they operate not as a private-private partnership, but as a public-private partnership and can provide services that the state statute allows to improve the district and promote customer service. Each BID is uniquely and specifically designed for the community it is in. As stated above, the first budget is estimated using industry averages, and what is felt can be supported by the district. BIDs are chiefly

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concerned with adding value to customer experiences of the district and do this with a high level of customer service not unlike a suburban mall. BIDs are similar in management technology to suburban malls and can be considered to be “malls without walls”.

The strongest similarities between malls and BIDs are in customer service, management of common areas and concerns, and the district’s destination capacity. The difference is that suburban malls are singularly owned and use tenant/lease arrangements in a private-private partnership whereas BIDs have multiple owners and public right of ways in a public-private partnership.

PRELIMINARY BOUNDARIES were not discussed and committee members were asked to consider their ideas. It has been put forth that at first the BID will look at all of South Orange Avenue from Bergen St to the So. Orange twp. border, however, Mt. Vernon and parts of Samson Street might be also considered. When boundaries are put forth, they can be reduced or altered. Also, different parts of the district can have different levels of assessment such as: a high impact central area with lower impact surrounding areas. When the boundaries are sufficiently determined, CPS will obtain tax and property information from the Borough of Flemington on these commercial properties to estimate budget potential. It was suggested that property valuation is the preferred assessment method. Purely residential properties are usually excluded from the budget, but state statute does allow them to be included.

NOTE: a BID may include or exclude any properties in the municipality with the exception of government properties, which are categorically excluded. Boundaries of a BID do not need to be contiguous (one whole). BIDs may have an area-wide reach, but are set up in the local ordinance by lot and block, therefore a BID may have a “swiss cheese” look to it. Also, municipalities may have as many BIDs as they need, or combine all businesses and commercial areas into one BID. In fact, the inclusion of an entire town both commercial and residential in its BID is possible. Each town must determine what works for them. BIDs are created by local ordinance at the municipal level of government and are not required to ask permission or receive authorization by county, state, or federal agencies. BIDs need only meet the criteria established in the state statute.

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November 4, 2015

The Committee continued with a discussion about the legal status of BIDs, and the asset based planning. The Committee conducted a series of exercises considering what was great about South Orange Avenue and the City of Newark that identified assets. Also, an exercise on the effect of complaining versus commitments to improve the assets. South Orange Avenue's assets that were pointed out: South Orange is a "gateway" to the City of Newark. It is convenient from South Orange and western Essex County; it's has a real town feel. The Garden State Parkway proves a distinct boundary that almost defines the original Vailsburg municipality that Newark annexed on January 1, 1905. This annexation became defined as the West Ward. This distinction gives the West Ward a unique "Vailsburg" flavor. Vailsburg had a population of approximately 34,348. The Vailsburg section of Newark is on a hill which closely aligns with the suburban and park areas outside it. Vailsburg has two smaller neighborhoods of upper Vailsburg and lower Vailsburg which have Sanford Avenue as a focal point. Upper Vailsburg is closer to Maplewood and South Orange. Vailsburg has some abandoned property and other signs of urban decay, but many parts feel suburban. Its commercial streets, particularly South Orange Avenue, underwent street-scape improvements at the turn of the 21st century and many businesses renovated their storefronts. Many mom-and-pop businesses line the avenue, giving the sense that entrepreneurial activity is greater than most other neighborhoods of Newark. Residents are mainly middle class, and with more than 37 block associations, Vailsburg is known for its strong sense of community.

This meeting focused on how asset-based planning helps us arrive at a strategic vision and what blocks that process. We will conduct an exercise on Complaints vs Commitments, which highlighted our access to developing a community vision, and what blocks it. In this exercise, we looked at the dividends and liabilities of managing disagreements that lead to failure, confusion, and mismanagement. These root causes point to the limiting nature of complaints and assumptions. Yet these complaints can show us a more positive and powerful way of addressing our needs, goals, and aspirations. This is because, behind a complaint, is a thwarted commitment. If we pay attention, a complaint will show us the path to success because what sets up the complaint is again, a commitment to make things work, but the inability to know how. Complaints generally are a way to cover that we don't know something, or better said, it covers up the problem that what we know isn't solving a perceived problem. Complaints occur because we do not know how to express, or implement a particular commitment to have something occur. This inability thwarts the commitment from

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becoming accomplished. Instead we resort to the control and power (albeit limited) a complaint offers. Consequently, we tend to know our complaints very well while losing sight of what we are truly committed to.

It is our sense of individualism – that we must somehow be able to solve problems by ourselves - that keeps a complaint in place. Until we learn how to work together, we ineffectively try to resolve the “thwarted commitment”. Rather than facing that we do not know how to resolve the problem alone, we keep a personal complaint in a place that has us feel “correct” about the issue, and allows us to avoid the domination of the unknown.

The cost/ liability of this method is that we cannot fulfill our commitment and reduce our ability to be in powerful relationships with others. It is through dialogue and partnership rather than personal action that a commitment becomes an accomplishment. A commitment must have a partner and by “its” nature is *interdependent*, and cannot be “owned” by one person. In this way we can see that a commitment is “owned” by the community, and then can be expressed both individually, and communally. CPS training is directed towards finding our commitments, not succumbing to compromise, and establishing agreements on a community (team) level.

The Committee discussed the management approach of BIDs: The first agreement of the Steering Committee is the Vision Statement (this is: what the BID/ Community is at its best and what future it is committed to). Following this, we will attempt to articulate the Vision as a set of Standards or Values. These values are at the root of how the BID works to accomplish its primary goal: *Adding value to the customer’s experience*. Having a clear *community vision* and values is the basis for developing plans and services. This is because an individual business’s success - the sense of gaining maximum potential and accomplishment - is directly linked to the effectiveness of a community to maintain and communicate its vision and values. The foundation of a community’s assets is summed up in its vision and values. And, these are built on agreed upon and well-articulated community commitments. In this way the district’s vision is also its promise to the greater community.

BIDs utilize the same concept of management that Cooperative Apartments, Malls and Commercial Parks use. They identify common areas of interest, usage, and challenges that are required to maintain a competitive, successful and effective environment and then employ professional management to address those common

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issues. Management is always an additional fee above regular rent or taxes. In itself, management is a special or enhanced service.

This technology is based on seven (7) key standards: **1.** commonalities/ inclusion rather than personalities/exclusion; **2.** inter-dependence rather than independence; **3.** comprehensive rather than one-track; **4.** management rather than no management; **5.** professional rather than amateur; **6.** the district's customers as the focus rather than just "my customers"; and, **7.** *Integrity* – being who you say you are.

A paramount concern of the cooperative management approach (BID) is customer service. Attention is placed on the customer's experience and perception of the district. In a **comprehensive** manner, the BID works to manage its customer's experience of their district so that customer's feel welcome, comfortable, and enthusiastic about shopping in the district. Cooperative Professional Services defines this process as "**Managing The Conversation**", (the internal perceptions of your customers about your district or business).

COMPREHENSIVE COMMUNITY DEVELOPMENT:

Cooperative Community Development addresses quality of life standards that your customers experience as added value. This is achieved by clearly identifying and managing the community's assets. The District's Vision Statement must be a profound expression of these assets.

To reach the key objectives of downtown revitalization and management, there are various descriptions of the areas that must be worked on and evolve simultaneously. For instance: The Main Street Program identifies **four** (4) comprehensive aspects: Organization, Promotions; Design; and Economic Restructuring. **CPS** identifies **seven** (7): **1) Management & Resources; 2) Quality of Life; 3) Communications-**(Promotions-Public Relations); **4) Business Recruitment & Retention; 5) Business Practices and Performance; 6) Design & Development; and 7) Partnership and Leadership.**

COOPERATIVE RETAIL/ COMMERCIAL MANAGEMENT TECHNOLOGY

Review: BIDs utilize the same concept of management that Cooperative Apartments, Malls and Commercial Parks use. They identify common areas of interest, usage, and challenges that are required to maintain a competitive, successful and effective environment and then employ professional management to address those common

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A paramount concern of the cooperative management approach (BID) is customer service. Attention is placed on the customer's experience and perception of the district. In a **comprehensive** manner, the BID works to manage its customer's experience of their district so that customer's feel welcome, comfortable, and enthusiastic about shopping in the district. Cooperative Professional Services defines this process as **"Managing The Conversation"**, (the internal perceptions of your customers about your district or business).

November 12, 2015:

The Committee again reviewed the boundaries of the proposed BID. There is a tradition divide between Upper and Lower Vailsburg starting at 18th Street. Should below 18th street be included. Yes, and also include Sanford St. and Mt. Vernon. Unless there are extenuating circumstances from that community or City Council. Additionally, it is noted that two municipalities are part of the area: **1)** on South Orange Ave - East Orange. **2)** In Mt. Vernon - Irvington. To include them (those properties), those municipalities would need to be willing to create BIDs there and assign the identified management entity to coordinate it. The Committee unanimously agreed that the BID should be named the Greater Vailsburg BID. It has a stronger identification and destination-orientation. The Committee discussed that BIDs were assets managers that took a build rather than "fix-it" approach. The assets identified were: Cultures of the area, strong Community, excellent Location, Accessibility, the built environment, & Economic demographics. The Committee also reviewed the commonalities of Cooperative Retail/Commercial Technology.

November 23, 2010:

The Steering Committee discussed **looking at a Ward-wide BID** in two parts with up to ten commercial corridors:

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In order to obtain a realistic perspective of potential BID capability, based on the tax data an analysis of the budget potential will be conducted based on 7%-12% industry averages. These averages are 7%-12% additional assessment based on the total property tax of the most recent year provided by the City's tax assessor. The Committee has agreed that only commercial properties and commercial vacant lots will be analyzed at this time (coded as: **4A, 4B, 4C**), vacant property (coded as: 1); residential properties (**coded: 2**) will not be considered as assessed members of the district even if they are in the district.

The budget and programs--what we do in a BID--should be organizational structures to manage, improve, and sustain our community assets. These assets are what is valuable about the community, and it generates all business interests. The district's destination capability and potential are its greatest assets. We need to understand this well and create a Vision Statement that describes it. Business districts must be good at understanding these assets and how they can be communicated through advertisement and every service the organization pursues.

Boundaries and Budgets: This basis of analysis may be altered, and an adjusted analysis may be needed after our mtg., and our full Steering Committee mtg.

One of the essential parts of the BID study is an analysis of proposed properties in the BID --the BID boundaries. State law specifies that BIDs must be made by properties listed by lot and block. In order to analyze boundaries and budgets of the BID we need tax assessment and property information for properties in the following areas. It is noted that we have not yet confirmed actual boundaries or membership of the BID by the full Steering Committee, and that the analysis reflects general concepts of the BID to date with CPS guidance. The BID analyzed is a ward-wide BID in two phases: The upper or east part of the ward, and the lower or west part of the ward.

December 2, 2015:

The Committee reviewed the BID process and began a SWOT/ALPP process. It was agreed that this process needed input from the community, and a **December 16, 2015** evening community meeting titled, "An Introduction to a Business Improvement District" was scheduled. Additionally, concerns over naming the district the "Vailsburg BID", its boundaries needed vetting and an update of the planning process provided with the NCEDC and the West Ward Councilman McCallum.

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Continued with SWOT/ALPP and Visioning/Promise process.

The strengths, weaknesses, opportunities and threats (SWOT) as ALPP - Assets, Liabilities, Partnerships, Problems) of the district (or organization).

ASSETS – of South Orange Ave. as a business destination (internal: about WWBID)

LIABILITIES - of South Orange Ave. as a business destination (internal: about WWBID)

PARTNERSHIPS – in the South Orange Ave. “Market” (external: about customers, visitors, potentials)

PROBLEMS– from competitors and the economic environment (external: about the world we live in)

December 11, 2016

The City of Newark, the Newark Community Economic Development Corporation, Councilman Joe McCallum, the West Ward Economic Development Corporation, and the Unified Vailsburg Service Organization are sponsoring a Community Meeting on December 16, 2015, 6pm to 8pm, at Speedway Academy, 701 South Orange Avenue, Newark, NJ to discuss a [Business Improvement District \(BID\)](#) for the West Ward on S. Orange Avenue from Dover St. to Bergen St. A BID is a public-private business and community development partnership established by municipal ordinance.

The Committee felt that calling this the "Vailsburg BID" is problematic. "So. Orange Avenue BID" is better even though it is a confusing destination to South Orange Township. It was agreed that "West Ward BID" is a workable title for the present, however a better name will be addressed. Who manages the Corp? Is West Corp an option?

The Committee discussed the entire BID concept to be:

So. Orange Avenue from Dover Street to Bergen Street (Ivy Hill to Bergen St. including Vailsburg proper and the Westside Park Neighborhood), Sanford Avenue and Mt. Vernon Place, and 18th Street. Noting that a few blocks of So. Orange Avenue are in East Orange on the NE side, and parts of 18th Street are in Irvington. Should the entire BID be considered now, or does it need to be in phases. Phase One: So. Orange Avenue (Dover St. to the Parkway.) and Sanford & Mt. Vernon); Phase Two: Parkway to 10th Street & 18th Street; Phase Three: 10th Street to Bergen St.

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It was agreed that we should move forward with the idea of Phasing, however, if there is a desire change additional phases can be condensed into Phase One.

BID development budget? Seed funding? Need at least \$10,000 for start-up funds for BID once the BID Ordinance is passed.

December 16, 2015 - Community Meeting

There was general agreement that the Community meeting accomplished the goals of communicating what a BID is, how the process unfolds, conducted a thorough and useful SWOT Analysis, and was inclusive. It was noted that more business people could have been present, but at the same time many landlords do not live in the City and may have been reluctant to attend, residents are important, and all areas of the proposed BID were represented. We will work on using the UEZ list to contact businesses. Rufus Johnson discussed a program to build a partnership between banks, the city and the community and the county regarding the purchase and renovations of foreclosures. "The Introduction to the West Ward BID is a chance for the community to learn about business improvements districts and provide input into this planning process," Grossman stated. "This meeting is at the beginning of the process, and in a few months another Community Meeting will be scheduled at the end process to present the findings and proposals, " he added.

January 6, 2016

THE COMMITTEE DISCUSSED THE SPECIFICS OF WHAT WILL BE INCLUDED IN PHASE ONE OF THE PROPOSED BID.

1) South Orange Avenue: So. Orange Avenue from Dover Street to Bergen Street (Ivy Hill to Bergen St. including Vailsburg proper and the Westside Park Neighborhood), Sanford Avenue and Mt. Vernon Place, and 18th Avenue. Noting that a few blocks of So. Orange Avenue are in East Orange on the NE side., and parts of 18th Avenue are in Irvington .

2) Sanford Avenue from So. Orange to Irvington border.

3) Mt. Vernon Place - Sanford to Eastern Parkway

4) 18th Avenue from Sanford to Myrtle Ave.

In addition the following types of properties would be included or excluded from the BID:

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All 4A - Commercial, 4B - Industrial, and 4C- Including apartment buildings three units or above. All vacant land - 1. Nonprofits and Churches should also be considered, but a decision was not made. It was noted that public properties cannot be assessed but may negotiate to pay in-lieu of the assessment.

2) BUDGET: The committee agreed that the assessment should be based on property valuation. A budget analysis of this BID is being worked on with NCEDC. In order to obtain a realistic perspective of potential BID capability, based on the tax data an analysis of the budget potential will be conducted based on 7%-12% industry averages. These averages are additional assessment based on the total property tax of the most recent year provided by the City's tax assessor. The Committee has agreed that only commercial properties will be analyzed at this time (coded as: **4A, 4B, 4C, 1**), residential properties (**coded: 2**) will not be considered as assessed members of the district even if they are in the district.

The BID assessment analysis looked at all the commercial properties in the three categories and the total property taxes provided by the municipality. The property taxes were analyzed from 10% to 12% to provide guidance on the amount Committee members felt was a functional amount. The median amount Committee members agreed to was 10%. However, this amount is not the final amount as the Committee is still researching what the BID will do. Some members felt that members can only pay so much and too much might create a backlash indicating public concerns. Others felt that too little a budget would jeopardize the chances of the BID being successful indicating private concerns. Also, the Committee discussed a hybrid budget scenario where the downtown would pay a different amount than the other categories. Additionally, there were supporters of a strong marketing budget where others felt a stronger business recruitment effort was warranted. The Committee agreed to add all vacant commercial land. The Committee also was presented with 6- Service Domains of a BID that will define the budget.

In designing a retail/commercial cooperative such as a BID, addressing only one improvement aspect prolongs the revitalization process and may even be detrimental. Moving on four or six "fronts", also known as "Domains" or service-areas at the same time is required to create a solid foundation and a full service district. Moving in less than four or six domains can cause a distortion of services sometimes to the point of completely missing what is required to serve the customers appropriately. Grounded in a good community survey, a comprehensive approach will allow for sustainable improvements and revitalization. Four to six key service-area Domains operate

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simultaneously to build a solid foundation and strategy. Each Domain has a front: a line of action and a budget. Six key service-area domains are:

- 1) Management/ Organization
- 2) Public Relations/ Promotions/ Marketing/Advertising
- 3) Environmental Improvements/ Quality of Life
- 4) Business Recruitment and Retention
- 5) Planning and Legal
- 6) Business Development, Practices and Support

February 3, 2016

The Committee further discussed the boundaries and budget of the proposed BID based on an analysis of budget potentials for South Orange Avenue. The Committee further discussed the possibility of a Ward Wide BID that would include not only the four areas: S. Orange, Sanford Av., Mt. Vernon Pl., and 18th Ave., but also Central Ave., Orange St., 4th Street, Bergen St, and Park Avenue. A full ward BID capability is acknowledged as a possibility and a good idea. However, it is noted that a full BID planning process has not occurred with these new areas. Phasing in these areas at a later date is recommended after the original BID is established. It was noted that, "phasing gives us the benefit of a learning curve." The two phases were approved and agreed as follows:

Phase One:

Schedule 1: South Orange Avenue from Dover St. to Bergen St.

Schedule 2: Sanford Avenue from the Irvington Border to East Orange border.

Schedule 3: 18th Avenue from Sanford Avenue to Myrtle St.

Schedule 4: Mt. Vernon Place from Eder Terrace to Sanford Avenue

Phase Two {will consist of all or part (in the case of parts, there may be a third Phase):

Schedule 5: West Market Street from East Orange border to Bergen Street

Schedule 6: Central Avenue from East Orange border (15th St.) to 3rd St..

Schedule 7: Orange Street from East Orange border to 3rd St.

Schedule 8: Roseville Avenue from West Market Street to 3rd. St.. (into Central Ward)

Schedule 9: Bergen Street from West Market Street to So. Orange Ave.

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Schedule 10: Park Avenue from East Orange border to 3rd. Avenue

The Committee began a **strategic planning process with the SWOT Analysis** and by distinguishing between strategic (future/ goals oriented) and tactical (methods and fix-it oriented) planning. We discussed and did an exercise on how to create a team approach to strategic planning by looking at: **1)** the limiting aspects of complaints; and, **2)** the expanding aspects of assets by an exploration of the question, "What do you love about the West Ward?" It is often a question not asked ... enough. It should be the chief item of importance on a citizen or customer survey because it tells us what is most important about our community. It is a question that is answered on many levels: physical, emotional, perceptual, visceral, social, economic, and conversational. It opens up the comprehensive nature of the community, its assets developed and undeveloped, its social connectivity, and its message.

The budget and programs--what we do in a BID--should be organizational structures to manage, improve, and sustain our community assets. These assets are what is valuable about the community, and it generates all business interests. The district's destination capability and potential are its greatest assets. We need to understand this well and create a Vision Statement that describes it. Business districts must be good at understanding these assets and how they can be communicated through advertisement and every service the organization pursues.

STRATEGIC PLANNING builds upon a vision and develops an implementation strategy to work towards fulfilling on that vision. Strategic Planning builds from the bottom, or community, upwards and the community builds a consensus for a common vision. Strategic Planning works towards cooperation, coordination, and collaboration across the board to create sustainable communities. This process demands that each individual think and act more as a "community", and outside of the ordinary limits of what is possible and known. For BIDs, the "vision" is about creating ***"Places of Confidence and Inclusion"***. ***A Vision Statement is best understood as a promise to the community- a community promise, because it states clearly what is expected by the organization that will manage the expectations.*** There are two essential stages to Strategic Planning: **A)** Vision; and, **B)** Implementation

Strategy. Fundamentally, all planning has three elements or steps illustrated by these three questions: **1)** Where are we now? **2)** Where are we going? **3)** How will we get there? Strategic planning adds an initial extra step: *Visioning*: Designing a vision of a possible future from a future standpoint not from a standpoint of "fixing" the past.

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Planning can be defined as, “an anticipated set of actions designed to achieve a desired set of objectives”. Therefore, a strategic place will have a **Vision Statement** which states who you say you are if you were already there.

VISION OF THE FUTURE IS YOUR PROMISE: When we design a vision/promise of something. We boldly declare who and what we are and what we want to be known for and how we want to live. ***A vision/promise is a bold statement of what is possible and a declaration of ownership of our future.*** Without vision/promise we react to a past vision, which we do not own. And, often because we have no “ownership” we are not committed to it and the vision/promise is compartmentalized, fragmented, and not whole. Without a vision/promise, without ownership, when issues or needs arise we ***react*** in order to survive the deterioration of our environment and community. A vision/promise allows us to pause and then ***respond*** to issues and needs and concerns from a place of ownership, responsibility and commitment.

Vision/Promise Statement: The vision/promise is not fluff. It is a bold statement, a community promise of what the district is and will be and most importantly what it is accountable for and committed to. It is what every plan and action of the BID is measured against.

Accountability: What the district is “accountable” for, in terms of the vision statement, is not the work it is responsible to do, but what it is authentically. We are accountable for who and what we say we are, which the vision statement will boldly state. This requires being honest and creative. What we “love” about our community is what it authentically is. That is what we are accountable for.

Commitment: What the district is committed to is a future - a positive, effective, and excellent future. It is something bigger than any one person and literally a way of being, behaving and communicating. It is what we say is possible. ***Vision Statements*** declare what the future ***is*** for a community. Any vision whether it is personal or communal is not about any one individual. It is that which can be counted on to occur over time. This vision statement declares our future clearly, boldly and openly. Consequently, our plans and projects are designed to fulfill upon that vision.

The Vision Statement will follow this structure: *The West Ward Business Improvement District is a community of (accountabilities) committed to _____ . This is who we are. This is what you can count on.*

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February 10, 2016

BIDs manage assets as the method of conducting community development. Assets are what the BID is accountable for and are directly linked to values and can be derived by asking people what they love and feel is great about a town. The Committee began a Visioning process.

A community's success is directly linked to the maintenance and delivery of its values. This emphasis provides the arena of an asset-based rather than "fix-it" based planning approach capable of accomplishing a community-vision. With this approach, each service, project and expression of the BID enhances specific identifiable community-values rather than disagreement based on problem identification or mis-identification. A community "adds value" by enhancing what is authentically valuable about the community.

The Vision Statement is a promise to create and maintain a community's future based on its assets and values. It is not a goal, or a desire, it is a statement of what the BID stands for and how it will organize its investments.

**The West Ward Business Improvement District is a strong community connected to the world at the center of a growing and remarkable region; a hub of cultural diversity. We are committed to transforming this community into a safe district where business and residents thrive through responsible stewardship to realize its potential.
(This is who we are. This is what you can count on)**

February 17 2016

The Committee discussed the management of the proposed BID. The West Ward Economic Development Corp. AKA: West Corp. was discussed as a possible candidate. The general premise of the organization would seem to fit a BID that embraced the West Ward as a whole. However, the organization's by laws and charter would need substantive revision to meet the public-private partnership aspects of the BID, NJ BID statutory requirements, and effective representation of the BID.

The management entity of a BID is specifically designated in the enabling ordinance. The Committee discussed various management forms for the BID agreed upon the private non-profit form of management. Although guidance on the positions

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of the management Board will be discussed, enacting the management capacity will be primarily in Phase Two implementation after the BID ordinance is enacted.

There are two types of management that BIDs can consider reflecting the form of public-private partnership of the BID. The chief role of the BID management is to manage the public-private partnership. This partnership sets a new tone for government and business relations in the municipality, and leverages the assets and capabilities of each sector to provide services, improvements, and ongoing management. Some BIDs are more public than private, some more private than public.

The first type of management, and the preferred type in New Jersey- over 97%, is the **private non-profit Corporation**. It establishes a more private form of public-private partnership. The non-profit Corporation manages the BID and although a separate and distinct corporation under NJ Law, it is designated in the enabling BID ordinance to manage the BID and is subject to all the requirements of a BID. Although an agent of the municipal government, it is not a government office and operates as a private non-profit corporation. The non-profit has a Board, which elects its members, although the first Board of Directors is appointed by the Trustees of the Corporation according to its by-laws. All BIDS have a few selected positions such as one elected official from the municipality. The Corporation hires the manager and has no public requirements in this contract, and the municipal government has less direct influence. The Corporation would be the West Ward Business Improvement District Management Corporation (WWBID).

The second type of management, of which approximately 3% of New Jersey BIDS utilize, is a **Municipal Commission**. This type of management establishes a more public form of public-private partnership. In this case, a Commission is designated in the enabling ordinance to manage the BID as an office of the municipal government. It also hires the manager, but it may purchase the services of the municipality by utilizing and subsidizing a designated staff member and then it may be subject to public regulations, or it may hire someone outside of government not unlike the non-profit Corporation. The Commission is usually appointed by the Municipal Council, but would also have bylaws articulating how it is organized, its purpose, and functions. In the case of the Commission, the local government has more direct influence.

PROPOSED BUDGET

The following budget was revised and approved as follows:

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TOTAL BUDGET: \$500,000

Management (\$130,000): Manager/CEO (\$70,000) and Assistant (\$32,000), taxes (\$18,000). Health care (\$10,000)

General Administration (34,000): This amount serves to cover the costs of rent, accountant, office supplies and equipment, and other administrative costs.

Insurance (\$6,000): Liability and other insurances.

Marketing & Public Relations (\$25,000): Consultant-Staff. One of the primary goals of the BID is to communicate to stakeholders, and promote and market the district as a destination to shop and conduct business.

- **(\$30,000)** Banners and signage

Quality of Life (\$250,000): A focus on safe and clean services, signage. Upgrades, and planning.

Planning: (\$25,000) - Long range business planning, designs and training.

This budget provides general categories of services necessary to pass a budget and as guidance for the BID management entity. The management entity will create a line item detailed budget as it builds the organization.

A focus on pedestrian crossing upgrades, signage, and lighting upgrades, and planning.

FEBRUARY 17, 2016

The Committee discussed the management of the proposed BID. The West Ward Economic Development Corp. AKA: West Corp. was discussed as a possible candidate as was the UVSO. The general premise of the WestCorp would seem to fit a BID that embraced the West Ward as a whole. However, the organization's by laws and charter would need substantive revision to meet the public-private partnership aspects of the BID, NJ BID statutory requirements, and effective representation of the BID. UVSO has been the leader in promoting the BID process, but at this time would tend to not wish to be the management corporation of the BID as its service area is chiefly the Vailsburg neighborhoods. Plus, it would have to create a subsidiary, which would have the equal task of alteration as WestCorp.

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The Committee also agreed that a minimum Board of Selected positions would be added to the enabling ordinance.

The Committee agreed that there would most likely be a '**PHASING IN**' of the whole ward-BID. **Phase One** would certainly be South Orange Avenue with the potential additions of: Mt. Vernon Ave. (from: So. Orange border to Eder Terrance), Sanford Ave. (From: Irvington border to East Orange border at Abbottsford), and 18th Ave. (From: Sanford Ave. to Myrtle St.), and West Market St. **Phase Two** would be other streets such as: Central Ave., Orange St., Roseville Ave., Bergen St. and Park Avenue. {**NOTE:** These phased areas may be altered by the end of this process. }

As to the Management: It was noted that a new non-profit corporation might be the best solution in starting off anew. Nonetheless, regardless of utilizing WestCorp or a new corporation, there is a clear need for 'selected' positions on the Board of Directors representing the various areas of the West Ward with BID capability, and also agencies and organizations that are essential to the West Ward, such as UVSO.

The preferred type in New Jersey- over 97%, is the private non-profit Corporation. It establishes a more private form of public-private partnership. The non-profit Corporation manages the BID and, although a separate and distinct corporation under NJ Law, it is designated in the enabling BID ordinance to manage the BID and is subject to all the requirements of a BID. Although an agent of the municipal government, it is not a government office and operates as a private non-profit corporation. The non-profit has a Board, which elects its members, although the first Board of Directors is appointed by the Trustees of the Corporation according to its by-laws. All BIDS have a few selected positions such as one elected official from the municipality. The Corporation hires the manager and has no public requirements in this contract, and the municipal government has less direct influence. The Corporation would be the West Ward Business Improvement District Management Corporation (WWBID).

The Committee agreed and approved the following items:

1. A BID/SID by providing administrative and other business and community development services is beneficial to businesses, employees, residents, and customers;
2. ***It is in the best interest of the municipality and the public to create a special improvement district, aka: a business improvement district, and to***

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designate a non-profit district management corporation that has at minimum one member of the governing body of the municipality on its board of directors as a voting member.

3. The BID will be administered by a non-profit Management Corporation: that meets the requirements of the NJ SID statute and non-profit corporation statute representing the various stakeholder groups in the BID/SID.
4. **The BID will utilize the property tax assessment method form of assessment financing based on ad valorem property tax values.**
5. The total first-year budget will be \$500,000 based on Phase One properties only.

March 2, 2016

The Committee further discussed the "**Phasing-In**" of other areas of the Ward into the BID. The Committee agreed there would be two phases. **Phase One** is the initial BID and it will have the budget applied to them. Each area of the Ward will have a separate schedule in the ordinance so that as new areas are added the budget will indicate who will be assessed and who will not, by schedule. Phase Two will be in the ordinance, but not in the Budget resolution until it is decided that the BID is prepared to bring them into the BID and provide services.

It is agreed that **Phase One** will consist of:

Schedule 1: South Orange Avenue from Dover St. to Bergen St.

Schedule 2: Sanford Avenue from the Irvington Border to East Orange border.

Schedule 3: 18th Avenue from Sanford Avenue to Myrtle St.

Schedule 4: Mt. Vernon Place from Eder Terrace to Sanford Avenue

[CPS recommends that both Bergen Street and West Market Street be considered as part of Phase One.]

It is agreed that **Phase Two** will consist of all or part (in the case of parts, there may be a third Phase):

Schedule 5: West Market Street from East Orange border to Bergen Street

Schedule 6: Central Avenue from East Orange border (15th St.) to 3rd St.

Schedule 7: Orange Street from East Orange border to 3rd St.

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Schedule 8: Roseville Avenue from West Market Street to 3rd. Ave. (into Central Ward)

Schedule 9: Bergen Street from West Market Street to So. Orange Ave.

Schedule 10: Park Avenue from East Orange border to 3rd. Avenue

Seth A. Grossman, CPS, will meet with the current WestCorp. Board of Directors to provide an Introduction to the BID and answer questions.

The Committee approved the above items necessary to complete the planning of the proposed West Ward BID. The relationship with the City of Newark ("City"), their oversight and legal capability in regard the BID was discussed as a public-private partnership, but that the enabling BID ordinance is the "contract" between the City and the community and the management corporation. The ordinance determines the BID and who manages the BID, and this is governed by City Council. It was noted that the BID is part of the City of Newark and does not erode and, in fact, increases municipal powers including legislative responsibilities. It is the duty of the elected officials of the City to *monitor* and approve the BID's budget each year to make sure that it is being used in manner consistent with City needs and the state statute. It has the authority to step in and eliminate, alter or manage the BID if necessary including maintaining a budget to pay BID expenses.

However, the BID is a legal partnership between the business community and the City. The state statute also requires that it be managed primarily by business and property owners, or it isn't a true BID. This requires restraint, communication, and consideration from both the public and private sectors, and the interest in bringing out the best in all parties. Most importantly, the City may not use the BID to create or replace municipal services.

Although the BID as a whole is an extension of the local government, the BID is sponsored by the business community and it is they, represented by the BID management entity that is designated in the BID ordinance to make determinations to alter or rescind the BID. The City reviews and acts on these determinations to insure the welfare of the City. The City may make these determinations of the management entity only when the management entity fails or defaults.

It is important to understand that the BID management entity is legally separate from the BID itself. The management entity, although infused with the BID, manages as a privilege not a right and is not a sole or private entity even if it is a non-profit organization. It may manage its internal affairs as a private non-profit and less so as a

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commission, including bylaws, hiring, and service protocols, but it is also a quasi-governmental agent governed by the enabling BID ordinance. Failure to attend to its public responsibilities, or be accessible about its private responsibilities, will result in failure. The bottom line is that the BID management entity must meet City needs and standards and is held responsible for its actions by the City who acts as underwriter, assessment collector and distributor, and regulator of the BID ordinance. The BID management entity must be mindful that its purpose is to benefit not only the business community, but the entire municipality, and it receives significant authority to do so.

March 9, 2016

Upon review, UVSO and WestCorp representatives stated that they declined to manage the BID, but remain an integral part of the BID management as selected members of the Board of Directors. The Committee agreed a new non-profit corporation should be created. Additionally, it was recommended and agreed that the new corporation trade as the "**Partnership West, Inc.**".

The Committee reviewed the items voted on at the Fifteenth Meeting and approved them. However, it was agreed that **Schedule 5**: West Market Street, from: the East Orange border to Bergen Street, would be in Phase Two rather than Phase One.

A review of the proposed Board of Directors ("Board") guidelines of the management entity for the ordinance was conducted. The positions stated in the 15th Mtg. were accepted, but it was agreed that the New Communities Corp. and The Urban League represented Phase Two areas and would be appointed at the time Phase two was fully budgeted. Additionally, the Ivy Hill Apartments was eliminated and replaced by a "resident at-large position.

A concern was brought forth that the Board proposed was becoming too large and unmanageable. It was pointed out that essentially there are two BIDs in the West Ward: The Phase One and Phase Two BIDs areas. They represent two distinct conglomerate areas, and the five key neighborhoods of the West Ward: Roseville, West Side Park, Fairmount, Vailsburg, and Ivy Hill. With such a need for correct representation, the Board will have a strong Executive Committee design. That is, the Executive Committee, comprised of the officers and some others such as the elected officials, would meet monthly while the full Board would meet quarterly to address key organization issues such as annual plan and report, budget, and Board development. This too can be put in the guidelines for the Board in the ordinance. The officers or Executive Board could also be designed to require representation from the five key

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neighborhoods. It was also discussed that the County be a selected Board member. However, at this point it was agreed that it wasn't necessary.

Concerns regarding the size of the Board were raised. One idea is to have the Board represent the five known neighborhoods each would get , plus making sure there are three seats for So. Orange Ave. Additionally, putting all the Ward agencies on the Board may not be necessary. There could be one representative each from UVSO, The Urban League, and WestCorp. This would make the Board approx. 15 people with the Councilman and the Mayor. The Committee approved and agreed upon the following minimum Board of Directors for the proposed West Ward BID:

- **a) the district must be inclusive** of all commercial interests and represent the variety of people, apartments, and businesses that West Ward is known for;
- b) the BID represents two distinct conglomerate areas** described above as Phase One and Phase two, and the **five key neighborhoods of the West Ward: Roseville, West Side Park, Fairmount, Vailsburg, and Ivy Hill.**
- c) the district must have a Board of Directors that represents the district equitably and works with the greater community.**
- d) the district requires a comprehensive public-private partnership to realize its potential and implement its revitalization plans.**
- e) the business community must be synergistic and united in a customer service and destination marketing modality.**
- f) Government and the community work together as a public-private partnership on the tasks and vision of the BID: to honor the community's traditions, maintain community values and enhance value through excellent service to the City and Ward's customers exceeding their expectations and needs.**

- **A minimum Board of Directors is recommended (as follows) for balanced representation and a public-private partnership to consist of at large representation:**

- Each of the five neighborhood would get two seats.
- South Orange Avenue would have three seats.
- One representative each from UVSO, WestCorp, The Urban League, and NCEDC.
- The West Ward Councilman and the Mayor.
- When the Twp. of Irvington has a BID on 18th Ave., and City of East Orange has a BID on South Orange Avenue respectively, they will have one selected position on the Board of Directors.

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- When the Twp. of Irvington has a BID on 18th Ave. , and City of East Orange has a BID on South Orange Avenue respectively, they will have one selected position on the Board of Directors.

April 13, 2016 was set for the Community Meeting.

BID COMMITTEE FINDINGS

The BID Steering Committee found that:

1. There is currently no management of the West Ward business, commercial, and industrial districts as a whole, or as a public-private partnership. We tend to react rather than plan and manage. Volunteers are good and achieve some results, however, they can only do so much without professional management. There is no one coordinating authority managing the business of businesses in West Ward specifically.
2. There is no locally coordinated effort or organization to address customer and business needs.
3. The business communities, local government and residents can be in a better partnership.
4. The business zones require enhanced services beyond what the municipality can provide.
5. Working in a professional and organized manner leverages better results, and builds partnerships necessary to keep the municipality competitive and growing correctly.
6. Businesses in West Ward need to be included at the level of real partners with government in the revitalization effort.
7. In order for customers to feel welcomed and cared for, a business community must be well managed and customer-conscious.

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8. A coordinated and effective business community is key partner in the entire Ward's success.
9. Maintaining and building upon community assets is an effective strategy that provides enhanced value to our community and guests.
10. A professional organizational structure is necessary to build a community-based effort that has real authority, works on the basis of managed agreements, honors its commitments, and respects the skills and knowledge of its contributors.

STRATEGIC PLAN AND BUDGET

The Steering Committee engaged in a strategic vision process to address these concerns. The process started with agreeing to a “Vision Statement” and the Values (Standards of Excellence) of the West Ward Special Improvement District:

COMPREHENSIVE STRATEGY

The Steering Committee discussed how to include the community survey input, achieve the vision, and provide comprehensive services that could be built on over the years. Six general service areas were identified and a budget, which allows for furnishing those services.

- 1) Management and Administration
- 2) Promotions, Advertising, Public Relations, and Special Events
- 3) Environmental Improvements, Quality of Life and Maintenance
- 4) Business Recruitment and Retention
- 5) Planning and Legal
- 6) Business Development, Practices and Support

FIVE KEY COORDINATED SERVICE AREAS

Cooperative Business Management starts by understanding that every aspect of the business environment contributes to a successful experience by the customer. Cooperative Business Management is a comprehensive and coordinated approach. It requires the attention of an active professional management effort. Successful business districts (including malls, shopping centers, and shopping strips) manage the business

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environment in a comprehensive manner as a service to the customer. Service is the competitive edge. Management is the key to success. Services are grouped into the following six categories:

Management & Administration: The BID will be managed by the Partnership West Business Improvement District Management Corporation, a non-profit corporation. The Management Corporation will hire a professional manager or consulting service and maintain a professional office.

Marketing & Public Relations: The BID will develop destination marketing strategy, corporation design theme; provide joint advertising; conduct appropriate market surveys; support and design special events; support retail promotions; coordinate public relations; and have a customer information center.

Design, Quality of Life, and Improvements: The BID will provide professional clean and safety enhancement services. It will support the City's Master Plan and community plans, and provide for better managed and enhanced parking sites; improved safety & clean-up efforts; enhanced street lighting, signage, and more pedestrian friendly designs. The BID will also provide for more user-friendly outdoor design for streets and sidewalks including: benches, trees, lighting, facades, etc. It will also address pedestrian access, wayfinding and signage improvements as well as traffic problems in general.

Business Recruitment and Development: The BID will develop business investment guides and financing programs; business development, support and training programs; develop cultural, retail and dining theme plans; develop long-range strategies; and pursue public and private funding.

Planning & Legal: The BID will develop Board training, an annual BID budget and work plan, as well as short and long-term business plans. The management will work on redevelopment strategies and coordinate with the city's economic and redevelopment plans and projects. It will work as a team player with local banks, community organizations and cultural organizations. The BID management will also address upgrades to local regulations and codes.

Business Practices and Performance: The BID will operate as a business community in a cooperative and planned manner necessary for effectively responding to customer demands. Common business standards and operating procedures, such as standardized times when all businesses are open, address the organizational capacity of the district, and communicate a higher level of business sense and service.

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SECOND COMMUNITY MEETING

Citizen participation is an essential part of any BID planning process. The BID has impact and relies on its members to move forward. Receiving input from the BID members and establishing an open process will help the BID succeed. Not unlike the December 16, 2015 Meeting, the Committee will hold a meeting on April 13, 2016 with the proposed BID Community and discuss the Committee's findings, recommendations and draft proposal, and answer questions while recording input.

After the final Community Meeting, the Committee must decide whether the input received changes to their proposal. After changes are made, the Committee may decide to send a report and proposal to the NCEDC, Municipal Mayor and Municipal Council. The report may be accepted as is or sent back to the Committee for adjustments. If it accepted as is, the Municipal Council will schedule two (2) hearings: the first to place the BID ordinance and budget on the docket, and the second as a public hearing and vote on the establishment of the BID and its first year budget. This process takes at least two months.

It is not until the BID ordinance is passed or fails that the Committee's work is complete. If the BID is established, the BID Corporation or Committee takes over. The Corporation can be established immediately. But the budget may be a partial budget in 2016, and full budget will not begin until January 1, 2017. We will request that both a 2016 and 2017 budget be approved with the enabling ordinance this year.

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WEST WARD BID STEERING COMMITTEE

Robert M.	Farley
Dr. Aubrey	Gregory
Pamela B.	Daniels
Rufus	Johnson
Joseph	McCallum
Richard	Hart
Tomas	Portùras
Mecca	Keyes
Evelyn	Littles
Cesar	Viscaino
Scott	Blow
Wellington	Brown
Rev.	
Dumerzier	Charles
Diane	Mitchell
Jeanette	Seabrooks

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NOTES